UNITED NATIONS/WORLD BANK

(Re)Building Core Government Functions in Fragile and Conflict Affected Settings

Joint Principles for Assessing Key Issues and Priorities

May 2017

Redacted and revised

Disclaimer

This redacted and revised version of "Rebuilding Core Government Functions in Fragile and Conflict Affected Settings" is an *Exposure Draft* being released for public interest and consideration. The thinking on core government functions is continuing to evolve, and this paper is one of several efforts at engaging on this topic. The principles and guidelines explored here will be tested over the next few years, and a revised version will be produced subsequently in light of the lessons learned. It does not reflect the views and opinions of the World Bank Group or its Board of Directors, nor of the United Nations.

Preface

This report forms part of a response to growing calls for the United Nations, the World Bank and the International Monetary Fund to engage more systematically and coherently in fragile and conflict-affected contexts and indeed in major crises affecting security and development. In 2013, the Secretary-General's Policy Committee called on these institutions to develop a joint approach and methodology to assess needs and improve the provision of support to core government functions in the immediate aftermath of conflict. This was echoed recently by the High-Level Independent Panel on Peace Operations in 2015 and falls within the scope of the Partnership Framework Agreement for Crisis-Affected Situations signed in April 2017 by the UN Secretary General and the WB President.

In the immediate aftermath of conflict, understood as the first three years after the cessation of widespread violence, the short-term objectives of assistance are usually focused on stabilization: to provide a minimum level of security, set in motion the beginning of an economic recovery and lay the initial foundation for long-term institutional development. The importance of restoring core government functions has been repeatedly identified as critical to sending confidence-raising signals to the population in the aftermath of conflict, to both project the authority of the state and for the delivery of services that improve development outcomes.

The lessons learned over the past decade emphasize the importance of incorporating a political economy approach to building core government functions, the need for flexibility and adaptation to changing political and security circumstances, the management of risk and the importance of staying the course in the face of crises and temporary reversals. Rather than adopting comprehensive reforms or entirely new business processes, it is about building on existing institutional legacies, adapting existing systems and working in an incremental manner. Tradeoffs between introducing the basic building blocks of public financial management, and understanding the need to distribute rents that create stability will need to be recognized and addressed. A key requirement for a durable recovery is a political settlement that is sufficiently inclusive of the major elite coalitions with the capacity to mobilize organized violence. Partnerships between the United Nations and the World Bank can enable greater flexibility in providing support, through enhancing the areas where one partner has a comparative advantage, whether it be geographical access, depth of technical expertise or an explicitly political mandate.

Acknowledgements

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Chapter 1. Introduction

In March 2013, the Secretary General's Policy Committee called upon the United Nations, the World Bank and the International Monetary Fund to develop an approach and methodology for the "rapid needs assessment of Core Government Functions in order to improve the provision of fast, flexible and appropriate support to restoring the basic functionality of core systems in the immediate aftermath of conflict."[1] This decision followed from the Secretary-General's Report on Peacebuilding in the Immediate Aftermath of Conflict[2], the independent report of the Senior Advisory Group on Civilian Capacity in the Aftermath of Conflict and a review of the UN system's country experiences in post-conflict public administration and capacity development, the Lessons Learned Review on United Nations Support to Core Government Functions (UNDP, 2014).[3]

1.1 Purpose, scope and limitations

The objective of this report is to provide government and donor partners with an overview of the main priorities and actions needed to re-establish core government functions in the immediate aftermath of conflict. It draws on the lessons of international experience to provide a selective synthesis of priority measures likely to be applicable in most countries emerging from violent conflict. It focuses on the first three years after the end of major internal violence when external actors have the mandate or authorization to engage, often through a resolution of the United Nations Security Council.

This is not an "off the shelf" toolkit or manual, and nor should it be. Rather, it aims to identify priorities on six core government functions - those functions required to make and implement policy - and to provide guidance on their execution. The six core government functions covered are: (i) executive decision-making and coordination at the centre of government; (ii) public revenue and expenditure management; (iii) government employment and public administration; (iv) the security sector; (v) local governance; and (vi) aid management. An annex lists indicative diagnostic questions that could be asked for each core function.

Each of the six thematic functions are presented in separated chapters as they can be used separately to inform thematic assessments. Indicative questions and issues in the annex can be directly inserted into an assessment. The full report can also help inform a more comprehensive diagnosis of all core functions. For example, an assessment of core functions could be part of the formulation of a peacekeeping mandate, of a broader assessment of early recovery needs, or a section of a full recovery and peace-building assessment (i.e. also known as post-conflict needs assessment).

If it succeeds in its objective, this report could provide a platform for fragile and conflict-affected setting cooperation between the UN and the World Bank, and with other donors as well. It should at the very least help prevent duplication and avoid conducting sectoral assessments in silos.

1.2 General principles

The report is grounded in three common principles:

- *Context*: the challenges of rebuilding core government functions, like the broader challenge of state-building, are by necessity context-specific.

- *Selectivity*: whether in the diagnosis or the recommendations, owing to the multiplicity of urgent needs, the limited initial capacity and the need to focus assistance where it can do the most good.

- *Sequencing:* certain actions are more urgent than others, with the groundwork being laid for the subsequent actions.

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1 Decision No. 2013/8 of 19 March 2013 (*Update on UN Assistance in Public Administration in Post-conflict Situations*).
2 Secretary-General's report A/63/881 - S/2009/304
3 United Nations Development Programme (UNDP). 2014. *Restore or Reform? UN Support to Core Government Functions in the Aftermath of Conflict*. New York.

