Working Paper No. 4 - Case Study Needs Assessments in Post-Conflict Situations on behalf of the World Bank and UNDP Case Study Iraq: Desk Study	**gtz** Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

Desk Study on Iraq UNDG/WB Joint Needs Assessments
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Preface

The following work has been developed in the context of a consultative study carried out by the German Agency for Technical Cooperation (GTZ) on behalf of UNDG/UNDP and The World Bank. In July 2003 these multilateral organizations contracted GTZ in order to develop a practical guide for future Needs Assessments in post-conflict settings, based on a review and analysis of past experiences as well as research on other assessment methodologies in the context of humanitarian aid and development cooperation. The German Ministry for Economic Cooperation, BMZ, additionally supported the in-depth analysis of the four case studies in Afghanistan, East Timor, Liberia and Sri Lanka by co-financing the work of GTZ, with a particular focus on the involvement of bilateral donors in PCNA.

While the preliminary results presented in the following Working Paper have been shared and discussed with UNDG/UNDP and the World Bank, responsibility for the content rests entirely with GTZ.

We would like to thank our interview partners from the World Bank, UNDP, UNDG and UNIFEM.

1. Political context and background to the Needs Assessment

1.1. Political context

Iraq has a population of about 26 million (of which about 20% Kurds in the North) and a size slightly smaller than France. The population is predominantly urban (70%), but there is substantial agricultural production, particularly in Lower Mesopotamia. Oil has long been its main export, but before the sanctions (1991), it also exported carpets, fruits and nuts in considerable quantities. Literacy levels are well above those in most developing countries, and there is a substantial educated and professional middle-class. Over the past two decades, Iraq's economy has been severely affected by the war with Iran and the two Gulf Wars, the increasing corruption and repression of Saddam Hussein's regime, as well as more than ten years of international sanctions. The fall of the regime led to the collapse of most of the country's socio-economic administrative structure.

After failing to obtain a resolution by the UN Security Council, US and British coalition forces waged a six-week military attack (20 March – 1 May 2003) on Iraq. The Coalition Provisional Authority (CPA) was created to represent the Occupying Powers and lead Iraq until Sovereignty is restored to an Iraqi government (refer to UNSC Resolution 1483) On 13 July 2003, CPA established the Iraqi Governing Council (IGC) which selected representatives from a range of exiled Iraqi political and religious groups to ensure Iraqi representation in the administration of the country. However, while the IGC was provided executive powers, it was not able to use them.

Since May 1 when President Bush declared the end of major combat operations in Iraq, the internal security situation has worsened considerably. Next to members of the new Iraqi government structures and the occupying forces, insurgents have begun to target international agencies. A key event was the bombing of the UN compound on 19 August 2003, which killed 22 UN agencies staff including the UN Special Representative to Iraq, Sergio Vieiro de Mello. A second bomb attack against the Canal Hotel led to the withdrawal of all international staff from Baghdad with serious consequences for its operational capacity in the country.

1.2. Background to the Needs Assessment

As a follow-up to the war, the UN launched a humanitarian appeal in March 2003 and further revised it in June 2003 to cover urgent humanitarian needs until the end of the year. From April to December 2003 approximately 2.3 billion US$ had been contributed to the Iraq funding via the OCHA consolidated appeal.

By mid-May 2003, the UNDG agencies began preparing for a needs assessment in Iraq by launching the Technical Working Group on Planning for Reconstruction Needs Assessment in Iraq. World Bank and IMF agreed to participate. On June 24 and 25, broad-based technical consultations on Iraq were held at UN Headquarters, involving over sixty donor countries, multilateral agencies and CPA. At this occasion, CPA made clear that they expected the UN to speak with one voice – co-ordination between UN, World Bank and IMF therefore was a must. At this meeting, CPA and UNDG also agreed on the focus of the needs assessment and the sectors to be covered. At the request of CPA, the needs

assessments did not include an overall assessment of long-term needs, but aimed to establish financial figures for the 2004 budget. The relatively large number of 14 sectors also goes back to a suggestion by CPA, which at the same time excluded "strategic" sectors such as security and oil from the assessment.

