



INNOVATIONS FOR SUCCESSFUL SOCIETIES

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- SCHALKWYK: It is Tuesday, the 18th of November 2008. I'm with Denis Biseko, the Senior Public Sector Specialist for the World Bank in Tanzania -- in the Tanzania Country Office.
- SCHALKWYK: Before we start talking about the role that you've played in civil service reform here, I'd like to talk about your work in the past. Could you tell me a bit about what you do now and the jobs that brought you to this position?
- BISEKO: *Well, currently what I do is I manage a World Bank project which finances two areas of public sector reform. One is the public financial management reform and the second part is the legal and judicial reform. I also put in a lot of time towards another project which is managed by somebody else that's called the Public Service Reform Program. So with all these three areas, I've been very heavily involved in implementation as well as design of projects.*
- SCHALKWYK: And how did you become involved in this work?
- BISEKO: *Well, essentially from my background. I was recruited here from PricewaterhouseCoopers and when I was doing my work at PricewaterhouseCoopers as a consultant, I used to work primarily on public sector reform and organization and capacity building. So that's where I got my experience to really launch me into this position which I'm currently in.*
- SCHALKWYK: You have outlined a couple of the areas that you'd like to talk about in the public sector reform. But before we start on those, I wonder if we could talk just a little bit about the goals of the Civil Service Reform Project in Tanzania. And could you give me a brief history before I ask any specific questions of the Civil Service Reform in Tanzania?
- BISEKO: *Well, the Civil Service Reform in Tanzania goes way back to the mid-1990s when the government carried out the first set of civil service reforms, which were basically aimed at controlling the wage bill and right sizing of government through retrenchments, as well as rationalizing the role of government in delivery of public services. Before that time, government was engaged in a host of activities, including commercial undertakings, primary health, education, and aspects of water provision and agricultural extension. These activities curtailed its ability to really focus on the public goods end, which is regulation, monitoring and evaluation, policy making, aspects which are really the public good side of government. So it had expanded its performance or its level of activity to areas which are not public goods in nature. Law enforcement was one area you could see as a public good, a purely public good. But government had expanded its role to various areas where it had crowded out the private sector, and in that sense it needed to right size itself. First of all, it retrenched its workforce and then it brought its wage bill to a much more manageable size and also restructured its organizational structure in the sense that it first of all created -- brought in local government authorities which had hitherto been abandoned for a period of time. Actually, local government authorities were abandoned in the mid-1970s. So they were brought in again and resuscitated, I'll say, to become entities where service delivery would be carried out.*

Government also recognized the need to pluralize service delivery. So service delivery was first decentralized to local government authorities, but private sector players were also allowed to get engaged in service delivery. The government allowed private schools, private health facilities to operate. So in a sense, then, government now was recognizing the role of central government much more in terms of policy making, regulating, and ensuring the rule of law—and decentralizing service delivery to these agents, local government authorities, the private sector, and other agents. OK. So, that was the first kind of batch of reforms.

The second batch started around 2000 and that's when the Bank became heavily involved through a public sector reform project and also a local government reform project. The government at that time had designed what it called the National Framework for Good Governance, which recognized that for government to be able to improve on its good governance, it needed to undertake a broad set of reforms which would cover the public sector reforms, which really are the civil service reform program, public financial management, legal and judicial reform, local government reform, as well as addressing the national anti-corruption strategy and action plan. Having identified these five areas of intervention, government... It was a really broad area of intervention, I'll say, broad set of reforms. Government did initiate these reform efforts, but then it needed dollar funding, and that's how the bank became involved, with a set of other donors, mostly DFID, as well as Denmark, which also funded a number of these reforms.

Now, the Public Service Reform Program, which was implemented between 2000 and 2007 focused essentially on establishing the institutional underpinnings for reform. After the first set of reforms, which we implemented between 1996 and 2000, government now set about to improve performance by setting up the institutional mechanisms for this. One was the promulgation of the Public Service Act, which created the Public Service Commission, and also having a policy, a new policy, for human resources management and regulation. Government also introduced performance management as a major intervention under the PSRP. This introduced a set of measures, including open performance appraisal for public servants, recruitment on merit, client service charters, and recognition that government needed to include capacity building whenever it considers strategic planning, the review of strategic plans. So that any strategic planning exercises had to include capacity building as one of the key elements to be able to deliver on the plan outcomes. So these are a part of the, institutional underpinnings that were brought about under the first phase of the Public Service Reform Project implemented between 2000 and 2007.

