



# EXECUTIVE SUMMARY

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Effective, accountable and responsive institutions are fundamental to the achievement of peaceful and inclusive societies envisioned to achieve the Sustainable Development Goals (SDGs). Nowhere is this objective more salient, and more elusive, than in countries that have been deeply affected by fragility and conflict. Fragility and conflict are symptoms of power dynamics and formal and informal arrangements for the distribution of rents and resources that affect the functionality of core government functions. These core functions of government are essential for development, statehood and resilience. They all are dependent upon the capacity of the civil service to function and deliver.

A civil service embodies a large and complex set of issues, procedures and structures within the public administration related to the management of personnel, institutions and relationships. It encompasses both technical and political aspects related to the functioning of the government machinery and the delivery of public services and goods at both the national and local level. Within the spectrum of civil service issues, this note focuses on pay and employment because these are the first areas in which governments often come under overwhelming pressure (either by domestic actors or external partners) to act decisively in the immediate aftermath of conflict. The note also briefly discusses the political and technical dimensions of human resource management and development in public administration in fragile and conflict-affected settings.

## LEARNING FROM POLITICAL ECONOMY ANALYSIS

This guidance note is founded upon the realization that civil service restoration and reform is as much a political process as it is a technical one. To promote a politically sensitive approach to civil service restoration and reform, this note draws on a series of precepts drawn from the literature on political economy in fragile and conflict-affected settings, as follows:

- International assistance in fragile and conflict-affected settings should be understood as non-neutral mediations by external actors among domestic elites;
- International assistance in conflict-affected contexts should be approached in ‘temporal’ terms; assistance should be sensitive to the fluctuating opportunities and risks of development support during and after conflict;
- Political settlements should not be understood as stable conclusions that end periods of volatility, but more appropriately as unstable situations that reflect the positions of domestic elites at a particular point in time;
- Political settlements are subject to the potential subversion by “spoilers,” actors either dissatisfied with or excluded from negotiated pacts;
- Analysis of merit-based reforms in a variety of institutional settings suggests that agreements to reduce patronage in human resource practices in civil services occur mostly when the relative power and capacities of less influential parties and stakeholders increases; and
- The idealized goals often held by the international community for public administration may be laudable, but are often unrealistic. Thus, a focus on achieving “good fit” rather than applying international “best practice” should be sought.

## CIVIL SERVICE RESTORATION AND REFORM PRIORITY ISSUES

Most civil services in fragile and conflict-affected settings are overwhelmed by numerous operational and other challenges that have serious short-term consequences for restoring

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functioning government as well as longer-term impacts on state- and peace-building for future country development. This note explores both the political and technical aspects of ten common priority issues related to the restoration and reform of the civil service in fragile and conflict-affected contexts.

**1. Managing Aggregate Wage and Employment:** Maintaining effective control over the public sector wage bill is a key ongoing task of governments in fragile and conflict-affected settings. Since the public sector wage bill can make up a significant portion of total public sector spending (see Annex), failing to reduce the wage bill can have a negative impact on the overall macroeconomic health of fragile and war-affected economies. In many countries, the pivotal questions often relate to the sustainability of revenues to offset personnel expenditures and the social protection role of the public administration as employer.

In the face of such pressures, donors and governments have sometimes enlisted analytic modeling tools to help frame - and discuss - the policy choices between wage bill reduction, employment containment or growth, and average or selective salary adjustment. Such instruments are mainly technical aides, but they can also offer support to governments in weighing policy options and in developing political strategies in identifying and dealing with the potential winners and losers of macro-pay and employment reforms. Addressing the revenue problem may involve assumptions of stable wage bill expenditures for some period of time by donor countries.

**2. Setting Remuneration:** Related to the above wage and employment issues are questions about setting individual compensation levels for present (and future) civil servants in fragile settings or following a conflict. In countries where civil service remuneration systems have broken down or where new arrangements need to be established, determining the lowest acceptable pay levels for civil servants may present an opportunity to revise outdated structures

and pay regimes, but it is also a moment rife with policy and political risk. Determining civil service pay on an interim basis in the immediate aftermath of conflict can also have long-lasting, unintended consequences. In several countries, unsustainably high pay choices were made (with scarce information) by international actors, who were under extreme pressure to get basic government functions up and running. But they risked setting governments on unaffordable long-term paths, as correcting pay downwards later proved politically near impossible.

