



House of Commons
International Development
Committee

**Conflict and Development:
Peacebuilding and Post-
conflict Reconstruction:
Government Response to
the Committee's Sixth
Report of Session 2005-06**

First Special Report of Session 2006–07

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International Development Committee

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First Special Report

On 25 October 2006 the International Development Committee published its Sixth Report of Session 2005-06, *Conflict and Development: Peacebuilding and Post-conflict Reconstruction*, HC 923-I. On 11 December 2006 we received the Government's response to the Report. It is reproduced as an Appendix to this Special Report.

In the Government Response, the Select Committee's conclusions and recommendations are in bold text. The Government's response is in plain text.

Appendix: Government response

The Securitisation of Development

[Paragraph 11] The idea of human security — linking the spheres of security and development — should form one of the building blocks for policies towards weak and failing states. However, it is important that “northern” security assumptions should not be allowed to distort or undermine efforts to promote security and poverty reduction in Africa in line with DFID’s Public Service Agreement and the MDGs.

We agree. DFID's Security and Development Strategy focuses on improving security for the benefit of poor people in developing countries. We address insecurity, lawlessness and violent conflict because they are among the biggest obstacles to the achievement of the Millennium Development Goals. We believe reducing poverty and inequality is also good for international security, in terms of reduced levels of threat from international crime and terrorism.

Sierra Leone

[Paragraph 15] DFID may need to give more thought to the wider ‘public relations’ impact of the shift away from highly visible support to less visible assistance in post-conflict countries, especially in those where it is the largest bilateral donor. If peace is to be viable, it is important that people perceive both immediate and sustained benefits from it.

We agree that peace should both bring and be seen to bring tangible benefits to deliver a peace dividend. This is essential to prevent recurring conflict. In selecting which activities to support in post-conflict countries DFID's aim is to pick those which will have the biggest positive impact. In some cases these will not always be the ones which are most visible to the public, though they will nonetheless reap benefits from them in time, like more accountable, effective and professional governance. Where our work is less visible we nevertheless are trying to demonstrate the impact through our recently strengthened information and communications work.

Uganda

[Paragraph 23] We accept that the continuing conflict in northern Uganda is not the fault of the Government of Uganda. Nevertheless the Government of Uganda has responsibilities to its population in the north which hitherto it has failed to fulfil. Instead of meeting its responsibilities, the Government of Uganda has been relying on donors to provide core functions such as health and education. This is costing donors US\$200 million per year — money which could make a huge development impact if the conflict was resolved and the resources were spent on post-war reconstruction and on resettling displaced people in their villages.

We agree that the Government of Uganda has not done enough to both protect its citizens in the North and ensure the adequate provision of essential social services such as health and education. However throughout the conflict the Government has continued to provide health and education services in the North with per capita expenditure broadly comparable to elsewhere in the country. One problem has been that the conflict has created greater demands for essential services than elsewhere in the country and the Government has until recently not responded to this by providing additional funding. It has also been difficult to recruit and retain appropriately qualified personnel. Essential services have relied heavily on additional support from humanitarian agencies. The recent creation of a Joint Monitoring Committee for the North has provided a forum for more effective Government, UN and donor collaboration. The Government is now giving greater attention to the North and allocating additional resources, including for civilian policing.

Engaging with fragile states

[Paragraph 37] The evidence we received in hearings and on our visits leads us to believe that CPCA [conflict-prone and conflict-affected] states are precisely where a large part of development assistance should be focused, and we support DFID in this regard. However, this new approach entails significant risks for DFID — some programmes may not achieve the desired results, others will take much longer than anticipated. DFID cannot work alone in this; it must ensure it has the support of other government departments. The human security approach discussed in Chapter One explicitly demands greater coherence across the whole of Government.

We agree. We recognise that our policies must work together with those of other government departments in conflict-prone and conflict-affected (CPCA) states. One important element in doing this is ensuring that we base our policies on a common analysis. This is why, for example, our new Country Governance Analysis (CGA — a new governance assessment tool announced in the White Paper) — which will be at the heart of DFID's country planning processes — will be done in partnership with other government departments, especially the FCO.

Building-up effective and accountable states

[Paragraph 41]. We agree with recent changes in HMG’s approach to conditionality, away from policy conditionality, but the situation in Sierra Leone demonstrates that DFID can only exert limited leverage on the Government to make the changes needed to reduce corruption, facilitate effective governance and promote development in Sierra Leone. This indicates the importance for DFID teams of prioritising their strategic planning when operating in a post-conflict country — the need constantly to re-evaluate the appropriateness of policies and adjust their operations accordingly. DFID needs to give more thought to the timing and sequencing of the type of aid it employs in countries recently emerged from conflict if it wishes to create more effective states.

