Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

11-Apr-2003

_____

English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

A DEVELOPMENT CO-OPERATION LENS ON TERRORISM PREVENTION:
KEY ENTRY POINTS FOR ACTION

DAC High Level Meeting
22-23 April 2003

This note is submitted for ENDORSEMENT at the DAC High Level Meeting, 22-23 April 2003. It was agreed upon in principle, subject to final editing, by the DAC Senior Level Meeting on 12-13 December 2002. The edited version was subsequently considered by the DAC on 28 March 2003 and then finalised.

Francesca Cook: francesca.cook@oecd.org or Tel. +331 45 24 90 08
Lisa Williams: lisa.williams@oecd.org or Tel. +331 45 24 90 27

JT00142579

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format

**A Development Co-operation Lens on Terrorism Prevention:
Key Entry Points for Action**

TABLE OF CONTENTS

Policy Statement: A Development Co-operation Lens on Terrorism Prevention
Key Entry Points for Action

There are complex links between the causes of terrorism and the role various actors play (government, civil society, business and criminal elements) in promoting or combating them. It is a challenge for all parts of government to continue to deepen understanding of these links, to define appropriate roles and consider policy options. OECD governments need to rally actors in trade, defence, foreign affairs, finance and development agencies to work together to articulate clearly roles in combating terrorism. Against this background, we will work to:

Bolster Long-Term Structural Stability

1. **Reinforce the ways donors and their governments strengthen structural stability by reconfirming and implementing the important visions and agreements** set forth in: the Millennium Development Goals, DAC *Shaping the 21st Century Strategy*, the DAC Guidelines series and work on difficult partnerships. This includes in particular *Helping Prevent Violent Conflict* which identifies key facets of dealing with conflict that could apply to terrorism.

2. **Calibrate current aid allocations and approaches carefully where the prevention of terrorism is a relevant development objective**. Aid budgets may need to increase accordingly. Ensure that any necessary priority changes and budget reallocations are preceded by in-depth analysis of need and aid effectiveness so that development aid contributes to long-term structural stability and does not become an instrument of non-development interests.

Dissuade Disaffected Groups from Embracing Terrorism and Other Forms of Violent Conflict

3. **Support community-driven development** to build the capacity of communities to resist extreme religious and political ideologies based on violence. **Encourage intra and inter-faith exchanges**, with full community participation, and work with religious and community leaders. Closed belief systems play into the hands of extremists, and terrorists.

4. **Help build effective and responsible media and public information strategies as powerful tools to prevent violence**. Provide space for informed and informal debate, advocacy and dialogue to help the public evaluate situations and find sustainable compromises.

5. **Give greater attention in donor programming to young people's job opportunities and education to prevent the emergence of fragile, disenfranchised youth**. Build their skills and abilities to meet their future needs and aspirations, especially for educated males, who are prime targets for terrorist organisations. Deepen analysis of the social changes brought about by development and the multiple causes of disaffection and exclusion among the young.

6. **Increase focus on people transiting out of poverty**. Their frustrations and educated energy can make them useful foot soldiers and supporters for terrorism. Reducing absolute income poverty remains vital, but approaches to inequality and exclusion should be given increased priority.

Deny Groups or Individuals the Means to Carry Out Terrorism - Reinforce Governance

7. **Support democratisation and modernisation from within local value systems** in a way that reconfirms and builds on the beliefs of different societies. Donors need to acknowledge political, religious and cultural sensitivities when translating "western" models in non-western cultures.

8. **Strengthen governance institutions – including financial, security and justice systems – which will help prevent support for terrorism**. Reinforce the capacity of the private sector, banking regulators and finance ministries to reduce opportunities for corruption, money laundering, illicit trafficking of drugs, arms, people, and venues for terrorist financing and poor corporate governance.

9. **Stay engaged and work in fragile, conflict-prone countries** no matter how difficult the partnership may become. Though terrorists live, work in and take advantage of the efficient infrastructure and political openness in OECD and other countries, states with weak governance and disempowered civil societies are especially vulnerable and can unwittingly increase opportunities for criminal activities and terrorist training grounds.

10. **Improve how we learn from and work with diaspora**. Just as dispora can help increase tolerance and compromise, they can also underwrite violence, including terrorism.

Promote Policy Coherence, Complementarity and Consistency

11. **Strive to make globalisation an "inclusive" process** which will help reduce support for terrorism. This requires an increased aid effort as well as greater policy coherence, complementarity and consistency across the whole of our governments and within the multilateral system. A focus on human rights needs to be more tangible and visible as a basis of external assistance.

I.   Introduction

1.   Tackling terrorism has challenged strategists, security experts, intelligence analysts and political leaders for centuries. Since the attacks of 11 September 2001 and widespread recognition of "international terrorism",[1] allies in the prevention struggle include financial analysts, bankers, arms control and bio-chemical experts, educators, communications specialists, development planners and religious leaders.