A related issue is that of the establishment of "dual pay scales", where a special tier of highly skilled civil servants - potentially including returning members of the diaspora - receive salary upgrades to carry out key public administration roles. This can have the effect of supplementing low levels of government capacity in the short to mid-term, but runs the risk of not only creating an unsustainable wage bill, but also creating disillusionment and resentment amongst the rest of the civil service.

**3. Administering Payments:** The timely and efficient remuneration of civil servants - both those working in the capital but especially those on the front line of service delivery, often at regional or local levels of government - is critical in the immediate aftermath of conflict, and beyond. Effective payment administration through robust payroll systems and payment platforms is thus of paramount importance in restoring a functioning public sector. To the extent that restoring public services to meet population needs is needed, guaranteeing that payments are administered on an adequate and timely basis to civil servants on the frontlines of service delivery is key.

Responding to the challenge of administering payments in the civil service may include the use of innovative technology. For example, the Ebola epidemic that hit fragile and conflict-affected governments in West Africa brought into sharp relief the time-critical need to redress ongoing pay arrears to

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health workers whose role in combating the virus, and in restoring public trust in government, proved critical. The crisis spurred innovative applications for payment platforms, including mobile “apps” that helped overcome constraints to salary disbursement.

#### 4. Counting and Identifying Civil Service Employees:

The wage bill and remuneration issues raised above are closely related to a range of concerns about the number and nature of who is employed by the civil service in fragile and conflict-affected settings. Efforts to obtain reasonably accurate information about the location, identity, and profile of government workers are often made through civil service censuses or headcounts. To the extent that these exercises focus on removing “ghost” workers from the payroll, they have relative utility in beginning the process of cleaning up government payrolls.

Counting and identifying civil servants are standardized in the form of civil service censuses. They have also been enlisted to provide data for downsizing efforts that, analysis suggests, face uphill challenges in fragile and conflict-affected settings, but also in other development settings. In addition, census exercises continue to be plagued by capacity and sequencing problems. Even if an accurate snapshot can be obtained, data erode quickly if they cannot be quickly deposited into clean human resource management information systems. However, these are complex and difficult to put in place, even years after conflict. Thus, most countries continue to rely, with varying degrees of effectiveness, on the payroll system itself and on establishment controls dispensed by the Ministry of Finance to keep civil service employment in check.

#### 5. Dealing with Security-Related Personnel:

An overwhelming employment issue at the top of the civil service reform agenda concerns the integration of security-related personnel, including official military as well as militia and rebel forces, onto the rolls of the civil service. Decisions of whether to reduce the size of the armed forces, whom to

demobilize, and what benefits to offer became part of the peace negotiation in countries where loosely controlled factions were sharing power in government after their respective conflicts. In these cases, there was a very real possibility that one or another of the actors, unhappy over inequitable allocation of positions in the armed forces, would become a “spoiler” and return to conflict. While taking appropriate account of the deeply political nature of such choices, it also makes sense to consider the possible long-term institutional consequences of particular integration strategies.

Various governments in fragile and conflict-affected settings have undertaken separation schemes for military personnel that combine different severance arrangements, depending on seniority levels, including “golden handshakes” with cash payouts as well as small-business credit and re-training programmes. Some analysis suggests that reliance on private sector employment has been disappointing, particularly where economic growth remains limited.

#### 6. Public Works Employment Remedies:

In the aftermath of crisis, when employment needs are pressing, public works programmes can provide temporary work opportunities for youth, ex-combatants, refugees, and other job seekers. Countries have introduced public works programmes as a short-term solution to respond to the immediate needs of job creation, infrastructure development and delivery of basic public services.