2. The Needs Assessment process

2.1 Mandate

The needs assessment took place under exceptional political circumstances in a country occupied by external forces without a legitimate national authority. This raised difficult questions as to the mandate of the needs assessment and the status of its recommendations. Among the agencies leading the needs assessments, particularly the UN organisations felt closely bound by the UN Security Council Resolution 1483. It highlights the international obligation of the powers occupying Iraq to guarantee the security of its citizens, initiate rapid reconstruction of the country and create the conditions for a speedy hand-over of authority to a government elected by the Iraqi people. The Resolution also asks the UN to act as a facilitator in this process. Against this background, UN organisations were reluctant about proscribing certain policies without a legitimate national government as a counterpart. These concerns were less shared by CPA.

In the course of the needs assessment, it became apparent that these different approaches could not be reconciled within the given timeframe. To solve the impasse, the needs assessment team developed the formula of "agreeing to disagree" and to flag this difficulty in the final report. As a result, the UN prepared a separate annex to the needs assessment report outlining the "context in which the United Nations considers the Needs Assessment to be read" (p. 76). It outlines the main provisions of Resolution 1483 and then states:

> "This Needs Assessment proposes a certain number of recommendations and options related to policy and legal changes. It is recognized that some decisions have to be made in the short term, in particular those related to the welfare of the people of Iraq and the initiation of the reconstruction process. However, in compliance with the applicable international law, some of these changes – in particular those related to the governance, rule of law and economic sectors – are directed at a future internationally recognized, representative government established by the people of Iraq. responsible to the Council), set policies and take decisions, and designate international representation during the interim period." (p. 77)

Although the parameters of the needs assessment had been agreed with CPA, UN and World Bank aimed to be perceived as independent from CPA.

2.2 Scope and purpose of the Needs Assessment

The NA was undertaken to prepare the Donor Conference on Reconstruction in Iraq taking place in October 2003. This conference was aimed to contribute to the provisional national budget for 2004, which was being prepared by the CPA. Thereby, the conference aimed to mobilise external donor funding to help close the gap betwen identified needs and expected revenue. For this, it was deemed necessary to look beyond 2004 to determine reconstruction needs over the mid-term.

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In preparation of the Donor Conference, the UNDG/WB Joint Needs Assessment was to determine the costs of priority reconstruction investments with immediate effects on the humanitarian situation, the protection of the vulnerable and the creation of employment opportunities to include in the 2004 budget. This involved establishing a mid-term (2005-2007) strategic perspective for reconstruction, rehabilitation and investment. As it was estimated that Iraq – unlike other transition countries – would be able to finance recurrent costs from its oil income, the NA primarily looked at investment needs promoting rapid recovery, for which Iraq might need international assistance.

The sectors to be covered in the UNDB/WB Joint Needs Assessments were agreed with the CPA. The sectoral matrix underlying the NA was designed to correspond to the existing organisation of sectoral responsibilities among Iraqi ministries. In addition, it included four cross-cutting themes – gender, human rights, environmental issues and capacity analysis.
It is important to note that a number of strategic sectors were left out of the NA on request of the CPA. For these sectors, the CPA provided rough estimates to be included in the final NA document and 2004 budgeting process, which were not reviewed by the UN. These include:

- Security and Police
- Oil
- Culture
- Environment
- Human Rights
- Foreign Affairs
- Religious Affairs
- Science and Technology
- Youth and Sport

The CPA estimate for culture was based on an assessment carried out by UNESCO in co-operation with the British Museum in summer 2003.

2.3 Timeline of the UNDG/WB Joint Needs Assessments

Date	Activity/Event	Observations
1 May	President Bush declares end of major combat operations	
16 May	Initial preparatory UNDG Technical Meeting on Planning for Reconstruction Needs Assessments in Iraq	Sectoral matrix presented and circulated for comments
Late May	Security Council Resolution 1483	UN mandate in Iraq
June	OECD/DAC Reflection Meeting on Reconstruction in Iraq	
24 June	Technical Consultation on Reconstruction for Iraq	Functioned as preparatory donor meeting for October

		reconstruction conference
25 June	Technical Workshop	Scoping of sectoral work and initial work plans
2 July	Task Managers to provide outline of scope and process of sectoral reviews	
Mid July – mid August	Needs assessments	
August	Stakeholder consultations for each sector	Cut short by bombing attack against UN
19 August	Bombing of UN compound in Baghdad	
End August	Discussions with interim Iraqi administration and CPA on findings of NA	Only partly conducted (Completed in September)
31 August	Submission of final sector reports	
Early September	OECD/DAC Preparatory Meeting on Reconstruction in Iraq	
Mid September	Consolidated report and sector working papers	
Mid September	Sectoral consultations in Amman (Jordan)	For some sectors only
21-26 September	World Bank meeting in Dubai	Discussions with Iraqi officials on draft report
2 October	Core Group Meeting	To discuss draft assessment report and agendas for the Reconstruction Conference.
24 October	Madrid reconstruction conference	

