

# UN Sanctions: Natural Resources



Kenya Defence Force soldiers, serving in AMISOM, patrol past stockpiles of charcoal near the Kismayo port, 27 February 2013. (Reuters/Feisal Omar)

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*UN Sanctions: Natural Resources*, is a follow-up to Security Council Report's last research report on sanctions published in November 2013, *UN Sanctions*. This report provides a historical and institutional context for understanding UN natural resource sanctions, analyses ten current sanctions regimes that have or have had natural resource-related measures (or natural resource-related conflict dynamics), comparatively assesses sanctions design and implementation, critically examines common assumptions regarding

links between natural resources and conflict, analyses political dynamics among Council members and other actors, and suggests policy options. Like its predecessor, the intent of this report is to make a constructive contribution to an ongoing dialogue regarding UN sanctions among a diverse set of stakeholders, including Council members. It is hoped that the analyses throughout *UN Sanctions: Natural Resources* may further stimulate this critical debate. •

# Introduction

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Security Council Report's last research report on UN sanctions was published two years ago. This report takes a somewhat different approach to its predecessor, as the scope has been narrowed to one type of sanctions: natural resources. This report has four main purposes: first, outlining the relevant historical and institutional context for UN natural resource sanctions; second, summarising and analysing sanctions design and implementation for the current UN sanctions regimes that have or have had natural resource-related components (or evidence of natural resource-related conflict); third, explaining political dynamics among Council members and between the Council and other actors; and fourth, providing policy options for consideration by the Council, sanctions committees and the Secretariat.

The report is structured as follows. The

first section briefly outlines the history of UN natural resource sanctions and describes relevant institutional mechanisms. The following part summarises ten current UN sanctions regimes that have or have had natural resource-related measures (or where monitoring and reporting has indicated the conflict has a natural resources component but natural resource-specific measures have not yet been established). The next section comparatively assesses these UN sanctions regimes in relation to sanctions design and implementation. The report then reassesses linkages between natural resources and armed conflict—including combatant financing and natural resource governance—while also differentiating among types of natural resources. Political dynamics among Council members and between the Council and other actors are then examined, followed by suggested policy options.

## From Southern Rhodesia to South Sudan

Among terminated UN sanctions regimes, the targeting of natural resource-related trade dates back to the Council's earliest use of sanctions within the context of Southern Rhodesia, where sanctions prohibiting the import of oil and the export of minerals and agricultural products (1966-1968) were then expanded to comprehensive economic sanctions (1968-1979). Comprehensive economic sanctions were also applied with respect to Iraq (1990-1991), followed by the Oil-for-Food Programme (1991-2003); the Federal Republic of Yugoslavia (1992-1996); and Haiti (1994). Other sanctions prohibiting oil imports have been imposed in response to a coup in Haiti (1993-1994), against the military junta in Sierra Leone (1997-1998) and upon the União Nacional para a Independência Total de Angola (UNITA) rebel group in Angola (1993-2002). The Council authorised sanctions prohibiting the import of equipment utilised by the extractive industries in the case of Libya (1993-2003) and the UNITA insurgency (1998-2002). Perhaps most widely known, the Council has also imposed sanctions on natural resource exports: rough diamonds lacking a government certificate of origin from Angola (1998-2002), rough diamonds

from Sierra Leone (2000-2003) and rough diamonds (2001-2003) and timber (2003) from Liberia.

Regarding active UN sanctions regimes, a few trends have emerged in comparison with their predecessors. First, in order to mitigate unintended humanitarian consequences, the Council now uses more targeted natural resource sanctions rather than comprehensive economic sanctions. Second, at a tactical level there has been less frequent use of sanctions prohibiting the import of commodities such as oil (with the exception of restrictions on the import of nuclear-grade materials in a non-proliferation context, which falls outside the scope of this study). Third, following the precedents established in Angola and Sierra Leone, there are three sanctions regimes in which a natural resource export ban, an interdiction measure or both are currently in effect: charcoal from Somalia, illicit oil from Libya and oil trade with the Islamic State of Iraq and al-Sham (ISIS) and other Al-Qaida splinter groups.<sup>1</sup> Finally, the Council has also increasingly used other mechanisms, such as natural resource-specific listing criteria, which will be explained in the next section.

1. Sanctions on diamonds (2003-2007) and timber (2003-2006) from Liberia and diamonds from Côte d'Ivoire (2005-2014) have been terminated.

## From Southern Rhodesia to South Sudan (con't)

**TABLE 1: TERMINATED UN SANCTIONS COMMITTEES AND ECONOMIC/NATURAL RESOURCE SANCTIONS**

Sanctions Committee	Resolution(s)	Economic and Natural Resource Sanctions	Import into and/or Export from Target State	Years in Effect
253 Southern Rhodesia	S/RES/232	minerals, agricultural	export	1966-1968
	S/RES/232	oil	import	1966-1968
	S/RES/253	comprehensive	import and export	1968-1979
661 Iraq	S/RES/661	comprehensive	import and export	1990-1991
	S/RES/706	Oil-for-Food Programme	import and export	1991-2003
724 Federal Republic of Yugoslavia	S/RES/757 S/RES/787 S/RES/820	comprehensive	import and export	1992-1996
748 Libya	S/RES/883	oil industry equipment	import	1993-2003
841 Haiti	S/RES/841	oil	import	1993-1994
	S/RES/917	comprehensive	import and export	1994
864 Angola	S/RES/864	oil	import	1993-2002
	S/RES/1173	diamonds	export	1998-2002
	S/RES/1173	mining equipment	import	1998-2002
1132 Sierra Leone	S/RES/1132	oil	import	1997-1998
	S/RES/1306 S/RES/1385	diamonds	export	2000-2003
1343 Liberia	S/RES/1343	diamonds	export	2001-2003
	S/RES/1478	timber	export	2003

The principal objectives of UN sanctions regimes with natural resource measures have been democratisation, counter-terrorism and conflict resolution. Determining the objective(s) of a UN sanctions regime is inherently subjective as the Council does not always clearly specify its objectives in resolutions, the purpose of the sanctions regime may evolve over time and there can be more than one objective for a regime. Nonetheless, reasonable inferences can be made based on historical context. The sanctions regimes with a democratisation objective have included: 253 Southern Rhodesia, which opposed the apartheid state; 841 Haiti, which was imposed in response to a coup; 1132 Sierra Leone, which opposed the military junta's seizure of power; and 1970 Libya, which has evolved toward supporting statebuilding. The sanctions regimes with a counter-terrorism

objective include: 748 Libya, imposed in response to the bombing of Pan Am flight 103 in 1988 and UTA flight 772 in 1989; 751/1907 Somalia-Eritrea, which has more recently focused on Al-Shabaab; and 1267/1989 Al-Qaida, which has expanded to include ISIS and other groups. Lastly, the majority of the sanctions regimes listed in tables 1 and 2 have the objective of conflict resolution. With the two exceptions of 661 Iraq and 724 Federal Republic of Yugoslavia, which were imposed in response to interstate conflicts, these sanctions regimes have focused on resolving internal conflicts.

The tactics and strategies implicit in the Council's use of natural resource sanctions have been largely determined by the objectives and the targets of the measures. In general, import bans intend to restrict access to natural resources with strategic or economic

significance, such as oil and gasoline, and export bans intend to diminish income from commodity trade. With regard to democratisation regimes, the main approach has been to deny sources of revenue for illegitimate governments in Southern Rhodesia (1966-1979) and Haiti (1993-1994) and for groups challenging state authority in Libya (since 2014). Oil import bans for Southern Rhodesia (1966-1968), Haiti (1993-1994) and Sierra Leone (1997-1998) were also imposed to put economic pressure on illegitimate governments. With respect to counter-terrorism regimes, measures on Libya (1993-2003) sought to limit generation of oil industry revenue for a state sponsor of terrorism, while sanctions on charcoal exports from Somalia (since 2012) and on trading oil with splinter groups of Al-Qaida (since 2014) have been geared toward

## From Southern Rhodesia to South Sudan (con't)

cutting off revenue to non-state terrorist groups. Of the export bans on diamonds and timber imposed within the context of an intrastate conflict, there has been a mix of de facto targets within territorially-defined sanctions: Angola (1998-2002) and Sierra Leone (2000-2003) targeted the UNITA

and Revolutionary United Front (RUF) rebel groups respectively; measures regarding Liberia initially focused on Charles Taylor's government for its involvement in Sierra Leone's civil war (2001-2003), and then included the Movement for Democracy in Liberia (MODEL) and Liberians United for

Reconciliation and Development (LURD) rebel groups (2003-2007); and diamond sanctions on Côte d'Ivoire (2005-2014) targeted the state and the Forces Nouvelles rebellion at the outset.

## Sanctions Measures

The core tool available to the Council is a prohibition on natural resource imports or exports. In the language of resolutions, these are typically written with reference to the legal obligations of all UN member states rather than with reference to the state targeted with sanctions per se. In other words, a ban on the export of a natural resource (e.g. diamonds) from the target country is usually phrased as a prohibition on the import of the natural resource from that country by member states; conversely, a ban on the import of a natural resource (e.g. oil and oil products) into a target country is commonly phrased as a prohibition on the export of the natural resource to that country by member states. (In keeping with common usage, this report refers to the former as an *export* ban and the latter as an *import* ban.) The phrasing of export bans frequently includes language intended to differentiate sources of rebel income from sources of state income. For example, the embargo on rough diamond exports from Angola established with resolution 1173, which was intended to target UNITA, applied only to rough diamonds lacking a government certificate of origin. In other cases, such as sanctions on the export of rough diamonds from Liberia and the export of charcoal from Somalia, imposed with resolution 1521 and resolution 2036 respectively, the Council specified that the measure applied

regardless of origin. The intention is to recognise that income can also be generated from natural resources in transit, such as with Liberia's trading of diamonds from Sierra Leone and Al-Shabaab's taxing of charcoal from adjacent countries en route to Somali ports.

In addition to embargoes preventing the import or export of natural resources and other goods, the Council has also authorised maritime interdiction of sanctioned commodities. The wording of maritime interdiction measures typically extends beyond the target state and the member state whose nationals or whose vessels may be violating sanctions to authorise other member states, regional organisations and naval coalitions to take action under Chapter VII. For example, resolution 787, adopted in 1992, called upon states to take action "to halt all inward and outward maritime shipping in order to inspect and verify their cargoes and destinations" and to implement comprehensive sanctions on the Federal Republic of Yugoslavia. Similarly, resolution 917, adopted in 1994, authorised maritime interdiction to implement comprehensive sanctions on the illegitimate government of Haiti. More recently, resolution 2146 authorised the maritime interdiction of illicit oil exports from Libya (i.e. from ports not controlled by the UN-recognised government); and resolution 2182 authorised

the maritime interdiction of arms imports and charcoal exports violating the 751/1907 Somalia-Eritrea sanctions regime.

Contemporary resolutions establishing or modifying a sanctions regime typically include listing criteria that establish standards for the designation of individuals and entities. The listing criteria usually begin with a general statement (e.g. threatening peace, security or stability) that implies the principal objective of the sanctions regime (i.e. conflict resolution) and can be broadly interpreted by the sanctions committee. Frequently this is followed by a non-exhaustive list—"including but not limited to"—of more specific types of acts for which individuals and entities may also be sanctioned. Table 2 summarises the natural resource-specific listing criteria for the ten active sanctions committees covered in this report. In some cases, the listing criteria are simply references to violating a natural resource embargo, such as with charcoal in Somalia. In other cases—such as the Central African Republic (CAR) and the Democratic Republic of the Congo (DRC)—the listing criteria make reference to supporting armed groups through the illegal trade or exploitation of natural resources even though natural resource embargoes are not in place for the country.

**TABLE 2: NATURAL RESOURCE EMBARGOES, INTERDICTION AND LISTING CRITERIA**

Sanctions Committee	Embargo/Interdiction (Terminated or Expired)	Embargo/Interdiction Resolution(s)	Natural Resource-Specific Listing Criteria	Listing Criteria Resolution(s)
751/1907 Somalia-Eritrea	charcoal exports (2012- )	S/RES/2036	violating charcoal ban	S/RES/2036
	interdiction (2014-2016)	S/RES/2182 S/RES/2244		

## Sanctions Measures (con't)

**TABLE 2: NATURAL RESOURCE EMBARGOES, INTERDICTION AND LISTING CRITERIA**

<b>1267/1989 Al-Qaida</b>	import and export of oil, oil products and modular refineries (2014- )	<a href="#">S/RES/2161</a> <a href="#">S/RES/2199</a>	financing or supporting Al-Qaida or associates through cultivating, producing or trafficking illicit drugs; trading oil, oil products, or modular refineries with Al-Nusra Front, ISIS and others	<a href="#">S/RES/2161</a> <a href="#">S/RES/2199</a>
<b>1521 Liberia</b>	diamond exports (2003-2007)  timber exports (2003-2006)	<a href="#">S/RES/1521</a> <a href="#">S/RES/1689</a>  <a href="#">S/RES/1521</a>	none	NA
<b>1533 DRC</b>	none	NA	supporting individuals or entities, including armed groups, involved in destabilising activities in the DRC through illicit trade of natural resources, including gold or wildlife as well as wildlife products	<a href="#">S/RES/1857</a> <a href="#">S/RES/2198</a>
<b>1572 Côte d'Ivoire</b>	diamond exports (2005-2014)	<a href="#">S/RES/1643</a>	threatening the peace and national reconciliation process through the illicit trafficking of natural resources, including diamonds and gold	<a href="#">S/RES/1727</a> <a href="#">S/RES/2153</a>
<b>1591 Sudan</b>	none	NA	none	NA
<b>1970 Libya</b>	interdiction of illicit oil exports (2014-2016)	<a href="#">S/RES/2146</a> <a href="#">S/RES/2213</a>	attacking oil facilities; threatening or coercing Libyan National Oil Company	<a href="#">S/RES/2213</a>
<b>1988 Afghanistan</b>	import of acetic anhydride (2001-2002)	<a href="#">S/RES/1333</a>	financing or supporting the Taliban through cultivating, producing or trafficking illicit drugs	<a href="#">S/RES/2160</a>
<b>2127 CAR</b>	none	NA	supporting armed groups or criminal networks through illicit exploitation of natural resources	<a href="#">S/RES/2134</a>
<b>2206 South Sudan</b>	none	NA	none	NA

Monitoring and reporting of violations of natural resource embargoes and natural resource-specific listing criteria are useful components of sanctions implementation. This work is handled by the sanctions committee, which is typically supported by an expert panel, group or team (with the three current exceptions of 1518 Iraq, 1636 Lebanon and 2040 Guinea-Bissau sanctions committees). Prominent historical examples of monitoring and reporting regarding natural resource sanctions include: the Panel of Experts and the Monitoring Mechanism for the 864 Angola Sanctions Committee, the Panel of Experts for the 1132 Sierra Leone Sanctions Committee and the Panel of Experts for the 1343 Liberia Sanctions Committee. Of the expert panels, groups and teams currently supporting the sanctions committees listed in table 3, four have

a natural resources expert: the CAR, Côte d'Ivoire, DRC and South Sudan. The committee chair can also play an important monitoring and reporting role through field missions and public outreach.

