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MINISTERIAL COMMITTEE ON DEFENCE AND OVERSEAS POLICY

POST CONFLICT RECONSTRUCTION UNIT

Note by the Secretaries

The attached memorandum, agreed by the Secretaries of State for Foreign and Commonwealth Affairs, Defence and International Development, is circulated for approval by the Committee. The paper sets out the detailed structures for the new Unit which were requested by the Committee when it agreed to the establishment of the Unit at its meeting on 12 February 2004. In the absence of substantive comment, to the Secretariat by FRIDAY 23 JULY 2004, it will be assumed that members are content to proceed.

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Signed

ANDREW TURNBULL
NIGEL SHEINWALD
D BOWEN

Cabinet Office
20 July 2004

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DOP PAPER ON THE POST CONFLICT RECONSTRUCTION UNIT (PCRU)

Summary

1. The purpose of this paper is to present further proposals on the PCRU, which have been agreed by the Secretaries of State for Foreign and Commonwealth Affairs, Defence, and International Development. The PCRU will be an interdepartmental unit hosted by DFID (at 20 Victoria Street), with administration and running costs funded by DFID. It is expected to become fully operational over a maximum period of 2-3 years with a total of about 40 core staff.

Background

2. On 12 February the DOP agreed in principle to the setting up of an interdepartmental Post Conflict Reconstruction Unit (PCRU). The Unit would have a double remit:

- **Policy:** developing government strategy for post conflict reconstruction, linking in to concomitant military and humanitarian planning, and working with the wider international community for the spread of best practice, capacity building and burden sharing.
- **Executive:** Planning, implementing and managing the UK's contribution to post conflict reconstruction, including the identification and training of civilian personnel

3. Whilst endorsing the recommendation to establish the PCRU, the DOP asked for further details on:

- The possible outcomes to be achieved by the Unit
- Funding
- Location
- Governance and accountability structures
- Recruitment and staffing

Planned Outcomes of PCRU

4. The PCRU will bring together financial, analytical, planning and personnel resources that in the past have been distributed across government. This will enable HMG to:

- **Integrate planning** for the military and civilian components of any intervention. This would include the ability to highlight priority areas to be addressed in immediate post conflict environments and the associated costs in advance of the political decision being taken for UK involvement. Advance planning for post conflict reconstruction should influence the military planning (avoiding the targeting of key infrastructure sites) and force composition (e. g. the need for appropriate numbers of Military Police to be in theatre to assist in reconstructing the local police force). An effective and resourced PCR strategy allows the military forces to concentrate on their primary tasks and reduces the risk of military overstretch and prolonged involvement.

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- Co-ordinate with the international community and burden-share. An effective post conflict strategy requires international co-ordination and burden sharing. The PCRU will provide the institutional "home" for post conflict and reconstruction planning¹ and the reference point not only within Whitehall but also for key bilateral partners and multilateral organisations (EU, UN, OSCE, ECOWAS) in order to co-ordinate planning and contributions with them.
- Identify resources in advance. In most post-conflict situation situations such as Iraq, Afghanistan and the Balkans, there has been a pause between the establishment of a secure environment and the start of reconstruction efforts. This has been partly due to a failure to identify the need and make ready the necessary resources, including personnel, in advance. Honeymoon periods in PCR situations are short. Failing to deliver a rapid and demonstrable improvement in the quality of life to the local population can have a negative impact on the UK's and others' involvement, resulting in: diminishing support for the international community, deteriorating security situation, increased threat to UK personnel (military and civilian) and delays to the reconstruction effort. The PCRU aims to plan ahead of an intervention in order to deliver a cadre of trained and equipped civilian personnel with the relevant skill sets, ready to be deployed in support of an integrated PCR strategy in the immediate aftermath of conflict.

Location

5. DFID has agreed to host the PCRU until the end of the period covered by SR2004². The Unit will be located in 20, Victoria Street in the same building as DFID's Conflict and Humanitarian Affairs Department (CHAD), and the Prime Minister's Commission for Africa. Site surveys are underway for the installation of the requisite IT systems compatible with FCO and MoD secure systems, and to ensure that the physical, document and IT security of the Unit conforms to government guidelines on Home Security.

