This chapter first appeared in *Governance, Natural Resources, and Post-Conflict Peacebuilding* edited by Carl Bruch, Carroll Muffett, and Sandra S. Nichols. It is one of six edited books on Post-Conflict Peacebuilding and Natural Resource Management. (For more information, see www.environmentalpeacebuilding.org.) The full book can be purchased at http://environmentalpeacebuilding.org/publications/books/governance-natural-resources-and-post-conflict-peacebuilding/.

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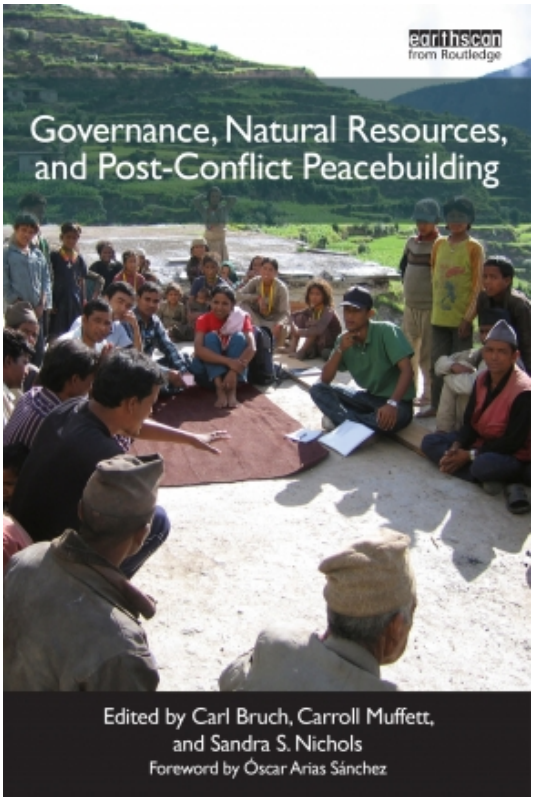

Part 3: Good Governance

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Online publication date: 30 November 2016

Suggested citation: C. Bruch, C. Muffett, and S. S. Nichols. 2016. Part 3: Good Governance, *Governance, Natural Resources, and Post-Conflict Peacebuilding,* ed. C. Bruch, C. Muffett, and S. S. Nichols. London: Earthscan.

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PART 3

Good governance

Introduction

In order for post-conflict countries to capitalize on the peacebuilding potential of natural resources, governments need to fairly, appropriately, and sustainably govern the country's natural resources. Inadequate or unclear laws governing the allocation and use of natural resources can not only create obstacles to peacebuilding and post-conflict investment, but may also provide a potential flashpoint for renewed conflict.

Because problems such as corruption, inequity, and lack of accountability often occur in contexts related to natural resources, efforts to address such issues require improvements in natural resource governance. In addition to helping fight corruption, improve equity and accountability, and promote participatory governance, improving natural resource governance can increase governance capacity more generally—for example, in financial, infrastructure, and other sectors. It is therefore critical to understand the ways in which natural resource governance affects—and is affected by—post-conflict situations.

The eight chapters in this part (1) illustrate the risks that can arise when good governance of natural resources is not assigned priority on the peacebuilding agenda and (2) highlight approaches for improving natural resource governance. Each chapter reinforces the idea that good governance is essential to sustainable and legitimate natural resource management—which, in turn, is essential to post-conflict peacebuilding.

After conflict, weakened regulatory capacity is often a boon to competing factions or predatory elites seeking to profit from natural resources. Because livelihoods in developing countries tend to rely on those resources and their associated revenues, resource exploitation may pose a threat to reconstruction and stabilization (Young and Goldman 2015). The first three chapters in this part illustrate the political, social, and environmental consequences of inadequate natural resource governance following conflict; they also highlight measures that can help improve natural resource governance in such situations.

In "Myanmar's Ceasefire Regime: Two Decades of Unaccountable Natural Resource Exploitation," Kirk Talbott, Yuki Akimoto, and Katrina Cuskelly describe the impacts of government exploitation—and bad governance—of natural resources in Myanmar. As part of a divide-and-rule strategy, the Burmese military government negotiated a patchwork of ceasefire agreements with various ethnic armies, which often entailed separate allocations of natural resources to individual factions. The authors argue that although the temporary agreements deescalated the conflict, the lack of oversight also led to rapid, inequitable, and unsustainable resource exploitation. This exploitation strengthened the military government but did not benefit most of the country's population. As a result, many of Myanmar's citizens not only suffer from extreme poverty but must deal with the degradation of the natural resources on which their livelihoods depend. Moreover, forced

relocations and human rights abuses have been reported in connection with resource exploitation and development. The chapter discusses potential solutions to the exploitation, including international engagement and community-level management.

Similarly, in "Taming Predatory Elites in the Democratic Republic of the Congo: Regulating Property Rights to Adjust Incentives and Improve Economic Performance in the Mining Sector," Nicholas Garrett argues that insufficient regulation of rich mineral deposits in the Democratic Republic of the Congo has allowed elites to extract revenues from the negotiation, cancellation, and renegotiation of mining contracts, thereby undermining both development and peacebuilding. Because the elites earn money from these rent-seeking activities, it is in their interest to restrict regulatory reform. To effectively address the situation, Garrett argues that international actors need to understand and reform the dynamics that encourage this behavior. He recommends a two-pronged approach: (1) bringing pressure to bear from civil society and the private sector and (2) persuading elites that improving regulation—and thereby establishing predictable and secure property rights—will increase investment and yield better returns than extracting rents derived from insecure natural resource rights.