2.4 Management arrangements

The NA was carried out jointly by UNDG and the World Bank under the overall leadership of the Special Representative of the Secretary General to Iraq and under the immediate direction of the UN Resident Co-ordinator and Humanitarian Co-ordinator (RC/HC) for Iraq. The overall process and the provision of dedicated resources was organised by UNDGO, (the Secretariat of the UN Development Group (UNDG)), through a temporary secretariat set up for that purpose. The RC/HC was supported by the UN country team, which was reinforced by one Strategic Planning Officer to provide strategic guidance and co-ordination to the work of the NA and follow up on its recommendations as well as one person dedicated to co-ordinating the logistics of the NA, funded by UNDGO. At Headquarters, the UNDG Needs Assessment Co-ordinator and a representative of the World Bank for the NA supported the RC/HC.

At UN headquarters, the "UNDG Technical Working Group on Planning for Reconstruction Needs Assessments in Iraq" met fortnightly between May and October 2003 to prepare for and steer the NA. The Working Group was chaired by the Deputy Director of the Bureau of Crisis Prevention and Recovery (BCPR), on behalf of the UNDG, with a full time "Needs Assessment Coordinator" seconded by UNICEF, and with the entire process supported by the UNDGO Needs Assessment Secretariat. It included the participating UN agencies as well as the World Bank and IMF. The Working Group mainly served as a platform for information exchange on needs assessments undertaken by the various agencies, conceptual work on the overall framework of the NA as well as a forum for monitoring progress.

For each sector, a Task Manager was appointed, drawn from the UN Country Team and the UNDG Agencies, who held overall responsibility for the scope, process and content of the sectoral assessment and recruited the assessment team. In addition to the Terms of Reference, the Task Managers received "Annotated Guidelines" outlining the background and management of the NA as well as standardised Report Outlines and formats for the financial tables. These were complemented by information sheets on each sector and the checklists on gender, environment and human rights. There was little time, however, to familiarise Task Managers with this material in detail.

Task Managers had to submit weekly progress reports to DGO using a standard template, detailing the current status of the sectoral assessment, changes to the work plan, and particular challenges.

2.5 Reporting structure

Task Managers were required to prepare sectoral reports (12-15 pages requested, actual length 30-40 pages) by August 31 including a detailed budget for 2004. The sectoral reports followed a standard structure (introduction, current status and issues, needs and priorities for the sector, 2004 budget). These reports formed the basis of the synthesis report of the NA to be presented at the donor conference. Beyond this, Task Managers were invited to prepare longer Sector Reports throughout September, which were posted on the Iraq Needs Assessment website and circulated at the donor conference as "working papers".

Drafting the synthesis report took place between August 31 and September 15. The drafting team consisted of three World Bank and four UNDP staff, who were closely involved in the overall NA. While drafting the report, a special effort was made to integrate the cross-cutting themes into the sectoral analysis. In addition, the sectoral reports were screened for any omissions and inconsistencies, which were discussed with Task Managers.

The final report was to be circulated to the Iraqi Governing Council on 15 September for comments and revisions before being released to donors ten days before the conference.

2.6 Participating agencies

In setting up the NA teams, it was consciously attempted to delink technical responsibilities from agency membership. A Task Manager was designated for each sector, which held overall responsibility for the recruitment of the sectoral assessment team, the progress of the assessment and the content for the final report. While being provided by UN agencies, the Task Managers were mainly chosen for their technical competence. In addition, members of other relevant UN agencies and a small number of donor representatives joined the sectoral teams.

