

How to make a good use of foreign policy Advisors in Nepal

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1 Background

1.1 Meaning and definition of policy

Policy may have different connotations depending upon the political- social- economic realities. A policy is a deliberate plan of action to guide decisions and achieve rational outcomes. However, the term may also be used to denote what is actually done, even though it is unplanned. Presidential executive orders, corporate privacy policies, and parliamentary rules of order are all examples of policy. Policy cycle has many stages, some authors says that policy cycle have 5 standard stages such as - agenda setting (Problem identification), policy Formulation, adoption, implementation, evaluation and some says that there are 8 stages such as - issue identification, policy analysis, policy instrument development, consultation, coordination, decision, implementation, evaluation. Policies are typically promulgated through official written documents. Policy documents often come with the endorsement or signature of the executive powers within an organization to legitimize the policy and demonstrate that it is considered in force. Such documents often have standard format that contains certain standard such as statement, applicability and scope, effective date, responsibilities, policy statements, background, definitions etc. Policies can be classified in many different ways such as - distributive policies, regulatory policies, constituent policies, fiscal Policy, social policies etc.

2. Foreign policy advisors in Nepal

2.1. Issues of policy advisors

Foreign policy advisors are those advisors who have advices to developing countries through technical assistance. There is often some confusion about the difference between an advisor and a policy analyst—and for good reason, because the two jobs often have significant amounts of overlap. However an advisor usually works on the periphery of actual policy making, and may have a more operational focus. They are normally more concerned with the functional and operational side of policy, as opposed to the analytic ‘nitty gritty’ of policy. Generally the role of a policy advisor is to inform policy analysts on the various issues involved in policy making. For example, the policy advisor might give advice on a particular program run by the government— was it effective? Were there problems?—which the policy analyst can then use to make their decisions. A team of advisors may assist a single policy analyst to create a policy. Day to day, an advisor could also expect to be involved in a similar range of responsibilities as a policy analyst—they may be expected to write reports, consult with various stakeholders, and spend a great deal of time reading and analyzing information

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relating to their sector. They would normally be expected to have tertiary qualifications in relevant areas. Policy advisors are based on -

1. Sending country side and,
2. Receiving country side,

Sending side is that where the policy advisors sending to make a good policy it could be sending by the donor agency and donor countries. Similarly, receiving side is that which the country has received the policy from advisors. Mainly developing countries are receiving countries and developed countries and multi national agencies are the sending parties. There are two facets of donor country's objectives of economic aid-

1. To improve the welfare of recipient country people and
2. To pursue the donor country's national interests.

These show that the common interests and conflicting objectives are exists between the donor and recipient countries. The term technical assistance also referred to as development aid, development cooperation, foreign aid etc. Aid may be bilateral given from one country directly to another or it may be multilateral given by the donor country to an international organization. Some governments include military assistance in the notion "foreign aid". Official Development Assistance is a measure of government-contributed aid that has been compiled by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD) since 1969.

2.2 foreign Policy advisors in Nepal

So far Nepal is one of the dependent countries with developed countries in the world arena. According to Nepal's political and protocol consideration we are taking a lot of advisors since 1951 as a technical assistance of foreign aid form different countries and Agencies such as India, China, USA, JICA(Japan), EU(European union), SAARC, ADB, UNO and its agencies like IMF, IBRD, IFC, UNDP, UNICEF, WHO, UPU etc. Most of the developing countries characteristics are similar because they have to receive policy advisors as part of technical assistance from developed countries and agencies. In modern globalization and open market era foreign aid is necessary for all as well as Nepal. Actually, Nepal has huge natural resources itself like water resources (world's second largest potentiality of the electricity production) and biological resources, mountains (Mt. Everest 8848 meter highest peak of the world) for tourism development even though mobilizing capability are very weak. So, In Nepal, many cases policy advisors had been came from different countries and agencies to enhanced the national capacity and institution building for example in 1952 A.D. M.N. Buch had been come from India for administrative reform purposes, He had been drafted very important policies as a administrative reform -2009 B.S. of Nepal. In 2000 A. D. IMF had sent policy advisors for banking reconstruction and structural adjustment purpose. Many times Nepal has taken policy advisors from different countries and agencies. They have reported very importantly to address the national issues and its effective development. Sometimes policy advisors could be provided their policy as their interest it could be happened due to the weakness of the Nepal and sometimes power exercising by sending country. However, a slogan says that "there is no free breed without cost". Hence somehow developing countries are exploited from developed

countries. If the sending advisors have good ideas, clear cut vision, perfect knowledge about regarding policies, experienced professionalism, competitiveness, multi languages skills, good communication skills then he could be succeed in policy advice and if they haven't any vested interest then policy could be helpful to the receiving countries.

