



S U M M I T

Dialogue Knowledge NetworkSM

Dialogue Knowledge Networking Team

- John Simmons, Producer-Director
- Kenneth W. Johnson, Co-Producer & Chief Knowledge Officer
- Santiago Zorzopulos, Senior Associate

DKN Approach

Every week, important conferences addressing the most significant issues of our day, such as Iraq reconstruction, bring together hundreds of highly-motivated people representing organizations of immense capacity. Perhaps more than any other venue, such conferences effectively meld theory and practice, and the better ones are adept at integrating the political, economic, social, cultural, technological, and considerations of the conference subject. At the end of each conference, the knowledge and opportunity generated live on in the networks of participants, binders full of PowerPoint presentations, and notes on paper.

As the global community becomes more closely connected, however, there is a need to share this knowledge and opportunity with the world as a whole. It is especially important to share these with the people and communities having a stake in the subject of the conferences. For example, Iraq reconstruction conferences bring government, business, and civil society together to share knowledge and opportunities to network, yet few Iraqi people know that the conferences exist, let alone participate in them. As a result, both the Iraqi people and the reconstruction community are the poorer.

Dialogue Knowledge NetworkingSM is an outcomes-based approach to knowledge capture, generation, and sharing that is systemic, systematic, and sustainable. It is based on a robust framework of stakeholder engagement, facilitated dialogue, transparency, and social entrepreneurship, which (1) facilitates a process of solving social problems through associations of shared purpose, (2) generates new knowledge, (3) models important social skills, (4) contributes to desired social outcomes, (5) extends the distribution of the knowledge generated to global stakeholders, (6) serves as a catalyst to enhance the capacity of an expanded audience to contribute to that body of knowledge, and (7) develops expanded learning networks.

The DKN Process

- Conference design that models and facilitates the skills, habits, and culture of liberal democracy, free enterprise, and open society
- Conference agenda to include all components: political, economic, social, cultural, technological, and environmental
- Coherent data collection, analysis, synthesis, and evaluation
- New outcome-based knowledge generation

- Stakeholder engagement to facilitate community distribution, reaction, and response
- New, community-generated knowledge
- New knowledge archived and employed in conference design

The DKN Package

- One or more television specials of exclusive, in-depth interviews of conference presenters and key attendees to capture the essence of presentations and generate new knowledge
- A report expanding on the television interviews and organized to present key findings, conclusions, and recommendations
- A Studio Production Guide (“Studio Guide”) for Community-Oriented Programming of the Television Special in local media
- Web-based program for community interactivity
- Evolving television special production/report publication based upon community feedback

INTERVIEWED PARTICIPANTS

KEY NOTE SPEAKERS

H.E. Rend al-Rahim

Ambassador-designate of Iraq to the United States

H.E. Karim Kawar

Ambassador of the Hashemite Kingdom of Jordan to the United States

The Honorable William M. Lash III

Assistant Secretary of Commerce
Chairman, U.S. Task Force on Iraq Reconstruction

PROGRAM PARTICIPANTS AND KEY ATTENDEES

Dr. Hisham Ashkouri

President
ARCADD

Daniel Benjamin

Vice President
Al-Fawares Co.

Joseph Benkert

Chief of Operations
CPA – Washington

James Crum

Director of Program Management – Department of Defense
Deputy to Admiral David Nash

Michael Default

Research Director,
Equity International, Inc.

William Loiry

President
Equity International, Inc.

Timothy Mills

Patton-Boggs, LLP

Barrett H. Moore

Triple Canopy Group

INTERVIEWED PARTICIPANTS

Mohammed K. Najjar

President
El Concorde

Mark J. Riedy

Partner
Pillsbury-Winthrop, LLP

Ayaz Shaikh

Partner
Pillsbury-Winthrop, LLP

Annar Shawkat

First Deputy Administrator
Ministry for Youth and Sports

Scott Shuster

Moderator

Executive Summary

This Iraq Reconstruction Summit, convened by Equity International, Inc., took place on February 9-10, 2004 in Washington, D.C. Leading figures in the Iraq reconstruction effort, whose views are captured here, participated in an active exchange of views and experiences with many other leading decision-makers. They provided the latest reconstruction information, crucial to facilitating successful participation in the biggest rebuilding program since the Marshall Plan. In addition, the conference provided invaluable networking opportunities with other top executives, forming partnerships to bid on reconstruction contracts.

ORGANIZATION OF THIS REPORT

Part I lays the foundation for understanding the participants' visions for the reconstruction and construction of Iraq—and beyond.

Part II provides their overview of the current situation in Iraq and the pressures facing members of the reconstruction community.

Part III describes the strategies, standards and practices, and expectations of successful members of the reconstruction community.

Part IV discusses the role that culture and the rich Iraq history play in the reconstruction and construction efforts.

Part V discusses the legacy that the members of the reconstruction community should strive to build in Iraq.

Part VI discusses the role and value of reconstruction conferences.

Part I: Understanding the participants' visions for the reconstruction and construction of Iraq. Though summit participants had widely varying points of view regarding the rebuilding of Iraq, a number of themes, summarized in their own words below, were consistent throughout their presentations and the follow-on interviews.

The primary theme was a desire for Iraq to return to its historic role as a leading member of the world community. There was a recognition, however, that the 20th century, especially under the Saddam regime, had not been kind to the Iraqi people, and that they will need substantial help from the world community to develop the economic growth, culture of liberal democracy, and civil society necessary for them to achieve their individual and social potentials.

Also consistent was the view that the Iraqis were ultimately responsible for rebuilding their own society—to determine their own destiny. This will require developing individual Iraqi

capacities, fully engaging Iraqi individuals and firms in the rebuilding process, developing Iraqi youth to give them a sense of hope for the future, and respecting the culture, history, and environment of Iraq. A number of participants stressed the role of other countries in the region, especially Jordan.

Fundamental to achieving a stable Iraq is developing the standards, procedures, and expectations of good public governance and the essential market-oriented legal framework and reliable dispute resolution processes that allow businesses to compete fairly on the quality, prices, and delivery of their goods and services. Business and civil society must be part of the solutions to community problems. Other essential elements of their visions of a free, stable Iraq were technological improvement, corporate mentoring, education at all levels, and active nongovernmental organizations.

Finally, they offer a number of specific performance measures by which success in pursuing and achieving their vision could be monitored, tracked, and reported.

Part II: Overview of the current situation in Iraq and the pressures facing members of the reconstruction community. In the view of some of the participants, the reconstruction and construction of Iraq is a moral imperative—an international effort—which regional and transnational companies should embrace.

The Iraqi situation itself represents a complicated political, economic, socio-cultural, technology, and environment situation, which nonetheless offers great potential to the Iraqis and regional and transnational companies as well. Complicating the situation dramatically is the transition of sovereignty to the Iraqi people on 1 July 2004.

The many underreported success stories in Iraq model the fact that Iraq has a bright future, that the vast majority of the Iraqis are invested in that future, that programs that are being put in place to help the Iraqis invest in their future are in fact working, and that while there are lots and lots and lots of challenges, and I would never understate the challenges, that on balance we're moving in the right direction.

Joseph Benkert,
Coalition Provision Authority

Iraq has a basic market-oriented legal framework, and it is an open question whether the legal framework that currently prevails will continue following the transfer of governance to the Iraqis on 1 July 2004.

The economic situation is characterized by great opportunity, and an urgent need for Iraqi jobs. A critical need is to expand the reconstruction community to enable Iraqi companies to participate as fully as possible in rebuilding Iraq. This requires a more accessible procurement process and the development of Iraqi management systems and capacities so that Iraqi companies can fully participate in the reconstruction effort. A particular concern is developing opportunity for Iraqi youth.

Businesses need to be aware of the culture of Iraq, including its history, cultural artifacts, social systems, and environment. There is an important, developing role for the nongovernmental organization. A fundamental requirement is to develop the essential trust and social capital that allows a country to be stable, free market, and an attractive place for international investment.

Security is a fundamental concern, but security differs widely from location to location. Some areas are relatively secure and offer many opportunities.

Major hurdles include expanding the accessibility of the Coalition Provisional Authority to Iraqis; the potential for waste, fraud, and abuse; and the uncertainty of the transition ahead.

Part III: Strategies and practices of successful members of the reconstruction community. Many participants argued that the reconstruction community needs to embrace a strategy of rebuilding Iraq from below the ground up. This means being attendant to the culture, and history of the Iraqi people and the environment. It also means building their capacity to reenter the global community and long-term relationships.

Security remains a concern, but to be successful, a business must actually go to Iraq. Companies need to be prepared, patient, prudent, and present. An essential element of any strategy is to know the Iraq culture, listen to Iraqis, and have an Iraqi partner

Though much of the attention in the reconstruction community is on Coalition Provisional Authority contracts and the prime contractors, a number of the participants urge firms to consider a shift to private enterprise to meet Iraqi needs. They also suggest developing a consortium of firms to bid on contracts and perform work.

Finally, developing the nongovernmental sector is an important consideration. Firms need to be aware of Jordanian involvement. And, participants relay a number of success stories.

Part IV: The role that culture and the rich Iraq history play in the reconstruction and construction efforts. Strategies for members of the reconstruction community require a cultural element. Participants point out that the intellectual and cultural considerations of Iraqi life have not received the attention of physical infrastructure. These cannot be ignored for the long-term health of the Iraqi people—and world civilization.

An immediate concern is cultural preservation: that irreplaceable artifacts of Iraqi history and, indeed, world civilization not be disturbed, damaged, or removed lest their historical significance be lost. Participants noted a few necessary cultural projects underway for the reconstruction community to consider and learn from.

Part V: The legacy that the members of the reconstruction community should strive to leave in Iraq. Participants recommend that members of the reconstruction community ask themselves this question, what should be our legacy in Iraq? In answer, they provide a number of answers. Some answers we have discussed earlier: (1) fostering a culture of

democracy, (2) developing the capacity of individual Iraqis and companies, and (3) protecting and preserving Iraqi culture and historical artifacts.

Other answers offered by participants, which are described in this part, include: (1) fostering an entrepreneurial spirit and (2) fostering a sense of corporate service to the community.

Part VI: The role and value of reconstruction conferences. Iraq reconstruction conferences offer opportunities for networking and knowledge-sharing. They are particularly valuable for the Coalition Provisional Authority and Program Management Office to pass on information about contracting opportunities and procedures—and receive feedback.

Most conferences are held in the United States or in the region, such as Kuwait and Jordan. Few Iraqis are able to participate, and many Iraqis, as a result, are unaware of the efforts being made to rebuild Iraq. Iraqi-Americans are able to serve as a bridge between Iraqis and the reconstruction community.

Participants recommend that reconstruction conferences be held in Iraq, notwithstanding security concerns. It is also important, in their view, that reconstruction conference proceedings be widely publicized in Iraq, so that Iraqi people know what efforts are being made on their behalf.

COMPREHENSIVE REPORT

OBJECTIVES OF THE CONFERENCE

This Iraq Reconstruction Summit, convened by Equity International, Inc., took place on February 9-10, 2004 in Washington, D.C. Leading figures in the Iraq reconstruction effort, whose views are captured here, together with other leading decision-makers participated in an active exchange of views and experiences. This exchange provided the latest reconstruction information, crucial to facilitating successful participation in the biggest rebuilding program since the Marshall Plan. The summit also provided invaluable networking opportunities with other top executives forming partnerships to bid on reconstruction contracts.

Following formal presentations, our team conducted one-on-one interviews of participants as well as conference conveners to capture the essence of their presentations and integrate it into the other conference presentations. Structured as a *Dialogue Knowledge Network*SM, we believe we captured the essence of the conference as a whole in the companion television special, *SUMMIT*, and that this report provides the latest and most accurate sense of the participants in the multi-billion-dollar rebuilding of Iraq.

It is as important to build a democratic infrastructure, to build a civil society, to build a culture of democracy in Iraq as it is to build the bricks and mortar of bridges and power plants and so on because without the grassroots democratic culture through civil society, through activism and so on, we cannot take care for the long term of the bricks and mortar that is being put in right now.

Rend al-Rahim,
Ambassador-designate of Iraq

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PART I
**Understanding the participants’
visions for the reconstruction and
construction of Iraq**

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FINDINGS

Though summit participants had widely varying points of view regarding the rebuilding of Iraq, a number of themes, summarized in their own words below, were consistent throughout their presentations and the follow-on interviews.

The primary theme was a desire for Iraq to return to its historic role as a leading member of the world community. There was a recognition, however, that the 20th century, especially under the Saddam regime, had not been kind to the Iraqi people, and that they will need substantial help from the world community to develop the economic growth, culture of liberal democracy, and civil society necessary for them to achieve their individual and social potentials.



Also consistent was the view that the Iraqis were ultimately responsible for rebuilding their own society—to determine their own destiny. This will require developing individual Iraqi capacities, fully engaging Iraqi individuals and firms in the rebuilding process, developing Iraqi youth to give them a sense of hope for the future, and respecting the culture, history, and environment of Iraq. A number of participants stressed the role of other countries in the region, especially Jordan.

Fundamental to achieving a stable Iraq is developing the standards, procedures, and expectations of good public governance and the essential market-oriented legal framework and reliable dispute resolution processes that allow businesses to compete fairly on the quality, prices, and delivery of their goods and services. Business and civil society must be part of the solutions to community problems. Other essential elements of their visions of a free, stable Iraq were technological improvement, corporate mentoring, education at all levels, and active nongovernmental organizations.

Finally, they offer a number of specific performance measures by which success in pursuing and achieving their vision could be monitored, tracked, and reported.

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CONCEPTS & COMMENTS

Return of Iraq to the World Community

Ambassador to the United States Rend al-Rahim: I think the objective of the entire international community is to have Iraq be a productive member of the international community and have an environment that hopefully fosters democracy where individuals have rights and the Iraqi people can individually prosper and enjoy a nice standard of living.

Assistant Secretary William M. Lash, Assistant Secretary of Commerce Chairman, U.S. Iraq Reconstruction Task Force: Iraq is one of the oldest cultures in the world, back to the dawn of time. It always had a rich history of not just entrepreneurship and business, but political structure, respect for the arts, respect for the individual. That respect stopped 30 years ago with the rise of Saddam Hussein and his Ba'ath Party despots, destroying those opportunities.

We are now talking long-term partnerships. Iraq is now making the right moves in rebuilding their economy with openness and transparency, predictable tax policy, a very good customs policy, an open investment policy. And those send signals not only to US investors, but also to Bahrainian investors, to Saudi investors, to Qatari investors.

William M. Lash, III,
Assistant Secretary of Commerce

The great resources of Iraq are fabled: second largest oil reserves in the world, good natural gas reserves. But, those are only part of the story. We believe Iraq's most important natural resources are above the ground: the educated, highly motivated, well-trained population that want to be responsible traders worldwide, that want to be engaged in a global economy, that want to have their own economic destiny in their hands.

Karim Kawar

So, we are glad to work with them as friends and partners and allies toward a new free Iraq.

H.E. Karim Kawar Ambassador of the Hashemite Kingdom of Jordan to the United States: We hope that a sense of national identity can contribute to Iraq's economic reconstruction, so that the living standards that have been so negatively affected over the past years can be reinstated and Iraq can regain its standing in the region as a prosperous nation able to provide many lessons-learned to other countries.

