Beyond Cold Peace: Strategies for Economic Reconstruction and Post-conflict Management Conference Report

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The international community must shoulder its responsibility for crisis-prone states. This is nowhere more apparent than in countries scarred by the impact of armed conflicts. We must provide assistance wherever governments and other state institutions are non-existent or where they are too weak to ensure security and the rule of law, to get the economy up and running or to advance reconstruction.

This presents donor states and international organizations with a considerable challenge. There is no more difficult environment for international aid than the ruins left behind by civil war, not only in the landscape but also in a society and in people’s hearts.

Where a conflict could be resolved, a window of opportunity opens. It is then necessary to mobilize people and resources very quickly and on a large scale. The international community must take concerted action, work systematically and enable the societies concerned to assume greater responsibility for their own affairs. A clear mandate from the United Nations lends it political legitimacy. But even if all of this is in place, we should not have any illusions. Every partial success is difficult – but we must be prepared to remain committed on a long-term basis. We cannot fail or turn our backs as long as there are people in a country prepared to work on building a peaceful society.

I would like to thank the Bertelsmann Stiftung for preparing and hosting the conference “Beyond Cold Peace” together with the Federal Foreign Office. Its commitment shows that Germany’s international responsibility is certainly not only being borne by the Federal Government but also by a broad section of society.

Kerstin Müller
Minister of State, Federal Foreign Office
The constructive regulation of conflicts has become one of the central tasks facing the international community in the 21st century. Contrary to the expectations and Lebensgefühl of many Europeans, who believed that the end of the Cold War had brought about an end to insecurity, the world has entered a new period characterized by great risks, multiple conflicts and unparalleled threats. Today more than 40 countries are convulsed by violent conflict. Entire regions are destabilized and provide fertile ground for new types of conflicts as well as security threats such as international terrorism and organized crime.

The European Union itself is confronted with numerous security challenges in its immediate and extended neighbourhoods—including the Western Balkans, the Caucasus, North Africa and the Middle East. But Europe’s willingness to assume increasing responsibility for stability and peaceful development worldwide is driven not merely by self-interest. Rather, Europe’s fundamental values demand that it promote democracy, human rights and the rule of law wherever civil wars or abusive regimes make it impossible for weak and failing states to provide a minimum level of physical and material security to their citizens.

European involvement in new conflict zones throughout the world can be credible and effective only if the EU continues to integrate its foreign, security and development policies. In order to support the international community’s efforts in the areas of conflict prevention, crisis intervention, and post-conflict political, social and economic reconstruction, the EU must elaborate a comprehensive policy that decisively enhances its capabilities across the entire civil-military spectrum.

The Bertelsmann Stiftung actively promotes the further development of the Common Foreign and Security Policy, so that the EU can effectively fulfill its responsibilities both within Europe and in the international arena. For this reason, we embraced the opportunity to cooperate with the Federal Foreign Office in organizing the international conference “Beyond Cold Peace.” Together with international policymakers and practitioners we used this event to evaluate the experiences made to date in the field of post-conflict reconstruction and to underscore the strategic necessity of a more active and coherent European foreign policy.

I would like to extend my gratitude to all conference participants, whose dynamic involvement in our discussions is clearly reflected in this report. I would also like to express particular thanks to Viktor Elbling, Hubert Knirsch and Robert Spanheimer of the Federal Foreign Office’s Directorate-General for Economic Affairs and Sustainable Development; Kurt Klotzle at the Center for Applied Policy Research in Munich; and Stefani Weiss, Project Manager at the Bertelsmann Stiftung, who were responsible for the conceptual and logistical preparation of the conference and this report.

Josef Janning
Head, International Relations Program, Bertelsmann Stiftung
The seismic shifts that accompanied the end of the Cold War have transformed the international security agenda. The collapse of the Soviet Union, the emergence of nationalist independence movements throughout the post-communist landscape, and the withdrawal of superpower support to prop up friendly regimes throughout the Third World unleashed new forces that, among other things, resulted in a significant increase in the number of intra-state wars during the 1990s. By September 11, 2001 at the very latest, it became dramatically clear that intra-state conflicts – and their correlation with weak and failing states – represent not only a major humanitarian concern but also a significant threat to regional and global security. As a result, one of the central challenges facing the international community today involves the prevention and resolution of violent conflicts.

In order to assess the state of the art in this crucial area of foreign and security policy, the German Foreign Office and the Bertelsmann Stiftung organized the high-level conference “Beyond Cold Peace: Strategies for Economic Reconstruction and Post-conflict Management” on 27–28 October 2004 in Berlin. The conference brought together over 100 leading national and international policymakers, scholars, journalists, and practitioners active in the field of conflict management and post-conflict reconstruction.

In plenary sessions and targeted working groups, key international actors shared experiences and expertise with the ultimate objective of strengthening the ability of international and regional organizations, national governments, donors, NGOs and the private sector to support reconstruction processes in countries and regions recovering from violent conflict.

“Beyond Cold Peace” built upon themes that are integral to the long-term activities of the German Foreign Office and the Bertelsmann Stiftung. Conflict prevention and resolution form a centrepiece of German foreign policy. The German federal government provides financial, technical and diplomatic support in nearly all conflict-affected regions of the world, and German security forces are involved in a number of international peace enforcement operations. In addition, in Spring 2004, the German government approved an Action Plan on Civilian Crisis Prevention, Conflict Resolution and Post-conflict Peace-building. The Action Plan develops and refines instruments to improve the national and international coordination and implementation of conflict prevention and post-conflict reconstruction programmes. All of the German government’s activities in the field of conflict management proceed from the assumption that lasting peace can be achieved only through targeted and comprehensive policies to support the (re)construction of effective economic, political, social and security structures.
For its part, the Bertelsmann Stiftung has conducted numerous multi-year projects directed toward conflict management and the development of an effective European foreign, security and defence policy. Projects such as the Balkan Forum, the Venusberg Group and the Kronberg Talks series on the Middle East seek to strengthen the EU’s ability to take greater responsibility and initiative as an international security actor, particularly through the further development and coordination of European and international civil-military capabilities. Currently, the Bertelsmann Stiftung is collaborating with its research partner, the Center for Applied Policy Research (C·A·P), on a project focusing on the improvement of international state-building strategies as a means to ensure security, economic growth, social welfare and legitimate governance in post-conflict societies.

This volume of Edition Diplomatie presents the key contributions that served to inspire the dynamic and sometimes controversial discussions that characterized the conference “Beyond Cold Peace”. The keynote speeches, conference presentations and working group summaries contained in this report provide a virtual anthology of the field of post-conflict reconstruction. The texts address all of the main pillars of post-conflict reconstruction, including security, socioeconomic development, effective governance, and justice and reconciliation. These themes are further illuminated through relevant country-specific case studies including Timor-Leste, the Democratic Republic of Congo, Bosnia-Herzegovina and Kosovo.

The contributions to this volume highlight a number of best practices and lessons learned that are critical to post-conflict reconstruction operations. These include:

- the necessity of both early action and long-term engagement by external actors in post-conflict scenarios;
- the need to match sufficient means with realistic mandates;
- the imperative of providing basic security as a prerequisite for all other components of post-conflict reconstruction, including economic development, justice and reconciliation, and the rehabilitation of political, legal, and administrative institutions and processes;
- the need to establish the rule of law as quickly as possible to prevent the spread of corruption and organized crime;
- the importance of identifying local leadership and expertise in order to (a) include local leaders in decision-making processes, (b) tap local knowledge to develop appropriate solutions to context-specific problems and (c) ensure that local populations have a stake in the success of post-conflict reconstruction efforts;
- the necessity to ensure that demobilization and disarmament operations are accompanied by real opportunities to reintegrate former combatants in post-conflict societies – particularly through education and jobs;
- the critical importance of planning, coordination and coherence.

At the same time, the report reveals a number of questions and dilemmas that confront all post-conflict reconstruction efforts:

- How can external actors reconcile the need to act quickly with the knowledge that hasty decisions based on insufficient information can lead to critical policy mistakes and misjudgements?
- How can the massive injection of international financial assistance and personnel simultaneously leave sufficient room for the development of local expertise and ownership?
- How can spoilers be neutralized without (a) alienating particular social groups and (b) eliminating persons who are key to the effective functioning of security, economic, political and administrative institutions?
- How can the international community resolve the tensions inherent in the need to achieve justice against perpetrators of violence on the one hand, and the need to promote peace and reconciliation on the other?

During the past 15 years, the international community has found itself on a steep and sometimes precipitous learning curve with regard to the prevention, management and resolution of violent conflict. Valuable lessons have been learned that have led to significant improvements, both within institutions and organizations as well as on the ground. However, much work remains to be done in coordinating the efforts of actors at all levels, systematizing our expertise, and rapidly mobilizing the personnel, matériel, funding and knowledge required for effective responses to post-conflict scenarios. It is the hope of the German Foreign Office and the Bertelsmann Stiftung that the conference “Beyond Cold Peace”, together with this report, will provide a contribution that moves our strategic thinking forward.

Hubert Knirsch, Federal Foreign Office
Kurt Klötze, Center for Applied Policy Research
Stefani Weiss, Bertelsmann Stiftung
Opening Speech by Joschka Fischer
Federal Minister of Foreign Affairs

José Ramos-Horta,
Lakhdar Brahimi,
Excellencies,
Ladies and Gentlemen,

I would like to warmly welcome you to the Federal Foreign Office. I am delighted that you have come to Berlin to exchange views on one of the greatest challenges facing the international community today – reconstruction in conflict regions.

I am particularly pleased that Lakhdar Brahimi, the UN Secretary-General’s Special Adviser, is with us today. His contribution towards international crisis management is second to none. I would like to sincerely thank the Bertelsmann Foundation for organizing this conference in collaboration with the Federal Foreign Office.

We have invited you to the Federal Foreign Office in the heart of Berlin for this conference. A mere 15 years ago, the Berlin Wall stood only a few hundred metres to the west of this building. The fall of the Wall on 9 November 1989 not only heralded the demise of the bipolar world order but also marked the onset of a radical change in the nature of military conflicts. Today we are increasingly confronted with a new kind of armed conflict.

Firstly, we are witnessing violent clashes of interests between regional players. Secondly, we have been dealing to an increasing extent with conflicts within states rather than those between states. These conflicts often erode state authority. The effects of the collapse of state structures are particularly disastrous for the population of these failing states. There are a host of tragic examples that demonstrate this.

This highlights the fact that violent conflicts handicap development, particularly in poor countries. For underdevelopment and war often go hand in hand. The poorer people are, the less access they have to education, social security and state protection, the smaller their share in the global economy, the more prone they are to become not just victims but also perpetrators in violent conflicts. Child soldiers are a particularly tragic example of this dual...
The ending of active hostilities in conflicts alone is not enough. The states and societies involved need security, they need functioning institutions and, not least, effective economic reconstruction.

This realization was formulated most clearly in the so-called Brahimi Report of 2000, in which Lakhdar Brahimi set forth the foundations for multidimensional peace-building combining military and civilian instruments. I am firmly convinced that only this kind of long-term and multi-faceted commitment has any hope of success.

However, we should be aware that the stronger our commitment is, the more we intervene in the societies in question, the more responsibility we will have to assume and shoulder. For we never start from scratch. Every post-conflict region has its own history. Everywhere we find local traditions and structures. Without cultural awareness, without respect for local conditions that have historical roots, we cannot succeed.

In post-conflict situations, a balance has to be struck between a host of necessities and goals. However, there is one sphere in which no compromises can be made: the protection and implementation of human rights. Human rights policy is a key element of crisis and conflict prevention. It is therefore part and parcel of the security and peace policy of the 21st century.

Time and again, we see that women and children suffer most in violent conflicts. Not only for this reason is the contribution of women towards shaping post-conflict societies so crucial. Fully involving women in every aspect of peace-building on an equal footing is not only a moral but principally a political priority.

Post-conflict peace-building requires much, sometimes very much, staying power. We need the ability to persevere with a commitment geared to last many months and years, in some cases decades. It is vital that destroyed structures in the state and society are re-established to such an extent that they can continue to perform their duties following the withdrawal of peace missions. At the same time, people in crisis regions often need and expect a rapid and clear improvement in their situation. It is not always easy to find a happy medium between long-term changes and short-term benefits. And this calls for difficult and necessary discussions, also in our national parliaments.

Such comprehensive and long-term peace-building places a substantial burden on the international community, in terms of both finance and per-
sonnel. However, I am convinced that there is no alternative to this investment in peace.

Economic reconstruction has a key role to play in securing peace in the long term in post-conflict societies. For we must realize that the conflicts of the 21st century are often either economically motivated or at least partially due to economic causes. Without the exorbitant profits of a war economy, many conflicts would peter out. This is particularly evident where valuable raw materials are involved. Diamonds in Sierra Leone and coltan in eastern Congo have played a fatal role. And oil is involved time and again, for example in the Sudan or in the unrest in Nigeria.

It is therefore vital that we succeed in denying these violent economies the raw materials and the financial resources that sustain them. We can only achieve this multilaterally. I therefore very much welcome the international community’s efforts to develop effective instruments to this end.

The certification scheme of the Kimberley Process is exemplary. With the assistance of the United Nations, states that produce or trade diamonds have developed rules to ensure the legitimate origins of rough diamonds. They can thus no longer be used to finance armed conflicts.

Multinational companies also have a responsibility in building peace in conflict regions. The UN Security Council thus sent an important signal when it examined the role of companies in conflict regions for the first time in April 2004 during our presidency. The participants agreed that business activities in crisis regions can help to prevent conflicts if they are conducted responsibly. We will call for the message sent by this debate to be taken up by the international community and companies.

There is another point that requires our attention: in transforming a war economy into a peace economy we must avoid creating a system that is dependent on assistance from the international community. For assistance can be counterproductive if it is not geared from the outset towards helping host countries assume responsibility for their own affairs. The transformation of humanitarian assistance into development cooperation should therefore be carefully planned and considered from the start.

Afghanistan is one of the most recent examples of successful post-conflict peace-building. But do not misunderstand me: the glass is only half full. When I look ahead, I always wonder whether we will master the tasks that await us. However, when I look back, I am astonished at what we have achieved.

When representatives of Afghan groups and the international community met near Bonn to outline the country’s road towards peaceful development shortly after the fall of the Taliban, many observers thought that the project was too ambitious, the goals too optimistic.

Today we are astonished at how far the reconstruction process in Afghanistan has already advanced. Who would have thought that the citizens of this country destroyed by armed conflict and civil war would have given themselves a constitution within just a few years? What is more, the fact that, despite violence and threats by the Taliban, so many people took part in the elections, thus exercising their democratic right for the first time, is a milestone in the country’s history. The United Nations successfully coordinated the difficult election process. Everyone who took part, above all Lakhdar Brahimi, deserves our thanks.

The road towards a peaceful, democratic Afghanistan will be long, difficult and expensive. But a good start has been made thanks to the considerable concerted efforts of the international community and the Afghan people. We, too, have made important contributions. We intend to steadfastly uphold our commitment.

On the African continent, too, which we so often solely associate with poverty and despair, we have been able to resolve serious conflicts during the last few years. The best example is Sierra Leone, where the peace has been maintained for many years.

It has become particularly evident in Africa that regional organizations can play a key role in resolving conflicts. But not only there – in Europe, too, regional organizations have played a central role in ending conflicts in the Balkans.

We are currently witnessing this in Darfur. The African Union has undertaken considerable efforts to end the humanitarian disaster and the grave human rights violations there. It is crucial that we promote and support their efforts wherever we can.

However, we are already aware that the end of the violence in Darfur will not resolve the underlying conflict. We are facing a lengthy peace process in which difficult clashes of interests, partially about sharing the country’s economic resources, will have to be resolved. Perhaps the Petersberg Process has a message for this conflict, too: it is important to establish a new consensus among the various parties, a national consensus, and to
work together to find a process aimed at ending the conflict and reaching a settlement. The international community will need perseverance and staying power if it is to find a stable and lasting solution.

Together with its partners in the United Nations and in the European Union, Germany is engaged in many different ways almost everywhere where conflicts have to be resolved and peace secured.

Our engagement takes the form of members of the Federal Armed Forces, financial, technical and humanitarian assistance, civilian workers from many professions, as well as police officers. The German government is also doing much to support NGOs, which do fantastic work in crisis regions, often under the most difficult circumstances.

All of those who have dedicated themselves to peace-building in the world’s crisis regions, often a dangerous undertaking, thus deserve our recognition and thanks.

Our reconstruction efforts in conflict regions continue to be necessary. And these efforts are worthwhile. This has been demonstrated by the positive developments in Afghanistan or in the Balkans, in Sierra Leone or in Timor-Leste. During the next few days, we want to discuss how we can secure lasting peace in other conflict regions even more effectively and how to give people hope for the future.

I wish you all stimulating and, above all, fruitful discussions, new insights and perhaps one or two creative ideas on developing new instruments. We have many experiences to exchange. I therefore wish you a successful conference.

Thank you very much!
Each situation requires creative and quite different solutions. Thus, the guiding principle for me has always been to remember that it is the existing reality on the ground that must shape the response of the international community, our response. We cannot walk into situations with preconceived notions of what is required, what the reality is and what we should do. This does not mean that one should go in empty-handed, without a plan. It only means that we must always be ready to adapt these ideas, to accommodate to the reality we find on the ground. We simply cannot expect reality to fit our prearranged plans.

This, you will agree, is plain common sense. Yet, it is striking as to what extent this tenet is ignored in the practice of how we implement policies that claim to manage post-conflict situations.

Think of it this way. When we talk of “post-conflict situations,” we are in fact talking of countries that have seriously broken down, or collapsed, or failed in some fundamental manner. We go there with generous ambitions: we want to bring about some form of sustainable economic development, we want to change the way people do things, we want to improve the way they run their courts, the way they police themselves, the way they uphold human rights, the way their women are treated, etc.

These are enormous undertakings, and by setting them as our aims we raise people’s expectations to dangerously high levels. As a result, more often than not, we set the stage for disappointment, resentment, perhaps even rejection and opposition.

It is not the sincerity of our intentions that is in doubt here. Indeed our approach is often a reflection of idealism, enthusiasm and generosity, all of which is most commendable. But these fine sentiments should not obscure our judgement, and our plans need, at all times, to be based on accurate information, lest we end up committing the dual sin of ignorance and arrogance.

Let’s not forget that by the time the international community arrives, some kind of conflict or catastrophe has taken place. In other words, a smell of failure is already in the air. Institutions have broken down, and people have failed to resolve their problems peacefully. None of this is uplifting stuff, and none that anyone in the country itself is too proud of. Thus, we need to be extra-careful and empathetic in how we relate to people.
In this context, there is the following question which I consider vitally important and to which I know, as yet, there is no answer. When the United Nations or any other party is called into a post-conflict situation, especially when a big peacekeeping operation is being set up, the mission is started with little or no knowledge of the country, its people, and the parties to the conflict. And yet extremely important decisions have to be taken from day one, and at least some of these decisions will have far-reaching and lasting consequences. I for one confess that, almost everywhere I have been, I found out afterwards that decisions I have taken or recommended others to take were sometimes wrong because they were based on information that later proved incorrect or incomplete. Yet those decisions had to be taken at the time when they were taken; it was not possible to delay taking them.

