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What Role for Diaspora Expertise in Post-Conflict Reconstruction? Lessons from Afghanistan, and West Bank and Gaza

The Afghanistan Expatriate Program (AEP) and the Palestinian Expatriate Professional Project (PEPP) recruit expatriates through a merit-based system to build capacity in government departments and agencies in Afghanistan and West Bank and Gaza respectively. Beyond individual success stories, both initiatives faced the tremendous challenge of translating individual inputs into institutional capacity building and as a result, both programs could not generate the expected increase in capacity of the local civil service. Indeed, strengthening management and technical capabilities of the ministries and agencies in both projects was achieved only sporadically. The one real value of the expatriate programs was the expatriates' knowledge of the local language and environment and, in the case of the AEP, a single window funding for short-term consultants. However, such programs are only stop-gap and unless they build capacity over the medium term, as donor funding diminishes they are unsustainable for recipient governments. This dissemination note aims to capture lessons learned from the AEP and PEPP programs.

The Afghanistan Expatriate Program (AEP). In 2002, at the beginning of the reconstruction process in Afghanistan, the Government and donors launched the AEP to address the shortage of skilled personnel in public institutions and kick-start development programs. The AEP was to be a temporary, transparent and merit-based recruitment system that matched the needs of key ministries with Afghan expatriate expertise. While qualified professionals of Afghan origin residing abroad were prepared to work in government, the civil service salaries, unrevised during the conflict, were too low to attract the expatriates to longer-term public sector positions in Kabul. The goal was to recruit about 60 highly qualified expatriate Afghans for a limited period (six months to two years) to work as advisors in government ministries and agencies at salary levels much higher than civil service salaries. The AEP was evaluated by the World Bank at the request of the Afghanistan Reconstruction Trust Fund to assess progress in the 20 months of implementation. The program had been funded up to \$10 million in two tranches (2003 and 2006).

Management arrangements of the AEP. The Interim Administrative Reform Civil Service Commission (IARCSC) is responsible for the AEP. The Executive Committee (EC) composed of AEP nominees is responsible for the day-to-day management of the AEP.

The recruitment process for the AEP and the role of the international firm. An international firm was contracted to assist both the IARCSC and the EC. A ministry or agency requests an expert from the IARCSC. The EC decides on the need for such an expert and prepares

Terms of Reference (ToRs) for the position. The international firm advertises the position through a web-based system; applications are received by the AEP Secretariat and vetted by the EC. Short-listed candidates are interviewed by the EC and the selection is sent to the Chair of the IARCSC for approval. The firm is responsible for contacting the experts, verifying details, including qualifications and salary history, logistical arrangements, and disbursement of emoluments.

The Palestinian Expatriate Professional Project (PEPP). The PEPP, a multi-donor project, was established in 1997 to address the shortage of capacity in the relatively new public institutions of the Palestinian Authority (PA) in West Bank and Gaza. The objectives over a three-year period were to: (i) support institutional development by strengthening management and technical capabilities of ministries and agencies of the PA by recruiting the most qualified persons through a professional, transparent, competitive, international recruitment process; (ii) build capacity by training suitably qualified individuals to take over once the PEPP program participants left and by building a data base of Palestinian expatriates to be used for subsequent recruitment; and (iii) provide project management support by establishing a transparent recruitment methodology with a compensation policy and practice based on objective criteria.

Management of the PEPP. The Ministry of Finance (MoF) was the legal implementing agency for the project. There was to be a Steering Committee for the PEPP chaired by the Minister of Finance. An international management consulting firm was hired as the Technical Secretariat (TS) for project management for the beginning of project implementation

(1997-2001). A MoF project coordinator took over the role in 2002-2003; and a MoF focal point was in place in 2004.

The recruitment process for the PEPP and the role of the international firm. At the request of a Palestinian ministry or agency, the TS would help identify specific high-level management and technical needs, advise on institutional structure and staffing, and define job descriptions and key qualifications for the positions to be filled. The TS would then embark on an international recruitment process, identify a number of qualified candidates for each position, and present them to the respective ministries or agencies. Once the final candidate was chosen by the ministries or agencies, the TS negotiated a contract and compensation for the individual. About 100 Palestinian expatriate professionals were expected to be engaged under the program, mainly through one-year renewable contracts, over the course of three years. Over a period of eight years (instead of the three originally planned), a total of 18 expatriates (due to a cut in funds) were recruited through 39 contracts (21 extensions).

Lessons Learned

➤ While most of these lessons are relevant in all development contexts, they are especially important in the more complex and fluid conflict settings.

The start-up of the project should be modest, and should include building the capacity of agencies to identify their needs precisely and then ‘manage’ the capacity building process. In both the AEP and the PEPP, it was assumed that the ministries and agencies had the capacity to identify their needs precisely, translate them into accurate job descriptions and supervise the capacity building programs. This capacity was generally overestimated. The skills typically required in such situations include public sector management, human resource expertise, and expertise in capacity building and institutional strengthening. It would have been beneficial to provide technical input at all stages of the project to guide both the local staff and the expatriates on identifying capacity needs and working within a more complex conflict development setting.