The reconstruction of Iraq can be a positive contributor to stability in the region. We can overcome the differences that our nations had in the past, and, hopefully, Iraq can be a good example for others in the region to follow.

Certainly, the efforts that we have made in reforms in Jordan can provide many of the lessons-learned. Our regional problems require local solutions: a localized solution that takes into account the culture, the language and, hopefully, the local experience. For example, when we talk about democratization, we certainly cannot take one model from Europe or one model from the U.S. and try to apply it in a cookie cutter approach for the whole region.

This is where we believe that those efforts have to be homegrown. It is a process that has to grow from within and cannot be imposed from abroad. Iraq's success in its reconstruction will be certainly one event that, hopefully, will mark history as a turnaround and be a major catalyst for other countries to follow suit.

Some of these environments are inherently very, very difficult. There are others where quite simply I'd be glad to have my family visit and I quite frankly feel that they'd be quite safe and welcome and by the Iraqis.

Barrett H. Moore,
Triple Canopy Group

Joseph Benkert, Coalition Provisional Authority: Iraqi reconstruction affects almost every conceivable sector. It's everything from making the government work better, to creating the laws and regulations that support reconstruction in private sector development, to bringing in the expertise in large scale program management all the way down to frontline project supervision, to bringing in people who have money and resources to apply to the project, and to putting all of those things together. This is an enormous project.

It's often said, and it isn't trite, that this is the biggest such undertaking since the Marshall Plan after World War II. It is really a bigger undertaking, in fact, because the Marshall plan was spread out over more years and more countries.

A Culture of Liberal Democracy, Free Enterprise, and Open Society

Ambassador Karim Kawar: Success in Iraq will be a free society where there will be tolerance for people regardless of their background, regardless of their faith, regardless of their ethnic identity. This will be back to the good old days when Iraq was one nation: one of the most prosperous in the region.

Timothy B. Mills, Patton-Boggs: There is an immense concern in the west about openness and transparency. And, one of the things that need to happen in Iraq is openness so that people who pay for contracts are not the only ones getting them. The second thing in Iraq is that there has to be economic democracy.

It is as important to build a democratic infrastructure, to build a civil society, to build a culture of democracy in Iraq as it is to build the bricks and mortar of bridges and power plants and so on because without the grassroots democratic culture through civil society, through activism and so on, we cannot take care—for the long term—of the bricks and mortar that is being put in right now.

Rend al-Rahim,
Ambassador-designate

What economic democracy means is not just that large businesses receive the benefits, but the people in the middle—the middle class, in the middle businesses— receive the benefit as well. Finally, there has to be putting Iraqis back to work. There cannot be civility in Iraq where 75% of the Iraqis do not have work, where Iraqi fathers do not have work to support their families. That has to be solved.

The Relationship between Economic Growth and a Free Society

Ambassador Karim Kawar: The real hope in Iraq is to create jobs primarily for the Iraqi people, to help them earn a good living, help them to rebuild their own country. This is where we need to give the Iraqis hope that the future holds a promise that they can achieve. Hopefully, all those efforts will result in raising the living standards in Iraq and getting Iraq to join the world community very soon.

Tim Mills, Patton-Boggs: You know, I have talked with leaders in Iraq, and the one thing they say that is very important for the stability and future of Iraq is to solve the unemployment problem. Americans are absolutely committed to doing this, and one vehicle is the 18.6 billion dollars to be spent on reconstruction.

When this gets down to Iraqi companies, it puts Iraqis back to work. Working for the future of Iraq, and not only to do work in Iraq, but work in the Middle East and elsewhere. The challenge, however, is to be able to do that in such a manner that you reach the medium to small companies that haven't been involved yet in the reconstruction.

Developing Iraqi Civil Society

With these Requests for Proposals at 18.6 billions dollars, I believe the U.S. business has a stewardship in the world body to give back from success, to continue to bridge the gap, to continue to use those monies made to give back to the Iraqi people.

I think an important aspect of bridging the gap is to give back in a tangible way. IT, technology, these things are all well and dandy, but they are not seen. They are underground. They are not seen. Iraqis need to see televisions, chairs in the classrooms, carpet, air conditioners, the simple things.

The kids come home, "Mom and Dad, we have these new chairs. They're wonderful. They're beautiful." And that is being done. I mean, there was—the Endowment of Arts had Operation Harmony with massive loads of musical instruments going to Iraqi children. I know the CPA, through Don Eberly, Donations Department, thousands of soccer balls being donated.

But I believe out of the 18.6 billion dollars it should be mandated to U.S. firms, prime contractors around the world to use that to give back to the Iraqis in a tangible way, as well as bring them over here and equip them and train them, sister cities, sister schools, if you will, and whatnot. I think those are key elements to bringing the gap and creating a successful relationship.

Daniel Benjamin,
Al-Fawares

Ambassador Rend al-Rahim: It is as important to build a democratic infrastructure, to build a civil society, to build a culture of democracy in Iraq as it is to build the bricks and mortar of bridges and power plants and so on because without the grassroots democratic culture through civil society, through activism and so on, we cannot take care for the long term of the bricks and mortar that is being put in right now.

I think this is something that the U.S. should pay attention to, that the Europeans should pay attention to, and corporations that are going into Iraq should pay attention to and contribute to.

The infrastructure of democracy is being neglected, and that is what comes from the grassroots upwards. It is in civil society institutions, in non-governmental organizations, in education of democracy. All of this has been sorely neglected up until now, and in the new allocations of the CPA, it is still neglected.

They promised they are doing something about it, so those two areas are important. The one field that I can point to is United States Agency for International Development (USAID) contracts to a group of universities. I know that some of those contracts have gone to the cultural field, including archaeology and the Baghdad Museum and so on. But, when compared to the totality, it is miniscule. Absolutely more should be done.

Assistant Secretary William M. Lash: It's interesting because when you look at the history of Iraq and the Iraqi people, many times they were dealing with outside influences: the Mongols, the Ottoman Turks, the Ba'ath influence, the way it dominated the country for so many years.

This is a great challenge for them, to have their own control. Free of outside control. You know, a non-Turkish, a non-British, frankly, a non-American government, a government that is based upon shared beliefs, transparency, and openness that respects the rights of the individual as well as respecting the history and culture of the people of Iraq.

Photo Lash

Developing Iraqi Capacity

William Loiry, Equity International: One of the major goals of the Coalition Provisional Authority is to develop capacity for the Iraqi people, especially in the construction business, so that best practices of the U.S. and multi-lateral construction companies are imparted to the Iraqi construction companies so that they can undertake more of these major construction projects as time goes on.

I think you will see the same in other sectors—in banking especially and other parts of the economy that need to be independent. I think this involvement of different American sectors

will be helpful, not only American, but worldwide sectors, so that these best practices can be imparted to the Iraqi people, and they can become more and more independent.

Ambassador Rend al-Rahim: First of all, Iraqis have to be closely, intimately engaged in their reconstruction effort. As companies that are working along side American, European, Asian companies, as employees who are working within these American, European companies and so on. So, at every level I want to see Iraqis taking ownership, involved and learning. For example, in the ministries, there is training going across the civil service. This is vitally important because our civil service has been moribund.

Another way I suggested to a major corporation in the U.S., I won't mention their name. They have major contracts, and they will probably do more in the future. I suggested that what they should do is twofold. As a contribution to society, they should establish training institutes in Iraq in the field that they are in, and they should pick promising Iraqis to bring to the US, at their own expense, and train in their own institutions, so that those people could become the leaders in that field in Iraq and the master trainers.

The institute that is in Iraq becomes the institute they train other Iraqis. This is the kind of enduring legacy that I want to see happen, and this is another mechanism to establish this enduring legacy. I would like pairing of institutions, not just academic institutions.

I would like companies here to contribute to establishing capacity building institutions within Iraqi academic institutions, universities. Have an institute for technology and so on and build the capacity of that. There are many ways, and I am just suggesting a few.

James Crum, Program Management Office, The Department of Defense: We had a team over there that actually held asset management training classes, and there's just as many Iraqi women as there were Iraqi men in these training classes. One of the classes just ended, and they all had their certificates out in front of the building with smiles on their face, just because of the opportunity to learn this. Not only for their own opportunity, but also for the opportunity of this capacity to build, to manage and operate the infrastructure for controlling their own future.

Photo Najjar

Iraqi Participation in the Reconstruction Process

Mohammed K. Najjar, El Concorde: The involvement of the Iraqi people is very crucial in this entire process. Whether it is as prime contractors or sub-contractors, or any capacity, I do not think any contractor, whether it is a large one, a small one or any size, can perform any work in Iraq without the direct participation of the Iraqi people.

It is finally, and at the end of the day, Iraq, and it belongs to the Iraqi people. No one knows the culture, the place, the feeling, or the needs of the Iraqi people more than the Iraqi people themselves do.

Developing Iraqi Youth

Annar Shawkat, First Deputy Administrator for Youth and Sports: A young person today or a child today has a future in front of them. So if you take a look at the child today and see his progress over the years to come, you will see that a child now has the freedom to choose which school he goes to, what job he will take the in the future.

This did not happen under the older regime. There were no jobs available and, even if there were jobs, the salary was so low that it was not worth getting a job. I'll give you an example.

The average salary in Iraq was less than \$10 a month. Today a salary is about \$80 a month, that is the minimum salary. So in the future, we can look forward to a better salary system in Iraq, one which makes it worthwhile for a young person to study or to seek a job that he will take pleasure in doing and to reconstruct a family, a healthy family and a happy family, which you do not see in Iraq at the moment.

Role of Other Countries in the Region

Ambassador Karim Kawar: Jordan, as a good neighbor to Iraq, has responsibilities and duties that involved setting up a field hospital in Fallujah that has treated over 220,000 Iraqis: some with the simplest medical needs and some with more complex needs that required surgery. And, many of those operations have been performed on site.

In terms of the World Food Program, they have chosen Jordan as their prime center for delivering basic needs to the Iraqis during those times where it's much needed. But also, Jordan has been working in the security arena. We have undertaken the training of 32,000 Iraqi police. We believe that the Iraqis are most capable of protecting their own streets, their own communities.

The message for the Arab street that should come out of this reconstruction process should be that Americans, Iraqi-Americans, Arab-Americans, the European community, we're aggressively coming together with our passion; willing to put our life on the line in many cases to support this historic event to reconstruct Iraq; to help the people to heal from such damage and such pain that they've been through.

This is going to take time, this is going to take commitment, this is going to take perseverance. There's going to be a lot of pitfalls, but we have to persevere. We have to support the Iraqis. Me, as an Iraqi American, this is something very dear to me. But in general, this is the theme that has to continue onward.

Daniel Benjamin,
Al-Fawares

Certainly, we need to invest in training or retraining in some cases. That is done with coalition partners, but on safe grounds in Jordan, where a safe haven is provided for the Iraqis to receive their training and, hopefully, go back to Iraq and implement the new skills they have gained.

Jordan has embarked on many reforms, some in the economic arena. Jordan, in 1999, joined the World Trade Organization. Jordan was the first country, because of those reforms, to have a free trade area agreement with the United States. We believe that our laws, which have been amended with all this experience in mind, can provide a good basis for Iraq since those laws are in Arabic and they have been amended with U.S. assistance.

They are WTO and FTA compliant. As such, instead of Iraq starting from scratch, they can take those skeletal laws and build on them so that they fit Iraqi needs.

The Importance of Good Public Governance

Assistant Secretary William M. Lash: The good governance function is something the Department of Commerce has been very involved in because we recognized early on what makes America a good place to invest is a system of openness and transparency, good corporate governance as well as good clean government.

That is something we have exported through training programs throughout Eastern Europe as well as Latin America. We also believe that good corporate governance is important. To aid in that effort, the Department of Commerce will soon publish a hands-on book making the case for good corporate governance entitled *Business Ethics: A Manual for Managing a Responsible Business Enterprise in Emerging Market Economies*, which is already being translated into Russian and Spanish.

Whenever we see an economy or a country in transition, it is important that they pick up good rules. We are working with our Iraqi colleagues on that, and the Iraqis are ahead of the game. They have already established their own anti-corruption, good governance commission to make

Anyone who has been involved in development efforts in different parts of the world can tell you that the lesson of the last two decades on how to pursue development, one thing is clear. One can't paper over through nice legal, contractual arrangements fundamental economic realities. It is very important to structure a development project and an overall provisional effort or an overall opening to the world that is consistent with the needs of people on the ground.

At the end of the day a government is responsible to its people. Regardless of any particular contractual obligation, they may have to a foreign developer or to the world community a government and political authority will most likely come down on the side of its own political survival. That is the lesson of development efforts in Indonesia, in India, in Pakistan, in Latin America.

It is important to have participants and be aware of the risks. But, one needs to have a broad, overall sound economic policy. Look at the underlying fundamental realities and structure projects to recognize those fundamental economic realities.

sure that government officials can be held accountable.

They file financial disclosures for all senior officials. If an official is engaged in corruption or bribery, he can be reported by any citizen and an investigation can take place to bring them to justice. We think that is a very good start. It sends an important message to both the Iraqis and to the investment and trading community.

Fostering Good public Governance and the Rule of Law

Assistant Secretary William M. Lash: One thing the Iraqis have done that we are very excited about, and we support, is that they applied for World Trade Organization observer status. This is important. It sends a signal to all the other 148 members that Iraq is willing to undertake the economic and policy reforms to be a member of the family of responsible trading nations. We're very optimistic that Iraq's application will be granted.

As they take more power after June 30th and become responsible for their day-to-day lives, we see them keeping the same policies of transparency, predictability, and the economic system: the same goals of independent in the system, fighting corruption.

Developing the Necessary Legal Infrastructure and Rule of Law

Mark J. Riedy, Pillsbury-Winthrop: For 25 years I have dealt in the developing world. It's always been a thrill as a lawyer to be able to go into an area that lacks a lot of the structure we're familiar with in the United States or other western countries and try to assist people develop a structure that is similar, but not necessarily identical, and takes into mind all of the cultural aspects that have to be considered. Every society is different, and you have to be able to develop laws that people are comfortable with.

Photo Mark J. Riedy

And, to me as a lawyer, it is something that keeps me going day to day: to be able to assist countries develop those laws and to do it in a way that both sides develop trust so that, at the end, everyone is a success and the result is that the prosperity in the country is demonstrably increased.

I think it is important to take the time to structure laws that will stand the test of time, so to speak, like a constitution. Iraq has undergone several interim constitutions. It is time that the people and the government—once the government is in place—put together a document that will be the so-called “rules of the game,” as they visualize where they want the society to be. They might create a constitution to try to achieve that, and then to set up a system through a legislative body, where they can enact laws along those lines. Then they can

promulgate regulations, which try to fine tune the statutes enacted. That kind of process needs to be done carefully, very thoughtfully, and very early on because the sooner that that legal regime is in place, the faster projects will develop.

Developing the Legal Framework for Reconstruction

Assistant Secretary William M. Lash: You know, when you make an investment internationally, whether it's Iraq or the U.S. or Latin America or Asia, you want to see transparency, good clear rules, as well as a good size market and economic opportunities. We believe Iraq will provide all of those and more.

Our colleagues in the government, the CPA particularly, Department of Commerce as well, have worked on establishing a very clear commercial code based upon pre-existing Iraqi law, comparing it to where other laws have evolved over the past 30 years. We are also making sure that the macroeconomic policies or the tax policies, investment policies, are attractive to bring in more investment.