Another important tool concerns the mandate of peacekeeping operations. Peacekeeping operations have been tasked with assisting the work of sanctions committees, guaranteeing the safety and facilitating the travel of expert groups or panels, and sharing information regarding sanctions violations with sanctions committees and expert groups or panels. Peacekeeping operations have also assisted with technical aspects of sanctions implementation, such as arms and ammunition management by the state within the context of a partial arms embargo. In some cases, peacekeeping operations have also had a natural resource-specific mandate. One early

example is the UN Transitional Authority in Cambodia (UNTAC), where in resolution 792 adopted in 1992 the Council supported the imposition of a national moratorium (i.e. domestic legislation not UN sanctions) on the export of logs, requested adjacent states not to import logs from Cambodia and requested UNTAC to take required measures to implement the moratorium. In 2004, the Council gave the UN Mission in Sierra Leone (UNAMSIL) a mandate in resolution 1562 to “support the Sierra Leone armed forces and police in patrolling the border and diamond-mining areas, including through joint planning and joint operations where appropriate”. Other examples are listed in table 3, including former mandates in Côte d'Ivoire, DRC and Liberia, and active mandates in the CAR, Somalia and South Sudan, plus Libya (a special political mission).

## Sanctions Measures (con't)

**TABLE 3: MONITORING, REPORTING AND PEACEKEEPING OPERATIONS**

Sanctions Committee	Monitoring and Reporting	Peacekeeping Operation (Former Peacekeeping Operation)	Resolution(s)	Natural Resource Mandate (Former Mandate)
<b>751/1907 Somalia-Eritrea</b>	Monitoring Group	AU Mission in Somalia (AMISOM)	<a href="#">S/RES/2093</a> , <a href="#">S/RES/2111</a>	support and assist Somali authorities to prevent the export of charcoal from Somalia
<b>1267/1989 Al-Qaida</b>	Analytical Support and Sanctions Monitoring Team	NA	NA	NA
<b>1521 Liberia</b>	Panel of Experts (formerly w/ natural resources expert)	UN Mission in Liberia (UNMIL)	<a href="#">S/RES/1509</a>	assist transitional government in restoring administration of natural resources
<b>1533 DRC</b>	Group of Experts (w/ natural resources expert)	UN Organization Mission in the Democratic Republic of the Congo (MONUC)	<a href="#">S/RES/1856</a>	use monitoring and inspection to curtail provision of support to illegal armed groups derived from illicit trade in natural resources
<b>1572 Côte d'Ivoire</b>	Group of Experts (w/ natural resources expert)	UN Operation in Côte d'Ivoire (UNOCI)	<a href="#">S/RES/1584</a>	embargo monitoring unit assistance to Group of Experts with monitoring diamond embargo
<b>1591 Sudan</b>	Panel of Experts	AU-UN Hybrid Operation in Darfur (UNAMID)	NA	NA
<b>1970 Libya</b>	Panel of Experts	UN Support Mission in Libya (UNSMIL) <sup>2</sup>	<a href="#">S/RES/2213</a>	cooperate with the Panel and the Committee, including information sharing on illicit oil exports
<b>1988 Afghanistan</b>	Analytical Support and Sanctions Monitoring Team	NA	NA	NA
<b>2127 CAR</b>	Panel of Experts (w/ natural resources expert)	UN Multidimensional Integrated Stabilization Mission in the CAR (MINUSCA)	<a href="#">S/RES/2217</a>	support authorities to develop strategy to tackle illicit exploitation and trafficking of natural resources; provide transport for authorities in carrying out inspections and monitoring visits in mining areas
<b>2206 South Sudan</b>	Panel of Experts (w/ natural resources expert)	UN Mission in South Sudan (UNMISS)	<a href="#">S/RES/2223</a>	deter violence against civilians at oil installations (among other locations) through proactive deployment and active patrolling

Supply chain due diligence guidelines are another relevant tool for natural resource sanctions. In contrast to sanctions authorised under Chapter VII, Article 42 of the UN Charter, which are mandatory and binding under international law, due diligence guidelines are voluntary and non-binding measures. They are intended to provide guidance to corporations in order

to avoid contributing toward human rights violations and furthering armed conflict when purchasing minerals from conflict-affected countries. In collaboration with the countries of the International Conference on the Great Lakes Region (ICGLR), the Organization for Economic Cooperation and Development (OECD) has developed the *OECD Due Diligence Guidance for*

*Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, most recently referenced by the Council in resolution 2153 on Côte d'Ivoire and resolution 2198 on the DRC. The case studies below will show in more detail how the Council has considered due diligence guidelines within the contexts of the DRC and Eritrea.

2. UNSMIL is a special political mission.

## UN Sanctions Regime Case Studies

This section looks at ten current UN sanctions regimes with natural resource-specific measures or substantial natural resource-related conflict dynamics. The following case studies summarise the natural resource-specific measures that are currently in place: embargo, interdiction, listing criteria, monitoring and reporting, natural resource-related mandates for peacekeeping operations and due diligence guidelines. Principally drawing upon evidence in Secretary-General's reports and reports by sanctions experts, relevant conflict dynamics, including the financing of armed groups through illicit natural resource exploitation, are briefly examined for each case. Lastly, each subsection addresses what action has been taken by the Council and the sanctions committees (in some cases in response to recommendations submitted in expert reports), including the use of relevant designation criteria.

### 751/1907 Somalia-Eritrea

An arms embargo was first imposed on Somalia through resolution 733 in January 1992, and a Committee was established by resolution 751 in April 1992. Determining that Eritrea's support for Al-Shabaab undermined peace and reconciliation in Somalia, the Council adopted resolution 1907 on 23 December 2009, imposing a two-way arms embargo, targeted arms embargo, travel ban and asset freeze on Eritrea. Two years later, in resolution 2023 the Council decided that states must take measures to ensure that funds derived from the Eritrean mining sector do not contribute to sanctions violations, called on Eritrea to show transparency in public finances, urged states to introduce appropriate due diligence guidelines, and requested that the Committee, with the assistance of the Monitoring Group, draft due diligence guidelines for the optional use of states. In resolution 2036, the Council decided Somali authorities must prevent the export of charcoal from Somalia and that member states must prevent the direct or indirect import of charcoal from Somalia, regardless of whether the charcoal originated in Somalia. Resolution 2036 also added violations of the charcoal embargo to the listing criteria. Resolution 2093 tasked AMISOM to support the Somali authorities

to prevent the export of charcoal from Somalia. On 24 October 2014, the Council adopted resolution 2182, authorising for one year maritime interdiction of arms imports and charcoal exports violating sanctions. Maritime interdiction was renewed through 15 November 2016 in resolution 2244.

Despite the charcoal embargo imposed in February 2012, Al-Shabaab and others continued to derive considerable income from charcoal exports from Somalia. In its 2013 report, the Monitoring Group estimated that following the imposition of sanctions the rate of exports had actually increased from 9 million to 11 million sacks per year—which generated \$25 million in revenue for Al-Shabaab—to 24 million sacks per year.<sup>3</sup> Although Al-Shabaab lost control over the port of Kismayo to the Kenyan Defence Forces (KDF) contingent in AMISOM and the allied militia Ras Kamboni Brigade in September 2012, it nonetheless retained a share of the growing charcoal trade taken over by the KDF in Kismayo, continued to tax charcoal exports en route to Somali ports and also maintained control over the port of Barawe until its loss to AMISOM in October 2014. More recently, as it has lost territory and access to ports, Al-Shabaab has apparently made a tactical shift away from reliance on the illicit charcoal trade, but this seems to have been principally a result of its battlefield losses rather than improved implementation of charcoal sanctions. The Monitoring Group has documented one successful case of maritime interdiction of charcoal: the *MSV Raj Milan*, an Indian flagged dhow that left Kismayo in late February 2015 carrying 24,712 bags of charcoal and docked at Port Rashid in the United Arab Emirates on 23 March.<sup>4</sup>

An emerging oil industry in Somalia has become a potential source of conflict between regions, between the Federal Government of Somalia (FGS) and new regional federal states, between Somalia and Kenya, and regarding corruption within the FGS. There have been numerous, intermittent clashes between secessionist Somaliland and semi-autonomous Puntland over the border region of Sool and Sanaag, which may have considerable oil deposits. As assessed by the Monitoring Group, border tensions could be further

exacerbated by Somaliland's development of an Oil Protection Unit. Mutually agreeing upon the distribution of resources between the FGS and new federal states, including rights to future oil revenue, could be a stumbling block for the adoption of a new constitution and completion of the federal state formation process. Meanwhile, Somalia and Kenya have a case pending at the International Court of Justice regarding their disputed maritime border, which could adversely affect bi-lateral relations. Finally, the UK's Serious Fraud Office has announced a criminal investigation into UK-based oil exploration firm Soma Oil and Gas in relation to allegations of corruption in Somalia. The Monitoring Group has also been investigating Soma with respect to the misappropriation of public financial resources, which is among the listing criteria for sanctions.<sup>5</sup> Oil-related corruption could affect relations with donors and fiscal stability.

The mining industry has been one of the principal sources of revenue for the Eritrean government, but it seems there is insufficient evidence to substantiate a link between the government's mining revenue and its alleged support for Al-Shabaab or other groups destabilising the region. A copper, gold, silver and zinc mine at Bisha—60 percent owned by Canada-based Nevsun Resources Ltd. and 40 percent owned by the Eritrean National Mining Company—provided \$550 million in payments to the government of Eritrea in 2011–2013.<sup>6</sup> While the Bisha mine has come under scrutiny by the Human Rights Council due to allegations of forced labour,<sup>7</sup> the Monitoring Group's 2014 report on Eritrea concluded that it had not been able to “identify any suspicious transfers indicating that the funds derived from mining revenues were being used to violate relevant resolutions”. However, the Monitoring Group also qualified this statement by noting that the lack of financial transparency by the government of Eritrea “creates structural ambiguities and limits effective monitoring of the country's compliance with resolution 1907”.<sup>8</sup> More generally, the Monitoring Group found no evidence of Eritrean support for Al-Shabaab, and it has concluded that Eritrea is a “marginal actor” in Somalia.<sup>9</sup>

As for recommendations of the Monitoring

3. S/2013/413, para. 152.

4. S/2015/801, Annex 8.3.

5. S/2015/801, Annex 2.5.

6. S/2013/440, para. 154 and S/2014/727, para. 124.

7. A/HRC/29/CRP1, paras. 1409–1412 and 1435–1439.

8. S/2014/727, para. 114.

9. S/2014/727, summary; and S/2015/802, summary.

## UN Sanctions Regime Case Studies (con't)

Group and action taken by the Committee or the Council, the Monitoring Group proposed options for due diligence guidelines on Eritrean mining in its 2012 report, as requested by the Council in resolution 2023.<sup>10</sup> In its 2013 report on Eritrea, the Monitoring Group recommended the establishment of an escrow account to be jointly administered by mining companies and the government of Eritrea, with a third party, such as the African Development Bank or the World Bank, acting as a supervisory agent.<sup>11</sup> Neither the Committee nor the Council has acted on this recommendation. Regarding Somalia, the Monitoring Group recommended in its 2014 and 2015 final reports that individuals known to have misappropriated public financial resources or violated the charcoal embargo be listed.<sup>12</sup> None of the 13 individuals currently on the 751/1907 sanctions list was designated according to either of these two listing criteria.<sup>13</sup> Among other natural resource-related recommendations, the Monitoring Group also recommended that the Council should impose a moratorium on oil and gas contracts until a viable and independent licensing body has been established and a constitutional resource-sharing framework between the FGS and regional states has been agreed.<sup>14</sup> This provision was not included in resolution 2244.

### 1267/1989 Al-Qaida

While the 1267/1989 Al-Qaida sanctions regime asset freeze dates back to 2000 for Usama Bin Laden and 2002 for Al-Qaida, the Council has more recently authorised sanctions measures focused on other groups, such as ISIS. Resolution 2199, adopted on 12 February 2015, reaffirmed the asset freeze imposed by resolution 2161 and noted this applies to direct and indirect trade in oil, refined oil products, modular refineries and related material. Resolution 2199 also obligates member states to report to the Committee within 30 days the interdiction in their territory of any oil, oil products, modular refineries or related material being transferred

to or from ISIS or Al-Nusra Front. Previously, resolution 2170 of August 2014 observed that ISIS is a splinter group of Al-Qaida, noted with concern that oilfields controlled by ISIS and Al-Nusra Front are generating income and reiterated that trade with ISIS and Al-Nusra Front violates the asset freeze.