Here is the dilemma, then: on the one hand, you face difficult, dangerous situations, and time is of the essence. Decisions have to be taken, and the time to take them is right then. On the other hand, you are in very unfamiliar surroundings, you need time to listen to people and find out from them what they really want, what is acceptable and what is unacceptable to them. And you need to listen to many people because objective, impartial views are not readily available. This is a place where people have been at odds with each other; they are divided and they have different perspectives, different objectives, different agendas.

How do you resolve this dilemma? I simply do not know.

A lot of humility will certainly help. And, as I said earlier, a readiness, at all times, to adapt plans to these new realities one discovers and understands better as one goes along.

These observations, or should I say, these preoccupations lead me to make my first point on how to proceed whilst considering reconstruction efforts. I believe that we now know only too well that intervention from outside a country – be it the United Nations, a regional organization or a coalition of the willing – needs to be seen as legitimate and legal. This legitimacy should exist both internationally and, more importantly, in the way people on the ground perceive that intervention. Interesting debates can and do take place as to whether legality is more important than legitimacy, or if popular support is indispensable or only useful.

The bottom line is that the overwhelming majority of the people of the country concerned – no matter how divided they may be on almost every other issue – must see that this intervention from outside their borders is meant to help them, all of them, and to help their country and all its people without any discrimination. This intervention should also benefit from wide international support.

My second point relates to local ownership. This has become something of a cliché of late. By local ownership I mean bringing in local actors, with all of their knowledge of realities in their own country. They must be brought in, not only into the reconstruction operation but also into the development of the planning process. It is understandable to judge with some severity people who have messed up their country to the point where they now need – and accept – help from abroad to rebuild it. But it is important to resist the temptation to jump from there to the conclusion that a nation that has failed in such a manner will necessarily lack talented people to write their constitution, repair their power plants or reform their justice system. It is even more important to resist the temptation to believe that since we are lending a helping hand, we are necessarily better qualified to do everything, indeed to take over.

In other words, we need to give serious thought to how we mount reconstruction efforts. Do we really need hundreds and hundreds of foreign experts and consultants descending on a country and all that that entails in terms of boom-and-bust bubble economies? Should we not really be thinking of finding the right expertise within the country and amongst its diaspora communities? There are not many places where such local expertise does not exist. The question is more how to find it.

In societies going through a post-conflict phase, we have to concentrate on devising reconstruction programmes that use local knowledge and local expertise throughout the process, including programme framing and agenda setting. They should be the implementers, they should be the owners. This will also ensure that the programme of reconstruction will be one that is specifically geared to the local situation, not some template taken from elsewhere.

Third, as we speak about the development of reconstruction programmes, we need to give serious thought to resources available for such purposes. I should add here that one of the advantages of having local ownership is that their expertise can provide a far more accurate picture of what kinds of resources will be required. Instead of spending hundreds of millions or billions of dollars on expensive programmes, including the salaries of foreign experts, maybe less can be spent on projects based on local standards. Programmes should not be geared to fit a donor’s pet
project; instead, they must be established in consultation with the recipient country so that actual needs are addressed. In other words, development – in the humanitarian field as well – should be demand-driven, not supply-driven.

Nonetheless, the fact remains that peace-building and reconstruction programmes do require adequate resources. And on both the political side and the reconstruction side, international donors have to ensure that enough resources are made available. It would help immensely if funding were provided on a multi-year basis.

My fourth point is about security and the necessity to resolve the apparent disconnect between political and security policies on the one hand and reconstruction and assistance goals on the other. After a conflict – and even more so when the conflict is not completely over – the main aspiration of the people is for security: security of one’s home, family and property; security while traveling to or from work, to another city or out of the country. This kind of security is not fully restored immediately after the big guns fall silent. Large segments of the population continue to be subjected to all kinds of ill-treatment, harassment, extortion and discrimination.

Reforming or forming the police force and the army, as well as upgrading or reforming the judicial system, are therefore always urgent priorities.

Obviously, security, when it is reasonably well established, will greatly facilitate the implementation of humanitarian and development programmes. Reciprocally, these programmes will help stabilize the country and create favourable conditions for sustained security. All these activities should be seen as being an integral part of the political process.

In this context, there is one important observation that needs to be made.

Donors from the developed world have been very generous over the years. Germany and its European Union partners, Japan, the United States, Canada and the Gulf Cooperation Council members deserve our recognition and gratitude. Donor fatigue is understandable, as are the demands by donor governments and taxpayers in those countries who want more transparency and accountability in the manner in which their money is spent. If anything, I for one call for more active interest on the part of donor countries not only in the programmes they actually fund, but also in the parallel political process. Physical reconstruction and political reconstruction cannot be separated from one another. Economic progress cannot take place if the political process is stalled or is actually sliding back. Donors are perfectly justified in taking an interest in the political process.

Such an interest would particularly be welcome in Palestine. There, we see the United States, the European Union and other donors giving generously to the Palestinian Authority as well as to UNRWA to build schools and clinics, help farmers, dig wells, provide services and even pay salaries to civil servants. Yet because of the total lack of progress at the political level, because of continuing occupation and the resistance it provokes, we see the Israeli armed forces and the Israeli settlers destroying the very schools and hospitals built with internationally provided funds. We see more than a million trees uprooted, farmers prevented from harvesting their olives and other fruits, and crops actually destroyed by Israeli bulldozers and tanks.

Since the beginning of Oslo, six billion dollars worth of international assistance was provided to the Palestinians between 1994 and 2004, making it one of the highest per capita foreign assistance efforts in the world, excluding U.S. financial support to Israel, of course.

And yet the living and economic conditions of the Palestinians, reflected in their per capita income, have declined to a level far below that which existed when the peace process began.

The main reason for this has been the economic closures imposed by the government of Israel, which have successively and successfully crippled the Palestinian economy in the West Bank and Gaza.

Much of the physical infrastructure financed by donors in the 1990s has been damaged or destroyed by Israeli military incursions over the last few years. In 2003, the World Bank estimated overall damage in the West Bank and Gaza Strip at approximately US$ 600 million.

Thus, underlying this seeming paradox between one of the world’s highest aid levels and a dramatically dropping standard of living is the false separation between development efforts and the political process. Many inside and outside Palestine are asking: Why are donors not demanding that the Israelis stop destroying all the infrastructure and social services paid for by the funds they provide? And why does the international community condone in Palestine what it condemns everywhere else?
This dichotomy between political and security goals on the one hand, and the goals of reconstruction programmes on the other, must be resolved for any long-term peace to truly take root in a post-conflict society.

My fifth point relates to national reconciliation efforts, an indispensable component of any viable peace-building programme. Experience tells us that more often than not, token reference to national reconciliation in hastily concocted agreements does not mean much. Only when negotiations are patiently conducted and agreements are responsibly achieved will it be possible to see credible follow-ups to national reconciliation agreements. This was the case in Mozambique and South Africa. Not in Sierra Leone at first. And not, it seems, in Côte d’Ivoire today. In Afghanistan, timid steps have been attempted in the past three years. It is hoped that more sustained efforts will be undertaken after the presidential elections.

In all cases, national reconciliation is a slow process. It is important to get it started as early as possible. And it should continue for as long as necessary. The tools are many: justice reform, human rights efforts, accountability and compensation, truth and reconciliation commissions, mediation and traditional forms of settling disputes, etc. And in all these activities, local ownership must remain a cardinal principle. National reconciliation must involve the people concerned themselves. It cannot be done for them. Beautiful plans drawn out in New York, or Berlin, or Washington – or, for that matter, in Tehran, Islamabad, Pretoria, New Delhi or Moscow – will not work.

In the course of the patient work being done to achieve national reconciliation, tensions will inevitably arise between the local parties themselves or between them and their international partners. Victims will understandably seek justice – that is, retribution against the perpetrators and compensation (in whatever form) for themselves – and they will want it now. But it may not be possible to satisfy these demands, legitimate as they may be, at least not now. Such tensions arose again and again in Afghanistan: Was it right to allow individuals considered by many as warlords to attend the Emergency Loya Jirga in June 2002? Was it acceptable for these and similar individuals to continue to hold important executive positions in the government? Indeed, was it acceptable for people like General Dostum and Professor Muhaqqiq to run as presidential candidates?

These tensions are understandable: it is naturally the duty of human rights organizations and activists to vigorously campaign in favour of strict respect for human rights and to demand that all abusers, past and present, be held accountable for their deeds. But they surely understand that whoever happens to be administering the country when the conflict is barely ending will have to weigh these demands – legitimate as they are – against a host of other considerations.

Mr. President,

The few points I have raised may be summed up in two words with which some of you may already be familiar: light footprint.

To help a country heal the wounds inflicted by an exhausting conflict, it is essential that its people are not overwhelmed with a large number of bossy foreigners. The people must feel they are masters in their own country. The international community – the UN and other international organizations, bilateral partners and NGOs – should not raise expectations beyond what can be delivered.

There is now another expression that conveys ideas similar to the light footprint concept. That expression is “government out of a box,” coined by my friend, Michael von der Schulenburg. I earnestly hope that his creative suggestions receive the attention they deserve. His fundamentals are plain common sense:

1. Peace-building without collaboration of the local population is not possible.
2. Peace-building is essentially about basic needs: local security and some basic form of local justice; essential services such as humanitarian assistance to vulnerable groups, including women and children; basic health; basic education; sanitation and drinking water; and, in urban areas, electricity.
3. Where there are local needs, there is also local talent ... (and) there is no need for massive foreign expertise to satisfy those needs.
4. Speed is critical to winning the peace.

“Peacekeeping operations,” Michael says, “must first and foremost concentrate on creating an environment that enables local communities to mobilize local talent and respond quickly to basic local needs.”

Mr. President,

The UN and the international community at large have been heavily involved in peacekeeping, peace-building and post-conflict reconstruction.
Donors have, all in all, been generous. Yet we are constantly asking them for more. Our appeals will have a better chance of being heard if we consistently improve the ways in which we address these problems, if we really learn from our mistakes and if our lessons learnt exercises are more than simply an intellectual pastime.

Thank you.
Most of us have now relegated the Cambodian tragedy of the 1970s to a footnote in our intellectual library. But let us not forget the almost universal indifference to the genocide unleashed by the Khmer Rouge regime.

It was only a few years ago that the Taliban were ruling Afghanistan with savagery reminiscent of the Middle Ages. Neither should we forget the genocide in Rwanda in 1994.

With only a few notable exceptions, the international community has failed to pre-empt the occurrence of violence and to intervene when violence has begun.

More often than not the UN has been paralysed, effectively held hostage by the narrow interests of some of its members. We had illusions that the (mis)use of the veto was a fact of the Cold War and that it would be exercised less frequently in the New World (dis)Order. However, with some exceptions, national self-interest has endured beyond the Cold War and we have all suffered for it.

Like many of you and millions of peace demonstrators, we in Timor-Leste are opposed to violence and wars. But we must all ask ourselves some troubling questions. For example, should we oppose the use of force even in the face of genocide and ethnic cleansing?

In the eternal dilemma of war and peace, there are pacifists and idealists who oppose the use of force under any circumstance. There are the realists who support the use of force under certain circumstances, namely if it has been sanctioned by the UN Security Council.

Those who are absolutely against the use of force have been unable to articulate a better strategy for dealing with the savagery of ethnic cleansing and genocide. Patient diplomacy lasts as long it lasts; it might bear fruit, or it might not. Genocide, however, continues as we can see in Sudan where thousands of our fellow human beings are dying right now.

In the tragic case of Cambodia in the 1970s, the world knew that an evil regime was deliberately purging the nation and murdering hundreds of thousands of innocent human beings. Yet the Security Council never even discussed the Khmer Rouge genocide. In any case, if anyone had had the inclination to bring this matter to the Security Council, it would have been vetoed. It was Vietnam that finally intervened in 1979 and put an end to the
There is a clear need to expand membership in the Security Council to include new non-permanent and permanent members who will reflect the realities of the 21st century. In this regard, Timor-Leste fully supports the Franco-German initiative on UN reforms.

We believe that the new expanded Security Council should include countries like Germany, India, Indonesia, Japan, Brazil, and one or two from Africa.

We particularly support permanent membership status for Indonesia because we believe in the need for balanced representation within the Security Council that will encompass all the world’s major civilizations and faiths. Non-inclusion of Indonesia, the largest secular Muslim country in the world, as a new permanent member would again leave the Security Council with a predominantly Christian representation.

The veto power should be eliminated and replaced by a two-thirds majority vote for all major decisions. The existing veto power has been used and abused and was at least partly responsible for Security Council’s inaction.

The two-year rotation for non-permanent members should be shortened to one year so as to provide a chance for more members to serve in the Security Council.

In addition to possible reforms of the Security Council, there has to be a review of the workings of the UN General Assembly and of some of its subsidiary bodies, namely, the ECOSOC and the Commission on Human Rights, the Treaty bodies, as well as of the Specialised Agencies, to streamline the bureaucracies, simplify work, reduce duplication and waste, as well as to introduce meritocracy and professionalism in the recruitment and promotion of personnel.

We also believe that there are too many UN agencies headquartered in two industrialised countries. Some agencies should be relocated to the developing world where property costs are much lower and where they can be closer to the people they are supposed to serve.

But let us be realistic, even a reformed UN system will not resolve all the world’s problems. Ultimately, when facing challenges, what is required is moral and political leadership. No amount of structural adjustment to the UN bureaucracy can make up for a moral vacuum or lack of political leadership.
In this spirit, let me conclude by saying that, in order for us to achieve greater success in the increasingly critical field of post-conflict reconstruction, the United Nations must play a central role. In order to enable the United Nations to fulﬁl this role effectively, we must commit ourselves to a successful process of UN reform. And in order to achieve and implement these reforms, we must demonstrate vision, leadership and political will. Only then can we translate the lessons learned from past efforts into more effective instruments for security, prosperity and peace.

I believe we are up to the task. We can make a better and more peaceful world. We have come to know our goal and, as we walk towards it, it is meetings like this one that help us build the road and move further, paving the way forward.
Contributions to the Working Groups

Identifying Common Themes and Key Factors in Post-conflict Reconstruction Processes

Paddy Ashdown
High Representative and EU Special Representative for Bosnia and Herzegovina

There is always a danger with events like these that people offer sage advice that may be true and valuable in their own theatre, but that is wholly out of placed in another.

Bosnia, Kosovo, Afghanistan and now Iraq have taught us that each situation is different and requires different solutions.

But there are some common themes, and we need to identify them.

Because while we have become good, very good, at winning the sharp, short high-tech wars of the last two decades – we can now do it almost by numbers – we are far less good at winning what Kipling called “the savage war of peace.”

Principles for Peacemaking

Shortly after Baghdad fell, I spoke about the seven pillars of peacemaking that could be said to apply more or less universally. I believe these have, more or less, survived the difficult period since then.

The first is the importance of having a good plan and sticking to it. This needs to be drawn up, not as an afterthought to the fighting, but as an integral part of the war planning for the military campaign. Because the process of peace-building begins in the first second after the midnight hour when the war ends.

The second principle is the overriding priority – as we have discovered in Bosnia, Kosovo, Afghanistan and now Iraq – of establishing the rule of law as quickly as possible.
Crime and corruption follow swiftly in the footsteps of war, like a deadly virus. And if the rule of law is not established very swiftly, it does not take long before criminality infects every corner of its host.

This, above all, was the mistake we made in Bosnia. We took six years to understand that the rule of law should have been the first thing. We are paying the price for that still.

The third lesson is that it is vital to go in with the authority you need from the start. On the military side, that means establishing credibility straight away. The more effectively a peacekeeping force copes with early challenges, the fewer challenges there will be in the future.

On the civilian side, this means starting off with the powers needed to get the job done, rather than having to acquire them later, as we did in Bosnia to our cost.

The fourth principle is that it is vital to start as quickly as possible on the major structural reforms, from putting in place a customs service or reliable tax base, to reforming the police and the civil service, to restructuring and screening the judiciary, to transforming the armed forces, and above all to pushing through the structural changes that will restart the economy. Long-term success always depends on these fundamental reforms: the sooner they are embarked upon, the sooner the job will be completed.

It is vital – and this is my fifth principle – that the international community organizes itself in theatre in a manner that enables it to move fast and take decisions. You can’t rebuild war-torn countries by committee or by remote control from several thousand miles away.

Then there is the question of the breadth of the international effort. It takes many nations to win the peace. And it is vital – I repeat, vital – that the international agencies speak with a single voice and use the diplomatic sticks and carrots available to them. In Bosnia, at least, the tactical use of targeted conditionality is crucial to delivering results.

The sixth principle is the importance of an exceptionally close relationship between the military and civilian aspects of peace implementation. Civilians depend on the military if they are to succeed. But the military depend on the civilians too if they are to succeed. Witness Iraq: both need each other.

The final lesson is perhaps the most important of them all: building things up takes much longer than knocking them down. That is literally true of buildings, of homes, of bridges, of power stations.

But changing the software of the state – building judiciaries and police forces and public administrations – let alone changing the minds of its citizens, takes a very long time indeed.

The conclusion is obvious. Winning the high-tech war may take weeks. But winning the peace that follows is measured in decades.

There are three other factors that are necessary for the success of post-conflict reconstruction in Bosnia. I believe these also apply to Kosovo, Afghanistan and even Iraq, but I leave that for others to judge.

The first factor is legitimacy. Or put another way, agreement on what we are trying to rebuild, or for most of these countries, to build for the first time. Not only amongst the key nations and international agencies I referred to earlier, whose participation is vital for success. But even more crucially, amongst the people and the political, economic and social leaders of the country we are trying to assist.

In Bosnia, we have the Dayton Peace Agreement. It is fashionable now to say that it is out-of-date and has become a straightjacket. That may be true and it certainly needs to evolve. But what I do know for certain is that the enormous progress Bosnia has made since 1995 would not have been possible without it. It has provided the agreed plan for rebuilding Bosnia. Agreed by the international community, whose leading members signed it. And agreed by the Bosnians as the basis for ending the war. It provided the legitimacy for international engagement and the basis for our partnership with Bosnia’s domestic politicians and institutions.

The second factor is regional stability. I am now confident today that Bosnia and Herzegovina will survive as a state, albeit not a centralised one of classic European tradition – more Belgium, probably, than France. But I am confident of that, because Southeast Europe is not what it was. Tudjman is gone. Croatia’s ambitions are now focused on Brussels, not Bosnia. Milosevic is in The Hague, overthrown by a democratic revolution.

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And the third factor is a destination. That’s more than just an agreed framework for reconstruction. It is a goal that can motivate the people of war-torn countries to make the sacrifices necessary to transform their
societies, their economies, their political systems, in a way that lasts.
Bosnia has a clear destination. It is called Europe. The hope of getting into NATO and the EU has now become the main driving force of reform in Bosnia, replacing the executive powers of the international community.