What Iraq really needs is capital for investment, for economic stimulation to get smaller companies up and running. They need a type of capital flow, so we are doing that. We are also doing the outreach to Iraqi firms, American firms, firms of all coalition partners. So they can receive information about the transformation of the Iraqi economy and say, "wait a second, there are good rules."

The Role of Education

Ambassador Rend al-Rahim: This will be the first generation of people who have grown up without the shadow of Saddam Hussein's regime. I compare the Saddam era to a dark dungeon where no light filtered in from the outside. I say that in April, suddenly, Iraq came out in full sunlight.

Now just as somebody who comes out from the darkness into full sunlight is disoriented, cannot see clearly, we have had some problems. But the light is good. This is the first generation that will have grown in full sunlight. Their education will be different. Their exposure to the world will be different. Their understanding of the world and their communication with the outside world will be different.

Assistant Secretary William M. Lash: The Iraqis have always had very good technical skills. I talked to American companies that dealt with Iraq 30 years ago, and they've gone back in. The Iraqis have kept current in engineering skills and various other technical skills, but there's always things that can be learned, or unlearned, from years of tyranny.

The importance of fighting corruption. We have learned that. We've worked with them on fighting corruption. But, there are also better new tools for construction, not physical tools, but program management. Other ways of engaging health care management. Things they

lack because of a lack of the ability to travel, a lack of engagement with their peers, and a lack of access to some scientific and technical journals, which we are proud to be getting back in the universities.

We're trying to very quickly close the technical gap between our partners, whether it's accounting standards, helping to build a weather service, helping them to use some economic data for the Ministry of Trade. These are all things that we are doing jointly.

Mike Default, Equity International: The social services need a lot of work: social administration, health, and education. They have done fairly well maintaining themselves throughout the Saddam regime. However, the literacy rates could be a lot higher. The access to higher education, also, could be a lot higher than what it was.

We are talking about a country of 24 million people. So, it is not a situation where there's a lot of sprawl like the U.S. If the central government is funded adequately, if they can pay enough for schools as we do here in America, if they can keep their schools and their hospitals paid for and modernize them to the point where they don't have to rely on medicines that we think of in 1950s terms, then they can make an immediate and significant impact on the quality of life of the Iraqi people.

Role of Technology

Ambassador Karim Kawar: Technology, in our opinion and from our experience in Jordan, has been the underpinning for development in many areas, especially in education, where we have seen an e-learning initiative that opened up schools and brought the libraries of the world to every school in Jordan.

We see that happening in government with our e-government initiative, and we see that happening in the culture area where art and antiquities can be shared with many around the world. So in this respect we see that technology, if it's well harnessed, can be the equalizer in providing knowledge to people, as well as giving them the channel and the chance to voice where they stand in terms of development with the rest of the world.

Role of NGOs

Ambassador Rend al-Rahim: The number of NGO's is in the hundreds. Non-governmental organizations of all sorts of interest groups have emerged in Iraq.

There are many successes in Iraq today that are untold, such as, you know, people rebuilding their own homes, rebuilding their own communities where now power is back with the help of the coalition. Water is running again, the freedom of the press, all the many papers that have been established, the Internet websites, the new channels that are being aired.

Of course, it's still in its nascent years, but it's a sign of the future. And, hopefully this will be harnessed and put to good use. And, hopefully the voice of Iraq will be loud and clear and will be heard throughout the Arab world and will join other forces that call for reform and call for development and progress.

Mark J. Riedy, Pillsbury-Winthrop: Foreign NGOs will not be in Iraq from a standpoint as a direct investor. Their role is to go in and be more of an assistance provider: to take people by the hand and help them through things. However, some NGOs put things together like we are familiar with on the pure private sector side, which would be something like, a private equity fund.

NGOs might have different purposes. They might not be to build a power project for a high rate of return. It might be something like building a micro-hydro electric project to help a small community. It might be to go into a rural area and develop a kiosk with communications capabilities, including the ability to communicate through the Internet, e-mail, or things like that.

A large company is going to be more interested in making a lot of money, and they are going to go into the populated urban areas where they can see a rate of return much quicker. So, there certainly is a role for the NGOs to help, particularly in areas where there is less interest in the early stages, because the potential for profit is so much less.

Performance Measures

Assistant Secretary William M. Lash: Now we get a report every week on the increase on electricity throughout the country, telephone density, portable water, children immunized, new books in schools. We are looking always at indicators like that, but we are also sending people from the Department of Commerce to Iraq so they can actually start producing reliable economic data.

The Department of Commerce does much of the business data for the U.S., everything from housing starts to consumer goods demand. Trying to get the type of data into Iraq so they can do it for themselves would be another major step for the economy.

Ambassador Rend al-Rahim: What will success look like? Understandably, the media looks for the event and the more sensational the event the happier—the media has news. Now, and if you look at the news, it is mostly bad news, and I do not mean in Iraq only.

What does the media report on? Earthquakes, assassinations, wars, and so on and so forth whether it is in China, in South America or anywhere else. What the media misses in Baghdad, in Iraq as a whole, is this incredible sense of freedom that Iraq is feeling. I cannot express enough how powerful it is, and when you are in Iraq, it is really palpable.

Look, we have over 160 newspapers, weeklies, monthlies, and other publications that are available, very affordable. These publications cover the gamut of political opinion and orientation from Communists and Leninists and Trotskyite all the way to the liberal Democratic to the Islamist and so on. This has never happened.

In those newspapers, people can criticize the government. They can criticize a CPA, and they do. There are virtually no holds barred. I mean they're not obnoxious. They're not indecent or immoral, but they are critical. You have an increasing number of political parties. They're all over the place. Some of them are only five or six people. But, you have a proliferation of political opinion being expressed through these political parties.

People can demonstrate. Now I know demonstrations are frightening, but demonstrations are healthy because, for the first time Iraqis, can express their opinions, their views and their needs.

From our point of view what frequently gets missed are the numerous success stories that have come up since last summer. I mean the success stories in terms of everything from small success stories to large success stories—Iraqi companies that have been started, Iraqis taking ownership of their future, the ability of the United States, for example, perhaps to step back from some security situations now because Iraqi forces can handle this.

People are free to travel. Iraqis were deprived of the most basic, simple thing, like travel. They now can travel. They can buy satellite dishes. They can watch whatever they want. Unfortunately, they watch a lot of Al-Jazeera and Al-Arabia because those are successful issues-oriented stations, and Iraqis are thirsty for issues, for content.

Iraqi television, unfortunately, is not delivering content. However, they can also watch CNN. They can watch Fox News, and they can watch MTV and so on. Never before. It was a crime to have a satellite dish. More and more Iraqis are logging on to the Internet. So, the sense of freedom, and you know what freedom does? It gives you a sense of opportunity, that the world is open to you. You have opportunity, and, therefore, you have hope in the future. I think this is the most important message that is not being relayed by the news.

The other important measure is the economic growth and the rise in the standard of living, which is so very real and so important to Iraqis.

Mike Default, Equity International: Among the leading indicators you would be looking for would be their biggest revenue source, which is oil. It is very closely monitored, as are the condition of the refineries and the distribution system. That is the biggest thing. CPA has also done a great job so far of developing a budget for year 2004. And, they are putting one together for 2005.

For those big line items, they have the management processes in place to identify where revenues and expenses can come together, where there are disparities. I would first look for the revenue coming in from oil. I would secondly look to the Iraqi stock exchange actually which is about to reopen: a good

As an Iraqi citizen and an American citizen at the same time, I find that a lot of the events in Iraq are very positive, and things are being evolved or developed by people on the street, in homes, in cafes, in restaurants. And, it's happening. It's happening outside the walls and it's happening with people who are just like you and me.

And so, having that, I believe, is the groundwork for the reconstruction of Iraq.

Hashim Ashkuri,
ARCADD

indicator of potential signs of life for businesses.

Some of the social things you look for: you certainly want to make sure that the crime rate was as low as possible and that's to a large extent what the coalition is there for. So the big things to look for, oil revenues, the stock exchange and the social indicators such as a drop in the crime rate and a drop in the amount of terrorist activity going on.

Barrett H. Moore, Triple Canopy Group: From firsthand experience, the difficulty in measuring performance in security is that no one is actually tracking all the incidents that take place across the country. It is very, very difficult; it is a large geographic area. The media tends to dwell on particular events and they miss some others.

From our vantage point, we look at individual stretches of road. We may be transiting between two cities, and historically it was very difficult. As we evaluate that over time, we perhaps have to increase or decrease the security force as required. So, those are our little real world events, where we can actually transit an actual community and interact with the Iraqis as opposed to trying to circumvent a particularly difficult city or town.

Barrett H. Moore

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PART II

Overview of the current situation in Iraq and the pressures facing members of the reconstruction community

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FINDINGS

In the view of some of the participants, the reconstruction and construction of Iraq is a moral imperative—an international effort—which regional and transnational companies should embrace.

The Iraqi situation itself represents a complicated political, economic, socio-cultural, technology, and environment situation, which nonetheless offers great potential to the Iraqis and regional and transnational companies as well. Complicating the situation dramatically is the transition of sovereignty to the Iraqi people on 1 July 2004.

Iraq has a basic market-oriented legal framework, and it is an open question whether the legal framework that currently prevails will continue following the transfer of governance to the Iraqis on 1 July 2004.

The economic situation is characterized by great opportunity, and an urgent need for Iraqi jobs. A critical need is to expand the reconstruction community to enable Iraqi companies to participate as fully as possible in rebuilding Iraq. This requires a more accessible procurement process and the development of Iraqi management systems and capacities so that Iraqi companies can fully participate in the reconstruction effort. A particular concern is developing opportunity for Iraqi youth.

Businesses need to be aware of the culture of Iraq, including its history, cultural artifacts, social systems, and environment. There is an important, developing role for the nongovernmental organization. A fundamental requirement is to develop the essential trust and social capital that allows a country to be stable, free market, and an attractive place for international investment.

The many underreported success stories in Iraq model the fact that Iraq has a bright future, that the vast majority of the Iraqis are invested in that future, that programs that are being put in place to help the Iraqis invest in their future are in fact working, and that while there are lots and lots and lots of challenges, and I would never understate the challenges, that on balance we're moving in the right direction.

Joseph Benkert,
Coalition Provisional Authority

Security is a fundamental concern, but security differs widely from location to location. Some areas are relatively secure and offer many opportunities.

Major hurdles include expanding the accessibility of the Coalition Provisional Authority to Iraqis; the potential for waste, fraud, and abuse; and the uncertainty of the transition ahead.

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CONCEPTS & COMMENTS

Ambassador Rend al-Rahim: Our systems, not only our knowledge, our technical knowledge, but our management systems, are stuck back in the 1960s really and even in the '60s we were playing catch-up with the rest of the world. Our management procedures and systems have always lagged the West. This should no longer happen. The best way to overcome this gap is to have Iraqis working along side Americans in these mixed companies and mixed endeavors.

But, we need to start somewhere. One of the things I was hoping is for American universities, or indeed American corporations, to go to Iraq and establish modern business schools, business management schools. To provide MBAs and to entice mid-management Iraqis into these course. They could be evening courses and so on, so that they could still go and take those course and come up with degrees, business management degrees while they're still doing their job and earning a salary. I do not think anybody has picked up on that idea, but this is the kind of thing that Iraqis working alongside Americans in these mixed companies can be doing. They can get their salary, go to these institutes, and get a degree.

You create jobs, you also provide basic services, but you have to remember these people have been in a dark dungeon for 35 years. It is very rare for an Iraqi artist to be able to go out and do things and see the world. Therefore, we need to grab what we can for the cultural sector.

We are going to have to try and do that. I do not know if we will be successful, but our mission is to bring this stuff out. And, there are two things to be done. It is not just to acquaint the world at large with Iraqi culture. It is to get Iraqis to see what is going on in the world, to learn.

All this being said, I have heard horrifying stories about the lack of safety measures in industrial plants in Iraq including, for example, nuclear labs, labs that have radiation capacity. I have heard this firsthand from people who have worked in such industrial plants.

So, we need a whole Occupational Safety and Health Administration (OSHA) infrastructure to be established in Iraq. It is a completely novel idea; we do not have that now. This is a slow process because it is going to require commissions to look at regulations, to establish laws. These laws, then, have to be translated into operating procedures and rules of management and so on and so forth.

“Help Work Us out of a Job”

Daniel Benjamin, Al-Fawares: This is what we hear from the Coalition Provisional Authority: “Help us win the peace. Help us work our way out of a job. Help us win the war.” U.S. business come and help support us. You know, don’t ask what your government can do for you, but ask what you can do for your government and the Iraqi people. Because our way of life, that in the free world, I believe, is at stake here.

Assistant Secretary William M. Lash: The Iraqi Governing Council, the various ministries, are taking more and more daily responsibility for running the country. More and more decisions are being made by them. All major decrees that have come out from the CPA have been done so with the full blessing and involvement, heavy involvement, of the ministries of CPA.

Photo Daniel Benjamin

They are retaining the independence of the courts, and that is important. They are retaining the independence of central bank. So, they are learning where they should be directing democracy and involvement, but also where people should not be subjected to popular whims.

Reconstruction as a Moral Imperative

Assistant Secretary William M. Lash: I think Iraq reconstruction is a moral imperative. Short-term, people will think of the economic opportunities. How many batteries can I sell? How many bandages, how much piping tube? How much oil can I extract? But, think about these are people as talented, if not more talented than many of us, many of our trading partners, and with great resources.

Iraq is a very rich country, great natural resources as well as great resources in talented personnel. One of the best school systems in the region, great universities, technology, very sound people.

And what we need to do is to make sure that that creativity is unleashed after 30 years of being dormant or being suppressed, making sure that people know that now we care. We want to make sure you’re taking part in your investment of your company. We want to make sure you’re taking an active role in economic leadership and political leadership.

We want to make sure that they have long term partnerships with coalition partner companies and that you know they feel that they are very much directly involved.

William M. Lash, III,
Assistant Secretary of Commerce

The only thing that stopped their development, in many cases, has been decades of tyranny, and we have an obligation to give them the same chance that any of our trading partners and friends and allies enjoy. To give Iraqi children the same chance as children in the U.S., whether in Baghdad or Basra, the same expectations of a life of freedom from coercion, ability to compete, ability to get education, to take care of your family and not have to worry about the repression of the past. I think it's a moral imperative that everyone start at that same level playing field.

Before going into any market, you have to really immerse yourself in the business of that marketplace. For years, I covered every country: some 200 countries, their economies, their political systems. But for Iraq, as we're doing so much with the task force and investment and reconstruction, I need to know more about their history.

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We know capitalism is based on competition. We find that so many of our coalition partners are also very good competitors. Our Saudi partners are heavily involved in investing in Iraq, as are our Bahraini partners, our partners from the Czech Republic and Denmark, Korea and Japan. Getting American firms more focused on the larger and well as smaller opportunities has been important.

When Pepsi Cola originally announced its bottling plant in Iraq, that sent a signal to other companies. We see companies from Microsoft to hopefully some food providers coming in. I am always surprised when I see small companies coming up to me and saying, we are doing deals in Iraq. "We're selling chicken parts, we're going there." "We're selling pipe and tube, beauty supplies." The smaller companies are being very aggressive and not waiting for the government to go in. They see this as a good opportunity, but also as a moral imperative to help rebuild the economy and the structure of Iraq.