We agree. It is precisely because conditionality has limited leverage to impose reform that DFID has moved away from it. In post-conflict countries, as in all fragile states, ensuring the mechanisms DFID uses to deliver development assistance are appropriate is vital. Lessons learned from one context will not necessarily be relevant to another. In fragile states, we deliver assistance in a wide variety of ways and evaluate impact regularly, rather than applying a standard model. In Sierra Leone for example, Poverty Reduction Budget Support (PRBS) is only single year, not multi-annual as in other places, precisely to enable us to gauge its impact and appropriateness. DFID is initiating work in the Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) Fragile States Group on state-building which will focus in part on sequencing and prioritisation of development assistance.

[Paragraph 45] We recognise that there are difficult policy dilemmas for donors working in countries emerging from conflict, and that ‘good enough’ government is often a worthwhile achievement. DFID should ensure that it is not excusing wrongful acts as aberrations in an otherwise successful development partnership.

We agree. DFID does not excuse wrongful acts under any circumstances. Our response is determined by judgements on whether there is a substantive breach of the core partnership principles articulated in DFID’s 2005 conditionality policy. These principles, reaffirmed in the 2006 White Paper, are shared commitments to poverty reduction, human rights and other international obligations, and sound financial management. Our ability to make judgements against these core partnership principles will be enhanced by our CGA tool, which will assess long-term trends in the standard of governance in a country. We are integrating it into DFID Country Assistance Plans, which are the basis for our work at country level.

The conflict cycle

[Paragraph 53] Questions about the distribution of humanitarian assistance should be based on need, rather than the particular theoretical stage of a conflict. Such funding should be wound down as needs decrease. ECHO should ensure that key facilities such as the Panzi Hospital are not closed prematurely. Conflict-related services, such as the

unit for women victims of sexual violence, will be needed for years to come. Similarly the signing of peace accords should not take international attention and funding away from the process of their implementation. While the cyclical approach is a useful tool, a more integrated approach to the whole of conflict would produce better outcomes.

We agree that humanitarian assistance should be based on need. Ensuring that mechanisms for donor funding support a gradual shift from humanitarian to development approaches is an important issue in the DRC and other countries. We agree that it is important that we avoid sudden funding crises for implementing partners. In the specific case of Panzi hospital, ECHO are fully aware of the need to avoid a sudden shortfall in funding and, having recently received further information from Panzi, are considering their position.

We agree that a cyclical approach to conflict which looks at conflict management, reconstruction and development separately is useful but limited. That is why we use analytical tools such as Strategic Conflict Assessments.

Conflict assessments

[Paragraph 54] We believe that DFID should pay greater attention to local knowledge and local points of view in their SCA [Strategic Conflict Assessment] tool. While we recognise that conflict theories can help inform analysis, we would expect DFID to acknowledge the distinctive character of each conflict and to listen to local people.

We agree. The Strategic Conflict Assessment (SCA) does show the distinctive character of all conflicts, and should reflect local perceptions and understanding of conflict situations. The first part of an SCA considers economic, security, political and social factors of conflict — both structural (pervasive, long-standing factors) and proximate (potential triggers for violence). The second part of the analysis covers local and international responses to the conflict. The final section consists of an analysis of strategies and options for the future.

A 2005 internal review of SCAs highlighted that the analysis tends to reflect the background of the individuals conducting the assessment. It also highlighted that implementation of the recommendations was more likely when SCAs were generated and owned by DFID country offices. As a result of the recommendation, SCA teams are now multidisciplinary, combine technical with regional and country specific expertise, and use external and local consultants.

UK Banks and resource-backed loans

[Paragraph 56] Conflict assessments should be a precondition for engaging in CPCA [conflict-prone and conflict-affected] states and mandatory for all donors. There is no reason why donors should not share the results of such assessments, rather than duplicating efforts. Conflict assessment is a necessary but not a sufficient guarantor of effective development assistance — measures need to be put in place to ensure that the analysis informs policy. The whole of HMG should make use of the analysis resulting

from the conflict assessment — it should not be restricted to DFID. In addition, there should be independent evaluations of how well conflict assessments are done.

We agree that work in CPCA states should be informed by an assessment of the causes and likelihood of violent conflict, done jointly with other donors where possible. DFID SCAs are increasingly conducted with other government departments, the UN or with the World Bank. DFID's mandatory assessment tool is the new Country Governance Analysis, which will look at conflict dynamics, and where appropriate would include an SCA. We agree that the conduct and implementation of the recommendations of SCAs should be regularly reviewed. However, there are occasions when the sensitivity of information makes it inappropriate to open the entire document to public review.

