Invitation Letter and Revised Agenda for
A DAC Reflection on Reconstruction in Iraq


The meeting will be held in Room 2, at the OECD (2, rue Andre Pascal, 75016, Paris).

This is an updated version of the agenda. Topics under Session III have been slightly reordered and attention to gender equality has been increased.

Please note that on:

21 July:
A working Lunch will be held in the Château, at 12.30
A Cocktail will be held in the Chateau Hall or its Terrace, at 18.15
A working Dinner will be held in the Chateau, at 19.15

22 July:
A working Breakfast will be held for Heads of Delegation, in the Château at 08.30

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JT00147455
A DAC Reflection on Reconstruction in Iraq (Paris, 21-22 July 2003)

At the DAC High Level Meeting in April 2003, participants "had an informal exchange of views on the challenges linked to relief, recovery and reconstruction in Iraq. All donors shared the same basic concern to advance the emergence of a self-governed Iraq with a functional economy. As it was essential to integrate urgent humanitarian needs with long-term development objectives, participants agreed on the important role of the UN and expressed interest in an early donor gathering to work towards consensus on objectives and to foster concrete co-ordination and pulling together of approaches between the various international actors. The DAC Expert Meeting on Afghanistan Reconstruction and Recovery on 2-3 May 2002 was recalled in this respect." (DAC Chair's Statement from the High Level Meeting 2003.)

DAC Members have a wealth of expertise on reconstruction and transition issues. This has inspired work on these issues at the DAC and its Network on Conflict, Peace and Development Co-operation, and was the basis for the DAC meeting on Afghanistan mentioned above. Experiences that might be relevant to the case of Iraq have been pulled together in "Relief, Recovery and Reconstruction in Iraq: Preliminary Thoughts" [DCD/DAC/A(2003)6/REV1/RD1].

In the light of this, the United States and other DAC Members, in agreement with the UNDP and the World Bank, have suggested to the Secretariat that the DAC provide an off-line opportunity for dialogue and reflection on Iraq. The purpose of the meeting would be to have an informal exchange within the donor community on the complex issues underpinning reconstruction and transition in Iraq, and specifically to:

- exchange information and emerging assessments;
- discuss the application of lessons learned elsewhere;
- consider approaches to effective collaboration among donors.

It appears that most Members would be ready to attend such a meeting, and the Secretariat is making the necessary preparations. The meeting is planned for 21-22 July 2003 in Paris. It would bring together senior policy makers and/or senior operational planners in charge of Iraq from DAC Members, IMF, UNDP and World Bank as well as from the ICRC, UN, UNHCR, UNICEF, UNOCHA and WFP. Some independent experts might also be associated with this discussion.

We sincerely hope that you will be able to encourage the appropriate senior level person to attend this important occasion, and invite you to also bring along one relevant expert or staff member who might usefully contribute to the debate. A draft annotated agenda and registration form are attached.

Yours sincerely

Richard Manning
Confirmation of Participation

DAC REFLECTION ON RECONSTRUCTION IN IRAQ

OECD, PARIS, 21-22 JULY 2003

Please return no later than 14 July 2003 to:

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Biographical Information (Areas of Expertise, briefly).
A DAC REFLECTION ON RECONSTRUCTION IN IRAQ

Summary of Draft Agenda

I. Setting the Stage
II. Challenges of Economic Transitions (Lunch discussion)
III. Prerequisites for Success: Structural Stability, Security and Sustainability
   Session III will continue over dinner to discuss Jump Starting Economic Growth
IV. Effective Delivery and Co-ordination of Aid – Including
   Harmonisation and Choice of Instruments
V. Conclusions

