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# Economic Agendas in Armed Conflict: Defining and Developing the Role of the UN

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A report of a Symposium co-organized by  
the International Peace Academy and  
the Fafo Institute for Applied Social Science,  
sponsored by the Government of Norway.

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## ABOUT THE PROGRAM

### Economic Agendas in Civil Wars (EACW)

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Initiated in September 2000, the EACW program follows from a conference held in London in 1999 which produced the seminal volume, *Greed & Grievance: Economic Agendas in Civil Wars*, Mats Berdal and David Malone (eds.) (Lynne Rienner Press: Boulder, 2000). The program addresses the critical issue of how the economic agendas of armed factions sustain violent conflict and inhibit durable peace, while also assessing the role of globalization in creating new opportunities for combatants to finance their military operations. This hitherto under-developed field of research holds particular promise of policy relevance for those international and national actors seeking more effective strategies for conflict prevention and conflict termination.

Beginning with an overall commitment to durable conflict resolution, the broad aims of the program are:

- to improve understanding of the political economy of civil wars, through a focused analysis of the economic behaviors of competing factions, their followers, and external economic actors in conflict zones;
- to examine how globalization shapes the economic interests of belligerents as well as creates new opportunities for competing factions to pursue their economic agendas, through trade, investment, and migration ties, to neighboring states and to more distant, industrialized economies; and
- to evaluate the effectiveness of existing and emerging policy responses used by external actors, including governments, international organizations, private sector actors, and NGOs, to shift the economic agendas of belligerents from war towards peace and to promote greater economic accountability in conflict zones.

Policy research and development proceed along two tracks: four expert working groups (Advisory Group, Working Group on Economic Behavior of Actors in Conflict Zones, Private Sector Working Group, and Policies and Practices Working Group) and commissioned research. Case studies have been prepared on the political economy of conflict in Burma, Bougainville (PNG), Colombia, Kosovo, Sri Lanka, Sudan, and West Africa and will be published in an edited volume (Lynne Rienner Press, forthcoming). A second volume of analytic studies assessing policy responses to the economic dimensions of armed conflict is being commissioned. Other products include periodic meeting reports, policy briefs and background papers, which are available electronically on our website (details below).

Policy development also involves on-going consultations with international experts and practitioners, academic conferences, workshops, and briefings that bring together relevant UN actors, governments, private sector actors, and NGOs. As part of a continuous outreach effort, the program has engaged in several partnerships, including the Fafo Institute of Applied Social Science (Oslo), the Institute for Security Studies (Pretoria), the Woodrow Wilson International Center for Scholars (Washington, DC), the International Institute for Strategic Studies (London), and the World Bank's Development Economics Research Group (Washington, DC). We have also built a virtual network of experts and policy practitioners through sponsorship of an electronic list-serve, <war\_economies@yahoogroups.com>.

More information on program events and all of the program reports are available on the program website at <[http://www.ipacademy.org/Programs/Research/ProgReseEcon\\_body.htm](http://www.ipacademy.org/Programs/Research/ProgReseEcon_body.htm)>

### ABOUT THE RAPPORTEUR

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## Executive Summary

The main objectives of this Symposium were:

- to examine the emerging empirical evidence on the local and global resources mobilized for internal conflicts;
- to take stock of the policy responses and tools that are being developed by states, private sector actors, non-governmental organizations (NGOs) and international institutions to manage conflict-promoting economic activities;
- to examine the effectiveness of emerging initiatives within the United Nations system to address the economic agendas of combatants and to stem the illicit financial and material resource flows that help sustain armed conflict;
- to identify ways to strengthen the UN's capacity to manage the economic dimensions of armed conflict and complement those of other actors.

The following key elements emerged from the Symposium:

- Economic activities associated with armed conflict are characterized by "anarchic exploitation", "criminalized transactions", and "militarized production". It is not an "anonymous" market which underpins conflict, but rather a chain of identifiable actors including private firms, industrialized governments in the North, financial institutions, corrupt state officials, warlords, and criminal organizations.
- In order to promote the positive engagement of states, international institutions, and private sector actors in peace and security issues, it is necessary to establish a clear normative consensus, grounded in international law, as to what constitutes their "complicity" in conflict zones through economic transactions. The UN can take the leadership in providing such a normative framework through concrete legal definitions that states and private sectors can act upon to adjust their economic behavior in conflict zones. The legitimacy and

effectiveness of such norms can be enhanced if they are developed in partnership with private sector actors, international financial institutions, and NGOs.

The main recommendations to the UN include the following:

- Develop an integrated strategy for conflict prevention and management by complementing the reduction of resource flows with calibrated diplomatic initiatives.
- Increase the synergies between security and development offices while maintaining well-differentiated responsibilities of the Security Council, the Secretary-General, the United Nations Development Program (UNDP), and the Office for the Coordination of Humanitarian Affairs (OCHA) with regards to their specific roles in reducing conflict-promoting activities.
- Have the Security Council follow up on the findings by the UN Panels of Experts on sanctions-busting activities, and impose secondary sanctions on states, corporations or individuals where necessary.
- Continue using independent UN Panels of Experts to monitor sanctions but supplement their work with a permanent support office under the aegis of the Security Council.
- Draw on the local expertise of field officers to refine and update information on conflict-promoting activities. The Secretary-General can convene a meeting of past and present Special Representatives to the Secretary-General to explore further avenues for improving UN efforts in this area.
- Complement global regulation on corporate behavior in conflict zones with reward systems, like the proposed UN-backed "white-list" for financial institutions. The UN can request member states to have financial institutions under their jurisdiction adopt existing anti-money laundering and transparency guidelines on a global, not just a national basis. The UN and multilateral banks can reward those financial institutions that comply with best practices in transparency by giving them preferences.

## Introduction

On 25 March 2002 the International Peace Academy's Economic Agendas in Civil Wars Project and the Fafo Institute's Programme for International Cooperation and Conflict Resolution (PICCR), with the sponsorship of the Government of Norway during its presidency of the United Nations Security Council, hosted a Symposium on "Economic Agendas in Armed Conflict: Defining and Developing the Role of the United Nations". The Symposium focused on the global economic connections feeding local conflicts and the strategies for dealing with them.

While globalization has helped to spread the benefits of development, it has also increased the risks of protracted violence in some cases. In countries beset by armed conflict, the opportunities made available by globalized trade and investment, have encouraged the rapacious exploitation of natural resource endowments such as precious gems, minerals, oil, and timber. Profitable global illegal markets such as the ones in coca, poppy, and cannabis have substituted the legal cultivation of agricultural products, giving combatants the financial means to acquire weapons. These "conflict goods" have found their way to world markets through legal business transactions, through well-established transnational criminal networks or by navigating the porous gray areas between them.

