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Recent Bank Support for Civil Service Reconstruction in Post-conflict Countries

The World Bank is engaged in civil service reconstruction efforts in several countries emerging from conflict. How do such efforts differ from traditional civil service reform, and what lessons do they offer for future civil service reconstruction in post-conflict countries?

Civil service reconstruction is important in post-conflict countries because conflict erodes institutions and civil service capacity. And because successful reconstruction—in all sectors—requires domestic capacity to implement projects, a weak civil service undermines overall reconstruction efforts. Moreover, donor assistance is crucial to a country's rebuilding, and coordinating such assistance requires a certain amount of civil service capacity.

In addition, the Bank has found that country ownership is essential for successful projects. But country ownership can be jeopardized if international agencies and nongovernmental organizations (NGOs) dominate reconstruction efforts, overwhelming states already weakened by conflict. Civil service reconstruction offers an opportunity to start anew, with little of the resistance to civil service reform often encountered from politicians and civil servants. It allows good practices to be in-

stilled from the outset—without having to undo bad ones.

The Bank provides significant support to post-conflict countries

Nearly a quarter of the Bank's member countries—41 of 184—are affected by conflict, and such countries account for 16 percent of Bank lending. What role does civil service reconstruction play in the Bank's post-conflict agenda? What are the goals of Bank-supported civil service reconstruction? And what interventions can be used to achieve those goals?

During fiscal 2000–02 the Bank's Board approved Transitional Support Strategies for nine post-conflict countries: Afghanistan, Burundi, the Democratic Republic of Congo, the Republic of Congo, Kosovo, FYR Macedonia, Sierra Leone, Timor Leste, and Yugoslavia (Serbia and Montenegro). This note presents the main findings from a review of those strategies and of documents for 12 reconstruction projects in these countries.

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Civil service reconstruction has been a high priority

All nine Transitional Support Strategies included support for reconstructing civil services and public administrations—placing this element ahead of rebuilding human resources, repairing infrastructure, and developing private enterprises. Moreover, between fiscal 2000 and 2002 allocations for projects with civil service reconstruction components nearly tripled in the nine post-conflict countries, from 9 percent to 26 percent of total support.

The Bank gives the same priority to civil service reconstruction in post-conflict countries as it does to civil service reform in non-conflict countries. During fiscal 2000–02, 18 percent of support to post-conflict countries went to projects with civil service reconstruction components. During this period projects with civil service reform components also accounted for 18 percent of Bank lending.

Some variation occurred among the Bank's regions. For example, projects with civil service reconstruction components accounted for 40 percent of project assistance to the four post-conflict countries in Africa—reflecting the high priority given to addressing civil service weaknesses in the region. Over the past 15 years the Africa region has had the largest share of Bank projects involving civil service reform.

Civil service reconstruction and reform face different challenges and goals

Although the Bank has supported civil service reform since 1978,

only some of the lessons from that experience can be applied to civil service reconstruction. Governments often give serious consideration to civil service reform only when the public sector wage bill becomes unsustainable. But whereas civil service reform typically must address the issue of too many personnel, civil service reconstruction in post-conflict countries often faces the problem of too few—resulting from the emigration of staff with relevant skills and training. Civil service reconstruction in these countries must also establish control mechanisms, because peace accords often include employment guarantees, and many former combatants seek to fill what they claim were their civil service positions prior to conflicts.

Civil service reform and reconstruction also differ in their approaches to wage reform. Civil service reform often requires wage adjustments, reflecting fractured grading systems, vertical wage compression, and salary supplements in the form of allowances. Civil service reconstruction usually requires a completely different approach to wage reform, because salaries are often not adjusted during conflicts—and frequently fall below subsistence levels. But despite the urgent need to adjust civil service wages, it is difficult to do so before determining the size and shape of the rebuilt civil service and before obtaining reasonable projections of future government revenue.

Objectives of recent Bank-supported civil service reconstruction include:

- Raising civil service capacity for economic management.

- Increasing accountability.
- Improving service delivery.

The second and third of these are common to Bank-supported civil service reform. But the most common objective of recent civil service reconstruction efforts in post-conflict countries, occurring in eight of the nine Transitional Support Strategies, was raising civil service capacity for economic management—a rare objective in civil service reform.

On the other hand, correcting fiscal imbalances by reducing the public wage bill—a common objective of civil service reform—has not been part of recent civil service reconstruction efforts. And changing pay and career structures, another typical objective of civil service reform, was a component of only one civil service reconstruction project.

Reconstruction requires a different kind of civil service capacity

Civil service reconstruction and reform have different priorities when it comes to building civil service capacity. As reconstruction begins, civil servants must make, implement, and manage policies. But during reconstruction the Bank has focused on building policy implementation capacity rather than policymaking capacity. In addition, only one of the nine Transitional Support Strategies (in Timor Leste) identified the need to increase civil service capacity for policy management.