According to a report by the Analytical Support and Sanctions Monitoring Team transmitted to the Council on 13 November 2014, ISIS has derived significant revenue from oil.<sup>15</sup> The Monitoring Team estimated ISIS's potential revenue from oil production at \$846,000 to \$1,645,000 per day, based on an assumed production of 47,000 barrels per day sold at a discounted rate of \$18 to \$35 per barrel. The price of oil on international markets in October 2014 was approximately \$80 per barrel; however, as of August 2015, the market price of oil had declined to approximately \$40 per barrel, probably entailing an analogous 50 percent decline per barrel in ISIS's oil-related financing. The Monitoring Team estimated that as many as 210 tanker trucks were being used to smuggle ISIS-sourced oil into neighbouring countries. ISIS also possesses the capacity to refine crude oil in Syria through the use of mobile refineries. While ISIS does not control the use of major pipelines, it has reportedly recovered 2.5 to 3 million barrels of oil from storage facilities and pipelines.<sup>16</sup>

A February 2015 report by the Financial Action Task Force (FATF), an intergovernmental organisation combatting money laundering and terrorist financing, outlines other sources of natural resource-related income for ISIS, including the extortion of farmers and control over wheat production, reserves and markets within occupied territory.<sup>17</sup> Further examples of potential revenue generation include a phosphate mine and a chemical manufacturing plant in the Al-Anbar province of Iraq, five cement plants in Iraq and Syria, several sulphur extraction plants in Syria and a salt mine located in the province of Deir ez-Zor in Syria. The FATF report notes, however, that unlike oil, which has long-established smuggling routes and

black markets within the region, these types of commodities may be more difficult for ISIS to monetise.

In its report on ISIS and Al-Nusra Front transmitted to the Council on 13 November 2014, the Monitoring Team made ten recommendations for consideration by the Committee.<sup>18</sup> To mitigate revenue generation by ISIS and Al-Nusra Front from crude oil smuggling, the Monitoring Team recommended that "the Chair request the Security Council to mandate all Member States bounding ISIS- or ANF-controlled territory to promptly seize all oil tanker-trucks and their loads that originate from or seek entry into ISIS- or ANF-controlled territory". Resolution 2199, which had broad support among Council members, incorporates several of the Monitoring Team's recommendations. However, rather than creating a new legal obligation for the interdiction of oil tanker trucks transiting to or from ISIS or Al-Nusra Front territory, resolution 2199 "encourages Member States to take appropriate steps in accordance with international law to prevent and disrupt activity that would result in violations of the asset freeze and targeted arms embargo"<sup>19</sup>. Resolution 2199 also encourages requests for listing individuals and entities engaged in oil-related activities with ISIS, Al-Nusra Front and others associated with Al-Qaida to be submitted to the Committee. According to the narrative summaries of the reasons for listings by the 1267/1989 Al-Qaida regime, it seems there have yet to be any oil-related listings since the adoption of resolution 2199 in February 2015.<sup>20</sup> On 11 and 24 August 2015, the Committee discussed an assessment of these oil-trade measures by the Monitoring Team that suggests they have had limited impact thus far.<sup>21</sup>

### 1521 Liberia

In recognition of the changed political circumstances accompanying the Comprehensive Peace Agreement among the former government of Liberia, LURD and MODEL, which was signed on 18 August 2003,

10. S/2012/545, paras. 115-121.

11. S/2013/440, para. 162.

12. S/2014/726, para. 185 (d) and (f); and S/2015/801, para. 177 (b) and (d).

13. Available at [https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/751\\_1907\\_3.pdf](https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/751_1907_3.pdf).

14. S/2015/801, para. 171 (e).

15. S/2014/815, paras. 57-67.

16. S/2014/815, para. 67.

17. *Financing of the Terrorist Organisation Islamic State in Iraq and the Levant (ISIL)*, Financial Action Task Force, February 2015.

18. S/2014/815, pages 30-33.

19. Significantly, resolution 2199 merely "encourages" rather than "decides"; it also does not authorise interdiction by states other than whose territory is transited by ISIS trucks.

20. Available at [https://www.un.org/sc/suborg/en/sanctions/1267/1989/sanctions\\_list/summaries](https://www.un.org/sc/suborg/en/sanctions/1267/1989/sanctions_list/summaries).

21. This is particularly due to the ability of ISIS to extract financial benefits at each stage of the value chain: selling crude oil at the well-head, levying fees at checkpoints, exchanging crude oil for refined products and selling the latter to the local population.

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and the 14 October 2003 establishment of a national transitional government, on 22 December 2003 the Council terminated the 1343 Liberia sanctions regime and re-imposed sanctions measures with resolution 1521. In addition to an arms embargo and a travel ban, resolution 1521 obligated member states to prevent the import of rough diamonds and round logs and timber products from Liberia. Just prior to the creation of the 1521 Liberia sanctions regime, UNMIL was mandated in resolution 1509 to assist the transitional government in restoring administration of natural resources. The measures on timber and diamonds were terminated through resolution 1689 in 2006 and resolution 1753 in 2007. Resolution 2128, adopted on 10 December 2013, reduced the scope of the mandate for the Panel of Experts and decreased its size from three members to two, effectively eliminating the position of natural resources expert. Resolution 2237, adopted on 2 September 2015, terminated the asset freeze and travel ban, and further reduced the Panel to one expert.

Natural resources were instrumental in financing two civil wars in Liberia, 1989-1996 and 1999-2003, and an inter-related civil war in Sierra Leone from 1991 to 2002. Political scientist William Reno has estimated that Charles Taylor's National Patriotic Front of Liberia rebellion against the government of Samuel Doe during Liberia's first civil war derived \$200 million to \$250 million per year from the illicit exploitation of diamonds, timber, rubber and iron ore.<sup>22</sup> The 1132 Sierra Leone Sanction Committee's Panel of Experts' documentation of how Taylor, as president of Liberia, financed the RUF insurgency in Sierra Leone through buying rough diamonds from that country led to the establishment of the 1343 Liberia sanctions regime.<sup>23</sup> During Liberia's second civil war, Taylor's government was dependent on income from timber, while capturing diamond fields and timber concessions were strategic objectives for the LURD and MODEL rebel groups. The diamond and timber embargoes in the 1521 Liberia sanctions regime were intended to prevent a

recurrence of these types of linkages between natural resources and conflict.

Although Liberia has fortunately avoided a relapse into large-scale violence financed by natural resource exploitation since 2003, this remains a latent risk. Thousands of former militia fighters, many still under the patronage of their former commanders, illicitly mine gold and diamonds in regions of Liberia bordering Sierra Leone and Côte d'Ivoire. While the Panel of Experts has not recently found evidence that the proceeds from these illicit mining operations were being used to buy arms, it remained concerned that "the mines provide recruitment grounds and self-sustaining staging areas for militant activity".<sup>24</sup> Weak governance of the natural resources sector also poses an ongoing threat to stability in Liberia, often in the form of social protest related to land and labour issues. On 3 July 2014, 500 people gathered to protest the ArcelorMittal iron ore company in Nimba County; the protest escalated into clashes with the Liberia National Police (LNP), who required the support of UNMIL.<sup>25</sup> Similarly, on 26 May 2015, more than 200 youth protested at a Golden Veroleum Liberia palm oil plantation in Sinoe County, with the LNP once again requiring UNMIL's support to restore order.<sup>26</sup>

When the Council adopted resolution 2237 terminating the asset freeze and the travel ban, the 21 individuals and 30 entities on the 1521 sanctions list were automatically delisted. According to the narrative summaries for their listing, eight individuals had been described under additional information with one of the following descriptions: "supported former President Taylor's regime in effort to destabilize Sierra Leone and gain illicit access to diamonds" or "illicit diamond dealer who sold conflict diamonds and indirectly or directly supported the Taylor regime".<sup>27</sup> All of the previously listed 21 individuals had been added to the 1521 list between March 2004 and November 2005.

### 1533 Democratic Republic of the Congo

The 1533 DRC sanctions regime includes natural resource-specific listing criteria, most

recently stated in resolution 2198 of January 2015 as "supporting individuals or entities, including armed groups, involved in destabilizing activities in the DRC through illicit trade of natural resources, including gold or wildlife as well as wildlife products". The first iteration of natural resource-related listing criteria was in resolution 1857 adopted on 22 December 2008. The same day, the Council also adopted resolution 1856, which authorised MONUC to use monitoring and inspection to curtail provision of support to illegal armed groups derived from illicit trade in natural resources. An expert on natural resources was first added to the Group of Experts through resolution 1952 in November 2010. Resolution 1952 also supported "taking forward" recommendations made by the Group in its 2010 final report for due diligence guidelines relating to importers, processors and consumers of Congolese minerals products.<sup>28</sup> Previously, the Group had recommended imposing commodity sanctions on the DRC, while a Secretary-General's assessment of the potential economic, humanitarian and social impact of natural resource sanctions recommended against imposing natural resource sanctions.<sup>29</sup> Both analyses had been requested by the Council in resolution 1698.

The origins of contemporary instability in DRC can be traced back to decades of mismanagement of the natural resources sector under the kleptocratic rule of Mobutu Sese Seko (1965-1997), the rebellion led by Joseph Kabila to overthrow Mobutu (1996-1997) and the second Congo war involving eight states (1998-2003). Recognising the evident natural resource dimensions of conflict in the DRC, the Council authorised the creation of an "expert panel on the illegal exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo" via a presidential statement in June 2000.<sup>30</sup> The Panel of Experts, which preceded the establishment of the 1533 Committee and its supporting Group of Experts, submitted five reports from January 2001 to October 2003—frequently perceived as controversial in UN circles for using a "naming

22. William Reno, *Warlord Politics and African States* (Boulder: Lynne Rienner Publishers, 1998), 99.

23. S/2000/1195, paras. 122-130.

24. S/2014/363, paras. 65-67.

25. S/2014/598, para. 9.

26. S/2015/620, para. 18.

27. The narrative summaries for individuals formerly listed under the 1521 Liberia sanctions regime are no longer available online.

28. S/2010/596, paras. 356-369.

29. S/2007/40, paras. 44-45 and 51-52; and S/2007/68.

30. S/PRST/2000/20.

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and shaming” approach—documenting the involvement of states, rebels and companies in the illegal exploitation of natural resources.

Linkages between the illicit exploitation of natural resources and armed conflict in the DRC persist, but the patterns seem to have changed compared with earlier periods when the involvement of state militaries and state-sponsored militias was more prevalent. In its report transmitted to the Council on 12 January 2015, the Group of Experts identified several links between armed groups and the illegal exploitation of natural resources in the DRC, including:

- the harvesting of timber by the Allied Democratic Forces (ADF) in areas under its control;
- the production and trading of charcoal,

trading wood, gold mining and trading and cultivating marijuana by Forces démocratique de libération du Rwanda (FDLR);

- direct trading of charcoal and wood, plus complicity in FDLR trading, by officers of Forces armées de la République démocratique du Congo (FARDC); and
- looting of gold mines by a faction of Mai Mai.<sup>31</sup>

However, according to an April 2015 joint report by the UN Environment Programme (UNEP), the UN Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) and the Office of the Special Envoy of the Secretary-General for the Great Lakes (OESG), much more in profits from the smuggling of natural

resources from the DRC currently accrues to transnational organised crime networks than to armed militias in the DRC. The report estimates that armed groups retain only about 2 percent of the net profits from smuggling natural resources from the DRC, totalling approximately \$13 million per year, which is nonetheless sufficient to sustain 8,000 fighters at subsistence levels.<sup>32</sup> Another potentially surprising conclusion of the joint UNEP-MONUSCO-OESG report is that only a small fraction of militia income is currently generated by the “3T minerals”—columbite-tantalite (tantalum), cassiterite (tin) and wolframite (tungsten)—which along with gold have been the focus of international, regional and national regulatory efforts.

**TABLE 4: ESTIMATED INCOMES OF ORGANISED CRIME AND MILITIAS IN EASTERN DRC**

Resource	Total value of smuggled exports (millions USD)	Net profits to organised crime (millions USD)	Net profits to militias (millions USD)
Diamonds	458	46-137	.5
Gold	383-409	40-120	4
3T Minerals	75	7.5-22.6	.8
Charcoal	58-175	11.7-35.1	4.6
Timber	160	16-48	1.6
Wildlife	--	.07-.4	.023
Fish	40	4-12	.4
Cannabis	--	5	.5
Business Taxes	--	.173-.351	.017-.035
Household Taxes	--	.9-1.8	.09-.18
Checkpoints	--	4.2-8.4	.42-.84
<b>TOTAL</b>	<b>1,180-1,320</b>	<b>135.5-390.7</b>	<b>13-13.5</b>

Source: UNEP, MONUSCO AND OESG, April 2015.

31. S/2015/19, paras. 33, 73-81 and 116.

32. *Experts' background report on illegal exploitation and trade in natural resources benefitting organized criminal groups and recommendations on MONUSCO's role in fostering stability and peace in eastern DR Congo*, UNEP, MONUSCO and OESG GLR, 15 April 2015, para. 8.

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There are currently 31 individuals and nine entities on the 1533 sanctions list. According to the narrative summaries of the reasons for listing, one individual would appear to be listed at least in part according to natural resource-related criteria: Baudoin Ngaruaye Wa Myamuru, a commander of the M23 rebel group described as “extensively involved in criminal networks within the FARDC deriving profits from the mineral trade”.<sup>33</sup> Three entities that bought gold from eastern DRC were listed under criteria regarding the provision of assistance to illegal armed groups in violation of the arms embargo (rather than natural resource-specific criteria): Kivu-based Congomet Trading House and Kampala-based Machanga Ltd and Uganda Commercial Impex Ltd.<sup>34</sup>

### 1572 Côte d’Ivoire

In response to an ongoing civil war between the government of Côte d’Ivoire and the Forces Nouvelles (FN) rebellion, the Council established a Côte d’Ivoire sanctions regime on 15 November 2004. In addition to creating a sanctions committee, resolution 1572 imposed an arms embargo, travel ban and asset freeze. Resolution 1584, adopted 1 February 2005, established the Group of Experts with a mandate to share information with UNOCI and authorised UNOCI to monitor the arms embargo and cooperate with the Group. An embargo monitoring unit was established within UNOCI in 2006, which then also assisted monitoring the diamond embargo imposed with resolution 1643. On 29 April 2014, resolution 2153 terminated sanctions on rough diamond exports, reiterated that the Group of Experts has a mandate to investigate all sources of arms financing—including the exploitation of natural resources—and noted that threatening peace and national reconciliation through the illicit trafficking of natural resources, including diamonds and gold, may be grounds for designation by the Committee.