Yet, globalization also provides opportunities for the international community to devise more effective

instruments to address the economic dimensions of conflict. To tackle under-regulated economic activities, states, and international organizations can make use of existing legal regulations. Emerging innovative partnerships between states, international institutions, NGOs, and corporations have the potential to create more efficient and robust forms of global governance.

The UN has undertaken important initiatives, such as the Security Council-sponsored sanctions regimes and affiliated UN Panels of Experts, the UN Global Compact, which seeks to engage private sector actors on issues of peace and security, and conventions that regulate transnational crime, corruption, and the illicit flows of small arms and drugs.

As the Symposium noted, there is more that the UN and other stakeholders can do to realize the full potential of these initiatives. Since the terrorist attacks of 11 September 2001, investigations into the global support networks for terrorism indicate that a comprehensive and coordinated international response is feasible. By the same token, the development of a regulatory framework to address the economic dimensions of armed conflicts would be desirable. This report highlights the four key areas covered by the Symposium: Economic and Political Agendas in Armed Conflict: Issues and Challenges; Regulating Conflict-Promoting Activities: Selected Tools and Strategies; Assessing UN Initiatives; and Developing UN's Role in Regulating Conflict-Promoting Activities.



(l-r) David M. Malone, The Honorable Jan Petersen



H.E. Ms. Louise Fréchette

## I. Economic and Political Agendas in Armed Conflict: Issues and Challenges

Not all economic activities in conflict zones fuel violence, and different economic behaviors fuel conflict in different ways. Regardless of the nature of economic activities, it is increasingly understood that weak enforcement of existing regulations, lack of transparency in the management of natural resource revenues, and financial regulatory gaps contribute to nurture war economies.

### Natural Resource Exploitation and Armed Conflict

The World Bank's Development Research Group found that countries with economies heavily dependent on primary commodity exports are at a greater risk of war than countries that are not.<sup>1</sup> This is especially the case when countries lack transparent, legitimate, and capable institutions to govern large amounts of revenue flows generated in a short time by states or corporations. Under such conditions state officials, politicians, and military personnel have unusually high incentives to control revenues for personal profit or to translate them into political and military gain, and low incentives to channel revenues for sustainable and equitable development.

Often, control of natural resource revenue distribution is used to reward political allies or to favor sectors of the population along economic, ethnic or religious faultlines. A typical, though not exclusive, example is the distorted political economy of oil, which has recently led to the search for complex revenue-sharing and management schemes to ensure that oil money is channeled into sustainable development. Other times, the illegal or militarized extraction of legal natural resources such as diamonds, timber, cobalt, coltan, and copper by rebel groups and states alike is also used for profiteering and war-making. This has been the case in Angola, Cambodia, the



(l-r) Dr. Paul Collier, David M. Malone, Patrick Alley, Dr. Mats Berdal, and H.E. Mr. Adolfo Aguilar Zinser

Democratic Republic of Congo, Liberia, and Sierra Leone.

Some natural resources have become "conflict-commodities", but not all commodities traded to fuel war are natural resources. In fact, contraband trade in manufactured goods is also known to sustain war. In the end, what matters the most are the particular political, economic, and regulatory opportunity structures that allow the systematic abuse of production and trade for the purpose of war and plundering. These opportunity structures are formed by under-regulated international markets and ineffective national controls over production and the use of revenues.

### The Market in Small Arms

The most visible economic activity associated with conflict is the trade in small arms.<sup>2</sup> Most small arms used in armed conflict are, originally, legally produced and exported by suppliers in the industrialized world through state-authorized shipments. Too often, arms find their way to conflict zones via corrupt officials who traffic or forge end-user certificates, legitimate or corrupt arms brokers, as well as criminal organizations. Voluminous arms trafficking has been possible due to the lack of recording and reporting of sales and

<sup>1</sup> Paul Collier and Anke Hoeffler, "Greed and Grievance in Civil Wars", The World Bank Group, revised version, 21 October 2001, [http://www.worldbank.org/research/conflict/papers/greedgrievance\\_23oct.pdf](http://www.worldbank.org/research/conflict/papers/greedgrievance_23oct.pdf).

<sup>2</sup> International Action Network on Small Arms, [www.ianas.org](http://www.ianas.org).

purchases by supplier and consumer states, lack of information sharing among authorities, and the indifference of shipping companies.

The UN and regional organizations, such as the Organizations of American States (OAS) and the Economic Community of West African States (ECOWAS), have placed arms embargoes and designed measures to prevent and punish arms smuggling. These include the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (2001), the OAS Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Material (1998), and ECOWAS's renewable Moratorium on the Exportation, Importation, and Manufacture of Light Weapons (1998). Yet, the enforcement of these measures has been very weak.

Symposium participants suggested that financial intelligence and fiscal transparency measures be introduced to trace the origin, transit, and destination of weapons and all those involved in the chain of transactions. They also proposed leveraging insurance and shipping companies involved in the arms trade to ensure the implementation of existing conventions. In addition, it was noted that arms producing states, including members of the Security Council, should take appropriate legal action against those individuals, corporations, and states identified by the UN Experts Panels as having violated UN arms embargoes. Another way to limit combatants' access to weapons is to reduce their purchasing capability, which is why controls on financial transactions are crucial.

#### **Under-Regulated Private Sector Activities and Armed Conflict**

Warlords and rebel groups are usually seen as the main players in the political economy of civil wars, and have thus received the most attention from the international policy community. Private sector actors, however, are also connected to the economy of armed conflict through legal and illegal business transactions. Firms may buy the products governments or rebels trade to finance war.

Companies or individuals also provide services and transport the goods combatants need for war-making. Banks process financial transactions related to war and even serve to hide and launder the money of war profiteers. Insurance companies expand combatants' profits by paying ransom and covering other risk costs.

Combatants have abused legal businesses and even made them war targets. Yet some firms and entrepreneurs have knowingly engaged in behavior that fuels conflict. Many times perfectly legal transactions can fuel conflict, and combatants exploit the legal gaps within and across states.<sup>3</sup> Attempts to establish normative and legal guides for private sector behavior in conflict zones include voluntary codes of conduct (self-regulation) and national binding regulation. Both have problems. Voluntary codes tend to have low levels of compliance and binding national regulation by definition lacks global reach, while also leaving out many of the economic activities that fuel conflict. Overall, existing laws and proliferating standards leave unclear which behaviors make private sector actors complicit in war-making.