2.   The international community, aid organisations, governments, the European Union, the United Nations system and the OECD have recently embarked on a series of reflections on how to best support global efforts to combat terrorism. The OECD addresses terrorism through a wide range of short, medium and long-term activities as described in "International Terrorism – An Update on OECD Work"[2]. On-going work includes: insurance; biotechnology; chemicals safety; transport; corporate anonymity; schools and terrorism; nuclear installations; migration, tourism and development co-operation. Completed work covers economy-wide and trade impacts, financial markets, and lessons drawn from Central Asia.

3.   The OECD Development Assistance Committee has held three senior level discussions on terrorism[3] in the last two years. This note covers possible roles and policy options for the donor community. It builds on the policies, principles and strategies agreed in the DAC Guidelines and Statement *Helping Prevent Violent Conflict* (2001). It synthesises insights and conclusions drawn from the three previous DAC papers and a series of discussions with conflict prevention, development co-operation and terrorism experts. It draws in particular on two workshops in 2002 – one held by the CPDC and another held by Switzerland and Germany, reviewing current knowledge on international terrorism and potential prevention roles for development co-operation[4].

II.   What Role Can Development Co-operation Play in Helping to Prevent Support for Terrorism? Policy Options for Donors and their Governments

4.   To better understand terrorism, it is important to consider its characteristics. Support for terrorism comes from hatred born of exclusion, ignorance and prejudice, injustice and alienation, feelings of helplessness and despair. Terrorist leaders feed on these factors and exploit them, gathering support for their organisations and acts. Some terrorists and their "sleeper cells" live and work in OECD countries, taking advantage of efficient infrastructures and political openness. Terrorists are extremely adaptable. They use to their advantage their surrounding circumstances – locally, nationally, regionally and internationally. Their ultimate defeat is linked to establishing robust and inclusive political and economic processes, building social justice and peace, and removing exclusion nationally and internationally.[5]

5.   Terrorism is a form of violent conflict and conflict prevention is an integral part of the quest to reduce poverty[6] (cf. paragraph 21). Development co-operation cannot and should not target individual terrorists nor "combat" their networks. Nor would development co-operation directly address *all* the "root causes" of terrorism. They vary over time and may fall beyond the direct realm of Official Development Assistance (ODA). As the OECD-wide effort demonstrates, other parts of government are responsible for many pieces of this puzzle.[7]

6.   However, development co-operation *does* have an important role to play in helping to deprive terrorists of popular support and addressing the conditions that terrorist leaders feed on and exploit. Many conditions that allow terrorists to be politically successful, build and expand constituencies, find recruits[8], establish and finance terrorist organisations, and secure safe-havens fall within the realm and primary concerns of development co-operation. Donors can reduce support for terrorism by working towards preventing the conditions that give rise to violent conflict in general and that convince disaffected groups to embrace terrorism in particular.

7.	Targeted programmes already underway can form an important part of a strategy to help prevent the enabling environment for terrorism, within the overall aid focus of poverty reduction. However, in the context of the new forms of "international terrorism", it is not simply a question of donors doing better what they have already committed to do. Applying a development co-operation lens to terrorism prevention has implications for key policy and programme areas that may require donor agencies and their governments to calibrate approaches to efforts already underway (cf. paragraph 33). This may have implications for priorities including budget allocations and levels and definitions of ODA eligibility criteria, keeping in mind the poverty reduction objective and that ODA comprises "official concessional flows that have the economic development and welfare of developing countries as their main objective".[9] The private sector also has a role to play and may need to adjust policies and practices.

8.	More specifically, in the framework setup by the UN task force on terrorism[10], development co-operation can help to:

- Support structural stability.
- Dissuade disaffected groups from embracing terrorism.
- Deny groups or individuals the means to carry out acts of terrorism.
- Sustain coherent, broad-based international co-operation in the struggle against terrorism.

## A.	Bolster Long-Term Structural Stability

9.	Exclusion is often linked to problems with structural stability. This requires, and is supported by, mutually reinforcing development goals that foster: poverty reduction; respect for human rights and the rule of law; sound political development; inclusive globalisation; peace, environmental sustainability; and economic and social well-being. Structural stability is best achieved through voluntary co-operation between individuals, groups and communities supported by dynamic and representative political structures - including accountable security systems - capable of managing change and resolving disputes through peaceful means. Achieving it can help remove support for terrorists and their organisations.[11]

10.	Donors and their governments should better use development co-operation to underpin long-term structural stability. This demands paying closer to attention to the forces that undermine it and give rise to active engagement, passive support and sympathy for terrorist violence.[12] Donors should:

- **Reduce exclusion and bolster structural stability by implementing** the universally embraced Millennium Development Goals and DAC guidance contained in: *Shaping the 21st Century Strategy*; *Helping Prevent Violent Conflict; Strategies for Sustainable Development; Strengthening Trade Capacity for Development; and Poverty Reduction; DAC Orientations on Participatory Development and Good Governance* and work on governance approaches to difficult partnerships; and *DAC Guidelines for Gender Equality and Women's Empowerment*.