One last point: it is now nearly ten years since the peace agreement was signed for Bosnia and Herzegovina. The country has made huge progress. It is moving out of the era of Dayton and into the era of Brussels. It still has a long way to go. But the very fact that a country like Bosnia and Herzegovina is starting to offer some solutions – admittedly born of its own tragic experience – in addressing the issues before us today is a mark of how far the place has come, and a sign to others that it really is possible to move beyond cold peace, if you have the will and the staying power.

The US and UN Ways of Nation-building

James Dobbins
Director, International Security and Defense Policy Center, RAND Corporation

Over the years, the United States and the United Nations have developed distinctive styles of nation-building derived from their very different natures and capabilities. The United Nations is an international organisation entirely dependent upon its members for the wherewithal to conduct nation-building. The United States is the world’s only superpower, commanding abundant resources of its own, and access to those of many other nations and institutions.

UN operations have almost always been undermanned and under-resourced. This is not because UN managers believe smaller is better, although some do, but because member states are rarely willing to commit the manpower or the money any prudent military commander would desire. As a result, small, weak UN forces are routinely deployed into what they hope, on the basis of best-case assumptions, will prove to be post-conflict situations. Where such assumptions prove ill-founded, UN forces have had to be reinforced, withdrawn, or, in extreme cases, rescued.

This contribution is an excerpt from The UN’s Role in Nation Building: From the Congo to Iraq (RAND, 2005). It first appeared in Survival, vol. 46, no. 4, Winter 2004-05, pp. 81–102 © The International Institute for Strategic Studies, and is printed here, with minor alterations, with the author’s permission. The 2003 RAND study entitled America’s Role in Nation-Building: From Germany to Iraq looked at the American experience in eight operations over 60 years, beginning with two post-Second World War cases, Germany and Japan; four post-Cold War missions, Somalia, Haiti, Bosnia and Kosovo; and two post-11 September cases, Afghanistan and Iraq. An article based on this previous study was published in the Winter 2003-04 issue of Survival. A forthcoming RAND study will take a comparable look at the UN’s record, again focusing on eight cases over 40 years, beginning in the early 1960s with the Belgian Congo, continuing through the UN’s post-Cold War operations in Namibia, El Salvador, Cambodia, Mozambique, Eastern Slavonia, East Timor and Sierra Leone, concluding with an appraisal of both the US and UN roles in Iraq to date. This second volume employs the data from the first to compare the US and UN experiences and to explore the distinct approaches each has taken to the task of nation-building, defined as the use of armed force in the aftermath of a conflict to forestall a resumption of hostilities and promote a transition to democracy.
Throughout the 1990s, the United States adopted the opposite approach to sizing its nation-building deployments, basing its plans on worst-case assumptions and relying upon an overwhelming force to quickly establish a stable environment and deter resistance from forming. In Somalia, Haiti, Bosnia and Kosovo, US-led coalitions intervened in numbers and with capabilities that discouraged even the thought of resistance. In Somalia, this American force was too quickly drawn down. The resultant casualties reinforced the American determination to establish and retain a substantial overmatch in any future nation-building operation.

In the aftermath of the September 2001 terrorist attacks, American tolerance of military casualties significantly increased. In sizing its stabilisation operations in Afghanistan and Iraq, the new American leadership abandoned the strategy of overwhelming preponderance (sometimes labelled the ‘Powell doctrine’ after former Chairman of the Joint Chiefs of Staff, and current Secretary of State, General Colin Powell) in favour of the ‘small footprint’ or ‘low profile’ force posture that had previously characterised UN operations.

In both cases these smaller American-led forces proved unable to establish a secure environment. In both cases the original US force levels have had to be significantly increased, but in neither instance has this sufficed to establish adequate levels of public security.

It would appear that the low-profile, small-footprint approach to nation-building is much better suited to UN-style peacekeeping than to US-style peace enforcement. The United Nations has an ability to compensate, to some degree at least, for its ‘hard’ power deficit with ‘soft’ power attributes of international legitimacy and local impartiality. The United States does not have such advantages in situations where America itself is a party to the conflict being terminated, or where the United States has acted without an international mandate. Military reversals also have greater consequences for the United States than the United Nations. To the extent that the United Nations’ influence depends more upon the moral than the physical, more upon its legitimacy than its combat prowess, military rebuffs do not fatally undermine its credibility. To the extent that America leans more on ‘hard’ rather than ‘soft’ power to achieve its objectives, military reverses strike at the very heart of its potential influence. These considerations, along with recent experience, suggest that the United States would be well advised to resume super-sizing its nation-building missions, and leave the small-footprint approach to the United Nations.

The United Nations and the United States tend to enunciate their nation-building objectives very differently. UN mandates are highly negotiated, densely bureaucratic documents. UN spokespersons tend toward understatement in expressing their goals. Restraint of this sort is more difficult for American officials, who must build congressional and public support for costly and sometimes dangerous missions in distant and unfamiliar places. As a result, American nation-building rhetoric tends toward the grandiloquent. The United States often becomes the victim of its own rhetoric, when its higher standards are not met.

UN-led nation-building missions tend to be smaller than American missions, to take place in less demanding circumstances, to be more frequent and therefore more numerous, to define their objectives more circumspectly and, at least among the missions we studied, to enjoy a higher success rate than American-led efforts. By contrast, American-led nation-building has taken place in more demanding circumstances, has required larger forces and more robust mandates, has received more economic support, has espoused more ambitious objectives and, at least among the missions we studied, has fallen short of those objectives more often than has the United Nations.

There are three explanations for the better UN success rate. One is that a different selection of case studies would produce a different result. Second is that the US cases were intrinsically the more difficult. Third is that the United Nations has done a better job of learning from its mistakes than has the United States over the past 15 years.

Throughout the 1990s, the United States got steadily better at nation-building. The Haitian operation was better managed than Somalia, Bosnia better than Haiti, and Kosovo better than Bosnia. The US learning curve has not been sustained into the current decade. The Bush administration that took office in 2001 initially disdained nation-building as an unsuitable activity for US forces. When compelled to engage in such missions, first in Afghanistan and then Iraq, the administration sought to break with the strategies and institutional responses that had been honed throughout the 1990s to deal with these challenges.

By contrast, the United Nations has largely avoided the institutional discontinuities that have marred US performance. The current UN Secretary General, Kofi Annan, was Undersecretary General for Peacekeeping and head of the UN peacekeeping operation in Bosnia throughout the first half of the 1990s, when UN nation-building began to burgeon. He was chosen for his
current post by the United States and other member governments largely on the basis of his demonstrated skills in managing the United Nations’ peacekeeping portfolio. Some of his closest associates from that period moved up with him to the UN front office while others remain in the Department of Peacekeeping Operations. As a result, UN nation-building missions have been run over the past 15 years by an increasingly experienced cadre of international civil servants. Similarly, in the field, many peacekeeping operations are headed and staffed by veterans of earlier operations.

The United States, in contrast, tends to staff each new operation as if it were its first, and is destined to be its last. Service in such missions has never been regarded as career enhancing for American military or Foreign Service officers.

Is Nation-building Cost-effective?

In addition to the horrendous human costs, war inflicts extraordinary economic costs on societies. On average, one study suggests, civil wars reduce prospective economic output by 2.2% per year for the duration of the conflict. However, once peace is restored, economic activity resumes and in a number of cases, the economies grow. The cited study looks at the cost and effectiveness of various policy options to reduce the incidence and duration of civil wars and finds the post-conflict military intervention to be highly cost-effective, in fact, the most cost-effective policy examined.

Our study supports that conclusion. Among the UN missions we studied, seven out of eight societies remain at peace, and six out of eight have democratic systems. This success rate substantiates the view that nation-building can be an effective means of terminating conflicts, assuring against their reoccurrence, and promoting democracy.

The sharp overall decline in deaths from armed conflict around the world over the past decade may be attributed, in some significant measure, to the efficacy of international peacekeeping. During the 1990s, deaths from armed conflict were averaging over 200,000 per year, mostly in Africa. In 2003, the last year for which figures exist, this number had come down to 27,000, a fivefold decrease in global deaths from civil and international conflict. One suspects that number may rise in 2004, given events in Sudan, Afghanistan and Iraq. Nevertheless, despite the daily dosage of horrific violence displayed in these places, the world has not become a more violent place within the past decade, rather the reverse.

The cost of UN nation-building tends to look quite modest when compared to the cost of larger and more demanding US-led operations. At present, the United States is spending some $4.5 billion per month to support its military operations in Iraq. This is more than the United Nations spends to run all 17 of its current peacekeeping missions for a year. This is not to suggest that the United Nations could perform the US mission in Iraq more cheaply, or perform it at all, but simply to underline that there are 17 other places where the United States will probably not have to intervene because UN troops are doing so at a tiny fraction of the cost of US operations elsewhere.

Continuing Deficiencies

Even when successful, UN nation-building only goes so far to fix the underlying problems of the societies it is seeking to rebuild. Francis Fukuyama has suggested that such missions can be divided into three distinct phases: first, the initial stabilisation of a war-torn society; second, the recreation of local institutions for governance; and third, the strengthening of those institutions to the point where rapid economic growth and sustained social development can take place. Experience over the past 15 years suggests that the United Nations has achieved a fair mastery of the techniques needed to successfully complete the first two of those tasks. Success with the third has largely eluded the United Nations, as it has the international development community as a whole.

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2 Namibia, El Salvador, Cambodia, Mozambique, Eastern Slavonia, East Timor and Sierra Leone (with peace in Bosnia, Kosovo, East Timor and Sierra Leone being sustained through the ongoing presence of international peacekeepers).
3 Namibia, El Salvador, Mozambique, Eastern Slavonia, East Timor and Sierra Leone (of course, some are more democratic than others).
Despite the United Nations’ significant achievements in the field of nation-building, the organisation continues to exhibit weaknesses that decades of experience have yet to overcome. Most UN missions are undermanned and under-funded. UN-led military forces are often sized and deployed on the basis of unrealistic best-case assumptions. Troop quality is uneven, and has even worsened as many rich Western nations have followed US practice and become less willing to commit their armed forces to UN operations. Police and civil personnel are always of mixed competence. All components of the mission arrive late; police and civil administrators arrive even more slowly than soldiers.

These same weaknesses have been exhibited most recently in the US-led operation in Iraq. There it was an American-led stabilisation force that was deployed on the basis of unrealistic, best-case assumptions and American troops that arrived in inadequate numbers and had to be progressively reinforced as new, unanticipated challenges emerged. There it was the quality of a US-led coalition’s military contingents that proved distinctly variable, as has been their willingness to take orders, risks and casualties. There it was that American civil administrators were late to arrive, of mixed competence, and never available in adequate numbers. These weaknesses thus appear endemic to nation-building, rather than unique to the United Nations.

Assuming adequate consensus among Security Council members on the purpose for any intervention, the United Nations provides the most suitable institutional framework for most nation-building missions, one with a comparatively low cost structure, a comparatively high success rate and the greatest degree of international legitimacy. Other possible options are likely to be either more expensive, for example, US, European Union or NATO-led coalitions, or less capable, for example, the African Union, the Organization of American States, or ASEAN. The more expensive options are best suited to missions that require forced entry or employ more than 20,000 men, which so far has been the effective upper limit for UN operations. The less capable options are suited to missions where there is a regional but not a global consensus for action, or where the United States simply does not care enough to foot 25% of the bill.

Although the US and UN styles of nation-building are distinguishable, they are also highly interdependent. It is a rare operation in which both are not involved. Both UN and US nation-building efforts presently stand at near historic highs. The United Nations currently has approximately 60,000 troops deployed in seventeen countries. This is a modest expeditionary commitment by comparison with America’s, but it exceeds that of any other nation or combination of nations. Demand for UN-led peacekeeping operations nevertheless far exceeds the available supply, particularly in sub-Saharan Africa. American armed forces, the world’s most powerful, also find themselves badly overstretched by the demands of such missions. A decade ago, in the wake of UN and US setbacks in Somalia and Bosnia, nation-building became a term of opprobrium leading a significant segment of American opinion to reject the whole concept. Ten years on, nation-building appears ever more clearly as a responsibility that neither the United Nations nor the United States can escape. The United States and the United Nations bring different capabilities to the process. Neither is likely to succeed without the other. Both have much to learn from their own experience, and from the other’s.

Peter Eigen
Chairman, Transparency International

The cynical abuse of power by privileged elites, corruption and the scramble for resources have fed and prolonged military conflicts, particularly in Central Africa. In conflict zones, the trade in arms, diamonds and oil has exacerbated the ferocity of the fighting and the rampant abuse of human rights, leading to a spiraling of suffering and a vicious circle of corruption, conflict and despair for ordinary civilians. The conflicts in Angola, Sierra Leone and the Democratic Republic of Congo (DRC), which embroiled surrounding states, were fuelled by a scramble for natural resources by politicians, generals and international companies alike.

The international community has taken some steps to address the international diamond trade. Following the initiative of Global Witness and the launch of the Kimberley Process led by South Africa, a system of warranties has been set up, whereby each diamond needs a “conflict-free” warranty in order to be traded. But as a recent report by Amnesty International and Global Witness pointed out, many major diamond retailers are not using the system.

Publish What You Pay

In war-torn Angola, government loans were guaranteed against future oil production but used to purchase weapons. The proceeds of oil exports were diverted by military elites for personal gain. International oil companies in Angola were not required to file annual tax records, so the famous “signature bonuses” paid out to secure oil blocks were not recorded, and dubious accounting methods provided a convenient cloak for conducting illegal transactions benefiting the ruling elite.

Angola’s oil industry has been the focus of a major campaign that includes Transparency International, Oxfam, Global Witness and more than 30 other NGOs. Close to 90 per cent of Angolan government revenues come from the oil industry, but up to 40 per cent of GDP has in some years never reached the Treasury, instead being channeled into secret funds. The NGOs, including TI, have formed a coalition, known as the Publish What You Pay (PWYP) coalition, pushing for international companies to disclose what they pay to host governments and state oil companies, and for financial regulators in London, New York and elsewhere to make such disclosure a mandatory requirement of stock exchange listing.

TI is actively working with the British government on the Extractive Industries Transparency Initiative (EITI) to work towards the day when oil, gas and mining companies publish taxes, fees, royalties and other payments made to each host government as a condition for being listed on international stock exchanges and financial markets.

Rebuilding the Peace

Tackling corruption in post-conflict situations should go hand-in-hand with peace-building. Even if security and short-term stability lead the international community to let corruption, or sharing the spoils of power, buy a temporary peace, a better tactic than complicity is to insist on a clear separation between combatants and economic interests. The use of amnesties for lower-ranking combatants, and international supervision to protect public finances from embezzlement, can secure a smoother transition towards accountable and transparent economic management.

The abuse of human rights and the complicity of some multinational companies (particularly in the arms industry and the natural resources sector) in these abuses are now being investigated by Luis Moreno Ocampo, Chief Prosecutor of the International Criminal Court (ICC), in the context of the human rights abuses committed in the DRC.

The DRC and Angola have come out of devastating conflicts that have left their economies completely destroyed and their populations destitute. The situation in both countries is characterised by fragile peace processes, weak institutions, weak government capacity, high expectations and desperate hopes of their long-suffering people.
Moreover, the government has not made much progress in introducing the reforms recommended by the international community, including promoting transparency in government budgets. Oil multinationals have yet to heed the calls from civil society organisations to publish what they pay to the government. Angola scored 2.0 out of 10.0 and was ranked 133rd out of the 146 countries included in the CPI 2004.

**Breaking the Resources Curse**

How can poverty be reduced so that ordinary people can benefit from the dividends of peace?

Anti-corruption reform programmes need to be driven by demonstrated and determined political will at the highest levels. This is all the more important as those groups that stand to lose the most from the success of anti-corruption measures will do their utmost to undermine the reforms.

Neither of these two countries has a comprehensive anti-corruption strategy. That is why last year TI invited representatives from the public sector, civil society and the private sector of both countries to a learning workshop aimed at equipping them with the necessary technical knowledge to act as core groups for developing national anti-corruption strategies in their respective countries. Public finance institutions, for instance, will need to be assessed, and transparency brought into domestic revenue collection systems and budget management. Access to financial information needs to be made available. Capacity-building is a key requirement in both countries.

In order for reconstruction to be sustainable, it needs to be broad-based. That is, it has to address the needs of the largest possible number of citizens in these countries, particularly in poor communities. This would mean ensuring that basic services and infrastructure are provided to remote rural areas and the urban poor. For this to happen, the public expenditure reform must be undertaken so as to direct public money to those who most need it.

As large amounts of funds are already flowing into these countries for rebuilding the destroyed physical infrastructure, controls and adequate financial management need to be put in place in order to ensure transparent use of the resources and to prevent corruption. As public procurement could offer opportunities for corrupt activities, such tools as TI’s no-bribes Integrity Pact could be highly beneficial.

**Democratic Republic of Congo**

The DRC, with a population of about 60 million people, is rich in timber and minerals, including diamonds, gold, cobalt, copper and coltan, and has very fertile land. The war in the DRC, which began in 1996, has led to a substantial reduction in national output and government revenue while increasing the country’s external debt, and has directly or indirectly caused the deaths of approximately 3.5 million people and the displacement of more than 1 million people within and outside the country.

The conflict has exacerbated the pre-existing problems resulting from corruption, an inadequate legal framework and lack of transparency in the government’s economic policy and financial operations.

In July 2004, Global Witness revealed that the rush to exploit copper and cobalt in the province of Katanga has had little impact on the DRC’s economy. In fact, continued corrupt practices and mineral smuggling are leading to the loss of millions of dollars in revenue that the country so badly needs. The DRC, which for the first time this year made it into Transparency International’s Corruption Perceptions Index, scored only 2.0 against a clean score of 10.0, and was ranked 133rd out of the 146 countries in the CPI 2004.

**Angola**

Angola is blessed with a considerable variety of natural resources, including extensive oil deposits, diamonds, gold, fish, timber and vast tracts of arable land. Civil war, lasting from 1975–2002, was fuelled by revenues from oil (for the government side) and diamonds (for the rebels).

Relative peace has been installed, but the consequences of the protracted war continue to be felt in the country. The high level of corruption in both the oil and diamond sectors continues to be the order of the day in Angola, as national elites continue to siphon off large amounts of money from the government’s coffers.

These two countries are among the wealthiest in resources on the African continent but have been bedevilled by long years of mismanagement and rampant corruption even before the conflicts set in.
Introduction

UN involvement in Timor-Leste is considered widely as a success story. In this paper, I will first explain how the coordination of external assistance has been carried out in planning and managing recovery and reconstruction activities in post-conflict Timor-Leste as a reference point from which a more general discussion can take place concerning success factors in this forum. Secondly, I will touch upon the constructive roles played by civil society and its organizations in enhancing democratic governance, particularly the transparency and accountability of state institutions in a post-conflict country like Timor-Leste. Thirdly, I will discuss the prospect of a large amount of revenue expected from petroleum and natural gas resources exploitation in Timor Sea and specific steps the government of Timor-Leste is taking in order to ensure the proper management of revenue on which the future socio-economic well-being of the people of this small country depends. In all of these three areas, it is clear that adherence to the principle of democratic governance is critically important for a post-conflict country like Timor-Leste to achieve sustainable socio-economic reconstruction and human development.