From Reconstruction to Construction

Assistant Secretary William M. Lash: I just finished a big Middle Eastern swing. I was in Saudi Arabia. I was in Jordan. I was in Bahrain and Qatar. I was in Oman and Kuwait. When I was talking with businesses and university students, I tried to convey the message that this is beyond reconstruction.

We're now talking long-term partnerships, that Iraq is making the right moves in rebuilding their economy with openness and transparency, predictable tax policy, a very good customs policy, an open investment policy. These send signals not only to US investors, but also to Bahrainian investors, to Saudi investors, to Qatari investors, and they will have a major role in helping to rebuild the private sector of Iraq.

Construction goes beyond reconstruction, in my view. I look at the physical infrastructure being rebuilt, the roads, the highways, electricity, the dams, the school system as reconstruction. Construction, however, is building a new private sector, a new system of

transparency where people are free to compete, where capitalism can flourish. Where the individuals' rights and demands in the marketplace are recognized and appreciated, where people are held accountable.

Complicated Political, Economic, and Social System

Ayaz Shaikh, Pillsbury-Winthrop: Iraq is a very, very complicated society. It is a society that I think Americans are only beginning to come to grapple with. Iraq is not just simply Kurds in the north and Shiites in the south and Sunnis in the center. There is a deep overlapping and sometimes conflicting history that Americans need to have a degree of sensitivity to. Particularly in places like the south, where I think we're only beginning to penetrate and where no simple, facile answers explain a thousand years of history.

Photo Ayaz Shaikh

Iraq has a history that is supposed to be the cradle of civilization. It has layer on layer of very complicated history—Babylonian history, for example. There was a point, as one knows historically, where Baghdad was not just the center of the Arab world, but was the leading city of its time: a leading educational center, a leading merchant trading center, and a leading artistic center.

I think the legal framework in Iraq creates many pitfalls for investors. One cannot simply look at CPA Orders and, in my view, take comfort that that's going to be what is going to remain going forward. One has to take a long-term view. I am, you know, fundamentally optimistic about Iraq's future, but one has to understand the physical realities, both from an economic as well as a legal and insurance point of view on the ground together, and structure projects to reflect those, you know, fundamental realities.

Ayaz Shaikh,
Pillsbury-Winthrop

So, it has that history. In the north, the Kurds have their own history that overlaps with Iraq but also extends beyond Iraq. In the south Iraq is a cradle of Shiism. It is the birthplace of Shiism, and the two most important sites of Shiism are in Karbala and Najaf. Shiism is a very complicated philosophy that—because of the American experience in Iran with the hostages—has gotten extremist shifts in the press, and today you find two sort of leading views that are polar opposites.

One view colored by the American Iranian experience which is obviously negative, and now one that's being favored by a number of prominent writers on the Middle East that is extremely positive. As someone who is versed

in this, I have to say that the truth—like most truths—lies somewhere in between and is much more gray.

There are a lot of conflicting and competing strands in Shiite thought and history that can be argued to both support reconstruction, but also to support an Iranian style theocracy. So, I think for American firms, it becomes very important to look beyond the facile answers and gain an understanding—and project an understanding—of that part of the world.

An International Effort

Mohammed K. Najjar, El Concorde: There is no doubt that the United States has made the majority of the contribution, as far as financial and in every other way, to the getting rid of the dictatorship of Iraq and now to the reconstruction of Iraq.

There are a lot of other countries who contributed within their means and have participated in this process including Japan, Spain, to name a few. These countries have done or are doing whatever they can to participate in this reconstruction and bring Iraq back to the rest of the world after more than 30 years of dictatorship and isolation.

Hopefully, the funds that have been established to do this are highly sufficient to rebuild the country like this. The damage due to the war is a fraction of the total damage that was incurred in the 30 years or so of the former regime dictatorship.

However, this will get the country back on track so that the opportunity is given to the Iraqi people to bring things back to life and flourish hopefully in the future as they always have, as a great civilization.

Timothy B. Mills, Patton-Boggs: There's a lot of feeling in Iraq that the Americans have come to Iraq to steal the oil. But, in fact, the Americans are going to leave 18.6 billion dollars to reconstruct Iraq. The Madrid money, 13 billion and some, has also been pledged and not by the Americans, but the Americans had a significant role in organizing that to get international participation.

All of this was coordinated by the CPA, by the Iraqi Ministries, by the World Bank and by the U.N. before Madrid. And, there's a list, project by project by project. Now where did this list come from? This list comes from the current Iraqi ministers. And it says, "This is what we need for Iraq to emerge from 30 years of neglect in the Saddam regime."

Photo Timothy Mills

Market-oriented Legal Framework

Ayaz Shaikh, Pillsbury-Winthrop: Iraq is a civil code country. The Iraqi civil code was enacted in 1951 and based largely on the Egyptian French models. It was significantly influenced by European models and effected a desire to participate in the Westernized approach, which was consistent with the approach taken by many countries in the region.

The problem was that the Ba'athists pursued their own ideologies and enacted regulations and laws that were enacted specifically to pursue political and other economic or legal objectives. They were restrictive and carved out and restricted foreign access and imposed regulations that were some of the most restrictive in the region.

What the CPA has done is try to undo layer by layer those specific Ba'athist laws and statutes. The viability of their orders and regulations after the Coalition Provisional Authority leaves is an open question.

One would imagine that there would be some degree of claw back on some of the most liberalized of CPA regulations. The ability of succeeding governing councils to create a system that protects Iraqis, enables Iraqi participation in investment and redevelopment, and, at the same time, keeps Iraq open to the world community, is one of the most significant questions coming out of the entire reconstruction.

Mark J. Riedy, Pillsbury-Winthrop: One of the advantages that a developing nation has in this day and age is that there are so many nations that have companies that have experience in many different areas of the world. And they can bring that experience to the table and make suggestions—not demands, but suggestions—on the types of laws that they're comfortable with in other countries: what has resulted in successes, what has not resulted in successes, and to try to assist in the process of creating those laws.

And, certainly, the legal communities of foreign countries can be very valuable to this process where they can help existing Iraqi lawyers and legislators draft, craft, develop, fine tune a system that will stand the test of time.

Mike Default, Equity International: Years of neglect and years of central command authority do not really handle business improvement or business development very well. So these are some of the major things about Iraq that businesses need to understand: that the Iraqi people have a lot of potential that is essentially untapped.

Iraq needed room to grow after the removal of the regime. They now have that opportunity. There is a heck of a lot of hope. There is a heck of a lot of potential. And, my research has been saying largely it is the responsibility

A message to the Iraqi street should be that Americans, Iraqi Americans, Arab Americans, the European community, we're aggressively coming together with our passion, willing to put our life on the line in many cases to support this historic event to reconstruct Iraq, to help the people to heal from such damage and such pain that they've been through.

This is going to take time, this is going to take commitment, this is going to take perseverance. There's going to be a lot of pitfalls but we have to persevere. We have to support the Iraqis. For me as an Iraqi-American, this is something very dear to me. But in general, this is the theme that has to continue onward.

of the companies that are doing work to help these people really achieve all that they are capable of.

Economic Situation

Ambassador Karim Kavar: The sanctions in Iraq over the past 13 years have had very negative effects on the people, and especially in the area of technology. I think the lack of access to technology has been a major setback. That said, I believe there is a real opportunity—an opportunity for the Iraqis to leap frog.

Having the opportunity to make a new beginning means that they can introduce the latest technology without having to worry about the old one. By embracing technology, Iraq can leap frog and join even the most developed of countries in providing services that were unavailable in the past.

Mike Default, Equity International: The first important thing to do is to get an understanding of where the country of Iraq was economically and politically. Now, we all know what has happened since the war began. But, very little data was known about Iraq before the war simply because the Saddam regime was not very friendly or accommodating to world economists and so forth.

A little is coming out piece by piece. We are starting to understand what kind of situation the country of Iraq is in. It is not all very positive. For instance, in a country of 24 million people, its gross domestic product, which essentially measures the entire output of the country, is about \$60 billion. Now, that is not that great. It ranks very low among the Middle East. It could be a lot better. The Saddam regime suppressed a lot of economic activity for over 30 years worth of oppression. We would hope that with a lot of economic opportunity, they could double that figure within three or four years.

In Iraq, the rate of inflation is about 70 percent for consumer prices. To give you an idea of where that compares, in America, it is about 1.6 percent. In Jordan, which is its neighbor, it is about 3.3 percent. This has less to do with the cost of goods sold than the fact that their means of production are not even around.

This is a country with a lot of potential. We all know about the oil resources. It is about 95 percent of Iraq's economy, but the actual refinement and distribution systems are in very, very poor condition.

The Challenge of Iraqi Youth

Annar Shawkat, First Deputy Administrator for Youth and Sports: Seventy percent of all Iraqis are under the age of 34 years old. So the youth in Iraq constitutes a large majority that has to be looked to: that has to be taken care of.

What happened under the old regime is that, for the youth of Iraq, their future was stolen. They had no future to look forward to. Whatever they did, whatever they accomplished,

whether in sport or education or medicine, you name it, there was no future for them. There was no way forward for them, except to leave the country.

If you look at the Iraqi children today, you will see a lot of children earnestly running around in the streets. You will also see them selling cigarettes, selling rubbish bags, selling sweets, selling cigarettes on the streets, polishing shoes on the streets.

So far, the priorities in Iraq have been electricity, security health care, renovating the hospitals. There is very little money spent on childcare, on orphanages, today. Youth are very much on the bottom of the list of the CPA and of the governing council, which is very unfortunate because I believe that they are both missing a great opportunity. Where electricity, security, health care costs billions of dollars, caring for children only costs millions: very, very little by comparison. And, it will keep the child out of the street. It will keep him out of mischief.

The first task for the Iraqi government now and in future years is to concentrate on this young population, to educate this younger population, to give them aim in their lives, which is extremely important for the future of Iraq because these children are the future of Iraq.

The level of illiteracy among the youth is very high. The number of the unemployed of the youth is very high. So, there has to be a committee made up of five or six ministries—the Ministry of Social Welfare, Ministry of Interior, Ministry of Youth, Ministry of Education, Ministry of Health—that have to stick together and concentrate on solving the diabolical problem that we have today in Iraq on our youth.

There are models that Iraq can follow. There has been work, very good work, done in many neighboring countries. Jordan is one example. It has done excellent work in the area on child welfare. Iraq can look at a lot of models and take what suits us best.

Opportunity in Iraq

Mike Default, Equity International: By and large, this is a people living in a land that has the opportunity to create

Photo Annar Shawkat

I think the major concerns with the investors that are looking at Iraq is the need to get the security in place, number one, and number two, to be sure that the legal infrastructure is in place that they're accustomed to working in the other countries so that they feel that their risks will be mitigated.

If they're a developer from an equity standpoint, that they'll have the return on their investment and from a lending standpoint, that the principal and interest will be repaid.

Mark J. Riedy,
Pillsbury-Winthrop

everything they need to make their lives better. There are plenty of markets, but Iraq is a net importer of things.

So if you see clothing, other household accommodations, a lot of those things are imported. These are a people that might have the opportunity to develop all these things, make all these things, and sell all these things to each other.

Here's a case where people can develop their own business and develop all the products and services they need to do well in their own lives. They can develop them at home. They have the land for it. They can supplement what they do not have with imports.

Participation of Iraqis in the reconstruction

Ayaz Shaikh, Pillsbury-Winthrop: The important issue is how to maximize and optimize Iraqi participation in the reconstruction effort.

Having been on the ground, having been in places in the region, and now working with a number of Iraqi companies, there is a high degree of frustration on the part of Iraqis for a number of reasons, and much of it could have been anticipated.

There are a lot of stated goals of having Iraqis participate in the reconstruction effort. But, as a practical matter, it becomes very difficult for them. If you talk to the Bechtels, Haliburtons, or other major contractors of the world there is a sincere desire to have Iraqis participate and to team with Iraqis. They have a hundred million dollar contract, they get an Iraqi partner, and the Iraqis typically find themselves where they do not want to be, simply hired as manual labor or as a five million dollar or five percent part of a large contract. They want the larger piece of it, but a number of these Iraqi companies, who have tremendous technical capabilities and experience on the ground, who rebuilt their country after the first Gulf War, do not necessarily have the wherewithal to participate in these contracts.

First, they have been isolated from the world community by sanctions from the first Gulf War. However, their isolation grew even before then through a series of laws imposed by the Ba'athists to pursue their own political and social aims and which isolated Iraq from the world community. So, the Iraqis do not really have a history of doing transactions in the sort of modern global sense, certainly under the sanctions regimes, though there is a deep desire on their part to participate in the reconstruction effort.

Expanding the Reconstruction Community

Mohammed K. Najjar, El Concorde: I think the United States government and government agencies in charge of such things have established the criteria to perform in Iraq and be able to do things properly and according to a preset standard of performance.

The United States government in those same agencies are the ones that tell you that we want you to do the quality control this way and we want you to do the procurement process this way and we have to obtain certain subcontracting limitations and so on and so forth.

So all of that stuff is governed by the solicitations that were issued by the United States government agencies.

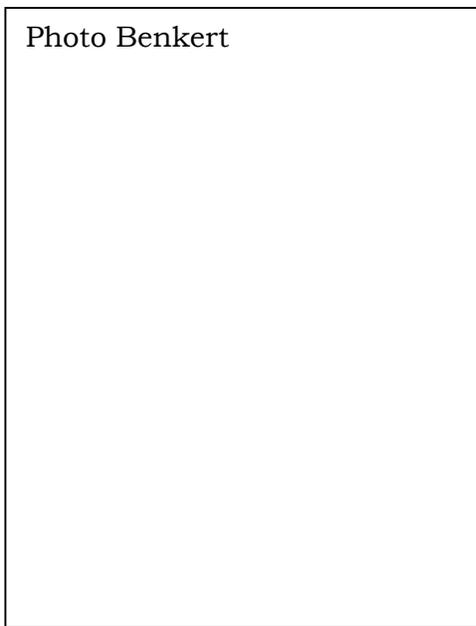
Assistant Secretary William M. Lash: The strategy we're trying to do is make sure that US firms, Iraqi firms and firms from other coalition partners have equal access to information about both investment and trade opportunities in Iraq as well as the reconstruction efforts. They can participate fully as sub-contractors or prime contractors, depending on their needs and capabilities.

We are trying to get more on line in Arabic that is useful for our Iraqi partners. Anything from guides to doing business to the possibility of seeing linkages for conferences and new materials. We are also making more efforts to bring Iraqis to international forums in Dubai, Kuwait, and Amman where they can meet their counterparts: where they can talk to other businesses.

The message I would like to share, not only the companies that plan to help Iraq, but most importantly for the Iraqi people, is that our role is to help provide surge of assistance. That does not in any way meet their long-term goals for their own country. And, through our surge of assistance, hopefully stabilize their situation so they can carry on.

Joseph Benkert, Coalition Provisional Authority: The strategy is to approach the situation in Iraq through a variety of means. We organize this around five pillars—security, infrastructure, economics, government, and strategic communication. All of them are important pieces. There are various players in all of them. The key part in all of these, and has been ever since the start, is increasing the ability and responsibility of the Iraqi people to take charge of their own future, and that's the essence of the strategy.

