WELCOME AND INTRODUCTION: William S. Reese, ACVFA Chair

William S. Reese, ACVFA Chair, welcomed the ACVFA members, the U.S. Agency for International Development (USAID) staff, and meeting participants. Mr. Reese introduced the new members of the ACVFA: Benjamin Homan, President and CEO, Food for the Hungry; Iqbal Noor Ali, CEO, Aga Khan Foundation USA; Michael J. Nyenhuis, President, MAP International; John Sullivan, Executive Director, Center for International Private Enterprise; and Larry Diamond, Senior Fellow, Hoover Institution, Stanford University. Mr. Reese also thanked the following ACVFA members whose terms recently ended: Peggy Curlin of CEDPA, Robert Chase of World Learning, Jane Pratt from the Mountain Institute, and Jim Henson from Washington State University. Mr. Reese then introduced the new Executive Director of the ACVFA, Jocelyn Rowe.

"DEVELOPMENT AND HUMANITARIAN ASSISTANCE: LESSONS IN POST-CONFLICT RECONSTRUCTION"

Panel Discussion of lessons learned from experiences in Afghanistan, Angola, Bosnia, Kosovo, Mozambique, Sierra Leone, Sudan, and Iraq

Moderator: Charles MacCormack, ACVFA Member

Mr. MacCormack remarked that the partnership between the U.S. voluntary community and USAID is often implemented in situations of conflict and post-conflict reconstruction. Mr. MacCormack asked each of the panelists to share lessons learned about post-conflict reconstruction.

Argentina Matavel, World Vision

Ms. Matavel's experience in post-conflict situations has been primarily in Mozambique, Angola, and the Democratic Republic of Congo. One of the factors that was key to the success in Mozambique was that the government took a firm role in coordination. Donors also had their own coordinating mechanism. In Angola, the United Nations (UN) coordinated the humanitarian aid. In the Democratic Republic of Congo, however, there is a lack of coordination, making humanitarian work difficult.

Ms. Matavel commented that for non-governmental organizations (NGOs) to be able to work on the ground they must deal with political issues. They must not be seen as
serving one side or the other. A factor for success in Mozambique was complementary interventions. In addition to distributing food, World Vision also engaged in other interventions that helped people get back on their feet after the war.

Ken Isaacs, *Samaritan's Purse*
Mr. Isaacs focused his remarks on Sudan where Samaritan's Purse has six active program sites. He said that determining who is in charge in post-conflict situations is often difficult. In his experience, those with guns are in charge, and it is good policy to have a positive relationship with them. In Sudan, USAID promises of support have acted as a great leverage in peace talks.

Mr. Isaacs stated that there are not really many post-conflict situations in the world - most of them are still in conflict. The basic paradigm of a working environment is changing radically. It is important in these changing environments to identify the players, their capacities, and their agendas. It is an ongoing challenge at the field level.

Frederick Barton, *Center for Strategic and International Studies (CSIS)*
Mr. Barton co-directs the project on post-conflict reconstruction at CSIS. They produced a paper entitled "Wiser Peace" several months before the war in Iraq that suggested ten action steps to win the peace.

The Post-Conflict Reconstruction Commission developed a four-pillar approach, with which most people seem to agree. The pillars include security and public safety; governance and participation; justice and reconciliation; and economic and social well being. Mr. Barton outlined three factors that determine success in post-conflict reconstruction campaigns:

1. Determination of who is in charge
2. Availability of flexible funding
3. Provision of public safety

Mr. Barton commented that there is legislation pending in the Congress, but it underestimates the size and complexity of the task. He said that the Department of State is planning an office of coordination, but to date it has no money and no authority. It is critical to overcome this constant underestimation of the task.

Colonel Paul Hughes, *National Defense University*
Colonel Hughes coordinated the first conference among the U.S. Government agencies in post-Saddam Hussein Iraq. Colonel Hughes looks at things through a paradigm of balancing ends, ways, and means. He said that creating peace is a more comprehensive
and challenging task than defeating an army. One of the biggest factors in how the military gets involved in these operations is the legal basis under which they proceed.

Colonel Hughes emphasized the importance of developing a unity of effort among the various players on the ground. In the U.S. military there is a tenet that there must be unity of command. This works well in wartime, but it hasn't worked as well in peacetime. Translating the unity of command in wartime to a unity of effort in peacetime is a topic that needs further exploration and discussion. Colonel Hughes remarked that he sees NGOs as significant partners in this process.

