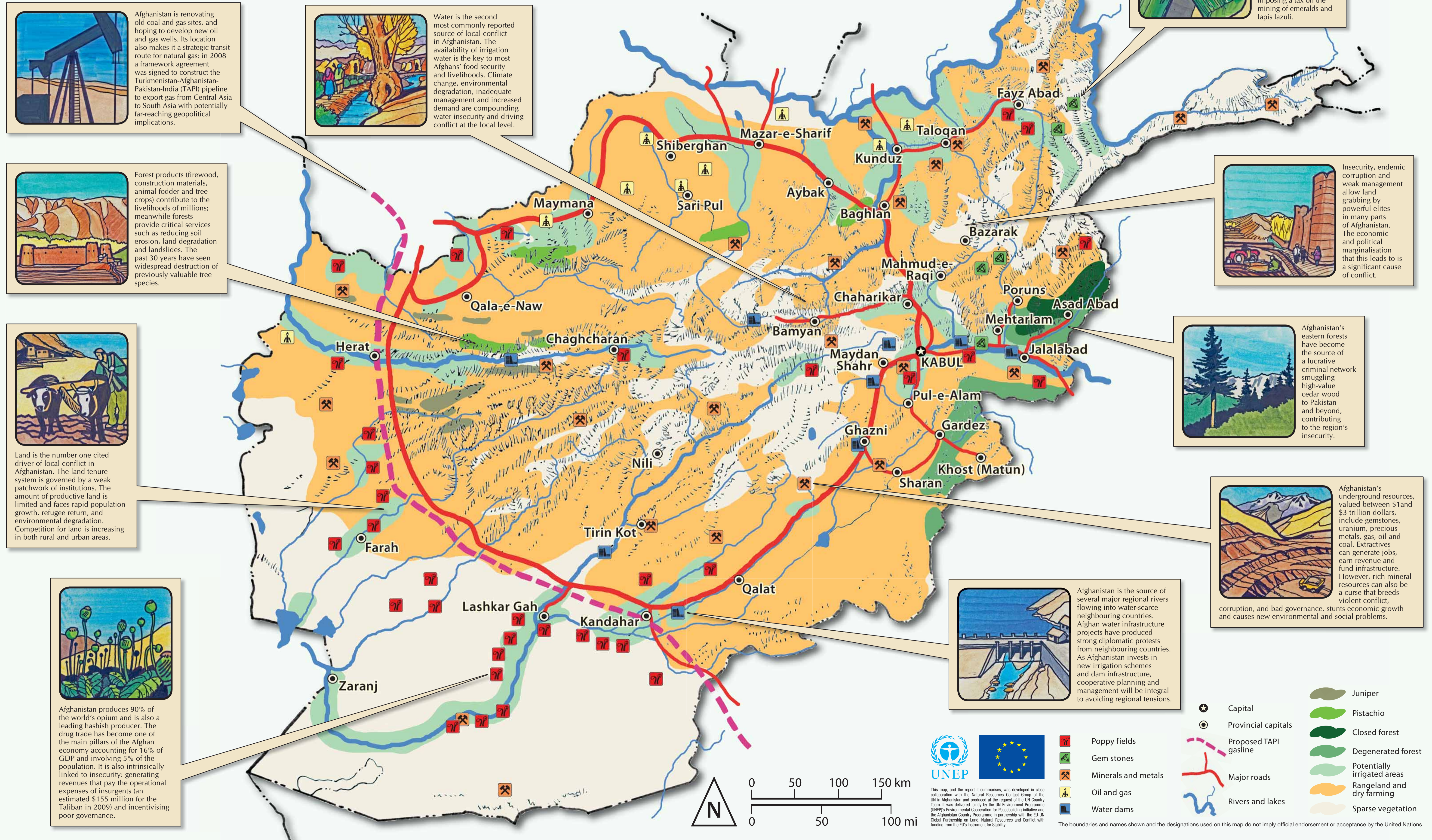


# Natural Resource Management and Peacebuilding in Afghanistan

Afghanistan's precious natural resources – its land, water, forests and mineral deposits – are critical to the country's prospects for a peaceful and prosperous future. However, the management of natural resources can also influence conflict in Afghanistan. Natural resources are scarce resources that communities fight over, instruments of coercion used to exert control, and a source of illicit revenues that sustains corruption and the war economy and provides incentives for peace spoilers.

