

Chapter 5

Improving development partner operations

Development partners will need to strengthen their own capacity and align internal organisational incentives in order to provide effective support to statebuilding in fragile and conflict-affected situations. This chapter recommends that development partners: (i) strengthen field presence and capacity to work on statebuilding in fragile situations; (ii) manage the risks of operating in fragile and conflict-affected situations and learn from failures; (iii) create incentives for collaboration and whole of government co-operation; (iv) review procedures and regulations in the light of statebuilding objectives; (v) be aware how their presence and behaviour affects their legitimacy in the eyes of the local population.

This chapter sets out a number of operational priorities for working with statebuilding processes in fragile contexts.

1. Strengthen field presence and capacity to work on statebuilding in fragile situations

Fragile contexts are complex and politically sensitive places for development partners to work. Working effectively requires thinking differently about frontline presence and on-the-ground capacity to engage. In the majority of cases this means external actors should consider the following improvements to current practice.

First, devolve greater responsibility to the field. This requires taking into account the increased costs and risks of operating in fragile and conflict-affected contexts, including the cost of staff safety and security, together with the support needed to work effectively in often difficult and changing circumstances.

Second, increase the staff-to-aid spending ratio. Staffing ratios across country programmes are generally calculated according to the size of the aid spent. In fragile contexts this is rarely appropriate given the complexity of the working environment. It is also inappropriate for supporting statebuilding processes given the knowledge base, the range of roles and the longer time frames that staff need to cover compared with more conventional aid programmes. Understanding political processes or the way local networks of power operate requires longer and more specialised commitment by development partner agencies as they mobilise external expertise to implement their programmes.

Third, put incentives in place to attract the best staff to fragile situations, and value country knowledge as well as technical know-how. The statebuilding agenda places a premium on development partner staff thinking politically and being able to engage in a range of facilitative and convening roles. Encourage staff to invest in country knowledge and the development of skill sets consistent with facilitating and managing a wide range of relationships at country level and beyond. This requires the active management of staff turnover through extended assignments and the development of explicit tools and mechanisms for retaining institutional memory (Box 5.1).

Fourth, train staff on the complexities of working in conflict-affected and fragile contexts. Ensure that they have access to, and are trained in the use of practical tools and guidance. Consider joint training across government and with other development partners. Link staff training to a programme of institutional change so agencies are fully fit for purpose in statebuilding in situations of fragility and conflict (Box 5.2).

2. Manage the risks of operating in fragile and conflict-affected situations and learn from failures

The higher risks associated with operating in fragile and conflict-affected situations need to be recognised and actively managed so that they do not become a barrier to staying engaged or to flexible and innovative ways of working. Staying engaged requires a strong understanding of context but also the ability to learn from failures and to adapt programmes to changing circumstances.

First, reward staff for innovation and responding to opportunities; support learning by identifying the practices that contributed to successes and failures. Staff need to be encouraged to seize opportunities when they arise and to propose and pursue innovative ways of working. However, with risk comes failure and it is important that staff are not

Box 5.1. HR incentives to support staff working in fragile settings

A recent survey (Meeting Workforce Demands of Hostile and Difficult Environments) conducted within DFID has resulted in recommendations designed to improve the number and quality of candidates willing to work in such environments. As a result, DFID is:

- Providing staff in the most difficult and important posts with a package of allowances that compensates them appropriately, including for example regular “breather breaks” appropriate to the difficulty of the posting.
- Identifying key “hard to fill” posts well in advance of need and developing a pool of DFID volunteer staff to be considered for suitability. These posts will not be advertised in the same way as other DFID posts and if a DFID volunteer is not selected, the Stabilisation Unit, Civil Service Stabilisation Cadre will be searched for a suitable alternative.
- Exercising flexibility on “next posting” where the candidate takes a particularly difficult post. For example: providing a guarantee of preferred next posting in terms of type of job or geographical location.
- Selecting candidates in external recruitment exercises with the core skills in greatest demand and make first appointment to a difficult post.