Policy coherence across the Government

[Paragraph 64] We welcome the continuation of the Conflict Prevention Pools, which are a small but important part of the Government's approach to conflict. They provide an important channel for inter-departmental cooperation in CPCA states, itself a prerequisite for greater effectiveness of HMG actions in difficult environments. However, because the Pools fund relatively small departmental projects they do not by themselves demonstrate a joined-up approach. Policy coherence is desirable but it is important to be clear about the policy around which coherence is sought.

We agree that while the Conflict Prevention Pools do not in themselves demonstrate policy coherence, they have been very useful in delivering a joined-up approach to conflict. Both Pools fall under the joint 2005-08 conflict prevention Public Service Agreement which is shared by the FCO, MOD and DFID; the Africa Pool portfolio is built around a strategy jointly agreed by DFID, FCO and MOD ministers; and the Global Pool comprises 15 regional and thematic strategies, each of which is agreed jointly between the three departments. One very positive outcome of the Pools is that they have encouraged broader joint working between the three departments; for example, joined-up GCPP working led to the establishment of a single HMG office in Sri Lanka. Other examples of joined up approaches include joint units such as the DFID/FCO Sudan Unit and the Post Conflict Reconstruction Unit.

The Secretary of State for International Development is now legally obliged by the 2006 International Development (Reporting and Transparency) Act to report to Parliament each year on the extent to which UK Government policies across the board — including on conflict — have supported development outcomes, or otherwise. DFID will meet this obligation by including the necessary text in its own annual Departmental Report, which is being published in May 2007.

[Paragraph 65] We agree that DFID should not commit its resources to “winning hearts and minds”, but we understand why it is often necessary for peacekeeping troops to implement quick impact projects to win support from local people. As an exercise in joined-up government, military commanders should consult DFID, and other

development agencies, about their proposals for quick impact projects, to try to ensure that they deliver development as well as security benefits.

We agree that providing funding and resources for these projects should not curtail DFID's other activities, but that DFID should work with and advise military commanders about their proposals for quick impact projects, as we do in Afghanistan and Iraq.

We believe that both development and 'hearts and minds' objectives can be realised through an approach that puts the interests of the majority of the local population at its heart. Development is not only a product of improved security, but also a condition for it.

The importance of Security Sector Reform (SSR)

[Paragraph 71] The debate on the eligibility of funding security sector reform through ODA [Official Development Assistance] is not going to go away. It is important that the Government monitors and contributes to this debate. The Government will need to take a position on whether or not ODA-eligible expenditure can be extended further. While DFID has a clear policy which seeks to ensure that 90% of its funding goes to the poorest states, and the Pools facilitate expenditure on non-ODA eligible items, other EU members, and the European Commission, do not have such restrictions or the equivalent of the Pools. Given the importance of security sector reform in CPCA [conflict-prone and conflict-affected] states this is a matter of some urgency. We believe the definition of ODA should not be expanded to include military expenditure.

We agree. Security is necessary for sustainable development. As set out in the 2006 White Paper, we are committed to do more to support security sector reform through our aid programmes and the Conflict Prevention Pools. We believe that helping developing countries build effective and accountable institutions to provide security and justice for the poor can legitimately be attributed as ODA. But we do not believe that the ODA definition should be extended to include military expenditure. Internationally this would risk diverting substantial development spend away from reducing poverty.

Challenging impunity, transitional justice

[Paragraph 80] Grievances matter because if they are not properly addressed they risk precipitating a return to conflict. It is a necessary, but not sufficient, step to address only the crimes committed by high level officials and rebel leaders. While this approach, exemplified in the Special Court of Sierra Leone, sends a message of challenging impunity, too often it only scratches the surface. Abuses and crimes carried out at a lower level also need to be addressed in a manner which recognises the impact of the conflict on communities, families and individuals. In this way peacebuilding will have greater local ownership and more chance of lasting.

We agree. This is why the UK helps countries to address high level impunity, and promotes reconciliation and access to justice more generally. For example, in Rwanda, we supported the National Unity and Reconciliation Commission, and we helped people

affected by the genocide, both through measures to support genocide survivors and measures to ensure the large numbers detained (over 130,000) were held and judged with a minimum of respect for their human rights. We also fund the work of NGOs, such as the International Center for Transitional Justice, which supports social reconciliation, as well as prosecutions and reparations to help victims.