The case of peace- and nation-building efforts made by the state institutions and the people of Timor-Leste with the support of the international community in Timor-Leste provides useful lessons for the effective management of post-conflict reconstruction programmes to be undertaken in other areas and countries. I believe that the systematic coordination of efforts made by all the relevant stakeholders has improved the prospect for eco-

International Donor Coordination, Civil Society and Natural Resource Management

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Transparency initiatives could be launched in both countries that require all mining and other extractive industry companies to publish the amounts they pay to the national oil companies and treasuries of Angola and the DRC. Such initiatives will allow civil society organisations and other interested parties to track budgets and the expenditure of revenue.

These initiatives will allow the DRC and Angola to capture the revenue from their vast wealth and start rebuilding their economies as well as the social fabric of their countries.
nomic reconstruction and conflict management. Furthermore, it is the sensitivity and respect shown by international officials and personnel towards local norms and cultures that have constituted an important enabling environment for successful partnership in peace- and nation-building efforts as well as in the formulation of strategies and plans for poverty reduction and sustainable human development.

**International Donor Coordination**

**The Process of International Donor Coordination**

After the violence and destruction that followed the UN-organised referendum in Timor-Leste in August 1999, the departure of Indonesian state personnel led to a complete collapse of public administration and service delivery as well as a precipitous decline in the standard of living. By late 1999, the UN Transitional Administration in Timor-Leste (UNTAET) had established its basic structures for administration of the territory and begun laying the political, economic and social foundation of an independent country. Two and a half years later, UNTAET transferred sovereignty and governance to the national government with the restoration of independence of Timor-Leste on 20 May 2002. At present, the UMINSET mission of support to Timor-Leste continues to assist the Timor-Leste state institutions responsible for governance while the UN agencies and Bretton Woods organisations implement programmes designed for long-term institutional capacity development and poverty reduction.

The interagency Consolidated Appeal Process (CAP) carried out by the United Nations and the Joint Assessment Mission (JAM) organized by the government of Timor-Leste and the World Bank strategised and coordinated the comprehensive approach towards post-conflict reconstruction and development in Timor-Leste. While the CAP focused more on intermediate intervention in the situation of crisis, the JAM concentrated in the early preparation and formulation of a reconstruction and development programme with particular emphasis on short- to intermediate-term priorities. JAM also set the precedent of the counterpart principle, whereby each Bank staff member, donor representative and UN official in the JAM should work alongside a Timorese counterpart. This was to ensure both ownership of the programme by the Timorese people as well as the transfer of know-how from the internationals to their national counterparts. This concept of working partnership was later adopted and implemented at almost all levels throughout the period of the UN transitional administration.

Since 1999, extensive mechanisms have been established and developed to coordinate external assistance to Timor-Leste. International support for the reconstruction of Timor-Leste was provided through various channels, including bilateral and multilateral donors, initially through two sources: (1) the Trust Fund for Timor-Leste (TFET) managed by the World Bank and the Asian Development Bank, and (2) budgetary assistance through UNTAET during the transition period. This arrangement was followed by the Transition Support Programme (TSP) immediately after international recognition of Timor-Leste’s political independence, with the World Bank acting as conduit for more than ten donors and through international civil society organizations (CSOs).

A Donor Coordination Unit was established in the early phase of UNTAET that helped organize the first donor conference on East Timor in Tokyo on 17 December 1999. The World Bank led the exercise, drawing upon the findings of the Joint Assessment Mission. The meeting was co-chaired by the World Bank and the late Sergio Vieira de Mello, the former Special Representative of the Secretary-General, with the active participation of prominent Timorese leaders such as Xanana Gusmão, who was later elected the first President of Timor-Leste.

Early on, UNTAET, the transitional government, the World Bank and bilateral development partners adopted a results-based approach to monitoring progress in the transition programme. This was realized through the adoption of an action matrix of quarterly benchmarks, progress against which was monitored at the biannual donor meetings co-chaired by UNTAET and the World Bank. The early results-based approach to monitoring progress was continued in the context of the TSP that defined an annual action matrix with quarterly benchmarks on the basis of the National Development Plan. All development partners prioritized their assistance on the basis of this matrix. The TSP was originally scheduled to last for three years until fiscal year 2004/05. However, the government found this tool so important that it requested the TSP to be continued for two additional years until fiscal year 2006/07.

Bilateral donor meetings in Lisbon, Brussels, Canberra and Oslo in 2000 and 2001 followed the first donor conference in Tokyo. These meetings were always organised by the World Bank in close coordination with UNTAET and with active participation of Timorese officials. In mid-2000, a National Planning and Development Agency (NPDA) was established under UNTAET and headed by a Timorese official. Gradually, and under close mentorship by both UNTAET and the World Bank, the East Timorese began to take over
the responsibilities of donor coordination and mobilization of donor support. This translated into regular monthly donor coordination meetings and biannual TSP supervision and appraisal missions. An NGO Liaison Unit was also established under NPDA to take over the responsibility of NGO coordination, which occurred through monthly NGO coordination meetings.

After independence in May 2002, the newly installed government of Timor-Leste organized as part of its capacity-building exercise and co-chaired with the World Bank all the biannual donor meetings that took place in the country. Currently, the Ministry of Planning and Finance, through its National Directorate for Planning and External Assistance Coordination, is responsible for coordination of all external assistance activities including those provided by both donors and NGOs.

From our experience of coordination of recovery and reconstruction assistance activities in post-conflict Timor-Leste, several lessons have been learned. I list five of these lessons.

First, in the absence of any viable government institutions, TFET proved a viable mechanism for the coordination of international support to basic recurrent government services and reconstruction projects. In the early phases of peace- and nation-building, it also provided a useful tool for the planning and implementation of reconstruction projects along criteria mutually agreed upon by international and national partners. Once the state institutions of Timor-Leste were established with independence, the management of TFET was gradually integrated into the government system. Meanwhile, the TSP became an ideal budgetary support mechanism that has worked very successfully in Timor-Leste. It allows for policy dialogue and coordination as well as internal and external regular monitoring that increases the exchange of information and views between international experts, their national counterparts and civil society with a view to enhancing transparency and accountability to beneficiaries.

Second, when designing and formulating any recovery and reconstruction programme, it is important to assess the necessity of measures that both ensure the stability of society as well as make basic provisions for water, food and healthcare. During the first year of independence, the government of Timor-Leste realised that it would be impossible to plan and implement rehabilitation and reconstruction works without first establishing adequate security forces to guarantee the safety and human rights of all inhabitants.

Third, in the coordination of international assistance to reconstruction work, it is essential that the main institutions of governance – not only government but also the legislature and judiciary – are included in the planning process from the beginning, in order to ensure their proper functioning, establish basic legal frameworks and maintain the rule of law. Laying the democratic foundations for the realization of a free and fair society is a necessary condition for the reconstruction of society and sustainable human development.

Fourth, the urgent need for the government to administer and deliver its social services in the immediate post-conflict phase necessitated the recruitment of a large number of international experts and advisors who tended to carry out on-line functions and coached their counterparts at best. The experience of Timor-Leste reveals the importance of developing a comprehensive strategy and action plan to strengthen the capacity of state institutions. Such a strategy should include the development of (1) functional and technical knowledge and skills of individual staff, (2) systems and processes in the administration of state institutions, and (3) norms and values that govern the behaviour of employees of the government and other state institutions.

Fifth, early involvement of national and local authorities in reconstruction projects would also increase their sense of responsibility and ownership – factors that are essential to ensure project sustainability. Due to the eagerness of international donor agencies and NGOs to prove their ability to deliver relief goods, and due to the development of advisory services, an inordinate share of financial resources is spent by external actors without empowering national and local officials to acquire the necessary knowledge and skills to assume greater responsibility in the reconstruction process.

**Donor Coordination: The Way Forward**

International assistance has played an exemplary role in Timor-Leste’s reconstruction and development as well as in building functioning state institutions. The country depended, and continues to depend, on external assistance to a large extent. In FY2000/01, external assistance (budgetary support and assistance projects combined) accounted for some 88 percent of the country’s total development expenditures. Though gradually decreasing, external assistance still stood at 72 percent of total development expenditures in FY2003/04. The expectation is that domestic resources, including
How can a balance be struck between the donor community’s high expectations and the reality of the government’s institutional and human capacity? This is particularly crucial, as international advisory support will inevitably decline dramatically when UNMISET is phased out in May 2005.

Although the government, with international support, has made admirable progress in building its institutional and human capacity, it still remains extremely weak. Yet the SIP process calls for greater government leadership (particularly on the part of line ministries) in coordinating international aid.

As the country moves through the transition from post-conflict recovery to reconstruction and development, a transition in the government’s approach to international resource mobilization and external assistance coordination is also necessary. How can it smoothly adapt its approach, from one that focuses primarily on coordination, the avoidance of gaps, and aid absorption (resources were more plentiful and easier to raise during the earlier post-conflict phase) to one that more proactively pursues resources for prioritized needs? This is especially important now, as the UN peacekeeping mission phases out and as the international community is faced with a number of emerging crises and competing demands for assistance in other parts of the world. For Timor-Leste – which has not taken any loans from international financial institutions – one critical issue is to consider the advantages and disadvantages of accessing loans in addition to grant assistance.

Timor-Leste is now at a critical stage of planning a smooth transition to financial sustainability while at the same time effectively mobilizing donor resources to address many of the country’s most urgent development challenges that centre on poverty reduction.

Civil Society Engagement

UNMISET’s post-conflict peacekeeping and peace-building efforts and UNDP’s focus on sustainable human development place people at the centre of United Nations work and development efforts. Success in post-conflict situations cannot be achieved without the robust engagement of civil society actors and organizations (CSOs). Given the collective power of CSOs in setting social, economic and political agendas – both locally and globally – it is crucial for both the United Nations as well as international development...
organizations to strengthen their partnerships with CSOs in rebuilding post-conflict economies and societies.

Past Lessons of Civil Society Engagement

Civil society constitutes a third sector that exists alongside and interacts with the state, international partners and the private sector. Many CSOs have been at the forefront of advocating principles of social justice and equity.

One lesson learned by UNDP in its global programme to mainstream CSOs within operations and policy development efforts is the need to balance CSO involvement in policy arenas with local accountability and civic mobilization on the ground. It is important to have CSOs present at the policy table, but this must not detract from collaboration with CSOs in downstream work.

Another lesson is to take account of the fact that engagement with civil society in seeking to reduce poverty, promote human rights and support democratic governance is an activity that is implicitly political in nature. Consequently, this engagement is a potential source of tension that must be managed with sensitivity but not used as an excuse for inaction. Clearly, UNDP’s work involves collaboration with and obligations toward governments, but this should not mean the exclusion of CSOs from the reconstruction and development process.

Our partnership with CSOs has shown that they can play a critical role in enhancing the democratic norms, principles and rules that sustain free and just societies. In brief, CSOs can fulfil the following functions:

- **Civil society can be an integrative force.** By providing citizens a space in which they can interact with the state, civil society can help maintain the integrity of the nation by giving the population a stake in its transformation. Within the context of Timor-Leste, the Justice System Monitoring Programme (JSMP) and Lao Hamutuk have demonstrated their ability to monitor the functioning of Timorese state institutions and make concrete suggestions for their improvement (see below).

- **Civil society can fill gaps left by the state.** On their own, governments cannot deliver all necessary social services such as health and education as well as the technical expertise and financial resources necessary for development. Achieving this goal requires the active participation and partnership of citizens and their organizations. In Timor-Leste, there are several CSOs that have distinguished themselves in filling gaps left by the state. These include Pradet Timor Lorosae, World Vision, Haburas, Fundacao Halarae, Bairo Pite Clinic, Caritas and several microcredit organizations.

  - **Civil society can help meet the needs of underserved populations.** In particular, CSOs can work in coordination with governments to improve the condition of poor and marginalized social groups. Collaboration with CSOs that articulate the needs and aspirations of the poor is a *sine qua non* of good governance. In Timor-Leste, churches have played a major role in fulfilling the spiritual and material needs of poor and marginalized groups. Caritas and its international equivalents have also provided valuable assistance to these groups.

  - **Civil society can serve as the vehicle through which the population articulates itself to the state.** Citizen participation is an essential element of any democracy, and civil society initiatives can be a valuable tool for promoting such participation and advocating the public interest, e.g., by drafting legislation. CSOs can also play a vital role in legitimizing government policy and serving as watchdogs that monitor the behaviour of state institutions. The Timor-Leste Network for Transparency and Economic Justice is a new grouping of NGOs that brings together more than 20 Timorese and international NGOs concerned with transparency and accountability in state institutions.

Civil Society Engagement in Timor-Leste

The President of Timor-Leste, Kay Rala “Xanana” Gusmão, provides significant support to the work of civil society actors and organizations. President Gusmão places high priority on transparency and accountability in the government of Timor-Leste. In this respect, he strongly supports the efforts of national civil society representatives to provide checks and balances to the government, especially regarding the oil revenues that Timor-Leste will soon be receiving. National civil society efforts in this area are still in their early stages and receive key support from international civil society organizations, development partners and institutions. President Gusmão remains convinced that civil society must take responsibility to ensure that “the people” will be the long-term beneficiaries of these revenues through socio-economic development programmes that assist in poverty reduction.
Natural Resources Management

The future oil revenues expected from the Timor Sea are widely considered to be the life raft of Timor-Leste. Although international assistance will be required to maintain an effectively functioning state for the coming several years, revenues from petroleum resources are critical to Timor-Leste’s efforts to achieve sustainable economic growth and to resolve the problems of unemployment and poverty without heavy dependence on external assistance. It is also important that such revenue is distributed in an equitable, transparent, and accountable manner, as failure to do so may increase potential domestic instability. There are high levels of poverty in Timor-Leste, and the country remains one of the poorest countries in Asia.

Expected revenues from known offshore petroleum fields represent a substantial amount of income for a small country such as Timor-Leste, whose population numbers just under one million (926,000 according to a census recently conducted by the United Nations). The total value of known oil and gas reserves in the Timor Sea is estimated at more than US$ 30 billion at moderate oil prices. At today’s prices the value is considerably higher. The Timor Sea Treaty between Australia and Timor-Leste, an interim agreement that regulates petroleum activity and revenue sharing in the joint area of the Timor Sea, may earn Timor-Leste an estimated US$ 4–6 billion in the coming decades depending on the permanent maritime boundaries to which both countries agree.

Production has begun in the Bayu-Undan field, one of the largest known oil and gas fields in the Timor Sea. The government of Timor-Leste received US$ 26 and US$ 38 million in tax and royalty revenues in the budget years 2002/03 and 2003/04, respectively. It is estimated that revenue from the Bayu-Undan field will increase dramatically after 2007/08 to about US$ 100 million per year over its 20-year lifespan, compared with Timor-Leste’s US$ 75 million government budget for 2003/04. At present oil prices, the revenue would be considerably higher.

An additional oil field in the Timor Sea, which is known as the Greater Sunrise field, holds petroleum reserves estimated at around US$ 22–25 billion. Once this field goes into production later in the decade, Timor-Leste will receive additional estimated revenue of at least US$ 1.5 to 2.5 billion over the field’s 30-year lifespan, and much more if Australia agrees to a “more equitable” and “creative” formula for maritime boundaries as proposed by the government of Timor-Leste.

Public statements from a number of high-level Timorese officials reflect the government’s intention and willingness to create an enabling environment in which responsible civil society actors can work to promote good governance and transparency. However, this will not happen until the relationship and dialogue between the government and CSOs improves. There was an attempt to establish a high-level mechanism for dialogue among the stakeholders, but this initiative has not fully materialized. In the absence of this mechanism and the consequent lack of productive dialogue at the national level, some mutual tension between the government and CSOs exists regarding each side’s role, agenda, and effectiveness in the national development process.

The involvement of CSOs in monitoring performance and making constructive recommendations on promoting development in accordance with human rights standards has been particularly important for Timor-Leste in this period of institution-building. For example, one of the most successful CSOs in the justice field, a joint Timorese-international CSO called the Judicial Systems Monitoring Project, has provided much needed data on particular challenges facing the judicial sector.

Not only the government is subject to CSO monitoring. For example, Lao Hamutuk, another joint Timorese-international CSO, focuses on the work of international organizations in Timor-Leste. Established during UNTAET, Lao Hamutuk scrutinized the work of not only the UN and the state administration, but also the World Bank, the IMF and other international bodies. Both the Judicial Systems Monitoring Project and Lao Hamutuk produce high-quality reports that are well-respected sources of useful information and that can feed into further development planning. Whilst government and their partners may not always agree with the conclusions of such CSOs, their efforts help to galvanize civil society and to provide alternative perspectives on development planning.

In conclusion, Timor-Leste’s experience in transitioning from post-conflict recovery to development illustrates that civil society actors can add value to the coordinated efforts of all stakeholders in post-conflict situations: the state, international partners and “the people.” For the future planning of post-conflict reconstruction efforts, international development partners and UN agencies should encourage governments to create an environment that enables CSOs to play an active and effective role in the national development process.
The government of Timor-Leste is committed to ensuring that revenues from Timor-Leste’s petroleum resources are managed responsibly and transparently, especially considering the fact that many nations around the world are rich in petroleum or other minerals but have been unable to utilize their wealth for the benefit of their populations. If Timor-Leste’s revenues from oil and gas resources are properly saved and used, they will contribute greatly to the country’s economic development and reduce its dependence on external financial assistance. The Timorese government intends to use its petroleum revenues to pay for essential public services such as schools, hospitals and roads. But the government also intends to save some of the revenue so that future generations will benefit from Timor-Leste’s natural endowments.

At present, the government is continuing the petroleum revenue savings policy established under UNTAET. Under this policy, the government spends tax revenues from petroleum projects as part of its regular budget but saves royalty payments for future generations. On the advice of the World Bank and the IMF, the government has proposed the establishment in 2005 of a permanent Petroleum Fund for the management of petroleum revenues. Under this proposal, the government would place all petroleum revenues – both tax revenues and royalty payments – into the Petroleum Fund. In any budget year, the government would be allowed to withdraw from the Petroleum Fund only an amount equal to the difference between total estimated expenditure and non-petroleum revenues. The government would also have to control its spending to ensure that excessive revenues are not withdrawn from the Petroleum Fund, thereby leaving insufficient national savings for the future.

The Petroleum Fund will be operated under a system of checks and balances. Since the spending of funds held in the Petroleum Fund would be part of the regular budget process, any withdrawals would have to be approved by the National Parliament. The Petroleum Fund would be governed by an independent Petroleum Fund Council and would also be subject to independent audits.

The government is now considering how to create a new legal and fiscal framework for petroleum resources development that is uniform, comprehensive, and transparent in order to attract international investment and to protect Timor-Leste’s petroleum wealth. Here also, “good governance,” based on transparency and accountability, is a crucial element in making the best use of petroleum resources for national development and avoiding the “oil curse.”