#### **Securing the Cooperation and Compliance of States**

On the other hand, states are also combatants in civil wars and, like rebel groups, they devote public and private resources to military purposes. For these reasons, the level of state weakness and political fragmentation, including ethnic, and class faultlines, as well as rural and urban divisions, need to be taken into consideration for an accurate understanding of political and economic dimensions of particular conflicts.

Even in a liberalized market economy governments ultimately act as gatekeepers in the formulation and enforcement of domestic law on issues of security and economic activities. States, for instance, determine which companies are entitled to the exploitation of national natural resources and how revenues are distributed within society. States monitor the transit of goods through customs agencies. Therefore, flawed state administrations can directly or indirectly contribute to the onset and continuation of war. Corruption, mistargetted regulation, and weak enforce-

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<sup>3</sup> In addition to Fafo's work cited below see also Jake Sherman's IPA Report "Private Sector Actors in Zones of Conflict: Research Challenges and Policy Responses" (IPA: New York, July 2001).



ment in developing as well as industrialized countries allow combatants to pursue their economic and political agendas with relative impunity. Thus, the design of viable solutions must take full account of the role of states. The UN must encourage greater cooperation and compliance among member states to fulfill their responsibilities as the primary guarantors of the security and well-being of their citizens.

### Defining the Role of the UN

Academic research, NGO reporting and detailed examinations like those conducted by the UN Experts Panels have concluded that activities associated with armed conflict are characterized by either "anarchic exploitation", "criminalized transactions", and "militarized production".<sup>4</sup> They have also found that it is not an "anonymous" market which underpins conflict, but rather a chain of identifiable actors including private firms, industrialized peaceful governments in the North, financial institutions, corrupt state officials, warlords, and criminal organizations, which engage in transactions that contribute to war-making. Moreover, the lack of uniform, coordinated regulation leaves gaps in the economic legal system that are eventually exploited by the parties to conflict. This points to two main challenges: 1) to set clear and legitimate normative standards that define which type of activities are acceptable and which are not, and 2) to engage key stakeholders in the process in order to create viable monitoring and enforcement mechanisms.

### Grievances and Political Incentives in Armed Conflict

Symposium participants stressed from the outset that responses to politics and grievances in armed conflicts are as important as curtailing the resources that sustain wars. It is the interaction between economic incentives and political motivations within specific power structures that causes, lengthens, and intensifies armed conflict.

Greed is undoubtedly a factor that motivates some individuals to engage in war and exploit the trade that sustains and surrounds conflict. However, need is also a powerful driver in war. Civilians located in conflict zones or in the surrounding regions survive on activities connected to conflict in the absence of alternative means of economic sustenance.

Political agendas, such as seizing power, minority rights, and national autonomy are equally crucial in shaping the contours of civil wars. Leaders of rebel organizations and states give direction and meaning to the economic activities that sustain war by articulating political goals that resonate among their followers. For instance, despite the plundering in Angola, Jonas Savimbi, the late leader of National Union for the Total Liberation of Angola (UNITA), struggled against the Peoples' Movement for the Liberation of Angola (MPLA) on ideological and political grounds. In the war in Bosnia between 1992 and 1995, most paramilitary units sustained themselves through looting, theft, trafficking, contraband, and ransoms. Nevertheless, it was clear that ethnic visions of local politicians provided an impetus for the devastating policies of ethnic cleansing pursued by the paramilitary groups. While difficult to measure, honor, pride, and prestige also shape the behavior of parties to conflict.

Practitioners must thus understand the interaction between political and economic drivers of combatants prior to the implementation of interdiction policies. They should assess the political and economic effects of policies on both combatants and civilians and, when necessary, provide civilians with alternative livelihoods. Conflict prevention, conflict resolution, and development policies must be better coordinated in an integrated approach. Stemming financial and material supports to conflict can help to shift the balance of incentives of parties from war to peace, but must be conceived as an integral component of a calibrated diplomatic strategy.

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<sup>4</sup> These terms were coined in the series of studies commissioned by Fafo's Economies of Conflict: Private Sector Activity in Armed Conflict project. "Anarchic exploitation" refers to the lack of transparency in business practices, the weakening or loss of governmental control over production in conflict areas, and the impunity of firms and governments, all of which result from unregulated domestic and international financial and trading markets and the collapse of state institutions in protracted war situations. "Criminalized transactions" involve the improper use of import-export practice, diversion of legal commodities, and mis-representation of commodities. They also refer to transactions that facilitate profiteering from illegally produced or stolen commodities and include the participation of criminal organizations. "Militarized production" occurs when commodities become of strategic importance for a military faction. It is associated with the military protection of oil installations by private security companies, the *de facto* invasion of armies and the use of armies in the chain of production. Mark Taylor, "Emerging Conclusions", *Economies of Conflict: Private Sector Activities in Armed Conflict* (Oslo: Fafo, PICCR, March 2002).

## II. Regulating Conflict-Promoting Activities: Selected Tools and Strategies

The efforts by states, firms, and international institutions to regulate economic activities to avoid the abuse of the global financial and trade global infrastructure to support wars have included measures that range from the voluntary to the legally binding. Increasingly, these involve innovative partnerships between the private and public sectors forged in order to develop and implement regulation without disrupting legal business.

### Developing Certification Regimes: Lessons from the Kimberley Process

The Kimberley Process is a promising example of international community mobilization to limit the trade in "conflict diamonds". Participants of the Kimberley Process, in particular NGOs, have sought to develop enforceable regulation with global reach. The diamond certification regime resulting from the agreement, as well as the negotiation process itself, were innovative. They offer valuable lessons for the development of international partnerships to curtail conflict trade.

The effort began after NGO investigations into sanctions-busting in Angola and Sierra Leone. In May 2000, the government of South Africa convened the first of 13 meetings to develop mechanisms to reduce the trade in conflict diamonds by raising the transaction costs to illicit traders. After two years of negotiations, the final agreement reached in Ottawa in March 2002 brought together 37 governments, the diamond industry, and NGOs, and set minimum standards for all diamond producing and trading countries. The agreement includes three main elements: 1) a standardized control in producing countries, from mine to the point of export; 2) a certification process in which diamonds are moved internationally in sealed packages with a government certificate, received by customs in the importing country and documented, making the industry auditable; and 3) controls in countries where packages are opened for



(l-r) Dr. Virginia Haufler, H.E. Mr. Wegger Christian Strammen, Mr. Ian Smillie, Mr. Jonathan M. Winer, and H.E. Mr. Alfonso Valdivieso

cutting and polishing. Here, the industry has proposed to complement the certification regime with a chain of warranties to track those diamonds as long as they remain in their rough state. Governments will certify diamonds that are re-exported. The action combines voluntary and binding elements.