We also help countries to rebuild their justice systems after violent conflict, so that citizens' grievances can be promptly addressed and the rule of law re-introduced. In Sierra Leone, DRC, Iraq, Somalia, Southern Sudan, the Balkans and many other places, the UK has or is supporting police reform and community policing, the training of judges and lawyers, and schemes to bring security and justice to local communities.

Governance: the role and timing of elections

[Paragraph 87] We agree with the ODI [Overseas Development Institute] that the building up of institutions for democratic accountability should play a larger role in donor governments' support for electoral processes. It would also bring an end to the practice of adopting 'donor darlings' based on personalities rather than conduct and the strength of institutions. This would allow for peaceful transition between rulers and eliminate the perpetuation of one person rule or elites.

We agree. As the Secretary of State set out recently, democracy is about more than having a vote – it is a set of values and institutions. Many of our electoral support programmes already strengthen institutions of democratic accountability – from Electoral Commissions to civil society organisations and the media. We strongly agree that institutions that can mediate political competition without violence, and that are sufficiently robust to hold powerful individuals and groups to account, are a crucial foundation for sustained development.

[Paragraph 92] Institution-building in post-conflict societies is a crucial part of improving governance. Democratic elections are essential for creating a legitimate government. The establishment of a democratic system is a long-term project, which must be owned by the people. Donors should not suppose that one free multi-party election will entrench democracy. Long-term aid will continue to be needed in post-conflict states to build and strengthen accountable institutions and to nurture a democratic culture.

We agree. DFID recognises the importance of staying engaged in the long-term, and providing sustained support for institution-building in post-conflict and other fragile states. For this reason, we are agreeing more long-term partnership agreements with partner governments where possible. We agree that establishing and deepening democracy goes beyond the electoral process, and as set out in the 2006 DFID White Paper, we are committed to help make public institutions more capable, accountable and responsive in the long term.

For example, we have always seen the elections in DRC as a critical step towards peace, but one of many steps that are needed. We are providing support for democratisation and accountability in DRC over the next five years, exactly the type of support proposed in the Committee's recommendation.

The regional dimension of conflict

[Paragraph 95] We accept that DFID may not be able to place conflict advisers in all conflict settings; consequently the role of regional advisers is even more significant. DFID therefore needs to ensure that regional advisers are visible, and communicating regularly with all branches of the UK Government.

The presence of Regional Conflict Advisers in Africa and Latin America is key to the UK's conflict prevention work in those regions. Two of these are funded by DFID and three by the FCO. All five work jointly to, and are in frequent contact with, all three participating departments.

We are also considering where it might be appropriate for conflict advisers to cover regional issues in other parts of the world.

[Paragraph 96] Conflicts, the effects of conflict, and the people who wage them, do not always recognize state borders. The building up of trans-national capacities in Africa through the Africa Conflict Prevention Pools is, in our view, the right approach in that it promises to facilitate greater regional ownership of peacebuilding policies. But donors should also give serious consideration to carrying out, if possible jointly, regional conflict analyses as part of their approach to conflict, so that they do not solely succeed in moving problems from one state to the next.

We agree. Our Country Governance Analysis will consider regional governance and conflict trends. Where appropriate the analysis will be carried out with other donors, and it will always be shared with other donors. In addition, we will undertake further regional conflict analyses in a number of places, many of which will be carried out jointly with or shared with other partners.

Managing natural resource wealth

[Paragraph 102] In our view, the Government needs, as a matter of urgency, to take forward the Commission for Africa's recommendation of a definition of conflict resources, and an Expert Panel in the UN Security Council. Without an agreed definition the international community's approach will continue to be piecemeal, ad hoc and inconsistent. An internationally agreed definition of conflict resources would make it unnecessary to have a 'Kimberley Process' for every resource.

DFID is working with other government departments, especially the FCO, to agree the most effective way to address the illegal trade in resources that are used to fund conflict. This includes consideration of whether a definition of conflict resources would be of use in addressing the trade, and is one of a range of options that are currently being considered to fulfil our White Paper commitment to 'promote international standards on the management of natural resource revenues in countries affected by conflict'. A definition would not in itself provide the controls on illegal trade put in place for diamonds by the Kimberley Process, and its usefulness therefore needs to be considered in a broader context.

We agree that an Expert Panel in the UN could be useful to monitor the links between natural resources and conflict. DFID and the FCO are currently considering the role that an Expert Panel might play in the UN system, and how we can best support its establishment.

The UN panel on the illegal exploitation of resources in the DRC

[Paragraph 109] We believe that the Joint Working Group guidelines have contributed to major improvements in the operation of the UK's National Contact Point.