The people of Timor-Leste are very well aware of the importance of the petroleum sector to the future economic well-being of the country. This translates into a tremendous interest in the industry and how it functions. In connection with the drafting of a new fiscal and regulatory regime for both Timor-Leste itself and the Joint Petroleum Development Area, the government is using this public interest to arrange public consultation sessions all over the country. These sessions serve to increase public knowledge of the oil and gas sector, which in turn promotes openness and accountability within this sector.

In order for a natural resource regime, such as the one being established in Timor-Leste, to be transparent, the regime must be based on competition for access to the resources, rather than negotiations. In addition, it is necessary for the public to have access to as much critical financial and technical information as possible. Furthermore, control mechanisms have to be built in. To the extent possible, the regime has to be simple. Yet the oil and gas industry is complex. This complexity has often impeded public access to information. It does not have to be that way. There is something to be said for simplicity in terms of both regulatory and fiscal regimes. On the other hand, a regime can have so many control mechanisms and information access points that it is unworkable in practice. A balance must therefore be struck between transparency and accountability on the one hand and workability on the other.

The Timor-Leste government is keen to establish a petroleum regime based on global best practices and is open to guidance from the international community. Although the Timor-Leste petroleum regime is in the design stage, guidance and monitoring from independent international organizations are necessary to ensure good governance of the regime. It is important that such revenues are utilized in a transparent and accountable manner to achieve poverty reduction, economic growth and sustainable human development as stipulated in the National Development Plan. The petroleum regime being established has a number of control mechanisms built into it. And the information available to the public will probably prove to be more extensive than that in most other oil and gas producing countries.

Concluding Observations

It is important to recognise that many oil-rich countries have experienced high economic growth rates while human development has remained at
appalling levels. Timor-Leste will have to find the resources to meet the challenges of reducing poverty and achieving the other Millennium Development Goals. This will require a determined effort on the part of the government, civil society and the population as a whole. Democratic institutions of the state and civil society must work together to ensure that all communities equitably share the benefits of economic growth.

The existence of democratic governance structures is critically important, as it will safeguard the proper use of increased wealth generated by expanded economic and commercial activities such as oil and natural gas production in the Timor Sea. Adherence to democratic principles and the development of human capacity to administer these activities will help ensure that the vast majority of people benefit from economic growth and improved living standards. Transparency is a prerequisite for working towards economic justice in society.

Civil society should be recognised and engaged as a partner in bringing about a transformation where the population has a stake in economic reconstruction and sustainable human development. Civil society involvement in post-conflict reconstruction is a necessary element in promoting democratic peace with socially just economic growth.

In conclusion, lessons learned in Timor-Leste may contribute to the future design, planning and implementation of effective measures to ensure effective donor coordination and the inclusion of civil society. Such an integrated and holistic approach to post-conflict situations will ensure long-term sustainable human development and just economic reconstruction and thereby reduce the danger of repeated state failure in post-conflict peacebuilding processes.

The Contribution of International Companies to Long-term Economic Prosperity and Political Stability

Michael Inacker
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Prior to focusing on today’s subject matter on international donor coordination, civil society engagement and the role of public-private partnerships, let me name the three main pillars crucial to any post-conflict reconstruction effort:

Firstly, the dimension of security policy, that is, a safe and secure working and living space for everyone, which is a key factor for sustainable societal progress.

Secondly, the cultural policy of a country or region, which is an important element for strengthening the self-esteem of the people and therefore a driving force towards nation-building and the establishment of stable government structures.

And, thirdly, of course, economic development, which is an indispensable ingredient for progress in any society.

Therefore, we must take the initiative to help shape and promote prosperity as well as positive economic conditions.

“Political” activities are among the top priorities of companies that operate globally and thereby contribute to global stability in the broadest sense. Of course, we operate in the Triad markets. In addition, we operate in the Balkan states, Afghanistan, the Middle East, China, South Africa and many other countries and regions. Of course, we are well aware that we need to be engaged in these developing and emerging markets for a long time before – economically speaking – we will be able to achieve any kind of benefit.

Consequently, DaimlerChrysler is globally involved in dialogues with many decision-makers in politics, economics, and social groups at large.
Without trying to assume the role of governments – this cannot be our role – we are called upon by national governments and global institutions such as the United Nations to help support the establishment of fair global economic conditions.

This shows, to some degree, that companies in general have a role to play in international transformation and peace processes.

Do we have a foreign policy of our own? No.

Do we have a role to play? Yes!

The critics of globalization accuse multinational enterprises of soft imperialism. But instead of old-fashioned “power projection,” we follow the concept of “stability projection.” Because companies help make globalization work.

How is this done?

- Through the fostering of economic wealth, which stabilizes societies, weakens political and social extremists, and encourages dialogue to bridge religious and cultural differences.
- Through the education and training of employees in the respective countries, which helps to create an active middle class. Here, such companies are seen as “the anchor of stability.”
- Through the inclusion of emerging markets in the international value-added chain, which gives these countries confidence to participate actively in campaigns for fair trade rules that, in turn, can push international trade to new heights of democracy.
- By following human rights standards and the rule of law and acting as a “good corporate citizen,” which influences the overall make-up of the social and constitutional community structure.
- By adhering to political and social laws and values in accordance with the “UN Global Compact,” which sets a crucial example for countries in which social, philanthropic and political values have not been sufficiently established.
- And finally, by working together with other international companies to overcome global challenges. Just think about the fight against HIV/AIDS and the development of new environmental strategies, both of which are key aspects of the international security policy of both the United Nations and the United States.

Altogether, through our operations, our actions and our political involvement, we support islands of stability that contribute to long-term economic prosperity and, as a result, to political stability.

It is no secret that, in its policy-making processes, DaimlerChrysler protects its own legitimate interests. But in the medium and long term – and this is our deep conviction – this contributes to the welfare of all.

Following my remarks on the participation and involvement of multinational companies in this rather political field, let me now come to my second point: the commitment of DaimlerChrysler to act as a good corporate citizen and to implement the principles of Corporate Social Responsibility (CSR) in its business operations.

I am deeply convinced that only those businesses that succeed in cultivating public approval and esteem will continue to succeed in the marketplace and thereby continue to create and preserve jobs in their respective markets and at home. In the end, sociopolitical responsibility and corporate self-interests go hand in hand. Only profitable corporations can be socially and politically active.

In the case of DaimlerChrysler, this is a long-term commitment. If we invest in a country, we are there to stay. Short-term interest in a particular country makes no sense whatsoever.

The CSR approach we have chosen is a voluntary approach that simultaneously combines social, environmental and economic interests. And yes, this is quite challenging. Let me be very clear on this point: We are not talking about charity – CSR requires far more than that.

This approach begins within our company, because first and foremost we have to take care of our 380,000 employees worldwide.

Of course, CSR is not finished after the code has been written. Therefore – and now I turn to our most valuable asset – in order to advance the know-how of its employees worldwide, DaimlerChrysler continually invests in continuing education and training programs for its employees. We place a high priority on employee safety, health care, equal opportunity, and the development of new skills for all our employees. We make certain to main-
We at DaimlerChrysler refer to these projects being conducted throughout the world as our "Global Sustainability Network."

These actions produce qualified jobs in Germany as well as in poverty-stricken regions throughout the world; they conserve the environment through the use of renewable raw materials; and they preserve ecosystems, helping to create areas of stabilization.

To be economically successful and to produce our goods in an environmentally friendly manner, we at DaimlerChrysler are committed to research. Because of our groundbreaking technology we have become a world leader in the automobile industry. We invest approximately six billion Euros annually in research and development – that is 16 million Euros per day, more than any other German company.

Global Stability

In the past, the "political" role of companies has tended to be minor and has produced largely negative results, e.g., through contributions to imperialist and colonialist forces.

Today, the actions of companies within the field of international relations do not focus on dominance through power but rather on promoting global stability. International companies are themselves historic parts of global society; they help to define common interests and are engaged in political dialogue. The common interests of companies, such as the desire to build stable political relationships, are the foundations on which politics and economics are built. These common interests go hand-in-hand with economic growth, prosperity and ultimately global security. It is not "power projection" but rather "stability projection" that is the dictum of international companies and their activities.

Corporations like DaimlerChrysler, Siemens and Volkswagen – just to mention a few – are aware of their political and social responsibilities as well as their corporate responsibilities. In a speech before the UN Security Council on 15 April 2004, Heinrich von Pierer, the Chairman of the Board of Siemens AG, pointed out that “(...) of course companies cannot change the world,” but together “with public partners the economy can contribute a lot to the battle against violence, anarchy and terrorism and at the same time fight for civilization, liberty and prosperity.”
Therefore, accusations that the global activities of international companies are simply profit-based are unjustified. Successful politics depend on the long-term, stable presence of companies in problematic regions. Corporate engagement in economically troubled regions such as the Balkans or Afghanistan cannot be based on quarterly profit reports. Companies invest in these countries to stay. They create islands of stability that eventually lead to economic prosperity and thus political stability.

**The Builders of Bridges**

It is clear that corporate self-interest and social responsibility go hand in hand. The economy’s role as bridge-builder in international relations does not discount the central role of states in the global arena. Companies are a supplement to, but not a substitute for, politics and will remain dedicated to upholding their social responsibility. It is a company’s success in social matters that earns it public acceptance and confidence, which in turn results in success in the product market. This is possible only when a company works with a society, not against it. Reliability – not “location-hopping” – is the benchmark for international corporations. For example, DaimlerChrysler did not withdraw its investments from South America, Asia or Africa during recent economic crises, but rather stayed in these regions to promote stability in an unstable time.

What could serve an emerging nation’s stability more than integration into the world economy through global value chains within an international production network? The following examples illustrate the direct and indirect external effects of the private sector:

- The creation of economic prosperity stabilizes societies, weakens political and social extremists and enables dialogue that crosses religious and cultural boundaries.
- The education and advanced training of employees in the respective countries contribute to the creation of an active middle class – the social core of stability.
- The integration of emerging nations into international “value-added chains” gives these countries the political self-confidence to campaign actively for fair trade rules that promote free, multilateral trade at the international level.

- Companies that act as “good corporate citizens” encourage the formation of social and constitutional structures that can reduce prejudice towards “western” models of business and society in certain regions.
- Corporate compliance with the UN Global Pact functions as a beacon of hope to societies in countries whose leaders do not uphold constitutional and human rights standards.
- By playing an active role in the Global Business Coalition on HIV/AIDS and the development of new environmental protection strategies, companies such as BASF, Bayer, Bertelsmann, BP, Coca-Cola, DaimlerChrysler, Microsoft, Renault, Robert Bosch and ThyssenKrupp are addressing two challenges that both the United Nations and the United States have defined as central threats to international security.

In summary, globalization has opened new doors that offer new opportunities and challenges. Taking advantage of these opportunities and conquering the challenges we face along the way will require working together, armed with “power of community.”

Companies have a role to play and are willing to play a role, both within political processes to promote liberal trade – for example within the WTO – as well as within the extensive field of Corporate Social Responsibility. This makes business sense. And I hope that the examples and arguments I presented to you today demonstrate the positive power of social responsibility at DaimlerChrysler.
International Donor Coordination, Civil Society Engagement and the Role of Public-Private Partnerships

Stephan Kinnemann
Special Advisor on Investment and Trade to Afghanistan, Government of the Federal Republic of Germany

All of us know that the number of (violent) conflicts in our world has increased dramatically in the last two decades, particularly the number of intra-state conflicts. Millions of people are affected and suffer, if they survive at all. Thus conflict prevention has become an increasingly central issue in foreign and security policy. Honestly, however, it seems that we have not made much progress in preventing conflicts. Our learning curve seems to be very flat.

In other words: so far we have not made significant progress in conflict prevention. Ironically, however, it appears that we have made greater advancements in managing post-conflict situations, especially when it comes to economic reconstruction. Let us therefore focus our discussion on a few specific areas of economic reconstruction that can provide real benefits to the affected populations. More basically: What is the overall objective of our discussion and what are its fundamental underlying assumptions?

The objective seems clear: if we are not in a position to prevent conflicts from becoming violent, let us at least try to move from conflict to peace as quickly as possible. What have we learned from our experience over the last two or three decades? What could/should the various actors do better/differently in the future?

The underlying rationale is obvious and was mentioned this morning by UN Special Envoy Brahimi and German Foreign Minister Fischer: the quicker economic reconstruction develops and the more equally reconstruction operations and economic growth are distributed among different groups of people in a conflict-affected country, the higher the probability is for regaining peace and setting a successful peace and reconciliation process in motion. Speed matters! But also: people must experience the progress in their own personal lives in order to refrain from further conflicts and to resort to a process of reconciliation.

In this context, our discussion will focus on the following three key issues:

- donor coordination
- the role of NGOs
- public-private partnerships (PPP)

Let me elaborate on the three:

Donor Coordination

One of the many critical issues in development cooperation over the last fifty years is the lack of donor coordination, which leads quite often to disastrous results for the recipient country (and the waste of scarce funds). As this is already a problem in “normal,” i.e., non-conflict countries, it is all the more true in post-conflict countries. So our first question might be: Is donor coordination a contradiction in terms or an achievable objective in the management of post-conflict situations?

In order to avoid misunderstandings, we must first define what donor coordination means (and what it does not mean). Then we should try to describe where the main problems are today and who is responsible for such coordination: is it the post-conflict country, is it the donor community? And finally, if we are convinced – as I am – that there is a need for donor coordination, especially in post-conflict countries (because speed here really matters more than elsewhere), then let us find out what could be done by whom to improve it.

The Role of NGOs

Another hard-fought issue is the role of NGOs vis-à-vis governmental organisations and the government itself. Unfortunately both sides often do not put much trust in each other. NGOs insist on a high degree of independence, simultaneously rejecting mechanisms of coordination and control. On the other hand, they are often the first ones to get to work and provide assistance before governmental aid organisations start moving. Again, the NGO
issue is often already a problem in “normal” countries. Thus, our second question might be: How can the engagement of NGOs be reconciled with the need for a comprehensive and consistent strategy in post-conflict countries? Or in a wider sense: How do we achieve the involvement of civil society in the reconstruction process, because this is a crucial factor at the end of the day.

Again, we will have to work a bit on definitions. For example, what is an NGO? In Afghanistan, where I am working at present, we have a large number of commercial construction companies that define themselves as NGOs, simply in order not to pay taxes. Obviously these are not “real” NGOs, and they spoil the reputation of the real ones. Another question: why is it that governments of post-conflict countries (and sometimes those of “donor” countries) are often so critical vis-à-vis “real” NGOs? Is it because NGOs are quite often quicker and more efficient than governmental organisations? Or is it because of NGOs’ lack of a formal democratic mandate, transparency and accountability? How can we achieve a better understanding?

Other critical questions include: How can the engagement of NGOs be reconciled with the need for a comprehensive and consistent strategy? What is the typical role of NGOs in post-conflict countries? What are the major benefits that NGOs can provide to conflict-affected countries?

Public-Private Partnerships

Our experience in the field of development cooperation has led to the realization that governments are largely unsuccessful in the role of entrepreneur. As a consequence, the private sector’s involvement in development cooperation and development projects has expanded. The term “public-private partnership” (PPP) has become almost a mantra. Hence our third question is: What are the prerequisites for the productive implementation of PPP in post-conflict reconstruction operations? What is the role of the private sector, if any?

Joint ventures between governments and the private sector are increasing in industrialized countries: well-known examples include toll roads, bridges, power plants, ports, airports, hospitals and other service-related areas. But how do we describe and define the essentials of such a partnership? What are the particular benefits for both sides? Is it possible to achieve these benefits in post-conflict countries that often have weak and inexperienced governments? Is the private sector willing to invest in these countries, especially when the conflict is sometimes not really “post?” My experiences in Afghanistan are not very encouraging. But we do have examples of success. So what can and must governments do in order to more quickly realize the benefits of PPP?

Admittedly, this is a large number of questions. At the end of our discussion, we should be in a position to answer them at least to the extent that we know more about how to design strategies that enhance economic reconstruction and thereby contribute more significantly to the management of post-conflict scenarios, despite the fact that we must deal with governments that are still struggling to professionalize their work.
Successful Post-conflict Economic Reconstruction: The Unique Role of Local Expertise and Timely Donor Involvement

Mbuyamu I. Matungulu
Deputy Division Chief, International Monetary Fund

My analysis of the role of local expertise and donor involvement in economic reconstruction efforts in the Democratic Republic of Congo (DRC) will focus on three issues. First, I will briefly outline the DRC’s economic situation when I joined its government as finance and economic affairs minister in the spring of 2001. Second, I will describe the key reform measures that we introduced to deal with the situation and the results we achieved. Third and most importantly, I will attempt to draw some lessons from the experience.

DRC’s Economic Predicament in Early 2001

By any account, the DRC has counted among the most troubled nations in the world since gaining independence from Belgium in 1960. During much of the last forty years, in spite of its diverse resource base, the country has suffered very poor economic performance and widespread poverty.

As government expenditures soared in the 1990s to maintain the political elite and cover the war effort, revenue plummeted. The government systematically monetized the resulting budget deficits, causing money supply to balloon and triggering hyperinflation.

The deterioration of the macroeconomic environment against the backdrop of heightened socio-political and security tensions spared no sector of the economy.

Copper production for instance, which for a long time had accounted for over two thirds of government revenue and was the leading foreign exchange earner for the country, fell from over 500,000 tons a year in the late 1980s to less than 30,000 tons in 2000.

During this period, the external current account deficits swelled, and large external payments arrears were accumulated, so much so that by the mid-1990s, the country had alienated all of its external partners, and relations with the international financial community, including the IMF, the World Bank and the African Development Bank, had been severed.

By the first quarter of 2001, gross domestic product had contracted by about 50 percent relative to its level of a decade earlier, while population continued to increase by 3 percent a year.

Consequently, per capita annual income declined below $100 and the DRC became one of the poorest nations in the world.

Reform Efforts and Economic Stabilization

To address the deteriorating economic and social conditions and bring the DRC back into the fold of the international community, the government introduced courageous reform measures beginning in the spring of 2001, with technical support from the IMF and the World Bank.

The reform effort focused at first on the fiscal and monetary areas, but also included key structural reform initiatives. The main measures taken were the following:

- Reestablishment of the budget as the framework for public finance management, a practice that had been abandoned in 1997.
- Establishment of a tightly executed treasury plan under which monthly government expenditures would not exceed actual revenues, so as to limit the need for disorderly government borrowing from the banking system and the central bank in particular.
- A 530 percent currency devaluation to correct the existing exchange rate misalignment and currency overvaluation.
- Liberalization of the foreign exchange and money markets and adoption of a prudent monetary policy, with a view to restoring macroeconomic stability.
- Liberalization of diamond export activities and reform of the pricing system for petroleum products.
Under the program, the DRC achieved surprisingly good overall results:

- Inflation was tamed and reduced from a high annualized rate of 700 percent in the first quarter of 2001 to less than 10 percent in early 2003.
- The budget deficit (on a cash basis) was effectively eliminated by end-2001, contributing to a hefty reduction in net bank credit to the government.
- In 2002, real GDP growth turned positive for the first time in more than a decade.
- Finally, with their prices liberalized, petroleum products became readily available, alleviating the severe shortages existing before the reform.