Now, the second phase, which is the performance, results, and accountability project, which is now being implemented -- it started in this year, January of 2008, and it will be running until 2012. The objective of this is really to ensure that the institutional setup that was established on the first phase becomes much more results oriented, much more closely linked to results. And it is demand driven. This really underpins the fact that during the first phase, most of the activities were driven by the center, that is, the ministry responsible for public service management, which is called here President's Office - Public Service Management. Ministries and department agencies, MDAs, had very little role in really

deciding on what are the kind of interventions that would be implemented under the public service reform project. The second phase, which is now running -- ministries and department agencies have a much bigger say in terms of what is implemented. So they have a menu to choose from, where they can choose the kind of interventions that they would like in terms of supporting their service delivery objectives, and these are funded through the program. So that's the kind of phase we are now in. And also, we expect a much more inclusive process in terms of policy making now so that most of the key stakeholders, local government authorities, the other executive agencies, which were established during the first phase are able to be engaged in the policy making so that they are able to voice their concerns, they're able to raise the issues which are relevant in any policy-making process, to be able to ensure that it supports the service delivery objectives. OK. So I think that's the current phase which we are in.

SCHALKWYK: Would you talk about the issues and challenges facing the civil service before the reforms were started?

BISEKO: Well, before the reforms started, the key challenge was really one... First of all, attracting and retaining qualified staff. So the issues are really related to pay, as well as career development in the public service. One pay was very low compared to other parts of the economy. If you are a graduate, say entering the public service, you'd earn a third of what your colleague earns in the private sector. But also your career path is not clear, OK.

SCHALKWYK: And how has this changed?

BISEKO: Well, at the moment, pay has gone up, but still there are gaps recognizably between the private sector and the public. Government, given its resource constraints, had first had the primary objective of paying at least a minimum wage -- a living wage to the public servant. So that would be the guide at the minimum of the rank. And then paying wages that are consistent with established pay targets which it had already set itself based on its ability to pay, as well as market comparators and by the end of the first phase of the Public Service Reform Program last year, government had achieved most of the targets it had set out in the pay policy and strategy. And to an extent, I would say the reports we have is about -- more than 90% of the pay targets were achieved, with the exception of very few levels, mostly at the senior official -- what we call the principal offices and the senior level assistant directors, directors, and PS's. That's where they haven't achieved the targets which they had set out.

SCHALKWYK: What were some of the other -- the other challenges?

BISEKO: The other challenge was really in terms of policy making, which still exists today in a sense that government was really getting out -- or drafting policies, announcing policies, which were not taking into account the multiplicity of plans that it had already set out--the local government authorities, the executive agencies, the private sector plans. And in a sense it was much more reactive to the demands of these plans in service delivery rather than proactive. So it was trying to respond to inadequacies that were being raised by these players when trying to deliver on services rather than trying to think ahead. And sometimes

most of these policies conflicted. For example, if you just take phase one of Public Service Reform, at one point in time, there was a public service act which tried to centralize the authority for recruitment with POPSM, whereas during decentralization, the requirement was that local government authorities would have the authority to recruit because these were governments in themselves. They would have authority to recruit—that means hire, as well as firing if they find inadequacies in the personnel they recruit. But the public service reform program didn't recognize that it had centralized it, so there was a conflict there. But if it's one government, you would assume that conflicts shouldn't be there. There were also other conflicts in between local government authorities and central government, which required the central government to have a consistent policy-making mechanism. And in that sense, then this was a challenge to the reform. The other part was really the breadth and depth of reforms.

One thing is government, through the national framework for good governance, had embarked on a very ambitious reform program. I would say the five key areas of reform were ambitious to undertake at a single point in time and therefore government didn't have the requisite resources, both in terms of manpower, the staffing, as well as the financial resources to carry them out adequately. In a sense it suffered by spreading resources thinly rather than engaging in-depth in a select number of sectors. At the design stage about 2000, we had advised government that it should be preferable to focus on key sectors rather than to spread resources widely. But for political reasons, government decided to go through a broad strategy and thereby losing out in terms of depth.