In Nepal, policy advisor comes after the bilateral and multilateral agreement with the sending countries and agencies. Some of them are long term resident experts, some are short term experts, and TA missions like 1/2 week. They have provided many advice but some of them are in effectively implemented and most of them are in just as advice they are inside in the box or library.

2.3 Present Policy framework of policy advisors as technical assistance of Nepal

Policy advisors are continues to play an important role in Nepal's development. Even in freestanding technical assistance, there is a tendency to depend excessively on foreign expertise instead of tapping local technical capacities, with a view to upgrading local institutions. According to Nepal's interim constitution-2063, article number (35) State Policies- state that "(12) The State shall, for the purpose of national development, pursue a policy of attracting foreign capital and technology, giving priority to the national investment". Similarly, following the constitution the three years Interim plan has focuses that (a) the system will be established to receive foreign aid only according to national necessity and priority. (b) Effective and skillful management of development programs/projects carried out through foreign aid will be emphasized. (C) In order to remove duplication in foreign aid and for effective management of foreign assistance, a coordination and partnership mechanism will be developed between donor agencies. (d) By mapping areas of assistance, all kinds of foreign assistance available to the country will be reflected in the national budget. (e) Foreign assistance will be mobilized for reconstruction, restructuring, reintegration and inclusive development. (f) The opportunity to use and promote new and successful technology and processes adopted by various groups, individuals, industrialists, professionals and researchers. Policies and programs for the fiscal year 2066/067 focused that the policy of mobilizing foreign assistance in accordance with national need, interests and priority as well as utilizing foreign assistance in a transparent and effective manner will be adopted by reviewing "foreign aid policy- 2002". The treaties and agreements inconsistent with national interests will be reviewed. Paris declaration on "Aid Effectiveness – 2005", more than 100 partner governments, bilateral and multilateral banks and donor agencies participated endorsed the following five basic principles that could be promote Nepal's future development:

1. Ownership,
2. Alignment,
3. Harmonization,
4. Managing for results,
5. Mutual accountability.

Recently, on the basis of these principles "result based management" (RBM) system has emerged as a new concept to improve entire aid effectiveness in developing countries. It focuses on reforms in budgeting, improving human resource management, improving projects' quality

at entry and strengthening monitoring and evaluation system of assistance. Currently Nepal has 37 bilateral relations and 129 diplomatic relationships with various countries. Japan is largest bilateral, and the World Bank and Asian Development Bank are the largest multilateral assistance donor of Nepal. So, Nepal's foreign policy advisors receiving are mostly guided by the above policies and principal.

2.4 Why need policy advisors or technical assistance to Nepal?

Sometimes policy advisor or technical assistance is aid given by governments and other agencies to support the economic, social and political development of developing countries. Nepal is small and land lock country, it is facing poverty so far. The necessity of the policy advisors or technical assistance are mainly to contribute to the development of the productive resources of member countries by enhancing the effectiveness of economic and financial management, to strengthen their capacity, macro economic policy and structural reforms, institutional building, to protect national resources and maximum uses of the resources, to provide distributive justice and make social welfare of the society as a whole. But in Nepal, policy advisors or technical assistance comes mainly with donor driven, they have different objectives like own strategic, political interest, commercial interest, maintaining historical and cultural ties, expressing humanitarian concern, transfer of technology etc.

3. What are the causes of failure of policy advisors in Nepal?

Many aspects policy advisors or technical assistance will be failed due to lack of coordination failures between the sending and receiving countries. According to Dudley seers said that – “why visiting economists fail”? Or “why failed economists visit”? Is matching in Nepalese perspectives? In Nepal, somehow the policy advisors would be achieved and succeed their result which I indicated above, mean while some of the policy advisors became failed because of their weak coordination between each other. There could be two ways of failures

- (1) Sending countries or donor side and
- (2) Receiving countries (Nepal) side which can be explained as following as-

3.1 causes of failure from Sending/visitors side

Nepal's experiences also shows that the main causes of the failures are similar in accordance with the IMF report, Dudley seers and Stieglitz criticisms of IMF globalization aspects. In Nepal, some of the failures of policy advisors from sending side can be explained as follows.