The range of government employment choices may offer both political as well as developmental benefits, at least over the short term in fragile and conflict-affected settings. Some security experts have recommended designing programmes to integrate ex-combatants in the public workforce, but under different employment regimes. In developing countries more generally, public workfare programmes are designed to raise incomes of the poor through the mitigation of shocks (both unexpected crises and seasonal downturns) and to pro-



vide a bridge to more permanent employment, possibly with a training or even a small business credit component.

**7. Lustration of Former Officials:** As states transition from periods of conflict, they inevitably face the question of how to handle officials from the former regime. Questions of which public officials remain in government in the aftermath of conflict can be key to the future stability and functionality of the new regime. Decisions about the role of personnel from the previous regime are not only critical to the institutional capability of nascent governments after upheaval, but also provide important, broader signals about the new government's approach to the country's wider political culture. Another political question is the degree to which lustration may be perceived to - or may actually - be misused for partisan political purposes.

Countries have a variety of lustration methodologies to transform - and cleanse - the civil service available to them. These range from a lustration process where certain former high-level officials, particularly those who had served in the secret police, are involuntarily removed from their jobs. On the other hand, a "softer" programme may be adopted that allows for more substantial incorporation of previous officials into the new civil service.

The need for competent continuity is high in fragile and conflict-affected settings, but the need for governments in fragile and conflict-affected environments to signal a decisive break with the past has also been highlighted. This need for a new start has indeed sometimes translated into lustration policies that rout out previous officials at all levels, doing harm to the capacity of institutions. Guidelines may discourage the application of integrity standards that are difficult to verify, however. This depends in large part on the availability of reliable and measurable evidence. Preferred practice may emphasize the targeting of senior personnel or those associated with a particular administrative unit rather than across-the-board vetting.

**8. Position Distribution Among Political Stakeholders:**

Civil service employment questions, in fragile and conflict-affected environments, often reflect larger political questions about power distribution among former antagonists, reinforced by sectarian and ethnic or, perhaps, regional cleavages. These, in turn, overlap with the security forces-related demobilization issues raised above. Many incoming politicians may have a tendency, and may indeed be expected, to distribute government posts among members of their political, ethnic or religious group. Such non-inclusive practices, left unchecked, may not only lead to a widespread loss of credibility for a new government in a fragile or conflict-affected setting, but also violence and a possible descent into conflict.

In fragile and conflict-affected settings a balance is required between civil service appointments made based on merit versus recruitment linked to traditional allegiance. Where this occurs recruitment and civil servant management rules should be established, but a pragmatic compromise must be reached when employing new civil servants. One solution may be the use of temporary quotas for members of ethnic, religious or regional groups. Another may be earmarking a portion of government posts as political appointees, whereby such appointments can be made on a patronage basis. Indeed, moving too fast toward a merit-based system of recruitment might even undermine state credibility by limiting the appointment of members of majority groups. It is also important for members of minority groups - especially those who are potential "spoilers" and are key to maintaining the political settlement - to gain employment in the civil service.

**9. Parallel Aid Structures and Engaging the Diaspora:**

A fundamental dilemma in fragile and conflict-affected settings is how to meet immediate service delivery demands when state capacity is low or non-existent. In the short-term, development partners have often responded by bypassing the civil service, rather than building it. This oc-

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curs in two main ways: (i) recruiting qualified staff away from the government, especially at senior levels; and (ii) establishing parallel systems of various kinds, sometimes called a “dual bureaucracy” or “second civil service”.

It is imperative that both the benefits and challenges of parallel aid structures are borne in mind when designing civil service restoration and reform interventions. During the design of such programmes of support, parallel structures are often utilized given the emphasis placed on rapidly restoring civil service functions. However, such motivations should be tempered by the limitations and lack of sustainability of such decisions.

**10. Human Resource Management and Development:**

Challenges arise when formal rules-based systems of human resource management operate alongside informal systems based on traditional allegiances. Inevitably, in fragile and conflict-affected countries a compromise will have to be struck between merit-based and patronage-based recruitment in the civil service. While such a compromise is inevitable, continuing efforts should be made to establish and strengthen the formal rules-based system, whenever possible. Even with a quota or a positive discrimination system that gives priority to certain groups, the system needs to strive towards fairness and transparency. In instigating these temporary and special measures, there is a need for the transitioning government to maintain a high level of transparency and communicate as frequently as possible to all the civil service personnel the reasoning behind these reforms.

