1. Country and Sector Background

The National Strategy for Growth and Reduction of Poverty, known by its Kiswahili acronym MKUKUTA reflects the Government’s commitment to public service reform. Implementation of the MKUKUTA rests on three interdependent pillars: (i) growth and reduction of income poverty; (ii) improvement of quality of life and social wellbeing; and (iii) governance and accountability. The third pillar, governance and accountability, is considered by the Government of Tanzania (GOT) to be the bedrock of the other two pillars. Pillar 3 includes the core reforms, i.e., public service (PSRP), public financial management (PFMRP), local government (LGRP), legal/judicial (LSRP) and the national anti-corruption strategy and action plan (NACSAP). These constitute the government’s national reference framework for good governance and provide the enabling environment and an effective public service delivery framework necessary for growth and poverty reduction.
2. Objectives

The second phase of the PSRP also called the Performance Results and Accountability Project (PRAP)'s development objective is to enhance capacity, performance and accountability of ministries, departments and agencies (MDAs) in the use of public resources and service delivery to levels consistent with timely and effective implementation of the strategic and priority programs under the MKUKUTA.

During this phase enhanced performance will be evidenced by: (i) improvements in the policy-making and regulatory capacity of MDAs that will contribute to a more predictable and well regulated environment for service delivery institutions and for the private sector development, measured by satisfaction surveys in the policy environment by private institutions, executive agencies (EAs) and local government authorities (LGAs); (ii) improvements in the use of performance management systems by MDAs and their linkages to service delivery, as measured by client service charters, self-assessment tools and; (iii) improvements in management of public servants, measured by the percentage of staff targets realized in MDAs; and (iv) greater access to information and responsiveness to the demands of stakeholders as measured by feedback on client service charters that contributes to greater transparency and accountability of government and improved governance.

The MKUKUTA Pillar 3, to which the performance of the public service belongs, states that an effective public service framework in place to provide foundation for service delivery improvements and poverty reduction (goal 3).

The PRAP will contribute to improve service delivery by MDAs (in terms of quality, timeliness and efficiency), implement relevant, priority policies, and establish a predictable and well regulated environment for private sector growth and social development. The public service reform program is one of the core reforms of government that will support this goal of delivering quality services to the public.

3. Rationale for Bank Involvement

To support MKUKUTA, the development partners (DPs), including the World Bank, have prepared the Joint Assistance Strategy for Tanzania (JAST), which was discussed and endorsed by the Board in April, 2007. In the JAST, DPs have agreed that funding the public service reform will continue to be vital to improving the performance of the entire government. Belgium, Canada, Denmark, the United Kingdom’s Department for International Development (DFID) and the Bank support the present phase of the public service reform program (PSRPI) and are likely to continue to do so for phase II (PRAP). GOT is taking a phased approach (3 phases) to implement the PSRP over 15 years. The Bank’s long-term commitment, through an adaptable program loan (APL) and substantial financial support to the PSRP (phase I: US$41.2 million) have been instrumental in mobilizing funding for the program from other DPs and sustaining their participation. Overall, the Bank’s leadership on public service reforms and its global knowledge have helped to shape the dialogue with government. The Bank presently chairs the PSRP DP
working group (PSRP-WG), which provides the harmonized position of DPs in the dialogue with Government. The Bank’s and other DPs’ commitment to the PSRP and the Bank’s comparative experience of public sector reforms have contributed to the positive trends and results so far achieved by the PSRP. The PSRPI focused on introducing performance management systems in the public service. The second phase will intensify the reforms introduced in phase I, particularly deepening the culture of performance management and greater accountability to a broader range of stakeholders.

4. Description

During PSRPI, the overall PSRP objective was underpinned by the installation of systems for performance improvements in MDAs. PSRPI was supported by an IDA credit (3300-TA), that will close in December 2007. To-date, implementation of the PSRP has been satisfactory and it has broadly achieved its objectives. The management systems and processes will be institutionalized during PRAP. Phase I: (i) established a performance management system (PMS) linking individual staff performance to organization strategic and operations plans that is now harmonized with the national planning and budgeting process; (ii) decentralized service delivery through the creation of five new EAs and the outsourcing of 48 non-core services; improved regulation of human resources management in the public service through the operationalisation of the Public Service Commission; and (v) improved work environment through revamped records management system. Initial steps to computerized human resources (HR) processes and personnel records have been initiated.

