The Basel Peace Forum 2018 intended to inspire new and unconventional ideas for peacebuilding. About 150 decision-makers from business, diplomacy, academia and civil society from 20 countries met on 14 and 15 January in Basel to rethink peace. Linkages between peacebuilding and health, architecture, artificial intelligence as well as risk analysis took center stage.

CRITICAL REFLECTIONS ON THE INNOVATION FORUM “MANAGING CONFLICT RISKS? OPPORTUNITIES FOR EXTRACTIVE INDUSTRIES”
by Simon Perrin

OVERVIEW

Monday morning’s keynotes presented by Hélène de Villiers-Piaget and Philippe Le Billon nurtured the afternoon’s discussion which related to the interaction between the extractive industry, human rights, responsible practices, conflict risk management and, ultimately, peace. It led to the conclusion that the existing problems, in terms of public governance, corporate practices in the field of human rights and conflict management, call for a collective response. Several innovative approaches were mentioned, one of which relates to the need for even more transparency on business practices.

RECITALS

The second edition of the Basel Peace Forum dedicated one of its four innovation forums to the issue of conflict management by the extractive industry. Two guest speakers were invited to present the general topic during the morning session and to enrich the discussion that took place among participants during the afternoon workshop. Hélène de Villiers-Piaget heads Responsible Mining Index (RMI), an initiative that promotes mining companies’ responsible practices by measuring their policies and practices on economic development, environment, social and governance (ESG) issues. Philippe Le Billon is a Professor at the University of British Columbia with the Department of Geography and the Liu Institute for Global Issues. He is an expert on the issue of natural resource governance. Both of them provided very interesting insights from a practitioner and academic perspectives.

Philippe Le Billon’s intervention helped to understand the global context by providing solid background elements on issues ranging from business & human rights to business & peacebuilding, innovative solutions, etc. He took up the challenge of formulating these complex problems in a clear and understandable way. His intervention also focused on tangible measures that mining companies can take to prevent or mitigate conflict risks.
Thanks to the engagement with stakeholders and companies in the extractive industries, and the preliminary research of the Responsible Mining Index, Hélène de Villiers-Piaget was able to share the opportunities for operationalizing the Sustainable Development Goals, with particular emphasis on Goal 16 – Promote Peaceful and Inclusive Societies – and the interests of many actors in joining forces on such initiatives. She pointed out the importance of engaging not only producing countries but also home countries where companies are headquartered as powerful players in the context of responsible mining and security. Preliminary results from the Responsible Mining Index show that although large mining companies often make good commitments on ESC issues, there is still a long way to go on action and effectiveness. As Hélène de Villiers-Piaget specified, the demand for greater transparency in the information disclosed by these companies on sustainability impacts can be decisive in building trust between the industry and society at large.

In the afternoon’s discussion, workshop participants, including representatives of the mining industry, took the opportunity to share their own experiences and enrich the debate with their expertise.

**CORE IDEA 1: HIGH COMPLEXITY REQUIRES MULTI-STAKEHOLDER COOPERATION**

As demonstrated by Professor Philippe Le Billon during the morning session, the commodity boom during 2004-2011 resulted in a large increase in the number of conflicts associated with extractive activities, most predominantly in South America. Not only is their number increasing but also the very nature of these contexts has become highly complex. Conflicts are of different sorts, armed, labor, environmental, regulatory, and involve, at different levels of responsibility, a multitude of actors, which often include the extractive industry. There is little discussion about the fact that extractive companies, be they state-owned, private or publicly listed, may often generate impacts that exacerbate root causes of conflicts. Poor business practices in the industry have been associated with human rights infringements, environmental pollution, corruption or even war crimes. Global awareness is growing and civil society is active in monitoring the activities of multinational companies. However, the workshop discussion highlighted the central idea of multiple responsibility in the occurrence of conflicts, which urgently requires a collective response from all actors. In particular, it was argued that in some cases national governments need to do more and better in the area of public governance (transparency in revenue management, fighting corruption, smuggling and other illegal activities). At the local and national levels, stakeholder alliances should engage public authorities and open a more constructive dialogue to create incentives and develop the potential for long-term, secure and responsible investment. Establishing and maintaining mutual trust between all categories of actors is certainly a prerequisite for the introduction of a credible collective response. While the debate between business and civil society representatives is now more constructive and positive than ever before, some workshop participants continue to express concern that some NGOs are not willing to acknowledge that business can play a positive role in society. This again underscores the urgent need for innovative forms of engagement that involve as many stakeholders as possible. The discussion not only led to this joint analysis, but also to innovative solutions and relevant ways of implementing them.

**CORE IDEA 2: ESG TRANSPARENCY AS A DRIVER FOR CHANGE**

Innovative solutions include the increased use of new technologies to exploit mining activities in a sustainable manner; the inclusion and empowerment of local communities through education and capacity building measures; new forms of public-private partnerships to develop local infrastructure; redistribution of profits to local communities; fairer contracts; etc.; as well as the development of new technologies for sustainable mining. In particular, all of these promising solutions are seen as ways to go beyond the “do no harm” approach that characterizes most of the Corporate Social Responsibility (CSR) programs that have been implemented by most listed extractive companies to
date. The central question remains as to who or what can truly facilitate their implementation. In this respect, as pointed out by Hélène de Villiers-Piaget, the demand for more transparent information on ESG issues, in relation to the operations of companies, is a central aspect that investors and other financial players can leverage to drive positive change. Initiatives or instruments, such as the Responsible Mining Index (RMI) launched by the Responsible Mining Foundation, provide investors with detailed and valuable information on the sustainability performance of companies, including social impacts that influence peace. Other actors could benefit from this wealth of information.

Companies themselves are increasingly inclined to use and analyze ESG data because it can help improve risk management, enhance their reputation, and bring substantial business benefits in a competitive economy. To make companies more accountable, home governments, host governments and international organizations may also consider developing binding or non-binding standards based on ESG data. End customers want more traceability, not only for their food but also for the minerals contained in their electronic devices. Only more transparent information can meet this growing hunger for increased traceability.

REFLECTIONS & POTENTIAL FOR DEVELOPMENT

With respect to the above, it is assumed that by managing key ESG challenges, companies can directly and with some success address the social root-causes of peace, such as job creation; access to natural resources; poverty, etc.; and therefore exert a positive influence that goes beyond a “do no harm” philosophy.

However, as has already been pointed out here, to be successful, this effort requires the participation of all actors in the value chain, from small producers to final customers, including civil society, local communities, host and home governments, and donors. As agreed by all workshop participants, financial actors, including retail banks; international development banks; private or institutional investors, such as pension funds or sovereign wealth funds, are now playing a crucial role in requiring their portfolio companies to align their practices on ESG standards. Their main objective is to avoid financial and sustainability risks, including conflicts, that may affect the financial profit.

At the end of the workshop, to continue the debate on innovation perspectives, a consensus emerged among participants that future discussions should focus more closely on the themes of investment and impact. In particular, future reflections could examine the modalities and practicalities of new investment strategies, such as impact investments, which explicitly aim to generate social returns. One could further question, for instance, the meaning of impact investment for extractive industries and the role of stakeholders in the impact assessment. From another perspective, future thinking may also focus on the role of host or home states in facilitating long-term and responsible investment in mining projects in fragile environments.

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