SCHALKWYK:

So can you think of... Can you describe specific ways in which this has affected the process, particularly with regards to civil service reform?

BISEKO:

Yes. Government pursued civil service reform across 26 ministries and more than 20 executive agencies without any prioritization in terms of focus. So in terms of impact of these reforms, you find there's very little, impact on the ground. If you take one of the areas where they supported the ministries, department agencies, or strategic planning... So you take, the POPSM, supporting development of strategic plans for 26 ministries, that is quite big. You're not able to provide the required level of support, both in the preparation as well as implementation of strategic plans. But also, you're unable to really engage in-depth with them and the staff who was supposed to be implementing these reforms. If they'd pursued a much more focused strategy with, say, a few pilots, strategic key ministries, then they would have probably been able to run through the planning exercise, both from the senior level of those ministries to the operational staff so they are quite well informed about the reform process. As a result of this thin spreading, you'll find most of the staff below the director level not very much informed about the reforms, the civil service reforms. And that's something which partly is focused on the second phase. There's a need to be somehow selective in terms of how you approach reforms in the sense that you might have a number of MDAs which select to reform. You support them in a much tighter way, but you focus on areas where you think reforms might have a bigger impact. Areas like education or health will be much more crucial to

engage with rather than spreading your resources thinly and being unable to really show evidence for that. So that's a kind of challenge which we thought was coming up.

The other one was with regard to the pace of reforms. This was also brought about by the size, by the political will. And this comes out now more than earlier on, in the sense that the political will is quite important. Whereas in the past, during the first phase, the political will was somehow quite strong, the second phase is facing a challenge in terms of the commitment of the senior leadership, the politicians, to reforms. So I think this is not much in the first phase, but in the second -- the current phase, later phase. We see a decline in political will to move forward.

...

SCHALKWYK: Considering the way the reforms have gone, do you think in large part the right decisions were made or do you think the process should have concentrated on other things? Was anything vital left out?

BISEKO: *Well, there have been right decisions. There have been decisions which government should have taken early on. I think one of the major critical areas, I would say, is pay. If you want to carry out institutional reforms, incentives matter a lot and they put the breaks for any kind of reform, institutional reform, especially in the public service. Government did take decisions on pay, but I'll say they were very inadequate and not comprehensive, as well. So, in a sense, the pay reform agenda has been a break towards realizing the objectives of the reform program. One would say why are you saying that, because you're saying they did achieve their pay targets, right? Yes, but then if you look at the pay targets which they have set out themselves, they're overrun by time. By the time they have achieved those pay targets, they are low comparatively since other parts of the economy had gone far ahead in terms of pay and prices have changed. But also looking at it the government allowed a proliferation of allowances which it had amalgamated in the past. In 1996, government consolidated its wages and salaries and allowances which had hitherto been quite numerous were reduced to a very small number of allowances. But from 2000 onwards, allowances crept back into the system and they created a lot of distortions in the system.*

SCHALKWYK: What sort of allowances?

BISEKO: *For example, there were allowances for telephones. There were allowances for furniture, for uniforms, etc. There were also allowances like per diems. Per diems, you would think, are duty allowances. Well, in this case, when salaries are low, people travel on so many excuses. Sometimes, the excuses are very flimsy and although the senior offices have a discretion to approve somebody to go and travel, the discretion is also, not applied judiciously. So in a sense, somebody would go -- would say, "I'm traveling," but that travel is not linked to output. So in a sense, somebody just benefits more in terms of income than he would in terms of delivering an output. So you'd find government holding a lot of workshops, seminars, meetings outside the office which are not really warranted or justified. But just because they would earn allowances, that was the kind of basis in which they would add up to their meager*

earnings. So this regime of distortions has been there for quite a while now and government has not been able to address them strongly - take a strong position to address it. So you find a lot of distortions in a system and this has led to inefficiencies in government employees really focusing their time on what they need to do in the public service.