With implementation capacity building as the main objective, the most common components of civil service reconstruction projects have been equipment purchases

and general management training. Projects have also emphasized building capacity for budget and financial management. And because external aid plays a critical role in post-conflict reconstruction, civil service capacity to manage aid is urgently needed. Donors that provide support to central budgets are sensitive about how it is used. Thus all the Transitional Support Strategies emphasize the need for civil servants to be able to manage aid.

Capacity building has preceded accountability strengthening

Relative to civil service reform efforts, reconstruction projects have placed less priority on strengthening accountability—and more on building civil service capacity. In Timor Leste the Bank decided that only after some success had been achieved in building capacity could attention be paid to monitoring government performance, strengthening civil service accountability mechanisms (such as systems for citizen complaints), and increasing transparency and integrity in public service recruitment.

Accountability strengthening, an objective of civil service reconstruction in four of the nine post-conflict countries, has also been designed differently than in civil service reform. Most accountability efforts in civil service reconstruction have sought to strengthen capacity for financial management. Other interventions to strengthen accountability—such as publishing government accounts and contracts, closing special accounts, creating external audit agencies, and other mea-

sures common to civil service reform projects—appeared in only one reconstruction project. In addition, only two of the nine Transitional Support Strategies (for the Democratic Republic of Congo and the Republic of Congo) directly addressed the need to increase transparency and reduce corruption, and both were in countries where diversion of state resources had been a major source of conflict.

Other differences from civil service reform

Improving service delivery is considered a less pressing need in civil service reconstruction projects. This objective was mentioned in only one Transitional Support Strategy—even though health and education needs were urgent and conflict had seriously eroded social capital in every post-conflict country. In contrast, improving service delivery was the most common objective of Bank-supported civil service reform in fiscal 2000–02.

Deconcentration or devolution of administrative power is often emphasized in civil service reform, but administrative decentralization was an objective of civil service reconstruction only in Sierra Leone, which already had a decentralized administrative structure well before its conflict. One reason for this could be that centralized management is preferable where local capacity is weak, as is usually the case in post-conflict countries.

In another departure from civil service reform projects, improving human resource management was a rare objective among civil service reconstruction projects, included in just two countries: FYR

Macedonia and Yugoslavia. In Yugoslavia the Bank's reconstruction strategy included changes to the civil service structure (such as reducing public employment and restructuring ministries) and to personnel recruitment and remuneration policies.

But FYR Macedonia and Yugoslavia are exceptions, as both countries already had relatively high civil service capacity before their conflict. That fact, along with the overwhelming emphasis on building capacity for budget management, could mean that adjusting civil service structures and personnel management practices is a less pressing need for civil service reconstruction in most post-conflict countries. Instead, the most urgent objective is to get money moving through the central budget.

Bank projects have incorporated lessons from previous reconstruction efforts

Although downsizing is a prominent feature in Bank-supported civil service reform, it has not been part of recent civil service reconstruction interventions. This difference may reflect a 1998 finding by the Operations Evaluation Department that the Bank's post-conflict reconstruction efforts paid inadequate attention to political realities (OED 1998). In Cambodia, for instance, the Bank pushed for downsizing the civil service even though the political coalition created by the country's peace accords was partly based on expanding the civil service to absorb a large number of functionaries from incoming parties.

Recent projects in post-conflict countries have also not transferred noncore government functions to the private sector—perhaps partly because the 1998 OED report criticized the Bank for promoting sweeping privatization in post-conflict countries without taking into account cronyism between the public and private sectors.

Future work on civil service reconstruction

Because most of the Bank's recent civil service reconstruction projects are still active, it is too early to evaluate their effectiveness. Thus, this review has focused on the Bank's reconstruction priorities. In preparing future civil service reconstruction, it would be logical to evaluate the Bank's strengths in the areas identified in this note—including assessing and (if necessary) augmenting staff skills and capacity. Approaches to increasing accountability should also be tested. It would also be useful to determine whether it has been by design or default that the Bank's reconstruction priorities do not include strengthening policymaking, promoting administrative decentralization, improving human resource management, and making the civil service more responsive to civil society.

There is a strong need for continued Bank support for civil service reconstruction. Although many countries emerging from conflict are poor and require Poverty Reduction Strategy Papers, they often have insufficient administrative capacity and statistical information to develop strategies.

Civil service reconstruction is also important to enable such countries to participate in the Heavily Indebted Poor Countries (HIPC) initiative—sponsored by the Bank and the International Monetary Fund—because most post-conflict countries are heavily indebted. Obtaining debt relief from the initiative requires establishing economic discipline, and thus a civil service capable of formulating and implementing policies and programs that achieve that goal. Government officials must be able to establish a statistical base for calculating debt sustainability and determining HIPC eligibility, to develop a strategy for reaching the HIPC decision point, and to strengthen public expenditure management to ensure effective use of funds freed by debt relief. During fiscal 2003–04 three post-conflict countries (Burundi, Democratic Republic of Congo, and Republic of Congo) are scheduled to undergo HIPC tracking assessments by the Bank.

Further reading

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