Jim Kunder, United States Agency for International Development
Mr. Kunder is Deputy Assistant Administrator for USAID's Asia/Near East Bureau, which has responsibility for managing USAID programs in Iraq and Afghanistan. Mr. Kunder remarked that Iraq and Afghanistan are not peacekeeping environments; they are ongoing wars. Mr. Kunder questioned whether consistent models can be applied across the board, or whether new models of cooperation are needed. The organizational structure for managing post-conflict situations is critical. There are many players in post-conflict situations and it is necessary to have an organized structure in which to work out the issues.

Nancy Lindborg, Mercy Corps
Ms. Lindborg focused her remarks on Bosnia, Kosovo, and Afghanistan. She said that it is difficult to draw lessons from such vastly different situations, but she proposed four themes for consideration.

1. Security is essential. There is a price to be paid when one attempts development in a security void.

2. There is a need for longer-term transitional funding to move more seamlessly from the early stages of an emergency to development.

3. USAID has often missed an opportunity to work with NGO partners into the development stage. Focusing completely on the macro reform misses the constituency building, networks, and community contacts that NGOs bring through their longer-term presence in the country.

4. The timing of elections is critical. In Bosnia an early rush to elections hardened and validated the power base of some of the most extreme actors. There are fears that the same might happen in Afghanistan.

Mr. McCormack asked the panel members to comment on why there has not been more movement from lessons learned to public policy.

Mr. Barton responded that the tasks that are required for post-conflict reconstruction do not fit the preferred directions of most of the institutions involved. Institutional habits and practices keep organizations from doing what is necessary in post-conflict situations.
Mr. Barton remarked that the experts have not done a great job of convincing the American public how central this issue is to the well being of the world. There is more awareness now because of Iraq and Afghanistan, but he worries that the message that Congress is getting from their constituents around the country is that these are impossible situations in which the U.S. should not get involved. Mr. Barton predicted that Congress will not pass legislation this year, and next year the popular opinion may be against engagement.

Mr. Kunder observed that there has been significant progress in the last year. There is a piece of legislation reported out of the Senate Foreign Relations Committee and there are a number of think tanks working on this issue. The National Security Council (NSC) is moving a plan through the system. There is a newly created structure at the Department of State. Mr. Kunder said that he sees the trend line moving in the right direction. He suggested that increased coordination within the U.S. government will lead to a better dialogue with the international community.

Mr. Kunder emphasized that if the civilians do not get better organized soon, the U.S. military will take over the management of post-conflict reconstruction. He said there are plans at the National Defense University to create two new post-conflict divisions in the U.S. Army. The Joint Forces Command is developing concepts that include the deployment of Joint Task Force Commanders with representatives of the Department of State, USAID, and the Department of Justice embedded in their units.

Mr. Kunder appealed to the ACVFA to give the U.S. government some good ideas for better organization on the ground, ideas that respect the role of the NGO community.

Ms. Lindborg underscored the point that there has been a disparity of funding between military and civilian capacities, particularly over the past decade. She said that it is important to put the issue of funding in front of the legislators.

Ms. Lindborg remarked that in Bosnia and Kosovo the civilian administration structures were staffed by military in the early months because there were no trained, capable civilian actors to take those positions. The pending legislation will increase the civilian capacity for post-conflict reconstruction.

Ms. Lindborg remarked that the NGOs have actually lost ground on the issue of how they fit in and contribute to the effort. She said that there is a drive towards joint effort that has sometimes been perceived as a movement towards control, rather than as working together towards common goals. Ms. Lindborg suggested that there is strategic value to having some independent actors who are "outside the wire" and can make the necessary community connections.

There is a lot of local and regional NGO coordination in Afghanistan even though it may look more chaotic from the national perspective. However, communication needs to be improved, particularly between civilian and military actors.
Ms. Lindborg urged the NGO community to get more organized about proposing mechanisms that would enable large funding to go forward in a coordinated way. She said that NGOs need to be able to articulate the value that they bring. They need indicators that measure the longer-term change processes that are so important to the creation of stability.

Colonel Hughes remarked that a soldier's challenge is to establish control over a chaotic situation. He said that is why the military enters a conflict zone demanding to be placed in charge. Whether or not they are acknowledged as being in charge is almost irrelevant because they bring so much with them - logistics, communications, and security.

Colonel Hughes suggested that if Congress is not behind a war, supported by the American people, the unity that is needed to bring together the necessary resources and support from the government and the NGO community will be lacking. He said there are not enough coalition troops in Iraq to establish a secure environment.

Colonel Hughes said that there is a recognized need for change in the Army. He commented on the proposed post-conflict reconstruction divisions. The proposal includes two new headquarters for post-conflict reconstruction coordination using troops that already exist in the force structure. Colonel Hughes pointed out that the existing force structure will not support it. He concluded that the proposal is not a winner.