SCHALKWYK: So if we just continue talking about pay policy. What were the major changes made to pay policy that you've been involved with? How did they set those medium term goals?

BISEKO: *Right. In 2003, government revised its medium-term pay policy. But this was after another version of pay policy which was set out in 1999. So this was a first pay policy document which government did establish. And in the 1999 document, government set out to achieve a certain level of pay over a five year period of time. So that should have come to an end in 2004. Now, I wasn't involved in that, but I got involved in pay policy around 2004. At that time, they were reviewing this pay policy and in that review, what they suggested was that to speed up implementation of the pay policy, they needed to set up what they called a selected accelerated salary enhancement scheme, in short, SASE.*

The selected salary enhancement scheme would remunerate a select number of personnel in the public service to levels which were in line with the medium term pay targets so that they could maybe be motivated to stay in the public service and deliver on the required level of performance in the public service. So this was a time when I got involved with pay policy and strategy. At the time, the objective was that the SASE scheme would be funded by the World Bank partners because government didn't have the required resources to fund it. The Bank wasn't one of the financiers, but it did provide technical expertise in terms of implementing the scheme. The major financiers here were DFID and Denmark. This scheme was implemented from 2003 up 'til 2006 when government felt the scheme was causing disharmony within the public service. If a select number of public servants were being paid generously while the rest of the public service wasn't--I think that was one feeling by public officials. But secondly, that the reliance on donor funding for enhancing pay was risky to government, especially if donors pulled the plug on funding the scheme. It could cause, disharmony in the public service. And also, I think government had gone a long way in terms of implementing its pay strategy. Therefore, it rolled over the whole SASE scheme into the pay reform agenda and increased pay levels to meet the pay target. So that's something in which I was involved in terms of the analytical work that underpinned the SASE scheme--the analytical work that led to review of allowances and recommending to government that it takes action towards controlling the use of allowances so that they don't provide distortions to public servants in terms of their work.

And we did finance analytical work towards that effect, which led the government to recognize that allowances are creating distortions in the public service, in terms of performance of public servants, and to think about how to control allowances, the use of allowances in the public service. So at the moment you'll find the budget guidelines to MDAs, which guide MDAs in terms of how to prepare their budgets, emphasize the need to budget for allowances, and so that's the use of allowances in terms of achieving respective outputs. So they require accounting

offices or permanent secretaries to be much more conscious in deciding on travel allowances, honoraria, whatever. .

SCHALKWYK: And when you're doing this work, what sort of information was most useful to you? Did you consider wage levels in the private sector?

BISEKO: No. The most important information was really comparing the growth of per diems, the growth of other allowances, over time and comparing this with the growth in terms of the recurrent budget that government needs to use for service delivery. So that was one element which was quite critical. If the growth of allowances grows disproportionately higher than the growth in the budget for service delivery, then there must be a problem--and also, the magnitude of allowances vis-à-vis the wage bill. So if there is a growth in remunerative allowances that is bigger than the growth in the wage bill, then there must be a problem, as well. So I think those are the kind of information that we are focusing upon.

SCHALKWYK: And when you were setting the targets for the selected advance salary enhancements how did you come about those goals?

BISEKO: The selected salary -- the salary enhancement targets--which were really the medium term pay targets, these were taken up by comparing public sector wages in a number of countries in the region, as well as the private sector. That was the basis for setting these targets.

SCHALKWYK: And what criteria have you used to measure the outcomes of the changes in pay policy? You described the 90% success, but also the fact that it hasn't been successful because the targets have become redundant or obsolete.

BISEKO: That's right.

SCHALKWYK: So what do you think the best methods for measuring the success of these policies are?

BISEKO: Well, one thing is... I think there are some basics, which probably we haven't been focusing upon. A basic indicator of public service quality is the availability of a service provider, of a civil servant, in a time when he is required to work. So that reflects the motivation of the person. He's there to provide a service. But also, too, the number of vacancies in the public service. So absenteeism is one indicator, all right, but also vacancies is another. And I don't think we have been able to collect enough information in that area and that would have provided quite useful information as to whether the incentives are working or not.