5. In PRAP, the government has identified the need to deepen the broad-ranging reforms introduced during PSRPI to ensure there is significant improvement in the performance in service delivery and a more transparent and accountable framework to stakeholders in line with the MKUKUTA. The Government has developed PRAP around the following key components: (i) Structures and systems to facilitate service delivery; (ii) Policy development; (iii) Pay, incentives and rewards; (iv) Responsiveness and accountability; (v) Systems to manage public servants; (vi) Leadership development; and (vii) Change management and reform coordination. The implementation of PRAP will require approximately US$100 million.

6. In addition to PSRP there are other crosscutting reforms which aim to improve the internal capacity and efficiency of MDAs with a view of improving their service delivery objectives. The main core reforms are presented in Figure 1 below. Like PSRPI these other reforms need to be integrated better within MDAs and to support their sector development programs (SDPs). Government will require MDAs to drive the reforms according to their specific needs and priorities and this will be reflected in MDAs’ Medium-Term Strategic Plans and Budget (MTSPB).
7. An independent assessment of the PSRPI demonstrated that the program had a more limited impact than anticipated on SDPs and service delivery. Therefore the “reform coordination framework” (Figure 1) provides a strategic approach to integrate core reforms into sector work. MDAs will prioritize some of the reform activities. They will be responsible to ensure that they are coherent with their own plan and that they support their delivery of services. For that reason, the description of the PRAP below includes a combination of interventions to be driven by PO-PSM across the board and others that will be specific to MDAs.

8. PO-PSM has learnt that for the PSRP to be successful it needs to be a catalyst and convener that will facilitate public service reforms in MDAs. PO-PSM will be pro-active in this regard and will help the MDAs identify the tools they need from PO-PSM to transform their delivery of services.

Component 1: Structures and Systems to Facilitate Service Delivery (US$ 35.2 million)

9. Under this component, the Government plans to: (i) institutionalize performance management systems; (ii) restructure MDAs and re-engineer service delivery; (iii) continue to outsource internal non-core services; (iv) promote e-government and knowledge management systems with a particular focus on enhancing access to basic services by the poor; and (v) continue to improve records management. Consolidating these systems will provide a strong foundation for public service organizations to meet the MKUKUTA objectives.

10. Institutionalize Performance management systems. Under PRAP, emphasis will be to ensure that the elements of performance management are internalized, applied and customized according to the needs of individual MDAs by providing good practice tools for strategic planning, open performance appraisal and client service charters. PO-PSM
will support the customization of the strategic planning process and M&E processes for both MDAs and EAs. In addition management standards will be updated.

11. **Restructure MDAs and re-engineer service delivery.** Organizational restructuring of the public service will be implemented in order to improve service delivery and government operations. PO-PSM in collaboration with MDAs will seek opportunities to continue to streamline the central government to focus mainly on policy development, regulatory functions, public safety and security. Service delivery to the public will continue to shift closer to the people. Reorganization of public service has been ongoing and will continue to take place through further decentralization, creation of more EAs and by re-engineering business processes.

12. **Continue to outsource internal non-core services.** The Government will continue to identify services that can be outsourced to private sector providers. While the focus has been on outsourcing generic services such as security and office cleaning, during PRAP MDAs will identify opportunities for outsourcing non-generic services.

13. **Promote e-government and knowledge management systems.** The e-Government initiative aims to develop the capacity PO-PSM to harness e-Government opportunities in improving the delivery of public services. The Bank has a regional initiative, Regional Communication Infrastructure Project –TA (RCIP) through which it would support the development of e-Government infrastructure for Tanzania. Therefore, the focus of support under the PRAP will be limited to: (i) development and implementation of organizational arrangements for managing e-Government, (ii) capacity building, including human resources management in support of e-Government, (iii) preparations for enhanced e-Government services, and (iv) capacity development of an e-Government executive agency, which under the oversight of PO-PSM, will guide, support and oversee the use of ICT across Government in future.