### *The role of NGOs*

The actors involved in the Kimberley Process had complementary roles. NGO independent research and advocacy unveiled and delivered credible information that focused the attention of governments and industry on the way diamonds were connected to conflict on the ground. In January 1999, UK-based NGO Global Witness gave an unofficial briefing to the Security Council on the diamond trade based on their report, "A Rough Trade: The Role of Companies and Governments in the Angolan Conflict". The report addressed the violations of the 1998 UN embargo on the export of Angolan diamonds unaccompanied by a certificate of origin. It was the first NGO briefing to the Security Council on any subject. Immediately after, the brutal war in Sierra Leone, also connected to diamonds, began receiving public attention through the work of Partnership Africa-Canada and its January 2000 report, "The Heart of the Matter: Sierra Leone, Diamonds and Human Security". The diamond industry feared reputational costs and even a boycott by activist NGOs. Yet, one of the most constructive choices of Global Witness and Partnership Africa-Canada was to engage the diamond industry, rather

than calling for a boycott of diamonds, which they recognized would have been detrimental to legitimate business crucial for the economies of many African countries.

### *The role of the UN*

The United Nations, though not formally a signatory to the agreement, was essential to the process in the following three ways:

- 1) Four months after the 1999 briefing on diamonds by Global Witness, the Security Council appointed a Panel of Experts to investigate and report on sanctions-busting activities. The Experts Panel's detailed, explicit, and open reports added significant credibility to the problem of conflict diamonds being raised by NGOs and the media. They also demonstrated that African conflict diamonds were closely linked to global markets.
- 2) UN initiatives prompted important changes in the way governments approached the diamond trade before negotiations were concluded. The "Final Report of the UN Panel of Experts on Violation of Security Council Sanctions Against UNITA (S2000/203)", the first one from the new series of Experts Panels, and the December 2000 Report on Sierra Leone, finally prompted Switzerland and Belgium to adjust their imports and exports procedures to prevent the entry of diamonds from countries under the UN embargo. Belgium also moved to institute bilateral agreements with Angola, Sierra Leone, and Guinea to develop certificates of origins to be able to identify illicit diamonds.
- 3) Once South Africa initiated the Kimberley Process in May 2000, the UN General Assembly endorsed and legitimized the process issuing Resolution 55/56, which was adopted on 1 December 2000. The resolution was co-sponsored by 48 states and unanimously adopted. UN endorsement and political action was crucial to making this a truly international agreement, since it was clear from the process that affected countries were unlikely to adapt their legislation and practices unless an international legal mandate encouraged them to do so.

### *The role of states*

Having lead states, in this case South Africa and the United Kingdom, shepherd and champion the process was crucial. More broadly, government involvement in the process was also key since certification would require implementing legislation.

### *The role of the private sector actors*

Engaging the industry in the process was important because, ultimately, the industry had the most accurate knowledge of its own operations and the certification regime involved changes in their procedures. In addition, all stakeholders agreed that maintaining a "clean" diamond industry is indispensable for the economic well-being of all diamond producing countries.

### *Global coverage*

The main strength of the Kimberley Process agreement is its *de facto* global coverage. All major producers are part of the agreement and they can only trade with governments that belong to it. Another strength is that certification of this kind has the promise of targeting the illicit trade while protecting the legitimate interests of legal trade.

### *Weaknesses and future challenges*

The main weakness of the Kimberley agreement as it stands is the lack of an effective and credible monitoring mechanism; there is currently no agency or committee in charge of verifying that all countries and firms are in fact implementing the agreement. The main operational challenge is to develop the technical and administrative capacity of national customs authorities to enforce the certification regime, and to establish what to do in cases of blatant breaches of its provisions. Progress and effectiveness will depend on the continued commitment and cooperation of producers, traders, governments, and NGOs to ensure compliance.

### *Promoting Financial Transparency*

To reduce the linkages between economic activities and armed conflict, financial transparency within the

global financial system is indispensable. Identifying and cutting the financial flows that fuel wars can debilitate combatants' financial and war-making capabilities, thereby increasing their incentives to negotiate peace accords. More generally, greater financial transparency can help deter and limit corrupt behavior by state officials and corporations whose actions feed into the escalation of conflict.

Existing measures to improve financial regulation and limit money laundering can assist to stop armed conflict. The UN, the European Union, the Council of Europe, the OAS, the Organizations for Economic Cooperation and Development (OECD), as well as regulatory initiatives by organizations such as the Basel Committee on Banking Supervision, have drawn up general standards to promote financial transparency. The OECD's Financial Action Task Force (FATF) has exercised peer pressure and "naming and shaming" with important results. FATF member and non-member states concerned with reputational costs have moved to improve anti-money laundering legislation, and measures on financial transparency, including the reform of off-shore banking. Additional efforts after 11 September to control terrorist finances may also have a spillover effect on regulating economic flows to armed conflicts.

Yet the enforcement of financial controls has had, at best, partial results. Not all countries have the technical capacity to supervise the financial behavior of local and sophisticated international banks. The disparity of standards and laws between state jurisdictions is also an obstacle to setting controls, undertaking financial investigations and detecting criminal behavior and the abuse of the financial system. Thus, fostering equal standards and global application of regulations to private financial flows and international financial services becomes necessary.

It was proposed at the Symposium that financial institutions, especially those operating globally, are often better equipped than states to detect and prevent the financial transactions that sustain war-making, given their technical expertise and organizational

capacity. A recent initiative by the banking community to improve anti-money laundering procedures is the Wolfsberg Anti-Money Laundering Principles established in October 2000. It is, however, still in its initial phase, lacks an assessment mechanism, and a practical system of rewards and disincentives.

A structure of incentives and assessment mechanisms managed by globally legitimate bodies must be in place to ensure self-regulation. One possibility is the use of "white-lists" to reward financial institutions which comply with transparency measures. The reward for compliance could be having the UN, the World Bank, regional banks, private foundations, export-import banks, and other government-sponsored entities, or even agencies of nation states that operate internationally, depositing and managing their money only in the certified financial institutions of the "white-list". The system would need to be designed to avoid unfair competition detrimental to smaller financial institutions in the developing world.<sup>5</sup>

Shifting the locus of regulation onto the financial institutions, especially those operating globally, has an additional advantage of preventing the operations undertaken according to different standards depending on their geographical location. The UN and member states can contribute to this process by lending technical assistance to member states to adopt the standards of the UN Vienna Convention Against Psychotropic and Illicit Drugs (1988) and to help the private sector harmonize their operations in accordance with the Convention Against Transnational Organized Crime (2000).

More broadly, financial transparency and documentation can be a powerful tool when combined with other forms of voluntary or binding measures designed to regulate the economic activities that fuel wars, for example, by complementing certification systems used to regulate the flow of weapons. Taken together, these procedures would help differentiate licit from illicit transactions, and identify the actors associated with illicit arms trade.