1. Personal deficiencies of the foreign policy advisors- foreign policy advisors have no stamina to keep against frustration and rebuffs, they have linguistic problem because Nepal has 102 ethnic group and 92 local languages which is difficult to understand, they have not realize that they are treated as agents rather than advisors, poor working relationship with the local staff, lack of supervisory capability, failure of training to the local staff, poor human relationship, loyal to own their country or organization rather than to the receiving countries, professionally unqualified or unprepared which could be light weight so failed.

2. Technical errors of foreign policy advisors- foreign policy advisors advices doesn't seem very useful to those who are being advised, deficiencies of economist, lack of understanding non economic factors or social structure, distrusting intuitive appreciation, they can't understand the local politicians interest, they live in luxury hotel, overlooking institutional changes, the weakness of the statistics, they use similar policy instrument in developed and developing countries, different diseases has using same medicine for all developing countries, policy instruments are also subject to boundary conditions.
3. Political mistakes of foreign policy advisors –they couldn't understand about the politician and his interest and choice, whether some times they affiliate very much with local politician and somehow becomes politically biased.
4. Sometimes technical assistance providing agency will be influences to the whole policy advice process in Nepal mainly multi national agencies such as IMF, IBRD, IFC, ADB, UNDP, UNICEF etc. They bypassed local participation to make terms of reference. Sometimes Policy advisors could be passive because their payment are providing through the sending side.
5. According to Stieglitz criticism on IMF “the draft report are often what is known as “boilerplate”, with whole paragraphs being borrowed from the one country and inserted into another I. e. “copy and paste” from previous matter.

These are due to the sending side policy advisors or technical assistance weaknesses which influence in negative consequences to the Nepal.

3.2 causes of failure from receiving side (Nepal)

In Nepal, procedural, administrative, behavioral, ecological factors have hindered effects of policy advisors. In fact the main causes of foreign policy advisors or technical assistance failures as a receiving country are as following as-

1. Passiveness of terms of reference (TOR) making process –Nepal government and its top bureaucrats doesn't involve actively to make terms of reference, they always passive, uninterested, dysfunctional in the whole matter of terms of references. Actually, terms of reference is the major issues of policy advisors to developing countries like Nepal. It consists both responsibility of the receiving country and accountability and duties of the sending country. Similarly, who does what works and who pay how much to them.
2. Some persons has little power who influences to the foreign policy advisors- Mostly president, central government, prime minister, ministers, parliamentary members, national planning commissions' vice presidents and members, governments' top bureaucrats, limited consultants and contractors always influences to the policy advisors. National planning commission and finance ministry has major role to make terms of reference of the foreign policy advisors, they could highly influence to the policy advisors. So, they could be make the policy as their limited choices or interests, which could be failure soon because general people doesn't accept to those policies.
3. Minister which has been fallen by the time the expert arrives- This type of problem is frequently happening in Nepal. It is mainly after the multi party democracy system has started in 1990. This type of causes has negative affect to policy advisor because another government doesn't accept to the former advisors.

4. Some invitations to foreign experts are simply political maneuvers.
5. Nepal civil servants are highly rotated from one place to another when the new government will be formed. It affects to the long term policy advisors because he who is working and attaching with the advisors have replaced by another officials and he could have little knowledge about previous process and should be start from zero hour. Government doesn't participate to the young officials who have new economic and technical ideas, first rate economist, statistician, researcher, scientists, advisors are already in country but they are not properly using there.
6. There are not clear cut bench marking system of policy advice effectiveness indicators which have been discussed with the authorities.
7. Foreign policy advisors are accepted on areas outside the government priorities, government's machinery was unable to fulfill its commitments made to donors in terms of policy changes counterpart funds and continuity of the staff. Further there was a tendency of accepting grants on easy terms because the attitude of "it's free" prevail the government negotiators.
8. Institutional problems – there is lack of well defined institutional capacity to mobilize foreign policy advisors, lack of commensurate human resources development, low moral and motivation of local staff, inappropriate(political interference) recruitment of staff, too much dependence on the donors, poor negotiation skills, ignore the local recurrent costs, lack of adequate infrastructure like road, electricity, telephone, inability to keep updated accounts of foreign technical assistance because each donors have different accounting system, lack of transparency of account, lack of absorption capacity of country etc.