14. **Continue to improve records management.** Work on improving records management and decongestion in the storage of files has been an important feature of PSRPI. One of the critical elements in achieving further improvements is the establishment of a National Records Center (NRC). As part of the Accountability, Transparency and Integrity Project (ATIP) initial preparation for the establishment of a NRC has been undertaken including a feasibility study and detailed construction designs as well as an environmental impact assessment. PRAP will extend this effort by facilitating construction and equipping the centre. The centre will provide space for storing non-current records and thus make it possible to utilize registry space more effectively in MDAs and LGAs. This will enhance the access and retrieval of information while improving the working environment of records personnel and records users. PRAP will essentially focus on facilitating MDAs in charge of specialized records systems to take the lead in the reform of their records management systems. The interventions will also help to integrate paper records reforms with ICT tools; and to professionalize the personnel who handle records—from clerks to managers.

**Component 2: Policy Development (US$ 5.5 million)**
15. Government is reviewing its policy development and coordination functions in order to identify bottlenecks in the policy process and improve on it. The Cabinet Secretariat is leading this exercise with support from PO-PSM. PRAP acknowledges the importance of policy development capacities both at central level and in the ministries as a vital function that influences the implementation of key government priorities. Some capacity was put in place in the MDAs under phase I but remains generally inadequate.

16. The component intends to: (i) strengthen central institutions and the Cabinet Secretariat in all aspects of policy management (from development to M&E); (ii) enhance policy development and regulatory capacities within MDAs; and (iii) improve the climate for participatory policy formulation and development.

17. *Strengthen Central institutions and the Cabinet Secretariat in policy development.* Measures will be taken to improve processes based on the review mentioned above. They will relate to policy formulation, scrutiny, evaluation and coordination of the policy process. Capacity development packages to strengthen policy development, quality assurance and evaluation will be implemented in central ministries and agencies.

18. *Enhance policy development and regulatory capacities within MDAs.* MDAs will seek to collaborate with local research organizations and think tanks to create learning networks that will support their policy development capacity. Lastly, structures and staffing patterns in all sector ministries will be reviewed to better align them with their core functions of policy management and regulation.

19. By the end of PRAP, the quality of policies will have improved and they will be more realistic and consistent within and across sectors. Moreover, MDAs will have learnt to develop and oversee implementation of policies that support national development goals and strategies. Finally, there will be an improved M&E system for policy implementation that will operational within the Cabinet Secretariat.

**Component 3: Pay, Incentives and Rewards (US$ 3.3 million)**

In 2000, the Government adopted a Medium-Term Pay Policy (MTPP) as part of the PSRP. The policy guides decisions on pay across Government, including MDAs and LGAs. To implement the policy, a Medium-Term Pay Reform Strategy (MTPRS) has been adopted. It includes the following features: (i) a medium-term target salary structure that systematically enhances pay for all public servants; (ii) a job evaluation and re-grading exercise to facilitate improved link between pay and performance; and (iii) a Selective Accelerated Salary Enhancement (SASE) scheme, targeting key professional, technical and managerial personnel occupying strategic position within government.

Progress has been slower than anticipated but in July 2006, at the turn of the 2006/07 financial year, significant increases in pay were realized, and pay targets were almost met. Work on the consolidation of remunerative allowances into salaries, which started in the mid-1990s to achieve a more transparent pay structure, has not been completed. SASE, was terminated for reasons related to equity.
The present government has prioritized public service pay reform. On the inauguration of the “Fourth Phase Parliament”\(^1\) the President said:

“I am aware that pay levels in the public service remain a concern. We will look at it. I intend, as soon as possible, to establish a Commission on Public Service Remunerations that I will task to produce short, medium and long term strategies to improve pay levels and other benefits”.

In May 2006, the President appointed a Presidential Pay Commission to work closely with PO-PSM to find solutions to the issue of remuneration. This component will support the implementation of Commission’s recommendations, not yet known, and the subsequent decisions of Government.

The basic goal of the interventions under this component is to accelerate the pace of pay reform in the context of the MTPS to enable Government to recruit and retain a critical mass of technical and professional personnel, as well as to motivate the entire public service. This remains a critical objective of the overall PSRP.

Key interventions to address the challenges in pay will include (i) supporting government in designing a performance-based rewards and incentive scheme; (ii) setting up a flexible system for resource allocation between personnel emoluments and other charges; (iii) supporting the implementation of the recommendations of the Presidential Commission on Pay; and (iv) establishing clear guidelines for the use of allowances that will remove present distortions.