Box 5.2. Training staff: The World Bank’s Core Operational Policy Course on Fragility and Conflict

The World Bank’s Core Operational Policy Course on Fragility and Conflict aims to enhance staff capacity to address the differentiated development needs of fragile and/or conflict-affected countries. The course aims to: increase the ability of staff to diagnose fragile and conflict-affected situations; increase the operational range and focus of the strategic choices country teams make by equipping them with specific tools; strengthen the operational competence of staff to draw on the most appropriate policies, procedures, and programmatic approaches; and improve the capacity of staff to partner with other key actors. The course includes an innovative approach to learning via a simulation exercise, based on the fictional country of *Carana*, which allows participants to “externalise” and test their new knowledge by applying it in practice.

AusAID has recently adapted the course for use with its whole-of-government partners, with the aim of developing a common understanding of the issues and approaches that can be applied to their joint efforts in addressing issues of conflict and fragility in the Asia-Pacific region.

expected to shoulder the burden of risk taking without institutional support. Staff need to be given clear signals of what outcomes they will be held accountable for and evaluated against, how success and failure will be determined, how much risk staff should reasonably take, and how overall performance evaluation ratings and staff career development will take these into account.

Second, share risks by working with other development partner agencies – bilateral and multilateral. Some risks can be shared by working with or through other bilateral and multilateral agencies. Joint development partner offices and joint programming allow for sharing some of the “burden” of working in a risky environment, while pooling

arrangements can spread some of the costs of risk mitigation among multiple partners. Other kinds of risks, associated with staff operating in unpredictable and complex environments, can also be managed in tandem with other development partner agencies (Box 5.3).

Box 5.3. Joint Risk Management Office – Nepal

After 2001, conditions for the implementation of projects in Nepal deteriorated considerably. Travelling to project locations became much more risky and the pressures increased for an in-country development partner. To respond to the changing situation, the United Kingdom and Germany collaborated to improve their security management by implementing a range of measures to increase personal safety of staff and ensure that development activities could continue. The joint Risk Management Office (RMO) was created in 2002, co-financed by DFID and GTZ. The aim was to keep the office small with one highly qualified external crisis manager, two national experts and some support staff. A network of district emergency co-ordinators and programme staff of DFID and GTZ in different implementing districts supports the RMO and its services. Core activities encompass situational analysis and security-related advisory services to both organisations and their respective projects, training for staff members, and acute crisis management (e.g. assistance and guidance following assaults).

Third, communicate better to parliaments and the public about the interests, complexity and long-term nature of supporting statebuilding processes in fragile situations. Maintaining an enabling environment for operations in fragile contexts is important. This requires building a constituency of support for engagement in fragile contexts and with statebuilding processes – particularly by, for example:

- Allocating staff time to gathering lessons and results on statebuilding from country programmes, and translating these into user-friendly communications products.
- Compiling longer-term examples that look back 10-20 years, to show how progress on statebuilding has been achieved over time and supported by development partners.
- Using external scrutiny of development partner programmes in fragile states (e.g. by parliamentary committees or national audit offices) as opportunities to explain the importance, nature and challenges of statebuilding work to these stakeholders.

Fourth, adapt to changing circumstances. The development context in fragile situations often changes rapidly. Developing scenarios can inform programme and project development, and can be used as a means to heighten awareness among development partners and agencies of the requirements of joint future action. The Swiss Government has developed an instrument to support the adaptation of country programmes to changing circumstances (Box 5.4).

3. Create incentives for collaboration and whole-of-government co-operation

Fostering coherence and collaboration among the various government departments or institutional groups engaged in situations of fragility and conflict requires setting appropriate incentives within the organisations.