Colonel Hughes remarked that the Joint Interagency Coordination Groups (JIACG) include various members of U.S. government agencies stationed with each commander to deal with a variety of issues. The commanders will focus their JIACGs on issues germane to U.S. national interests including drugs, transnational crime, and terrorism. It is an attempt by the military to establish control over chaotic regions.

Colonel Hughes said he is not sure how to solve the clash of cultures within the U.S. government, or between the NGO community and the U.S. government and military. Everyone needs to learn to work together in these situations. He remarked that progress had been made in the 1990s. That was articulated in Presidential Decision Directive 56, which was one of the first documents to be cancelled by the current administration. He doesn't think that Congress will make the necessary changes, unless the American people demand it. The people will only demand change if their value system is being attacked and they are sensitized to the need for that change.

Mr. Barton said that change starts with a recognition and acceptance of shortcomings. A creative tension between legislators and the administration could bring the needed change. He also stated his belief that there has to be someone in the White House who has the President's ear on these issues.

Mr. Barton remarked that one very basic decision is to determine when places are post-conflict and when intervention makes sense. If there are still bullets flying it is extraordinarily difficult to ask civilians to make a significant contribution.
Mr. Kunder recommended that the meeting participants read the proposal by Senators Lugar and Biden. It envisions a new structure at the Department of State staffed with experts in post-conflict reconstruction. These people would plan in advance of conflict situations, coordinating with U.S. government, military, and the NGO community.

Ms. Lindborg stated that in Afghanistan and Iraq there was a rush to declare peace that further complicated the situation. There was a lack of transparency about what was really going on, both in terms of security and resources. Ms. Lindborg reminded the NGO community that it has a responsibility to mobilize public opinion on these issues. She urged the NGO community to take seriously its role in catalyzing the U.S. public.

Ms. Matavel remarked that it is important to examine how the country itself and the international community view the U.S. military. Whether they are viewed as part of the problem or part of the solution determines the ability of NGOs on the ground to coordinate with the military.

Mr. MacCormack asked the panelists to comment on multilateral communication and division of labor.

Mr. Kunder responded that it is to the advantage of the U.S. to create a structure for post-conflict reconstruction within the U.S. government. Creating structure in the U.S. government does not diminish the role of international organizations.

Mr. MacCormack remarked that there is a need to better orchestrate the capacities of different states and societies in the world system.

Colonel Hughes said that in post-conflict reconstruction scenarios it is not the intervening force that is going to successfully establish a sense of security. Security begins in the minds of the citizens of the affected country. The instruments that will assure the people that security and stability are on the way will be their police, their courts, and their prison systems.

Mr. Barton remarked that it comes back to the enormity of the task. With a task this large one must expand the market and find more qualified players. He said that there are advantages to burden sharing.

**DISCUSSION**

An ACVFA member asked for advice about how the NGO community can coordinate with the military in post-conflict situations. Colonel Hughes responded that in order for the military to get involved in cooperative activities, a policy directive from the civilian leadership of the military is required. He recommended the JIACGs as a place to begin. Mr. Kunder said that NGOs think about coordination in a regional sense, while the military thinks of coordination on a broader scale. He challenged the NGO community to develop a plan for broader, more inclusive coordination.
An ACVFA member said that the common dilemma from all of these efforts is the dramatic failure to engage with the local business community and civil society until very late in the game. Ms. Lindborg pointed out that a critical contribution of the NGO community is to be on the ground helping to build local capacity. One commonality of USAID’s response in many situations is that they have not invested in community building. They have gone to a top down, macro institution reform set of investments to the exclusion of engaging local actors and civil society. She said that there is a need for a balance between macro approaches and local engagement.

A participant asked the panel to address absorptive capacity of development aid. Ms. Matavel replied that most NGOs want to have longer-term funding, but are constrained by funding requirements. Mr. Barton remarked that he has yet to be in a situation where the absorptive capacity of the local people has been exceeded.

A participant asked what lessons have been learned regarding economic reconstruction. Mr. Kunder responded that issues relating to financial markets, currency investment climates, and engaging the private sector are now considered intrinsic to early post-conflict reconstruction.

In conclusion, Mr. MacCormack made two general observations:
1. The broad recommendations about post-conflict reconstruction are consistent: security, long-term strategic planning, sustained funding, better dialogue and communication, and clearer accountability for delivery.
2. Nothing will happen without greater citizen engagement on these issues. The NGO community must communicate more forcefully with their constituents across the country.