Program objectives should be realistic and they should be piloted, reviewed and modified based on the findings of the pilot. In conflict settings, political, social and economic conditions are often highly dynamic, and the design should allow enough flexibility to be responsive to the fast-changing and differing needs on the ground. A smaller pilot approach allows appropriate corrective measures to be incorporated into the project design to refine and set clear objectives. A poorly designed and inflexible project can result in activities that are inappropriate and unresponsive to needs on the ground. Program objectives should not be too ambitious—for

example, expatriates should not be expected to help run ministries and transfer skills within a short period of time. Program objectives should be clear, consistent and understood by all parties concerned to enable proper assessment. For example, while the AEP was initially intended to support senior advisors within government, many appointees were recruited at mid-level to fill line-management gaps.

Ownership by the ministries and agencies is essential as is technical input from, and consultation with, line ministries at the earliest stages. Projects such as the AEP and the PEPP are institutionally sensitive and complex to implement. Expatriates are often considered ‘outsiders’, who are seen to benefit from preferential treatment and paid many times over the local salary. It is important to ensure that there are enabling structures for input from lower levels to facilitate and reinforce ownership and commitment from the staff in the local agencies.

Expatriate recruitment projects should be part of a broader capacity building strategy based on a comprehensive assessment of institutional needs. In transition environments, many institutions are nascent with unclear missions, roles and mandates. A first step may be to provide technical assistance to help the counterpart agency develop these critical aspects. Local staff also needs to be assigned clear roles and responsibilities, and given an opportunity to ‘settle in’. The role of the expatriates should be defined and clearly communicated widely so as to reduce any sense of insecurity among local staff. Projects such as AEP and PEPP should be designed and implemented within an overall framework for capacity building, preferably following a comprehensive assessment of institutional capacity needs. Such projects should be built upon strategic links with other projects supported by various donors. International expatriate ‘experts’ should be phased in systematically into the agency. Leadership in the agency concerned is important for expatriates to meaningfully contribute to an organization’s performance.

Projects in transition or post-conflict situations should incorporate a strong monitoring system to adapt to changing circumstances. Such projects should have clear objectives, clear performance indicators, operating procedures, and well-defined supervision measures, including a mid-term review. The lack of development indicators made it difficult to assess the success of the PEPP. A results-based management system, which not only measured inputs but also the quality of outputs, would have been beneficial for both the AEP and PEPP.

➤ Given the fluid environment common in conflict settings, AEP/PEPP-type projects require close management and supervision by all parties.

It is important to have an effective, accountable and active governance structure that facilitates ownership, promotes transparency, and adds legitimacy to the project. The program management structure should be efficient. The AEP’s management included four levels: (i) a ministerial steering

committee; (ii) the Executive Committee; (iii) the EC Secretariat, made up of internationally recruited consultants; and (iv) the managing firm. It is important to ensure that the project steering committee is not composed of high-level officials whose availability is scarce, but rather have a lower-level decision-making structure so that technical decisions can be made quickly. This also facilitates ownership at lower levels. In addition, the program management structure should also take into account other duties that committee members may have in the design of decision-making structures and processes.

The political nature of such personnel/salary support schemes and the inherent difficulty in measuring performance means that fiduciary risks are high. As such, the Bank is often drawn heavily into program management. Mechanisms need to be developed (e.g., through use of a third party for monitoring and validation of systems/appointments, or through providing technical assistance of sufficient quality), to reduce fiduciary risks overall and limit the Bank's engagement to appropriate levels.

Accountable management with good documentation and an effective knowledge management process is important for delivering results and fine-tuning such programs. It is important to ensure that the local body that oversees the overall project, is formed, meets and actively monitors progress. Knowledge management and proper hand-over processes are critical to ensure that important experiences, rationale for decisions, and knowledge gained are passed on, particularly if a hand-over of project management between two bodies is envisioned in the project design.

The design of such projects should try to minimize the potential for political or personal 'capture' and conflicts of interest. When designing the governance structure, care should be taken to avoid potential conflict of interest issues for program management committee members. Procedures should be established to address such conflicts where they arise. Recruitment procedures agreed upon in the guidelines should be followed, and opportunities for establishing alternative structures and processes should be minimized. Any changes to the recruitment process should be done in consultation with the donor concerned. Guidelines should include steps to minimize the possibility of project steering committee members operating independently from each other, rather than acting in a coordinated manner in recruitment and in negotiating compensation. Some critical agencies such as the President's Office and the Ministry of Finance may need to bring in expatriates without prior needs assessment, vacancy announcement or selection process. Special procedures should be set up for such circumstances, and strict accountability requirements should be set for such placements.

Performance evaluations of expatriates need to be appraised against program objectives. It is important to have an appraisal document or a statement of expected results in order to monitor overall project performance and appraise performance of the individual expatriates against the reports submitted. It is important to monitor if the actual work performed by individual expatriates is in accordance with their ToRs, and ensure that their performance is evaluated against the ToRs. If there is no capacity within the agency to appraise and monitor the performance of expatriates, this should be addressed with targeted technical assistance to develop performance appraisal systems and to provide ongoing assistance until local capacity is built. The importance of accurate and functional performance documentation should be highlighted to the agencies.