- **Develop shared, systematic analyses of grievances, social and political dynamics and vulnerabilities, and make better use of warning signs** including human rights abuses against women and men. These grievances can create fertile ground for support for terrorism[13].

- **Strengthen donor governments'** co-ordination approaches to dealing with governments, or representative voices, in even the most difficult and fragile countries.

- **Help ensure that strategies to fight poor governance, conflict and terrorism** are coherent and co-ordinated, and consistent with human rights norms and standards.

- **Ensure that humanitarian assistance activities provide positive and constructive environments**. Providing basic needs should be balanced by long-term stabilising factors such as education that promotes tolerance and peace.

B.   Dissuade Disaffected Groups from Embracing Terrorism and Other Forms of Violent Conflict

11.   To dissuade disaffected groups from supporting terrorism, a complex series of actions is required: norm setting, protection of human rights, communications, dialogue, etc. The objective is to convince these groups of the value of human dignity, including their own. They need to understand how to affect change within "the system" because they are a part of it. Destroying it cannot be seen as the only recourse. Development co-operation can provide alternatives and must communicate them widely.

Promote advocacy and public dialogue, use information and media as tools to prevent violence

12.   Information is essential to helping governments, groups and civil society formulate ideas, judge and evaluate situations and to seek peaceful compromises. The media – radio, internet, television, movies and the written press – can be important in the fight against extremism and terrorism. It is important to foster free media and dialogue, particularly around issues that touch on culture, religion, faith and values. This is essential to shaping transformation processes in all countries.

13.   Therefore, donors, in partnership with communities and governments in developing countries, need to actively help to:

Dialogue and Advocacy

- **Promote or sponsor advocacy and dialogue**[14] among governments, business, civil society groups and communities to think through how to:
    - **Develop public education campaigns** that stress the value of a dignified life, human rights (including those of the poor, women and children), and the terrible human, economic and political consequences of terrorist acts.
    - **Use eminent persons, including religious figures, as well as victims of terrorism, to strengthen** public awareness, outreach and information campaigns. These could work on promoting popular understanding, by women and men, that human rights for all are integral to cultural diversity and religious beliefs, not the opposite.[15]
    - **Address exclusion issues** and how these can contribute to support for terrorism. (e.g., Urbanisation is often a positive development engine. Managed poorly, it can also have potentially devastating effects on insecurity, despair, radicalisation, loss of community "belonging" and ultimately, popular support for terrorism.)
    - **Support groups that encourage and promote peaceful political change** to reduce the constituency and the strength of terrorist organisations. This is especially important at the community level**.**
    - **Consult specifically in regions that have been plagued by terrorism** on the most effective policies and strategies for eliminating/controlling terrorism.
    - **Ensure that dialogue processes extend to all parts of a given country/region** to maximize participation.

Media

- **Work with local leaders (governmental and non-governmental) on public information strategies** to help them appropriately harness information technology and communications systems (including the internet and enhanced education systems) so they reach populations that might otherwise support or sympathise with terrorists.[16]
- **Build positive capacity in the media by assisting education for journalists and support to newspaper**, radio, television and film industries. This would help them provide access to divergent views while promoting tolerance, compromise, mutual respect and human dignity. This should help counter attempts by terrorists to use information systems as key weapons of propaganda.

Faith systems and religious groups

14. Interviews with terrorists from Christian, Hindu, Jewish and Muslim groups reveal that religion is often used as a vehicle to articulate political and economic grievances. [17] Donors need to work with local religious groups, better understand belief systems and avoid eschewing them. Some donors have long experience in building these relationships. In particular, donors should:

- **Help democratically-minded, moderate change agents to build bridges between religious and cultural communities** so that the process of 'secular' modernisation of the State does not destroy cultural, religious and community connections. This can help reduce the constituency and the strength of terrorist organisations, especially at the community level.
- **Promote inter-ethnic, intra- and inter-faith dialogue**. This is important, as religion can be a strong unifying force.
- **Be aware of fundamentalist rhetoric** and realise that terrorist leaders win adherents when they can argue that there is little to live for in this world and more to look forward to in the next. And the leader's job is made easier when recruits require little convincing because their own assessments of their personal status and opportunities is grim.