A large number of bilateral donors requested to send their own experts on the NA missions. These requests were handled by an internal steering group consisting of the WB und UN focal points/co-coordinators of the NA to ensure a balanced representation. On the whole, not more than one donor expert was allowed per sectoral team. Because of the security situation, it was also aimed to keep their field visits as short as possible. Eventually, experts representing the European Commission, Japan, Australia and several European Union countries joined the missions.

Joint Needs Assessments: Sectors and participating agencies

Sector	Task manager	Participating agencies
Health	WHO	WB, UNICEF, UNFPA, FAO, IOM
Education	WB	WB, UNICEF, UNESCO, WHO, FAO, OHCHR, UNOPS
Agriculture, Water Resources & Food security	FAO	WB, WFP, IFAD, UNOPS
Mine Action	UNMAS	UNDP, UNOPS, UNICEF, WHO
Water Supply & Sanitation	UNICEF	WB, UNDP, HABITAT, UNIDO, UNOPS, WHO
Macroeconomics	IMF	WB
Economic Management	WB	UNDP
Investment Climate and State Owned Enterprise	WB	UNIDO
Banking and Finance	WB	
Transport & Telecommunications	ITU	WB, UNDP, UNOPS
Electricity	UNDP	
Livelihood & Employment Generation	UNDP	ILO, UNHCR, UNICEF, WFP, HABITAT, UNOPS
Housing	HABITAT	UNOPS
Governance & Rule of Law	UNDP	WB, HABITAT, OHCHR, IOM, UNIFEM, UNOPS, UNICEF, ILO, UNHCR, UNMAS
Macroeconomics, Finance & Financing Social Safety Nets	World Bank	UNDP, WFP, FAO
Investment & Trade	World Bank	UNIDO

2.7 Consultation mechanisms

Involvement of the international community

Three mechanisms were created for involving the international community in the ongoing NA:

a) *Core Group*: The Core Group was set up after the 24 June technical consultations. Its main function was that of a steering committee as well as being the sponsor and host of the October 2003 donor reconstruction conference. The Core Group worked mainly on logistical issues associated with the conference, but also discussed substantive issues emerging from the NA. Members included the US, Japan, EU, EC, and the United Arabic Emirates. The U.S. acted as the unofficial secretariat. The Core Group held weekly telephone conferences with respondents from CPA, UNDG, WB and IMF, whose minutes were shared with the UNDG Technical Working Group overseeing the NA process.

b) *Liaison Group*: the Liaison Group was set up after the 24 June technical consultations as an entity for information exchange, supported by DGO. Its members included the 52 UN member states attending the 24 June consultations, a number of regional development banks, UN organisations and NGOs. The Liaison Group met on a monthly basis, represented by the liaison offices in New York, in a 2-3 hour meeting chaired by the Chair of the UNDG Technical Working Group, and coordinated by DGO, in which they were fully briefed on developments in the Needs Assessment, on the humanitarian, political and security situation, as well as the plans for a multi-lateral trust fund and the phase out of the Oil For Food Programme. Outside of these meetings, the principle means of information exchange between them were emails from the DGO Secretariat support, or via the DGO website, which shared information on upcoming conferences, status reports and sectoral reports of the NA, and provided a space for members's own information sharing and feedback on working documents.

c) *DGO Website*: A key instrument for communication and information exchange among and between NA Teams, the Liaison Group and interested stakeholders (including NGOs). Access was possible by subscription to the Webmaster.

d) *The Madrid Donor Conference*: Much of the focus of both the Core Group and the Liaison Group was focussed on the preparations for the Donor Conference, which the Spanish Government agreed to host.

Iraqi stakeholder involvement

a) *CPA and Iraqi Governing Council*: Iraqi officials and members of the emerging governing structures had little opportunity to shape the recommendations of the NA. The sectors to be considered in the NA were mainly agreed with the CPA with some limited participation of Iraqi officials. During the assessment, sectoral teams consulted with respective ministries and other relevant Iraqi institutions, mainly for the purpose of generating information. The largely finalised draft report was submitted to Governing Council members for comments at the World Bank conference in Dubai, whereby there was very little time to prepare a quality Arabic translation. This is noticeable as the NA report concerns an important proportion of the 2004 Iraqi budget.

b) *Stakeholder meetings*: Were considered key to gaining some degree of Iraqi ownership of the NA proposals. Some of the earlier missions succeeded in holding

sectoral stakeholder meetings (e.g. on health). The stakeholder process was interrupted, however, by the 19 August bombing of the UN premises in Baghdad. Participants in the meetings included Iraqi officials and civil society as well as bilateral donors and international NGOs with a presence in Baghdad. – Some organisations made the experience that one-off stakeholder meetings bringing together a diverse group were not able to deal with the NA proposals in sufficient depth. Participants saw these meetings as an occasion to engage in strategic discussions on the respective sector, often for the first time since many years, and clearly needed more time to reach at some consolidated views.

c) *Humanitarian channels for co-ordination and information sharing*: UN and WB organised regular briefings and discussions on the progress and content of the NA, in Baghdad and at headquarters.