During this phase, we are really focusing on these kinds of indicators. We haven't been able so far to collect this baseline and I think one element which governments have not been good enough is really being able to monitor and evaluate. And that's one area which we are trying to emphasize: that government needs to monitor vacancies in the public service, because that would reflect on whether people are being attracted to work in the public service or not. If you cannot fill specific positions for so much time, if the position is not... There's a high turnover of staff, I think that would reflect on the motivation. But also a civil servant's being available to provide a service—absence--also reflects on the motivation to provide a service, as well. So these are the kind of

indicators which we have never been able to monitor which would, I think, have been able to provide quite solid kinds of information to enable us to say that this is having an effect. So in the absence of those... Really, the information we have has been anecdotal, but still quite strong in the sense that one, the SASE scheme was able to ensure a number of professionals were retained in the public service.

A survey was done with ministries which did participate in the scheme and they reported that the people who were on SASE were able to be retained, were able to deliver, and they were happy with the performance. Also with respect to pay policy targets, most of the permanent secretaries who were interviewe, did report that pay has improved compared with the past and that they were able to see that a large number of public servants at the middle level and professionals were staying in the public service, with the exception of specific skills that which were still in high demand in the private sector. Health workers, legal professionals, IT--those are areas where government was not able to fully meet its requirements because it was facing serious competition from the private sector and also the level of staffing in the public sector are not adequate, as well. So, in that sense, these were areas that had the problem.

SCHALKWYK: And how did the public servants themselves react to these changes? Have you got a sense of what their feeling is about -- about the increases in pay?

BISEKO: *Yes. I think... Still anecdotal, as well, in the sense that there isn't any hard data on that. But in terms of the public service, you find a lot more public servants were able to focus on their jobs. Being able to look forward to employment in the public service, staying longer in the public service, which has always been the case, but being much more productive. Saying that...they're able to stay more rather than be absent on the job. Having a living wage allows them to focus on their job rather than doing side businesses, which they used to moonlight in the past. So that has been one key turnaround, although anecdotal,-but quite relevant to pay policy implementation.*

SCHALKWYK: And do you know what the effect of discontinuing the SASE has been?

BISEKO: *By discontinuing it? Basically, when the government discontinued it, it raised salaries across the board to levels that were quite consistent to the medium term pay policy targets, which were the SASE targets. So in a sense, this was mostly rolled over into the pay policy, except that now not only a select group of people were earning those SASE, but it's across the board. So the effect of this on the SASE target group, you know, that sure, one would say they still remain in the public service, but across the board people now became much more satisfied because this is not a very select group of people but across the board people earning, equivalent pay. So in terms of equity, that was one thing that government was able to achieve at that stage.*

SCHALKWYK: And how was the government able to finance that across the board?

BISEKO: *Through its own revenue sources. Revenues have gone up, and I think that was one of the major sources of financing increased pay. So that was one element of the sources of financing. Initially, of course, government used general budget support, as well. General budget support is an instrument which is used by development partners whereby they finance the government by putting in money into the government -- government accounts and allowing it to use it wherever it sees fit. So this is a major source of funding now. It covers for probably close to 40% of donor funds to the government. And government was able to use part of these funds to pay for its recurrent expenditure. But since then... I think since last year, they have moved away from that. They're using their own revenue sources to finance fully the recurrent budget.*

SCHALKWYK: Have there been any major controversies around these reforms? Difficulties in implementing them?

BISEKO: *Well, yes. I think the major issue about public service reform, has been results. There's a very big impatience amongst all players that we need to see results. And I think one thing which we need to take into account is that institutional reforms just take quite a while to really get the results and it's really about changing people's behavior, people's mindsets. So you can't just expect that you achieve results in, say, three or four year's time. You need to have a much longer perspective. And that's why essentially the Bank and the government decided on a longer term view, a longer term program, which is 12 to 15 years. During the first phase-- that is 2000 to 2007--people were quite critical that there weren't any results. But they failed to recognize that that was one step towards achieving a set of results and you can't judge it in terms of the results. You just judge it in terms of where they delivered in terms of that platform of progress, and then looking at the second level, which is now, which is now much more closely linked to results. It's now that you can demand that results orientation.*

SCHALKWYK: So going off from that, I wonder if we can talk a bit about the sequencing approach and managing the reform process. Who was involved in the planning for that period?