**Lessons from the Congolese Experience**

Reflecting on my experience in government during 2001–03, I have come to single out three key factors as crucially important in determining the success of the DRC’s economic reform efforts over the concerned period:

- commitment to reform at the highest level of government;
- technical capacity and dedication of government officials; and
- timely involvement of the donor community.

I will focus hereafter on the last two factors.

**Government Ministers’ Technical Capacity and Dedication**

It is important to point out that of the 37 ministers and deputy ministers who composed the April 2001 government of President Joseph Kabila, around 30 held university degrees in fields directly related to their respective areas of responsibility, ranging from economics to engineering and other key social sciences, such as education and health and health sector management. For this reason, the government came to be known as a technocratic administration.

Furthermore, most of the government ministers came back home after several years of gainful employment in companies and other institutions known the world over, including the United Nations, the World Health Organization, the IMF and the African Development Bank. Driven by this unique blend of (local) expertise, the government had the stamina to deal with the very difficult tasks at hand, the handling of which requires more than a just a general understanding of the issues involved.

More importantly, however, for most of these ministers a government position was not an end in itself, for these officials could contemplate resuming reasonably decent lives after completing their tour of duty. This group of people could thus afford to be results-oriented and relatively demanding on issues of integrity, clean government and commitment to public service.

The achievements of the DRC’s 2001 government in the economic area contributed to lending measured credibility to Kinshasa in the eyes of both domestic and world opinion. As a result, the government’s bargaining position in political negotiations with both the foreign-backed rebels of the Congolese Rallye for Democracy (RCD) and Mouvement National Congolais (MLC) and the internal political opposition was tremendously enhanced. These positive developments helped contain tensions during the ultimate power-sharing months of late 2002 and early 2003.

**Timely Donor Support**

The early and relatively massive international support to the DRC in the first months of 2001 also played an important role in the success of the DRC’s economic reform efforts.

Just several weeks after the government was formed, large IMF and World Bank technical delegations were busy at work in Kinshasa, alongside their Congolese counterparts. This impacted positively on the design of the initial economic reform program.

Beyond the technical support extended to the country in the economic area, the embrace of the new Congolese authorities by all of the major western powers must be stressed; this helped keep all warring factions on the path to crisis resolution, providing much needed breathing room and added impetus to economic reform.
Concluding Remarks

The Congolese reform experience of the period 2001–2003 has shown that:

**First:** A carefully selected group of highly trained nationals can make a difference, especially at the onset of the reform process when the country is the most vulnerable. At this early stage, it does certainly not help to leave matters in untested hands.

**Second:** The initial stage of the reform process is also the time when much-needed support must be provided by the international community. Technical support is essential to coping with the existing capacity gaps. External financial assistance helps the government produce early peace dividends. This facilitates the building of program ownership at the grass-roots level and enhances the reform’s overall chances of success.

Legal and Political Instruments of International Involvement in Post-conflict Situations

Cornelio Sommaruga
President of Initiatives of Change International, Caux
President of Geneva International Centre for Humanitarian Demining

It is now clear that, contrary to widespread expectations, the end of the Cold War has not led to a more perfect world with greater stability and prosperity for everyone. Rather, violence and armed conflicts in old and new forms – namely terrorism – continue to be a defining characteristic of today’s world: our societies live increasingly in a situation of insecurity.

The international community’s approach to the prevailing situation includes conflict prevention and early warning; conflict mediation, resolution and management; and peace operations and humanitarian assistance. Within this spectrum of engagement, immediate post-conflict reconstruction activities – or post-conflict peace-building – should indeed represent a principal concern for the international community, perhaps more so than ever before.

In the 2001 ICISS Report entitled *The Responsibility to Protect*, we argued in Chapter 5 that the responsibility to protect implies the responsibility not just to prevent and to react, but to follow through and rebuild. This means that, if the international community undertakes military action in response to the breakdown or abdication of a state’s own capacity and authority in discharging its responsibility to protect, there should be a genuine commitment on the part of the international community to help build a durable peace and promote good governance and sustainable development.

Indeed, one should consider peace-building as all efforts to address the sources of a recently ended armed conflict through targeted efforts to reduce poverty and promote the equitable distribution of resources, to strengthen the rule of law and associated governance institutions,
to support the development of civil society and, in general, to promote an environment in which disputes between communities divided along national, political, ethnic, religious, regional or socio-economic lines may be resolved through peaceful, rather than violent, means.

In post-conflict situations, a priority task for the international community is to reconstitute conditions of public safety and order in partnership with local de jure or de facto authorities, with the goal of progressively transferring authority and responsibility to these local actors. Indeed, local actors are too often treated as passive victims or as the problem, rather than as active agents in the recovery and reconstruction of their own societies.

It is important to recall that, under international humanitarian law, occupying powers are responsible for ensuring law and order within occupied territories. Thus, in taking decisions regarding military interventions for human protection purposes or other resolutions dealing with war-torn societies, the United Nations Security Council can be expected to outline responsibilities for respective post-conflict peace-building processes. This could be achieved through a constructive adaptation of Chapter XII of the UN Charter. This should enable reconstruction and rehabilitation to take place in an orderly way across the full spectrum of activity, with the support and insistence of the international community. The most relevant provision in this regard is Article 76, which states that the aim of the system is to promote the political, economic, social and educational advancement of the people of the territory in question; to encourage respect for human rights; to ensure the equal treatment of all people in social, economic and commercial matters; and to ensure equal treatment in the administration of justice.

In this context, an important legal guideline for immediate post-conflict situations can be found in the articles and regulations of the 1907 Hague Convention and the 1949 Geneva Conventions, which contain key provisions on the activities and obligations of an occupying power. These provisions – together with applicable customary law – are relevant per analogiam for external actors in rebuilding war-torn societies. One can mention in this respect the duties of respecting the local population’s human rights, ensuring public order and safety, maintaining public health and hygiene, providing food and medical supplies, protecting property and resources and much more.

Sovereignty issues necessarily arise when intervening parties maintain presence in a target country during the post-conflict period. Sovereignty is suspended when it is necessary for intervening powers to assume authority over a particular territory in order to promote and restore peace, stability and good governance. But this suspension of sovereignty following external intervention is de facto rather than de jure.

It bears repeating that local actors, even those who are to blame for the occurrence of violence, must play an integral part in the reconstruction process, even though the balance between external and local participation and responsibility is not always clear. As already mentioned, security and stability are necessary in order to enable a state to recover from the ravages of armed conflict. Even if external actors provide security protections in the short term, local forces must eventually take over.

Ensuring sustainable reconstruction and rehabilitation requires the commitment of sufficient funds, resources and time. Too often in the past, the international community has insufficiently recognised and/or followed through on its responsibility to rebuild. The events in Angola during the 1990s may be recalled in this context. Due to limitations in both financial and human resources, the international system must better organise itself to respond to the challenges of reconstruction. This may involve encouraging the G8 countries to take the lead for the international community in post-conflict reconstruction efforts.

In the August 2000 Report of the Panel on United Nations Peace Operations (the “Brahimi Report”), we recognised the role that the UN can play in consolidating post-conflict peace-building operations. We also underscored the fact that, in many circumstances, peacekeepers provide protection to peace-builders, i.e., the civilian members of a complex operation. Among the peace-building tools we emphasized were quick impact projects (QIPs), which are designed to generate rapid and visible improvements in the local population’s quality of life, and which also have important budget implications. We also advocated providing budget support for the UN Secretariat and competent agencies such as the UNDP to implement disarmament, demobilisation and reintegration (DDR) operations. The World Bank has also played a significant role in this context. A recent Stimson Center study on the Brahimi Report concluded that QIPs in UNMEE (Ethiopia-Eritrea) have been a success and that DDR operations in Sierra Leone have been a qualified success.
We also argued in the Brahimi Report that international civilian police could not function effectively without an effective criminal justice system as well as human rights training. We called for a “doctrinal shift” towards “rule of law teams” that combine judicial, legal and human rights experts with civilian police. We also recommended that the UN seriously consider the development of an interim criminal code and code of procedures for transitional administrations that could also be used for training prospective mission personnel.

Fortunately, despite a UN working group’s conclusion that such an interim criminal code would be infeasible, the United States Institute of Peace (USIP) discussed and drafted an interim legal code and code of procedures within the framework of a workshop conducted under the auspices of the Office of the High Commissioner for Human Rights (OHCHR).

Finally, peace cannot exist without justice, and reconciliation and forgiveness are indispensable components of this process. Reconciliation is best generated by ground-level reconstruction efforts, in which former armed adversaries join hands in rebuilding their communities and seek to create reasonable living and working conditions in new settlements. True and lasting reconciliation occurs with sustained daily efforts to repair infrastructure, rebuild housing, plant and harvest crops, and cooperate in other productive activities.

External support for reconciliation efforts must be conscious of the need to encourage cooperation and joint development efforts among former adversaries. Civil society actors, both local and international, can play a central role here.

In conclusion, international actors have the resources to help provide a secure environment and launch the reconstruction process. Yet international authorities must take care not to monopolise political responsibility on the ground. Reconstruction efforts must be directed toward returning responsibility to those who live in a particular post-conflict society and who, in the last instance, must share responsibility for that society’s future destiny. The real challenge is to ensure that partnerships between international and local actors entail mutual learning, empower rather than undermine local actors, and capitalize on local knowledge and skills.

In summer 2000 I met the then future National Security Advisor Condoleezza Rice in California. She gave me her philosophy on the Balkans: the American troops should get out as soon as possible because nation-building was not part of their job.

In spring 2002, after I had become Kofi Annan’s Special Envoy in Kosovo, she reassured me in Washington that the American troops would not leave. But she added: We need the troops for the fight against terrorism. So you better get the job in Kosovo done quickly.

Now, two years later, the United States is involved in the biggest nation-building effort since the late 1940s – and it is not over yet!

This is quite a development in four years. In any case, it shows that it is no longer disputed whether there should be peace-building in some cases but rather how it should be done.

In spring 2003 the situation in Kosovo was not easy. There was not enough electricity, the fight against crime was difficult, the return of minority refugees was proceeding slowly, parallel Serb state structures were giving us a hard time and the majority of the people had no jobs.

Another experience: In spring 2003 the situation in Kosovo was not easy. There was not enough electricity, the fight against crime was difficult, the return of minority refugees was proceeding slowly, parallel Serb state structures were giving us a hard time and the majority of the people had no jobs.

As Special Representative of the Secretary-General, my legitimation, my only real “basis of power,” was that I could refer to an international consensus, formed within the UN Security Council, that backed my policy. But every evening the Kosovars could see on television that there was no common position at all in that organ. Iraq divided the Council. Their main

* Speaking notes.
The Kosovo war took place only five years ago, but the UN mission in Kosovo already seems like a mission from the Stone Age, beyond any international attention. And: the more successful the mission is, the less attention it will get.

Kosovo came back into view only after the riots of March 2004. Crime pays! Similarly, when the Bosnia peace mission started in January 1996, we were told to implement the Dayton Peace Agreement in ten months and then leave. As you know, the OHR is still down there in Bosnia. Next year, it will celebrate its tenth anniversary.

For Kosovo, the UN Department of Peacekeeping Operations had two weeks to prepare the huge UN Mission. And frankly, was Iraq much different? How much preparation went into the military effort, how much into the civilian effort? We have learned to plan wars, but we have not learned to plan peace.

So you have to do it right. All missions are different. Bosnia is not Afghanistan, but still there are some common requirements, including:

- **You need a clear mandate**: You must know what your objectives are. They must be realistic and modest. If the Security Council mandate is not crystal-clear on central issues, then the whole mission is infected. Security Council Resolution 1244 on Kosovo left one question open – a question that was, however, the very reason for the conflict, the status question: to whom does Kosovo belong? This has turned out to be a fundamental problem for the mission up until this very day.

- **Match the means to the mandate**: You need adequate legal, human, physical and financial resources.

- **Get it right from the beginning**: The tone of a mission is set in its very first days. You come in with a clean slate. But you are immediately tested by the spoilers. Later it is always more difficult to change course.

- **Learn as you go**: A mission is a learning organization. Civil society – if there is one – knows the place better than you do. You must have them on your side.

- **The essential sequence**: I know this does not sound politically correct. But it is true. Security and rule of law must come first, democratization is for later. In Bosnia, we made the mistake of having elections just five months after the war. The result was that the nationalistic parties won – those very parties that had been responsible for the war.
To sum up: It can be done. But peacemaking is expensive and difficult. To do it right, remember three words: responsibility, sustainability, legitimacy.

- Responsibility: once you are in, you change the landscape and you become responsible.
- Sustainability: you need the means, the long breath, and you need to finish the job.
- Above all, you need legitimacy. Because you cannot be democratically legitimized from the inside, you must be legitimated internationally.

Introduction

The lesson that is emerging from UNDP’s rich experience in conflict management is that the priorities of external actors in post-conflict reconstruction efforts are not or should not be bound by sequence but rather should be parallel processes. This means that post-conflict reconstruction (i.e., development and recovery planning) must be integrated into the very early stages of crisis response.

The strategic aims of external intervention have become clear: post-conflict support must first give people a sense of personal security and secondly build trust in the institutions of government. This includes rehabilitating the police, reforming governing structures and uniting former adversaries. It means getting demobilized soldiers into sustainable employment and creating fair and transparent institutions for justice and national reconciliation. It also means ensuring the delivery of basic services. Post-conflict re-building has proven fragile whenever these critical components have been inadequately resourced and implemented.

Ultimately, the various elements of peace-building are interdependent, and failure in one sector can mean failure in the rest. To that end, the UN, international and regional organizations, bilateral donors and NGOs must strengthen their institutional links and work together.

The Interface between Relief and Recovery

In thinking about long-term development and recovery as peace-building and post-conflict reconstruction, we need to re-examine our ‘priorities’ and the investments made during the beginning of the post-conflict period.
The international community has faced increasingly complex challenges in recent complex emergencies. We need to make sure that efforts are well integrated. Policymaking and funding apparatuses have traditionally been split down the middle – emergency relief on one side and reconstruction and development on the other. As a result, the gaps that have emerged are a persistent challenge to how the recovery process is managed.

UNDP is ideally placed to bridge these gaps and to contribute to the shared goal of linking development and peace-building. Our presence in these countries both before and after the outbreak of violent conflict puts us in a unique position to integrate relief, reconstruction and long-term development. Working with our partners, UNDP has an established track record in helping to build, consolidate and preserve the peace. From Mozambique to Albania to Guatemala, UNDP has played a key role in helping countries make the transition from situations of crisis towards long-term development.

Next Steps

Unsolved problems that leave the root causes of conflict to fester and reignite at a later date have bitter consequences and can ultimately threaten peace-building missions with failure. For example, countries affected by civil war face a 44% risk of returning to conflict within five years after the war has “ended.” We have seen this in places like Liberia and Haiti, where we are now engaged once again.

The repeated failure to create the transition from relief to recovery calls for a rethinking of the mix of investments typically made at the outset of post-conflict campaigns. Future interventions meet with resistance when conflict re-emerges because of failed transition. In addition, this threatens public support among taxpayers in industrialized nations for relief and reconstruction operations.

As we see in Iraq and elsewhere, the challenges we face in an increasingly volatile world show that the international community needs to do more to ensure that we have the systems and resources in place as a global community to respond effectively wherever the need arises.

UNDP has made significant progress within the UN system to help integrate relief and recovery to better respond to the development needs of...
countries in crisis. The Bureau for Crisis Prevention and Recovery (BCPR) was established to build on these successes. BCPR operates at the crossroads of the UN’s work in humanitarian and emergency relief, post-conflict peace-building and development. In 2001/2002, the Thematic Trust Fund for Crisis Prevention and Recovery (CPR TTF) received $165 million, a sum that exceeded the combined total of all other UNDP TTF’s. Yet it is testimony to the growing challenge of conflict management and nation-building that the CPR TTF, despite its current support among donors, remains vastly under-resourced.

Ultimately, peace-building does not wait for fund-raising. Conflicts are likely to reignite in the first year of peace. We must act quickly and robustly. Thus the central lesson we have learned is that it is vital to strengthen the coordination and provision of international assistance to crisis and post-crisis countries and that development must be integrated into the very early stage of reconstruction. By mobilizing the development funding of donor governments for immediate post-conflict intervention that focuses on bolstering the transition process, the merits and cost-effectiveness of viewing relief and recovery not as sequential but as parallel processes will become increasingly clear.
I would like to draw out three headline themes that emerged during our discussion.

The first one is the importance of security in the immediate post-conflict situation. Several panel members pointed out that given the high incidence of repeat conflicts there is a clear need to focus on the provision of security in the aftermath of a crisis. With nearly every second conflict being a repeat conflict, any post-conflict assistance on behalf of the international community should partly be measured by its success in achieving a sustainable security situation. Thus, cutting the vicious conflict cycle – which too many countries have fallen victim to during the last decades – is of central importance.

The role that international peacekeeping plays was highlighted in this respect. However, security needs to be seen not simply as the insertion of military forces of a peacekeeping, rapid reaction or enforcement type, but also policing, the provision of rule of law, justice support and a functioning penal system. Obviously, the role that the international community plays in this regard remains critical. But there are some limitations that we need to recognize in order to address effectively the problems of supporting a secure environment in transitional societies. For example, we need to be aware of gaps in the demand and supply of international security personnel that is readily deployable for crisis situations. This encompasses not only the quantity of personnel deployed, but also the training and logistical/financial support provided. These gaps exist in military support for peace operations as well as policing, rule of law and justice support.
There are currently about 100,000 troops deployed across the world in peace support operations of various sorts. This level has been relatively constant over the past decade, but is significantly less than the actual troop requirement globally. UK estimates indicate a current shortage of up to 100,000 deployable personnel (troops and police) required globally. Availability of additional troops would increase the likelihood of missions being adequately staffed. Lastly, a readily deployable contingent could provide a deterrent to some conflict protagonists from escalating crisis situations.

There are several current initiatives which can contribute significantly to diminishing this gap over the coming years: the strengthening of NATO’s rapid reaction capacity, the AU initiative for regional brigades, the EU rapid reaction capacity both for military as well as policing deployment, and the G8 Sea Island commitment are all welcome initiatives as they will increase the international community’s peace support operations capacity. There is, however, a need to translate verbal commitments to practical measures that will have real impact on the ground.

The second problem that our working group discussed involved the challenge of sustainability. Often, when peacekeeping forces are inserted, they will be deployed for a limited time. Thus, what are the security mechanisms that need to be established beforehand, and what are the structures that need to be created domestically that will be able to provide security in the longer term, even after an international peacekeeping or security presence leaves? Here the issue of local ownership becomes of critical importance. There are several choices to be made regarding both the local partners with whom one works to provide security as well as the appropriate level of international engagement. Local ownership is, therefore, a fundamentally political task because it involves identifying and working with some actors and not with others in the provision of security and the reconstruction of economies and institutions.