In essence effective natural resource management (NRM) is a form of conflict prevention, bringing order and predictability to situations where otherwise competition is rife. This map is by no means comprehensive but illustrates some of the ways natural resource management impacts peacebuilding in Afghanistan.



# Natural Resource Management and Peacebuilding in Afghanistan



## Guidance chart



United Nations Country Team in Afghanistan

## Introduction

Afghanistan's natural resources – its land, water, forests and mineral deposits – are critical to the country's prospects for a peaceful and prosperous future. An estimated 70-80 per cent of Afghans rely on agriculture, animal husbandry and artisanal mining for their daily survival. The country needs to harness these assets to create jobs, generate revenue to fund basic government services and lift the country from its position near the bottom of the Human Development Index.

Although the conflict that pits insurgents against government and international forces is the conflict that claims the most lives and attention, a 2008 survey by Oxfam suggests that disputes over water and land are the two most commonly reported reasons for violent conflict at the community level, accounting for 55% of all cases. Natural resources play a variety of roles in conflicts of different scale, location and intensity in Afghanistan:

- I. Scarce livelihood resources that communities fight over.
- II. Instruments of coercion that powerful stakeholders use to exert control over others.
- III. A source of illicit revenues that builds up an illegal war economy and sustains corruption.
- IV. Incentives for peace spoilers (at local, national and regional levels) who have a vested interest in a security vacuum.
- V. A source of grievance, especially where there is corruption that delegitimizes the government.

This guidance chart accompanies a more detailed report, funded by the EU's Instrument for Stability, which investigates the ways in which the management of land, water, minerals, forests and drugs are linked to instability and insecurity in Afghanistan.

The central argument is that better natural resource management (NRM) has an important role to play in the wider process of peacebuilding. At heart NRM is a form of conflict reduction and prevention. By creating structures and rules for managing and sharing natural resources, effective NRM brings order and predictability to situations where otherwise competition and conflicting interests are rife.



With just 12% of land suitable for agriculture, land is a vital economic asset in Afghanistan

Kabul's population is rising at a rate of 4.9 per cent every year as a result of returning refugees and people leaving rural areas in search of work. This is one of the fastest rates of urban growth in the world

## Land

Decades of conflict have left Afghanistan's land system in need of a major overhaul. A mix of formal and traditional institutions governs an uncertain land tenure system, which the Afghan government and partners have attempted to modernise. Ultimately the success of the various formal and traditional land management structures will be a function of how well they can address three challenges:

1. **Managing the growing demand for land:** Rapid population growth, returning refugees, and environmental degradation are constraining the amount of productive land available and increasing competition over land in rural areas (for agriculture) and in urban centres (for building).
2. **Stopping land grabbing:** Weak and inconsistent land management, endemic corruption, and insecurity have permitted opportunistic land grabs by powerful elites, which undermine the rule of law, and breed resentment among local people.
3. **Resolving land disputes:** Slow and discredited mechanisms to resolve land disputes are inhibiting development and poisoning community relations.

## Maximising peacebuilding

Creating a functioning and equitable land system is an important element of long-term stability in Afghanistan. The system needs to reconcile private and communal land tenure systems; provide for careful restitution of land rights where appropriate; support land ownership by marginalised groups; and develop innovative approaches to conflict-mitigation, such as securing rights for informal settlements. Three areas may be particularly important to focus on:

- I. **Bring land into more productive use:** Better irrigation, soil conservation techniques and extension services for farmers and herders will help to maximise the productivity of existing agricultural and range-lands.
- II. **Build capacity for dispute resolution:** The international community can do more to help the Afghan government develop a comprehensive, systematic approach to resolving land disputes in the country linking formal and informal structures.
- III. **Implement conflict-sensitive approaches in development projects that impact land use:** All major projects should go through a 'peace and conflict assessment' screening process that evaluates potential negative impacts and that puts necessary safeguards in place.