BISEKO: *Well, essentially government here took a very strong lead in terms of the design. But obviously, the Bank, as well as DFID, were quite closely involved in terms of providing the relevant support, in terms of technical systems, in terms of financing the preparation and all that.*

SCHALKWYK: And what would... Were there discussions regarding the sequencing of reforms?

BISEKO: *Yes, there were a lot of discussions in terms of the sequencing of reforms. Government wanted a comprehensive set of reforms and within the donor community it was felt that going for a comprehensive program would not achieve the required, outcomes because it would stretch the government resources, as well as -- it would lose focus. The idea between development partners was that you need to start with a small key set of reforms. Really once government had gone through the right sizing in the mid-1990s, then the second set of reforms would be performance improvement. And performance improvement was looked at in terms of instituting individual performance measures, as well as organizational performance measures, but also having in place capacity*

building, as well as pay incentives. Now government wanted a comprehensive set and the comprehensive nature of it extended the resources. They wanted also to deal with issues related to records management, for example, and diversity in government. They are, of course, important, but they take attention away from the key elements of your program. So in a sense by having a comprehensive program, they lost the ability to really focus on what matters.

The other part of extending the policy was the number of players involved. If they had taken a much smaller slice in terms of the players--say, a set of key ministries--and interventions--say, in performance management, capacity building--that would have really led to a stage where they could now move to the other MDAs. They could also have linked the reforms to pay, because then, I think, pay would have been quite critical.

That's how I see it personally. They need to start small with a select key set of interventions. For example, if you look at it now, you find government still has not addressed some of the fundamentals of public service reform. It's still grappling with the number of public servants on the payroll. It's still grappling with issues of controlling the wage bill and the strategic use of the wage bill. But if it had started small, it should have been able to experiment with a set of measures that would have addressed the fundamentals, the size of the workforce the wage bill of certain ministries or select set of ministries, as well as performance measures that are required to improve performance. And then move away from that to a full-blown case where now you set the policy for pay as the incentive now to adopt a full program. To me, that would have really made much more sense in implementing the reforms. So the sequence here is really related to partly the size of the interventions, as well as the measures -- interventions themselves that were needed to really move forward.

SCHALKWYK: Do you know why the government was so set on such a broad set of reforms?

BISEKO: *Partly from the philosophy here that people feel I can't be having a certain kind of benefit and not sharing it with other people. That's a part of the philosophy: that you have to share the cake around. So they're looking at these reforms as a benefit because they're allowing ministries and departments to have a bigger amount of resources to enable them to live on their service delivery objectives. So to them it would have not have been the right approach to select a few and leave the rest. You know, "Ujamaa" policy, the policy of socialism and self-reliance. Socialism means really sharing out whatever, few you have with your colleagues. So I think that's one element which was strong in terms of government decision to broaden the interventions.*

SCHALKWYK: Have some of the reforms proved difficult to complete because other reforms haven't taken place?

BISEKO: *Yes, definitely. If you look at the performance improvement measures, these were to be quite closely linked to the budget. And at one point, we'd agreed with the MDAs that they would have strategic plans that would include components of capacity building, but how do you implement these strategic plans in a sustainable way without ensuring*

that they're integrated in the funding mechanism of government? At the same point in time, government was pursuing public financial management reforms, which were introducing what they call the medium term expenditure frameworks. Now, these were going parallel to the strategic planning exercises. So ministries, departments, and agencies looked at the medium term expenditure frameworks as the plans, not the strategic plans. So the lack of coordination there with the PFM led to the MDAs sidelining the strategic planning and going for the MTEF, which is quite closely linked to the budget process.

Also, at POPSM, which was the implementer, we didn't have much clout in terms of ordering or motivating, or, asking the other players to implement public service reforms because the other players were also equivalent in the same rank as POPSM. So it required a much higher intervention for the reforms to work. In this sense, then coordination of reforms became quite critical. I've already talked about the conflicts between the public service act, for example, and the local government reforms. These cannot be resolved at the level of the permanent secretary, POPSM. They had to be resolved at the higher level. This involved intervention of the chief secretary, who is the head of the public service. So these were the kinds of conflicts that were there that required coordination of reform at the level of the chief secretary. And this now has been instituted in the second phase of reforms and we hope it will gain much more strength in terms of coordination of reforms because for all these institutional reforms, they're quite closely interlinked.

