

## Public Sector Group

### *Application for thematic group funding*

*Activity Title:* Institutional setting for pay reform – Lessons from Operations

*Task Manager:* Denyse E. Morin

*Description of Activity:*

Dealing with pay issues is at the heart of reforming civil service in the countries targeted by this activity<sup>1</sup>. Governments have been struggling with this difficult agenda. They are grappling with such issue as what they can possibly do when all civil servants earn too little and resources are too few to improve the lot of everybody in the short term.

Most Governments in Sub-Saharan Africa are presently implementing to various degree pay reforms as part of their public service reform programs. Recent experiences include Tanzania, Uganda, Zambia, Mozambique, Kenya. All these countries are struggling with the interface between technical and political dimensions of implementing pay reform strategies, and the sequencing related to long-term objectives versus more immediate constraints. In Tanzania, for example, it has taken over a year to get a pay reform strategy approved by Cabinet. In Uganda, the process has wavered for several years and it is only now that technical staff is contemplating an approach that could be acceptable to politicians. Mozambique, Ghana and other countries have similar challenges. Pay reform is a long process involving a series of steps that vary from country to country depending on the strategy adopted.

The question to be addressed is whether there is a practical and proven approach to pay reform implementation. This means looking at the sequencing of activities that lead to successful pay reforms and activities necessary to strengthen a pay reform strategy. It also entails identifying factors that have influenced a country to adopt a specific sequencing, lessons learned from actual implementation and consequences, positive or negative, of specific activities . In examining this subject, the propose activity would:

- ?? Review pay reform experiences in select countries in Africa;
- ?? Consult in Bank following findings of the review;
- ?? Propose practical guidance for Bank staff; and
- ?? Prepare PREM Note (website) summarizing the findings.

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<sup>1</sup> The activity would focus on a few African countries (number of countries to be determined depending of the amount of funding available—see note under cost breakdown).

*Breakdown of Costs:*

Staff time:	\$ 1,200
Consultant time/travel:	\$ 7,300
PREM Note:	\$ 1,300
<u>Total:</u>	\$ 9,800 <sup>2</sup>

*Timeline:*

Consultation completed by end July 2001  
PREM Note completed by end September 2001.

*Description of expected contribution to current operations on the ground:*

Through the review of country experiences (to be determined in light of available funding), distillation of lessons learned from these reviews, particularly regarding the sequencing of pay reforms as part of broader public service reforms, it is expected that operations being developed or in need of restructuring could benefit from this work.

*Explanation of the public good aspect of this activity, i.e., the “generalizable” lessons and benefits that this activity is expected to provide:*

Better understanding of the underpinnings and characteristic of pay reform implementation leading to successful analysis and implementation.

Generalizing principles of sequencing that will improve usefulness of this ESW in future applications.

*Form of knowledge output(s) that this activity will generate (e.g., PREM Note, paper, workshop, seminar):*

PREM Note, Website.

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<sup>2</sup> There is a likelihood that DFID could be interested in co-financing this activity. If so, we would make it a broader assignment. The above “cost breakdown” can only include a limited number of countries for a consultant to examine, particularly if travel is involved, and with limited staff involvement.