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<sup>5</sup> Jonathan M. Winer, "How to clean up dirty money", *Financial Times*, Financial Times, Weekend, 23-24 March 2002, p. 1, and "Illicit Finance and Global Conflict", *Economies of Conflict: Private Sector Activities in Armed Conflict*, Fafo-report 380 (Oslo: Fafo, PICCR, March 2002).

### **The Limitations and Advantages of Self-Regulation by Private Sector Actors**

There are an expanding number of voluntary measures on transparency, bribery, the use of private security firms and commodity certification regimes. These frameworks include industry-based voluntary principles and codes of conduct. Though a positive development, the partial coverage of these frameworks means that many opportunities for evasion and non-compliance remain.

Having firms exercise self-regulation, as opposed to regulation by states on firms without their willing participation, may have advantages. It solves some of the enforcement problems faced by state authorities, many of which have limited capabilities and access to accurate information on private sector activities. Instead, firms have greater information on the nature of their own activities, larger financial resources, and relatively more efficient administrative structures than states. On the other hand, firms have little incentive for self-regulation if they perceive defection to be high and compliance to hamper their relative competitiveness, especially against less scrupulous players. Monitoring and verification of voluntary measures also tend to be highly problematic.

The international community can make it easier for firms to act together through systems of incentives and disincentives that apply globally. Binding regulation may have greater merits and, ultimately, corporations can benefit if rules apply equally to all players. Yet, so far, binding rules exist in only some parts of the world, leading traders and combatants to shift their routes and transactions to less regulated jurisdictions. Besides, even institutions or industrialized states with more developed standards and laws have gaps which are exploited by smugglers.

It was noted at the Symposium that private sector actors need a combination of voluntary measures that can be swiftly set in place at low operating costs for states and firms, as well as binding global rules to level the playing field among firms. Binding rules establish clear expectations and guidelines as to the behavior of private firms. Furthermore, firms should be part of the process of designing and implementing rules, and the implementation of voluntary and binding rules must be attached to mutual or external independent verification.

### III. Assessing UN Initiatives

The UN has used comprehensive and targeted sanctions to block the flow of weapons and money to armed conflict. Yet, substantial improvements can be made to monitor sanctions following the achievements of the UN Panels of Experts. Besides improving the monitoring of sanctions, the UN can learn from other experiences, particularly the recently created Counter Terrorism Committee (CTC).

#### UNSC Sanctions Regimes and UN Panels of Experts: Lessons Learned from the Application of Sanctions Against UNITA

From 1992 to 1998, the UN Security Council progressively imposed a series of sanction packages aimed at ending internal conflicts by cutting off the financial resources and weapons of combatants. In several cases, sanctions were violated with total impunity. The Security Council thus recognized that enforcing sanctions would require some form of monitoring to identify sanctions-busters. In the case of UNITA in Angola, the UN Security Council through its Sanctions Committee established in May 1999 a Panel of Experts with a six-month mandate to collect relevant information. On 10 March 2000, the panel produced the pioneering "Final Report of the UN Panel of Experts on Violation of Security Council Sanctions Against UNITA (S2000/203)" that explicitly "named and shamed" particular governments, companies and individuals believed to be involved in the violation of sanctions. For the first time, the Security Council had a comprehensive and documented evaluation of the activities that benefited UNITA. The exercise of publicly identifying sanctions-busters, and describing in detail the methods they used, constituted a watershed in the way the Security Council approached the administration of sanctions.

The practice of "naming and shaming" by the Panel of Experts put pressure on member states to uphold their legal obligation to follow through on implementing UN sanctions. Yet, diplomatic arm-twisting was not enough to obtain full compliance by all member states. Subsequently, the Security Council established the



(l-r) H.E. Mr. Stewart G. Eldon, David M. Malone, Ambassador Juan Larrain, and H.E. Ms. Claudia Fritsche

Monitoring Mechanism of sanctions against UNITA in April 2000, which has been extended until 19 October 2002. In addition to identifying the networks of sanctions-busting, the mechanism would also investigate pending leads with a view to improving the implementation of sanctions. As the mechanism lacked subpoena powers,<sup>6</sup> it pursued a three-fold strategy to ensure reliable and credible findings: 1) it required that findings of violations be supported by minimum acceptable standards of independently verifiable evidence; 2) it enlisted the cooperation of governments, regional organizations, Interpol, and the World Customs Organization to provide additional documentation; and 3) it continued to rely on the use of good offices and quiet diplomacy.

The 1999 Panel of Experts to monitor sanctions on UNITA served as a model for other cases. Thereafter, the UN Secretariat appointed Panel of Experts to investigate the conflict trade and violations of sanctions in Sierra Leone (July 2000), and Liberia (re-established on February 2002), and the illicit exploitation of natural resources in the Democratic Republic of Congo (July 2000).

#### *Strengths, weaknesses and future challenges for monitoring sanctions*

The Panels of Experts have two main strengths: 1) their independence, as the experts are selected and

<sup>6</sup> This weakness is also true for all Experts Panels.

appointed by the UN Secretariat and are thus detached from the particular interests of the Security Council and of individual member states; and 2) their boldness to "name and shame", leading some governments to improve their compliance efforts. The net result has been the significant reduction of illicit flows to sanctioned actors.

At the Symposium, there was widespread consensus that the Experts Panels have proven their worth in improving the UN's sanction enforcement capability. However, it was also stressed that their work has been hampered by their lack of institutional and financial support. As *ad hoc* and time-limited bodies, they lack a permanent institutional facility that would enable them to coordinate their work, accumulate a common stock of information, and avoid costly and time-consuming duplication.

While there was broad support for the creation of a permanent sanctions monitoring facility, different alternatives were offered on what form it should take. Some participants suggested that the UN continue with Experts Panels but also supplement their work and that of the Sanctions Committees by establishing a permanent support office. This office would be small to minimize its financial costs, operate under the aegis of the Security Council, and maintain a roster of knowledgeable experts.

Other participants, however, believed that subordinating the Experts Panels to the authority of the Security Council would compromise both their independence and their credibility, while creating additional administrative and political burdens for the Security Council itself. Participants urged that permanence not be bought at the expense of the panels' independence.

Another issue, related to the credibility and independence of the panels, concerned the compilation of lists of sanctions violators. Participants noted that panels have had uneven access to sources of reliable intelligence to confirm and verify the information on the lists of violators provided by member states. Cooperation with international enforcement agencies such as Interpol and the World Customs Organizations

has been useful in this respect, but could be strengthened. Whether formalizing cooperation with these agencies is possible and desirable should be examined carefully.