Aim of the Meeting

The DAC proposes to provide a forum, off-line, for reflection and dialogue on the challenges ahead in Iraq, recognising the unique circumstances of its transition, and focussing on concerns and issues that the donor community is in a position to influence. Discussions will draw out lessons learned from other cases of political and economic transitions away from repressive governments, and countries emerging from conflict. Complementing the UN Humanitarian Appeal for Iraq and its technical consultations on reconstruction needs in Iraq (23-24 June 2003) and a donor pledging meeting (Autumn 2003), the objectives of the DAC gathering are to:

- Exchange information on Iraq, from the field, experts and the UN meeting cited above.
- Discuss basic principles and approaches the donor community might usefully apply in the Iraqi context.
- Provide reactions to presentations on: methodologies for planned needs assessments and any available preliminary results; and on complementary planning.
- Provide suggestions for discussion points at the future donor co-ordination and pledging meeting.

Participation

The meeting should draw senior level representatives responsible for Iraq (planning, policy, or operations) and those responsible for transition and/or reconstruction and conflict prevention issues from the following. DAC members and observers are also invited to bring an expert to participate.

- DAC bilateral and multilateral aid agencies; and/or ministries of foreign affairs.
- Multilateral and international institutions such as the World Bank, the IMF, the UNDP, the ICRC and relevant UN agencies such as UNOCHA, UNHCR, UNESCO, UNICEF, WFP.
- Representatives of the Coalition Provisional Authority, the UN special advisor to the Secretary General on Iraq, and the United Nations Development Group (UNDG).
- A few outstanding, independent experts on: Iraq, transition, reconstruction, conflict, gender equality, governance, economic diversification and other issues related to single-commodity-economies.
- Iraqi representation suggested by the Coalition Provisional Authority.

Documentation

- DAC Guidelines Helping Prevent Violent Conflict.
- DAC Guidelines Harmonising Donor Practices for Effective Aid Delivery
- “Iraq and Rehabilitation – Lessons from Previous Evaluations” (by Rob van den Berg and Niels Dabelstein).
A DAC REFLECTION ON RECONSTRUCTION IN IRAQ
Draft Revised Agenda
21-22 July 2003, Paris, OECD
Chair: Mr. Richard Manning, Chair of the DAC

21 July

09.30-12.30   I.  Setting the Stage
Overview on current state of play, institutional structures and challenges in Iraq:
- Briefings from: the Coalition Provisional Authority; the United Nations system; Iraqi participants; the United States Government.
- Briefings on progress with preliminary needs assessments. (UNDG/ World Bank)
- Overviews from experts and others on e.g., key challenges, national and international players, sectoral and thematic issues. (ICG)
- Tour de table on donors’ experience to date in Iraq, perceived challenges and opportunities, and future plans.

12.30-14.30   II.  Challenges of Political and Economic Transitions (Lunch discussion)

15.00-18.00    III. Prerequisites for Success: Structural Stability, Security and Sustainability
Discussion of key elements required to achieve structural stability, security and sustainability in the Iraq context. (See Annex I for definition of structural stability).
Ensuing reflections on driving principles/basic considerations for Iraq
(See DAC paper “Relief, Recovery and Reconstruction in Iraq: Preliminary Thoughts” & Annex II).

15.00-17.00   Working with the Socio-Political, Security and Governance Environments
- What is the current assessment of the socio-political, security and governance environments? What are the implications for economic, environmental, financial and other needs assessments? What outstanding issues need to be assessed?
- What is the current assessment of the potential and likely sources for conflict and the potential for, and means to, peace? What are the key issues for pending assessments to explore?
- How can gender analyses become integral parts of the needs assessments?
- How can institutions and governance systems transform Iraq into a well-functioning, peaceful state and improve delivery in different sectors? How can indigenous capacity be used, and additional capacity generated rapidly, to create a functioning public sector?
- How can the results of a national review of the security system help ensure achievement of transparent governance, justice, other sectoral objectives and structural stability?
- How can donors and their governments help guard against the consequences of potential power and security vacuums in a single-commodity-petrol economy (corruption, rise of organised crime and bandit groups, and risk of violent conflict).
- What processes help establish sustainable stability, security and peace? How can democracy-building and establishing respect for human rights for all people\(^1\) best be approached in Iraq? How can relief, recovery and reconstruction efforts feed into these processes?