Generally, there was the feeling that the difficult security situation reduced opportunities for local and national stakeholder consultation, which had a negative impact on Iraqi ownership of the final document. It should be noted that Iraqi Ministers were not nominated until September. From May to September, Iraqi ministries were headed by CPA advisers and exiled Iraqis.

2.8 Data collection and analysis

Because of the security situation, it was attempted to carry out the NA with a minimum of external expertise, instead using UN international and national staff already present in Iraq, Iraqi technical experts as well as international NGOs with a field presence and Iraqi civil society organisations.

Sector studies strongly relied on secondary data such as those generated by UN agencies under the Oil-for-Food-Programme, the revised Humanitarian Appeal, and sector-specific "Watching Briefs" (covering health, nutrition, education, electricity, and macroeconomics) as well as material provided by NGOs. Only very few missions were able to leave Baghdad, which limited the validation of their findings.

There was little interaction between sectoral teams. This partly led to contradictory recommendations (e.g. on private sector issues), for which there was finally no mechanism to discuss and decide on the different approaches proposed.

An important role was played by UNDP-BCPR, who contributed technical staff full-time for a month to work with the Needs Assessment Coordinator on the development of the methodology for the Needs Assessments.

3. The Needs Assessment report

3.1 Context analysis

The report emphasises that reconstruction in Iraq does not only involve economic change, but also a fundamental political and social transformation. It goes on by outlining the destructive effects of the dictatorial regime on infrastructure, economic and political life over the past 20 years, while the sanctions are mentioned briefly only (§ 2.1.).

The assessment identifies security as the key challenge to rebuilding Iraq (§ 2.2.) A lack of security hampers reconstruction and development, while people grow more disaffected with the current political regime. Besides mentioning people's discontent with their present

situation, the report does not attempt any further analysis of the high levels of violence in occupied Iraq.

Furthermore, it is warned that reconstruction should not outpace the process of building institutional and legal capacity. While the high quality of Iraqi human capital is widely acknowledged, the assessment identifies a range of capacity building needs in Iraqi ministries and local administration. Their present lack of capacity is regarded as the major bottleneck for the implementation of the 2004 budget.

The report reminds of considerable regional differences in developmental needs, which could not be covered adequately within the framework of the needs assessment. While the Kurdish areas have been quasi-autonomous for the last decade and initiated their own development processes, the remaining parts of the country suffered from highly politicised decisions by the past regime on the allocation of resources. No analysis is undertaken, however, of the consequences of this inequity for the current economic and political situation. Similarly, besides a general reference to refugees, there is no analysis of the different ethnic, religious and other groups living in Iraq and their specific interests and assistance needs.

3.2 Development framework

Before detailing sectoral needs, the first twenty pages of the assessment report sketch a broad "development framework" for Iraq's future development (§§ 2.1. - 2.57). This part contains the chapters "macroeconomic framework", "transition to a modern market economy" (including sections on prize liberalisation and safety net, trade, investment climate, state-owned enterprises, the financial sector and the structure of indirect taxation), and "Iraqi institutional and administrative framework" (including suggestions of decentralisation and future down-sizing of the Iraqi public sector). Although elsewhere the report claims only to present policy options for future Iraqi decision-makers, it is clear that the "development framework" as it stands implies a series of basic decisions on Iraq's future economic and political system. The report itself reflects a certain tension as to how far international agencies can go in proscribing (and beginning to initiate) fundamental policy changes in the absence of a legitimate and functioning national authority (see also 2.1.).