"MILLENNIUM CHALLENGE CORPORATION"

Frederick Schieck, Deputy Administrator, United States Agency for International Development

Mr. Schieck introduced Paul Applegarth, the new Chief Executive Officer of the Millennium Challenge Corporation (MCC). The Millennium Challenge Account (MCA) will provide assistance to countries with the best records in ruling justly, strengthening economic freedoms, and investing in people. Programs will emphasize country ownership, inclusiveness, accountability, and results.

USAID is working closely with the MCC to assist the "threshold" countries, those that did not qualify for funding in the first round. USAID is committed to doing everything in its power to help the MCC achieve the visionary goals that the President and the U.S. Congress have set for it.

Paul Applegarth, CEO, Millennium Challenge Corporation

Mr. Applegarth thanked the NGO community and USAID for their support in helping to get the MCC started. Mr. Applegarth remarked on the superb working relationship
between the MCC and USAID and emphasized that the efforts of the MCC will complement efforts by USAID and other development organizations.

Mr. Applegarth reminded the audience that the MCC grew out of a promise made by developed countries at the Monterrey Conference two years ago - a promise of assistance based on the adoption of good policies. The MCC promotes country ownership of programs as crucial to building responsibility and accountability.

Mr. Applegarth described the incentive approach used by the MCC. Sixteen countries were selected during the competition in May. Already some countries have made policy changes in response to the competition. The MCC uses an objective, transparent set of criteria so that countries can see what they need to do to qualify.

MCC teams recently visited all sixteen participating countries. Mr. Applegarth said that initial feedback has been superb. The teams had tremendous access in each country, visiting with heads of states, media, NGOs, and the business sector.

The MCC is designed to strengthen the hands of the reformers and help ease the political pains that are associated with making tough political decisions. Changes are also being seen in countries that were not selected, as they seek to meet the requirements. Mr. Applegarth encouraged meeting participants to visit the MCC website (http://www.mca.gov/) for updates, program guidance, and country ranking on each of the indicators.

Mr. Applegarth stated that the MCC is as much about message and policy development as it is about money. If the policies are right, then the amount of money that the MCC provides will be pale in comparison to the amount of money that comes through other donors, the private sector, and domestic resources.

The MCC agreement with the selected countries is called a "compact." Selected countries are now developing their proposals. Proposals will be evaluated on three factors:

1. Does it lead to sustainable economic growth and poverty reduction? The MCC is will work with countries to define their plans. There will be an emphasis on monitoring and evaluation.

2. How were the priorities determined? MCC is encouraging broad participation and civic involvement in developing the proposals.

3. What more will be done on the policy side? Every selected country still has red sections (areas in which they did not meet the threshold requirements). They need to have a plan for making improvements in those policy areas, as well as continuing to make progress in the green sections.
DISCUSSION

An ACVFA member asked whether or not infrastructure might be a major component in the MCC programs. He also asked how the MCC will make allocation decisions and whether or not there is a role for U.S. NGOs. Mr. Applegarth responded that since the countries themselves determine the priorities, it is not yet clear how much infrastructure development will be in the compacts. Allocations will be driven by the quality of the proposals, the total amount of funds available, per capita equity, complementarity with other programs, and macroeconomic effects. He said that NGOs could encourage their local affiliates to get involved in the priority setting process. It is also likely that there will be opportunities for NGO involvement in implementation, monitoring, and evaluation.

An ACVFA member asked Mr. Applegarth to discuss poverty reduction and how the MCC will systematically engage civil society in the process. Mr. Applegarth said that the MCC is about sustainable growth leading to broad-based poverty reduction. Civil society groups are encouraged to participate in proposal development.

An ACVFA member inquired about the process of developing and updating indicators. Mr. Applegarth replied that the indicators build on factors that lead to sustainable growth and political freedom. The indicators will be continually upgraded and improved.

An ACVFA member asked how the MCC ensures the participation of women. Mr. Applegarth responded that the MCC has hired a lot of very talented women. The MCC is trying to make sure that all groups, including women's groups, have someone that they can talk with about the issues.

A participant inquired about the qualifying criteria for threshold countries. Mr. Applegarth replied that Congress authorized up to $100 million of the first year's appropriation to go to threshold countries. The Board of Directors set aside $40 million for the threshold countries. USAID will take a leadership role in this program.

A participant asked about the relationship between the MCC and USAID at the country level. Mr. Applegarth replied that the MCC and USAID are working together at various levels. MCC assistance will be in addition to that provided by other donors. Mr. Schieck added that USAID and MCC will determine how the programs complement one another in each country.

Mr. Reese, ACVFA Chair, reminded the audience that the ACVFA was created as the War Relief Agency during World War II to help the U.S. government leverage resources to assist poor people in wartime. He thanked Mr. Applegarth for discussing these very timely issues with the NGO community.