



MONITORING THE PRINCIPLES FOR GOOD INTERNATIONAL ENGAGEMENT IN FRAGILE STATES AND SITUATIONS

Monitoring the Fragile States Principles:

Reflections on Issues of Capacity and Capacity Development

11 December 2009

This note has aims to draw out findings on capacity and capacity development from the six Country Reports of the 2009 Fragile States Monitoring Survey, and to assess changes in approaches which might be appropriate to improve development effectiveness. It was prepared by Ms. Heather Baser (Consultant) for the OECD DAC Capacity Development Unit.

A review of the factors limiting capacity in the 6 countries

All six countries face major problems of capacity and weak state capacity is seen by some either as a major cause of conflict (DRC p.12) or as the main challenge for the country and at the heart of statebuilding (East Timor p. 9 and 25). Capacity shortages are further seen to be exacerbated by:

- Lack of common vision among actors and interests – In East Timor, donors compete with each other for influence (East Timor p. 48). In Haiti, the context is not analyzed systematically, a situation which risks creating incoherence in the approaches of different development agencies (Haiti p. 5). In the DRC, diagnostic studies, thematic studies and sector evaluations did not circulate systematically (DRC p. 15) and hence the information needed to arrive at a common vision was not available to all. In the CAR, the gap between the capital and the interior of the country make the development of a common vision and the identification of clear priorities challenging (CAR p. 6 and 9). Afghan participants believe that the donor agenda is politically driven rather than needs driven (Afghan p. 16). Conflicting visions of donors about the role of the police and the institutional changes needed have limited change and progress (Afghan p 28).
- The desire of donors and country partners to see short-term results – This contributes to supply-driven approaches and undermines broader capacity development efforts (East Timor p. 47). In Afghanistan, this has meant that a number of mechanisms have been put in place to substitute for state capacity in the delivery of regular state services such as parallel implementation units, international and national technical assistance and external implementation through NGOs or private contractors (Afghan p24). This has weakened direct attention to civil servants and generated “*a certain level of resentment among ministry staff*” (Afghan p. 25).
- Heavy bureaucratic procedures at all levels – This applies to the executive and legislature of partner countries as well as to donor countries (DRC p.9 and 46, Afghanistan p. 9). In

Afghanistan, there are, for example, a multiplicity of coordination and consultation mechanisms and platforms involving more than 60 international donors.

- Unnecessarily high standards for the conceptual model of the state and correspondingly excessive requirements for documentation and formal explanation (Sierra Leone p.12 and East Timor p. 9 and 23).
- Little use of national systems and overuse of PIUs – This reduces the opportunity for public servants to acquire experience in project and program management (DRC p.37) and to access and understand the organization, activities, dynamics and needs of counterpart ministries (Afghan p. 36). Because of corruption and weak implementation capacity, PIUs are, however, seen as necessary to ensure the effective implementation of development activities (Haiti p.5).
- The short-term nature of much funding – This allows limited time to develop national capacity In the DRC, for example, only 10% of funding is for more than 3 years (DRC p. 47.) In addition, donor investment in capacity is seen as too hurried and with a tendency towards short cuts (DRC p.38). In East Timor, forward budget and contractual commitments do not reflect long-term engagements (East Timor p. 11). On the other hand, where programs have benefitted from long-term commitments, Afghanistan has been able to fine tune project activities and improve their quality (Afghan p. 41).
- Assistance concentrated on central governments, with little attention to rural areas - This is often because of the absence of visible government organizations in many parts of the country (East Timor p. 23).
- High salaries offered by donors and international organizations - These encourage brain drain out of the public service (Haiti p.10, East Timor p. 8-9 and 27 and Afghan p. 25).
- Top ups of salaries – These “*may leave a new legacy of public servants who believe themselves specially entitled but with no means to reward themselves except through corruption*” (SL p.3). In addition, top ups favour those who have been well educated and “*who fit the paradigm of donor expectations of competency*”, usually the children of the elite (SL p. 11). In Sierra Leone, this exacerbates divisions between those from Freetown and those outside.
- The lack of coordination of the decision-making cycle of the partner countries with those of donors – This creates expenditure pressures. To meet targets, there is a tendency to use expatriate personnel rather than national (Haiti p.22).
- Weak evaluation and monitoring - Monitoring is often limited and does not provide feedback to on-going programs, thus reducing the chances of their success (DRC p. 15). There is inadequate attention to applying lessons from previous projects. In addition, donors try to do evaluations too quickly and don't take into account the need for contextual understanding (SL p. 6).
- Heavy country reporting requirements to donors – This requires significant human resources (DRC p.24).