Finally, in certain cases, the Experts Panels have lacked the power to demand compliance from member states. The arms industry has been particularly notorious for sanctions-busting, yet the will of the Security Council members to regulate industries located in their own territories has been ambiguous at best. The Security Council and many UN member states have yet to take robust action against those corporate actors, officials, and other actors involved in the illicit trafficking in natural resources and weapons in conflict zones.

#### The Counter Terrorism Committee (CTC): Lessons and Potential Effects on the Regulation of Conflict Trade

In response to the terrorist attack of 11 September 2001, the Security Council issued on 28 September Resolution 1373 (SC1373), which puts in place guidelines on the type of conduct expected by governments in the fight against international terrorism, including requirements to stop the financing of terrorism. SC1373 draws from previous relevant conventions, but has a broader mandate than the International Convention for the Suppression of the Financing of Terrorism (1999) since it is issued under Chapter Seven of the UN Charter. To monitor the implementation of SC1373, the Security Council created the CTC.

The tools and strategies established by the CTC under SC1373 may also benefit the objective of reducing illicit resource flows to conflict zones. Broadly speaking, counter-terrorism policies and regulations address many of the same phenomena that contribute to armed conflict, including money-laundering, transnational organized crime, illicit drugs, illegal arms trafficking, the counterfeiting, forgery or fraudulent use of travel documents, and the financial transactions behind all these activities. Attempts to strengthen states' enforcement capabilities to prevent these criminal activities may thus help to reduce conflict trade as well.

Accordingly, it is important to look at the work of the CTC closely. The CTC prepared guidelines for member states to report on concrete steps taken to combat international terrorism and stop terrorist financing. Making the release of information on anti-terrorist measures compulsory has led states to re-evaluate their capacity to take action against terrorism and reform their agencies and policies.

The work of the CTC also provides a potential model for the provision of technical assistance to improve sanctions compliance and state enforcement of regulatory frameworks seeking to address the legal and illegal flows in armed conflict. Recognizing that many governments would fail to meet the expected enforcement standards if they lacked the technical capacity to

do so, the CTC adopted the role of a coordinating and facilitating center for both states seeking the necessary expertise and states providing technical assistance. The actual assistance is provided in a decentralized manner, either through bilateral agreements, international or regional organizations, or also through the experts of the CTC.

The CTC has had good results in galvanizing states into action against terrorist finances. In contrast, Experts Panels have had less power to guarantee state action against sanctions-busters, since they rely on the good will of enforcement agencies and government officials to provide them with relevant information and face the reluctance of the Security Council to back their findings.



## IV. Developing The UN's Role in Regulating Conflict-Promoting Activities

The UN is only one of many actors needed to design and implement effective regulation of conflict-promoting economic activities. Symposium participants stressed, however, that the UN is uniquely placed to undertake indispensable initiatives to curtail the resource flows that sustain armed conflict. They made the following recommendations for the UN:

### The Need For An Integrated Strategy

An emerging priority for the UN is to create an integrated strategy of conflict prevention and management. Integration must occur in two levels.

- 1) Economic sanctions and regulation of conflict-promoting economic activities should be complemented by action on the political and diplomatic fronts, since the main objective of reducing the finances of combatants is to shift their incentives from war to peace. Interdiction policies should not create unintended political and economic incentives or block peace processes. Interdiction policies should also include prior assessment of their effect on civilians and compensatory efforts to provide them with alternative livelihoods.
- 2) An integrated strategy requires the incorporation of conflict prevention strategies into development policies. Participants called for a greater synergy between security and development offices within the UN system, but stressed that UN bodies should maintain their core roles. In particular, they emphasized that the Security Council should not adopt conflict prevention and peace building responsibilities. Leadership in those areas should be exercised by the Secretary-General, UNDP, and OCHA. The UN should also seek to work with relevant institutions outside the system, like the World Bank and regional banks, which have relevant skills to engage in the broader range of social and economic activities related to short-term and structural conflict prevention.



H.E. Mr. Yves Doutriaux

Armed conflict, however, should be a primary concern of the Security Council. Here, the Security Council needs to adopt a leading role in generating political will among its members, other member states, and the international community at large to adopt appropriate regulatory frameworks to reduce conflict promoting economic activities. It can do so through Security Council resolutions.

### Developing Internal Capacity

Through their reports, the Experts Panels and NGOs have revealed relevant and much needed empirical information on how international economic activities relate to local dynamics of war. The UN can contribute to refining and updating this information by making better use of the expertise it already has, particularly by drawing on the local expertise of those on the field. The knowledge of the Special Representatives of the Secretary-General in conflict zones may be particularly useful. It was suggested that the Secretary-General convene a meeting of past and present Special Representatives to the Secretary-General to explore further avenues for improving UN efforts, particularly with respect to operations-level initiatives. The results of this meeting could be systematized and disseminated back to the Security Council and other Headquarter departments, with a view to assisting the design of more responsive mandates and instructions for those working in peacemaking and peacebuilding operations.

### **Effective Action Against the Violation of Sanctions**

The Security Council has been slow to act upon the findings of the Experts Panels on sanctions-busting activities by states, corporations, and individuals. A striking contrast is the political interest and means devoted to implement SC1373 against terrorism. Actions taken on counter-terrorism have demonstrated that the Security Council can act boldly to ensure that member states effectively counter threats to international peace and security in a coherent and cohesive way.

Any attempt to address effectively both the economic and political aspects of armed conflict must count on the commitment of Security Council member states and major international donors. Security Council member states must follow through the implementation of sanctions, exercise their political influence to dissuade combatants from war making, and provide adequate means and mandates for peace missions.

### **The Need for Globally Applicable Norms and Standards**

Symposium participants called on the UN to 1) lead the way in setting global standards for responsible economic behavior of states, international organizations, and private sector actors in vulnerable and war-torn states; 2) build consensus for such standards among member states and the international community; and 3) serve as a forum to develop binding international regulation to reduce the financial resources that fuel wars.

The UN can draw from several existing UN instruments to offer a legal basis for addressing key aspects of illicit resource flows to armed conflicts. These instruments include the Convention for the Suppression of Terrorist Financing (1999); the Convention against Transnational Organized Crime (2000); the programme of action from the UN Conference on the Illicit Trade in Small Arms and Light Weapons (2001), and the Convention Against Illicit Traffic in Narcotic and Psychotropic Substances (1988). Regulation can also build on international agreements to fight corruption and bribery, International Humanitarian Law, human rights law, and conventions on war crimes, crimes

against humanity, and genocide. These may provide a basis for a single, comprehensive, normative and practical policy framework for coordinated, global regulation.