This poster was made possible by the generous contribution of the European Union

## Water

Water is a contentious resource in Afghanistan; research indicates that disputes over the allocation of water are the second-most commonly cited cause of local conflict after land. Afghanistan's irrigation network and water storage capacities have been degraded by decades of war, underinvestment and inadequate management. Water management systems have to tackle three inter-related challenges:

1. **Managing increased demand for water:** Population growth and economic development are rapidly increasing the demand for water. It is estimated that by 2025 the amount of water available per person will drop by a third from 2004 levels.
2. **Reducing the risk of climate-related disasters:** Droughts and floods are a feature of life in Afghanistan. Floods in 2009 killed nearly 1,200 people and affected 29,000 households.
3. **Restoring and building water infrastructure:** With just one exception, Afghanistan's major rivers flow into neighbouring, water scarce countries. The government is proposing 31 major hydroelectricity and water storage projects. These projects are generating significant tensions across both international and internal borders.



## Maximising peacebuilding

Water can divide countries and communities but can also bind them together. Managing water effectively is critical for Afghanistan's development and stability. It requires an integrated approach that spans the rehabilitation of infrastructure, the efficient management of water supplies, and the creation of effective regulatory authorities.

- I. **Reduce competition over scarce water resources:** Efficient irrigation systems, drought resistant crops, and public awareness campaigns will reduce demand for water, while water harvesting will increase supply.
- II. **Improve water governance:** Reforms should continue to address the inequitable access to water for marginalised groups (including women), support the community management of water, improve water planning, and build capacity for dispute resolution.
- III. **Prepare for uncertainty:** More data and policies, down to the district level, that can adapt to changing circumstances are needed to understand and prepare for the impact of climate and other human-driven change that will affect Afghanistan's water security.
- IV. **Improve transboundary water management:** Afghanistan should consider engaging in transboundary commissions with its neighbours to negotiate water-sharing agreements, share data, build confidence, and mediate disputes.
- V. **Introduce conflict-sensitive approaches:** Donors engaged in the water sector need to conduct conflict assessments during project planning as well as strategic environmental assessments of the cumulative impact of individual water projects.



It is estimated that by 2025 water availability will drop to one-third of 2008 levels, and by one half by 2050



A profitable smuggling industry has developed to export high-value deodar cedar from the Eastern forests of Afghanistan through Pakistan to the Gulf States

## Forests

After water, forests may be Afghanistan's most important renewable resource: forest products (firewood, construction materials, animal fodder and tree crops) contribute to the livelihoods of millions. Forests provide a range of important ecosystem services by reducing the risk of soil erosion, landslides and desertification. Meanwhile, the forestry industry in the eastern part of the country, and in plantation projects in other areas, if managed accountably and sustainably, has the potential to generate much needed revenue for the government and jobs for the local population.

Over the past thirty years deforestation caused by increased demand for timber and firewood, and conflict have led to steep drops in forest cover. Meanwhile a lucrative industry has developed smuggling high value hardwoods to Pakistan. The illegal timber trade, though primarily focused in a few eastern provinces, plays an important role in on-going instability in these areas: creating a shadow economy which reaches across the border into Pakistan, and providing incentives for powerful groups profiting from the trade to perpetuate the instability and spoil peacebuilding initiatives.

## Maximising peacebuilding

Afghanistan's forest sector faces two quite distinct challenges:

- I. **Reduce deforestation and competition for firewood:** This can take the form of increasing supply by planting woodlots and involving communities more closely in the management of their local forests. Meanwhile, promoting alternative fuel sources and efficient cook stoves can reduce demand for fuel-wood.
- II. **Comprehensive approaches to reduce trade in Afghan conflict timber:** Timber from eastern Afghanistan has become a classic 'conflict resource'. Excluding such conflict resources from international markets is complex. A first step is to raise awareness of the impacts of the trade in Afghanistan, Pakistan and Gulf states, which are the initial destination for much of the timber. Future steps would be to consider some kind of certification scheme that provides a market for the sustainably produced, conflict-free timber.