We welcomed the input from the Joint Working Group (a group including businesses and NGOs, established by the All Party Parliamentary Group on the Great Lakes region of Africa). Their recommendations were very useful and fitted closely with the Government's plans for how the National Contact Point (NCP) would operate.

[Paragraph 116] We are surprised and disappointed that the DTI did not contact Afrimex about their activities or investigate the activities of Alfred Knight in relation to the DRC. We believe the DTI could do more to promote the EITI [Extractive Industries Transparency Initiative] and to resolve issues surrounding conflict resources.

The UK NCP went to a great deal of trouble to obtain information from the UN on companies the UN Panel considered to be in the higher categories of misconduct. Alfred Knight (a company that analyses mineral deposits for its clients) was one of the companies whose activities the UN Panel had considered and consequently categorised as "resolved". Consequently the UK NCP did not request information from the UN. Subsequently an NGO report (from RAID - Rights & Accountability in Development) cited a connection between two German companies (KHA International and Masingiro GmbH), that were alleged to have invested in a sampling laboratory run by Alfred Knight. We passed this information to the German NCP.

In January 2005 the Director of DTI's Trade Operations advised RAID that Companies Investigation Branch (part of the regulatory arm of DTI) had declined to act in the case of Alfred Knight. Furthermore, RAID was advised that the NCP would need reasons for considering a complaint against Alfred Knight. RAID was told in May 2006 that, in the absence of evidence on allegations that Alfred Knight had breached the OECD Guidelines, the NCP was minded to close this case. Having heard nothing further from RAID, the

NCP wrote to RAID on 31 July 2006 confirming that the case was closed; but offered to reopen the case should any organisation submit evidence subsequently. There has been no further communication since then.

Afrimex is a company that has some trade in the mineral coltan, mined in the DRC. The UN Panel investigated the activities of Afrimex and considered the case “resolved”. Afrimex gave oral and later robust written evidence to the IDC. No organisation has provided evidence to the NCP to justify a complaint or an investigation into alleged activities that may be in breach of the OECD Guidelines. If such a complaint, backed by evidence, was forthcoming the NCP would consider the case on its merits, in line with the complaints process recently circulated to stakeholders by the NCP.

FCO, DFID and DTI already work on a range of issues related to Corporate Social Responsibility. Further work to promote the EITI will be undertaken by the revamped NCP in conjunction with its work to promote the OECD Guidelines.

[Paragraph 117] There is a serious deficiency in the manner in which the Government approaches the actions of UK companies abroad, and in particular in CPCA [conflict-prone and conflict-affected] countries. The Government does not send out a strong message to UK companies about the significance it attaches to OECD Guidelines. Given the number of UK companies originally listed by the UN and, given the human rights abuses which we know accompanied the war, and continue to be perpetrated, the Government response should have been more thorough. The Government needs to demonstrate that it takes the OECD guidelines seriously, in practice as well as in theory, by drawing up practical measures to ensure their implementation.

[Paragraph 119] Tools are of little use if they do not change behaviour. The Government has a responsibility to make UK companies aware of the OECD guidelines and to offer them appropriate advice. There is a pressing need for the UK Government to consider ways to ensure that the approach of the DTI is not at odds with other aspects of Government policy in CPCA states. Without such coherence the Government cannot hope to have the impact it seeks through DFID’s new strategy of engagement in fragile states. We intend to take evidence from DTI ministers on these important issues.

The Government takes seriously the activities of UK companies operating abroad. We believe that UK companies often operate to high standards, including in countries with weak or weakly enforced social and environmental standards. In various ways the Government seeks to promote good practice, including through initiatives such as the UN Global Compact, the Ethical Trading Initiative, the Extractive Industries Transparency Initiative, the Kimberley Process, and Voluntary Principles on Security and Human Rights. Where UK companies operate irresponsibly we take this very seriously. The Government believes that the best place for corporate abuse to be addressed is at the local level, where the abuse takes place. It is important therefore that we support countries with weak legislation and regulation in the relevant areas to strengthen these provisions to enable them to take action when abuse occurs.

However, there are times that action should be taken internationally. This includes action through the OECD Guidelines for Multinational Enterprises. These Guidelines are an important instrument for the Government. We held extensive consultations with stakeholders earlier this year, including businesses, NGOs, legal professionals and others regarding changes to the UK's implementation of the Guidelines. Following this consultation the Government announced in the 2006 White Paper, and separately through the DTI, a series of changes to the implementation of the Guidelines, including a revamp of the UK's National Contact Point (NCP). These changes include the expansion of the NCP to include officials from DFID and FCO as well as DTI, and the establishment of a Cross-Government Steering Board to oversee the work of the NCP. This Board will include Independent Members drawn from outside Government. The Government also drew up new guidance regarding the way in which the NCP would work and how complaints brought to the NCP would be dealt with. A new promotional strategy is being developed to ensure relevant Government offices and agencies are fully aware of the Guidelines and the Government's responsibility for their effective implementation.