Funding & Estimated PCR Unit costs

6. DFID has agreed to fund the PCRU administrative and running costs out of existing departmental funds until the end of the period covered by SR2004. Estimated running and programme costs for the next 5 years are as follows:

		YEAR 1.	YEAR 2	YEAR 3	YEAR 4	Year 5
	Running costs					
1	UK office & comms	466,000	896,000	945,000	828,000	828,000
2	Consultancy / legal	60,000	60,000	60,000	60,000	60,000
3	Equipment storage	40,000	240,000	340,000	340,000	340,000
4	Staff costs	640,000	1,853,000	2,813,000	2,813,000	2,813,000
5	Inflation	0	58,000	164,000	247,000	342,000
6	Sub-total	1,206,000	3,107,000	4,322,000	4,288,000	4,383,000

¹ To include generic lessons learned.

² To end FY 2008

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	Programming costs					
7	Training	800,000	3,000,000	3,000,000	2,600,000	2,600,000
8	Body armour & kit	344,000	1,174,000	690,000	0	0
9	Vehicles	250,000	4,828,000	2,328,000	128,000	128,000
10	Inflation	0	171,000	237,000	167,000	231,000
11	Sub-total	1,394,000	9,173,000	6,255,000	2,895,000	2,959,000
	TOTAL	2,600,000	12,280,000	10,577,000	7,183,000	7,342,000

Costs for Whitehall staff seconded to the PCRU will be met by their parent departments; on costs will be met by the PCRU budget. Subject to the DOP approval of this paper, discussions will continue with the Treasury over the mechanism for funding the cost of operations

Governance and Accountability Structures

7. There has been substantial discussion between the three Departments (FCO, DFID, MOD), the Cabinet Office and the Treasury over the most appropriate governance and accountability structures for the Unit. **Annexe A** sets out the structure agreed by the three Secretaries of State. The proposal takes into account the need for:

- **PCRU policy/strategy decisions** to be taken on an interdepartmental basis. The Head of the Unit would report to an interdepartmental committee of senior officials chaired by a DFID Director General. This in turn would report to a DOP Sub-Committee chaired by the Foreign Secretary and supported by a Cabinet Office committee.
- **Financial accountability** for the Unit's administrative and running costs to be the preserve of the DFID Permanent Secretary as Accounting Officer for DFID funds. On **financing and staff management** issues, the Head of the PCRU would report to the DFID Director UN, Conflict and Humanitarian. The reporting chain would continue up through the same DFID Director General chairing the Senior Officials Committee to the DFID Permanent Secretary and the Secretary of State for International Development.

8. The PCRU would therefore be hosted by, but distinct from, DFID. DFID funding for administration and running costs will come from RIR2, and thus not subject to the 2002 International Development Act, or the bilateral target for DFID spending in low income countries. The proposed governance structure ensures that any concerns over funding issues can be raised interdepartmentally up to Ministerial level, if necessary.

Size and Staffing Issues

9. As directed by the DOP in Feb 2004, it is proposed that the PCRU will grow over a period of a maximum of 2-3 years to become fully operational with a core staff of about 40. It will have an additional surge capacity and deployable element drawn from volunteers from across Whitehall, NGOs and the private sector. An outline

organisation chart is shown at **Annexe B**. The Head of the Unit will have three Deputies responsible for: Strategy/Policy; Operational Planning, and Management. The vast majority of deployable capability will be held on databases at agreed readiness with their parent departments or organisations. However, members of the core unit may have to deploy on occasions in order to set up rapid post conflict stabilisation activities.

10. The size of the Unit reflects the need to support the likely scales of effort and concurrency of UK military deployments as reflected in the Defence White Paper: one enduring medium deployment (e.g. the Balkans or Iraq) plus either two enduring small scale deployments (e.g. Sierra Leone or Mozambique flood relief) or one short term medium deployment (e.g. Afghanistan). [It is worth noting that over the past ten years the UK military has consistently been stretched beyond the Defence White paper guidelines.]

11. **Recruitment.** Decisions on all staff appointments for the PCRU will be taken interdepartmentally and that the Head should be appointed as the result of a Whitehall trawl.

12. It is **recommended** that the PCRU be set up with the funding, location, governance and accountability and staffing structures set out in this paper.