4. Recommendations to make effectiveness of the policy advisors in Nepal

4.1 To make effectiveness from receiving side

Technical assistance needs to make a sustainable contribution to Nepal's development process. Reliance on technical assistance and expatriate consultants shall be gradually reduced by building domestic institutional capacity through the appropriate use of human resources, facilitating the transfer of expertise and technical know-how, and making appropriate and selective use of technical assistance. Technical assistance would be especially focused on facilitating the implementation of large projects, carrying out reforms in the specific socio-economic sectors, and on the functions related to developing strategic directions of the country. There are broadly two types of technical assistance: – free standing technical assistance and project-related technical assistance. In regard to the former, many donors have increased the local component in sourcing such assistance. Through increased recourse to local talent and expertise, technical assistance helps to build the capacities of local institutions and personnel, in addition to providing financial support to the country. However, this process has further to go, and donors will be encouraged to hire local resources wherever possible for free standing technical assistance to build up local institutional and technical capacities. The policy of the government will be clearly to stimulate and encourage the greater use of local consultancy expertise when designing projects. Apart from building their capacities, this

would also contribute to enriching the quality of projects and programs, by taking account of local circumstances, local needs and capabilities, and by selecting more appropriate forms of technology that are sustainable in the longer term. Donor institutions should view this as an effort by government to enhance the quality of the development process and for ensuring more cost-effective and higher-yielding investments through the appropriate use of relevant personnel and technologies.

Two other aspects of technical assistance need to be addressed. Nepal has received the services of a large number of volunteers, and their contribution to the country's development process is appreciated. However, more efforts are required to improve the relevance and quality of volunteer involvement. The government will identify specific areas in which volunteers can be productive and, on that basis, donors will be approached to recruit volunteers. Another aspect of technical assistance is Technical Cooperation between Developing Countries (TCDC). The government expects to encourage the expansion of TCDC practices, and to obtain more technical support from regional institutions. Donors will be encouraged to utilize regional technical resources, and to source their technical cooperation activities from third countries especially from the region.

Initially receiving country should be identified the problem from their local experts when there is necessary to take foreign policy advisors then bargain to the donor or sending country or agencies. The most important point to make effectiveness of the policy advisors are as following as-

1. The most important part of the policy advisors or technical assistance are terms of references (TOR) between the sending and receiving country. It should be made by full involvement of both parties. After made the terms of references, then both host government and the visitor check up on each point before any contract is signed.
2. Country doesn't have to accept adhoc and haphazard policy advisors or technical assistance, it should be based on local problem and issues and mainly should be focused on basic education, training, health, security, pro- poor targeted program, creation of employment etc.,
3. Should be make clear cut bench marking system for receiving and sending technical assistance.
4. If possible should be use own self economist and researcher for policy advisors first instead of foreigners, secondly, hired to fulfill the gap although they should be use young professionals for long term policy advisors and use more experienced and skillful advisors in the short term and TA.
5. Payment should be provided direct through Nepal to the hiring foreign policy advisors, reporting and financial procedures should be reformed keeping in view of the donor's exceptions and needs and making the process efficient and cost effective
6. Nepal should be able to mobilize its economic diplomacy for mobilizing foreign aid keeping view of the need of capital and technology to meet the resource gap in the country, strengthening negotiations skill and absorptive capacity, should be adopt proactive approach instead of reactive approach, the donor driven and commission driven approach should be replaced by the recipient- driven or beneficiary- driven approach.

4.2 To make effectiveness sending side

The visitors should know about the terms of reference and shouldn't have vested interest in policy advising time, should have little knowledge about political issue but haven't affiliation with politician, Should be clear that he is working in different environment, should have better training and skills about the program, should be long term and experienced professional would be made better policy, sending countries or agencies should be transfer the payment in receiving country's account then policy advisors would be accountable to receiving country.

5. Conclusions

In Nepal, local issues are more complicated because it has multi local languages, multi religion, multi culture and ethnic group, market are often absent, imperfect information system so there will be always externality. what are the indicators (benchmarks) that will be monitored to judge whether or not progress is occurring, and how explicitly these indicators have been discussed with the authorities, differentiating between the outcomes of pointed policy advice type of TA and outcomes linked to longer-term capacity building in the same area and unbundling between short- and medium-term indicators that capture different stages of the results chain. Both sides should be clear about their responsibility and payment method. Mostly Nepal should be improved their absorption capacity of foreign assistance and improve their activeness in the pre formulation process of policy.

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