Prevent the emergence of fragile, disenfranchised youth

15. Looking at terrorism through a development co-operation "lens" calls for renewed attention to social analysis, employment generation and education[18]. This is not to imply that lack of access to resources and poverty of employment prospects, choices, and skills are "prerequisites" for support to terrorists, or translate into support. But they are part of enabling conditions.

Employment

16. Evidence to date shows that terrorist leaders find supporters and foot soldiers among men between the ages of 14 and 30, who can be poorly or well-educated, often with few employment prospects. The lack of economic and employment opportunities is increasing for a growing percentage of young populations, including the relatively educated, in many regions of the world. These young people, through modern communications technologies, clearly perceive a gap between their own prospects and others'- in their own countries and elsewhere. This can lead to feelings of frustration and despair.

Social analysis

17. Social analysis, including the use of a gender lens, would help shed light on the relative susceptibility of young men and women to radical or fundamentalist ideology and behaviour. It would, for example, help clarify perceived "humiliation" and "loss of honour" that can lead to extremely violent desires for revenge and honour crimes. Feelings of humiliation have little link with terrorism directly, but they can contribute to the desire to be part of a system or group that "seeks justice and retribution" and make them more susceptible to embracing terrorism.

Education

18. When education spreads faster than jobs, it can be destabilising and increase the risk of social unrest in some cases. This phenomenon may heighten awareness of inequities and disparities, and breed frustration. In others, it can create important reservoirs of educated talent to fuel growth when policies or opportunities change. When educated youth live in restrictive political systems, they may voice their opposition by targeting foreign, rather than local or national "culprits".

19.   Donors should work with partners in government and civil society to:

- **Place greater emphasis on youth and their ability to meet their future needs**, their prospects, their skills, and the feasibility of their aspirations.

- **Improve analysis of the social changes** brought about by development and the multiple causes of disaffection and exclusion among the young (educated). Such analysis would take into account gender issues, perceived humiliation and the types of education received, including during periods of humanitarian assistance that may last a long time.

- **Establish creative and dynamic employment structures and schemes for youth**, perhaps especially urbanised youth, while recognising problems of fiscal sustainability. Donors may need to expand their knowledge in this area, where the International Labour Organisation has long experience.

- **Improve the quality of education** in national, religious and private schools by promoting:

    - More in-depth reflection by partner governments on education systems and the content and purpose of education curricula, two highly sensitive areas. This should draw fully on views from communities and individuals[19], with support from donors.[20]

    - Better understanding of the connections between moderate forms of religion (including Islam) and education, and encouragement of charity and religious schools that promote practical skills knowledge and tolerance.

    - Using gender analysis in setting school curricula and methodologies to help ensure that different needs and expectations are met.

- **Support young people in seeking creative solutions for bridging traditional value systems and modernisation** through education.

- **Support local capacity to confront situations where reality falls short of expectations**. Reflect further on how to reinforce on-going efforts underpinned by implementing the policy directions provided in the DAC Guidelines, in particular *Helping Prevent Violent Conflict*.

Help defuse support for terrorist networks through poverty reduction efforts

20.   Although international terrorist leaders and terrorists are often the disaffected, ideologically motivated children of the educated middle class, they exploit insecurity factors and profess the cause of the frustrated, the poor and the politically and economically excluded (real and perceived) in order to gain recruits for their cause. [21] These "conditions" also relate to dimensions of poverty[22], both relative and absolute, even though most poor countries do not experience terrorism, supply nor support terrorists. It is nevertheless important to bring together efforts to fight poverty and terrorism.

21.   Donors should **emphasise and implement the recommendations of the DAC *Guidelines on Poverty Reduction***. They stress that efforts to empower the poor to exercise their human rights and to have voice, to facilitate access to basic services, education and employment, to strengthen their capacity to pursue sustainable development, and to help them cope with risk and vulnerability are key to fighting poverty. Maintaining support service to the poor through a pragmatic selection of the governmental and non-governmental agencies that share a commitment to poverty reduction and human rights and help them strengthen their capacity is vital. And eradicating poverty is essential for global security and prosperity and helps reduce the potential for violent conflict in society.[23]

C. **Deny Groups or Individuals the Means to Carry Out Terrorism: Reinforce Governance**

Strengthen political governance and work with fragile countries and failed states

22.   Democratisation processes and well-governed governments undercut the will to support and use terror. They do this through a capacity to harness the positive elements of globalisation, deliver services, inspire confidence and provide institutionalised means for people to express themselves without resorting to violence.