## Drugs

The drug economy in Afghanistan falls into the spectrum of NRM because poppies and hashish are both conflict goods and a means of survival for many rural communities. As such these illicit crops reflect decisions over the use of land and water. Afghanistan is the world's largest producer of opium (generating roughly 90 per cent of global supply) and hashish. The drugs trade has become one of the main pillars of the Afghan economy accounting for an estimated 16 per cent of GDP, and involving an estimated five per cent of the population.

Drug production in Afghanistan has built a powerful shadow narco-economy that provides huge revenues for traffickers and some insurgents, and has contributed to pervasive corruption throughout many levels of government. The narco-economy has been a feature of Afghanistan for many years and elements of it have become embedded in the political and social structure of the country.

## Maximising peacebuilding

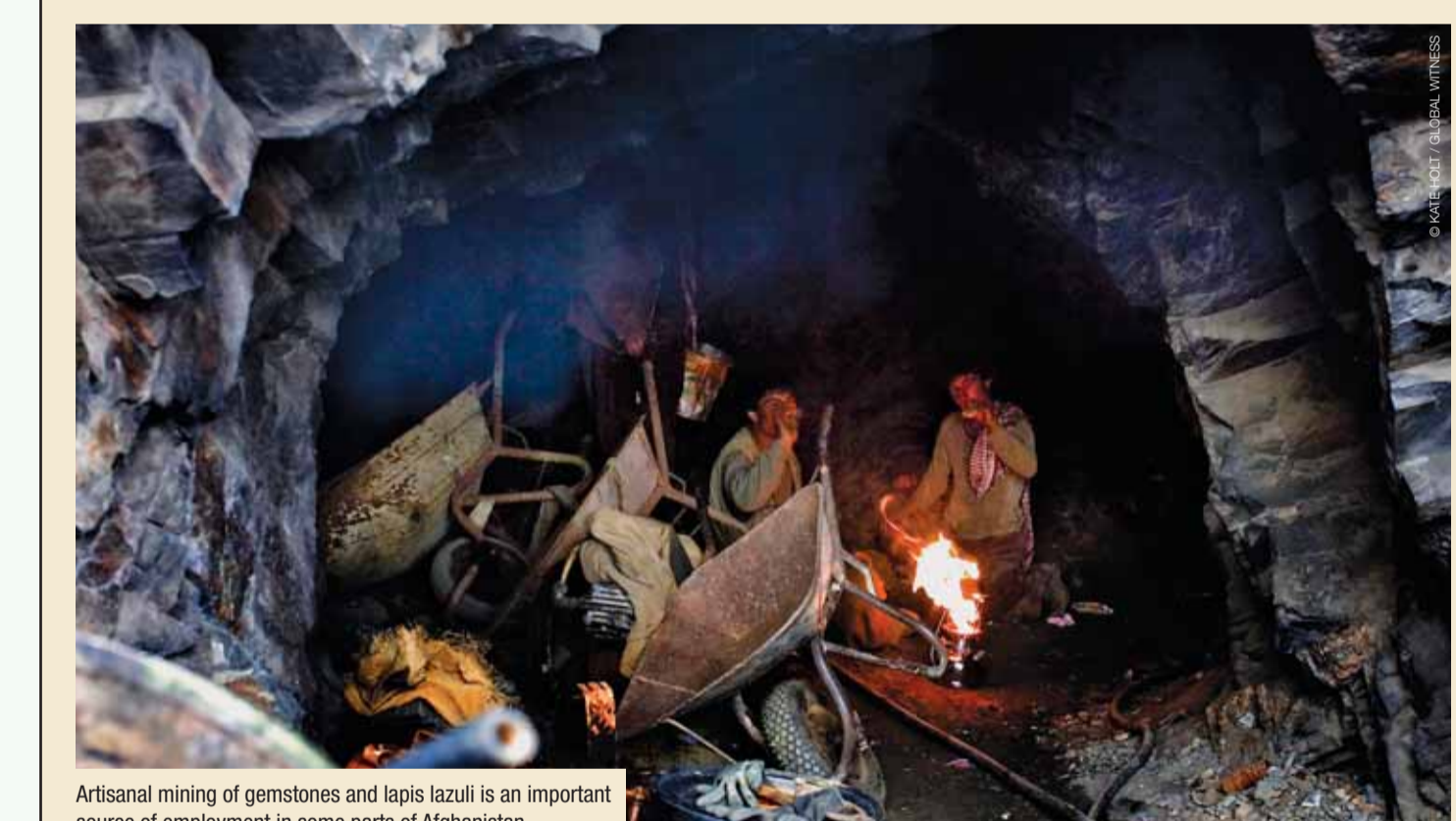
Finding ways to reduce the flow of drugs has been a major preoccupation of the government and international community. But despite many years of effort, drug cultivation in Afghanistan has expanded as the insurgency has gathered pace.