Within this general framework, the needs assessment three key priorities for rebuilding Iraq: "(i) strengthening institutions of sovereign, transparent, and good government; (ii) restoring critical infrastructure and core human services destroyed and degraded by years of misrule and conflict; and (iii) supporting an economic and social transition that provides both growth and social protection" (§ 2.5.). Thereby, the report makes clear that the assessment team considers security to be biggest challenge – yet outside the scope of the needs assessment.

3.3 Prioritisation of sectors

The fourteen priority sectors and three cross-cutting issues, which was the subject of the NA, were defined at the "Technical Reconstruction Meeting" organized by DGO in New York on 24 June 2003, uniting bilateral donors, UN organisations, the World Bank, IMF, the Arab Fund for Economic and Social Development, CPA and Iraqi officials. Thereby, it was attempted to align the sectoral assessments with the anticipated structure and functions of the emerging Iraqi ministries. The report does not attempt a prioritisation between sectors.

3.4 Cross-cutting issues

At the Technical Meeting on Iraq Reconstruction on 24 June 2003, three cross-cutting issues were identified to be considered in the NA. These include gender, human rights and environment. Capacity analysis of government institutions and civil society organizations was identified as a fourth cross-cutting issue, which was to be mainstreamed in the sectoral analysis, however. In their terms of reference, task managers were made responsible for integrating these cross-cutting issues into their sectoral analysis.

For each of the first three cross-cutting issues, a UN agency was identified as lead agency. Within each agency, one person acted as a focal point to accompany the NA and provide input. In addition, sector-specific checklists were developed to help task manager's deal with cross-cutting issues in their particular sectors. Cross-cutting experts also participated in a small number of missions on particularly relevant topics (??).

Cross-cutting issue	Lead agency	Instruments
Gender	UNIFEM	• Gender checklist for peace operations in Iraq. A sector-by-sector guide to gender concerns for assessment missions. • Iraq background information and literature review (on gender issues)
Human Rights	OHCHR	• Checklist for Human Rights Issues for Iraq Needs Assessment Missions (general and sectoral issues)
Environment	UNEP	• Issue screening checklist (general) • List with sector specific environmental issues • Maps with environmental problems in Iraq • Designation of UNEP resource persons for sectoral issues
Capacity analysis		• Mainstreamed (part of each sectoral analysis)

In preparation for the NA synthesis report, the cross-cutting theme focal points first screened the sectoral reports against their checklists to identify and insert cross-cutting needs, which had not been identified. They also prepared one-page synthesis papers on the key cross-cutting needs for 2004. These screened sectoral reports were then used by the authoring team to put together the synthesis report. In the final report, however, sectoral chapters make very little reference to cross-cutting issues.

In addition, the final report contains one chapter dedicated to gender, human rights and environment. It contains a short assessment of the status quo in all three areas, which have all suffered from the dictatorial regime, successive wars and international sanctions. Then, the chapter identifies the relevant Iraqi counterparts – the new Ministries of Environment and Human Rights as well as the Ministry for Labor and Social Welfare for women's affaires – and some concrete immediate measures for enhancing the institutional and legal framework to deal with these issues as well as to improve services. Although the reports mentions issue-specific counterparts and measures, which do not fall under the other fourteen sectors, no special budget is earmarked to support activities in these areas.

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3.5 Capacity issues

The report considers capacity building needs associated with reconstruction. Specific capacity building issues are addressed in the sectoral sections. In addition, the report contains a chapter titled "Government Institutions, Rule of Law, Civil Society and Media", which deals with reforming and strengthening Iraqi institutions in these four areas. Recommendations are kept fairly general and mainly concern capacity building at central and local levels as well as providing a modern legal framework for the public service. Thereby, the report follows the general approach that substantive policy decisions will have to be taken by the future elected government of Iraq. Nevertheless, recommendations are based on a Western liberal democratic model with little reflection of Iraqi realities.

3.6 Estimating reconstruction costs

Section IV of the synthesis report deals with the estimated reconstruction costs of 36 billion US$ (at the donor conference in Madrid in October 2003 the donors pledged indeed 33 billion US$ in assistance to Iraq).Thereby, it makes direct reference to the preparation of the 2004 Iraqi budget, which foresees that basic recurrent and operating costs will be financed by Iraq's oil revenues. Overall financing requirements have also been adjusted to three CPA priorities: a) full coverage of the Iraqi public sector payroll (including raised salary scales), b) transfers to support state-owned enterprises, c) continuation of food aid after expiry of Oil-for-Food Programme (§ 4.3.). In this context, the sector assessments largely focused on physical reconstruction, training and technical assistance needs.