First, strengthen integration and co-operation across departments within your organisation and create incentives for staff to work across departments and with other relevant policy actors. Recognise the value of networking and building informal relationships as central to creating the knowledge base and contacts for working effectively on statebuilding issues. Encourage co-operation across policy communities relevant to operating

Box 5.4. Monitoring of development-relevant changes in circumstances – Switzerland’s MERV

In order to better understand changing contexts and thus be in a position to adapt programmes accordingly, the Swiss Government has developed its own instrument for context assessment. The so-called MERV (the German acronym for the monitoring of development-relevant changes in circumstances) is applied in all partner countries with varying frequency; in countries experiencing armed conflict, the frequency is usually between one and three months. MERV assessments are jointly produced by the country teams consisting of development, humanitarian and diplomatic staff at the international and local levels. In some countries, regular local risk assessments complement this standard instrument. Depending on the situational analysis, programming and annual planning are fine-tuned in line with the MERV cycle. During the conflict in Sri Lanka, for example, MERV assessments were grounded in Switzerland’s Medium Term Plan 2007-2009 which defined three main scenarios, several sub-scenarios as well as clear exit criterion for Swiss co-operation.

in fragile settings and recognise this co-operation in staff appraisal processes. Ensure that performance assessment systems take into account the different skills required and the difficulty of attributing specific statebuilding results to an individual member of staff, particularly where this has involved joint activities with other departments.

Second, create incentives for country managers and field staff to co-operate rather than compete with other development partners, for example by including co-operation in staff appraisals. Recognise and reward teamwork and encourage the related attitudes and behaviours. Encourage staff to participate in peer review exercises and to solicit feedback from their colleagues within and outside the organisation, including partner country governments and development partners. This will strengthen implementation of mutual accountability, which requires that development partners respond to external evaluations and feedback.

Third, encourage an organisational culture that understands the importance of networks and maximises informal exchange of knowledge and understanding. Promote informal incentives, related to job satisfaction, peer recognition and specific informal rewards. This can be done by: issuing invitations to present at retreats and events; making specific references to groups, teams or individuals in speeches; including specific accomplishments or practices in best practice guidelines or case studies; recognising those who are seen to be at the cutting edge of current practice; and fostering opportunities for the mutual recognition of common efforts with colleagues from partner country governments or development partners.

Fourth, ensure that individual performance assessment systems appropriately reward time and effort spent on building relationships and facilitating change, not just technical quality and fulfilment of disbursement targets. Training, language ability, and the accumulation of country knowledge in relation to fragile contexts could be considered as key elements of future promotion.

4. Review procedures and regulations in the context of statebuilding objectives

Often it is the perception (negative or not) of international engagement – the logos, the branding and the volume of expatriate staff – that shapes local perception of its place and legitimacy in supporting statebuilding efforts. It is therefore important to review procedures and regulations that fuel potentially negative perceptions of international engagement and may negatively impact on statebuilding processes.

First, be mindful of the impact that development partner branding policies can have on statebuilding efforts. In settings where local ownership is fragile and international engagement politically sensitive, logos, flags and project motifs can fuel negative perceptions and ultimately undermine statebuilding efforts. This requires development partners to carefully balance the need for accountability to domestic constituencies with the recognition of a partner government’s leadership.

Second, review in-country hiring and procurement procedures to minimise the negative impact and enhance the positive impact on the local labour market and the local economy. This is important anywhere, but in fragile situations where the footprint of any international engagement can be very significant, it is important to avoid aggravating (or creating) market distortions while supporting market development. Not only can development partner agencies and other international actors like NGOs create a brain-drain away from state organisations, but they can also influence wider hiring practices within the state that may be difficult to sustain over time, or to incorporate in sound programmes of civil service reform. Differential salaries paid to those working as consultants and those on civil service wages can create motivational problems, with negative impacts on local perceptions of the international community and on performance and state legitimacy. While procuring and hiring locally constitute a valuable tool for creating job opportunities, stimulating the domestic private sector and reinforcing the legal economic system, it is necessary to adapt hiring and procurement procedures and/or practices to in-country economic and development conditions, in order to ensure that the international engagement does not disadvantage but benefits the local population (Box 5.5).