Natural resources have played a significant role in financing two interrelated intrastate conflicts in Côte d’Ivoire: the civil war between the government of Laurent Gbagbo

and the FN rebellion from September 2002 to March 2007; and the conflict from November 2010 to April 2011 between supporters of Alassane Ouattara and Laurent Gbagbo, who lost a presidential election but then refused to cede power. During the civil war, the national army, FN insurgency and militias derived significant income from cocoa through a system of “cash point” roadblocks charging \$156-\$239 per truck.<sup>35</sup> Other sources of natural resource financing included alluvial diamond mining by the FN rebels in the north and increasing government revenue from oil production.<sup>36</sup> During election-related violence four years later, President-elect Ouattara called on 24 January 2011 for a national ban on the export of cocoa, arguing that proceeds from the country’s second largest export would benefit Gbagbo’s attempt to stay in power. After assuming power, Ouattara removed the national ban on cocoa exports on 14 April 2011.

While Côte d’Ivoire has not experienced a relapse into violence on a scale similar to the 2002-2007 civil war or the 2010-2011 election-related conflict, the Group of Experts has documented ongoing threats posed by the illicit exploitation of gold and smuggling of diamonds. The Group identified two individuals, Issiaka Ouattara (also known as “Wattao” and apparently not related to President Ouattara) and Sekou Niangadou, as potential candidates for listing based on the designation criteria noted in resolution 2153.<sup>37</sup> Wattao is a former FN zone commander who currently maintains an independent security force of 500 armed men deployed at the diamond mining area of Seguela and the gold mining areas of Bounda and Daloa that collects fees from buying offices. Wattao also has a direct financial interest as one of four main “VIP sponsors” who control the illegal alluvial gold mining at Gamina near Daloa.<sup>38</sup> Niangadou controls an illicit network that smuggles nearly all rough diamonds from Seguela into adjacent countries, particularly Guinea. Niangadou also pays fees to a “protection section” under the control of Wattao.<sup>39</sup>

The Group made 11 recommendations regarding natural resources in its 2015 final

report.<sup>40</sup> Nearly all of the recommendations were intended for the government of Côte d’Ivoire, and none were directed at the Committee or the Council. Diamonds and gold were the principal focus (two concerned cocoa and oil). The Group concluded that the lifting of diamond sanctions with resolution 2153 “has neither translated into increased diamond production through legal channels nor increased the number of registered stakeholders in the sector”.<sup>41</sup> Thus, the principal recommendations made by the Group concern government regulation of alluvial mining and government licensing of buying houses. Regarding Wattao and Niangadou, the Committee has not yet taken action.

### 1591 Sudan

Large-scale violence erupted in Darfur in February 2003 when the Sudan Liberation Movement/Army and Justice and Equality Movement engaged in military conflict with the government of Sudan and its Janjaweed militia. The rebel groups claimed systematic state discrimination against non-Arab populations. Resolution 1591, adopted 29 March 2005, extended a pre-existing arms embargo on non-state actors that had been established with resolution 1556 to all belligerent parties in Darfur, imposed a travel ban and asset freeze and created the 1591 Sanctions Committee and a Panel of Experts. The 1591 Sudan sanctions regime does not have any natural resource-specific mechanisms in place, but several reports of the Secretary-General and the Panel have addressed linkages between natural resources and conflict in Darfur.

A special report of the Secretary-General on the review of UNAMID released in February 2014 analysed the sources of increasing conflict in Darfur. Deterioration in the economy of Sudan following the independence of South Sudan in July 2011 (which had accounted for three-quarters of oil production, constituting half of Sudan’s fiscal revenue) has led to higher fuel and commodity prices, a rise in criminal activity and increased competition between communities in Darfur for natural resources, particularly land and minerals. At the same time,

33. Available at <https://www.un.org/sc/suborg/en/sanctions/1533/materials/summaries/individual/audoin-ngaruaye-wa-myamuro>.

34. Available at <https://www.un.org/sc/suborg/en/sanctions/1533/materials/summaries>.

35. S/2005/699, box 2.

36. S/2005/699, paras. 56-58; and S/2006/204, paras. 24-25.

37. S/2015/252, paras. 163-164.

38. S/2015/252, paras. 205, 217, and 192.

39. S/2015/252, paras. 171-174.

40. S/2015/252, paras. 320-330.

41. S/2015/252, summary.

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due to the government's declining ability to finance tribal militias that had supported its military operations, these groups have sought alternative sources of income, including artisanal gold mines in North Darfur, a prospective oil field in East Darfur and land in Central and South Darfur.<sup>42</sup>

In perhaps the most significant natural resource-related incident, violence erupted in January 2013 over an artisanal gold mine in Jebel Amir, North Darfur, between the northern Reizegat and Beni Hussein tribes, displacing 100,000 civilians.<sup>43</sup> An investigation by the Panel of Experts found evidence that members of the Central Reserve Police and the Border Guard participated in the Reizegat tribe attacks on the Beni Hussein tribe, which according to customary law had rights over the Jebel Amir artisanal gold mine.<sup>44</sup> Musa Hilal, paramount chief of the northern Reizegat, led the attack and reportedly maintains de facto control over the mine, despite de jure rights subsequently being awarded by the government to a Sudanese firm in April 2014.

Through the adoption of resolution 1672 on 25 April 2006, Hilal was one of four individuals listed under the 1591 Sudan sanctions regime. According to the narrative summary for his listing, Hilal was responsible for Arab militia attacks on camps for internally displaced persons, among other violations of international humanitarian and human rights law.<sup>45</sup> While the Panel of Experts has investigated Hilal with regard to the travel ban, the government of Sudan has not responded to the Panel's request for information regarding the assets of those on the 1591 sanctions list.<sup>46</sup>

### 1970 Libya

The 1970 Libya sanctions regime was established within a context of escalating human rights violations by the government of Muammar Qadhafi. Resolution 1970, adopted 26 February 2011, imposed an arms embargo, asset freeze and travel ban and established the Committee; and resolution 1973 established a

Panel of Experts to assist the Committee. The Council adopted resolution 2146 on 19 March 2014, shortly after the oil tanker *Morning Glory*, flying the flag of the Democratic People's Republic of Korea and carrying 234,000 barrels of crude oil from the Barqa Council-controlled port of Sidra, broke through a Libyan naval blockade.<sup>47</sup> Resolution 2146 authorised member states to inspect on the high seas, without flag state consent, vessels designated by the 1970 Committee as attempting to illicitly export crude oil from Libya, and also authorised member states to direct the vessel to return the crude oil to Libya. Resolution 2146 specified a sequential process that precedes interdiction: a Libyan Focal Point notifies the 1970 Committee, the 1970 Committee notifies member states and then the 1970 Committee may designate vessels for 90-day renewable periods. Resolution 2213 renewed until 31 March 2016 the measures imposed by resolution 2146, and added new natural resource-related listing criteria regarding attacks on oil facilities and threatening or coercing the Libyan National Oil Company (LNOC).

According to the Secretary-General's strategic assessment of the UN presence in Libya, control over oil fields, pipelines and ports has become "a goal of the fighting in itself, and their blockage a tool for political leverage", while the lack of transparency in oil-related revenue collection and distribution provides opportunities for corruption and exacerbates local conflicts.<sup>48</sup> In the east, there was a stand-off from July 2013 to April 2014 between armed groups over control of four oil terminals.<sup>49</sup> In the west, armed groups based in Misrata launched attacks in December 2014 to gain control over oil facilities in the region from the Petroleum Facilities Guard; the Misratan forces withdrew from Sidra in March 2015 following an agreement facilitated by UNSMIL.<sup>50</sup> In the south, tensions between Tabu and Tuareg armed groups have been exacerbated by conflict between the Libya Dawn and Operation Dignity

coalitions, including with respect to asserting control over oil fields within the region.<sup>51</sup>

The Panel of Experts has noted several operational challenges to implementing the measures established in resolution 2146: ambiguity regarding government control over oil fields and ports, extensive smuggling networks and a security situation that impedes effective border management and government administration.<sup>52</sup> As of February 2015, the Panel had identified 635 vessels designed for carrying crude oil and other natural resources that had called at Libyan ports in the 11 months since the adoption of resolution 2146. However, as the government had not replied to requests from the Panel as to which ports were under its control, the Panel could not definitively determine which exports of crude oil were illicit.<sup>53</sup> Furthermore, as the Panel noted, no requests were made by the government of Libya and thus no designations of vessels were made by the 1970 Committee with regard to illicit exports of crude oil from Libya. Likewise, as no new listings of individuals or entities have been made since June 2011, the 1970 Committee has not yet used the designation criteria established in resolution 2213 regarding attacks on oil facilities and threats toward the LNOC.<sup>54</sup>

In its report transmitted to the Council on 23 February 2015, the Panel makes four recommendations related to sanctions on the illicit export of crude oil: create a maritime monitoring force to prevent violations of the arms embargo and illicit oil exports; extend measures to oil derivatives and other natural resources; change the designation process to enable the Committee to make designations without prior notification by Libya; and encourage the government of Libya to provide regular updates on ports, oilfields, and installations under its control and to inform the Committee regarding the mechanism used to certify legal exports of crude oil.<sup>55</sup> To date, it seems only the fourth recommendation has been implemented by the Council, in resolution 2213.

42. S/2014/138, paras. 7-8.

43. S/2014/138, para. 9.

44. S/2014/87, para. 147.

45. Available at <https://www.un.org/sc/suborg/en/sanctions/1591/materials/summaries/individual/musa-hilal-abdalla-alsiem>.

46. S/2015/31, paras. 209-211 and 217.

47. The Barqa Council controlled a semi-autonomous eastern coastal region of Libya.

48. S/2015/113, para. 12.

49. S/2014/653, para. 26.

50. S/2015/144, para. 11; and S/2015/624, para. 24.

51. S/2015/624, para. 36.

52. S/2015/128, paras. 247-251.

53. S/2015/128, para. 240 and table 2.

54. The Council had previously listed the LNOC itself in resolution 1973, Annex II in relation to the asset freeze and then delisted the LNOC in resolution 2009, para. 14.

55. S/2015/128, para. 252.

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### 1988 Afghanistan

The 1988 Afghanistan sanctions regime was created in June 2011, when the Council split it from the 1267/1989 Al-Qaida sanctions regime with the objective of enabling mediation of the conflict with the Taliban that started in October 2001. According to the latest data from the UN Office on Drugs and Crime (UNODC), opium poppy cultivation has reached an all-time high in Afghanistan at 224,000 hectares (553,515 acres), accounting for 85 percent of global opium production and 77 percent of global heroin production.<sup>56</sup> The adoption of resolution 2160 on 17 June 2014—which reaffirmed the asset freeze, travel ban and arms embargo on the Taliban—expanded upon the listing criteria for the 1988 Afghanistan sanctions regime and further clarified what constitutes a violation of the asset freeze. Resolution 2160 noted that means of financing or support for the Taliban may include “the use of proceeds derived from crimes, including the illicit cultivation, production and trafficking of narcotic drugs”, and underscored the need to prevent those associated with the Taliban “from benefiting, directly or indirectly, from entities engaging in activities prohibited by this resolution, as well as the illegal exploitation of natural resources in Afghanistan”.

The Analytical Support and Sanctions Monitoring Team has identified two general types of collaborative relationships between the Taliban and criminal organisations in Afghanistan with respect to the drug trade: the Taliban’s use of networks of narcotics traffickers to generate assets and launder financial proceeds from the drug trade; and Afghan drug lords’ use of proceeds from the illegal trade in narcotics to finance the Taliban.<sup>57</sup> The Taliban also taps into all three stages of the supply chain in Afghanistan—cultivation, production and trafficking. The Taliban has levied a land tax, *ushr*, on the production of opium farmers; anecdotal evidence suggests links between the Taliban and heroin processing labs; and government sources claim the Taliban are one of the main guarantors of trafficking opium and heroin out of Afghanistan.<sup>58</sup> According to UNODC data,

the total farm-gate value of opium production in Afghanistan in 2014 was estimated at \$850 million. The Monitoring Team assessed that the “majority of the farm-gate value of opium production in Afghanistan benefitted the insurgency either directly or indirectly”.<sup>59</sup>

The Monitoring Team has identified three patterns of Taliban involvement within the extractives sector: first, directly participating in the extraction of natural resources; second, extorting assets from government-licensed and unlicensed mining operations; and third, acting as “service providers” for unlicensed mining operations. The Taliban directly control more than 35 active mining operations in Helmand province, where they extract a significant amount of onyx marble for export. The Taliban have also controlled roads near lapis lazuli mines in Badakhshan Province, where they have extorted money from unlicensed miners to gain access to the mines and then taxed trucks leaving the mines, reportedly generating \$1 million annually. Illustrating a third pattern, the Taliban are reportedly involved in providing “security” for unlicensed ruby mining operations in Kabul province, where they charge 15 percent of proceeds for preventing government forces from taking control of the area and an additional 20 percent of proceeds for smuggling the rubies across the border.<sup>60</sup> The Monitoring Team cited additional examples, including talcum mining in Nangarhar province, extortion of marble quarries in Herat province and illegal gold mining in Badakhshan province. The Monitoring Team also notes estimates by government officials that Taliban revenue from natural resources totals “several dozen million” US dollars annually, constituting its second largest source of revenue.<sup>61</sup>

With regard to the Council’s use of sanctions measures, the narrative summaries of more than a dozen individuals and two entities indicate involvement with the illicit drug trade, but there do not appear to be any listings specifically related to the illegal exploitation of natural resources in Afghanistan. This does not imply that none of the 135 individuals and five entities currently on the 1988 list is involved in illegal natural

resource exploitation, but it does suggest that the Committee has not specifically addressed this aspect of Taliban financing with new listings.<sup>62</sup> Meanwhile, the Monitoring Team has recently made two relevant recommendations: the Committee should include a recently compiled official government list of licenced mining operations within forthcoming communications with member states in order to facilitate stronger private sector due diligence processes; and the Committee should invite the command of the Combined Maritime Task Force 150 to brief regarding their actions against Afghan narcotics trafficking.<sup>63</sup> It seems the Committee accepted the latter recommendation in July 2015 but not the former.

