

**PEACEBUILDING and ECONOMIC DEVELOPMENT in IRAQ**  
110<sup>th</sup> CONGRESS

**THE CONTEXT:**

- **Stability in Iraq requires rapid economic development that creates meaningful jobs and opportunities for the people of Iraq.** Military leaders and the Administration acknowledge that unemployment is fueling the violence in Iraq.
- **Improving the quality of life of Iraqi citizens reduces the level of violence in Baghdad,** suggests a recent classified study conducted by the U.S. Defense Department's Joint Warfare Analysis Center. Citing military sources, the *New York Times* reports: "...the study found that a 2% increase in job satisfaction among Iraqis in Baghdad correlated to a 30% decline in attacks on allied forces and a 17% decrease in civilian deaths from sectarian violence."
- **Large no-bid contracts to U.S. corporations led to corruption and lack of performance.** Oversight through SIGIR (Special Inspector General for Iraq Reconstruction) has improved some performance, but many large contractors are either having contracts terminated or are renegeing on projects.
- **Community-driven projects that are conceived and executed by Iraqis have been highly successful,** and not been the focus of violence, even if their funding derives from USAID through U.S.-based NGOs. Collectively known as the "Community Action Program" (or CAP), these programs promote stability through the rebuilding of diverse communities by bringing together local stakeholders from diverse ethnic and religious backgrounds. Conflict management and negotiation skills training is essential to their success. A January 2005 report issued by the Regional Inspector General for USAID in Baghdad, said CAP achieved 98% of its intended outputs including citizen participation, inter-community cooperation, local government cooperation, local employment generation, and environmental considerations, based upon examination of 89 statistically-representative sites.
- **The Marla Ruzicka Iraqi War Victims Fund (Marla Fund),** also administered through CAP, ensures that Iraqi civilians harmed in conflict receive needed help. Widows receive small loans and business training; children and orphans receive assistance; bombed homes are restored.
- **Some of the projects funded through the Commander's Emergency Response Program (CERP) have been successful,** allowing field commanders to quickly address local needs in their sectors. However CERP focuses on immediate civil affairs and military objectives rather than sustained development. In violent areas, CERP projects and the local Iraqis involved are likelier to be attacked by armed militants.
- **Iraq is a complex society and has varying levels of violence.** Much of the media reporting is skewed because it is done from high conflict areas or from within the Green Zone.
- **The conflict has driven many Iraqis from their homes.** The latest UN estimates are that 3.8 million people have been displaced; 2 million have fled to surrounding countries, while another 1.8 million have abandoned their homes for safer areas within Iraq. Monthly 50,000 Iraqis are fleeing their homes.

- **Small peacebuilding efforts** done by Iraqis with Iraqis have been largely successful, but often swamped by the magnitude of the violence and the U.S. emphasis on a military solution and not a political, diplomatic and development response to Iraqi needs.
- **Iraq has lost 40% of its professional class since 2003** according to the Brookings Institute Iraq Index. In the health sector, more than 2,000 doctors have been kidnapped or murdered and 12,000 doctors have fled the country. As conflict creates more patients, there are fewer doctors to care for them.

#### **THE LEARNINGS:**

- **Economic development programs selected, organized and staffed by Iraqis** and for Iraqis have the best chance of success. This is especially true when members from diverse communities can work together.
- **Effective oversight is essential** in order to ensure effective programs.
- **More money and civilian personnel are needed for nonmilitary efforts** (under the appropriate administration of the U.S. State Department and other civilian agencies) to improve Iraq's economy, basic services, industry, agriculture, financial oversight of government spending, and the rule of law.
- **International organizations and their Iraqi partners reach areas U.S. agencies are not able to reach** directly without endangering the lives, such as insecure areas of Anbar province where association with Americans can be a death sentence.
- **Different programs can work effectively in different parts of Iraq.** In some cases the U.S. military can be utilized in some non-conflict settings to deliver and supervise small programs in local areas in Iraq.
- **The refugee crisis must be addressed directly with funding and shelter.** However, significant peacebuilding efforts need to be engaged immediately in order to stem the tide of Iraqis fleeing their homes.
- **Iraq's national ministries and provincial directorates** through which the U.S. and international community have channeled funds vary significantly in capacity and competence. Some operate as sectarian political power bases plagued by incompetence and corruption while others function properly as technical units with competent personnel and greater capacity.