### **Regulating Private Sector Activities Related to Armed Conflict**

Globalization and economic liberalization demand that the UN consider actors other than states, such as corporations, as parties bearing responsibility for international security. Increasingly, corporations have undertaken meaningful corporate social responsibility (CSR) measures, but they fail to address armed conflict. This gap must be filled with voluntary as well as binding measures for companies in such diverse sectors as banking, insurance, transportation, energy, arms, and manufacture.

#### *Defining complicity*

Since July 2000, the UN has engaged the private sector through the UN Global Compact to work towards a sustainable global economy. The Global Compact has initiated private sector dialogues in zones of conflict, but has failed to address the normative and regulatory gaps regarding corporations and armed conflict. The UN must develop standard normative language to define private sector complicity in economic activities related to war. Clear definitions of what constitutes conflict trade and complicity in the transactions that sustain war can be incorporated by corporations in their management strategies and by states in their domestic legislation. Without this basic step, it will be impossible to set concrete expectations on corporations.

#### *Developing a global regulatory framework*

While codes of conduct can influence the behavior of businesses without disrupting their activities, Symposium participants agreed that identifying which economic transactions constitute economic crimes in the context of war and developing global regulation were ultimately necessary. Corporations tend to prefer non-binding approaches, yet a global regulatory framework can solve collective action problems for businesses by leveling the playing field.

On the other hand, negotiating an international convention with global reach to regulate resource flows to armed conflict is likely to take several years and face political obstacles. Therefore, it is crucial that the UN identifies concrete actions it can undertake in the short-term.

### *Global reward systems*

Global regulation can be complemented with reward systems, like the proposed UN-backed "white-list" for financial institutions. The UN can request member states to have financial institutions under their jurisdiction adopt existing anti-money laundering and transparency guidelines on a global, not just a national basis. Financial institutions would have to apply the same standards in all jurisdictions, even in cases where governments have little ability to enforce regulation. Subsequently, the UN, the World Bank and other International Financial Institutions can reward abiding financial institutions by letting the accredited ones manage their deposits, loans and investments.

### *Extending targeted sanctions*

Targeted sanctions could be extended to corporations implicated in sanctions-busting or trafficking of illicitly exploited natural resources. The Security Council could require member states to freeze accounts, block commercial and financial transactions, including investment and credit services, and impose travel restrictions on employees, contractors, or board members as a means of applying coercive pressure to corporate decision-makers in an effort to change or restrict their behavior.

### **Building Strategic Partnerships Beyond the UN System**

The UN on its own cannot tackle the range of complex issues involved in the political economy of conflict. The UN can use strategic partnerships with NGOs, the World Bank, international financial institutions, as well as regional organizations, and private sector actors. Each of these actors has specialized knowledge on certain aspects of global and local economies. They also have particular strengths for mutual monitoring

and can exert leverage over states, firms, and individuals at the global level.

### *With International Financial Institutions*

UN leadership is essential to transform the mandates of institutions like the World Bank and the International Monetary Fund with regard to conflict-promoting economic activities and, more broadly, conflict prevention. The UN can encourage these institutions to incorporate financial transparency clauses in their operations and contracts with states and firms. Already, the World Bank and the International Finance Corporation are developing innovative revenue-sharing and management schemes to ensure the equitable and transparent distribution of natural resource wealth.

### *With regional organizations*

Many of today's civil wars are also regional conflicts. Neighboring states are affected by the proliferation of small arms, illicit trans-border trade, and other criminal activity, as well as the more well-known political, security, and humanitarian spillover effects of civil wars. The UN can assist regional and sub-regional organizations to strengthen their institutional capacities to implement relevant UN and regional conventions, taking care not to duplicate work, and to mainstream conflict prevention in their activities. The UN should continue its work to develop policy responses with regional organizations in the areas of conflict prevention and management.

### *With the private sector*

The UN Global Compact should continue its work to engage the private sector in conflict prevention and management. In addition it should take advantage of its unique opportunity to engage the private sector in developing acceptable norms and legal definitions of what constitutes legal and illegal economic conduct in conflict zones. As learned from the Kimberley Process, it is necessary that private sector actors take active part in this process, since they have relevant and detailed information on their own operations and transactions, and can effectively become enforcers of regulation.

*With NGOs*

The recent experiences of the Experts Panels reports, the Kimberley Process, as well as other efforts to address state and private sector behavior in armed conflict show that NGOs can exercise well-defined roles complementary to the UN and, more specifically, to the Security Council and sanctions monitoring bodies. NGO investigation and reports are useful

sources of information. NGO independent reporting exercises de facto monitoring and oversight on the behavior of states and firms. NGOs can also construct and host databases needed to monitor and regulate the flow of weapons and commodities that nourish the economy of war. Finally, through the disclosure of information, NGOs can exercise a constructive leverage *vis á vis* private sector actors without necessarily calling for industry boycotts.

## Statement by the Foreign Minister of Norway, Jan Petersen, at the IPA/Fafo Symposium on Economic Agendas in Armed Conflict

New York, 25 March 2002

Madam Deputy Secretary-General, Your Excellencies, Ladies and Gentlemen,

First, I would like to express my gratitude to the International Peace Academy and Fafo for organizing today's symposium on Economic Agendas in Armed Conflict. As your studies clearly show, struggles over natural resources can trigger hostilities, turn low intensity conflicts into full-scale war, and prolong terror and violence.

Most armed conflicts are complex, and have deep ethnic and historical roots. Often they have their origin in poverty and discrimination. But it is increasingly clear that lack of economic opportunities and pure greed are prominent root causes as well. Hence, in preventing and resolving armed conflicts, we must focus on the economic dimensions of war.

Most of today's armed conflicts are taking place inside states, rather than between them. But they have impacts far beyond state borders – flows of refugees, smuggling and other crimes, the spread of arms. Truly internal conflicts are hardly ever found.

Rich natural resources provide opportunities, but they do not ensure results. Oil, timber, diamonds and minerals are no guarantee of peace and prosperity. They frequently contribute to the opposite, as we have so tragically seen in Africa and elsewhere.

Valuable natural resources may not only trigger wars, but also sustain them. During the past decades, economically driven conflicts have become not only more frequent, but also more persistent.

The rule of law and transparent economies are essential to maximize wealth from raw materials. Responsible governments are essential to turn wealth into opportunities for all. And opportunities for all are essential for stability and viable societies.

Often we are witnessing that both governments and rebel groups are profiting from the exploitation of their countries' natural resources. Poor and destitute youngsters are recruited to fight their own countrymen in order to enable a powerful few to amass wealth. All too readily available small arms undermine law and order, break down the fabric of society and spread fear, hatred and violence.