Another key human resource management issue is that of gender equality in the civil service. During, and in the immediate aftermath of conflict there is often a shift in societal attitudes towards gender roles, leading to a more traditional place for women in society. This can have an impact upon the recruitment of women into the civil service and their continued performance following the cessation of conflict or in fragile settings.

In addition to a focus on human resource management considerations, it is also important to address the capacity development needs of public servants in the mid to long-term. In fragile and conflict-affected settings an abundance of capacity building efforts will be set in motion to support a new government. Yet, many of these initiatives, whilst well intentioned, will often be poorly designed and will fail to satisfactorily build the skills of government officials.

In response, mentoring arrangements should be set up in the short term, under which civil servants can benefit from coaching from international and national advisors. However, to avoid the priority to ‘deliver’ taking precedence over planned training or mentoring activities local staff should be required to *demonstrate* their newly acquired knowledge and skills when the mentoring arrangement comes to an end. It is also important, in the short term, to (re)build “soft skills” across the civil service in fragile and conflict-affected contexts. Quick training and the provision of incentives to apply such skills across the civil service could be valuable as an opportunity to mainstream and build more consolidated training.

PRINCIPLES TO INFORM THE DESIGN OF CIVIL SERVICE REFORM/ RESTORATION EFFORTS

A number of principles are offered to guide the design of civil service reform/restoration efforts in fragile and conflict-affected settings. These include:

- Civil service restoration and reform should be viewed as not only a technical process but also a political one;
- Understanding the impact of the political settlement, and indeed the wider historical context, on restoration and reform efforts is crucial;
- Selectivity is important. Support should be targeted where it can have the greatest impact;



- Sequencing is vital. While prioritized actions may be of equal importance, certain activities should necessarily be carried out first; and
- Change is long term and non-linear. Modest changes can take extended periods of time. Moreover, progress can be inconsistent, delayed, and may suffer temporary reversals.

## PRIORITIES AND ACTIVITY SEQUENCING TO INFORM THE DESIGN OF CIVIL SERVICE RESTORATION EFFORTS

In the immediate aftermath of conflict a number of priorities can also be identified, including:

1. Conduct a rapid provisional count (disaggregated, if possible) of permanent government civilian employees - including the police - accepting that “ghost” workers or double entries may remain for an initial period. Concurrently, establish a robust database with provisions for data security, updating and maintenance, including measures against fraud. Unlike the provisional count, it should be consistent with good practice from the start, even if the requisite information is not yet available;
2. On the above bases, set up an initial payroll of government employees, and put in place a simple and realistic salary payments system; and
3. Obtain information on the current location of government employees *relative to* the key public services that are to be restored and the location of the intended beneficiaries.

Over the medium term the following actions could be considered:

- Make an initial determination of the government requirements for non-permanent

employees, however approximate and subject to change. Clarify the definitions of government employees, contractual personnel, and advisers;

- Conduct a comprehensive civil service census, including biometric verification, following the initial rapid count. This should be done in conjunction with implementation of strong recruitment controls, or the problem of ‘ghost’ workers will quickly reappear;
- Review and revise, as needed, the recruitment criteria, rules and mechanisms, and establish a centralized entity for overseeing all permanent government recruitment;
- Review and revise, as needed, the practices for monitoring and controlling the behaviour of existing and newly-recruited employees, particularly those interfacing with citizens;
- Devise a short-term plan for the provision of external technical assistance and the establishment of “twinning” relationships (between local staff and expatriates) and “soft skills” training to fill skill gaps in core government functions; and
- Develop a human resource strategy designed to reduce dependence on external technical assistance services in the medium to long-term.

In summary, few development tasks are more salient and relevant for the achievement of the 2030 Agenda than the restoration and reform of civil service in countries affected by fragility and conflict. When the civil service functions, public service is delivered. The civil service is the backbone for the achievement or failure of the development aspirations of governments and societies. SDG16 implies the importance of development underpinned by governance considerations of responsiveness, accountability and inclusivity.

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