In "Stopping the Plunder of Natural Resources to Provide for a Sustainable Peace in Côte d'Ivoire," Koffi K. Michel Yoboué considers how the abuse of natural resources by both the central government and the Forces Nouvelles perpetuated the conflict, culminating in a tug-of-war within the Ivoirian cocoa industry that significantly delayed the post-electoral peacebuilding process. Yoboué also explores the increasing role (and effectiveness) of civil society in tackling resource mismanagement through increased transparency and public awareness, as well as its success in lobbying for Côte d'Ivoire's active participation in international good-governance mechanisms.

Despite the many challenges to developing good natural resource governance in the chaotic post-conflict period, there are examples of relatively successful development of environmental regimes. In "Environmental Governance in Post-Conflict Situations: Lessons from Rwanda," Roy Brooke and Richard Matthew examine the development of the environmental governance regime in Rwanda. Conflict and genocide had a devastating impact on Rwandan human and institutional capital, hindering the country's ability to effectively manage its natural resources. Nevertheless, Rwanda made rapid and impressive progress in rebuilding capacity, effectively transitioning from virtually no environmental governance to the establishment of a robust regime. Brooke and Matthew suggest several factors that contributed to Rwanda's success, including the relative immediacy and significance of the environmental problems, strong leadership, and the existence of information on the economic costs associated with the degradation of ecosystem services.[1] The authors conclude that although it is important to

[1] On the importance of economic information in influencing the development of good natural resource governance, see Louise Wrist Sorensen, "The Power of Economic Data: A Case Study from Rwanda," in this book.

understand and address the specific aspects of each post-conflict situation, lessons from Rwanda could inform efforts to rebuild and strengthen environmental governance in other post-conflict settings.

Many of the chapters in this part illustrate the ways in which unclear or ineffective resource regulation can impede peacebuilding. In "The Role of Environmental Law in Post-Conflict Peacebuilding," Sandra S. Nichols and Mishkat Al Moumin discuss approaches and considerations in developing, reforming, and strengthening environmental and natural resource laws following conflict. Such laws should include mechanisms to resolve conflicts over resources; sustainably manage renewable resources; equitably distribute resources and resource revenues; protect the interests of women and other marginalized groups; and ensure transparency, accountability, and public participation. The authors emphasize the need to build political will and capacity in developing and implementing legal frameworks governing natural resource management.

Corruption is one of the primary obstacles to the establishment of good governance following conflict. As Christine Cheng and Dominik Zaum point out in "Corruption and the Role of Natural Resources in Post-Conflict Transitions," natural resources are often a primary focus of governmental corruption, which thrives in opaque or ambiguous governance structures. Good resource governance can be an important means of tackling corruption on a larger scale. The authors argue, however, that corruption can have both destabilizing and stabilizing effects: although corruption reinforces inequality and undermines governmental authority, corruption-fighting efforts can also destabilize post-conflict situations.

The international community can play a strong role in combatting corruption and establishing good governance in the natural resource sector. In "Concession Reviews: Liberian Experience and Prospects for Effective Internationalized Solutions," K. W. James Rochow describes internationally supported concession-review processes. During Liberia's civil war, warlords handed out natural resource concessions as a means of obtaining revenue and political favor. By the end of the conflict, the total area of logging concessions granted equaled two and a half times the entire forested surface area of Liberia. In response to United Nations Security Council sanctions prohibiting member states from importing timber and diamonds from Liberia, the Liberian transitional government entered into a series of concession reviews supported by the World Bank and other international donors. Rochow uses the concession reviews and the resulting reforms to explore the complex relationship between international and domestic actors in the process of establishing good governance. He concludes that international interventions promoting good governance can work only if integrated with bottom-up efforts on the part of local and national advocates and decision makers.

Peaceful resolution of disputes is key to good governance and is all the more important to countries emerging from conflict. Disputes over natural resources and environmental contamination can quickly escalate to violent conflict, particularly where one party believes that there is no other way to be heard. In "Preventing Violence over Natural Resources: The Early Action Fund in South America," Juan Dumas describes the Early Action Fund (EAF), an innovative

mechanism for facilitating nonviolent resolution of environmental disputes. Established in 2003 as a pilot project to provide rapid funding for dispute resolution in Latin America, the fund operates on the principle that increased dialogue can prevent conflict over natural resources. EAF projects facilitated communication by improving access to information for one or both parties, convening and managing consultations and negotiations, and training local authorities in dispute resolution and relevant legal mechanisms. Dumas concludes that such funding mechanisms could be useful in post-conflict situations where the stakes are high and conflict relapse is an imminent danger.

Together, these chapters survey the intricate relationship between natural resources, governance, and post-conflict peacebuilding. The authors explore the negative—and occasionally positive—effects of natural resource exploitation and consider strategies for instituting and stabilizing good governance practices in natural resource sectors. Peacebuilding provides an opportunity to reform laws and norms, and to rebuild institutions to better manage natural resources and benefit populations. Capitalizing on this opportunity requires participatory and transparent processes—and, above all, political will.

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