The Government is also committed to work within the OECD to make the Guidelines more effective in promoting responsible business conduct, particularly in countries with weak governance.

The changes made by the Government to the UK's implementation of the Guidelines have been welcomed by NGOs, business, trade unions and other stakeholders.

Security Sector Reform

[Paragraph 122] We think that the UN Peacekeeping Force in the DRC should be providing some oversight of prison conditions as part of its mandate to “facilitate humanitarian assistance and human rights monitoring, with particular attention to vulnerable groups”. It should also consider putting in place effective human rights monitors for prisons.

The Committee rightly highlights the substandard conditions in the prison they visited in Bukavu. This is typical of other prisons in DRC. They also rightly identify a role for MONUC, the UN peacekeeping force, in providing oversight of prison conditions. However, MONUC is already taking a lead in pressing for better treatment, monitoring conditions and providing support to improve conditions. MONUC has led efforts to persuade the authorities to make appropriate budget provisions to feed prisoners. MONUC regularly visits all prisons and, in 2004 and 2005 produced two extensive reports on prison conditions across DRC. ICRC also provides some support to detainees under its programme in DRC to which DFID is providing £3 million in 2006.

What is needed in DRC is systemic reform of prisons as part of wider reform of the justice system. We are pushing for reform, but in the absence of this, we believe MONUC is playing a proactive role in monitoring conditions in prisons.

[Paragraph 126] EU work on the Chain of Payments is an important step in the right direction, but, given the extent of insecurity in the DRC, it is a drop in the ocean. If security sector reform is to be successful in the DRC, a much larger sum of money will need to be found. The newly-elected Government of the DRC will have primary responsibility for this, but it cannot achieve this without outside assistance. Security is the basic precondition for development to take place. In our view, the UK Government needs to press the EU and its member states to make security sector reform a priority. The newly-elected government in the DRC will also need to be encouraged to make this a priority area.

We agree. Security sector reform (SSR) is a top priority for achieving sustainable peace in DRC. The UK Government has been pressing consistently for the EU to take a lead in coordinating security sector reform in DRC through a joint approach involving the Commission and the European Council Secretariat. We have also lobbied hard for SSR to be a top priority in discussions with all our partners and regularly stress this to the Government. The importance of security sector reform is now widely accepted. The challenge now for the international community is to find the structures and resources needed to provide effective support to the reform efforts of the new Government. We remain very active in pushing for this and we will support the international effort on security sector reform through our Africa Conflict Prevention Pool.

Disarmament, demobilisation and reintegration

[Paragraph 129] It seems clear that donors in Sierra Leone now need to give priority to employment-generation initiatives, including agricultural schemes, to provide an incentive for rural-urban migrants to return to rural areas. This will mean simultaneously tackling some of the local governance grievances that have led to discontent in rural areas. It may not be appropriate for DFID to engage in this area directly, but as the largest donor in Sierra Leone, the Department ought to provide a lead for other agencies by highlighting the issue and encouraging others to increase their focus on the issue.

We agree that decentralisation of power from Freetown to the local level is an important way to tackle the marginalisation felt by many rural people in the lead up to the conflict. That is why we are committing £8m with the World Bank to help decentralise government to locally elected councils, and build local capacity to deliver services to poor people.

We agree that unemployed youth in Sierra Leone are a potential source of future conflict. We believe the best way of getting people into work is by attracting greater investment into Sierra Leone, reducing the administrative barriers to business start-up and through much more business-friendly regulations. DFID's new draft country strategy (covering 2007-2012) has a much greater emphasis on growth, including improving the business environment, and delivery of basic services. We are actively encouraging greater investment in Sierra Leone and were the main funder of a large investment conference in March this year.

We are not active in the agricultural sector. This is an area that the European Commission will focus on under our joint country strategy, which will start in 2008.

Donor coordination

[Paragraph 131] Because fragile states are such difficult environments in which to work, donor coordination is particularly important. In the DRC it will be vital for progress. As the largest bilateral donor, the UK Government must continue its efforts at donor harmonisation. We consider that the European Commission is best placed to take the lead on donor coordination in the DRC.