20. Key outcomes will include: (i) decisions made on pay through new institutional arrangements on a yearly basis; (ii) increasingly transparent remuneration; and (iii) steady improvements in the salaries of public servants based on a revised pay reform strategy.

Component 4: Responsiveness and accountability to the public (US$ 8.6 million)

Despite the installation of mechanisms for securing enhanced levels of accountability in the public service at both institutional and individual levels, the issue of accountability remains. Systems and tools for strategic planning, open performance review and appraisal and client service charters are nevertheless in place. New rules and regulations for securing enhanced discipline and ethical conduct within the public service have been approved.

PRAP will seek to enhance accountability: (i) to citizens, (ii) across government; and (iii) within each organization. This will be done through the provision of information, the development of legal instruments, and the development of systems, processes, and procedures. Strategically, the program will build the capacity of key government institutions of accountability, e.g., the Ethics Secretariat, Prevention of Corruption

---

\(^1\) 30 December 2005.
Bureau (PCB) and the Public Service Commission. In addition to creating frameworks for internal government accountability, and reporting requirements, PSRP will promote demand-driven accountability by working with a wide range of non-state actors.

The main interventions planned under this component are to: (i) strengthen the demand side of accountability for service delivery; (ii) create and enhance channels for feedback from citizens and clients; (iii) improve the capacity of ethics oversight and compliance institutions; (iv) strengthen internal accountability mechanisms within Government; (v) promote ethical conduct in the public service; (vi) enhance the capacity of the Public Service Commission in the performance of its oversight role and functions.

**Strengthening the demand side of accountability for service delivery.** PSRP PHASE II will create forums for citizens to interact with Government to offer views and suggestions, and help explain government policies and services to other clients and citizens. The Information, Education and Communication (IEC) activities within MDAs will be strengthened so that they inform the public about public services more effectively and receive and take into account feedback from citizens. A reporting framework will require MDAs to report on their performance results to the public periodically and to collect views from the public in order to adjust their activities accordingly.

**Create and enhance channels for feedback from citizens and clients.** PRAP aims at improving the process of handling feedback including complaints and grievances from clients and citizens within MDAs. To ensure the smooth handling of feedback and complaints from clients and public, a Complaints and Grievances Handling Mechanism which is currently being tried in 5 MDAs will be introduced in all MDAs. Other measures are also being considered, including citizens’ report cards.

**Strengthen the capacity of ethics oversight and compliance institutions.** Government will introduce a comprehensive and coherent accountability regime to enable departments and agencies to strengthen their management capacity and improve performance. An Institutional Accountability Framework will be developed and used by MDAs. The framework will demand that MDAs report to the President and the public on agreed indicators and rewards and sanctions will form elements of the framework.

**Promote ethical conduct in the public service.** Efforts to make public service employees comply to the rules and practices of the service will be increased. While efforts to educate employees on ethics will continue, the focus will be to operationalize a compliance framework that will focus on promoting discipline.

**Strengthen the capacity of the Public Service Commission (PSC) in the performance of the oversight role and functions.** PO-PSM will undertake a restructuring review for the PSC. It will expand, improve and implement the HR compliance inspection routine. Furthermore, the PSC will elaborate its plan to improve its capacity to put in place a more transparent public service.

21. This component will result in citizen and clients being increasingly aware of the availability of public services and rights to access them with a public service that is more
responsive. Public service managers will share more freely information and will be more accountable for results.

**Component 5: Systems for managing public servants (US$ 23.3 million)**

PSRPI focused on modernizing systems to manage public servants. A key intervention was the adoption of the Public Service Management and Employment Policy, which articulated the principles to be adopted in improving the way public servants are managed. PSRPI operationalized the policy. This component will continue to deepen and make available appropriate HR systems and tools that effectively enable MDAs to have an optimal, adequate and competent staffing capacity.

The component will implement the following interventions: (i) strengthening and decentralizing HR processes and systems, especially in terms of recruitment, appraisal, HR planning and training; (ii) combating HIV/AIDS in the workplace; (iii) taking affirmative measures in favor of disadvantaged groups in public service; (iv) strengthening the management of HR information; (v) transforming HR administrators into HR managers; (vi) strengthening local training institutions to provide the courses needed for improving public service performance.

