<u>Security Council Open Debate on Maintenance of International Peace and Security, June 19th 2013, Security Council Chamber</u>

Statement by Mr. Friis Bach, Permanent Mission of Denmark to the United Nations.

At the outset, my delegation would like to join others in condemning today's terrorist attack on the United Nations offices in Somalia in the strongest possible fashion, and to express our since condolences. It is a cowardly act that will not impede the establishment of a peaceful and stable Somalia.

On behalf of the Nordic countries — Finland, Iceland, Norway, Sweden and Denmark — I am honoured to address the Council on the important issue of conflict-prevention and natural resources. The issue deserves serious attention and is also the mark of an effective preventive diplomacy. Please note that a longer and more detailed version of this statement is being distributed.

The root causes behind the eruption and continuation of any violent conflict often involve a complex pattern of political and economic factors. It is a paradox that many of the poorest and most conflict-affected countries are simultaneously very rich in natural resources. We must strive to ensure that natural resources become a force for positive change and development.

The illicit extraction of natural resources has many repercussions, not least illicit financial flows, which negatively impact economic development. Such flows undermine state-building and, ultimately, democracy, promote corruption, result in poor investments, facilitate crime and terrorism, and destabilize the financial system, to cite several examples.

Governments, donors, the private sector and civil society need to take a multi-faceted, integrated approach in addressing conflicts with regard to non-renewable natural resources. First, such an approach should take account of establishing and enforcing a regulatory framework for natural resource management. Secondly, attention must be paid to transparency and accountability in public-sector expenditure. Thirdly, there is a need for security sector reform and a rule-of-law approach, including the training of police, border management, governance, sound public financial management, human rights and land rights. Fourthly, reconciliation and the creation of options for viable livelihoods for people affected by the extraction operations must be fostered.

A number of international processes and actors — many of them supported by the Nordic countries — are active in the field of conflict-prevention and natural resources. One central actor that we would like to highlight is the Peacebuilding Commission, which plays an important role in encouraging and promoting coherence, coordination and knowledge-sharing at all levels, and between processes and stakeholders that are of paramount importance.

I welcome today's debate as the co-chair of the International Dialogue on Peacebuilding and Statebuilding, together with the Finance Minister of Timor-Leste, and to which all the Nordic Countries are committed.

The New Deal for Engagement in Fragile States, emanating from the Dialogue, defines five peaceand state-building goals, among them the need to create economic functions and ensure State revenues that in turn will safeguard public service delivery. In that regard, equitable natural resource management is on the agenda as an essential and contributory factor to a durable and sustainable peace as the main building block for long-term development.

I would like to highlight the importance of respecting country-led and country-owned strategies. It is crucial that we support the ground-breaking work undertaken by the Group of Seven Plus States.

Businesses have a clear interest in promoting peace, security and stability and in ensuring that natural resources are a blessing, not a curse. We therefore encourage them to engage proactively in voluntary initiatives in this field — the Extractive Industries Transparency Initiative, the Kimberley Process, the Guiding Principles on Business and Human Rights and the United Nations Global Compact. In that regard, we need multi-stakeholder consultative processes and the participation of youth, women and marginalized groups.

We commend the Secretary-General for his proposal to establish a partnership facility. We believe that the international financial institutions have a crucial partnership role to play in managing natural resources. Public income and expenditure reviews are critical, as are requisite regulatory frameworks and procedures.

We must strengthen existing local structures that promote conflict-free mining, such as the Regional Certification Mechanism of the International Conference of the Great Lakes Region and the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The international community, especially the United Nations, should strive to improve coordination on the ground and support the implementation of the OECD Due Diligence Guidance. International partners should ensure that the Guidance is better known and used by their agencies and field offices.

Lastly, civil society has a crucial and active role to play in resolving disputes and in holding States and businesses accountable. In that regard, civil society and free media should serve as our watchdog to monitor compliance with standards and oversight arrangements in order to improve transparency in extractive industries and in Governments' management of their resource revenues.

Let this important issue unite us and compel us to exert greater efforts in future. Unfortunately, today the Council did not make any statement on this very important topic, but we thank it for the dialogue and the debate.