Over time, soldiers, officials and others become dependent on conflict and war for their livelihoods. Peace becomes not only a question of settling disputes, but also of fighting crime and finding alternative sources of income for large groups.

Neighboring countries and international criminal networks are often fueling the conflict by contributing to the illegal exploitation of natural resources. Private companies and financial institutions – even in countries far away – may promote violence and war by illicit business transactions and money laundering.

We are all affected. The illicit trafficking in natural resources and drugs underpin both criminal networks and terrorist activities around the world.

Ladies and gentlemen, the main responsibility for preventing and resolving conflicts lies with national governments. They have the responsibility for creating a law-based society with equal opportunities. Far too often they also have the means to do so, but choose not to.

But also the outside world has a responsibility to help prevent violence and war:

Above all, neighboring countries must avoid fueling the fire by seeking to enrich themselves by plundering their neighbor's wealth. They must avoid adding to the conflict by supporting or turning a blind eye to the smuggling of natural resources, money and weapons.

Instead they should take advantage of their proximity to assist those seeking peaceful solutions and reconciliation. Such efforts deserve every possible support.

Regional organizations must assume a greater share of responsibility for preventing and resolving conflicts. The European Union has been instrumental in this regard in Europe. The OAS has made important contributions to peace and democracy in Latin America, while the OAU has made great efforts to secure peace in many parts of Africa.

However, the most important peace building measure that regional groups and organizations can take, is to promote the broadest possible cooperation between neighboring countries – advancing common interests and visions.

Both neighboring and other countries have a clear responsibility to prevent their business community to avoid illicit trade, money laundering and other illegal activities.

Also the United Nations and other international organizations can help:

Firstly, by assisting member countries to combat corruption, tax evasion and organized crime. And by helping developing countries to build legal systems and effective public administrations, to attract investment and to adhere to internationally recognized trade rules.

Secondly, by helping to prevent the spread of criminal networks and terrorist organizations. The UN Convention against Transnational Organized Crime and the Convention for the Suppression of Terrorist Financing are important instruments to this end.

Ensuring the full implementation of Security Council Resolution 1373 will not only help to suppress the financing of terrorism, it will also assist us in our fight against organized crime.

Thirdly, the United Nations can encourage the business community to adhere to acceptable standards – also when operating in conflict zones. I would like to commend Secretary-General Annan on his Global Compact Initiative. The member countries and their business communities should build on this platform to ensure that their companies operate in a responsible manner and do not profit from violence and conflicts.

In a global world, we need a global code of conduct as well as a global white-list to ensure that transparency and other basic standards are met.

Fourthly, securing justice. Justice is key to peace and security. It promotes both reconciliation and conflict prevention. If national legal systems are unwilling or unable to apprehend and prosecute the perpetrators of international crimes, the international community must take responsibility. This is why we need an International Criminal Court.

Finally, as a last resort, we must be prepared to use coercive measures. If voluntary means to obstruct fuelling of conflicts do not work, we must consider economic and other sanctions.

The targeted sanctions to reduce UNITA's income from the diamond trade seem to have reduced its military strength. The targeted sanctions against Sierra Leone and Liberia have had a positive effect by reducing the rebel groups' income and influence.

Ladies and Gentlemen: The primary role of the United Nations is to safeguard international peace and security. Economically driven conflicts are a growing threat to our security and must be firmly dealt with.

To do so, we need a better understanding of how to effectively attack the causes of these conflicts. What can we do as neighboring countries? As regional partners? And as members of the United Nations?

Hopefully this seminar will bring us a step further.

Thank you.

# Economic Agendas in Armed Conflict: Defining and Developing the Role of the UN

A Symposium co-organized by the International Peace Academy  
and the Fafo Institute for Applied Social Science,  
sponsored by The Government of Norway

Monday, 25 March 2002  
8:30 a.m.-1:15 p.m.  
Millenium Hotel New York UN Plaza  
New York, New York  
44th Street & First Avenue  
2nd Floor, Dag Hammarskjöld Room

## Agenda

- 8:30      Breakfast
- 9:00      Inaugural Addresses:      H.E. Ms. Louise Fréchette, Deputy Secretary-General, United Nations  
The Honorable Jan Petersen, Foreign Minister of Norway
- 9:15      Welcome & Opening remarks:      David M. Malone, President, International Peace Academy  
Mr. Jon Hanssen-Bauer, Director, Fafo Institute for Applied  
International Studies
- 9:30      Session 1      Economic Agendas & Armed Conflict:  
Identifying Issues and Challenges
- Chair:      David M. Malone, President, International Peace Academy
- Speakers:      Dr. Paul Collier, Director, Development Research Group, World Bank  
Mr. Patrick Alley, Director & Co-Founder, Global Witness  
Dr. Mats Berdal, Director of Studies, International Institute  
for Strategic Studies
- Discussant:      H.E. Mr. Adolfo Aguilar Zínser, Permanent Representative of Mexico  
to the United Nations
- 10:30      Session 2      Regulating Conflict-Promoting Economic Activities:  
Tools and Strategies
- Chair:      H.E. Mr. Wegger Christian Strømmen, Deputy Permanent  
Representative of Norway to the United Nations



	Speakers:	Dr. Virginia Haufler, Professor of Government, University of Maryland Mr. Ian Smillie, Partnership Africa Canada, and former member of UN Experts Panel on Sierra Leone Mr. Jonathan M. Winer, former Assistant, Secretary of State for International Law Enforcement, US State Department
	Discussant:	H.E. Mr. Alfonso Valdivieso, Permanent Representative of Colombia to the United Nations
11:45	<u>Break</u>	
12:00	<u>Session 3</u>	<u>Assessing Recent UN Initiatives</u>
	Chair:	David M. Malone, President, International Peace Academy
	Speakers:	H.E. Mr. Stewart G. Eldon, Deputy Permanent Representative of the United Kingdom to the United Nations Ambassador Juan Larrain, Chair, Monitoring Mechanism on Sanctions against UNITA, United Nations Department of Political Affairs
	Discussant:	H.E. Ms. Claudia Fritsche, Permanent Representative of the Principality of Liechtenstein to the United Nations.
1:00	<u>Summation:</u>	<u>Policy Lessons for the UN</u>
	Co-chairs:	H.E. Mr. Wegger Christian Strømme, Deputy Permanent Representative of Norway to the United Nations David M. Malone, President, International Peace Academy
1:15	<u>Close</u>	

## Inaugural Addresses

H.E. Ms. Louise Fréchette  
Deputy Secretary-General, United Nations

The Honorable Jan Petersen  
Foreign Minister of Norway

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