### 2127 Central African Republic

The catalyst for contemporary violence in the CAR was the formation of the Séléka rebellion in December 2012 and the subsequent overthrow of the government of President Francois Bozizé in March 2013. Resolution 2127, adopted 5 December 2013, established the sanctions regime and imposed an arms embargo. In addition to imposing an asset freeze and travel ban, resolution 2134, adopted in January 2014, established natural resource-related listing criteria, which were then slightly modified in January 2015 in resolution 2196 to also include gold: “providing support for armed groups or criminal networks through the illicit exploitation or trade of natural resources, including diamonds, gold, wildlife as well as wildlife products in or from the CAR”. In resolution 2217, the Council also authorised MINUSCA to assist the 2127 Committee and Panel, support the CAR authorities to develop a strategy to tackle the illicit exploitation and trafficking of natural resources and provide transport for CAR authorities to carry out inspections and monitoring visits at mining areas.

The Panel has documented that both ex-Séléka and anti-Balaka groups have profited from the illicit exploitation and trade of diamonds, the former operating in the east and the latter operating in the west. The Enough Project, an NGO, estimated in a July 2015

56. *World Drug Report 2015*, UNODC, May 2015, pages 41-42.

57. S/2015/79, paras. 8-16.

58. S/2015/79, paras. 17-21.

59. S/2015/648, paras. 48-49.

60. S/2015/79, paras. 22-30.

61. S/2015/648, paras. 42-45.

62. Available at <https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1988.pdf>.

63. S/2015/648, paras. 47 and 56. Although Afghanistan is land-locked, much of the country’s heroin exports are eventually trafficked by sea. The voluntary, multinational Combined Maritime Task Force 150 has a counter-terrorism mandate and operates in the Red Sea, Gulf of Aden, Indian Ocean and Gulf of Oman.

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report that ex-Séléka and anti-Balaka groups earn approximately \$3.9 million to \$5.8 million annually from diamonds, which represents 10 to 15 percent of the total diamond production in the CAR.<sup>64</sup> Ex-Séléka and anti-Balaka derive revenue from diamonds in two main ways: directly by employing diggers to mine alluvial diamonds in areas under their control, and indirectly through looting, extortion and taxation of miners and traders. As of October 2014, the Panel estimated that \$24 million in rough diamonds had been smuggled out of the country since the CAR was suspended from the Kimberley Process in May 2013.<sup>65</sup> On 17 July 2015, the Kimberley Process partially lifted the embargo on the trade in rough diamonds from the CAR through a decision authorising a resumption of trade in rough diamonds from “compliant zones” in the CAR.<sup>66</sup> While this could have a national economic benefit, it also risks increasing the availability of revenue to armed groups.

Other natural resources that have been linked to armed groups in the CAR include gold, timber, wildlife and agriculture. An estimated two tonnes of gold are produced in the CAR each year, with a value of more than \$60 million. Official gold trade is virtually non-existent, however, and most production is illicitly trafficked from the CAR. The Panel has documented that ex-Séléka forces have derived revenue from gold through selling mining licenses and “digger cards”.<sup>67</sup> From April 2013 to January 2014, the Séléka gained significant revenue from timber through protection money paid by logging companies and payments at checkpoints. Since January 2014, when the anti-Balaka gained control over the forests in southwest CAR, illegal taxation of logging trucks has continued but at a reduced scale.<sup>68</sup> The Panel’s initial report in July 2014 linked the Séléka rebellion in 2012–2013 to poaching and wildlife trafficking, but they appear to have been supplanted by the return of long-time poachers in the southwest and the activity of Sudanese poachers in the east. Finally, ex-Séléka forces have extorted nearly \$250,000 from trucks exporting coffee to Sudan during 2014, while anti-Balaka

forces have stolen numerous cattle from Muslim and ethnic Fulani owners and frequently held the cattle for ransom.<sup>69</sup>

There are currently a total of five individuals and one entity on the 2127 sanctions list, out of which two individuals and the entity were listed according to natural resource-related criteria.<sup>70</sup> Nourredine Adam was one of the original leaders of the Séléka rebellion and operated as a facilitator for a Chadian diamond-trafficking ring; Oumar Younous was a general in the Séléka forces and has been a close confidant of former president Michel Djotodia and a diamond smuggler. According to the reporting of the Panel and the narrative summaries for listing, during 2014 the Bureau d’Achat de Diamant en Centrafrique (BADICA), a diamond trading company based in the CAR, and its Belgian affiliate, KARDIAM, purchased and trafficked rough diamonds from areas of eastern and south-western CAR that were under the control of armed groups.

### 2206 South Sudan

The complex linkages between oil and conflict in Sudan and South Sudan can be traced back to the civil war (1983–2005), disputes between the two states regarding the distribution of oil revenue that led to a brief border conflict at the oil-producing area of Heglig in April 2012, and allegations regarding public financial mismanagement of oil revenue in South Sudan. Reacting to the civil war in South Sudan, which started in December 2013, resolution 2206 on 3 March 2015 imposed a travel ban and asset freeze, and created the 2206 South Sudan Sanctions Committee and a Panel of Experts, which includes an expert on finance and natural resources. While there are not any natural-resource specific measures in place, the principal listing criteria—“responsible for or complicit in, or having engaged in, directly or indirectly, actions or policies that threaten the peace, security, or stability of South Sudan”—could be applied within the context of oil-related conflict and war profiteering.

The bulk of fighting between the Sudan

People’s Liberation Army (SPLA) and the Sudan People’s Liberation Movement/Army in Opposition since December 2013 has been in Unity and Upper Nile states, the two oil-producing regions of South Sudan. (A peace agreement was signed by the parties in August 2015, but there have been sporadic violations of the agreement since then.) An August 2015 report of the Secretary-General on UNMISS observed that there had been a surge in large-scale fighting since April for control of strategic areas of those states, including the oil fields.<sup>71</sup> The Council has also recognised oil-related conflict dynamics in South Sudan. For example, in resolution 2223 renewing the mandate of UNMISS, the Council condemned “attacks on oil installations, petroleum companies and their employees, and the continued fighting around these facilities”, and a reference to oil installations has been a part of the peacekeeping operation’s protection of civilians mandate since the adoption of resolution 2155 in May 2014.

The Panel of Experts’ initial investigation into how the war has been financed and who has benefitted financially from the war’s perpetuation is thus far preliminary. Nonetheless, some of the linkages between oil revenue and state military expenditures are known. Although the price of oil has dropped by 50 percent within the last year and the conflict has negatively impacted oil production—which was 163,000 barrels per day in mid-July 2015, down from 245,000 barrels per day in December 2013—government revenue remains overwhelmingly dependent upon the oil sector.<sup>72</sup> The government has also used forward selling of oil and external borrowing (presumably oil-collateralised) to finance its operations, leading to an increase in public debt from \$3.5 billion to \$4.2 billion within six months.<sup>73</sup> Meanwhile, the security sector constitutes the single largest expenditure for the government, outweighing its combined expenditures on education, health, infrastructure and public administration—thus exacerbating the evident lack of a peace dividend dating back to the end of Sudan’s civil war in 2005.<sup>74</sup>

64. Kasper Agger, *Warlord Business: CAR’s violent armed groups and their criminal operations for profit and power*, Enough Project, June 2015, page 21, note 5.

65. S/2014/762, para. 111.

66. The Kimberley Process Certification Scheme, a multi-stakeholder commodity tracking regime to prevent diamonds mined by rebel groups from reaching the global market, came into effect in January 2003.

67. S/2014/762, paras. 135 and 141.

68. S/2014/452, Annex 13.

69. S/2014/762, paras. 145–146.

70. Available at <https://www.un.org/sc/suborg/en/sanctions/2127/materials/summaries>.

71. S/2015/655, para. 72.

72. S/2015/656, para. 56.

73. S/2015/656, paras. 29 and 32.

## UN Sanctions Regime Case Studies (con't)

On 1 July 2015, the 2206 South Sudan Sanctions Committee listed six individuals. According to the narrative summaries for their listing, all but one had a link to fighting in either Upper Nile or Unity states. Two were specifically identified with respect to oil-related conflict.<sup>75</sup> Peter Gadet, an SPLA in Opposition commander, led forces that

occupied oil fields and damaged infrastructure in Unity state in March 2014, before targeting civilians in an April 2014 offensive on Bentiu, and Santino Deng Wol, commander of the SPLA's Third Division, led forces that killed women and children as they advanced through Unity state towards an oil field in May 2015. The Panel has recommended

that when the Committee considers additional listings, it includes “those decision makers with the ability to either perpetuate or end the war who reap the economic and political benefits of the conflict”, in addition to those who are responsible for serious crimes under international humanitarian and human rights law.<sup>76</sup>

## Analysis: Sanctions Design and Implementation

This section comparatively assesses sanctions design and implementation among the ten UN sanctions regimes summarised above. The analysis is organised through reference to the six aspects of sanctions reviewed earlier in the report: embargoes, interdiction, designation criteria and listing, monitoring and reporting, peacekeeping operation mandates, and due diligence guidelines. While there has been some progress in terms of sanctions design, effective implementation of UN natural resource sanctions continues to be a challenge.

### Embargoes

Regarding embargoes—when the Council has decided to impose them on natural resources and how they are designed—the summaries above suggest a few interesting points. The use of secondary sanctions on Liberia for violating the Sierra Leone sanctions regime established a positive precedent for state accountability. The wording of sanctions measures on rough diamond exports from Liberia and charcoal exports from Somalia specifying their application regardless of origin has also been a useful recognition of how regional war economies function. On the other hand, the imposition of sanctions on rough diamonds from Côte d'Ivoire but not cocoa, which was also inextricably linked with conflict dynamics, raises questions regarding which natural resources are targeted. Certainly, one could reasonably argue that natural resource embargoes have not been imposed in certain contexts, such as with regard to diamonds in the CAR and the drug trade from Afghanistan, because they would be largely redundant in relation to other mechanisms (i.e. the Kimberley Process

for diamonds and existing anti-drug laws for narcotics). However, others cases, particularly the DRC and South Sudan, suggest a range of competing alternative explanations for the absence of an embargo on natural resources despite evidence regarding their strategic significance within these intrastate conflicts, such as economic interests among P5 members, a potentially adverse humanitarian impact and the relative feasibility of implementation.

Undoubtedly, implementation of sanctions on the export of natural resources has proved difficult. Implementation of the ban on charcoal exports from Somalia has had a poor track record. As reported by the Monitoring Group, the volume of charcoal exports and the income derived by Al-Shabaab significantly increased after the imposition of sanctions. This was compounded by the complicity of Kenyan AMISOM contingents in the charcoal trade from the port of Kismayo. Subsequent decreases in Al-Shabaab's involvement in the charcoal trade can be attributed primarily to the battlefield loss of its main port, Baraawe, rather than more effective implementation of charcoal sanctions per se. In contrast, implementation of sanctions on rough diamonds and timber from Liberia and rough diamonds from Côte d'Ivoire are perceived in retrospect as positive cases. Weak natural resource governance in Liberia and Côte d'Ivoire, however, suggests the need for better follow-up mechanisms after natural resource embargoes are terminated.

### Interdiction

Resolution 2146 and resolution 2182, authorising maritime interdiction with

respect to Libya and Somalia respectively, offer a useful contrast in terms of sanctions design. Under resolution 2146, the process prior to interdiction is complicated, requiring the Libyan Focal Point to notify the 1970 Committee, the 1970 Committee to notify member states and the 1970 Committee to designate the vessel as carrying illicit oil. These procedures were intended as safeguards against abuse of interdiction, but in practice they have probably also decreased the prospects for implementation. Regarding resolution 2182, negotiation of the draft resolution was somewhat controversial, particularly due to objections raised by the Arab Group and the Gulf Cooperation Council via Jordan, which abstained, as did Russia.<sup>77</sup> One issue concerned the geographic scope of the measure, which authorised maritime interdiction “in Somali territorial waters and on the high seas off the coast of Somalia extending to and including the Arabian Sea and Persian Gulf”. Other concerns regarded the range of naval vessels authorised to carry out interdiction—“Member States, acting nationally or through voluntary multinational naval partnerships”—and on what basis—“reasonable grounds”. Nonetheless, the penholder, the UK, resisted changes that would have probably rendered effective implementation of resolution 2182 more difficult. The measure was renewed for another year without modification in resolution 2244.

Roughly 18 months after the adoption of resolution 2146 and one year after the adoption of resolution 2182, these maritime interdiction measures remain largely unimplemented. As explained in the 1970 Libya summary in the preceding section, the Panel

74. S/2015/656, para. 58 and annex VII.

75. Available at <https://www.un.org/sc/suborg/en/sanctions/2206/materials/summaries>.

76. S/2015/656, para. 84(a).

77. S/PV.7286.

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## Analysis: Sanctions Design and Implementation (con't)

of Experts recommended changing the procedures outlined in resolution 2146 to enable designation of a vessel without prior notification by the Libyan Focal Point. While this is an implicit acknowledgement that the procedural safeguards are cumbersome, in the case of Libya, it also reflects practical difficulties in identifying who exercises governmental authority. Despite the more straightforward design of maritime interdiction measures in resolution 2182, there are also few instances of maritime interdiction of arms or charcoal. Given imperfect information, there are a number of possible explanations, including the potential deterrent effect of maritime interdiction measures reducing trafficking, operational difficulties faced by counter-piracy naval coalitions, tactical innovation by charcoal smugglers such as the use of smaller boats for loading at Somali ports, the possibility that arms no longer under the control of the federal government in Somalia may have been initially imported through legal means and Al-Shabaab's eventual withdrawal from the charcoal trade (which suggests that there may now be fewer illegal charcoal exports to interdict than there once were).

### Criteria and Listing

One area of sanctions design that has improved deals with the development of listing criteria. Of the ten sanctions regimes assessed in this report, all but three—1521 Liberia, 1591 Sudan and 2206 South Sudan—have natural resource-specific listing criteria. The 751/1907 Somalia-Eritrea regime includes criteria regarding misappropriation of public financial resources, which is relevant for oil revenue, as well as criteria regarding the charcoal embargo. The 1533 DRC regime and 2127 CAR regime have similar criteria regarding supporting illegal armed groups, criminal networks or both through illicit trade or exploitation of natural resources. The 1267/1989 Al-Qaida regime and the 1988 Afghanistan regime have similar criteria regarding the drug trade, plus criteria regarding the oil trade in the former. The Council has also shown tactical adaptation with the addition of natural resource-specific criteria to the 1572 Côte d'Ivoire regime when the diamond embargo was terminated, and the addition of new criteria to the 1970 Libya regime regarding attacks on oil facilities and coercing the Libyan National Oil Company.