13. It is further **recommended** that the Chairman of DOP circulate this paper to Cabinet Ministers.

The Committee is invited to **note the paper and agree the recommendation.**

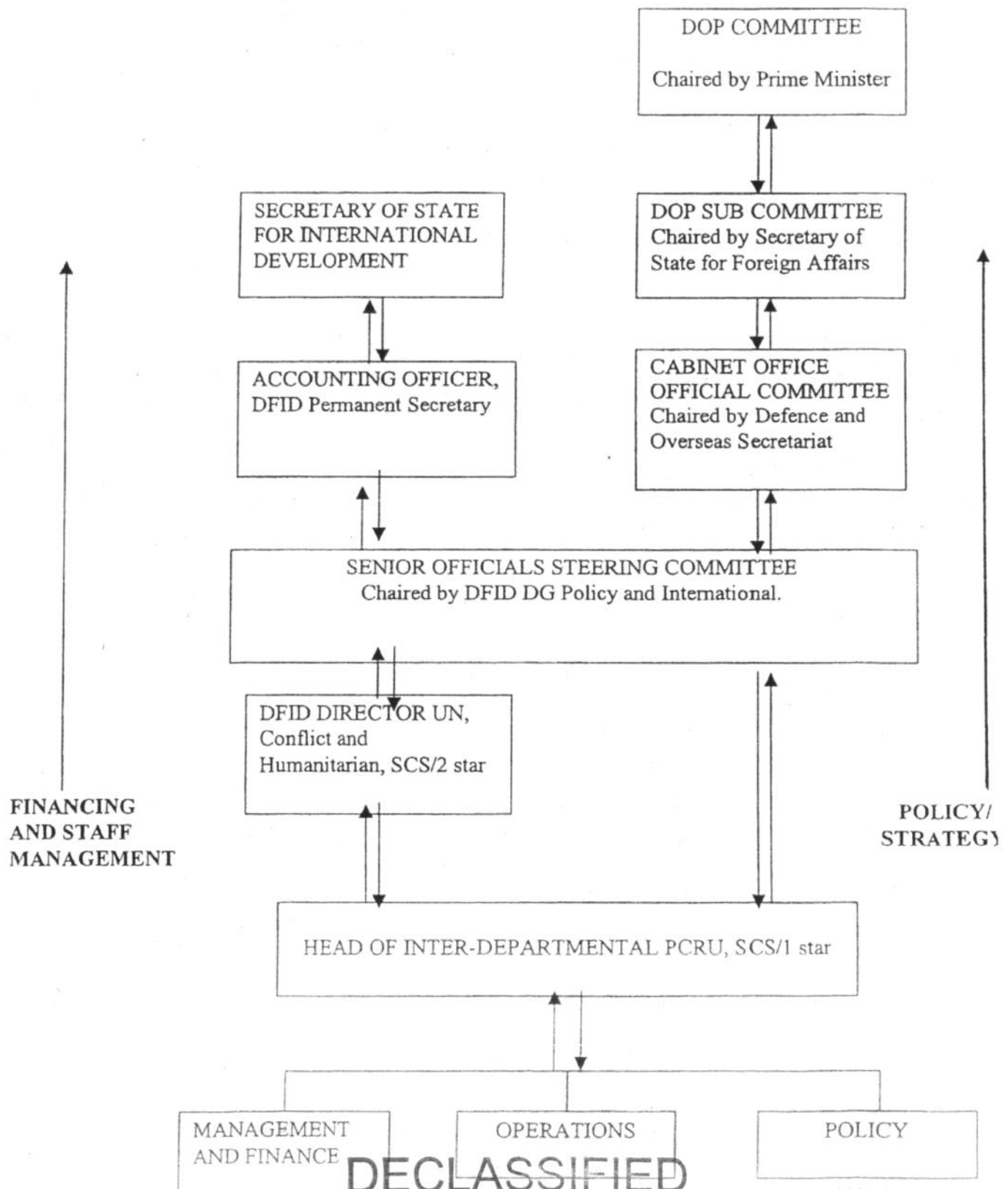
Annexes:

- A. Accountability and Governance Structures.
- B. PCRU Organisational Chart.

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ANNEXE A

INTERDEPARTMENTAL POST-CONFLICT RECONSTRUCTION UNIT
ACCOUNTABILITY AND GOVERNANCE STRUCTURES



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25 Jun 04