Which principles should guide the international community as regards the question of local ownership? The working group agreed on three broad areas of attention. First, there is a need to create accountability when providing security assistance to those who will eventually be providing security in the domestic context. Second, we cannot divorce the provision of security from sustainability. Who provides it? What financial support is available to it? Is it locally sustainable in the long run? What kinds of financial assistance (e.g., budget support) are provided and available to local security forces? Will that budget support be available in the long term? If not, are the salaries that are being paid for local provision of security sustainable? These are all issues that have development and political components to them. Therefore, the provision of post-conflict assistance is deeply intertwined with both political and development considerations. Third, all of this leads to the need for a clear strategy of engagement when we do intervene in these situations, so as not to intervene in a disjointed way. Often, ill-prepared interventions can do more harm than good.

Furthermore, a deep understanding of context is vital when considering how to enable local ownership. Long-term sustainability of local ownership is assured only when the local government is capable, accountable and legitimate, and when the interests of those who are governing are aligned with the interests of the society. If that set of conditions does not hold, there are difficulties ahead. What if the government is kleptocratic and run by a rapacious elite that is more interested in looting the state than supporting economic development? Therefore, international partners need to consider the government’s capacity as well the alignment of its interests with those of the wider society. In transitional periods, when a government is often very weak and few effective structures of governance exist, international assistance should focus on building country capacity and state institutions. In these conditions, we need to be careful that we do not hold fledgling governments to unrealistically high standards.

The issue of corruption came up as a very important theme in this discussion, and the point was made that corruption can lead to conflict, can prolong conflict and can reduce the ability to build peace after conflict. Therefore, small kleptocracies in developing countries, that are often supported by rich countries in, for example, the tax treatment of foreign corporations that might be involved in bribery, can have strong negative impacts on development and even on security. Therefore, it is critical to increase the accountability of international corporations involved in these countries and, more generally, to strengthen internal and external institutions that can reduce corruption. However, in many of these societies, what outsiders might see as corruption may not be similarly viewed in a local context, which points to the need to be very aware of the local context and to create systems of accountability that are domestically meaningful.

Finally, the working group also addressed the issue of prevention. There are two scenarios in which the international community can play a role in preventing crises. The first involves a situation of imminent crisis. What can external players do in this context? How do they create local ownership and strengthen local societies? It is often the harder preventive
measures, such as government pressure to change behaviour and move from the brink of conflict, that are most useful in this situation. The range of preventive actions or possibilities for engagement of non-government actors at this imminent crisis stage is very limited.

However, in the second scenario, when some risk factors are apparent but no imminent crisis exists, a much wider range of policy tools is available to reduce the risks of an eventual crisis. Both country-based and international mechanisms are important. At the country level, it is important to strengthen civil society organizations, such as independent media, advocacy groups and organizations that promote transparency. The efforts and initiatives of international groups such as the Open Society Institute need to be examined more carefully. There may be lessons here around strengthening countervailing levels within societies and countries that could be quite important in reducing or preventing conflicts and crises and creating systems that make governments more accountable over time.

There are mechanisms at the international level that can also increase accountability. The creation of a non-corrupt international marketplace was highlighted. Various initiatives, such as the Extractive Industries Transparency Initiative and the Publish What You Pay initiative are good, but need to be strengthened further. In addition, the international private sector can and does play a critical role in these environments. The individual accountability of those in power also needs to be considered — there are international mechanisms here that could be strengthened, including: the revitalization of the Financial Action Task Force; black lists that measure country compliance with basic norms and standards of governance and corruption; naming and shaming; making funding available to help countries redress some of these problems; and signing and promoting third country ratification and enforcement of the UN Convention Against Corruption. These are areas in which the international community can do more to create systems of accountability in the international sphere that could have an important deterrent effect on corruption and thereby help to prevent conflict.

In conclusion, it is important to underscore two key points. First, local ownership must be applied in a context-specific, customized manner. This requires a deep understanding and appreciation of the specific local conditions, culture and society in which the international community is involved. We should not be engaging in post-conflict situations with pre-cooked solutions that do not take the local context into consideration. This is not just a simple matter of principle but needs real investment in thinking about how we intervene in order to ensure that our interventions do more good than harm. Second, local ownership is essentially about politics. We act to empower some and disempower others. We thereby influence the politics of the country in question. In strengthening such ownership we need to ensure that we do not empower those who were responsible for the conflict and the crisis in the first place.

Finally, the Rapporteur drew attention to the report by the UK Prime Minister’s Strategy Unit, “Investing in Prevention – An International Strategy to Manage Risks of Instability and Improve Crisis Response,” which addressed many of the issues raised in the working group session.
Ultimately, in order for any post-conflict reconstruction effort conducted by external actors to succeed, it must be viewed as legitimate by affected local populations. For this reason, international and regional organizations, policymakers and scholars must continue to study and develop instruments that will enhance the legitimacy of conflict management operations in post-conflict scenarios.

The Nature of the Mandate

The second question our group focused on was: What is the nature of the mandate that the international community is working with in a particular post-conflict situation? Here, discussants felt strongly that, based on experiences gathered in recent years, the international community should take a minimalist approach to the mandates supporting an intervention. In other words, the international community’s objectives should be humble and achievable, and external actors should stick to these objectives. Otherwise there is the danger that local populations will develop unrealistic expectations of the international community’s efforts, and these expectations can turn into frustration, renewed conflict or aggression directed toward international actors when objectives go unfulfilled.

In addition, in seeking to fulfill their mandate, external actors must pay close attention to the interests, capabilities and expertise of local populations. Local populations may not be as politically articulate as representatives of international organizations, but they are extremely knowledgeable of their own situation. Therefore, external actors must not simply “parachute in” to a post-conflict scenario with a set of pre-packaged instruments and solutions. Rather, they must listen to and learn from local experts and communities, and local actors must be involved from the beginning in setting the agenda of the recovery and peace-building effort. This requires sensitivity and respect on the part of the international community toward the culture, religion, way of life, history and interests of local actors. In short, external actors must be sensitive to the situation on the ground in post-conflict reconstruction efforts.

This brings us to the next point – mandates need to be flexible and pragmatic. It is highly problematic to work with absolute benchmarks in post-conflict peace-building operations, i.e., demanding that a particular task or objective be accomplished by a particular deadline. Punishing local populations by withdrawing support when certain objectives are not completed by a certain time can be counterproductive. Despite our increased

Working Group on Legal and Political Instruments of International Involvement in Post-conflict Situations

Bethuel Kiplagat, Rapporteur
Ambassador; Special Envoy of Kenya to Somalia; Chairman, Intergovernmental Authority on Development

The discussion of the working group on "Legal and Political Instruments of International Involvement in Post-conflict Situations" focused on three primary issues: (1) the legitimacy of international interventions and peace-building efforts, (2) the nature of the mandate of such interventions, and (3) key priorities of the actual engagement in post-conflict scenarios.

International and Local Legitimacy

In our discussions, our working group identified two primary types of legitimization of international interventions. First, there is international legitimization, i.e., when a regional or international organization such as the United Nations or the African Union legitimizes either a pre- or post-conflict intervention within a conflict-affected country. This type of authorization can be either de jure or de facto, de facto in the sense that a region or a particular group of countries may feel that intervention is justified due to certain circumstances. Second, there is internal legitimization of the intervention from within the conflict-affected country itself. For example, a particular state confronted with an internal rebellion may request the international community to intervene in order to restore order and security. However, in particularly severe conflicts or situations of state failure, there may be no “state” to provide such internal legitimization. In such cases, if the affected society perceives the intervention as legitimate, a de facto internal legitimization arises from the local population who perceives the intervention as necessary to restore peace and stability and set the country back on the path of political and economic development.
emphasize on management techniques, we must remember that we are dealing with human beings and maintain a flexible approach.

**Key Priorities in International Community Engagement**

When discussing key priorities in the actual post-conflict engagement and implementation of policy by external actors, participants in our working group underscored the following points:

- It is imperative that external actors commit themselves to a long-term engagement in post-conflict situations. This clearly may involve a prioritization of activities or stages along a continuum, such as the establishment of security and stability first, followed by support for political institutions and processes, economic reconstruction measures, and efforts at reconciliation. But the point is that in order to be successful, intervening parties must make a realistic and substantial commitment of time.

- “Kick-start projects” – to solidify the security sector, set participatory political processes in motion, and jump-start economic activity – are crucial, as they influence the legitimacy of the overall effort and set the tone for what is to follow. It should be noted, however, that this entails a significant dilemma in post-conflict reconstruction efforts: the international community is often under great pressure to prove itself by demonstrating clear results and benefits for the local population as quickly as possible, when it is precisely in the early phase of recovery efforts that external actors still have much to learn about the situation on the ground. We must act quickly, but this can lead to mistaken policies. This is a dilemma that remains to be solved.

- Better coordination among international actors and donors is crucial. A great number of actors – e.g., international organizations, national governments, bilateral and multilateral donors and NGOs – descend on post-conflict countries. Insufficient coordination can lead to a multiplicity of often conflicting mandates and objectives that can lead to negative rather than positive impacts. We must work together to improve coordination in future efforts.

- Less is often more. In post-conflict situations, we are often seeking to provide support to fragile, embryonic institutions. If external actors are too heavy-handed in setting agendas and implementing projects, they can overshadow local actors and prevent them from taking responsibility for and ownership of the process.

- The dilemma of dealing with spoilers. In post-conflict operations, it is critical to identify potential spoilers and prevent them from derailing the reconstruction process. Yet this can lead to tensions between the crucial priorities of justice and reconciliation on the one hand, and participation on the other. For example, dealing with warlords (or “faction leaders,” to use a milder term) is often a central component of justice and reconciliation measures, but this can lead to the marginalization or alienation of particular persons and groups whose exclusion can weaken the legitimacy of the reconstruction effort, which needs to be as inclusive as possible. This is an additional dilemma for which the international community has not found an adequate solution: most likely we need to focus on finding local approaches to this problem – the local population needs to determine what is best.

**Points for Further Deliberation**

In closing, I would like to highlight two questions that arose in our discussion for which we have not yet found an answer. First, when does a “post-conflict” situation begin? The conflicts we are dealing with do not tend to have neat and clearly identifiable conclusions, yet timing is critical to the success of our efforts. How can we better identify the moment at which our post-conflict interventions will be the most effective? Second, is peaceful intervention possible? If so, what kind of mandate does this entail? The actors and instruments for military interventions are relatively clear. Yet in my experience in African countries such as Uganda and Mozambique, few actors seem to know when to intervene peacefully to prevent (further) conflict, and who should be given the mandate to carry out this intervention.

Clearly, we still have much work ahead of us.
The dilemma of early action/local ownership. Clearly, early action in the post-conflict phase – e.g., to guarantee security, establish basic governance institutions and procedures, provide a boost to the economy and reintegrate former combatants – is critical and can often make or break the mission. Many experts have underscored this fact during our conference. At the same time, however, the need to establish legitimacy through quick successes can conflict with the equally important need to ensure local ownership of the process. Indeed, it is precisely in the earliest stages of post-conflict peace-building when external actors are least familiar with the specific historical and social circumstances underlying a particular conflict, and when it is hardest for them to discern the local leaders and groups with whom they can best cooperate. As a result, the pressure to act quickly can result in counterproductive policy errors, mission creep, etc. This is a dilemma we have not solved, and we need to use our accumulated experience to address it.

Second, with regard to prioritisation:

- Root causes. Nowadays numerous conflicts generate their own self-perpetuating causes and dynamics, regardless of what the root causes and original motives of the conflict may have been. For example, war economies, organized crime and interference by outside/regional actors can add new dimensions and participants to particular conflicts. This problem necessitates new approaches to conflict mediation and particularly to the management of post-conflict situations.

- The nation-state logic/regional dimension. Violent conflicts tend largely to occur within weak or failed states. Such conflicts can spill over a particular state’s borders to produce instability and insecurity at a regional or even global level. In addition, parties to conflicts are not necessarily looking to gain power over the state. Spoilers of subsequent peace processes may be equally unperturbed by national borders. If a state’s institutions have been decimated by intra-state conflict, the international community (of nation-states) may have a difficult time finding adequate local counterparts during the post-conflict recovery period. Funding is usually there in the early phase of low absorption and may have gone once structures are there for achievements. Funds should, therefore, be calibrated in a way that it is available when there is capacity for absorption. Thus, contemporary conflicts raise questions about the validity of traditional concepts of statehood and sovereignty. As a result, the international community needs to pay more attention to (1) the necessity of developing more effective state-building instru-
ments and strategies and (2) the possibility that other forms of governance beyond the traditional nation-state (e.g., regional organizations) may become increasingly important in future efforts to regulate and manage conflicts, and they need to be supported.

Working Group on International Donor Coordination, Civil Society Engagement and the Role of Public-Private Partnerships

Colin Scott, Rapporteur
Lead Social Development Specialist, Middle East and North Africa Region, The World Bank

In summary, the working group on “International Donor Coordination, Civil Society Engagement and the Role of Public-Private Partnerships” concluded that each of these three issues should all be “nationalized” in their own way, in the sense that host governments in post-conflict situations should be encouraged and helped to take more control of them. However, this is easy to say but hard to do.

To take donor coordination first: what is it and where should we take it? It has been remarked that coordination is attractive as an active but not passive endeavour: something we all want to do, but nobody wants to have it done to them. The international effort to improve donor coordination has become a kind of quest for a Holy Grail. There have been numerous high-level attempts to find a model of coordination and improved practice, and some of the people who have been at the forefront of these efforts are participating in this conference.

It is important to break down what donor coordination means. We need to distinguish between the international, national and local levels. In addition, we need to do a better job of coordinating within in our own agencies and within our own governments. The consensus within our working group was that although we’ve made improvements over time, this is an area in which efforts are plagued by fundamental flaws in the system. However, if we wish to resolve this problem, we have to create concrete incentives for better practice. There is at least some evidence of progress.

For example, while we are trying to pass the control over coordination efforts to host governments, this is clearly a difficult task when – sometimes embryonic – governments do not have the necessary determination, control,
ability or experience. The recent experience in Afghanistan was recognised in our group as a good example of a host government taking the initiative to manage donor activities. Consequently, we have to focus and we have focussed on better and earlier capacity-building for emerging governments in such areas as recurrent expenditures within national budgets and instruments to improve coordination. For example, the increased use of trust funds was cited as very practical example and incentive for people to work together in a more effective way. We know there are problems with trust funds, and many issues to be sorted out, but there are at least some signs of better incentives.

There is a final point that has been raised frequently at this conference and that applies to donor coordination as well: we have to recognize that post-conflict operations are idiosyncratic. Since the nature of conflict in each case is different, the nature of the peace we are trying to build is necessarily different. Therefore, the message from our working group is that we must beware of models and be prepared to work in an ad hoc fashion, adjusted to the specific nature of each conflict.

Second, on civil society engagement, our discussion focussed very much on the role – both positive and negative – of NGOs. Of course, if we are really talking about civil society engagement and creating a buoyant civil society, this involves much more than just NGOs. Our discussion focussed on the appropriate role of NGOs and why, in some circumstances, governments view NGOs as more of a hindrance than a help. The reality is simply that, in many early post-conflict situations, NGOs may be the only game in town, certainly with regard to the provision of services. So the crucial factor here is the improvement of standards.

At the same time, it is critical to differentiate between international NGOs and NGOs from the host country. Ultimately, our goal is to reduce the role of the former and expand the role of the latter without reducing standards. Again, this is easy to say and not so easy to do.

Our working group concluded that NGOs should not be “outside the game” – clearly, they are part of the international response to post-conflict situations. Nevertheless, they should be held to professional and legal standards, and they should be made part of the solution and not part of the problem.

Third, public-private partnerships: here our discussion focussed on the private sector and the preconditions for its involvement in post-conflict reconstruction. In the very early stages of post-conflict recovery, it may be more useful to focus on the local private sector and the local economy rather than expecting to bring in a large number of international companies overnight. Members of our group also argued that, even over the longer term, there are some very real stumbling blocks to engaging the private sector in post-conflict environments. First and obviously, there is the difficult security situation. Second, there is the private sector’s frequent negative assessment of the market situation. And third, there is the unpredictability of the regulatory framework, the force of law to maintain contracts, etc. One interesting message expressed by our colleagues from the private sector is that they believe there has been a shift in their engagement paradigm away from the profit motive. Multinational companies now have broader interests in what they call “stability projection,” and they have a stronger sense of global responsibility that leads them to be engaged for more than profit motives. One major post-conflict issue relating to public-private partnerships is the management of natural resources. Inexperienced or new governments often do not have the ability to manage external actors and therefore require international expert assistance to help them negotiate effectively with international companies that may be looking for “short-cuts” or opportunities that are not in the best long-term interests of the host country.

Four broader conclusions emerged from our discussion. First, considering all the difficulties and complexities surrounding post-conflict recovery operations, it is difficult to avoid the conclusion that we should be putting an increasing premium on conflict prevention – and this applies to both post-conflict and pre-conflict situations. Of course, post-conflict recovery still requires an international response, but once the damage is done, we are starting from very far back. Second, we need to recognize that post-conflict reconstruction is highly problematic because it seeks to fuse many disciplines and approaches. It is development work, but development at the speed of emergency relief in harsh political realities. As a number of our high-level colleagues at this meeting have been honest enough to admit, intervention produces many mistakes only perceptible in hindsight. International politics is rarely a cakewalk, and we are often seeking the “least bad” path without sowing the seeds of future conflicts. Third, although we treat the term “post-conflict” in a generic manner, it is helpful to differentiate between different stages. Priorities in the first six to twelve months of a post-conflict reconstruction or recovery program are very different from longer-term priorities, and we know that these recoveries can take ten years or more. In the earlier stages, client governments need to focus on political achievements, on measures that build confidence, on visible gains that provide the population a real sense of confidence in their recovery. And these issues may be
different from some of our longer-term technocratic concerns. Some of the reforms we are looking for, such as particular improvements in governance, macroeconomic management, etc., may need to take a back seat during the early months of recovery. Finally, the issue of leadership is paramount, and this is a subject on which Minister Ramos-Horta spoke very convincingly and powerfully. It is difficult to overvalue good leadership in recovery situations, both as a technical skill and as a source of confidence and inspiration. The international community may not be able to provide the raw inspiration of local leaders, but it can certainly provide back-up assistance on a technical level to improve leadership skills – these are skills that can be learned.
Concluding Remarks

Kerstin Müller
Minister of State, Federal Foreign Office

Ladies and Gentlemen,

Let me give my warmest thanks to all participants in today’s discussions and especially to our four panel rapporteurs. We have had a very rich and fruitful exchange of experiences and views. I think each of us has received new insights and ideas for further reflection. In any case, this conference is part of an ongoing larger learning process.

We cannot expect such a conference to deliver all the answers. But sometimes it is equally important to ask the right questions. It is crucial for the international community to show its commitment to post-conflict reconstruction. Nevertheless, I think there are some significant results that we can take home with us. So let me make an attempt to sum up some of the findings of this conference.

I think we can agree that some preconditions are absolutely necessary for the successful reconstruction of societies. Above all, any intervention needs to be legitimate, and only the United Nations – or in some cases regional organisations – can provide the necessary legitimacy.