\(^1\) All people means all ethnic groups and the men, women, boys and girls within them.
17.00-18.00 Promoting Integrated and Coherent Approaches

○ How can the long-term needs and views of the people underpin actions and be given heavy weight in the provision of international reconstruction resources? How can the indigenous capacity of the people, institutions, civil society, the public and the private sectors be reinforced, reconstituted and encouraged? The participation of women is vital to sustainable outcomes. How can actions on this front be promoted?

○ Progress in any country emerging from a repressive regime and conflict requires a “whole-of-government” approach on the part of donor countries. This requires ensuring i.a. smooth transitions from humanitarian relief to longer-term reconstruction. How can donors work to help ensure coherent approaches in areas such as diplomacy, security, corporate governance and responsibility, and development co-operation?

○ The international community’s visible, sustained engagement to relief, recovery and reconstruction is crucial to the political and economic recovery process. How can donors influence this engagement and ensure it is recognised in Iraq?

18.15-19.15 Cocktail (Hall of the Château)

19.15-21.30 Working Dinner: Jump Starting Economic Growth (Salles Roger Ockrent and George Marshall in the Château)

○ What is the current assessment of the challenges related to economic growth?

○ How can donors encourage the use, and development of indigenous capacity in the private sector? What might be the drivers of job creation and income generation? What potential roles can women play in the economy? How to ensure youth have optimistic prospects? How can donors contribute in these areas?

○ What are the livelihood and coping strategies of the poorer households? How can their poverty needs be addressed? What role do women play in coping strategies?

○ How can the transition from the Oil-for-Food-Program to a normally functioning food and basic needs supply system be used to stimulate local markets and agricultural production?

○ How can donors balance the need to reinforce and build capacity for the public sector with the need to ensure stability, and private sector led growth and investment?

○ How will donors ensure that actions in education, electricity, health and water equitably address needs in each of the provinces? How can donors best address the provinces’ particular political, social and economic interests and needs? How can a balance be achieved between national, provincial and local influence on decision making and priorities?

○ How can we ensure that these, and other key challenges, are integrated into pending assessments?
22 July

08.30-09.30  Heads of Delegation Breakfast Meeting (Salle Marshall) (tbc)

09.30-12.00  IV. Effective Delivery and Co-ordination of Aid -
Including Harmonisation and Choice of Aid Instruments

In order to ensure efficient delivery of aid in any sector, the donor community could think
through modalities of aid, co-ordination and the need and scope for integrated
approaches. This would include a discussion of prerequisites for success. Good co-ordination is vital. It requires clear structures, leadership and agreed visions on
end goals – by sector and for the country as a whole. The risks of aid diversion could
also be discussed.

- Is it agreed that effective co-ordination requires a common vision or strategy of the
end goals (via needs assessments) shared by key local actors, humanitarian and donor
communities, the military and others?
- Is it possible to create common visions for each sector, via, for example, sector wide
or integrated sector approaches? In the Iraq context, can donors promote flexible
and effective use of funds? Can spending authority be delegated to the field?
- Can multi-donor or common trust funds help avoid competition between
bureaucracies and help ensure efficient delivery of aid?
- How can donors ensure availability of appropriate, qualified and gender
balanced personnel?
- What sorts of tracking systems for aid flows make sense, and what benchmark
measures might be useful?
- How can the international community ensure smooth transitions between
humanitarian relief and reconstruction, including in the context of transiting out of
the Oil-for-Food-Program?