*Strengthening and decentralizing HR processes and systems.* The policies and regulatory frameworks are already in place. Phase II of PSRP will institutionalize Human resource planning that will ensure the public service has the capacities and competencies needed to meet its strategic and operational objectives. This will entail that policies, laws and regulations and systems are reviewed and revised. MDAs will put in place mechanisms to manage better their human resources and report on their challenges and opportunities.

*Combating HIV/AIDS in the workplace.* The Government has formulated a policy for managing HIV/AIDS in the public service. It has to be translated into guidelines on designing HIV/AIDS interventions at work places. Accordingly PO-PSM, in collaboration with the Ministry of Health (MOH) and Tanzania Commission for AIDS (TACAIDs) will facilitate MDAs to better plan these interventions and to make them more relevant and effective.

*Taking affirmative measures in favor of disadvantaged groups.* The challenge is to take necessary steps to extend diversity interventions among the population and, where appropriate and necessary, take affirmative measures in favour of those affected groups. Capacity development strategies and activities will take into consideration GOT’s commitment as outlined in the Tanzania National Strategy for Gender Equality. In addition, guidelines for the management of disability in the public service are anticipated to be completed in 2006/07. Following this, (1) awareness needs to be created, (2) and MDAs need to design interventions to ensure their workplaces are conducive to physically-challenged people. Work is presently ongoing to address the issue of diversity throughout the reform program and more specifically how each of the components of PRAP can contribute to enhancing diversity. Once the study is completed, its recommendations will be translated into specific interventions.
**Strengthening the management of HR information.** Work to put in place a comprehensive Human Resource Management Information System (HRMIS) has been going on over Phase 1 and has presented substantial challenges despite positive results in salary administration. Activities under Phase II include: (i) physical payroll inspection and annual audit in all MDAs and local authorities; (ii) the HCMIS reviewed, expanded in accordance with business processes review and decentralized; and (iii) improved personnel records management system. It is expected that the system will provide a “global view” of available human resources and therefore will enable MDAs and central agencies to move from a record-keeping personnel function to human resource and knowledge management.

**Transforming HR administrators into HR managers.** Many MDAs and LGAs continue to use their personnel and administrative officers as “clerks of works” or “welfare officers”. HR Departments do not undertake strategic HRM functions such as integrating HRM to the strategic plans of their organizations, human resource planning, preparation of need-based training and development plans, and performance review and evaluations. Programmes to emphasize the importance of HR in the success of an organization as well as to teach top officers how to better manage their HR will be offered. Other capacity building interventions are envisaged.

**Strengthening local training institutions.** For the government to transform the public service into a pool of skilled, experienced employees there is a need to strengthen and expand the capacity of local training institutions including both the Tanzania Public Service College (TPSC) and the Tanzania Global Distance Learning Centre (TGDLC). Since both institutions are supposed to be independent eventually, during this phase the Government will also take measures to gradually ensure the sustainability of their operations.

22. As a result of this component, the public service will benefit from optimal and adequate staffing levels to effectively support service delivery; human resources will be efficiently and effectively used; the public service will be staffed with up-to-date skills and competence and these will be continuously upgraded; HIV-AIDS will have been adequately addressed in the service; recruitment processes will result in the selection of the best available candidates in a diverse public service. Finally, recruitment, appointment, appraisals, and promotions will be based on merit.

**Component 6: Leading the Future Public Service (US$ 16.5 million)**

During PSRPI leadership was addressed as an issue relating to training. During PRAP the focus will be on identifying, creating and developing leaders for the public service. Training will only be one of many inputs. Nevertheless the lessons learnt from the leadership-related training will be integrated into PRAP leadership development program. PRAP will identify key competencies for public service leaders and use this competency framework to identify individuals with potential for leadership positions. Moreover, the component will seek innovative ways to engage leadership in strategic thinking and supporting the long-term vision of government. The program will also set up a Senior Executive Service into which officers above certain levels in all cadres will belong. This
will also be complemented by a senior executive succession plan. GOT will also seek to establish innovative approaches to sustainable leadership development.

This intervention will: (i) identify, develop and nurture leadership capacity of public service managers; (ii) recognize and reward exemplary leadership; and (iii) transform the TPSC into a fully-fledged staff college. This component will examine how best to use both, the TPSC and the TGDLC to expand further access to innovative training and ways of doing things. The use of the TGDLC will promote throughout the country some important views on the program.