23.   Weak, ineffectual or non-existent governance systems can generate fragile countries prone to conflict with rising, violence-based extremism and instability. The precarity of their political development, government structures and civil society can render them more vulnerable to radicalisation, less able to deal with illicit activities (e.g., training camps), and more likely to provide the environment in which terrorists are recruited and supported. As the DAC agreed, the international community should adopt explicit strategies to address countries prone to conflict, including those that represent difficult partnerships for donors. [24]

24.   All actors can support strategies that are directly relevant to denying terrorist groups the fuel they need to recruit adherents and carry out their acts *in any country* by working to:

- **Promote the enabling conditions that make political systems more responsive** to the voice and legitimate interests of all people,[25] and integrate concerns around preventing terrorism into democratic governance programming, e.g.:
  - Use community-driven development to support capacities to resist fundamentalism.
  - Review options for political reconstruction with a focus on conflict prevention, governance and security system reform.[26]
  - Generate options for reform in fragile, collapsed states where formalised government-to-government development aid may not be an alternative and try to stay engaged.
- **Strengthen the rule of law** – nationally and internationally – through development policies that:
  - Encourage the ratification and implementation of international standards and conventions for combating terrorism – complemented by relevant changes in national legislation.
  - Support systems to deal with legal, judicial, and law enforcement issues relevant to international terrorism. This would range from extradition treaties to sentencing policies for terrorist crimes, enhancing witness protection programmes, addressing corruption, strengthening capacity of law enforcement agents and judicial systems – while ensuring accordance with human rights.
  - Support anti-discrimination measures that reduce the inclination to engage in extreme violence.
- **Improve the security system, as part of governance and public sector reform**. This includes special attention to prison systems, which evidence suggests are prime areas for radicalisation and recruitment and/or training of terrorists.
  - Continue efforts to better define ODA eligibility categories in relation to peace and security issues, as the Guidelines on *Helping Prevent Violent Conflict* advocate.

Strengthen financial governance systems

25.   Specific development programmes can help remove the financial means for committing terrorist acts through programming that helps countries implement UN Resolution 1373 against terrorist financing and the OECD Financial Action Task Force's "Eight Special Recommendations on Terrorist Financing"[27] Donors can help to:

- **Build capacity of finance ministries and banking regulators** to reduce opportunities for corruption[28], money laundering, illicit trafficking of drugs, arms, people and illegal venues for terrorist financing.[29]

- **Devise alternative approaches to informal financial structures** linked to terrorist financing networks. Evidence also suggests that financing for terrorist networks emanates from all over the world, including from or through some businesses in OECD countries and non-ODA recipients. [30]
- **Reinforce the role of the private sector**: help partner governments establish transparent mechanisms for encouraging domestic and international corporate responsibility, guided by an informed commitment to guard against side effects of investments that impact negatively on local and national structural stability and that may unwittingly play into the hands of extremists, or finance terrorists.[31]

Harness diaspora as development partners

26.   The potential contributions (financial and moral) to development from the moderate mainstream of diaspora communities is largely unexplored, though *Helping Prevent Violent Conflict* and the DAC High Level Meeting paper on difficult partnerships touch on this issue. There can be little doubt that diaspora are intricately involved in the social life, finances and economy of their home countries and communities and have the potential for *constructive* or *destructive* engagement. In some cases, they have been financiers of violent conflict, including terrorism. In others they play important roles in reconstruction efforts in their home countries, in Afghanistan for example.

27.   To promote constructive contributions, donors should work to:

- **Include and consult with diaspora communities more prominently** to ensure that their diverse views and opinions about their home land inform the activities and decisions of other actors - such as other governments, bankers and financial regulators, businesses and donors.
- **Promote information sharing** amongst diaspora communities so that they have up-to-date information on the current situation in their "home" country.

D.   Strive for Coherent, Complementary and Consistent Policies: Sustain Broad-Based International Co-operation and Reinforce Inclusive Globalisation

28.   The globalisation of the international economy brought about a rapid increase in the movement of transnational goods, services, capital, and information technology. This dynamic is highlighting major societal disparities in wealth and opportunity, consequently fostering political, ethnic, ideological and religious extremism in regions, countries and groups feeling left behind. Part of international terrorists' appeal comes from their stance as "anti-globalisation" or "defenders" of traditional ways. They claim to counter the perceived invasive onslaught of the "West" and its material, secular, "modernist" and cultural "imperialism"[32] To combat this, globalisation must be perceived as, and be, an "inclusive" process.

29.   OECD governments and their aid agencies need to understand and correct policy inconsistencies and incoherence. They should take a "whole-of-government approach" to combating terrorism and:

- **Strive to promote inclusive globalisation** within a framework of tolerance and mutual respect and think through exclusion issues.
- **Commit - at policy and operational levels - to encouraging work among trade, commerce, development, defence and foreign policy communities**, etc. so that national policies are coherent, for example regarding arms sales or other trade and business deals that feed violent conflict and terrorism. This can involve difficult but creative tensions.
- **Recognise that development co-operation plays a key role in understanding and responding to the factors associated with support for terrorism**.
- **Share information across departments** to strengthen situation assessments and planning. Development agencies play a special role in delivering important information about alarming developments, perceptions on the ground, radicalised behaviour and increasing dissatisfaction. They should include "terrorism-warning indicators" in current early warning mechanisms and conflict analyses.