Absorptive capacity of the 6 countries

The weak general capacity of the 6 countries reviewed often translates into weak absorptive capacity. The reports see this as a function of limited capacity in both the national governments and the development community. Some of the problems identified on the partner country side include:

- Lack of firmly established priorities on the part of the Haitian executive (Haiti 18)

- Inadequate negotiation capacities leading to a lack of concrete dialogue about key issues (Haiti p. 27)
- Misunderstandings about the constraints of the political and institutional environment of donors (Haiti p. 28)
- Delays in payment of salaries of public servants which de-motivate them in terms of work (CAR p.19)
- An insufficient harnessing of national capacity and citizen participation in the reconstruction process (Afghanistan p. 23) – Senior representative of the Afghan private sector have suggested public communications campaign on shared responsibilities and managing expectations.
- Ministries often did not have the capacity to properly place, introduce and use technical assistance within their teams (Afghanistan p. 25). Technical assistants were often isolated and not used optimally. Over time, ministries have become more strategic in their use of international technical assistance.
- International technical assistants were often assigned to PIUs where they worked with national technical assistants. They transferred skills to them but not to civil servants (Afghanistan p. 25). Language was a key obstacle to transferring skills to civil servants.

On the donor side, some of the issues raised include:

- The time gap between commitments by development partners and actual implementation of programs work in the field (Haiti p.4). – In the CAR, the credibility of the aid program is low because of interruptions to projects, delays in the implementation and a lack of visibility in the interior of the country (CAR p. 15). There is a need to explain lengthy delays publicly to reduce the suspicion of corruption and inefficiency (SL p.13).
- Capacity development aims sometimes undermined by the way technical assistance is provided (East Timor p. 9). – In CAR, there were years of delay in delivering aid because of restructuring of projects and recruitment and contracting problems (CAR p.15). Capacity development efforts with counterparts have had limited success (East Timor p. 20).
- Inadequate consideration by the development community of the political aspects of aid (Haiti p.6)
- Overly complex requirements - In Sierra Leone, “*the complexity and volume of donor documents and associated activities overwhelms GoSL capacity...*” (SL p.26). In Haiti, too many sectoral groups result in “*a multiplication de documents, tableaux, evaluations et inventaire sectoriel*” resulting in “*beaucoup de déperdition*”. (Haiti p.25). In the CAR, an official complained that there had been “*assez de textes, c'est de moyens financiers et matériels pour les appliquer dont nous avons besoin*” (CAR p. 33). Too many structures don't improve the impact of aid (CAR p.36).
- Inadequate consultation by donors with country partners on the choice of expatriate personnel (Haiti p.10)
- In Haiti, tension among members of the development community, creating “*une image de chevauchement, voire de cacophonie entre acteurs*” (Haiti p.24).

Results of capacity interventions

Despite massive investments, DRC and East Timor have shown few results from programs focused on statebuilding (East Timor p. 27 and DRC p. 24). By contrast, Sierra Leone is seen as being “*well on the road to recovery and has made significant progress in laying the foundation for a peaceful, well governed state*” (SL p.2). One of the contributing factors has been the role of the donor community where the “cordial atmosphere between Agency senior leaders has helped establish the basis of exceptionally constructive relationships visible in working level meetings (SL p. 22). Furthermore, “*The set of senior and upper mid-level managers encountered during the preparation of this report were very impressive and would score highly on any measure of dedication, contextual awareness and professional competence*” (SL p. 23). Afghanistan has also seen slow but steady progress in institutional and organizational terms as well as individual training and orientation (Afghanistan p. 25). The government is taking an increasing role in the coordination and realization of projects (Afghanistan p. 35).

Projects which have helped marginalized groups such as ex-combatants or IDPs have created resentment in the CAR and East Timor respectively as a result of the perception that they are the sole beneficiaries of government support (CAR p.31 and East Timor P. 37). Similarly, Afghans perceived ex-soldiers from different ethnic groups to be taking their rightful jobs on a donor-funded road construction program (Afghanistan p. 29). Appearing to be more even handed is an important ingredient in building the legitimacy of such aid programs.

The issue of the fragmentation of projects and programs vs. the management of large projects/programs creates a dilemma for many fragile states. A multiplicity of small projects with different systems of administration, design and reporting puts a heavy load on partner countries, such as East Timor which has 169 projects below \$100,000 each. On the other hand, large programs require well developed management skills, expertise that is in short supply in most developing countries. As a result, there is a tendency to bring in expatriate personnel to run these programs and these people often push aside local personnel and undermine capacity. There is evidence, such as Pierre Robert’s comment in his draft paper on the consultations on peacebuilding and statebuilding in DRC, that small grassroots projects have a better chance of success than larger ones and more local ownership (see page 9). They are more likely to fall within the absorptive capacity of the partner country and to allow for experimental approaches to test what works and what doesn’t before getting into large-scale programs.

Afghanistan has had a wide range of experimental approaches with many having moved the reconstruction process forward. It took 6 years, for example, to develop the Afghanistan National Development Strategy which donors are supporting. The internal revenue collection system is increasingly reliable and government institutions are constantly adjusting and seeking to improve their structure and delivery channels (Afghanistan p. 9).