1.3 Common challenges

While each post-conflict situation has its own genesis, trajectory and characteristics, most countries share a number of ***common challenges*** that influence heavily the task of rebuilding core government functionality. Among these:

- ***Low levels of trust and cooperation***: Trust in government institutions is the first casualty of violent civil conflict, especially when parts or all the government were involved in the violence conflict; low levels of trust in government negatively affect compliance with government rules and decisions. Conversely, government officials and employees may have few incentives to respond to the needs of certain groups of citizens. In addition, the lack of trust between individuals and groups result in low levels of inter-group cooperation and reciprocity, the weakening of old social norms and the creation of new ones.

- ***High levels of uncertainty and insecurity:*** Fear of the resurgence of violence and the sense that the normal rules of human interaction have ceased to operate generate a general lack of predictability. This uncertainty, in turn, contributes to a pervasive sense of insecurity.

- ***Low government material capacity:*** The ability of governments to carry out the core functions of governing a population on a territory and its ability to develop mutually reinforcing relations with society may have been severely impeded. Decision mechanisms and procedures at the centre of government may have collapsed. The destruction of government buildings, facilities and equipment could prevent public agencies from reaching out to citizens and providing services. The loss of transport and communication networks may isolate particular regions and limit the territorial reach of the state.

- ***Low government human capacity:*** Civil servants may have been disabled, displaced or have emigrated to safety; basic and advanced training facilities may have been destroyed; and in many cases, institutional memory lost through the destruction or theft of data, records and archives, resulting in the lack of access to accurate information; Cross-government personal and functional relationships that are critical to the functioning of state agencies may have been disrupted.

1.4 Lessons from experience

Successful efforts to help rebuild core government functions are those that respect lessons learned through experience. These do not constitute a package of prescriptions, but can inform how assistance is conceptualized and devised:

- ***Recognize preexisting capacities.*** Almost all post-conflict countries did possess central institutions prior to the conflict. In many cases core systems, particularly centralized systems, may have remained largely unaffected by violence itself. It is important to build on what institutional legacy remains, without replicating inefficient or illegitimate systems. Rather than adopt ambitious or comprehensive reforms, adapt existing systems in an incremental manner.

- ***Start early.*** Regardless of the starting conditions, it takes a long time to restore minimal institutional, human and physical capacities. It becomes essential to start rebuilding national capacities as early as possible in the aftermath of conflict, so that benefits in terms of government legitimacy can accrue as soon as possible.

- ***Provide assistance without creating chronic dependence.*** In most cases, recovery requires substantial external assistance. Yet, aid can create parallel delivery systems and economic distortions that crowd out local initiative and organizations, as well as preventing long-term capacity development. Ensuring that assistance supports national capacity, builds country systems, and is based on national ownership is essential to avoiding risks of chronic dependence.

- ***Re-establish confidence in government.*** The pressing need to restore state legitimacy and credibility demands the provision of "quick-wins" and of visible benefits on the ground. The diagnosis of which essential functions and services ought to be provided as a matter of priority, as well as where and how they are to be delivered, is almost entirely country-specific.

Actions to reduce abuse and harassment of citizens by state actors can contribute to trust in government as much or more than active service provision.

- *Temporary reversals and setbacks are inevitable.* Post-conflict situations are highly fluid, and recovery and institutional reconstruction processes have experienced setbacks and crisis as well as progress. Active management of risk and a good deal of flexibility are necessary in the process of strengthening core government functions as well as in the exercise of the functions themselves.

- *Try to have decision-making being informed by empirical evidence.* A simple and flexible mechanism for rapid survey and information gathering needs to be established to obtain an understanding of key grievances, monitor citizens' trust in state institutions; and develop a quick-assessment capability for raising the impact of reconstruction policies and assistance.

- *Address immediate needs without compromising long-term objectives.* One of the most difficult challenges in post-conflict situations is navigating successfully between the urgencies of the present while keeping an eye on the long run. Among the many ways in which to address the immediate urgencies, one should: identify and implement those variants which will also facilitate the building of durable local institutions; avoid taking those measures which may solve immediate problems but risk jeopardizing sustainable capacity development; and, when certain measures with adverse long-term implications are unavoidable, ensure an exit strategy and a transition to more sustainable policies.

- *Recognize trade-offs:* Strategies to restore core government functions will always present trade-offs between political priorities, technical criteria and normative principles. Such trade-offs need to be recognized and actively managed through prioritization and sequencing. This requires identifying the specific fiduciary, political and organizational risks presented by a major intervention, engaging actively in the formulation of strategies to manage these risks in a nimble and flexible way, and acquiring the ability to respond and adapt to rapidly changing circumstances.

- *Understand prevailing political dynamics and the nature of the settlement that ended the conflict.* This is perhaps the single most crucial lesson, and the next section is dedicated to it.

1.5 The political dimension

Arriving at a more nuanced and granular understanding of a specific relationship between politics and administration is thus necessary for the effective rebuilding of core government functionality. Policies to strengthen core government functions should be designed in part to help stabilize the political situation and support an inclusive political settlement. Political settlements are the formal and informal arrangements among elite groups that regulate competition over power and resources. A political settlement sufficiently inclusive of the factions that have the capacity to mobilize organized violence is the main prerequisite for ending violent conflict and restoring security and order in durable way. When so designed, these instruments