There are a lot of different ways in which developing Iraqi capacity or developing the capacity of Iraqi human capital is being pursued. One is a number of the projects are directly targeted at this. For example education projects, projects which send people out to work with local Iraqi governments: how to run a democratic process, how to decentralize power from what was an overly centralized government in Baghdad to a situation where local and provincial governments and business have more responsibility.



At the other end of the spectrum is large-scale investment. For example, through the various projects that are going to be done in Iraq, which will build the capacity of the Iraqis to

do large-scale program management. Then, both the government ministries and the Iraqi companies involved will develop the capacities to take such projects on and run with them when the reconstruction funding plays out. One of the most reassuring parts of this is the fact that the United States government is very much committed to the long haul in Iraq as evidenced by the resources that we have put into Iraq: both our own sons and daughters in the course of the coalition forces, the establishment of the CPA, and the monetary resources.

The coordination of all the different sources of money is really a challenge. There's an incredible outpouring of support, people wanting to help. Once a need is identified and the CPA is ready to fix that need, it lines up the right source of money based on the intent of those pockets of money and then taps into that with an execution plan. All of that is then tracked by the team at the end to ensure there is no overlapping, that the most efficient use of the money and resources are made so that the overall plan is executed.

They are very skilled people, the Iraqis. It is really just organizing their skills to help learn as we build these structures so they can own, operate, and manage them in the future. To that end, we have Iraqis integrated in our team in Baghdad that are listening to our decision-making; they are listening to the plan development. Then, they are going out with us to monitor construction. I have already seen examples of projects already been completed, and the ribbon cutting ceremony has both the Iraqis and the Minister of Electricity and the military component and all the folks involved in the team, jointly cutting that ribbon.

Need for Trust and Social Capital

Mark J. Riedy, Pillsbury-Winthrop: You see a lot of distrust in host developing countries as you enter and try to do business because the feeling is that these foreign companies, foreign investors are coming in to take advantage of us. Certainly, not every company is going to come in and be a good citizen, but they'll get moved away, you know, as good laws are put in place. But, the point is you have to have an openness to trust that these companies have experience and can be helpful.

I think that the Iraqi people will certainly see who are genuine: not trying to take advantage of them and trying to be helpful. They'll allow those people to make suggestions, and they'll take them seriously. I have seen that in many of the developing countries, "stand your distance." But, as familiarity and trust develops between both sides, those types of walls break down. Then, from a sustainability standpoint, it is important that the trust be maintained. From a legal standpoint, the most telling example of trust being maintained is what is called the "sanctity of contract"; once a contract is entered into, it's adhered to and both sides complete their obligations under the document.

Security Concerns

Mohammad K. Najjar, El Concorde: The majority of the reconstruction community within the United States actually is somewhat reluctant to approach any work in Iraq, except for the large contractors that have that kind of experience.

This is true, not only working in Iraq or in the Middle East, but also working in difficult conditions where security is an issue, and it is hard to do anything or plan anything. Construction or reconstruction, in general, is based on a time schedule, cost, and if you can meet the criteria—the quality control, the time schedule, and the cost budget—then you've accomplished your mission.

All three of these can be jeopardized without the proper security in place. And, under the current circumstances, the security has not been achieved in Iraq, not totally. Hopefully, that that will be achieved in time, so we hope for the best.

Barrett H. Moore, Triple Canopy Group: In our view, there are really three different sets of competing agenda in our world. There are the terrorists, which generally infiltrated from another country and operate with relative impunity. There are the historical agendas, perhaps the Ba'athists, the individuals who were aligned with Saddam Hussein. And then, there are the criminals.

There are certainly large criminal elements within the country. We see them occupying very specific city-centers and regions. That is not to say that all of Iraq is that way. There are literally large portions of the entire country that are relatively safe. And, in fact, there are areas of the country where I have my family visit.

Our real difficulty is the vast majority of the things that take place there: the shootings. It's basically crime; it's very sophisticated gangs that are predators. Half of our job is projecting a very strong image and, inevitably, criminals prey on the weak as opposed to the strong.

That's not to say that there aren't others who have a more astute agenda. They are there to attack anyone within the country. Our simple vantage point is that we want to enhance security on a day-to-day basis. Our operational tempo continues to be quite high, but we feel that progress is being made on an individual basis.

If we compare where we were then to where we are now, there are actually large regions of Iraq that are quite conducive to conducting business right now. Our objective, of course, is to insure that the entire country is secure, so that we can stop focusing on the tools of our trade and focus on the tools of business as it might be.

Let's bring commerce. Let's have an opportunity to have the Iraqi people have a hand in the reconstruction of their county and establish a foundation for the future.

* * *

However, with the transition of government taking place here in the June and July time period, we'll see what happens. It is possible that things will get slightly worse for the short-term, but we are very optimistic that things will become much better in the long term.

Mike Default, Equity International: The Coalition Provisional Authority is on its way out. It will be a temporary blip on the Iraqi history. It serves as a transitional period to help the Iraqis build or at least put together the building blocks of their society. After which time, the coalition leaves, and it is their country. It is all about ensuring a bit of stability where none would have existed.

There is an important reality here that many enemies of Iraq, many enemies of the new Iraqi freedom, might view their current situation as a sign of weakness, as an opportunity to undo a lot of the good that's already been done. That's not the case. We, as Americans, do not want to see lost what we worked side by side with the Iraqi people to build this far. So, they need to stay as long as it takes in order to ensure that a modicum of stability remains after we leave, so that the Iraqi people will not be unduly harmed or otherwise taken out of their course of development.

Major Hurdles Remaining

Mike Default, Equity International: Procurement would probably be the biggest hurdle that the government faces. They have so many different companies globally who can perform work, but are not really sure either how to perform the particular work or if they can actually deliver the service in Iraq right now.

Because it has millions, if not billions, of dollars and hundreds of billions of Iraqi dinars involved, there is a lot of opportunity for waste. No one wants to see the Iraqi government have to re-procure for the same infrastructure development or telecommunications or electrical servicing four or five different times.

It wastes the Iraqi people's money, and it could be money that could be spent on more productive means. So, if they can get their procurement processes down as efficiently as possible, in the near and the mid-term, they'll be much better off.

Ayaz Shaikh, Pillsbury-Winthrop: The most significant issue, I think, continues to remain political and stability both from a security point of view, and from a political point of view. People are all looking to when the CPA leaves to figure out what happens thereafter. What takes its place and to what extent the laws and orders implemented by the CPA survive. That to me is the most significant issue.

The issue of to what extent and how the new Iraqi governing authorities claw back or sustain CPA orders is one of the most important questions to come out of the reconstruction effort, and this should be one of the most important questions for anybody looking to invest in the region.

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PART III
**Strategies and practices of
successful members of the
reconstruction community**
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FINDINGS

Many participants argued that the reconstruction community needs to embrace a strategy of rebuilding Iraq from below the ground up. This means being attendant to the culture, and history of the Iraqi people and the environment. It also means building their capacity to reenter the global community and long-term relationships.

Security remains a concern, but to be successful, a business must actually go to Iraq. Companies need to be prepared, patient, prudent, and present. An essential element of any strategy is to know the Iraq culture, listen to Iraqis, and have an Iraqi partner

Though much of the attention in the reconstruction community is on Coalition Provisional Authority contracts and the prime contractors, a number of the participants urge firms to consider a shift to private enterprise to meet Iraqi needs. They also suggest developing a consortium of firms to bid on contracts and perform work.

Finally, developing the nongovernmental sector is an important consideration. Firms need to be aware of Jordanian involvement. And, participants relay a number of success stories.

Help Work Us out of a Job

“Help us win the peace. Help us work our way out of a job. Help us win the war.”
U.S. business come and help support us. You know, don’t ask what your government can do for you, but what you can do for your government and the Iraqi people. Because our way of life, that in the free world, I believe, is at stake here.

Daniel Benjamin, Al-Fawares, quoting
the Coalition Provisional Authority

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CONCEPTS & COMMENTS

Build from below the ground up

Assistant Secretary William M. Lash: I think that whenever you're dealing with any country—like the very close personal relationship we have and will continue to have with Iraq—it's important to understand their history: the recent history as well as their rich culture. Many people do not realize that the Tigris and Euphrates Rivers framed the Garden of Eden. Some people even refer to these challenges as a moral challenge because we are not just reconstructing a country, we are reconstructing Eden. That is a real challenge for all of us. And, it helps drive the personal point home.

Mohammed K. Najjar, El Concorde: The culture of Iraq and its civilization is one of the oldest, if not the oldest, in the world. For anybody, us or anyone else, to overlook this or to neglect that fact would be suicidal.

It is very crucial that we realize the sensitivity of this issue, and how crucial it is to not only the Iraqis or Iraq, but to the whole world. I think that culture, these antiquities, and the things that we could possibly run into and find in the layers and layers that we may be excavating or running into in the reconstruction process will actually have to be salvaged in their entirety, photographed, and everything else.

Everything has a meaning. Everything goes back to thousands of years, and we have to preserve it to the best way we can as humans in general.

Hisham Ashkouri, ARCADD: There are two ways in protecting the cultural heritage of Iraq. In the area where I work now in Baghdad, if you do the construction contract, there are legal parts of that document where you can actually control the work, focus on the artifacts found, and bring in people who are specialized—from either the Baghdad Museum or other agencies, who are able to identify the artifacts and to catalogue them—to make sure that the site is clean, ready for construction.

In the last two days, we have heard in this conference, and this has been repeated, if you want to do business you have to be in Iraq. If you want to do business, you have to have Iraqi counterparts.

You have to speak with Iraqi businessmen. You have to speak with the ministries, with the Iraqi minister, with the deputy ministers, with the directed generals of the ministry to do business.

It is almost irrelevant if you have the money. A lot of companies have the money. A lot of companies want to profit from Iraq. But, you have to be present in Iraq. You have to know what Iraq needs.

You have to know your priorities and only Iraqis can tell you what are their priorities.

Annar Shawkat,
First Deputy Minister for
Youth and Sports

The other issue that we really have to focus on is that not just artifacts, but also the buildings near your projects that are historically significant. The decision to build a new building next to a historically significant building has to be based on, not just understanding, but respecting those other buildings and making sure that they don't fall apart, they do not sink, they do not crack.

If anything, the historic buildings need to be improved, repaired, and included as part of the complex that you are building. So, in a sense, you're enhancing them.

Ambassador Rend al-Rahim: I have said that we are rebuilding Iraq from below ground up. We need to look at the Iraqi soil, at Iraq soil, at the aquifer. We need to look at the environmental damage that has occurred in Iraq very carefully and look at ways that, over the years, we can restore environmental health to the water system and to the soil because that gets into our food.

Before the change of regime, as I thought about the issues that are going to confront Iraq and that are going to be critical, I worried that the problem that is going to take the longest to tackle and resolve would be the environmental problem because by its nature it is not something that you could simply construct. It is not something that you can pull down. It is underground.

Barrett H. Moore, Triple Canopy Group: The country really requires everything, and it is unfortunate. There is this tremendous thirst and desire for the Iraqi people to have the products and services that they identify with the United States and the other coalition partners. So, I encourage additional economic activity. I encourage that partnering and, despite the need for security, do not let that deter you.

Build the Capacity of the Iraqi People

Ayaz Shaikh, Pillsbury-Winthrop: I think for most firms pursuing business in the region, there are strategies one can pursue from basically training your own people, making sure the people that are on the ground are sensitive and versed in the basics of cultural sensitivity issues, and actually pursuing projects in conjunction with the physical development project that show an understanding and a desire to uplift the people and the culture.

James Crum, Program Management Office: In order to be successful, to rebuild the most critical infrastructure, and to set a path for the future that the Iraqis can control themselves,

From our vantage point, we view ourselves as guests in Iraq. We are there learning about the people and the culture. And, we're trying to insure that there is a good feeling as to what Americans are they are trying to do. We want to interact with the people, and at the same time, insure our principals'—the people that we are working for, whether they're Iraqis or Americans or some other coalition partner—security in an otherwise difficult environment.

Barrett H. Moore,
Triple Canopy Group

it is very important that we not only physically rebuild the infrastructure, but that we partner with Iraqis and build their learning curve and capacity along the way.

To be in their country is a privilege. And, to be able to be in their country, in their backyard so to speak and help the people with the basic quality of life needs, is not only a rewarding experience, but also a privilege.

Barrett H. Moore, Triple Canopy Group: In my experience, there are tremendous business opportunities. As a security firm operating in all the provinces of Iraq, there isn't a day that goes by where we don't see dozens of business opportunities. I truly encourage everyone to seriously consider trying to participate in the reconstruction of Iraq: identify an Iraqi partner, it could be a large company, it could be a small company, it could be an individual businessman. But, please use them because they will provide you guidance in their country.

You are in a position to mentor them and help them with perhaps best business practices from your country or your world and at the same time, you're in a position to try to offer a series of services or products that don't exist in Iraq.

Triple Canopy really thinks of itself as guests within Iraq. One of the frustrations we have as a private corporation is that other organizations in our space perhaps do not have that same ideal. They do not think through, from a day-to-day aspect, their interaction with the Iraqi people and that influences Iraqi opinion of us as Americans or as British or as any of the other countries that are involved in the coalition.

I think it is important. The long-term historical perspective that people hold is maintained through daily interaction between individuals: that we're all citizens, that we're all trying to do our duty, that we interact in a fair and honest fashion that enhances life for all of us.

As a Western firm, we work with experts in an area quite simply because we are guests. To be successful, we have found that we must ask the same question of many people. If you ask one question of enough people, you finally can key in on, perhaps, what the path is.

So, we do that on a region-by-region basis. We are very cautious about whom we try to employ to help us in our work. We have a very large number of Iraqis, which are in our employ helping us with our efforts. And, we try to make them a key component of our service offering in Iraq.

Well, it's a very rare opportunity. It's rebuilding a country that will shape the future. It's history making really. And then, the partnership with the Iraqi people, these are folks who have not had this type of help from their partners in the region and from the United States for a very incredibly long time. So, the incentive is the personal reward, the privilege to work with these people, and the opportunity to make a difference to rebuild their future.

James Crum,
Program Management Office

Build Long-term Relationships

Ambassador Rend al-Rahim: There is no question that a company that goes and increases power generation in Iraq or refining, oil refining capacity, is answering a very real need. Or corporations that are helping in building the hospitals and the schools and so on. They're answering a need.

But, we have to define our priorities and that is a very important part of it. The other thing is, what is in it for these corporations? These are for-profit corporations; the important thing for them is the bottom line. But, I think there is a more important element apart from the bottom line.

Corporations tend to build long-term enduring relationships with countries, and I think there really are examples, for example, Saudi Aramco. Aramco has been in Saudi Arabia since I believe the 1940s, if I'm not wrong. They have become part of the Saudi culture, part of the landscape. They produce a wonderful book on Saudi Arabia. It celebrates not their work, but the achievements of Saudi Arabia. This is a contribution of Aramco to Saudi Arabia.

Saudi Aramco builds hospitals that are not just for Aramco employees, but for Saudis. It contributes to the building of schools; it contributes to the building of mosques and so on. Aramco really has made itself part of Saudi life and Saudi culture and it gives in as many ways as it benefits. I really would like corporations that are going to Iraq to look, in that way, at its investment in Iraq. Not as something that it goes, does, gets its profits, and goes out, but as a long-term partnership.