Although for the most part there are sufficient natural resource-specific listing criteria, actual use of the criteria by the sanctions committees in order to sanction individuals and entities has been far less common. With the notable exception of the 2127 CAR regime and to a lesser extent the 1533 DRC regime, at least four other sanctions regimes have never employed relevant criteria: 751/1907 Somalia-Eritrea regarding charcoal, 1267/1989 Al-Qaida regarding oil, 1572 Côte d'Ivoire regarding diamonds and gold and 1970 Libya regarding oil. A common explanation for the Council's declining use of natural resource embargoes is that natural resource-specific listing criteria are more targeted, more efficient to implement and have fewer unintended consequences, such as national economic costs and adverse humanitarian impacts. These points are undoubtedly true, but the efficacy of primarily relying upon listing criteria rather than embargoes is also quite limited if the listing criteria are not used.

### Monitoring and Reporting

The mandates of expert panels, groups and teams supporting sanctions committees generally include oversight over natural resources if there are embargo, interdiction or natural resource-specific listing criteria measures in the sanctions regime. For example, in resolution 2198 the Council specifically mandated the Group of Experts supporting the 1533 DRC Sanctions Committee to evaluate the impact of due diligence guidelines on the minerals trade. Emerging threats have also been addressed through monitoring and reporting mandates, such as resolution 2170 when the Council directed the Analytical Support and Sanctions Monitoring Team supporting the 1267/1989 Al-Qaida Sanctions Committee to produce a report on ISIS and its financing. In other less urgent cases, the Council decided that natural resource-related monitoring and reporting elements should be retained even after the termination of an embargo, such as the 1521 Liberia regime, in which the Panel of Experts had a natural resources monitoring and reporting mandate until December 2013 even though timber and diamond embargoes were terminated in 2006 and 2007. Similarly, when the Council terminated the diamond embargo on Côte d'Ivoire in

resolution 2153, it reiterated the mandate of the Group of Experts regarding natural resource exploitation and trafficking.

Successful monitoring and reporting regarding natural resource sanctions are contingent on several factors: the staffing and composition of expert groups, panels and teams; the level of cooperation with sanctions experts by the target country and adjacent countries; the degree of engagement by the committee chair; and to what extent political dynamics within sanctions committees and the Council allow for the uptake of expert recommendations. As indicated in Table 3, there are natural resource experts for the groups and panels supporting the 1533 DRC, 1572 Côte d'Ivoire, 2127 CAR and 2206 South Sudan (and formerly 1521 Liberia) sanctions committees; in some cases these experts also cover finance. Monitoring and reporting by these experts and others is significantly affected by relations with the target country. The continued lack of cooperation by Eritrea with the Somalia and Eritrea Monitoring Group is the clearest example, but other countries, such as Libya and Sudan, are also relevant. Strong engagement by the committee chair, including in the form of visiting missions, may help to mitigate these types of difficulties. Recent examples include visits to the region by the sanctions committee chairs for 1572 Côte d'Ivoire (November 2014), 1533 DRC (May 2015) and 2127 CAR (August 2015).

### Peacekeeping Operations

Peacekeeping operation mandates have included language regarding the protection of UN personnel, cooperation with expert groups and panels, and natural resources. The mandates of UNMIL, MONUSCO, UNOCI and MINUSCA include provisions to ensure the security and freedom of movement of UN personnel.<sup>78</sup> AMISOM's mandate in resolution 2093 includes similar language. Resolution 2223 on UNMISS requests cooperation with the 2206 South Sudan Sanctions Committee and the Panel of Experts, resolution 2217 urges MINUSCA to ensure unhindered access for the Panel of Experts and resolution 2211 encourages information sharing between the Group of Experts and MONUSCO. In some cases, such as UNSMIL, special political missions are also urged to cooperate with the sanctions committee and expert

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78. S/RES/2239, para. 10(d)(i); S/RES/2211, para. 9(b); S/RES/2226, para. 19(j); and S/RES/2217, para. 32(d).

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## Analysis: Sanctions Design and Implementation (con't)

panel and encouraged to support sanctions investigations.<sup>79</sup> The natural resource-related mandates of peacekeeping operations were summarised in table 3, including with regard to AMISOM and charcoal, MINUSCA's assistance to the authorities in the CAR and protection of civilians at oil installations by UNMISS. Prior examples of natural resource-related UN peacekeeping mandates include UNMIL and MONUC, while UNOCI had a mandate to assist the work of the Panel of Experts, which in practice entailed helping monitor the diamond embargo.

Peacekeeping operations' cooperation with sanctions actors and implementation of natural resource-related peacekeeping mandates have been affected by several factors. One issue is that peacekeeping and sanctions enforcement are not necessarily complementary tasks, particularly when maintaining impartiality, which presumably could be compromised through some forms of sanctions enforcement, is a priority. At an institutional level, cooperation between peacekeeping operations and sanctions committees and experts has also been hindered by UN interdepartmental differences. Regarding implementation of natural resource-related peacekeeping mandates, the ten cases summarised in the section above indicate a considerable range of outcomes. Positive precedents include UNMIL's assistance to the government of Liberia from 2005 to 2009 within the Governance and Economic Management Assistance Programme (GEMAP), which used an innovative "dual-key" approach where international experts had co-signature authority in certain ministries and state-owned

companies in order to reduce corruption and increase accountability, and UNOCI's diamond embargo monitoring with the Group of Experts.<sup>80</sup> MONUC's mandate to monitor and inspect illicit natural resource trading went unimplemented, largely due to capacity constraints relative to its expansive mandate.<sup>81</sup> Lastly, AMISOM's complicity in the charcoal trade in Somalia raises other difficult issues regarding economic incentives, including among peacekeepers, in war economies.

### Due Diligence Guidelines

The Council mandated the Group of Experts on the DRC to provide recommendations for supply chain due diligence guidelines in resolution 1896 of 2009 and requested the 751/1907 Somalia-Eritrea Sanctions Committee (with the assistance of the Monitoring Group) to draft such guidelines on mining in Eritrea for the optional use of member states in resolution 2023 of 2011. With regard to the DRC, the Council decided in resolution 1952 to "take forward" the recommendations for due diligence guidelines made in the Group's 2010 report.<sup>82</sup> These are available as a seven-page document on the website of the 1533 DRC Sanctions Committee.<sup>83</sup> With respect to Eritrea, the Monitoring Group presented three options for due diligence guidelines in its 2012 report and then, in its 2013 report, specifically recommended the establishment of an escrow account to be jointly administered by mining companies and the government of Eritrea.<sup>84</sup> The Monitoring Group's recommendation was not taken forward by either the Council or the 751/1907 Somalia-Eritrea Sanctions Committee, presumably

because implementation would have required the cooperation of the government of Eritrea, which has yet to occur.

Analysing implementation of the due diligence guidelines developed by the DRC Group of Experts requires assessment within a broader context of initiatives by the US, OECD and the ICGLR. In July 2010, the US Congress passed the Dodd-Frank Act, which includes provisions on financial reporting for the extractive industries (section 1504) and supply chain due diligence for conflict minerals from the DRC and adjacent states (section 1502), the latter modelled on the work of the DRC Group of Experts. The Dodd-Frank Act applies to all corporations listed on US stock exchanges, which includes most major oil and mining companies in the world. Critics of Section 1502 of the Dodd-Frank Act contend it has resulted in a de facto embargo on sourcing minerals from the DRC due to manufacturers' concerns regarding the reputational risk associated with mandatory reporting requirements, but it has not reduced conflict as militia leaders and corrupt military commanders continue to smuggle minerals. Meanwhile, the OECD developed due diligence guidelines that the ICGLR endorsed at a summit in Lusaka on 15 December 2010, which also approved an ICGLR Regional Certification Mechanism. Most recently, in resolution 2198 of January 2015, the Council welcomed efforts by countries in the region to adopt the Group of Experts' due diligence guidelines and the ICGLR Regional Certification Mechanism, which are compatible with the OECD guidelines, into national legislation.

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## Analysis: Natural Resources, Conflict and Sanctions

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This section reassesses prevalent assumptions regarding the relationship between natural resource exploitation and armed conflict and how natural resource sanctions are intended to function in this context. UN sanctions regimes have primarily focused on addressing conflict financing, particularly by non-state actors, perhaps to

the detriment of approaches also oriented toward improving natural resource governance. No fewer than half of the ten sanctions regimes covered in this report concern countries with historical links between poor natural resource governance and recurring conflict: Liberia, the DRC, Sudan, South Sudan and the CAR. Tactical differentiation

according to certain relevant properties of natural resources—see table 5 below—at both the sanctions design and implementation stages could also potentially improve the effectiveness of natural resource sanctions. The following brief discussion examines natural resources as a source of conflict financing, how natural resource governance

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79. For UNSMIL, the 1970 Libya Sanctions Committee and its Panel of Experts, these provisions have been renewed annually since resolution 2040, adopted 12 March 2012.

80. *Greening the Blue Helmets: Environment, Natural Resources and UN Peacekeeping Operations*, UNEP, May 2012, pages 47-48 and 56.

81. *Greening the Blue Helmets: Environment, Natural Resources and UN Peacekeeping Operations*, UNEP, May 2012, pages 50-51.

82. S/2010/596, paras. 356-369.

83. Available at [https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/due\\_diligence\\_guidelines.pdf](https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/due_diligence_guidelines.pdf).

84. S/2012/545, paras. 115-121; and S/2013/440, para. 162.

## Analysis: Natural Resources, Conflict and Sanctions (con't)

relates to conflict prevention and the implications of various properties of natural resources for both conflict dynamics and sanctions implementation.

Popular discourse, media coverage and NGO advocacy reports referencing “blood diamonds”, “resource wars”, “conflict commodities” and “oil-fuelled wars” reflect commonly held assumptions regarding the relationship between natural resources and armed conflict. The “rebel greed” hypothesis—associated with Paul Collier, an Oxford economist and former director of the Development Research Group at the World Bank—claimed that the incidence of civil wars correlates with the level of natural resource dependence and can be explained by the rational pursuit of economic self-interest by insurgents.<sup>85</sup> (Critics argued that natural resource exploitation by rebel groups can also be an economic means to achieve a political end, such as capture of the state.)<sup>86</sup> Collier’s theory resonated with policymakers; probably at least in part because it seemed to confirm assumptions about the UNITA and RUF rebel groups in Angola and Sierra Leone. The logical policy implication would be to use sanctions in order to sever connections between natural resource exploitation and rebel financing, but even if implemented well this only addresses one dimension of a complex problem.

Effective natural resource governance remains critical for mitigating the “resource curse”, particularly connections between natural resource dependence and armed conflict. More than two decades of academic research has established correlations between natural resource dependence and poor economic performance, the absence of democracy, low societal welfare, corruption and conflict. Although the specific causes remain a subject of debate among economists and political scientists, the risks associated with natural resource dependence are widely accepted. Regarding the incidence of armed conflict, poor natural resource governance could explain both motives and

**TABLE 5: NATURAL RESOURCE PROPERTIES, INSURGENCIES AND STATES**

Natural Resource Properties	Insurgencies	States
<b>Geological Dispersion</b>	<i>diffused</i>	<i>point</i>
	alluvial diamond fields, oil pipelines	kimberlite diamond mines, offshore oil
<b>Geographic Location</b>	<i>distant</i>	<i>proximate</i>
	diamonds in Angola, minerals in the DRC	oil in Angola, oil in Côte d'Ivoire
<b>Extraction/Transport</b>	<i>lootable</i>	<i>non-lootable</i>
	alluvial diamonds, alluvial gold, oil pipelines, charcoal, timber	kimberlite diamonds, offshore oil
<b>Economic Inputs</b>	<i>labour-intensive</i>	<i>capital-intensive</i>
	alluvial mining, charcoal, timber, agriculture	industrial mines, offshore oil
<b>Legal Status</b>	<i>illegal</i>	<i>legal</i>
	drugs, sanctioned commodities	oil, minerals, agriculture, timber

opportunities for insurgency in natural resource-dependent states. Social, environmental, economic and political grievances toward extractive industries may prompt rebellion; while weak states lacking an effective military deterrence, control over territory and proper administration of natural resources provide an opportunity to rebel. UN natural resource sanctions, as one tool available to international actors to facilitate more effective natural resource governance, can help not only to disrupt conflict financing links but also to establish regulation of natural resources and thus prevent conflict.

The properties of natural resources also have implications for conflict dynamics and sanctions implementation. As the typology outlined in table 5 indicates, relevant factors include: geological dispersion, geographic location, ease of extraction and transport, the economic inputs required and legal status. Insurgencies are more

likely to exploit natural resources that are territorially diffuse, distant from areas of government control, easily looted, require labour-intensive extraction and are illegal; while states are more likely to exploit natural resources that are territorially concentrated, close to areas of government control, not easily looted, require capital and technical inputs for extraction and are legal. Of course, this is a rough dichotomy, but it does give some indication of the types of natural resources that finance insurgency and state war economies. Alluvial diamonds are the prototypical “rebel resource”: geologically dispersed, often located far from state administration, easily looted and smuggled, requiring little capital or technical inputs for extraction and frequently exploited despite legal restrictions. These characteristics also imply a high level of difficulty for sanctions implementation.

85. Paul Collier, “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 and Ottawa: Lynne Rienner Publishers and International Development Research Centre, 2000), pages 91-112.

86. Karen Ballentine, “Beyond Greed and Grievance: Reconsidering the Economic Dynamics of Armed Conflict”, in Karen Ballentine and Jake Sherman (eds.), *The Political Economy of Armed Conflict: Beyond Greed and Grievance* (Boulder: Lynne Rienner Publishers, 2003), pages 259-283.