30.　　On-going research *by other parts of government* would be useful for aid agencies. This includes analysis of: the distinguishing characteristics of terrorist leaders and followers; the environment they operate in; the structure of terrorist organisations; and the techniques they employ to use globalisation to support their operations (e.g. financial transactions, migration, the role of diaspora, information flow, transhipment of materials, etc.).

31.　　Though development agencies are not in the forefront of the fight against terrorism, they are the "voice of development" and represent long-term development interests within their own governments. Donor agencies and governments overall need to have humility about what their actions can achieve, recognising the limited role that aid plays in the short term.

Ensure consistency in aid: review delivery mechanisms

32.　　Deficits in development progress – often misidentified as deficits in development co-operation – can encourage the radicalisation of potential terrorist sympathisers. Aid is a tangible "change actor" in the field and can be stigmatised as a symbol of "loss" of local norms and values. Donor governments need to be sensitive to the unintended negative consequences of their assistance and carefully consider how that aid is delivered and perceived.

33.　　Any necessary priority changes and budget reallocations related to terrorism prevention should be based on in-depth analysis of needs and potential impact. On-going attempts to improve aid effectiveness must not be forgotten, though it is not easy to gauge the impact of programmes on support for terrorism. Working out how to do this will also diminish the real risk that development aid becomes "simply" an instrument of geopolitical and/or military interests.

34.　　There is a need to take a regional and a country-specific view in planning and implementing aid programmes. Countries often cause conflict or are affected by it in neighbouring countries.

Some specific areas for improved collaboration

Trade

35.　　Donor agencies can encourage their governments to address the incoherence between the OECD market-led, free trade model and the perceived bias of the multilateral trading system against some developing countries. This perceived bias includes OECD countries' trade related subsidies and barriers in areas such as: agriculture, textile and movement of labour as well as intellectual property rights (e.g., pharmaceuticals). Action here would require taking serious account of developing countries' concerns in the Doha Development Agenda. There is no one-to-one relation between trade policy and terrorism. But more development-friendly trade policies would promote globalisation as a process with positive impact on poor countries and for the poor.[33]

Human rights, security and the private sector

36.　　The treatment of countries that commit human rights abuses, crimes against humanity and other atrocities is another area for improved consistency. OECD governments might overlook severe abuses taking place because they need co-operation from that particular country's government; but there needs to be "whole-of-government" policy responses to such countries.

37.　　Another potential area for policy incoherence can be noted in relation to short-term security and political exigencies in the campaign to eradicate terrorism. Balancing security and freedom carries risks. Western governments fighting terrorism must carefully avoid behaviours that restrict liberties to an extent that impedes democracy and the rule of law and reinforces the negative image that terrorists try to promote.

38.　　Aid agencies can help their governments reinforce the private sector's ability to deny terrorists and other criminals the means to act. They can work with other parts of their governments to improve corporate

governance and to encourage multinational and other businesses to better understand the cultural and political impacts of their behaviour and communications strategies[34].

III.   Conclusion

39.   Applying a development co-operation lens to terrorism prevention reconfirms the important visions and agreements set forth by the DAC in the last ten years. The key entry points for action are highlighted in the policy statement. To follow up on some action points, the OECD Development Cluster, led by the DAC, should work with other parts of the OECD to:
(i) Continue to deepen understanding about how to develop complementary, coherent and consistent OECD policy advice (via workshop from new policy coherence unity in SGE). (ii) Track donor activities and financial disbursements towards preventing terrorism, pull together experiences thus far, and review ODA eligibility criteria. (iii) Commission other work in the DAC subsidiary bodies. The DAC CPDC should continue to work on mainstreaming conflict prevention, security system reform and corporate social responsibility and governance.

BIBLIOGRAPHY

DAC CPDC workshop on terrorism prevention and development co-operation (September 2002).
German-Swiss workshop on terrorism prevention and development co-operation (November 2002).

DAC Documents

"Preventing Terrorism: the Role of Development Co-operation"[DCD/DAC(2002)12/REV1].
"Development Co-operation in Difficult Partnerships" [DCD/DAC(2002)11/REV1].
"Development Co-operation Responses to Terrorism"[DCD/DAC(2001)25/REV2].
"Poor Performers: Basic Approaches to Supporting Development in Difficult Partnerships" [DCD/DAC(2001)26/REV1].
"ODA Demand and Supply" [DCD/DAC(2001)29/REV1].

OECD Documents

"Transport Security and Terrorism: Note on Action Taken and Policy Issues"[CEMT/CS(2002)20].
"The Impact of 11 September on Insurance and Reinsurance Markets in OECD countries" [DAFFE/CMF(2002)4].