23. As a result of these interventions, there will be leaders who envision and initiate strategic changes, are entrepreneurial and facilitate the realization of the national development goals, promulgated in MKUKUTA; leaders will inspire, guide, and manage their organisations to improve service delivery and demonstrate accountability, integrity and transparency.

Component 7: Change management and reform coordination (US$ 11.2 million)

The current PSRP implementation arrangements have proven to be successful and will continue for PRAP. However, PRAP will be more MDA-driven and integrated with other reforms. In addition, PO-PSM will design a plan that ensures the sustainability of the program through succession planning and development of the necessary capacity of senior public servants. A capacity building plan will be implemented with specific outputs and outcomes to be achieved within a time-bound action plan. Technical assistance will be focused on specialized skills that are not readily available within the public service. In cases, where PO-PSM believes that it can hire under contract the necessary skills, it will be for a well-defined period with a view to absorbing these skills within the service and pay from government’s own resources.

The objective of this component is to ensure that the outputs of the reform are being realized in an efficient and effective manner. Under this component, support will be provided to PO-PSM to effectively manage the PSRP. This will include capacity development activities to build the relevant competencies of PO-PSM staff to effectively support MDAs. Resources have also been provided under this component to support MDAs in implementing PRAP interventions contained in their strategic plans. In addition, support will be provided for initiating the dialogue with the Government of Zanzibar on public service reforms.

This component will include the following interventions: (i) continue to build PO-PSM's capacity to manage and implement reforms; (ii) integrate effectively PSRP reforms interventions into MDAs sector strategies; (iii) coordinate and harmonize public sector reforms; (iv) strengthen the awareness, participation and commitment to PSRP at all levels; (v) ensure that PO-PSM provides administrative support services for the PRAP, i.e., procurement and accounting; and (vi) support public service reforms in Zanzibar.

24. The expected outcomes of this component will be: (i) a PSRP implementation process owned and predominantly driven by MDAs; (ii) collaboration and coordination realized
amongst public sector reforms; and (iii) strategic communication creating awareness and appreciation of the PSRP across all levels of Government.

5. Financing

Source: ($m.)

<table>
<thead>
<tr>
<th>BORROWER/RECIPIENT</th>
<th>26</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Development Association (IDA)</td>
<td>40</td>
</tr>
<tr>
<td>CANADA: Canadian International Development Agency (CIDA)</td>
<td>9</td>
</tr>
<tr>
<td>DENMARK: Danish Intl. Dev. Assistance (DANIDA)</td>
<td>9</td>
</tr>
<tr>
<td>UK: British Department for International Development (DFID)</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
</tr>
</tbody>
</table>

6. Implementation

25. The government has asked the Bank and other DPs to maintain the same arrangements for PRAP as were in place for PSRPI, i.e., a SWAp with basket funding modalities. The GOT letter asking DPs to maintain the same mode of financing is based on the argument that core reforms have less visible impacts than social programs and are therefore more prone to cuts if funds are not ring-fenced in a basket funding modality. DPs are inclined to agree with GOT that maintaining the arrangements, for the time being, is appropriate.

26. DPs have organized themselves to be more responsive to government’s request for greater harmonization. Therefore, a PSRP-WG was established. At present, the World Bank is the chair of the group. Other members include UK-DFID, Canada and Denmark. Government would like the membership and support to the program to expand. The group operates under an elaborate Development Partner Group (DPG) architecture with specific Terms of Reference describing the roles and responsibility of the group, its members and the governance. The PSRP-WG interacts regularly with government on issues related to public service management and dialogue more specifically on the implementation of the PSRP through the joint implementation program review committee (JIPRC),

27. The Governance arrangements under PSRPI have worked relatively well. However, because of the proposed changes in the implementation methodology, which puts emphasis on MDAs leading and driving reforms, as well as the need for greater coordination among the crosscutting reforms, improvements in the arrangements are being proposed.