All our efforts to contribute to global security will have to take place within the framework of a multilateral system. We need a system of effective multilateralism; only then will we be able to generate the necessary legitimacy and acceptance. Our friend, Minister Ramos-Horta, mentioned this in his excellent speech last night.

Taking into account their crucial role, we need to strengthen and reform the United Nations and its regional organisations, so that these institutions can fulfil their central tasks in the years to come.

Beyond the international framework, we also have to ensure the full participation of civil society, including women. Without the ownership of the people concerned – the principle of local responsibility – our efforts will not be sustainable. In addition, we must strive to create legitimate structures capable of good governance. To me this entails democratic, transparent and accountable institutions and procedures that respect and guarantee human rights.
Against this background, I think we should recall at least some of the insights where we seem to have reached a consensus:

**First, security is indivisible and comprehensive:**

Only those societies that uphold human rights, respect the cultural identities of all its parts, implement the rule of law and develop an institutional and legal framework for prosperous economies can achieve peace.

I fully agree with Lakhdar Brahimi that legitimate government structures must be built from the local level up to the national level, not in a top-down manner. We need to strengthen the principle of local responsibility. This is the precondition for local and national legitimacy and acceptance.

**Second, the need for coordination:**

Donor coordination is a challenge in development work in general, but it is even more essential in post-conflict situations.

The World Bank and the EU have often played an eminently useful role in mobilizing resources through donor conferences and in setting a general framework for reconstruction priorities. A lot, however, depends on the ability of local donor representatives to work together.

Non-governmental aid organizations and private enterprise can play a very useful role. Governmental donors and international organizations should maintain their own autonomy, but they should also accept all players as valid partners in a system of effective multilateralism. In turn, NGOs must uphold certain standards so that they become part of the solution and not part of the problem.

**Third, the riddle of priorities:**

In reconstruction, many aims must be pursued at the same time. Security may be the most important issue in the early stages of managing post-conflict situations. Security is an important prerequisite for aid and private sector engagement. Thereafter, the most important limiting factor for economic development will often be local institutional and administrative capacity. Furthermore, the rule of law is essential for ensuring successful investments and reconstruction.

Humanitarian aid is important in the early stages, but it must not evolve into an impediment to reconstruction. Refugee camps are not a basis for a peace economy.

Front-loaded aid may be too much for local institutions to handle. Donors then face the danger of having to operate in place of those local institutions. This may undermine the crucial process of institution-building.

**Fourth, on the politics of reconstruction:**

The only basis for lasting peace is a peaceful civil society. The international community normally interacts with governments. However, in the very early stages of post-conflict scenarios, when governmental structures are weak, the international community will have to communicate with the people directly. We need to find better ways of doing this.

Moreover, civil society has to build up its own legitimate government structures. Here, the international community can play only a supportive role. I would like to mention the Loya Jirga process in Afghanistan as an example for building legitimate governing structures from within civil society and from a basis of broad local responsibility.

**Fifth and finally, the need to be prepared:**

The international community must be prepared to give strong and lasting support to post-conflict countries. At the same time, it must work hard to prepare its own disengagement and a transfer of authority that must proceed step by step.

Governments should at all times be prepared to support the emergence of peace. A number of governments have created institutional focal points – for example, coordinators who monitor crisis situations – to help mobilize their country’s capacity to provide post-conflict assistance.
Josef Janning
Head, International Relations Program, Bertelsmann Stiftung

Thank you, Minister Mueller, for what I believe is a very comprehensive conclusion to our debate, if there can be a conclusion at all.

It seems to me that, despite all our well-intended efforts, what still stands out is the urgent challenge to move “beyond cold peace.” Based on my personal observations during this conference, I have identified six major issues that deserve closer scrutiny and that are key to the development of more effective post-conflict reconstruction strategies. These are:

1. The inadequacy of tackling new conflicts with old instruments: The state – especially those that are “weak” or “failing” – is less and less a source of stability and integration in many conflict-affected regions. Rather, it often becomes a target or plaything of the warring parties. In other cases, conflicts take the form of an asymmetric struggle between a regime and adversaries who claim to represent a repressed part of society. These types of conflict defy the traditional international structure of a community of Westphalian states and international organisations that are constrained by principles of non-interference and state sovereignty. The historic experiences of national integration and democratisation in 19th and 20th-century Western Europe also serve as inadequate models for external actors engaged in post-conflict state-building efforts.

2. The importance of early action: Post-conflict reconstruction operations are becoming an increasingly significant component of the international security environment due to the changing character of conflicts and the international community’s apparent growing resolve to intervene in conflict scenarios. Nevertheless, we still lack clear agreement on priorities and effective strategies. The initial days or weeks of the post-conflict phase – when the focus shifts from stabilization operations to political and economic development, and from mainly military to increasingly civilian actors – seem to be the critical moment that may tip the scales toward a mission’s success or failure.

3. Risky decisions are an unavoidable part of the process: Post-conflict societies are by nature deeply divided. Institutions are generally weak and lack legitimacy. Reform processes are hindered by vested interests keen on maintaining power. In this kind of climate, any significant project of post-conflict reconstruction – for example, the build-up of democratic processes and institutions or the implementation of economic reforms – is bound to be contentious and potentially destabilising. As a result, potentially unpopular decisions have to be made and explained. Similarly, providing credible alternatives to criminal activities is not a minor priority but rather a core task of conflict transformation and peace-building, and we need to be willing to take more risks and devote more resources to this critical area.

4. The challenge of globalised crime: The pervasive take-over of conflict zones and weak or failed states by transnational organized crime is the real, qualitatively new challenge of conflict management and economic reconstruction in the 21st century. Criminal activities – and their links to international terrorism – thrive in these loopholes of world order, often perpetuating the conflict irrespective of its root causes and posing threats on a potentially global scale.

5. The necessity of long-term engagement: By and large, the international community has pursued a strategy of conflict intervention that seeks to stabilize the security situation, organize democratic elections, and then exit as quickly as possible. As we have seen from numerous examples, this approach is unrealistic and often counterproductive. Post-conflict reconstruction efforts are complex, multidimensional operations that encompass issues of security, politics and institution-building, economics and social welfare, and justice and reconciliation. These things take time, and to pretend otherwise can lead to significant problems – underfunded missions, lack of personnel, negative public opinion in the societies of intervening countries, and mounting frustration and renewed conflict among the local population – that can threaten the success of the entire mission.

6. The difficulty of telling right from wrong: While each conflict has its perpetrators and victims, no international strategy can be based exclusively on moral considerations of right and wrong. In intra-state conflicts, large population groups are inevitably victimised or traumatised by the conflict. At the same time, large numbers of people are directly or indirectly involved in the perpetuation of the conflict and its underlying structures. But it may be quite difficult for international actors to distinguish the difference between perpetrators and victims, and the
tendency of individuals and groups to present their behaviour in the best possible light – whether intentionally or unintentionally – only adds to the confusion. Thus the proper mixture of transitional justice, truth and reconciliation measures, and local or international tribunals to deal with war criminals will depend on the specifics of each conflict, and external actors must be highly sensitive to the needs and demands of local populations.

I had another observation during the conference. Given the intense involvement of international and regional organizations, national governments, NGOs and donors in this kind of business, we need to engage in continuous reflection on the work we are doing. And my feeling is that, while each individual organization may engage in critical evaluation of its own work, what we are missing is meaningful cross-institutional exchange at both the academic and policymaking levels. One of the interesting features of yesterday’s and today’s discussions, however, was that we began to think and discuss across these organizational and institutional boundaries. In this spirit, I was very encouraged by the pragmatic convergence between Europeans and Americans that emerged from our discussions, as was clearly visible in this morning’s debate between state actors in international organizations. As much as we may differ on specific situations and priorities, I think that when it comes to longer-term interests and strategies, there is much common ground that we can build on.

The past fifteen years have provided us with enormously rich experience in dealing with the complex conflicts that have emerged since the end of the Cold War. There has probably never been a time when the international community has been so engaged in efforts to ensure the peaceful settlement of conflicts. We need to evaluate this experience, to learn systematically from our successes and our mistakes, and to communicate pragmatically across institutional and geographic boundaries. I am confident that this will enable us to refine our strategies and to strengthen the success of our future efforts.

Thank you very much.
Given the complex nature of today’s local and regional conflicts, their repercussions outside the immediate conflict zone and the threats they pose to international stability, it is crucial for the international community to develop a coherent strategy to deal with such situations. Security problems can be tackled successfully only by cooperative efforts and well-coordinated and targeted measures. This requires an approach that focuses on the root causes of conflict and views crisis prevention as a political priority. Foreign policy must be more than a damage limitation exercise or a makeshift response to unexpected problems. Crisis prevention must be seen as part and parcel of global governance.

The Federal Government’s approach to crisis prevention is based on a broad concept of security. Its Action Plan for “Civilian Crisis Prevention, Conflict Resolution and Post-Conflict Peace-Building,” which was approved by the Cabinet on 12 May 2004, highlights the changing nature of conflict around the world and what this means for the institutional framework of crisis prevention in Germany. It sets out some 161 proposals for action, which the Federal Government plans to implement over the next five to ten years.

To obtain a clearer picture of where there is scope for improvement, the Action Plan also takes stock of the Federal Government’s current capabilities in the field of civilian crisis prevention. It identifies leverage points, fields of action and actors at the global, national and regional level and recommends a broad range of interlinked and mutually reinforcing measures. To optimize the Federal Government’s crisis prevention performance, the Plan recommends above all improved coherence and coordination as well as a greater focus on crisis prevention as a cross-sectoral task. This means crisis prevention must be made an integral part of all government policy and action.

As the Action Plan points out, crisis prevention is concerned not just with acute and violent conflicts and what may escalate or defuse them but also with their root causes and contributing factors. It underscores the
importance of strengthening civil society structures and emphasizes that such structures can complement military capabilities. In line with its broad concept of security, the Action Plan envisages a wide range of measures in a number of fields. If people are to enjoy greater security and real development, action may be required to secure or restore the state’s monopoly on the use of force - and this must be done in accordance with rule-of-law principles. One of the Action Plan’s top priorities is therefore the establishment of functioning government structures that give all citizens access to proper dispute settlement procedures and protect their human rights.

Since civil society and the media also have a vital role to play in nurturing a culture of peace, complementary programmes are envisaged to encourage peaceful ways of resolving differences. Action to support the shift to a peace-time economy and to diversify production can likewise make a crucial contribution to securing livelihoods and thereby enhance stability.

To achieve maximum long-term impact, crisis prevention requires a multilateral approach. By and large, therefore, Germany’s crisis prevention capabilities are deployed under UN, EU, OSCE or NATO auspices and mandates. Crisis prevention is now deemed a core task of both the UN and the whole spectrum of regional organizations. In this respect the Action Plan reflects the growing international consensus on the need for what Kofi Annan has called “a culture of prevention.”

Experience has also shown that crisis prevention activities in the field greatly benefit from close cooperation with NGOs. In addition to running crisis prevention projects, many NGOs have their own transnational networks that enable them to detect early warning signs and dangerous situations in the making. In several areas the Action Plan accordingly places great emphasis on cooperation with civil society actors, particularly in regions threatened with instability.

As an institutional response to the changing nature of conflict around the world, the Action Plan recommends that all government ministries appoint commissioners for civilian crisis prevention, who together constitute the Interministerial Steering Group for Civilian Crisis Prevention chaired by a Foreign Office representative. In addition to ensuring consistency across the whole spectrum of government policy and action, the Steering Group is the contact point for non-governmental actors on all matters within its remit. To help the Steering Group serve as interface between the Federal Government and civil society, the Action Plan recommends the establishment of an Advisory Board of scholars and civil society representatives to provide the Steering Group with expertise and support.

The Interministerial Steering Group met for the first time in September 2004. It is due to report to the German Bundestag in early summer 2006 on the results of its work. Its task is to coordinate all activities of the Federal Government in the field of civilian crisis prevention and ensure across-the-board coherence and consistency. By harnessing all efforts and creating synergies, it is hoped that the Steering Group will enhance the Federal Government’s capacity to act in potentially dangerous situations.

The Steering Group is responsible for ensuring continuity, transparency, oversight and consensus as regards all activities carried out independently by the relevant ministries. The interministerial cooperation required to implement the Action Plan calls for considerable flexibility on the part of all involved, who need to be open to new ideas and ready to learn from experience abroad. Crisis prevention is always a dynamic process and needs ongoing political support. To maintain the necessary political momentum, working-level meetings are complemented by high-level meetings between the state secretaries and ministers of state of the various ministries.

The Steering Group focuses on issues that clearly require interministerial cooperation and are likely to raise public awareness of the contribution Germany is making to crisis prevention and peace-building. The following illustrate some of the issues on its agenda:

- Interministerial country panels have been established to ensure better coordination of our crisis prevention efforts and draw up specific operational strategies for prevention. These panels include representatives of all major German actors in this area, both governmental and non-governmental. By enabling the relevant foreign, development and security policy actors to gain experience in cooperating more closely, they will also help improve interministerial procedures for consultation and coordination.

- Since the Federal Government has as yet no overall plan for dealing with failing/failed states, a working group on security-sector reform has been established to draw up an interministerial framework plan for supporting security-sector reform in partner countries. This will make for better interministerial coordination and offer an opportunity to examine the scope for an interministerial pilot project. In the interest of better coordination of German efforts in this area, it is hoped this will encourage the Foreign Office and the Economic Cooperation and Development, Defence, Interior and Justice Ministries to reach a consensus on joint guidelines and standards.
With a view to improving our human resources capabilities, another working group has been set up to clarify legal questions relating to the deployment of civilian experts on international peace missions and to present proposals to the Steering Group on ways to close any existing gaps (e.g., the legal basis for deployments, social security status).

A group of budget experts is to examine the feasibility of pooling budgetary resources for crisis prevention. Britain has led the way in piloting this interesting new model based on a common pool of Foreign Office, development aid and defence funds for crisis prevention. Whether such jointly administered funds – possibly with the involvement of other ministries as well – would be a practicable option for us in Germany is a question that will be given serious and impartial consideration.

The Action Plan represents a major contribution to the ongoing and wide-ranging debate on security and peace issues, in which many civil society actors have played a valuable role as well. The Plan not only emphasizes the importance of civilian crisis prevention but also – and this is its key feature – defines a whole set of concrete actions to be taken at the operational level and identifies what is needed at the political level to ensure maximum impact. Other noteworthy aspects are its espousal of the do-no-harm principle (every action must be examined to determine whether it does more harm than good), the priority it gives to strengthening the rule of law and institutionalizing procedures for peaceful dispute settlement as well as its emphasis on the responsibilities of private companies that operate in conflict zones.

One difficulty with this new concept of crisis prevention is that it beams no dramatic images into our living rooms – a crisis prevented is simply not news. Even though prevention is always less costly than dealing with full-blown crises once they occur, the management of ongoing crises inevitably tends to divert attention away from efforts to prevent nascent crises. Nevertheless, crisis prevention is indispensable. The Federal Government recognizes this and has acted accordingly. A task of this magnitude of course calls for considerable staying power – but that, too, is clearly understood by all concerned.

The Action Plan on the Internet (in English):
Wednesday, 27 October 2004

Luncheon

Welcome and introduction
“The Challenge of Reconstruction”
Joschka Fischer
Federal Minister for Foreign Affairs, Berlin
Lakhdar Brahimi
Ambassador; Special Advisor to the Secretary-General, United Nations, New York
Josef Janning
Member of the Management Committee, Bertelsmann Stiftung, Gütersloh

Coffee break

Parallel discussion groups (4)

Panel A
Legal and political instruments of international involvement in post-conflict situations
Chair:
Lakhdar Brahimi
Introductory remarks:
Cornelio Sommaruga
President, Geneva International Centre for Humanitarian Demining, Geneva; President, Initiatives of Change International, Caux; former President, International Committee of the Red Cross, Geneva
Panel C
Enabling local ownership, economic sustainability and responsive government
Chair:
Mbuyamu I. Matungulu
Deputy Division Chief, International Monetary Fund, Washington DC
Introductory remarks:
Peter Eigen
Chairman, Transparency International, Berlin

James F. Dobbins
Ambassador; Director, International Security and Defense Policy Center, RAND Corporation, Arlington VA

Rapporteur:
Ameen Jan
Head, Countries at Risk of Instability Project, Prime Minister’s Strategy Unit, London

Panel B
International donor coordination, civil society engagement and the role of public-private partnerships
Chair:
Stephan Kinnemann
Special Advisor on Investment and Trade to Afghanistan, Government of the Federal Republic of Germany
Introductory remarks:
Sukehiro Hasegawa
Special Representative of the UN Secretary-General for Timor-Leste; Resident Coordinator for Operational Activities for Development of the United Nations System, Dili

Michael J. Inacker
Vice President, External Affairs and Public Policy, DaimlerChrysler AG, Stuttgart

Rapporteur:
Colin Scott
Administrator, The Conflict Prevention and Reconstruction Unit, The World Bank, Washington DC

Panel D
Timing, sequencing and prioritisation in post-conflict management
Chair:
Carlos Pascual
Ambassador; Coordinator for Reconstruction and Stabilization, U.S. Department of State, Washington DC
Introductory remarks:
Lord Ashdown
High Representative and EU Special Representative, Bosnia and Herzegovina, Sarajevo

Michael Steiner
Ambassador, Permanent Representative of Germany to the United Nations and other International Organizations, Geneva
Rapporteur:
Bethuel Kiplagat
Ambassador; Special Envoy for Somalia and Chairman, Intergovernmental Authority on Development (IGAD); Somali National Reconciliation Conference, Nairobi
Thursday, 28 October 2004

Plenary Session
"Making economic reconstruction and post-conflict management work – strategies for engagement and disengagement"

Chairs:
Kerstin Mueller
Minister of State, Federal Foreign Office, Berlin

Josif Janning

Statements by the Rapporteurs:
Bethuel Kiplagat

8.00 p.m.

Julia Taft
Assistant Administrator and Director, Bureau for Crisis Prevention and Recovery, UNDP, New York

Rapporteur:
Daudi Ngelautwa Mwakawago
Ambassador; Special Representative of the UN Secretary-General for Sierra Leone, Freetown

Dinner
at the Berlin House of Bertelsmann AG and the Bertelsmann Stiftung, Unter den Linden 1

Dinner Speech
José Ramos-Horta
Senior Minister and Minister of Foreign Affairs and Cooperation of the Democratic Republic of Timor-Leste, Dili

11.00 a.m.
Lounge Weltsaal

11.30 a.m.
Continuation of plenary session
General debate and conclusions
Chairs:
Kerstin Mueller
Josif Janning

1.00 p.m.
Luncheon

Colin Scott
Ameen Jan
Daudi Ngelautwa Mwakawago

Coffee break

Dinner
at the Berlin House of Bertelsmann AG and the Bertelsmann Stiftung, Unter den Linden 1

Dinner Speech
José Ramos-Horta
Senior Minister and Minister of Foreign Affairs and Cooperation of the Democratic Republic of Timor-Leste, Dili

9.00–11.00 a.m.
Weltsaal
### List of Participants

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