Box 5.5. NATO’s economic footprint project in Afghanistan

Following a request from NATO member states, NATO’s Economic Committee has been tasked to undertake an analysis of NATO and International Security Assistance Force (ISAF) nations’ “economic footprint” on the Afghan economy. The analysis is currently under way (with support from OECD INCAF) and includes interviews with national representatives in NATO capitals and in the Provincial Reconstruction Teams (PRTs) of six ISAF Troop Contributing Nations – the Czech Republic, Lithuania, the Netherlands, New Zealand, Sweden, and the United States. The analysis will focus on a number of specific questions that impact the local economic footprint, including (i) mission structure, (ii) procurement practices, (iii) hiring and salary practices, (iv) activities for building Afghan economic capacities. The study will particularly focus on procurement practices and practices for building capacity in the public and private sectors, with the aim of recommending a pragmatic means by which local procurement could be increased so as to deepen and broaden the positive economic footprint, as well as support economic sustainability and Afghan ownership of development. The goal of the study is to encourage NATO and at a later stage NATO member states to enhance local procurement in Afghanistan.

Third, provide partner countries with complete, accurate and timely information on aid disbursements, with special attention to data on off-budget support. Transparent reporting of aid inflows is important in every context, but in fragile contexts the legacy of lack of transparency and accountability in public financial management gives it particular importance. Given the condition of state bureaucracies and management systems in most fragile contexts, getting aid recorded “on-budget” is a process that needs to be linked to capacity development within the state and improved information systems for budget managers.

Fourth, ensure non-diplomatic foreign personnel abide by the law on local income taxes in their country of residence and applicable international law. Countries could consider subjecting non-diplomatic foreign personnel living and working in fragile and conflict affected contexts to local income taxes. Non-diplomatic staff paying local taxes sets a positive example within the societies of fragile states and, by increasing the local tax base and expanding capacity in revenue authorities, contributes positively to statebuilding.

Fifth, ensure that contractors adhere to guidelines on operating in fragile and conflict-affected situations (using contracts to specify such requirements), and monitor their compliance. Some development partners may decide to develop specific guidelines linked to this guidance on the priority issues and ways of working to be taken into account.

5. Be aware of the impact of your presence and behaviour on your legitimacy

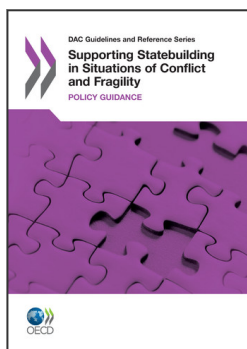
In placing staff in the field it is essential to actively manage the balance between attending to essential security needs and organisational efficiency with presenting an image as a constructive field presence. Invest in ensuring culturally sensitive and context-appropriate behaviour by all staff (Box 5.6.) while paying close attention to the risks to overall effectiveness and working relationships.

Box 5.6. AusAID's Making a Difference programme

AusAID's Making a Difference programme is designed to bring together technical assistance personnel and their country partners in a safe place outside the workplace to give them a shared learning experience on equal terms. The programme aims to empower participants to express their views as their understanding of cultural differences and power imbalances develops. Participants are supported in developing capacity building tools, techniques and experiences to be applied at individual, group and organisational levels. The programme combines learning workshops and back-on-the-job practice. It draws on techniques from mentoring and coaching, change management and process consulting.

According to a 2008 evaluation, the Making a Difference programme has had a significant positive impact on AusAID technical assistance personnel and their partner organisations. Both in the Solomon Islands and in Papua New Guinea, most of the anticipated professional and personal learning objectives were met. The wider impact of the programme was felt in the day-to-day interactions between AusAID partners and their colleagues in the Papua New Guinea public service, and it was extended beyond the participants to a broader group of government officials and advisers through the community of practice.

Source: OECD (2009b).



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