Ideally, if they can, they should hire Iraqis. There are Iraqis in Iraq that could serve in that capacity, but if not there a few million Iraqis overseas. I cannot tell you how many Iraqis I get calling me saying that they want to serve their country in some way or another. How can they do it?

Well, a very obvious way to do it is for American companies to hire these Iraqis either as cultural consultants or as technical consultants. There are a lot of Iraqis who are engineers or scientists in different fields working in the United States, for example, who could work as technical consultants and as the liaison, a bridge between Americans and Iraqis.

But I think American companies could also use Iraqi generalists, people who guide these companies through Iraqi society, and who provide advice on Iraqi traditions, Iraqi restrictions, what is possible, what is not possible, in this very foreign social framework.

Barrett H. Moore, Triple Canopy Group: There are really opportunities, and individuals operate on a day-to-day basis in Iraq without being individually threatened. It is possible to begin to build a business and establish the fundamental building blocks: blocks that are necessary for Iraq to become an independent, healthy nation.

Companies have to go to Iraq

Timothy B. Mills, Patton-Boggs: Where the rubber meets the road is on the face-to-face. Drinking tea with Iraqis, being able to say to Iraqis, “I want to do business with your company but your company has to want to do business with me.” You do not reach this comfort level in Iraq without being in Iraq.

Whether American business people or the foreign business people, being in Iraq and going to the Iraqi businesses and saying to them, “All right, fine. I am here to learn about you. I am here to help you.” You can’t do that from Kuwait. You can’t do that from Amman. You can’t do that from Beirut. You certainly can’t do that from Washington. You have to go to Iraq. You have to go to Sulaimaniyah. You have to go to Baghdad, to Tikrit. You have to go to Basra. You have to go to Mosul. And, that’s where you have to do it.

Come for the long-haul.

Annar Shawkat, First Deputy Administrator for Youth and Sports:

Foreign companies should realize that if they want to stay for the long haul in Iraq, they have to share in good faith. They have to reinvest their profits, or some of their profits, in Iraq. Otherwise, they will not have a future in Iraq.

Foreign companies are coming into Iraq. They should be prepared to retrain Iraqis. They should also be prepared to invest in human resources. They should be prepared to donate money to Iraqi charities.

These are very important requirements for these companies if they want to continue to do business. A company might come in and get one

We recommend a policy that we call: BP4. Be prepared, be patient, be prudent and be present.

- Be prepared is easy. We want companies to not just get information off the Internet about Iraq or read a few books. But, make sure they've done their homework. They understand where they're going. They've identified relevant potential buyers, either at trade shows, around the world or contacted the CPA or the Iraqi ministries in advance.
- Be patient. You know, getting things done in Iraq will not be at lightening speed. This is not New York or Dubai. They're struggling now to establish a good commercial infrastructure and good system of ministries with transparency and fairness. You know, take your time. Understanding it will not be overnight.
- Be prudent. Make sure you've taken good judgment when you're doing business. The same type of ideas and qualifications of partners in Wichita or Washington should still apply when you're dealing in Baghdad or Basra. So, make sure you know whom you're dealing with and you have the capability to be a good partner.
- Be present. I think it's impossible to do business meaningful in Iraq without being in Iraq.

William M. Lash, III,
Assistant Secretary of Commerce

contract. But, if he wants to get a second contract, then he would have to prove good faith.

Security considerations

Barrett H. Moore, Triple Canopy Group: In our view, there are four or five inherent requirements to operate in Iraq and that's, of course, food, water, shelter, transportation, and security. There are a variety of forces that necessitate that you have security, we all read the press and understand that there is a need. And it is very much so.

The transition we see taking place within the security realm of Iraq is one where we are going. We, as an organization, are transitioning from the point of security to more of a role where we are now managing; we are actually directing and providing guidance and, more importantly, training to the Iraqis.

The obvious transition there is that, in time, and we think in the not too distant future, there will be Iraqi companies that are specialized in security. They are Iraqi owned, they are Iraqi operated, and hired by the Iraqi government to do the work that is necessary. If we are offered the opportunity to help train or facilitate that, we would be delighted to help.

There's been a tremendous growth in the number of Iraqi security firms. We are collaborating with them on a daily basis. They're quite active in terms of soliciting additional work, and the common denominators still in Iraq, unfortunately, are each individual needs food, water, shelter, transportation and, of course, security.

Listen to the Iraqi People

James Crum, Program Management Office: The only way really to succeed is to hear from the Iraqi people themselves. They know their country; they're very skilled; they know what their needs are. And, there's a process set up by the forward team and program management, supported by our team here in the Pentagon, to work with the ministries and listen to them as they identify not only their needs, but the priorities of which to implement them.

Then we plug in and help shape those needs in an execution plan to line up contractors and mechanisms to actually to get people on the ground, turning dirt and rebuilding that needed infrastructure for their quality of life.

Have Iraqi Partners

Mohammed K. Najjar, El Concorde: We rely heavily on the resources and the manpower of the Iraqi people to be key players within our team to make things happen. So, we cannot do it without the Iraqi people and, obviously, we had certain resources that will definitely contribute effectively towards the reconstruction of Iraq.

Ayaz Shaikh, Pillsbury-Winthrop: This comes from experience. I've worked in infrastructure projects in the developing world all over from Indonesia to South Asia to Middle East to Latin America. Invariably anyone who has done this kind of work can tell you that the most important component of putting together a large project is to have good, sound local partners. It makes good business sense. Those firms that are involved in the effort have, and should have, a desire to involve local participation. It helps on a number of fronts. It helps give a good face to the project, it creates jobs; it helps working through all the difficulties one faces over the course of the development project; and, after the project is built, it certainly helps in terms of implementation of the project.

Among experienced developers, there is a clear desire to do that. The issue becomes bridging the gap that exists today between capacity and desire on the part of the Iraqis and the overall wherewithal and experience they have in working on projects like this. This is particularly so, given the fact that for the last decade and a half they've been completely isolated from the world community.

Know the Iraqi Culture

Ambassador Karim Kavar: We see many of the problems that are arising today as arising from the lack of understanding of culture. And, I believe here, as Arabs, there are certain ways in which we conduct ourselves in which we do business, which is specific to our region. And, as such, I think Jordanians and the Iraqis can establish connections on a cultural level that are significant and that can help both countries.

Ayaz Shaikh, Pillsbury-Winthrop: I think for most firms pursuing business in the region, there are strategies one can pursue from basically training your own people, making sure the people that are on the ground are sensitive and versed in the basics of cultural sensitivity issues, to actually pursuing projects in conjunction with the physical development project they're pursuing that show an understanding and a desire to uplift the people and the culture.

The artifacts that exist in that part of the world date back several hundred years, if not millennia, and are some of the most important archaeologically important artifacts in the region. Showing specific cultural sensitivities, if you're doing work in the north. Having an understanding of Kurdish history and that Kurdish culture extends far beyond Iraq.

Likewise in the south, showing the same understanding for the Arabs and for the Shiites. One of the most horrific things that Saddam Hussein did in the south, beyond his general oppression of the Shiites, was systematically draining the swamplands in the region. The marsh areas were being systematically exterminated.

The Marsh Arab culture dates back thousands and thousands of years. It pre-dates Islam. So, the understanding of that can have tremendous impact in terms of showing your bona fides. Pursuing your project and, on the side, uplifting those people can have tremendous impact for a company pursuing opportunities in the region.

William Loiry, Equity International: A lot of Iraqi culture is different from American culture. So, it is difficult for an American businessperson who has not been in this part of the world to just arrive and set up shop. I think a great role for Iraqis might be to assist the reconstruction community with conferences and seminars, which the Iraqis could put on, about how you do business in Iraq.

Barrett H. Moore, Triple Canopy Group: There are certainly cultural differences that exist from the history of Iraq or stemming from the Ottoman Empire. Our U.S. law enforcement officials that have had a very significant say in how they want to set up the new Iraqi police force, the defense force, and the army. We're very much on the periphery of that. We do more of the specialized work related to those activities, and I think that they're laying the foundation for a successful Iraqi security force that can ensure the peace on a go forward basis.

Shift to Private Enterprise

Hisham Ashkouri, ARCADD: I have had quite a bit of experience now with conferences since July of 2003. Most of the work initially was focused on U.S. government contracts and the initiation of construction in Iraq based on federal money. It's shifting. More and more people are focused on the Iraqi ministries and their contracts.

I personally have interest in supporting the private sector. That's where I think most of the construction will commence, where it will come from.

The nature of the shift that's happening is a result of people realizing that the actual work, the heart of the work, is located within the country, and that people, Iraqis, as well as other surrounding countries, are interested in developing and building their own projects. There's a certain amount of effort towards that.

Develop a Consortium of Firms

Mohammed K. Najjar, El Concorde: In the Middle East in general, whether it is Jordan, Kuwait, Iraq, Egypt or any of the neighboring countries, I do not believe the capacity is there within one company or one entity to make things happen based on the requirements for the reconstruction and the time frame and all the constraints that are associated with the reconstruction of Iraq.

However, if there is a consortium or a group of people that can get together, a group of companies can pull their resources, as we have done in El Concorde, with Danny Benjamin, Al-Fawares Co., and the whole group that we have been able to put together with the help of Microsoft and a number of various successful companies.

I think putting a team like this together is very crucial to having, at the end of the day, one entity that can make things happen and can actually be able to perform effectively and efficiently in Iraq within the time limitations and the budget constraints that we have to work with.

Developing the Nongovernmental Sector

Mark J. Riedy, Pillsbury-Winthrop: In other developing countries I have worked on foundations where we have set up foundations in the United States. There, under our tax law, we set up a 501(c)(3) structure. Then, depending upon the laws in the particular country, you set up another foundation, and you can then move money from one foundation to another.

Money could be a deposit in the foundation here by interested Iraqi-Americans or Americans in general that have an appreciation for the arts and culture and the need to preserve those things. So, they would put the money into the foundation and the foundation would make their contributions to the Iraqi foundations.

You can set up foundations in those countries, and they'll be looked at by their regulators to be sure that the money received at the other end is handled properly and expended properly. Money, then, could flow from a foundation outside of the country to a foundation inside the country. The funds would, then, be expended for various cultural projects.

Jordanian Involvement

Ambassador Karim Kawar: Our role in the reconstruction community is to participate with coalition partners in the efforts of rebuilding Iraq: by establishing partnerships with Iraqi firms and Jordanian firms to join forces in that reconstruction effort.

As a Jordanian family, we see a big opportunity for the Iraqis. We have to work in rebuilding Iraq, and I believe the Iraqis are the most capable of rebuilding their own country. They are the most hardworking and creative people in the region, some of the best educated.

In this respect, we need to work with the Iraqis in the areas where they are lacking, maybe in the area of technology, maybe in language skills, maybe in helping the coalition firms better understand the culture in our region, which is common to us Jordanians and the Iraqis.

Success Stories

Ayaz Shaikh, Pillsbury-Winthrop: Most of the success stories involve situations where there are efforts by a broad consortium of participants including local partners pursuing projects. Most of these have been below the radar. They've been smaller projects. A lot of private investment outside of the CPA or USAID contracts.

The US AID contracts and the CPA contracts are getting a lot of attention, as they should, and they have been successful. The work that companies like Haliburton and Bechtel are doing, whatever you can say about the political ramifications here, they are making a difference on the ground in Iraq. So, I would not want to downplay that. They are helping to change: putting themselves at risk and helping to change the infrastructure of the country.

But beyond that, there are a number of direct ventures pursued by enterprising entrepreneurs in the region and abroad that are in the oil and gas sector and the power sector that are making a difference. The El Concorde firm, for example, is a good example of that. They, on their own initiative, went in and have now become involved in a number of multi-faceted projects that extend beyond their base core construction capabilities.

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PART IV

The role that culture and the rich Iraqi history plays in the reconstruction and construction efforts

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FINDINGS

Strategies for members of the reconstruction community require a cultural element. Participants point out that the intellectual and cultural considerations of Iraqi life have not received the attention of physical infrastructure. These cannot be ignored for the long-term health of the Iraqi people—and world civilization.

An immediate concern is cultural preservation: that irreplaceable artifacts of Iraqi history and, indeed, world civilization not be disturbed, damaged, or removed lest their historical significance be lost. Participants noted a few necessary cultural projects underway for the reconstruction community to consider and learn from.

Certainly, in our region the inhibitions that have stopped us from discovering the past can now be overcome: where we can be proud of our history, we can be proud of our heritage. A lot can be done in terms of research, in terms of excavation for those antiquities, and, hopefully, present the past as it was in its rich glory, and, hopefully, this process can be of documentation and sharing that information with as many people as possible.

So, we see Iraq and Jordan cooperating in this manner in large ways.

H.E. Karim Kawar,
Ambassador of Jordan

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CONCEPTS & COMMENTS

Ambassador Rend al-Rahim: You have to remember these people have been in a dark dungeon for 35 years. It is very rare for an Iraqi artist to be able to go out and do things and see the world.

A necessary emphasis is on creating jobs and providing basic services. You create jobs, you also provide basic services, so we need to grab what we can for the cultural sector. I do not know if we will be successful, but our mission is to speak for Iraqi intellectual and cultural life. And, there are two things, it is not just to acquaint the world at large with Iraqi culture, it is to get Iraqis to see what is going on in the world—to learn.

Importance of Cultural Considerations

Ambassador Rend al-Rahim: You know you don't invent culture. By its very definition, culture is an accretion of hundreds of years, in Iraqi's case millennia, of practices, creation, invention, imagination and imaginative spirit building up to something that is shared by the whole community.

I don't believe that a nation can live by bricks and mortar alone. Unless you have a vibrant, robust, intellectual and cultural life, a nation dies really. One of my concerns with the way the CPA has divided up available reconstruction funds, I have said to them, is that are missing the important aspects of Iraqi intellectual and cultural life.

Culture is music, culture is art; culture is archeology and history. Culture is writing, poetry, all of this. The way we eat, food is culture. So, it's not one thing or another. It's the totality of the spirit of invention, of creativity and so on. Iraqis, by the way, are well-known for their magnificent poetry, and they also have a reputation as the leading artists in the Arab world.

We need to nurture these. The poetry goes back to epic of Gilgamesh, and from the Abbasid period, we have had an efflorescence of poetry for a period of 400, 500 years. This continues to this day. We need to gather and explore this heritage and build upon it. Not to write the same poetry, but to be imbued and inspired by this.

The impact of physical infrastructure development on the cultural infrastructure cannot be overstated. In every country in the world where the U.S. or foreign developers have come in, they have brought with them a whole array of cultural development, and you see this in a variety of different contexts from McDonalds and from Pepsi-Cola to MTV.

But, in Iraq, it is important for it to be a two-way street, and it is important to the Iraqis for it to be a two-way street. At these events—and through our contacts in the region—in conversations they won't ordinarily tell their American counterparts, I have learned the kinds of things that really upset them about Americans: their inability to show basic understanding of their history or culture, mispronouncing names, people that profess to speak with experience and, in five minutes, you can exhaust their understanding of the history and culture of the region.

It is very important to the Iraqis that their culture and their history be understood and appreciated—that there be a two-way street, not just an importation of American values and American ideology—that we as Americans show a sensitivity to their culture and their history, which is indeed a deep and rich one.