## Council and Wider Dynamics

The Council held an open debate on “conflict prevention and natural resources” on 19 June 2013 at the initiative of the Council president, the UK. Russia and China both emphasised the theme of respecting state sovereignty and expressed scepticism regarding natural resource sanctions. Russia also characterised attempts to introduce “quasi-sanction instruments” for the certification of raw materials as “dangerous” and not within the Council’s mandate.<sup>87</sup> The UK had intended for the open debate to have a presidential statement as an outcome, but it was blocked by Russia, which apparently argued that the subject fell outside the scope of the Council’s mandate to maintain international peace and security.<sup>88</sup> Russia’s objection represented a step back in terms of Council dynamics as the draft presidential statement covered many of the same themes as the presidential statement adopted on 25 June 2007 under the Belgian presidency: state sovereignty, illicit exploitation, national regulation, UN peace operations, coordination, regional and international dimensions, sanctions, the Peacebuilding Commission, the private sector and international voluntary initiatives.

A briefing on “general issues relating to sanctions” was held on 25 November 2014 at the initiative of the Council president, Australia. Council members discussed numerous issues, including transparency, due process, unintended consequences, member state capacity-building, implementation challenges and the need for technical reforms. Contrasting with other Council members, Russia, and to a somewhat lesser extent, China, articulated positions that resisted change with respect to the Council’s sanctions management.<sup>90</sup> The briefing took place as a draft resolution on sanctions, with Australia as the penholder, was being negotiated. One of the key provisions of the draft resolution was the

creation of a Policy and Coordination Unit within the Security Council Affairs Division of the Department of Political Affairs (DPA). This was opposed by Russia and China, stating that it would intrude on the policymaking prerogatives of the Council.<sup>91</sup> Under the threat of a veto by Russia, Australia did not put the draft resolution up for a vote. These developments should also be put into political context, however, as the situation in Ukraine, including national and regional sanctions against Russia, weighed heavily.

Analysing relations among the different parts of the UN System and how they engage on issues related to natural resource sanctions is useful for understanding implementation. There has been a bureaucratic turf battle between DPA, which has primary responsibility for sanctions, and the Department of Peacekeeping Operations (DPKO), which has a field deployment that could facilitate better implementation. But the underlying issues are more complex than simply a lack of inter-departmental cooperation. These include conflicting mandates between peacekeeping operations, which typically require impartiality, and sanctions enforcement, which is inherently partial. Another challenge concerns relations between the Council and its own subsidiary body, the Peacebuilding Commission (PBC), whose mandate suggests it could be assisting natural resource governance in countries undergoing post-conflict natural resource sanctions transitions. In practice, however, as it nears its tenth anniversary, the PBC has not been that actively engaged. There could also perhaps be more in-depth collaboration among UN agencies working on natural resource issues in the field, particularly UN Development Programme (UNDP) and UNEP, and sanctions committees and the Secretariat based in New York. Finally,

interaction by the Council and the Secretariat with the World Bank, which has increasingly addressed linkages between conflict and development in its own work, has been limited. Beyond the long-standing institutional divide between development actors and security actors, it remains unclear why the World Bank’s knowledge and institutional capacity have not been better leveraged in support of implementing UN natural resource sanctions.

Another important dimension concerns the evolution of relations between the UN and other intergovernmental organisations, regional organisations and member states. UN natural resource sanctions—particularly the 864 Angola sanctions regime, the 1132 Sierra Leone sanctions regime and the 1533 DRC sanctions regime—established mechanisms that other initiatives have since built upon. These include the government certificate of origin schemes for rough diamonds from Angola and Sierra Leone, which were interrelated with the formation of the Kimberley Process, and the due diligence guidelines drafted by the DRC Group of Experts, which have influenced the Dodd-Frank Act, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the ICGLR Regional Certification Mechanism. Other multi-stakeholder initiatives focused on natural resources, such as the Extractive Industries Transparency Initiative, have also been developed. To the extent that these approaches are largely complementary, this does not necessarily constitute a problem for designing and implementing UN natural resource sanctions. But it does suggest that the UN may no longer be in the lead on this issue, and there is a risk that Security Council resolutions could in practice be overshadowed by developments in other forums.

## Policy Options

This section includes 20 policy options regarding natural resource sanctions for the Security Council, sanctions committees and the Secretariat.

The following are policy options for the Security Council:

- add natural resource-specific listing criteria to sanctions regimes for those situations

where conflict dynamics have indicated clear linkages with natural resource exploitation, such as gold in Sudan and oil in South Sudan;

87. S/PV.6982.

88. “Open Debate on Conflict Prevention and Natural Resources”, *What’s in Blue*, 18 June 2013.

89. S/PRST/2007/22.

90. S/PV.7323.

91. “Resolution and Briefing on Sanctions”, *What’s in Blue*, 24 November 2014.

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## Policy Options (con't)

- recognise the significance of natural resource governance to conflict prevention and peacebuilding and encourage the PBC to engage more actively on the issue in consultation with relevant sanctions committees;
  - consistently include elements within peacekeeping operation mandates to facilitate sanctions implementation by assisting sanctions committees and sanctions experts and establish sanctions monitoring units as appropriate;
  - consider use of time-limited (rather than open-ended) natural resource embargoes, as has been done with maritime interdiction, to avoid policymaking inertia that leads to an unnecessary perpetuation of sanctions;
  - request more frequent sanctions assessments from the Secretary-General or relevant sanctions expert panels/groups/teams, particularly prior to a potential natural resource sanctions imposition, including with respect to analysis of objectives and potential strategies;<sup>92</sup>
  - encourage the use of “dual-key” arrangements, such as GEMAP in Liberia, for natural resource governance in fragile states, and consider the imposition of a moratorium on natural resource contracts where regulatory frameworks for emerging producers are weak (e.g. Somalia), or an escrow account mechanism where the government lacks territorial control to manage natural resources (e.g. Libya);
  - recognise, in determining which natural resources to sanction and how to design the measures, how the various properties of different natural resources have impacted conflict dynamics and could influence sanctions implementation;
  - take into account, when imposing natural resource sanctions, potential unintended consequences, such as an adverse humanitarian impact, national economic costs or the fragmentation of natural resource-financed armed groups;
  - consider tactical use of the threat or imposition of natural resource sanctions in a mediation context in which distribution of natural resource revenue can be framed in terms of “carrots” and “sticks” to influence economic incentive structures; and
  - receive public briefings by sanctions committee chairs, which can be followed by private consultations, in order to raise awareness regarding sanctions among member states and thus improve implementation.
- The following are policy options for sanctions committees:
- increase field missions by sanctions committee chairs, which could improve monitoring by the committee, facilitate better relations with target and regional countries and raise awareness regarding sanctions implementation;
  - as has been done recently with the 2127 CAR Sanctions Committee, hold meetings in New York with representatives of neighbouring countries in order to explain sanctions measures and sanctions committee procedures;
  - organise briefings with natural resource-focused NGOs (e.g. Global Witness and Natural Resources Governance Institute) and relevant standard setting intergovernmental organisations (e.g. FATF and OECD);
  - engage in systematic outreach, possibly

coordinated through the Secretariat, to UN agencies (e.g. UNDP and UNEP) and international financial institutions (e.g. the World Bank and regional development banks) with natural resource expertise;

- consistently develop Implementation Assistance Notices (IAN) regarding natural resource sanctions, such as with the IAN on charcoal exports from Somalia, and ensure they are updated to reflect new sanctions measures;<sup>93</sup>
- make better and more frequent use of existing natural resource-specific listing criteria in cases with confirmed sanctions violations and deteriorating natural resource-related conflict dynamics; and
- increase consultations with private sector actors regarding natural resource sanctions, perhaps using as a model the public meeting held on diamonds by the 1132 Sierra Leone Sanctions Committee on 31 July-1 August 2000.<sup>94</sup>

The following are policy options for the Secretariat:

- pending available institutional capacity, develop necessary expertise within DPA and DPKO regarding linkages among natural resources, conflict and sanctions;
- ensure the new analysis and planning unit within the Executive Office of the Secretary-General has access to relevant expertise in order to fully incorporate assessments regarding natural resources and conflict into its work; and
- continue cooperation and coordination through the Inter-Agency Working Group on UN Sanctions, including meetings on natural resource sanctions.<sup>95</sup>

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## Conclusion

In conclusion, one is still left with the question: do UN natural resource sanctions work? As with most things Council-related, the answer is both simple and complex. If implementation is assessed according to

relatively narrow efficiency criteria, then the recent track record is certainly not very good. Charcoal exports from Somalia and associated revenue for Al-Shabaab increased after the imposition of sanctions, while maritime

interdiction measures for illicit oil exports from Libya and charcoal exports from Somalia remain largely unimplemented. Likewise, extensive natural resource-specific listing criteria remain under-utilised across the

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92. See, for example, the Secretary's General's pre-sanctions assessment regarding the DRC, S/2007/68, 8 February 2007; and the Analytical Support and Sanctions Monitoring Team report on ISIS and Al-Nusra Front, S/2014/815, 13 November 2014.

93. "Implementation Assistance Notice #1: Recommendations on interdiction of charcoal from Somalia by Member States pursuant to Security Council resolutions 2036 (2012), 2060 (2012) and 2111 (2013)", 7 May 2014, available at [https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/implementation\\_assistance\\_notice1-e.pdf](https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/implementation_assistance_notice1-e.pdf).

94. "Press Briefing by Chairman, Sierra Leone Sanctions Committee", 1 August 2000, available at <http://www.un.org/press/en/2000/20000801.sleonebrf.doc.html>.

95. See, for example, "Using UN sanctions to counter illicit trafficking of natural resources and threat finance", available at <https://dpa-ps.atavist.com/using-un-sanctions-to-counter-illicit-trafficking-of-natural-resources-and-threat-finance>.

## Conclusions (con't)

sanctions regimes, with the single exception of new listings by the 2127 CAR Sanctions Committee. However, if implementation is assessed in relation to the underlying purpose of sanctions, which is altering the behaviour of targets, then the answer is slightly more nuanced. According to a study conducted by the Targeted Sanctions Consortium, the effectiveness of UN sanctions implementation decreases as the difficulty of functions increases along a continuum from signalling, to constraining, to coercing.<sup>96</sup> This suggests that perhaps benchmarks for (and analysis of) what constitutes “success” should be calibrated to account for the broader context in which sanctions are implemented.

As for assessing natural resource sanctions in relation to the Council’s core

objective of conflict resolution (or counter-terrorism in the case of Al-Qaida), the jury is still out in most cases, but some preliminary assessments can be made. The embargoes on diamonds and timber from Liberia and diamonds from Côte d’Ivoire seem to have made a useful contribution toward sustainable peace in these countries. For active (and in some cases quite protracted) conflicts, such as Afghanistan, the CAR, the DRC, Libya and Somalia, there does not appear to be much evidence to indicate that natural resource embargoes, maritime interdiction or the application of listing criteria have yet made a useful difference in conflict dynamics or the prospects for peace. For Sudan and South Sudan, the situation is somewhat different, as natural resource embargoes and

natural resource-specific listing criteria have not been established despite substantial evidence of respective links between gold and oil and armed conflict. Ultimately, however, this report is not advocating more natural resource sanctions per se, rather more effective use of natural resource sanctions, including existing measures. Key steps in that direction entail not only identifying what does and does not work, but also explicitly linking sanctions strategy to achieving the Council’s core objectives. This requires a nuanced understanding of specific conflict dynamics and a better sense of how sanctions can be combined with other tools for preventing and resolving conflict.

## UN and Other Documents on Natural Resource Sanctions

### 751/1907 SOMALIA-ERITREA

#### Security Council Resolutions

[S/RES/2244](#) (23 October 2015) renewed sanctions measures, including maritime interdiction of arms imports and charcoal exports violating Somalia sanctions.

[S/RES/2182](#) (24 October 2014) authorised for a period of one year the maritime interdiction of arms imports and charcoal exports violating Somalia sanctions.

[S/RES/2060](#) (25 July 2012) modified listing criteria for Somalia to include misappropriation of public financial resources.

[S/RES/2036](#) (22 February 2012) imposed an embargo on the export of charcoal from Somalia regardless of country of origin and added relevant listing criteria.

[S/RES/2023](#) (5 December 2011) concerned the Eritrean mining sector, transparency of public finances and due diligence guidelines.

[S/RES/1907](#) (23 December 2009) imposed a two-way arms embargo, targeted arms embargo, travel ban and asset freeze on Eritrea.

#### Security Council Meeting

[S/PV.7286](#) (24 October 2014) concerned the adoption of resolution 2182.

#### Sanctions Committee Documents

[S/2015/802](#) (9 October 2015) was a report of the Monitoring Group on Eritrea.

[S/2015/801](#) (9 October 2015) was a report of the Monitoring Group on Somalia.

[S/2014/727](#) (10 October 2014) was a report of the Monitoring Group on Eritrea.

[S/2014/726](#) (10 October 2014) was a report of the Monitoring Group on Somalia.

[S/2013/440](#) (24 July 2013) was a report of the Monitoring Group on Eritrea.

[S/2014/413](#) (12 July 2013) was a report of the Monitoring Group on Somalia.

[S/2012/545](#) (11 July 2012) was a report of the Monitoring Group on Eritrea.

#### Human Rights Council Report

[A/HRC/29/CRP.1](#) (5 June 2015) was a report of the Commission of Inquiry on Human Rights in Eritrea.

#### Useful Additional Sources

*Somalia: Al-Shabaab – It will be a long war*, International Crisis Group, 26 June 2014.

Dominik Balthasar, *Oil in Somalia: Adding Fuel to the Fire?*, Heritage Institute for Policy Studies, 2014.

*Hear No Evil: Forced Labor and Corporate Responsibility in Eritrea’s Mining Sector*, Human Rights Watch, January 2013.

### 1267-1989 AL-QAIDA

#### Security Council Resolutions

[S/RES/2199](#) (12 February 2015) reaffirmed the asset freeze imposed by resolution 2161 and noted this applies to direct and indirect trade in oil, refined oil products, modular refineries and related material.

[S/RES/2170](#) (15 August 2014) observed that ISIS and Al-Nusra Front are splinter groups of Al-Qaida, noted with concern that oilfields controlled by ISIS and Al-Nusra Front are generating income and reiterated that trade with ISIS and Al-Nusra Front violates the asset freeze.

