



**STATEMENT BY MR. NIRUPAM SEN, PERMANENT
REPRESENTATIVE, ON THE MAINTENANCE OF
INTERNATIONAL PEACE AND SECURITY: NATURAL RESOURCES
AND CONFLICT AT THE SECURITY COUNCIL ON JUNE 25, 2007**

Your Excellency, Mr. Minister

Let me begin by welcoming you, and by expressing appreciation for the Belgian Presidency of the Security Council in the current month. India appreciates the opportunity afforded to member States to participate in today's timely discussion on a subject of vital interest for all of us. The concept paper circulated by the Permanent Mission of Belgium earlier this month afforded us a most useful starting point for the discussion.

Mr. Minister,

The issue is important because so many developing countries are crucially dependent on natural resources (for instance a third of Africa's export income is from natural resources). At the same time, often these natural resources cause and prolong conflict, leading to lower growth and higher poverty sometimes than in natural resource poor countries; as in a Greek tragedy, the saviour is also the damned. This is the nature of the "natural resource curse". Conflict holds back development but a certain kind of development also leads to conflict. Globalisation sharpens inequality and regional imbalances, often stimulating natural resource-rich regions of a country to try to break away. Similarly, IMF- encouraged deflationary policies and elimination of subsidies as well as WTO- encouraged trade liberalisation has substantially reduced rural purchasing power and tipped the scales of the "natural resource curse" into conflict.

Rotberg and Easterly have both shown that five resource-rich countries in conflict were during the preceding ten years more than sixty five percent of the time (in the case of Sierra Leone eighty three percent) under an IMF programme.

In any treatment of the linkage between natural resources and conflict, full and permanent sovereignty of each State over its natural resources is a key principle that is immutable. While conflict prevention through better management of the exploitation of resources is theoretically an idea worth considering, it is in practical terms, fraught with legal and operational complexities. We are therefore of the view that the best method of preventing conflict, prior to its outbreak, lie in more comprehensively addressing the problems of inequality and economic deprivation. Creative solutions are needed to the crisis of expectations and the disparities in economic development. These cannot be divorced from international economic governance – making globalisation fair, making the Doha round truly developmental and comprehensively reforming the IMF.

With regard to resources prolonging conflict, it appears that the international community is arriving, through trial and error, at a useful approach, whose contours are only now becoming visible. A judicious mixture of sanctions to prevent illegal exploitation of natural resources and certification schemes, such as the Kimberley Process, has begun to yield some results. In the instance of rough diamonds, this approach appears to have been successful because it approaches the problem at the level of extraction, and from the standpoint of processing and trading. This is also perhaps because such an approach is inclusive enough to visualize a role for the entire international community, including civil society. The Kimberley Process also has merit in its approach to the trade in diamonds, by creating a certification scheme that validates and regulates production of rough diamonds. Last, but not least, such a mechanism avoids the pitfall of treating the issue of resources fuelling conflict as a matter purely related to peace and security. As a result, major diamond trading and processing nations such as India have engaged constructively and actively with the Kimberley Process.

Apart from this, we find some useful suggestions in the concept paper, such as authorizing a role for the UN Mission and the UN peacekeeping forces in conflict-torn countries. However, such a mandate would need to be very carefully drawn up, both to limit their role to a supporting one, at best, to prevent other forms of potential misuse, and to ensure that neither the UN mission nor the peacekeeping forces are diverted from their core responsibilities. Questions of capacity, training and accountability will need to be addressed at the stage of planning such a

mandate. Therefore, we would urge that evolving a consensus on these aspects should be an exercise carried out with the widest-possible consultations, including with troop contributing countries.

Lastly, there is the aspect of creating a post-conflict consensus on the use of natural resources in the process of peace consolidation. To evolve recommendations and approaches on this aspect, we could perhaps formally task the Peacebuilding Commission with this responsibility, as a mechanism established by all States precisely for such purposes. It should suffice, therefore, to underline the fact that effective and consensual exploitation of natural resources not only brings tangible benefits to all segments of society, but also provides the intangible benefit of creating a useful and desirable habit of cooperation among former foes in a post-conflict society.

I thank you, Mr. Minister.

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