The major players are really two: the ministries and the local government authorities. These are the main players in delivering on the reforms. So if they don't coordinate, the five key reforms are not well coordinated.

SCHALKWYK: The government has reevaluated its core areas and responsibility. And how has this affected the reform process and the goals that it has?

BISEKO: *Well, if I understand your question, we are evaluating the core reforms basically in terms of one -- the decentralization of government functions to local government authorities. It's the decentralization by devolution. That's the great process in which government had already agreed to move forward, thereby leaving the ministries and departments -- the central ministry and departments -- with the role of policy-making, law and order, regulatory, and monitoring and evaluation. In that sense, then, you find there are still some holdovers, where you find ministries and departments still having some functions as local government authorities. Government has been reviewing these service delivery activities in MDAs continuously to ensure that they are taken up by local government authorities. But also the implication is that the central government is now much more focused on policy and regulatory functions, whereas the resource shift to local government authorities has been slower than in terms of the assignment of responsibilities, and that has led to problems by local government authorities, who say the resources are not adequate to be able to carry out the mandate.*

SCHALKWYK: Could you talk about the skills needed for reform and the capacity to remodel the reform and what... And how the skills base of Tanzania affected the reforms.

BISEKO: *Yes. Actually, the skills base for undertaking reforms within the Tanzanians was very, very low at the start. But one thing which was quite important was the willingness to carry out the reform program. And in that willingness, government was ready to absorb technical assistance. I think that was one positive aspect of the public service reform in particular. And the Bank, plus other development partners, were able to bring in quite a good number of technical advisors who were able to provide a significant level of technical support, both in terms of advice, as well as capacity building that was quite instrumental in terms of ensuring the program was implemented successfully in the first phase between 2000 and 2007. Some areas which were quite critical were executive agencies, change management, human capital management, information systems. That is, the payroll, integrated payroll management system. Monitoring and evaluation. Pay and rewards. Records management was also quite lacking. So I think those were key areas where there was a need for technical assistance and the bank and other donors did provide that technical assistance, which was quite instrumental, as I see it, to enable the government to deliver for that first phase.*

SCHALKWYK: Could you talk a bit about the performance management schemes that have been implemented?

BISEKO: *The performance management scheme was designed as a major element under the PSRP. The core of it was strategic plans. The government before that didn't have strategic plans which would define the service delivery objectives. They were much more used to annual plans. Now, what we introduced strategic plans, which were first of all linked to results, and the results were supposed to be client focused. So in the process of designing these strategic plans, ministries carried out a self-assessment, a client services delivery survey, and also prepared client service charters on how to be able to deliver their service appropriately to their clients. But also, the key element, which was performance driven, was the capacity building aspects of supporting the strategic plan in the sense that to be able to deliver on the strategic plan, one needed to improve the capacity of the public servants, both in terms of the skills requirements, as well as the tools required to be able to provide the required level of service.*

Under the Public Service Reform Program, there was a small facility called the performance improvement fund, which was created and which was demand driven. It was supposed to incentivize the MDAs that were taking up the strategic planning approach to ask for funds which would enable them to improve the capacity to deliver on their strategic plans. So this would involve asking for funds for training, for technical advice, for skills improvement, for retooling, which would enable the MDAs to deliver on the objectives.

Another part of the program was development of performance measures and the individual performance assessment tool, called the open performance results and accountability scheme--the OPRAS, in short. Previously individual performance was very confidential between the supervisor and the individual. And the supervisors took this up as a confidential assessment, not divulging the results of the performance to

the individual public servant. But the introduction of OPRAS made performance appraisal an open exercise. So an individual would agree with the supervisor on a set of performance objectives and thereby assess them continuously throughout the year on whether they are performing, seek support from the supervisor if necessary in order to achieve on the objective as well as corresponding on successes and failures. So by the end of the year, one is able to evaluate whether an employee did achieve performance goals or not and link that to reward or career advancement. The other part was really reviewing the the job descriptions. A review of job descriptions, carrying out job evaluation and grading so as to make sure that jobs were placed equitably with each other and then linking these to the rewards scheme so that one would have the reviewed jobs being placed within a career progression scheme which was quite closely linked to rewards. So these were reviewed between 2000 and 2007 and the first phase of reforms and they were quite strongly linked in performance management.