We agree that donor coordination is both difficult and important in fragile states, and is a priority for DFID in DRC. We are working with others to produce a new strategy that will be shared by the World Bank, United Nations, European Commission, Belgium and the UK. We have also helped prepare proposals to strengthen donor coordination that have recently been agreed among donors. The European Commission are a crucial partner in DRC and critical to harmonisation efforts, but we do not agree that they are best placed to lead donor coordination in DRC. The UN and World Bank jointly chair donor discussions at present and these arrangements work well.

Women and Peacebuilding

[Paragraph 112] We accept that there are a large number of issues which the MoD must cover with its personnel before deployment but, given the disproportionate effect of conflict on women and girls, discussion of UNSCR [UN Security Council Resolution] 1325 should be a priority. We hope the Government's adoption of an Action Plan to implement UNSCR 1325 will encourage this. In addition, since the MoD invests significant resources in training the military forces of other countries, there should be a greater awareness of UNSCR 1325 throughout the armed forces.

We agree that the requirements of UNSCR 1325 should be fully reflected in training provided to the armed forces. To ensure that they are in line with MOD's commitments under the national Action Plan for the implementation of UNSCR 1325, the MOD is conducting an audit of existing training provision, against both the Resolution itself and the training outcomes identified in the UN's own training package on the Resolution. The results of the audit should allow us to show more clearly whether our training is compliant, while also helping us identify any further training needs.

Small arms and light weapons (SALW)

[Paragraph 138] Weapons stocks frequently end up in the hands of someone other than the original purchaser — as when Siad Barre's weapons stocks in Somalia were distributed among fighting clans in the 1990s. The Ugandan government may appear 'responsible' in relation to its development policy but not necessarily in relation to

northern Uganda or the DRC. Arms sales to a government may encourage it to feel immune from criticism by its own people and may also encourage arms acquisition by neighbouring countries. Strong common standards for global trade in conventional weapons should be an international priority. The Government's policy on not selling arms to governments if it believes they will be used to repress the population must be applied robustly.

We agree. Better regulation of the arms trade is essential to stop the spread of weapons which aggravate violent conflict, facilitate terrorism and human rights abuses, and undermine development. That is why the UK is pushing for an international Arms Trade Treaty which is legally binding, covers all conventional weapons, and includes monitoring and enforcement mechanisms. Last month UN member states voted overwhelmingly in favour of a UK-backed Resolution which will open the way to full negotiations on a treaty.

In parallel with this, under the scope of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (UNPoA), complimentary work has continued since 2003 on the UK led Transfer Controls Initiative to develop common guidelines for national controls on transfers of small arms and light weapons.

In addition, the UK has one of the strictest export control regimes in the world. All conventional arms export licence applications (including small arms) are assessed on a case-by-case basis against the Consolidated EU and National Arms Export Licensing Criteria. Licence applications are rigorously assessed against eight criteria covering internal repression, external aggression, risk of diversion and sustainable development in the destination country, as well as relevant international commitments and arms embargoes.

[Paragraph 141] The Government has made good progress in pushing for an International Arms Trade Treaty. It must build on this and ensure there is no loss of political momentum on this important issue in the UN. We also draw the Government's attention to the recent Reports which the Quadripartite Committee has published in relation to arms controls. The International Development Committee is both contributor and signatory to those reports and we hope that the Government will take on board the recommendations the Quadripartite Committee makes.

We agree. The UK Government, led by the FCO, will continue to work with the Resolution co-authors and other supporters to maintain momentum towards an International Arms Trade Treaty. We will encourage all countries to submit their views on the feasibility and scope of a treaty to the UN Secretary General early next year. The Secretary General will then report back to the General Assembly in October. We will also continue to work with countries which are sceptical about the benefits of a treaty to encourage them to participate in this process. We welcome the Committee's recommendation regarding the Quadripartite Committee's reports in relation to arms controls. The Government has responded in full to the Quadripartite Committee's most recent report (3 August 2006) by way of a Command Paper (Cm 6954).

Regional initiatives – the Africa Peace Facility

[Paragraph 146] In spite of the mismatch between expectations about what the AU can achieve in Darfur, and inadequate institutional capacity and financial resources, the APF [Africa Peace Facility] has encouraged Africans to step forward as peacekeepers. Given the problems in amassing appropriately sized and effective UN peacekeeping forces, the APF has made a significant contribution to building up an African-led peacekeeping force. We hope that the EU will continue to fund and build up the Africa Peace Facility and urge further such partnerships to strengthen regional capacities. We believe that African governments could and should make substantial additional financial contributions of their own to the AU's peacekeeping forces.