Ayaz Shaikh,
Pillsbury-Winthrop

Painting, also, is a very important aspect of Iraq's culture. I should mention that in the State Department, the Office for Educational and Cultural Affairs is doing its bit to encourage

culture. Of course, they brought the Iraqi National Symphony Orchestra in December. The Iraqi mission here is working closely with that office in order to encourage cultural exposure.

I have to tell you that even people involved in art, poetry, music have to go outside Iraq to see what is going on in the world, and then go back and reinvest in their own field.

We were very delighted that the Iraqi National Symphony Orchestra came. My ambition for 2004 is to bring an art exhibition to tour the United States, and perhaps go to Europe. This is something I've been discretely talking to people about. I don't know if it'll happen. All of these things need money and, necessarily, most of the money is going to building the oil sector, the electricity, the telecommunications and so on because those are job-creating fields.

We just had 25 Fulbright Scholars come. I expect Fullbright Scholars to be coming every year to the United States. I expect these young people to be able to travel on vacation, for education. They will be on the Internet all the time. They are the future of Iraq, they truly are, and this is the most exciting thing that is going to happen to Iraq. My understanding is that we are in the process of getting the Baghdad museum ready for opening. I have to tell you that one of my missions here in Washington is to encourage examples of Iraqi culture to come abroad.

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Cultural Preservation

Hisham Ashkouri, ARCADD: Iraq is a very rich country in terms of culture, in terms of history. I probably have said this many times before, and other people have said it, but it is unique. Iraq is a unique country. It is not like any other country.

The main concern with Iraq is that you want to preserve those issues that are unique to the country. You want to protect them. You want to bring them forward to show them to the world and have people enjoy their existence.

As far as the foreign investments and foreign countries being involved in Iraq, I worry quite a bit, personally, about how the Iraqi culture is going to be exposed to developments. Sometimes developments are driven by finance and by profit, and those developments have to be sensitive to the local history, the culture, and the nature of these cities and towns that they are building in.

I think you can't be well educated unless you understand the history of the Middle East and the history of Islam.

William M. Lash, III,
Assistant Secretary of Commerce

I personally have taken on my own task to build a project or design a project where people will respect the old Iraqi historical fabric and support the buildings, the houses that were built back in the Ottoman period, the British period, and make sure that those buildings will not be destroyed. It's really to support these buildings or to enhance them and make sure that they will remain and become a productive part of the entire fabric of the city.

Mark J. Riedy, Pillsbury-Winthrop: I think on the cultural level, you certainly want to protect the artifacts. Those can be looked at as an infrastructure type of situation too. It's one of the richest, if not the richest, areas of the world in terms of art, artifacts and the like, and they need to be protected.

An infrastructure of sound structures needs to be put in to protect them. Not just physical structures, but also legal structures.

Hisham Ashkouri, ARCADD: There is not, at this time, an Iraqi law that establishes historical zones or designates historical buildings to protect and preserve them.

Assistant Secretary William M. Lash: We're not going in blindly and disturbing the rich history of the country. We're very sensitive to make sure we're not disturbing the cultural history of this country. We're not going to build a railroad track when we find there's cultural history and important artifacts. We've been working, to my knowledge, jointly with special archaeologists to make sure that when we're doing reconstruction, we're mindful of the rich culture, the history of Iraq, the same way we would be in the U.S.

The same standards that apply in Boston will apply in Baghdad. We're using federal acquisition standards for transparency and procurement. But also, we're very mindful that when we're engaged in physical construction, the Iraqis are the experts to tell you, "Right here there are some artifacts. We have to be careful."

I suppose that companies have a cultural strategy for themselves. I know that we are working with archaeologists from the museums to make sure that reconstruction is actually a positive thing and not destructive. We don't want to have worked on in a few months that undoes thousands of years of history.

Ambassador Karim Kawar: The landscape of antiquities in the region, of course, is a very treasured one. Iraq and Jordan could be referred to as the "creator of civilization." The Euphrates and the Tigris Rivers have contributed a lot to all civilizations around the world.

In Jordan, we were quite concerned because of the looting that took place in the Baghdad Museum and so on, but there have been tremendous efforts to recover a lot of those treasures. My understanding is that there are projects underway to document all those treasures, to make them available and share them with the rest of the world, without, hopefully, having to leave Iraq. Certainly in our region, we would like to bring as many of those artifacts that have long left back to their original homes so that the people of the region can enjoy them as well.

Necessary Cultural Projects

Ambassador Rend al-Rahim: Iraqi companies are going to grow. We're soon going to have Iraqi companies that can undertake one billion dollar projects. But, we need to develop that spirit of giving. Wouldn't it be wonderful if a number of American corporations got together and set up a cultural fund or an archaeological fund, or a cultural fund, which includes archaeology? And really fund it, an effort to salvage artifacts that emerge in the process.

First of all, to do the digging with sensitivity, due to the fact that Iraq is one huge archaeological site. Wherever you dig in Iraq, you run the risk of damaging archaeological sites. So digging with sensitivity first and employing perhaps archeologists on their teams, on a permanent basis to teach them how to dig with sensitivity.

This fund would also help salvage these archeological artifacts and archeological sites, having teams of archeologists do that work of salvaging and restoration. But the cultural fund can do a lot of other things. They need to fund artists; they need to have public galleries.

Let them fund this exhibition that I have a dream of bringing to the United States. Boy, this would raise their visibility. This would enhance their credibility. This would make them heroes in the eyes of Iraqis.

Hisham Ashkouri, ARCADD: If you study the city of Baghdad from its initiation all the way from the Abbasid Empire to this date, Baghdad evolved like the city of Paris with a castle and, right near the castle, the really old ministry of defense.

It has an incredible value. It's a beautiful, historic structure. There are many historic structures nearby that belong to the Ottoman Empire and the British occupation. Those buildings really need to be protected and need to be supported. When we did the design for the center part of the city of Baghdad, the last three months in our office, we made sure that the historic zone within the city of Baghdad was going to remain historic.

It will have parks. It will have plazas and places for people to walk to see exhibits from the eras before and to be next to the Tigris River, where it is in direct contact with these historic zones.

There are two levels of technology that we have employed in our design. One level is really the construction of the entire city on the computer, and being able to disseminate the information by having computer programs sent out to different places around the world.

The second part is really to create the entire architectural and cultural environment of Baghdad within the historic area so that when you visit, you can see the buildings and see how people lived in these periods and how they developed their own lifestyles.

It's very important to keep these in mind, regardless what design you develop. The design is a style of your own, but these families, homes, and environments are very important to be shown to the world and, not least, to the Iraqis.

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PART V

The legacy that the members of the reconstruction community should strive to leave in Iraq

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FINDINGS

Participants recommend that members of the reconstruction community ask themselves this question, what should be our legacy in Iraq? In answer, they provide a number of answers. Some answers we have discussed earlier: (1) fostering a culture of democracy, (2) developing the capacity of individual Iraqis and companies, and (3) protecting and preserving Iraqi culture and historical artifacts

Other answers offered by participants, which are described in this part, include: (1) fostering an entrepreneurial spirit and (2) fostering a sense of corporate service to the community.

It is as important to build a democratic infrastructure, to build a civil society, to build a culture of democracy in Iraq as it is to build the bricks and mortar of bridges and power plants and so on because without the grassroots democratic culture through civil society, through activism and so on, we cannot take care for the long term of the bricks and mortar that is being put in right now.

I think this is something that the U.S. should pay attention to, that the Europeans should pay attention to, and corporations that are going into Iraq should pay attention to and contribute to.

Rend al-Rahim,
Ambassador-Designate

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CONCEPTS & COMMENTS

Ambassador Rend al-Rahim: You know, I think there is a question that the U.S. or Europe or anybody involved in Iraq's reconstruction should ask, what is the legacy that we want them to leave? Is it one of thousands of foreign professionals and so on, who continue to work in the country forever? Is it oil rigs, is it power plants? Maybe it is all that. For me the most important legacy is to what extent they can bring Iraqi capacities up to the level where Iraqis can run their country as a modern state. This is the enduring legacy, and I think any construction company, any company that takes a project on in Iraq, must look at that as its end goal.

Not just the construction, the bricks and mortar, but the Iraqis whether in corporations or individuals who are working with it, and to what extent they are going to be able to absorb the technology, the management skills, the corporate culture in such a way as to be able to take ownership of these projects and to carry them forward well into the future.

And then to develop them, not only to maintain them as they are, but actually to improve them. I believe that Iraqis have an extraordinarily creative spirit by the way. They are very intelligent people, and they are well educated and so on and so forth.

One of the ways that we have turned our creativity and intelligence in the last several decades, unfortunately, is towards war and the war machine. I want to turn that into creativity in the sciences and the arts and engineering, in the humanities and so on.

I want Iraq to be a country that has patents. This is really important: innovation, creativity, and so on. So, this is the legacy that I want corporations to leave behind. Are they doing this? Not as much as I would like.

Foster the entrepreneurial spirit

Mike Default, Equity International: America was built on opportunity. When our forefathers came here, they were looking to start something new. Now, the Iraqi people have been there. But, since the time of the Mesopotamians, which is what Iraq was early on, they have all had that spirit. There is business. There are plenty of opening markets.

There are companies in Iraq. It is just that they have been under a rule for 30 years that did not allow them to reach even close to their full potential. But, what it also did was suppressed a lot of new business from developing.

You look around the United States, you look around Canada, the U.K. and so many other places in Europe that are characterized by growth, that are characterized by an entrepreneurial spirit where the individual has enough power and freedom and opportunity and partners to work with, to grow his or her business from the ground up, to turn it into something great, and to employ your neighbor.

That is a spirit that I think working in the reconstruction will lay the foundation for. We might not see the results for five or six years. But you know what? America's a couple hundred years old and our spirit still is alive and well. This is the same type of thing that I know that Iraqis will do as well.

Foster a sense of community service

Annar Shawkat, First Deputy Administrator for Youth and Sports: The Arab community and especially the Iraqis, they are pretty friendly people. They will welcome you into their houses. They will treat you as a friend almost from the first day. And, I'll tell you that the Iraqis will be very disappointed if you did not pay some of this respect back: if you did not

show interest in the Iraqi people and in the human resources of the Iraqi people, especially the Iraqi children: the redevelopment and education of the Iraqi children.

A company that is entering a huge contract in Iraq, I believe, should be prepared to donate some of the profit to charity work in Iraq, to a social reconstruction of Iraq. For example, making use of this profit building or renovating fields, soccer fields, basketball courts to keep the children out of mischief, to keep the children out of the streets.

I hope that with the passing of time, individuals, both in America elsewhere in the world and in particular the Iraqis, will look back on this series of events from 2003-2004 as an event: a very trying time, one that was difficult for all that were involved, but one that was a good process that had to be taken, that was necessary to have the country break with its past and open a new chapter, which provides opportunities for everyone within the country.

Mentoring is important in the sense that we need to support the Iraqi people who have been deprived of the things that we enjoy here, the simple things, the telephones and the technologies and the restaurants and whatnot.

So what we feel is important that U.S. companies, especially those who are winning these bids, to be able to bring Iraqis over here (women and men, engineers, doctors, lawyers) and train them, get them plugged into the associations here in America which will create a common ground, which will create a friendship.

They'll build relationships. That gap of ignorance will start to break down more and more. And by them coming here and us training them, equipping them, then we start learning from them, we start learning who they are as a people. And, we'll see pretty much that there's not much difference between all of us as human beings.

We all need to eat and drink. We want to take care of our families. We want to live safely and happily. And, I think it will be a good thing. But, we need to continue to press that.

Daniel Benjamin,
Al-Fawares

Ambassador Rend al-Rahim: The spirit of community service, of public service, marks American corporations more than any others in the world, and this is truly something that American corporations can contribute to Iraq: first by as a direct contribution, but also as an example to Iraqi corporations.

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PART VI

The role and value of reconstruction conferences

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FINDINGS

Iraq reconstruction conferences offer opportunities for networking and knowledge-sharing. They are particularly valuable for the Coalition Provisional Authority and Program Management Office to pass on information about contracting opportunities and procedures—and receive feedback.

Most conferences are held in the United States or in the region, such as Kuwait and Jordan. Few Iraqis are able to participate, and many Iraqis, as a result, are unaware of the efforts being made to rebuild Iraq.

Iraqi-Americans are able to serve as a bridge between Iraqis and the reconstruction community.

Participants recommend that reconstruction conferences be held in Iraq, notwithstanding security concerns. It is also important that reconstruction conference proceedings be widely publicized in Iraq, so that the Iraqi people know what efforts are being made on their behalf.

Equity International has taken a leap there, they have done an exemplary job in trying to bring decision-makers together and try to clear the clot of confusion that is surrounding this process. The rebirth of a nation is not an easy process. Most of us do not have experience with that. So decisions are being made individually by the day and to have a group of individuals come together in this form is nothing but healthy for everyone involved.

That's Iraqis, that's Americans, that's Britains. It's literally the nations of the world. I think at today's conference, we have 20 odd nations that represented, and it is exemplary, it is a wonderful opportunity and we are just delighted to be a part of that.

Barrett H. Moore,
Triple Canopy Group

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CONCEPTS & COMMENTS

Ayaz Shaikh, Pillsbury-Winthrop: Well, there is a joke now that one of the most active areas of reconstruction is the conference scheme: the summits and conferences every two/three weeks. I think these summits and conferences serve two purposes, principally. One is the networking opportunity. The second is we occasionally find speakers who impart good

information about Iraq. You learn how to pursue your business or opportunities and learn the lay of the land.

William Loiry, Equity International: We have a tremendous pool of companies worldwide, and non-profit organizations, government agencies at the U.S. and multi-lateral levels. Our role is to bring all of these entities together, not only for business, but also for the other types of projects that can help the well-being of the people that we are trying to help.

A lot of the interest in these conferences has been focused on the major contracts, but most of the work will be done by subcontractors. So if you don't have hundreds and thousands of subcontractors coming to conferences like this and showing their interest, you won't have an adequate pool of companies from which to choose to build the thousands and thousands of projects that need to be built.

Daniel Benjamin, Al-Fawares: It is very important for Iraqis to attend these conferences. Because many Iraqis are having trouble getting out of the country right now to come to these events, it is very important that Iraqi-Americans, like I and many others, attend these conferences to support our country, support our people over there, have that voice here.

We can be a conduit, if you will, for American firms, as we are a voice for many Iraqis and Iraqi companies over there. It is the key to that success.

Knowledge Sharing

James Crum, Program Management Office: The ability to share information is just key to our success. There are so many people involved, there are so many companies involved, and there are so many entities that want to help. It is a very fast moving situation. The needs are critical, and they need to be fixed now.

So, our ability to speak at conferences and get the message out is important. More important is to hear feedback about where we need to improve in getting that message out, or questions we need to answer as part of the whole success plan. So many of my team members, many of Admiral Nash's team members in Baghdad, are constantly attending such conferences and getting the information out.

Joseph Benkert, Coalition Provisional Authority: Events like this are absolutely crucial to the reconstruction effort for a variety of reasons. Just as an information sharing exercise, it is essential. It is difficult for us to communicate our message. We have websites. We do meet with people individually. But, the ability to meet with a large number of people, to get some information out, to find out what questions are out there, and to answer those questions is just absolutely indispensable to mobilizing all of those who are interested in doing business in Iraq, supporting the reconstruction of Iraq, and channeling those energies in the right direction to be of service.