Several of the reports identified concerns on the part of partner countries about the transition from recovery to development assistance. CAR, for example, sees its humanitarian aid declining without a concurrent increase in development assistance (CAR p. 42). East Timor may not be ready for such a transition and the country report insists on the importance of donors involved maintaining their funding flexibility to respond to the country’s needs and the rapidly evolving context (East Timor p. 56).

In DRC, on the other hand, the donor community has played an important role in making the transition from humanitarian aid to development assistance successful (DRC p.44).

There is an undercurrent of skepticism about the use of the concept of capacity by donors in some countries. In Sierra Leone, for example, “*the Government view is that only one side of the equation gets attention – government incapacity*” to meet complex requirements, rather than focusing on “*strategies (which) can be selected and explained plausibly to voters based on quick and simple processes*” to create “*trust in government capacity*”(SL p. 12). Similarly, in the CAR, capacity is seen as a “*voile*” with the real issue being the need to build confidence rather than capacity (CAR p.22).

Despite the importance given by many donors to technical assistance as a mechanism to build capacity and the extensive use of it in most of the countries reviewed, only two of the reports gave it much coverage. In East Timor, most TA is short-term, project related, and donor-driven, characteristics which are not seen as positive in the Paris Declaration. A further problem is that technical assistance reflects different cultures and approaches which can be confusing for the country. Afghanistan is also critical of the imposition of cultural values, especially those from the West, on a society with very different values and customs (Afghan p. 34).

Some of the problems cited above may have been exacerbated by inadequate thought about what capacity was required in each case and how to address it. Most of the countries reviewed stressed building the competencies of individual public servants rather than concentrating on groups or systems (DRC page 53). Afghanistan has tended to focus on capacity substitution rather than capacity development (Afghan p. 25) although capacity development programs are slowly being streamlined.

Proposed changes

The reports make some suggestions or changes which would affect the capacity of the countries concerned, including:

- Reducing the complexity and cost of donor processes (SL p.10)
- Taking care in using the European model of statehood as a basis for statebuilding in Africa (SL p. 7). Pay more attention to “good enough governance” – supporting systems, structures and approaches which represent the basic set of conditions for a functioning state and are appropriate for the local context (East Timor p.23). This implies getting away from the goal of international best practice – the application of one solution across a range of countries. Solutions need customization and what is “good enough” would vary for each country and would likely vary even between central and provincial levels in the same country.
- Reevaluating the level of risk donors are willing to accept and recognizing that empowering governments to manage their revenues is an essential step that must be taken (SL p.4). This would boost confidence in national systems (Afghan p.22).
- More publicity about the details of aid agreements and budgets to give civil society sufficient information to hold their own representatives’ to account (SL p.13).
- “*Attempts to reduce corruption must go hand in hand with Public Service Reform and salary increases*” (SL p. 13).

- Developing a better system of capacity building that is less donor dependent and “*slowly evolves out of the present system that rests on outside inputs to make government work*” (SL p. 24) including an alternative to top ups and harmonization of PIUs.
- More attention to the strategic and effective use of technical assistance and the identification of effective capacity transfer and phase out strategies (East Timor p. 27).
- Considering the human dynamics in place in Sierra Leone and how they might provide useful guidance in other countries, particularly the fact that there appears to have been “*the right people in the right place at the right time*” (SL p. 25).
- Finding a balance between large complex projects (which require sophisticated management skills that are in limited supply in developing countries) and having too many discrete activities (which allow experimentation but are demanding in terms of reporting and administration). Caution is also required when considering project size as an indicator of aid fragmentation (East Timor p. 53).
- Focusing on the capacity required by the context – The East Timor report suggests that, because of the low level of skills in the country, the focus in capacity development should be on basic skills such as work planning, budgeting, reporting and literacy and numeracy rather than on higher level skills (East Timor p. 28). Soft skills such as leadership, negotiation and management are important, it says, but it is also critical to avoid importing non-indigenous values. In terms of peace building at the community level, interventions are required to build trust and develop more social cohesion.
- Finding an appropriate and manageable division of labour among development partners so as to reduce the number of projects and the management burden associated with them (East Timor p. 51)

Conclusion

The reports present a rather negative overview of progress in enhancing capacity in 4 out of 6 of the countries and the constraints to doing better seem to be significant. That said, the reports do offer a number of approaches that show promise of strengthening capacity in these countries, particularly those on Sierra Leone and Afghanistan. I would add to this list the need to come to some understanding of what capacity is required to achieve the goals set out for the country and to think about how to encourage its development. In addition, I would suggest using iterative and incremental approaches to try out new ideas through small experiments before getting into large-scale programs which attract more attention and hence are more risk averse. This process seems to have worked well in Afghanistan.