12.00-13.00  V.  Conclusions

The Chair would summarise main results of discussions on:

- Basic principles and approaches.
- Reactions to the planned and on-going needs assessment and potential
complementary planning.
- Donor co-ordination.
Annex I

Aide Mémoire: Definition of Structural Stability
from
Helping Prevent Violent Conflict
(cf. Executive Summary, page 17, and Part II, Box 1, page 86)

Economic well-being, social development and environmental sustainability and regeneration are major goals of development co-operation that require structural stability. Structural stability embraces the mutually reinforcing goals of social peace, respect for the rule of law and human rights, and social and economic development. It is supported by dynamic and representative political structures, including accountable security systems capable of managing change and resolving disputes through peaceful means. Structural stability requires voluntary co-operation between individuals and groups in a society and between communities based on their belief that the benefits of co-operating outweigh the costs entailed.

Donors are beginning to modify their project designs to adapt to or influence conflict dynamics, as DAC case studies have traced. Regardless of the specific sector, donors can try to design their activities to reinforce incentives to move toward a peaceful society, and minimise those for violence. Given the unique elements of conflict dynamics, developing one common set of universally valid responses is unlikely. But it is possible to work on universal techniques to aid judgements, such as conflict analysis, in order to design activities better targeted at conflict prevention and peace-building to promote structural stability in societies. It is important to:

- Encourage institutional cultures that promote in-depth understanding of the specific dynamics of a particular conflict and the impact of any actions.
- Foster constant dialogue, local thinking and awareness with partners in government and civil society so that viable solutions emerge and become part of aid agency approaches.
- Promote multiculturalism and pluralism by rewarding projects and partners that have a high degree of cross-ethnic group involvement; help build or reinforce interdependency in communities; and guard against polarisation between perceived "winners” and “losers”.
- Help understand and foresee the impact of development programmes in conflict-prone and divided societies, development co-operation activities can:
  - Recognise that resilient, diversified economies are less vulnerable to conflicts and not so easily destabilised by them.
  - Profile the socio-economic and gender realities of all communities on the ground and ensure that impact assessments address economic, ethnic, regional and gender issues and sustainable poverty reduction activities.
  - Analyse and disentangle the often intertwined factors of grievance and greed that may be at play in the evolution of a conflict situation (see Helping Prevent Violent Conflict, Part I, Chapter 8, “Countering negative economic forces”).
Overarching Principles and Basic Considerations for Donors in any Reconstruction Situation

The following can be kept in mind as participants reflect on Iraq:

1. The international community’s visible, sustained engagement to relief, recovery and reconstruction is crucial to the political and economic recovery process in any country emerging from conflict.

2. Past experiences show that defining common visions and shared end goals are important processes that require the involvement of key local actors and people; transitional administrations; humanitarian and donor communities; security forces; and others.

3. Assessments of the socio-political and security environment, that include potential causes of conflict and required governance structures, are vital. They are complementary elements to any assessment of economic and growth needs.

4. Long-term structural stability, security and sustainability within a context of human rights for all, should be linchpins of all approaches to relief recovery and reconstruction efforts.

5. The long-term needs and views of the people should underpin any actions and be given heavy weight in the provision of international reconstruction resources. Beyond this, indigenous capacity of the people, institutions and the private sector should be reinforced, reconstituted and encouraged.

6. Progress in any country emerging from conflict requires a “whole-of-government” approach on the part of donor countries, ensuring policy coherence in areas such as diplomacy, security, corporate governance and responsibility, and development co-operation.

7. Good co-ordination and harmonisation of procedures are vital. This requires clear structures, information sharing, leadership and avoiding “flying national flags”.

8. Attention must be paid to all provinces within any country emerging from conflict and their particular political and economic interests. A balance must be maintained between national/central, provincial and local influence on decision making.

9. Efforts must be made to guard against the political economy of "post-war" periods, wherein bandit groups and organised crime interests take advantage of power and security vacuums, and continue to control key assets for economic and political development of the country.

10. Regional dynamics should be carefully considered in order to: encourage constructive regional economic co-operation; prevent "spoilers" in the region from ruining efforts inside the country; and avoid possible destabilisation of other countries.