➤ The role of expatriates needs to be clearly defined and aligned with the particular institutional environment they are expected to work in.

Given the sensitivity of bringing in expatriates into nascent institutions, there are certain critical steps that need to be taken. Procedures for recruitment of expatriates need to be transparent, their ToRs need to be specific, communicated to all those concerned and their outputs measurable against specified requirements. For influential line positions, there can be a danger of political capture—special procedures for such deviations with strict accountability requirements should be put into place.

Line ministries and agencies concerned should develop proper systems and/or structures to accommodate the inputs of the expatriates to make the best use of their contributions. Expatriates should be given clear ToRs and mandates which should be communicated widely in the counterpart agency. A measure of commitment of the counterpart agency is the extent to which it provides adequate support to the capacity building process and makes efforts to properly integrate the technical assistance provided to address the needs of the agency.

Distinction between advisory and line positions should be extremely clear, and include strict accountability and transparency requirements. AEP and PEPP-type projects are established to provide program-funded experts to the government as a short-term stop-gap measure. In the AEP and PEPP, expatriates did not have long-term responsibility or accountability as they were meant to function only in advisory positions, and only fill line positions in very exceptional circumstances. However, it should be recognized that in practice there are likely to be deviations and that in many cases there will be a natural tendency to draw in high-performing expatriates to perform executive tasks in line positions. While this is understandable in transitional and fragile settings, there should be clear guidelines for justifying special arrangements and to set limits on such appointments. Where expatriates end up performing line functions on an exceptional basis, it is even more important to ensure that there are strict accountability

and transparency provisions in place, including publicly-available income declarations.

Given the short-term time horizon of such programs, donors and governments need to identify mechanisms to mainstream the skills and capacity that is being temporarily filled by the expatriates. Generally, expatriates who work in AEP/PEPP-type projects are there for the short-term. They are unlikely to remain for the longer-term because of their higher salaries, and personal circumstances. They are also usually foreign nationals who have other opportunities in more stable environments outside the program countries. They are unlikely to work for extended periods of time at pay levels much lower than what they can get elsewhere. It is therefore important to ensure that, from the outset the agency and the expatriate develop a time-bound capacity-building plan to mainstream the skills of the expatriate throughout the agency. This is rarely done or done well in these kinds of programs, but without a good plan to transfer skills and capacity the benefits of expatriate programs can be minimal or short-lived.

Expatriates should be given basic orientation/training on the existing public administration system and other core public sector reforms as they are operating in a conflict setting. Their work may need to be supplemented by technical development specialists. There is a perception among some critics that the mission of recruiting only expatriates resulted in a narrowed field of choice and options for the Government from which to draw the best available talent internationally. This criticism stems from the AEP, where important policy and strategic work needed to be based on technical inputs from a wider pool of development technical specialists than that represented by the cohort of expatriate experts. The assumption that the programs would attract expatriate professionals that would fully embed the wide range of technical and managerial skills required by the public sector was wrong. It appears that the salary scale was insufficient to attract the best of them. However, this argument does not necessarily mean that AEP/PEPP-type projects do not have value—having more realistic expectations, responding flexibly as conditions change, and incorporating some leeway to use technical specialists on a selective basis to complement the capacity of expatriates would make the program more effective. In addition, there is need to better prepare expatriates to the situation they will find in-country, especially through basic orientation and training on existing systems, planned reforms and institutional cultures.

➤ The firm or agency responsible for project management for such a sensitive and complex exercise should be selected carefully and have demonstrated networks and legitimacy among local partners.

The firm or agency should demonstrate its capacity to operate in a transitional setting, have extensive networks in-country and in the development sector, and be able to be flexible to the challenging field environment. The firm selected to implement the project should have local credibility, a strong local presence and expertise. The procurement process should not be limited to an international private sector firm—a local entity, a local NGO or an international organization with local experience may be able to implement such projects more effectively and be better value for money. Care should be taken to ensure that the implementation firm's interactions with line ministries are appropriate and aimed at building strong relationships—trying to work on the basis of the firm's own corporate culture can be totally inappropriate and alienate line ministries. There should be clear accountability and performance requirements for the firm.

The firm or agency should have effective systems and procedures to ensure efficiency and reduce risk for all stakeholders; its due diligence procedures are important. The implementing firm should be evaluated against its efficiency and due diligence procedures and the overall value it adds to expatriate programs. Basics such as verifying the expert's statement of educational qualifications, and salary history are essential. Databases should be up-to-date. The firm should not impose additional burdens on the expatriates but should have streamlined systems to operate effectively. It should also be able to adapt its own corporate processes to the local situation rather than imposing it on the project.

This note was prepared by Rima Simpson based on evaluations conducted by Karene Melloul and Colin Scott. For further information on AEP please see: www.worldbank.org/artf. The Implementation Completion Report for the PEPP can be accessed online.

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