William Loiry, Equity International: One of the roles of the private sector is to carry best practices and lessons-learned forward. Government officials come and go. Often times, from administration to administration, you do not have the sustained knowledge and best practices being carried forward. But the private sector people, the business development groups like Equity International, the law firms have this knowledge that they carry forward to each project.

The people of Iraq were just devastated for so long by the dictator, by the wars, by their economic status. And so, we began to see in 2002 that there probably would be a war. And so, even in 2002 we started gearing up for this project. And so, that's why just five days after the end of major military action, on May 5th, 2003, we held the first international conference on rebuilding Iraq here in Washington.

And, because of the sustained interest in the reconstruction, we are now doing our fifth international conference. And, we will continue to do the conferences both here and in the region, for as long as there is interest in Iraq.

William Loiry,
Equity International

That's one of the areas of knowledge that we're trying to impart here at the conference, not only for the corporate audience, but for the government and people and officials that are speaking.

Approach to Reconstruction Conferences

Mike Default, Equity International: If you were a company, an organization, or a government in the country and you needed to have work done and you had no other input except to go out yourself and contact businesses, maybe you would look through a business directory, the yellow pages. Maybe you look on the Internet.

It is a very time consuming process. And there is absolutely no guarantee that you would get the type of organization that you

would want to come do work for you. The types of events that Equity International puts on, such as this one, the ones we've had in the past and hope to continue to do in the future, really help to shorten that value chain down.

Let's bring the people that need service, that need work done for them, in contact with people who are most excited about doing work for them and who are most qualified to do it. By doing so, we try to create a win/win situation. There are companies that can do business. There are governments who need work to be done.

So, we try to facilitate business. We try to make open lines of communication, keep them going, and really just help buyers and sellers to get together. We love the free market. But, we also understand, it needs a help once in a while.

It is good for foreigners to sit and talk about Iraq and reconstruct Iraq between themselves and among themselves. But, if there is no Iraqi participation, on the whole part, it will be just talk, and it will not be very positive. It will not have a very positive effect on Iraq.

Annar Shawkat,
First Deputy Minister for
Youth and Sports

Ambassador Rend al-Rahim: Why aren't there reconstruction conferences inside Iraq? All of them happen outside Iraq. The closest has been Jordan. It is expensive to travel to and register for one of these construction conferences. They tend to be for the foreigners, mostly, and for a handful of Iraqis, who, first of all, hear about them, can travel to them, and have the enormous sums of money it takes to register.

I personally wanted to see conferences inside Iraq. I was involved in setting up some conferences in my past job inside Iraq. I was often asked by the foreign participants well should we hold them in Amman. I said, well, if you don't think you can come to Iraq for two or three days to attend this conference or participate, you shouldn't come at all.

But, let us begin by saying, okay, there are challenges, there are problems, but you know what? We are going to hold it in Iraq. The reason is not just for the sake of transparency. We need to give the Iraqi people confidence that their country is attractive, is working its way to normalcy, that there are civilians and not just military foreigners coming to Iraq. We need to make it more and more a normal country.

Barrett H. Moore, Triple Canopy Group: Iraqis absolutely should be involved in these conferences; this is their nation. They will be in control of their country very, very soon. We all look forward to that. We hope that we can continue to be part of providing guidance and the other necessary aspects, but it is their country, and they ought to be a part of everything that's taking place here.

Assistant Secretary William M. Lash: Conferences such as this one cover a wide range of activities. Some conferences, for example, will be specialized. The Arab Health Conference in Dubai was on health care and medical devices and supplies. So again the Department of Commerce brought over several Iraqi health care professionals, private as well from the government, the Ministry of Health, so they could see what was going on in medical technology, meet possible vendors. Talk with health care professionals from around the region, around the world to get a better idea of how they could improve the quality of health care in the country.

I think most of the things are open doors. The government programs have been very open. Our colleagues at the CPA and the program management office have been doing a series of briefings around Iraqi on construction and reconstruction efforts so they know more about the various opportunities and roles.

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I know the Iraqis are planning a very major conference for April, April 5th through 8th, DBX, in Baghdad, bringing together thousands of Iraqis with hundreds of international vendors, possible partners, things of that nature.

We are hoping it will be a very successful conference. It is Iraqi sponsored: the Iraqi American Chamber of Commerce and Industry is hosting it in Baghdad because if you want to

do business in Iraq, you have to come to Baghdad. It will give the Iraqi companies not just the access to Western companies and possible joint venture partners, but also it shows that your partners care. They care enough to show up. They care enough to listen. They care enough to engage with you fully as a partner.

Hisham Ashkouri, ARCADD: I am very encouraged by the response that people had in the conference today, especially when it came down to the development of downtown Baghdad. The beauty of it is that people came, and they saw for the first time the results of everything that has been said in the prior construction meetings.

It is beginning to show signs of hope. And there is hope. There is a potential for things to be built, and not just to be built, but to be built in the most beautiful 21st Century Baghdad. To put it together in a video that can be shown to the world is important to us. And so, the response today in the meeting was incredibly encouraging.

My heart goes out to people that have been affected by disaster. Unfortunately, in many instances, like in wars or transitional governments or national disasters, these are the people that can least afford to have the disaster in the first place cause they're already suffering.

So, these disasters, like Saddam Hussein or a nation disaster, add a lot of suffering to people who really cannot afford to be in that position anyway. So, it is part of my mission in life to help people and I think this is a very effective way to do it.

William Loiry,
Equity International

Types of Forum

Ambassador Karim Kawar: I believe two types of forums would help in this respect. I suggest a combination of both an open forum, where more knowledge can be disseminated about what is happening in the reconstruction efforts, but also some specific meetings, where those with very specific interests can get together and can share their specific experiences.

Representatives of the major companies should sit with their counterparts in Iraq. It should be a business conference. What comes out of that business conference should be then be referred to the relevant ministries.

One of the mistakes that has been made and throughout these nine months, there is no transparency to the Iraqi people. The average Iraqi knows very little of what is going on.

The Iraqi media has been bad. What the Iraqis watch is negative news on the Arabic press or the Arabic TV. So, the Iraqis do not know about these conferences. They do not know that there are people who are actually willing to help.

But, if we take these conferences to Iraq, then Iraqi media, Iraqi newspapers, and there are hundreds of newspapers today in Iraq, will pick up the story. The Iraqi people, believe it or

not, read Iraqi newspapers. They do not read the *Washington Post*. They do not read the *London Times*. They have no access to these. So they do not know, and we have to show them that there are people that actually care.

The function that was just concluded here—conducted and completed by Equity International—is a successful function. Because many players came in, many people get to meet each other, I think, in that regard, the mission was accomplished.

Also, there is a lot of exchange of different points of view at the business level. And, I want to see this function continue to be a business function rather than turned into a political function because venting your political opinions does not belong here.

We are here to conduct business and nothing but. So I think Equity International had successfully accomplished that with this conference. I know they are planning other conferences to come in the near future in the Middle East, and I think they want to do one right in Iraq because now everyone realizes that without Iraq, without Iraqi people, without the Iraqi contractors and engineers, not much can be accomplished.

So, I like to see things go in that direction. I think Equity International has realized that fact and is heading in the right direction and going directly to Iraq.

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CONCLUSION AND NEXT STEPS

Recommendations for “next steps” to be taken in the Iraq reconstruction effort
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Mark J. Riedy, Pillsbury-Winthrop: First, in the near term to mid-term, people are going to be using other people's money. It's going to be using USAID, CPA, donor countries, U.S. Army Corps of Engineers finance, grant money to build out these projects initially to renovate and modernize existing structures and to build in capacity that needs to be their industries like electricity and water and roads and bridges.

The next step I see will be what we call a build, operate, transfer, where companies will build projects and then turn them over to the government. Then, the third, longest-term phase is your build, own, and operate.

That is going to be conditioned upon several things. The first thing is security being in place. The second thing being that we look at what happens after the handoff of the government in July and whether it happens in July. It could happen longer if the United Nations steps in and they decide that the elections need to be held at a little later time as they develop the structure for the elections.

Notwithstanding that, after the handoff, there is going to be a period of time to see how these CPA laws are dealt with. Will they stay the same? My feeling is they likely will be modified. How substantially they are modified will depend on what the new government has in mind for what they want to see as infrastructure.

Investors and lenders have to judge whether they're comfortable in that environment as to how much they will invest and how much will be lent into projects. So, there's going to be a kind of feeling out process for, I think, a year to 18 months where we look very carefully at how the new government deals with the existing structure being put in place by the CPA, how those laws are modified, what types of new laws come in, if the structures are things that the investors and lenders are familiar with in other developing countries.

From there, the types of investments that will happen will be a result of how investors see the risks and how the lenders see the risks. At the end of the day, the investor judges it on two things. One, what is the risk of his project or her project being able to succeed, and two, what percentage rate of return he or she will get on their investment.

From the lender's standpoint, they are looking very carefully at whether their loans are protected and whether they will have their principal and interest paid, and will it be paid in a timely basis under the terms of their contracts.

William Loiry, Equity International: My hope is that American interest in Iraq and the people of Iraq will not fade after June 30th. There may be the end of the Coalition Provisional Authority at that time, but it will not be the end of American interest. As long as we have anything to do with it, we will continue to garner the interest of thousands of American companies, non-profit organizations, the American people and worldwide interest in rebuilding Iraq because it is in the interest of the United States and the entire world to have a peaceful and prosperous Iraq.

I hope that the Iraqi people will not only appreciate what the military did in removing Saddam Hussein, but also appreciate the effort of thousands and thousands of American business people and other people that are there not only to generate revenue but because they care about the well-being of the Iraqi people.

Iraq in the Olympics

Annar Shawkat, First Deputy Administrator for Youth and Sports: The sport community in Iraq has a life of its own. With all the political turmoil that is going on in Iraq, the sport community managed, within nine months, to elect freely an Olympic Committee in Iraq, with good help from the CPA. This is the first time that has ever happened in Iraq, and, if I am not wrong, it is probably the first time it has ever happened in the Arab world.

So today, we have a chairman of the Iraqi National Committee who is a normal person. He is not a son of a president. He is not a crown prince. He is just a normal athlete who was a national basketball player in the 1960s, and today, his community has appreciated his services and elected him as the chairman of the Iraqi committee. This is absolutely wonderful.

These elections have taken roots from the club level, which is over 200 clubs. They elected freely their presidents, where before in Iraq the presidents of these clubs, at least the major clubs, were all appointed and friends of Saddam Hussein or his son or relatives. Today these presidents are freely elected. A free Iraq committee was elected, which was beautiful to watch.

In Athens, Iraq will be sending some of our individual players in weight lifting and wrestling. We are hoping that the Iraqi soccer team will also qualify. It just has a long road and a few matches to play but we are hoping that this will happen.

It would be wonderful to see a free Iraqi team raising the Iraqi flag in Athens. Then, whether the athletes lose or win, they know they will not end up in prison, and they know they won't be punished, which was the common practice in the old regime.

The Iraqi athletes have been always been very eager to be part of the international community. This was taken away from them. After the 1991 war, Iraq was thrown out of the Asia Olympic community. Iraq was not invited to a lot of games. So, the Iraqi players have been playing at home with no foreign competitions, with no contacts, with no ideas how the sport has developed at all. So, now athletes are getting in contact with foreign athletes, whether it is Arabs or Asians or Europeans or Americans.

They have been invited to a lot of countries. They are absolutely delighted, and I see it on their faces every day. They love their freedom; they are enjoying their life; they enjoying the sport with absolutely no fear of their loss. They are playing for the pleasure of playing.

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Conference Agenda
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February 9 OPENING ADDRESS

H.E. Rend Rahim Ambassador Rend al-Rahim
Ambassador-Designate of Iraq
to the United States

February 10 OPENING ADDRESS

H.E. Karim Kawar
Ambassador of the Hashemite Kingdom of Jordan to the United States

SUMMIT KEYNOTE ADDRESS

The Honorable William Lash III
Assistant Secretary of Commerce
Chairman, U.S. Task Force on Iraq Reconstruction

CPA CONTRACTS & PROGRAMS

James Crum
Director of Program Management - The Pentagon
Deputy to Admiral David Nash

Joseph Benkert
Chief of Operations
CPA - Washington

SECURITY CONSIDERATIONS IN IRAQ

Barrett H. Moore
Chief Executive Officer
Triple Canopy Group, Inc.

MARKET ENTRY STRATEGIES

George Sigalos
Director - Government Relations
Halliburton KBR

STRATEGIES FOR WINNING CONTRACTS & SUBCONTRACTS

Danny Benjamin
Vice President
Al-Fawares

MK Najjar
President
El Concorde

Dr. Hisham Ashkouri
President
ARCADD

CONTRACTING WITH IRAQ'S MINISTRIES

Timothy B. Mills
Partner
Patton Boggs

HOW THE BUSINESS COMMUNITY CAN HELP THE IRAQI PEOPLE

Don Eberly
Director of Social Affairs and Private Donations
CPA - Washington

John Simmons
Director
Baghdad Museum Project

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Conference Participants

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Participants	
3M Company	Luster National, Inc.
AAR Mobility Systems	Medical Technologies
AIG	Mesopotamia Consultants
Al-Fawares Co.	Mesopotamia Group
American President Lines Ltd	Microsoft
Amman World Trade CE	Mid-Atlantic - Russia Business Council
Armor Holdings, Inc.	Morgan Stanley
Austrian Trade Commission	Morris & McDaniel, Inc.
Baker Donelson Bearman Caldwell and Berkowitz	Motorola, Inc.
Bekins Government Services	Navigator Development Group
Benchmark International	Netherlands Embassy
British Embassy	Obermeyer Representative, Baghdad office
CA International	O'Dell International
CEFIS Inc.	OPIC
Celadon International Corporation	Philadelphus Solutions, Inc.
CIGNA	Pillsbury Winthrop LLP
City of Wichita	Polish Embassy
CLC	Polish Exchange
Clydebuilt	Qwest Communications
Comprehensive Health Services, Inc.	Qwest Communications International, Inc.
Croatian Embassy	Raya USA
Decision Strategies LLC	Raytheon Company
Eberhart Project Industries	Rohde Nielsen A/S
Economic Development Initiatives, LLC	Royal Danish Embassy
Embassy of Bulgaria	Royal Norwegian Embassy
Embassy of Poland	SAI
Flowsolve Corporation	SAIC
G&B Solutions	Seureca
General Electric Co.	SOUANI INTERNATIONAL
Grant Thornton LLP	State of Bavaria

GVSI	Steelcase Inc
HDR Inc.	STM Networks, Inc.
Herman Miller Inc.	Telwar International Inc.
Hesco Bastion USA	The Louis Berger Group, Inc.
Hill International, Inc.	U.S. Department of Commerce
ICG Consulting	URS Corporation
i-linx LLC	Vance International, Inc.
Inmarsat	Varian Medical Systems
Iraq Today	Varian Oncology
Jordan Investments & Resources	Vorys, Sater, Seymour and Pease
Law Office of Keh Soo Park, P.C.	Wajdi Technical Expert
Lee Oaks Corp.	Washington Group International
Lockheed Martin	WTE
Logistics 2020, Inc.	