



global witness



Secretary General Rasmussen  
NATO Headquarters  
1110 Brussels  
Belgium

14th May 2012

Dear Secretary General Rasmussen,

We are writing to draw your attention to the important role Afghanistan's oil, gas and mining sector will play in stabilizing the country over the next decade, and to urge you to address this issue at the upcoming NATO summit in Chicago this May. The extractive industries may be the most promising source of future public revenue in Afghanistan – if the appropriate technical and governance capacities are developed. As NGOs working on these issues, we believe the Summit represents a crucial opportunity to strengthen the foundations for a viable industry that benefits all citizens, promotes human development, and contributes to Afghanistan's financial sovereignty.

The experience of other resource-rich countries such as the Democratic Republic of Congo, Iraq, Libya and Sierra Leone cautions that resource exploitation can exacerbate existing conditions of conflict, corruption, unemployment and poverty. The accelerated pace of tenders in mineral resources in Afghanistan and lack of capacity to monitor and regulate these concessions is thus a major source of concern. Minerals, precious gemstones, land, and timber were a critical source of war financing during the Soviet occupation, and later during the decades-long civil war. Today many mines in the country continue to be exploited by criminal smuggling syndicates and insurgency networks.<sup>1</sup> In the opinion of Mullah Omar, minerals are 'crucial to the country's future development'.<sup>2</sup> Weak state capacity to regulate mining operations can also directly fuel local grievances through denial of rights to land, water and livelihoods. According to ISAF's own research such local grievances are a primary driver of support for the insurgency.<sup>3</sup> Given this history and current conditions in Afghanistan, the pace, scale and approach to mineral sector development in Afghanistan can all magnify risks to the country's stability.

Clearly the development of this major revenue generating sector needs to be accompanied by better governance and oversight systems. The government and its international development partners have already recognised this through high-level political commitments to international best practice, transparency and accountability at Bonn and through the US-Afghan Strategic Partnership Agreement.<sup>4</sup> As the latter emphasised, the role of the international community and its agents<sup>5</sup> is to support "*Afghanistan's efforts to govern its natural wealth through an accountable efficient, effective and transparent framework that builds upon and surpasses international best practice*". This is a laudable symbolic statement, which nevertheless requires much follow-up to ensure that other NATO members and allies endorse similar calls for transparency and accountability, and work together to explicitly define benchmarks along international norms. Furthermore, the international community itself needs to monitor performance on these commitments. Progress on international standards will be essential to measuring reform in Afghanistan's mineral sector

governance and signalling improvement in the business environment for potential investors. At Chicago, NATO should:

- Join development partners and the Afghan government in endorsing language which recognises the need to put transparency, accountability and international best practice standards at the core of extractive sector development.<sup>6</sup>
- Commit to working alongside the government and development partners in establishing a shared mutual accountability framework for the extractives sector. Such a framework should include specific, measurable and time-bound implementation benchmarks for these standards. Progress against these should be regularly monitored and results published.

As you yourself have noted on the NATO alliance in Afghanistan, *"We have not come this far, at this cost, to falter just as we see our common goal take shape."* Indeed, Afghanistan's mineral sector is also on the cusp of great transformation. But it is not far from its roots as the war chest for over thirty years of conflict. The opportunity to set a better course for the sector is happening now. Beyond the commendable gestures being exchanged, concrete benchmarks are desperately needed to assess progress toward harnessing this valuable national asset for peace and development.

As global and local advocates for better extractive sector governance in Afghanistan, we are prepared to support NATO and its allies in the technical process of designing such benchmarks. We look forward to working with you toward this goal.

Yours sincerely,

Yama Torabi  
Director  
**Integrity Watch  
Afghanistan**

Gavin Hayman  
Director of Campaigns  
**Global Witness**

Karin Lissakers  
President  
**Revenue Watch Institute**

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<sup>1</sup> Afghanistan's Conflict Minerals: The Crime-State-Insurgent Nexus - Matthew DuPee, 14/05/12 – <http://www.ctc.usma.edu/posts/afghanistans-conflict-minerals-the-crime-state-insurgent-nexus> – Accessed 23/03/12.

<sup>2</sup> Mullah Omar's Eid ul-Fitr Message – 28/08/11 – [http://www.flashpoint-intel.com/images/documents/pdf/0210/flashpoint\\_mullahomar082811.pdf](http://www.flashpoint-intel.com/images/documents/pdf/0210/flashpoint_mullahomar082811.pdf) – Accessed 14/05/12.

<sup>3</sup> ISAF Reintegration guide – 22/10/10 – Force Reintegration Cell HQ ISAF. Also in presentation by Alistair Corbett of Force Reintegration Cell – ISAF HQ – on 5<sup>th</sup> March 2012 in London.

<sup>4</sup> US – Afghanistan Strategic Partnership Agreement – 09/05/2012 – Clause 2.d. – <http://photos.state.gov/libraries/afghanistan/231771/PDFs/2012-05-01-scan-of-spa-english.pdf> - Accessed 14/05/12. The International Afghanistan Conference in Bonn – Conclusions Clause 23 – 05/12/11 – [http://eeas.europa.eu/afghanistan/docs/2011\\_11\\_conclusions\\_bonn\\_en.pdf](http://eeas.europa.eu/afghanistan/docs/2011_11_conclusions_bonn_en.pdf) – Accessed 14/05/12.

<sup>5</sup> We note especially the important investment promotion roles played by the development agencies of NATO members such as the US (particularly USAID and the US Department of Defence's Task Force for Business and Stability Operations) the UK (through DFID), Germany, Norway and Japan which have all contributed to mineral sector development.

<sup>6</sup> A number of international standards exist to guide Afghanistan's policymaking and good practice in the mineral sector including the UNHCR's Guiding Principles on Business and Human Rights, Revenue Watch Index, the Natural Resource Charter, the IMF's Guide on Resource Revenue Transparency, the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative among others.