The illegal opium economy is an evolving system whose various dimensions and dynamics must be tackled through a careful mix of policies that integrate risks, incentives and feedback effects. In particular:

- I. **Develop comprehensive approaches:** Counter-narcotics strategy needs to strike an effective balance among law enforcement, alternative livelihoods, and activities to reduce demand in destination countries.
- II. **Support alternative livelihoods in poppy producing areas:** Where communities are heavily dependent on opium production, bans and eradication programmes can have negative impacts if implemented without providing alternative sources of income. Consequently there is a need to focus development assistance on diversifying livelihoods.
- III. **Find opportunities for transboundary collaboration:** Afghanistan's neighbours are becoming increasingly aware of costs of drug trafficking and drug use in their own countries. Tackling the drug trade presents an opportunity for concerted regional action.



Afghanistan produces 90% of the world's opium and is also a leading hashish producer. Poppies and hashish are simultaneously conflict goods, illicit commodities and a means of survival



Artisanal mining of gemstones and lapis lazuli is an important source of employment in some parts of Afghanistan

## Extractives

Afghanistan contains rich underground resources: gemstones, uranium, common metals, rare-earth metals and precious metals such as gold and silver. It also holds potentially valuable reserves of gas, oil and coal. Developing Afghanistan's mineral resources is a strategic priority for the Government and the international community, who see the sector as an engine for growth and the best hope for Afghanistan becoming financially self-sufficient.

However, experience from around the world warns that the extractives sector can be a double-edged sword. On the one hand it can generate jobs, earn revenue, and fund infrastructure. But on the other, the presence of rich mineral resources can be a 'curse' that encourages corruption and bad governance, stunts economic growth, and causes new environmental and social problems.

## Maximising peacebuilding

How these resources are managed will play a big role in the country's future stability. Developing a successful extractives sector that does not exacerbate conflict relies on the Government being able to address three core challenges:

- I. **Minimise negative social and environmental impacts:** The Government needs to calculate and address the environmental and social costs of each project to ensure they do not outweigh the financial gains. The government should ensure that all projects are subject to open, independent environmental impact assessment processes, and that mining companies are adhering to international best practice standards.
- II. **Strengthen transparency and accountability:** Transparency should be improved along the entire 'chain' of mineral extraction – from the initial tender to the spending of mining revenues; and at all levels of engagement – from the government and contracting companies to local communities. In particular the government should make public information on each concession, make all rules and regulations for mining licenses and concessions available in a public database, and release regular reports on the contributions of the mining sector to the national exchequer and district-level government offices. Mechanisms to address local grievances must also be enforced.
- III. **Provide responsible security around mines:** The Government needs to ensure that policies to protect mining operations and their personnel reflect recognised international best practice and establish an independent mechanism to monitor violence around extractive operations.