For each sector, a table details reconstruction funding needs, differentiating between 2004 and the period 2005-2007. The sector tables further differentiate between capital investments, technical assistance/capacity building, and operating and maintenance costs. Each table, however, is constructed somewhat differently.

Sectors also take different approaches on reconstruction levels to be achieved. Given the lack of reliable data for the health sector, for example, reconstruction needs are estimated by using health spending patterns by comparative countries and adjusting them for the high level of deterioration of the Iraqi health infrastructure. In the area of education, the relatively high standards of the Iraqi education system in the 1970s serve as benchmark. In infrastructure, it is proposed to rebuild up to pre-sanction standards (1991).

The NA places considerable attention to absorption capacity and its implications for disbursing donor funds. Drawing on comparable examples, it is estimated that the disbursement ratio will be low during the first year, but that it can rapidly increase during the second and third year as Iraqi institutions and private sector adapt to the new challenges. The following factors are regarded as key bottlenecks to rapid reconstruction:

- security situation, inhibiting the free movement of international and local agencies as well as of local people;

- availability of equipment and other inputs;

- capacity of Iraqi public institutions to design and implement donor-funded reconstruction programmes according to international standards (transparency, accountability etc.);

- state of infrastructure and energy services.

The report also recommends a detailed regional assessment of reconstruction needs and the targeting of aid to redress past imbalances.

4. Key lessons learnt from the Iraq needs assessments

The Joint UNDG/WB needs assessments in Iraq took place under exceptionally difficult political circumstances and suffered tragically from the insecurity on the ground. On the whole, it appears that the participating agencies managed to organise themselves very efficiently and develop a product of high technical quality.

A particular challenge in the case of Iraq was the issue of the UN mandate. It remained contentious whether the UN Security Council Resolution only backed the needs assessment itself, or whether it also provided multilateral agencies with the legitimacy to take decisions about Iraq's long-term economic and political structure. At operational level, UN and World Bank maintain the difficult balance between necessary co-operation with the CPA and maintaining their operational and political independence.

A large number of the UN Agencies were able to participate because of the capacity to organise and support a complex process had been established in DGO. This full time Secretariat to the needs assessment process allowed for prompt sharing of information and solution of problems, as well as creating a clear focal point around which all of the participants could be brought together. This was strongly appreciated by all participants, and should be seen as a key part in the successful completion of the Needs Assessment.

The needs assessment was initiated at a point when the future political and military developments were still difficult to foresee. In particular, no legitimate or even functioning Iraqi authority was still in sight, which could have acted as a counterpart. Consultations with the new Iraqi Governing Council, which was formed while the needs assessment was already ongoing, took place at a very late stage in the drafting process. This negatively impacted on the validity and national ownership of the final outcome. For political and operational reasons, the pace of needs assessments should therefore not out step the political process and associated institution building. In addition, there was too little time for substantive discussions and agreements to take place.

The cross-cutting themes – gender, human rights, environment – were firmly placed on the needs assessment agenda supported by focal points in the respective cross-sectoral agencies. Unfortunately, the need for conciseness seems to have led to their omission from the sectoral analysis presented in the final report.

For security reasons, there was little opportunity for stakeholder consultations and field visits, which limited the validity of findings.

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List of Abbreviations:

BCPR	UNDP – Bureau for Crisis Prevention and Recovery
CPA	Coalition Provisional Authority
EC	European Community
FAO	Food and Agriculture Organization of the United Nations
HABITAT	United Nations Human Settlements Programme
IFAD	International Fund for Agricultural Development
IGC	Iraqi Governing Council
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
ITU	International Telecommunication Union
NA	Needs Assessment
OECD/DAC	Organisation for Economic Co-operation and Development – Development Co-operation Directorate
OHCHR	Office of the United Nations High Commissioner for Human Rights
UN	United Nations
UNDG	United Nations Development Group
UNDGO	United Nations Development Group Office
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children´s Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNMAS	United Nations Mine Action Service
UNOPS	United Nations Office for Project Services
WB	World Bank
WFP	United Nations World Food Programme
WHO	World Health Organization