"General Assessment of the Macroeconomic Situation"[ECO/CPE(2002)2].
"International Terrorism and OECD Work" [CES(2001)39].

DAC References

Helping Prevent Violent Conflict (2001).
Poverty Reduction (2001).
Shaping the 21st Century :The Contribution of Development Co-operation (1996).

Other References

"Beyond Slogans: How Can the UN Respond to Terrorism?" William G. O'Neill. (2002)
"Defining Terrorism", mimeo. Roberto Toscano. (2002)
"Education, Poverty and Political Violence and Terrorism", Alan Krueger, Jitka Maleckov, Princeton University. (2001)
"Effective Aid: In Depth Defence of International Security" CIDA/International Development Strategies. (2001)
11 September 2001 Terrorist Violence and Its Significance for Development Co-operation
(SDC Working Paper, May 2002, Berne, Switzerland.
"Failed States in a World of Terror", Robert I. Rothberg, *Foreign Affairs*, July/August 2002.
"Five Degrees of Separation: Terrorists and their Sponsors", Louise Richardson. Harvard International Review.
"Get to the Roots of Terrorism," Jessica Stern. Op-Ed, International Herald Tribune, April 24, 2002.
"Implications for Strategy," *Countering the New Terrorism*, Lasser et al. Rand Corp. (1999)
Legitimacy and Legality: Key Issues in the Fight Against Terrorism, The Fund for Peace, September 11 (2002)
In the Wake of 9/11 – The Psychology of Terror. Thomas Pyszczynski, Jeff Greenberg et al. APA. (2003)
Report of the Policy Working Group on the United Nations & Terrorism, Annex A/57/273, S/2002/875. (2002)
"Rescuing the Refugees", Arthur C. Helton, March/April 2002, Volume 81, Number 2. (2002)
September 11, One Year Later: A World of Change. Policy Brief. Jessica T. Matthews.
Carnegie Endowment for International Peace. (2002)
"The Roots of Terrorism: Probing the Myths", Karin von Hippel. The Political Quarterly Publishing Co. Ltd. (2002)
Tackling Terrorism Through Development Co-operation (draft). Karin von Hippel & Randolph Kent (2002)
Terrorism and Conflict Prevention: What is the role of development co-operation. (paper) Jamal Benomar. (2001)
"The walls have to come down." Kofi Annan, Op-Ed. IHT, 4 October, 2002.
"Towards a Comprehensive Peace and Security Policy Approach." Heidemarie Wieczorek-Zeul BMZ. (2002)
USAID's Role in the War on Terrorism; USAID Issue Brief No. 1, 2001; Bureau for PPC. James Clad.
War on Terrorism or War on Poverty, Injustice, and a Culture of Violence: Development Assistance as a
Source of Peace. (Paper) Takao Toda, JICA. (2002)

END NOTES

1. Historically, terrorism has usually been committed at a "national" level (e.g. Beider-Meinhoff). "International" terrorism - where strikes go beyond the country or sub-region most directly concerned - appears to combine a complex blend of geopolitical and international objectives that can go beyond a single country.

2. "International Terrorism – An Update on OECD Work" (Note by the Secretary General) [ECSS(2003)1].

3. As part of an OECD-wide initiative, the Development Assistance Committee (DAC) called on its Network on Conflict, Peace and Development Co-operation (CPDC) to help illuminate policy thinking on development co-operation's role in helping to prevent terrorism. Discussions took place in December 2001 at the DAC Senior Level Meeting (SLM), in May 2002 at the DAC High Level Meeting (HLM), and in December 2002 at the DAC SLM which requested the current note for endorsement in April 2003 at the DAC HLM. The DAC papers on this topic can be found under these codes: [DCD/DAC(2001)25/REV2], [DCD/DAC(2002)12/REV1] and [DCD/DAC(2002)27/REV1].

4. The terms "development assistance", "development co-operation", "donors", and "aid" in this note refer to external assistance from bilateral and multilateral aid agencies as well as from international non-governmental organisations and charities.

5. Drawn from "When societies fail terrorism steps in", IHT, 13 November 2002, Tuan N. Hassan Wirajuda.

6. *Helping Prevent Violent Conflict*, Ministerial Statement, page 13, OECD, 2001.

7. For example, law enforcement actions against terrorist leaders, and directly addressing global financial and other support structures are not covered directly by development co-operation. Refer to "International Terrorism – An Update on OECD Work" (Note by the Secretary General) [ECSS(2003)1].

8. Terrorists often hijack development problems as justification.

9. The full definition of ODA is available in the DAC Statistical Reporting Directives [DCD/DAC(2000)10] at www.oecd.org/dac/htm/dacdir.htm .