[S/RES/2161](#) (17 June 2014) established an asset

freeze and established listing criteria regarding cultivating, producing and trafficking illicit drugs.

#### Sanctions Committee Documents

[S/2015/441](#) (16 June 2015) was a report of the Analytical Support and Sanctions Monitoring Team on Al-Qaida

[S/2014/815](#) (13 November 2014) was a report of the Analytical Support and Sanctions Monitoring Team on ISIS and Al-Nusra Front.

#### Useful Additional Sources

*Financing of the Terrorist Organisation Islamic State in Iraq and the Levant (ISIL)*, Financial Action Task Force, February 2015.

Jean-Charles Brisard and Damien Martinez, *Islamic State: The economy-based terrorist funding*, Thomson Reuters, October 2014.

### 1521 LIBERIA

#### Security Council Resolutions

[S/RES/2237](#) (2 September 2015) renewed the partial embargo and terminated the asset freeze and travel ban.

[S/RES/2128](#) (10 December 2013) renewed sanctions measures but reduced the scope of the mandate for the Panel of Experts regarding natural resources.

[S/RES/1753](#) (27 April 2007) terminated diamond sanctions.

[S/RES/1689](#) (20 June 2006) terminated timber sanctions.

[S/RES/1521](#) (22 December 2003) terminated the 1343 Liberia Sanctions Committee, created the 1521 Liberia Sanctions Committee and imposed an arms embargo, travel ban, timber embargo and diamond embargo.

96. Thomas Bierstecker, Sue E. Eckert and Marcos Tourinho, *Designing Targeted Sanctions*, The Graduate Institute/Targeted Sanctions Consortium/Watson Institute, August 2012.

# UN and Other Documents on Natural Resource Sanctions (con't)

[S/RES/1509](#) (19 September 2003) mandated UNMIL to assist the transitional government in restoring administration of natural resources.

## Secretary-General's Reports

[S/2015/620](#) (13 August 2015) was on UNMIL.

[S/2014/598](#) (15 August 2014) was on UNMIL.

## Sanctions Committee Documents

[S/2014/363](#) (16 May 2014) was a midterm report of the Panel of Experts on Liberia.

[S/2000/1195](#) (19 December 2000) was a report of the Panel of Experts on Sierra Leone.

## Useful Additional Source

*The New Snake Oil: Violence, threats and false promises at the heart of Liberia's palm oil expansion*, Global Witness, July 2015.

## 1533 DEMOCRATIC REPUBLIC OF CONGO

### Security Council Resolutions

[S/RES/2198](#) (29 January 2015) renewed sanctions measures, including modifying natural resource-specific listing criteria and mandating the Group of Experts to evaluate the impact of due diligence guidelines on minerals trade.

[S/RES/1952](#) (29 November 2010) took forward recommendations by the Group of Experts regarding due diligence guidelines and added a natural resource expert to the Group of Experts.

[S/RES/1896](#) (30 November 2009) mandated the Group of Experts to provide recommendations for due diligence guidelines.

[S/RES/1857](#) (22 December 2008) established natural resource-specific listing criteria.

[S/RES/1856](#) (22 December 2008) mandated MONUC to use monitoring and inspection to curtail provision of support to illegal armed groups derived from illicit trade in natural resources.

[S/RES/1698](#) (31 July 2006) requested natural resource sanctions options from the Group of Experts and requested an assessment from the Secretary-General of the potential economic, humanitarian and social impact of natural resource sanctions.

### Security Council Presidential Statement

[S/PRST/2000/20](#) (2 June 2000) authorised the creation of an expert panel on the illegal exploitation of natural resources and other forms of wealth of the DRC.

### Secretary-General's Report

[S/2007/68](#) (8 February 2007) was an assessment by the Secretary-General of the potential economic, humanitarian and social impact of natural resource sanctions.

### Sanctions Committee Documents

[S/2015/19](#) (12 January 2015) was a final report of the Group of Experts.

[S/2010/596](#) (15 November 2010) was a final report of the Group of Experts.

[S/2007/40](#) (25 January 2007) was an interim report of the Group of Experts.

### Other UN Report

Experts' background report on illegal exploitation and trade in natural resources benefitting organized criminal groups and recommendations on MONUSCO's role in fostering stability and peace in eastern DR Congo, UNEP, MONUSCO and OSESG GLR, 15 April 2015.

### Useful Additional Sources

Holly Dranginis, *Grand Theft Global: Prosecuting the war crime of pillage in the Democratic Republic of Congo*, Enough Project, January 2015.

*Congo's Golden Web: The people, companies and countries that profit from the illegal trade in Congolese gold*, Southern Africa Resource Watch, May 2014.

*ICGLR Regional Certification Mechanism (RCM)—Certification Manual*, International Conference on the Great Lakes Region.

## 1572 CÔTE D'IVOIRE

### Security Council Resolutions

[S/RES/2153](#) (29 April 2014) terminated diamond sanctions and partially lifted the arms embargo.

[S/RES/1727](#) (15 December 2006) established natural resource-specific listing criteria.

[S/RES/1643](#) (15 December 2005) imposed sanctions on rough diamond exports.

[S/RES/1584](#) (1 February 2005) created a Group of Experts with a mandate to share information with UNOCI and authorised UNOCI to monitor the arms embargo.

[S/RES/1572](#) (15 November 2004) imposed an arms embargo, travel ban and asset freeze and established a sanctions committee.

### Sanctions Committee Documents

[S/2015/252](#) (13 April 2015) was a final report of the Group of Experts.

[S/2006/204](#) (24 March 2006) was an update report of the Group of Experts.

[S/2005/699](#) (7 November 2005) was a report of the Group of Experts.

### Useful Additional Source

*Hot Chocolate: How cocoa fuelled the conflict in the Côte d'Ivoire*, Global Witness, June 2007.

## 1591 SUDAN

### Security Council Resolutions

[S/RES/1672](#) (25 April 2006) listed four individuals under the 1591 Sudan regime.

[S/RES/1591](#) (29 March 2005) extended the arms embargo to all belligerent parties in Darfur, imposed a travel ban and asset freeze and created the 1591 Sanctions Committee and a Panel of Experts.

### Secretary-General's Report

[S/2014/138](#) (25 February 2014) was on the review of UNAMID.

### Sanctions Committee Documents

[S/2015/31](#) (16 January 2015) was a final report of the Panel of Experts.

[S/2014/87](#) (7 February 2014) was a final report of the Panel of Experts.

### Useful Additional Sources

Akshaya Kumar, *Fool's Gold: The case for scrutinizing Sudan's conflict gold trade*, Enough Project, March 2015.

Jérôme Tubiana, *Out for Gold and Blood in Sudan*, Foreign Affairs, 1 May 2014.

## 1970 Libya

### Security Council Resolutions

[S/RES/2213](#) (27 March 2015) renewed measures regarding maritime interdiction of illicit oil exports and added new natural resource-related listing criteria.

[S/RES/2146](#) (19 March 2014) authorised maritime interdiction of illicit oil exports.

[S/RES/2040](#) (12 March 2012) urged UNSMIL to cooperate with the 1970 Sanctions Committee and Panel of Experts.

[S/RES/2009](#) (16 September 2011) delisted the Libyan National Oil Company.

[S/RES/1973](#) (17 March 2011) established a Panel of Experts and listed the Libyan National Oil Company.

[S/RES/1970](#) (26 February 2011) imposed an arms embargo, asset freeze and travel ban and established the Sanctions Committee.

### Secretary-General's Reports

[S/2015/624](#) (13 August 2015) was on UNSMIL.

[S/2015/144](#) (26 February 2015) was on UNSMIL.

[S/2015/113](#) (13 February 2015) was a special report of the Secretary-General on the strategic assessment of the UN presence in Libya.

[S/2014/653](#) (5 September 2014) was a report of the Secretary-General on UNSMIL.

### Sanctions Committee Document

[S/2015/128](#) (23 February 2015) was a final report of the Panel of Experts.

### Useful Additional Sources

*Libya: Getting Geneva Right*, International Crisis Group, 26 February 2015.

Frederic Wehrey, *The Battle for Libya's Oil: On the frontlines of a forgotten war*, The Atlantic, 9 February 2015.

## 1988 AFGHANISTAN

### Security Council Resolutions

[S/RES/2160](#) (17 June 2014) noted the means of financing for the Taliban includes the cultivation, production and trafficking of drugs and underscored the need to prevent the Taliban from benefitting from the illegal exploitation of natural resources.

[S/RES/1988](#) (17 June 2011) split the Taliban sanctions regime from the Al-Qaida sanctions regime.

### Sanctions Committee Documents

[S/2015/648](#) (18 August 2015) was a report of the Analytical Support and Sanctions Monitoring Team.

[S/2015/79](#) (2 February 2015) was a report of the

# UN and Other Documents on Natural Resource Sanctions (con't)

Analytical Support and Sanctions Monitoring Team.

## Other UN Reports

*World Drug Report 2015*, UNODC, May 2015.

*Natural Resource Management and Peacebuilding in Afghanistan*, UNEP, May 2013.

## Useful Additional Source

*Building for the Long-Term: Avoiding the resource curse in Afghanistan*, Global Witness, February 2014.

## 2127 CENTRAL AFRICAN REPUBLIC

### Security Council Resolutions

[S/RES/2217](#) (28 April 2015) urged MINUSCA to ensure access for the Panel of Experts and authorised MINUSCA to assist authorities with natural resource-related tasks.

[S/RES/2196](#) (22 January 2015) modified natural resource-specific listing criteria.

[S/RES/2134](#) (28 January 2014) established natural resource-related listing criteria.

[S/RES/2127](#) (5 December 2013) imposed an arms embargo, established the Committee and Panel of Experts, and condemned the illegal exploitation of natural resources in the CAR, which contributes to the perpetuation of conflict.

### Sanctions Committee Documents

[S/2014/762](#) (28 October 2014) was a final report of the Panel of Experts.

[S/2014/452](#) (26 June 2014) was an interim report of the Panel of Experts.

### Useful Additional Sources

*Blood Timber: How Europe played a significant role in funding war in the Central African Republic*, Global Witness, 15 July 2015.

Kasper Agger, *Warlord Business: CAR's violent armed groups and their criminal operations for profit and power*, Enough Project, June 2015.

## 2206 SOUTH SUDAN

### Security Council Resolutions

[S/RES/2223](#) (28 May 2015) renewed the mandate of UNMISS, including language on the protection of civilians at oil installations, and requested UNMISS to cooperate with the 2206 Sanctions Committee and Panel of Experts.

[S/RES/2206](#) (3 March 2015) imposed a travel ban

and asset freeze, and created the 2206 South Sudan Sanctions Committee and a Panel of Experts.

[S/RES/2155](#) (27 May 2014) included a reference to oil installations within the protection of civilians mandate of UNMISS.

### Secretary-General's Report

[S/2015/655](#) (21 August 2015) was on UNMISS.

### Sanctions Committee Document

[S/2015/656](#) (21 August 2015) was an interim report of the Panel of Experts.

### Useful Additional Sources

Akshaya Kumar and John Prendergast, *Creating a Cost for Those Destroying South Sudan*, Enough Project, July 2015.

*Neighborhood Watch: Mobilizing regional action for peace in South Sudan*, Enough Project, June 2015.

David K. Deng, *Oil and Sustainable Peace in South Sudan*, South Sudan Law Society, February 2015.

## NATURAL RESOURCES, CONFLICT AND SANCTIONS

### Security Council Presidential Statement

[S/PRST/2007/22](#) (25 June 2007) was on natural resources and conflict.

### Security Council Letters

[S/2015/432](#) (12 June 2015) transmitted the Compendium of the High-level Review of United Nations Sanctions.

[S/2014/793](#) (5 November 2014) transmitted the concept note for a briefing on general issues concerning sanctions.

[S/2013/334](#) (6 June 2013) transmitted the concept note for the open debate on conflict prevention and natural resources.

[S/2007/334](#) (6 June 2007) transmitted the concept note for the open debate on natural resources and conflict.

### Security Council Meeting Records

[S/PV.7323](#) (25 November 2014) was a briefing on general issues concerning sanctions.

[S/PV.6982](#) (19 June 2013) was an open debate on conflict prevention and natural resources.

[S/PV.5705](#) and [Resumption 1](#) (25 June 2007) was an open debate on natural resources and conflict.

## Other UN Reports

*Natural Resources and Conflict: A guide for mediation practitioners*, UNEP and UN DPA, February 2015.

Christian Nellemann et al (eds.), *The Environmental Crime Crisis—Threats to sustainable development from illegal exploitation and trade in wildlife and forest resources*, UNEP, 2014.

*The Role of Natural Resources in Disarmament, Demobilization and Reintegration*, UNEP and UNDP, December 2013.

*Greening the Blue Helmets: Environment, Natural Resources and UN Peacekeeping Operations*, UNEP, May 2012.

### Useful Additional Sources

Sue Eckert, "The Role of Sanctions", in Sebastian von Einsiedel, David M. Malone, and Bruno Stagno Ugarte (eds.), *The UN Security Council in the 21st Century* (Boulder and London: Lynne Rienner Publishers, 2016).

*Equity in Extractives: Stewarding Africa's natural resources for all*, Africa Progress Panel, May 2013.

Enrico Carisch and Loraine Rickard-Martin, *Sanctions and the Effort to Globalize Natural Resources Governance*, Friedrich Ebert Stiftung, January 2013.

*OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, Organization for Economic Cooperation and Development, November 2012.

Thomas Bierstecker, Sue E. Eckert, and Marcos Tourinho, *Designing Targeted Sanctions*, The Graduate Institute/Targeted Sanctions Consortium/Watson Institute, August 2012.

Philippe Le Billon, "Bankrupting peace spoilers: Can peacekeepers curtail belligerents' access to resource revenues?", in P. Lujala and S.A. Rustad (eds.), *High Value Natural Resources and Peacebuilding* (London: Earthscan, 2012).

S.A. Rustad et al, "Building or spoiling peace? Lessons from the management of high-value natural resources", in P. Lujala and S.A. Rustad (eds.), *High Value Natural Resources and Peacebuilding* (London: Earthscan, 2012).

*World Development Report 2011: Conflict, Security and Development* (Washington, DC: The World Bank, 2011).

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