We agree. The Council of the European Union has recently agreed that the Africa Peace Facility (APF) should continue to be funded from the tenth European Development Fund (EDF10) from 2008-10 and has agreed €300m should be set aside for this. We also agree that continued and increased financial and other contributions from AU member states are essential for the viability of the AU itself and its peacekeeping forces.

The Peacebuilding Commission

[Paragraph 153] We agree that the operations of the Peacebuilding Commission should be based on a shared plan between the country in question and the donor community but we also consider that excluding civil society organisations runs the risk of downplaying grievances.

We agree. Since the creation of the Peacebuilding Commission (PBC) in December last year, the UK has repeatedly argued for meaningful participation by civil society in meetings of the PBC. Given civil society's important role in peacebuilding, we believe that regular links between the PBC, national governments and national civil society will be essential to the PBC's effectiveness.

While national civil society representatives were invited to speak at the first meetings of the PBC on Sierra Leone and Burundi on 12-13 October, the PBC has yet to agree formally on when, where and how they will participate. We hope this will be resolved by the end of the year. We will also continue to lobby national governments in both countries and PBC members to recognise the valuable contribution national civil society can make to building peace.

[Paragraph 154] While the link between conflict and development is a relatively new field, it is an area to which the Government must give priority in order to improve development outcomes amongst the poorest. Preventing and ending conflicts and helping to ensure they do not recur will do more to create a climate for poverty reduction and development in the countries affected than any amount of costly aid programmes.

The forthcoming DFID Conflict Policy Paper is a reflection of the importance that the Government gives to this. It will show how we intend to address violent conflict by placing a greater emphasis on prevention, making our international response to armed conflict more effective, and being more “conflict-sensitive” throughout all our work.

Department for International Development
11 December 2006

Annex A

CLARIFICATIONS AND COMMENTS ON THE REPORT TEXT

Uganda

Paragraph 16:

Accurate data on the cause of death is difficult to obtain using crude mortality surveys. Further work is required on this to enable interventions to be better targeted. DFID has raised this with both the Government and UN agencies and is funding this work.

Paragraph 22:

In January 2006 the UK Government reduced its 2005/06 Poverty Reduction Budget Support (PRBS) by £15 million and held back £5 million until after the elections. This decision was taken in particular because of concerns about the way in which the first multi-party elections since 1980 were being handled. The £15 million released from PRBS was diverted to assist with the humanitarian crisis in the North.

Democratic Republic of Congo

Paragraph 28:

Recent information has shown that the largest bilateral donor is in fact the US, not the UK. This comparison excludes our share of finance through the European Union and shares of finance for peacekeeping operations (which we would in any case exclude as they are not Official Development Assistance (ODA)).

Engaging with fragile states

Paragraph 35:

The issue of ‘donor darlings’ and ‘donor orphans’ is not a result of the World Bank’s Country Policy and Institute Assessment (CPIA) index *per se*, rather it is a result of the way in which the CPIA score is used in donor aid allocation models and policies. The use of the CPIA as a proxy for fragility is, however, debatable. It does provide a reasonably comprehensive and objective assessment of the policy environment. But the CPIA fails to capture sufficiently some key aspects of fragility, such as accommodation of political dissent, political instability, and security or susceptibility to conflict. The World Bank itself has recognised that security-related variables are missing from the CPIA. DFID is currently reviewing its approach to the issue of whether or not to maintain a list of Fragile States.

Governance: the role and timing of elections

Paragraph 86:

The 2006 elections were the first multi-party elections since 1980. In March 2005 the UK Government withheld £5 million from its £40 million budget support for financial year 2004/2005. In January 2006 the UK Government reduced its 2005/2006 allocation of PRBS by £15 million and diverted this sum to northern Uganda in the form of humanitarian assistance. In addition £5 million was withheld until after the elections. This £5 million was released in July 2006.

Corporate social responsibility and the DRC

Paragraph 104:

The report states that NGOs such as Action Aid argue that voluntary codes of conduct are insufficient, and that many civil society organisations support stronger regulation of corporate behaviour through, for example, the OECD Guidelines for Multinational Enterprises. It goes on to say that the UK Government view is that a voluntary approach to regulation is adequate at present. This is inaccurate regarding both the Government's and civil society's views on the OECD Guidelines as well as the Government's overall ambitious vision for Corporate Social Responsibility. The Government very much supports the Guidelines, and has recently revamped the UK's National Contact Point to strengthen implementation of the Guidelines. UK NGOs support the Government's revamp, but generally view the Guidelines as a relatively weak instrument. They do not equate the Guidelines with the 'stronger regulation' noted in the paragraph.

Women and peacebuilding

Paragraph 133:

The guide on gender, peace and security referred to by the committee will be specifically for Africa.