SCHALKWYK: What have been the major challenges in implementing? You said they've been successful.

BISEKO: Well, there has been success in terms of the first round of reviews. But maintaining that pace, making sure that this is not lost, that government is able to continuously review jobs, continuously being able to revisit the rewards scheme so that it's able to be at par, is quite a challenge. Also, on a broader level, whereas government did cut down its size in the mid-1990s, by the year 2003, government had grown in size. The number of employees grew. In that sense, government was not able to cope with the increase in the wage bill. It's largely because of the increase in numbers. So it was not able now to focus much of its attention in terms of performance management skills that it had started earlier and it focused much more in terms of managing the wage bill. It was focusing on getting more people on the wage bill and thereby not being able to really remunerate accordingly based on its performance, its ability to maintain parity within the public service between the jobs as well as the jobs with pay, as it had already pursued earlier on. Yes.

SCHALKWYK: Why do you think the government has not been able to maintain the size of its workforce?

BISEKO: Basically... Justifiably so, the growth in the demand for social services, especially education and health. There has been tremendous growth in these sectors and the slowness partly... These are semi-public goals - schools, health centers. You would think there would be probably private sector plans investing if there is a demand for that. But given the size of the country, given the state of the private sector, government still is required to play a big role, especially to meet the millennium development goals. So in the demand to meet the millennium development goals, government had to improve, to expand the required level of service delivery and thereby expand its employment of teachers, health workers to be able to cope with those demands.

SCHALKWYK: So if I could just finish with some questions about donor relationship. What role have the donors played in establishing the reform agenda?

BISEKO: Well, I would say donors have played an instrumental role and government has by and large been on the lead in terms of design of the

reforms here in Tanzania, which is quite useful. But donors have been very instrumental in terms of first providing a coordinated funding mechanism to the government's requirements. As I say, most of these institutional reforms are funded as donor baskets. That is, donors contribute to a common pool of funds and donors are using government systems to disburse funds, which has been very helpful to government in the sense that it allows government to use its own systems to be able to easily come to agree with donors on the funding levels, as well as the programs itself, in a coordinated way. So donors have been very supportive of the government's reform program agenda, I would say. And that has been quite a strong point in the sense that at times the dialogue between government and donors has been quite open and based on trust. Donors recognize the pitfalls of and the challenges of reforms and have not really penalized government for its underperformance in other places, but allowed constructive engagement with government to make sure that these shortfalls are remedied and supported government to take measures to improve on implementation going forward. I think that is a positive approach to reforms. Allowing government to take the risk and supporting it whenever it goes wrong.

SCHALKWYK: Are there any aspects of the design or implementation of the reform that reflect Tanzanian traditions or practices that may not be transferable to other areas?

BISEKO: *Well, I think... As I said before, that element of sharing the benefits of reform widely rather than starting with a small kind of focus. Being able to ensure that successes are demonstratable at a smaller level before going to a larger field. I think it's not, I'll say even it's not wise really to -- to really take a larger piece of the cake or of the pie at one go rather than taking a smaller bit first and then expanding as you go along. I don't think that would be a useful thing to transfer and I don't think that is transferable, for one. But also, two, I think it's a culture of policy making here. That government really takes its time in terms of making a decision. And at times, it's not very comfortable for the development partners waiting for government to take decision for quite some time. But when they do take a decision, it's quite firm. They don't waive on that and ensure that it moves forward. That has been quite a strong part of the success of the reforms in the sense that donors have to be patient to let the government decide. But once it's decided on a certain course of action, they are very firm. They'll follow it up whatever the cost. I think that is not easily transferable to other countries and I find that quite remarkable here.*

SCHALKWYK: Thank you very much for your time.

BISEKO: Yes. Thank you.