#### **CURRENT NEEDS:**

- **Widows and orphans are without an infrastructure to meet their needs** and their numbers are rapidly growing due to a disproportionately high rate of violent deaths among men. Many Iraqis are traumatized daily by violence and ethnic conflict.

- **Iraqi professionals and technocrats are underutilized.** Basic utility services along with education, health care, formation of civil society and reconciliation all require attention by Iraqis for Iraqis.
- **Unemployment is running at 40% or higher** in some sectors. Iraqi factories are not functioning and there are minimal employment opportunities.
- **Youth education and employment** are critical factors for creating peace in Iraq. The urgent needs of youth are underscored by a UN estimate that 60% of Iraq's population is under that age of 25.
- **UN agencies, humanitarian groups, and governments in the region desperately need U.S. assistance** to help 3.8 million displaced Iraqis. That includes Syria and Jordan – the two nations where most of Iraq's 2 million refugees have fled – as well as Iraq with 1.8 million internally displaced persons (IDPs).

**PROPOSAL to CONGRESS and the ADMINISTRATION for  
PEACEBUILDING and DEVELOPMENT:**

**FUNDING:**

- **Increase U.S. economic assistance to Iraq to \$5 billion per year**, as recommended by the Iraq Study Group Report (Recommendation 64). Regardless of when troops are redeployed or withdrawn, economic assistance must continue. Direct more U.S. assistance through multilateral channels and agencies, including NGOs.
- **Restore full funding of the Community Action Program (CAP) and the Marla Ruzicka Iraqi War Victims Fund (Marla Fund)** and support expanded operations. Ensure the Marla Fund has adequate geographic coverage in all areas and provinces affected by the conflict.
- **Provide funding to the United Nations High Commissioner for Refugees (UNHCR) and other humanitarian groups** as recommended by the Iraq Study Group Report (Recommendation 66).
- **Engage the international community** to aid in the funding of all of the above proposals.

**PROGRAMS:**

- **Plan and implement peacebuilding strategies** that include training of Iraqis in conflict management and dealing with trauma.
- **Ensure that Iraqi civil society is actively engaged** throughout the economic development process and fund Iraqi NGO's that address humanitarian needs of Iraqis.
- **Ensure that there is an increased focus on the different needs of the different regions in Iraq** and create and fund peacebuilding/development programs that reflect those diverse needs and circumstances.

- **End the over reliance on national ministries** for delivering services, rebuilding infrastructure and promoting economic recovery. Direct more aid to provincial directorates and other Iraqi agencies with proven track records.
- **Develop mechanisms for safely reintroducing Iraqi professionals back into the country.** Medical personnel, including trauma specialists, are most urgently needed.

**OVERSIGHT:**

- **Develop oversight mechanisms that can ensure performance of funded programs** by expanded use of SIGIR (Special Inspector General for Iraq Reconstruction).

***Drafted by:***

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N.B.: Many groups have given in-put to the formation of this proposal. It provides a framework for peacebuilding/development going forward. The drafters are also working on a more detailed programmatic plan to implement and amplify the proposals. February 9, 2007

3/02/07 - Friends in the Catholic Community—As we mentioned at the meeting this week, we are working on getting funding into the '07 Supplemental for Economic Development in Iraq. Attached are the grassroots alert to get out to your members asking them to sign on to the statement and sent it to their Senators and Congressional representatives. The second piece is that actual letter that is on our website. The third document is that talking points about the issue and the 4<sup>th</sup> is the institutional sign on. If you did not get the institutional sign on from Erik Gustafson, but want to sign on as an organization—just e-mail me and I'll get you in to the right letter (we have a couple that we are working on).

The link to the Jesuit Conference's website on Iraq:

<http://www.jesuit.org/SocialJustice/WarandViolence/Iraq/default.aspx>