10. The United States and the European Union have devised definitions of terrorism. But the United Nations has not yet agreed on definitions of terrorism or distinctions between its forms, despite numerous UN conventions, particularly UN SC 1373 (2001) and UN SC 1456 (2003) and work underway in the General Assembly on a draft comprehensive convention against international terrorism and a draft international convention for the suppression of nuclear terrorism [(S/2003/191) UN Security Council Report of the SG submitted pursuant to resolution 1456(2003); "Report of the Policy Working Group on the UN and Terrorism" [A/57/273/S/2002/875].

11. For a definition of structural stability, see DAC Guidelines *Helping Prevent Violent Conflict*, 2001, Part II, p. 80.

12. Thomas Pyszczynski and Jeff Greenberg In the Wake of 9/11 – The Psychology of Terror (2003).

13. Refer to Box 2, page 32 of *Helping Prevent Violent Conflict* for a list of early warning signs.

14. *Helping Prevent Violent Conflict* and its HLM Statement advocate dialogue as a key element of peacebuilding, reconciliation and justice issues. The points in this paper iterate new elements in relation to terrorism.

15. The United Nations' strategies for combating terrorism focus a great deal on understanding better how to encourage universal acceptance of, and respect for, universal human rights. Donors can play a role in this regard.

16. Williams G. O'Neill (idem). See also Helping Prevent Violent Conflict.

17. Jessica Stern, "Get to the Roots of Terrorism," International Herald Tribune, April 24, 2002 and also Thomas Pyszczynski, Jeff Greenberg et al, In the Wake of 9/11 – The Psychology of Terror (2003).

18. Charity-funded and religious schools, some supported by donors, exist in many countries, some with positive results. They can make up for grave lacunae in national education systems and often provide free or subsidised

education, food, clothing and books. However, some of these schools provide very few practical skills or knowledge. They can distort the teachings of their heritages and promote – from an early age – stereotypes of "acceptable roles and behaviour", and intolerance as well as fear and hatred of "corrupting Western influences".

19. Karin von Hippel, "The Roots of Terrorism: Probing the Myths" 2002; and Alan B. Krueger and Jitka Maleckov "Education, Poverty, Political Violence and Terrorism", 2001.

20. The United Nations University for Peace co-operates with a wide range of universities, and agencies in developing innovative, multi-cultural course materials and modules on issues related to peace and security. These are aimed to be disseminated all over the world, to reach thousands of students and professors, to build capacity to integrate tolerance into education systems, to build capacity in societies for conflict prevention, mediation and peacebuilding. (http:\\www.upeace.org)

21. This exploitation can also be true of any actor seeking to cause change through violent conflict, as the DAC Guidelines discuss.

22. Poverty, as agreed by the DAC in 2001, is multidimensional and includes different types of deprivation. In general it is the inability of people to meet economic, social and other standards of well-being. Reducing poverty involves addressing shortfalls and inequalities in economic, human, political, socio-cultural and protective capabilities. All of these dimensions are relevant to providing the human security that safeguards human development and helps ensure peace. (*Poverty Reduction*, DAC, 2001). Insecurities in these areas can be facilitating factors for support to terrorism.

23. Adapted from the Executive Summary, *DAC* Guidelines*: Poverty Reduction*, OECD, 2001.

24. From DCD/DAC(2002)11/REV1 "Development Co-operation in Difficult Partnerships". These recommendations were made at the DAC High Level Meetings in 2001 and in 2002.

25. Adapted from *Helping Prevent Violent Conflict* & DCD/DAC(2002)11/REV1 "Development Co-operation in Difficult Partnerships".

26. Jamal Benomar, "Terrorism and Conflict Prevention: What is the role of development co-operation", 2001; "Implications for Strategy," Ian Lasser et al, Countering the New Terrorism, (Rand Corp. 1999).

27. (The OECD Financial Action Task Force and the Directorate for Financial and Fiscal Affairs are the main leaders in this work, see "Eight Special Recommendations on Terrorist Financing" www.oecd.org/fatf). Donors can provide technical assistance in this area.

28. The New Delhi G20 finance ministers' discussed uprooting financial networks of terrorist groups.

29. See also *Helping Prevent Violent Conflict* for discussions on sanctions and using creative incentive-driven approaches for constructive engagement (e.g. blocking individual bank accounts).

30. Karin von Hippel, "The Roots of Terrorism: Probing the Myths" 2002. Note New Delhi G20 discussions to this effect.

31. *Helping Prevent Violent Conflict*, Chapter 7, p. 69, "Working with Business". OECD, 2001.

32. Jamal Benomar, idem.

33. The New Delhi G20 discussions address relations between trade and terrorism (November 2002).

34. The OECD Guidelines on Multinational Enterprises.