28. A World Bank team remarked in a comparative study of PSRPs in three African countries that so far an important aspect of the success of the Tanzania PSRP was its effective leadership and management arrangements.2 PSRPI had five important features in the implementation arrangements that PRAP will espouse. They are highlighted below:

---

The Committee of all Permanent Secretaries steers program implementation. The overarching organ for steering the PSRP, especially on policy and strategic issues, is the Committee of all Permanent Secretaries (Inter-Ministerial Technical Committee--IMTC), chaired by the Chief Secretary, who is also Secretary to the Cabinet and Head of Public Service. It clears all policy papers before they are forwarded to Cabinet. In the region, this practice is unique to the Tanzania public service. While, the IMTC has not discharged its policy and strategic leadership and coordination role for the PSRPI as effectively as initially envisaged, the merits of retaining that arrangement remain overwhelming. With further insight in the implementation of the core reforms, it has become increasingly apparent that their effectiveness will depend on their synergy and capacity of MDAs to integrate them in their sector development plans to provide the necessary tools and enabling environment to achieve the objectives of the MKUKUTA. However, PRAP will seek to improve the coordination arrangements to facilitate the IMTC and the Chief Secretary to perform role more effectively a leadership and coordinating role.

PO-PSM as the champion, leader and coordinator of the PSRP implementation. Located in the Presidency, which is the centre of both political and administrative authority, PO-PSM has demonstrated that it has the organizational locus and authority to lead and coordinate effectively MDAs in the implementation of the PSRP. Furthermore, PO-PSM has internally organized itself to carry out these roles and functions in a mainstreamed framework with the Permanent Secretary as the overall coordinator of the reform program. PO-PSM will continue to assign oversight for each component of the PRAP to a directorate within PO-PSM. It coordinates internally through its own internal Program Implementation Review (PIR) mechanism. The PIR reviews the day-to-day implementation of PSRP and prepare working papers (draft implementation and performance reports), lead program reviews (joint, internal, and external), draft strategic and operational plans, draft reform coordination memos to support the work of the PSRP management committee (PMC). The PIR is chaired by the PS and members encompass the Deputy PS; all directors and assistant directors and all PSRP advisors.

The PSRP Management Committee (PMC). The PMC will evolve from what was the Inter-Ministerial Working Group (IWG) under the PSRPI. However, its membership will not significantly change. Chaired by the PS, PO-PSM, it will provide technical coordination of all key public sector reform programs. The PMC includes all Deputy Permanent Secretaries and senior officers appointed by Permanent Secretaries3 in MDAs. However, unlike the IWG, it will also include representatives of the DPs. PO PSM Directors will be in attendance to provide technical support. The role of the PMC will be to provide overall strategic guidance as well as to monitor and review progress of program implementation and its results continuously. The PMC will perform this role by reviewing and approving plans budgets and reports, and receiving and reviewing regular

3 Where there is no Deputy Permanent Secretary.
program M&E reports, as well as the PSRP Reform Coordination Memo. The committee will be supported through a sub-committee on PSRP resources as well as the PIR.

**The PMC Sub-Committee on PSRP Resources.** This committee was established to oversee the management of the PSRP Basket Fund. The role of this body is to scrutinize and approve plans and budgets, to review performance reports, as well as audit the use of PSRP resources. The sub-committee prepares recommendations for consideration by the PMC. It is chaired by the Deputy Permanent Secretary, PO-PSM and members include a select number of Deputy Permanent Secretaries and officers representing DPs.

**Effective cooperation and coordination among Government and development partners.** Tanzania’s PSRP has a proven track record of effective DP coordination. It is a mark of the maturity and effectiveness of this coordination that the Government and development partners agreed to adopt a SWAp and basket funding modality to conduct its dialogue. PRAP will rely on the same modalities for coordination and harmonization of the support from DPs.

7. **Sustainability**

29. PRAP is fully aligned to the MKUKUTA, the overriding government development framework that has been elaborated after broad consultation with key stakeholders. The PSRP is recognized as a key element in achieving the MKUKUTA goals, i.e., growth and reduction of income poverty and improvement in the quality of life and social well being, particularly since it focuses on changing the mindset of the public service towards greater orientation for performance. Government is committed to continuing reforms in the public service. The Government designed the second project in consultation with Cabinet, a broad range of other stakeholders, including MDAs, LGAs, private sector and CSOs. PRAP received Cabinet approval in terms of both its orientation and modalities for financial support.

30. During PSRPI, Government has adopted critical measures to sustain public service reforms. The approved strategic planning, budgeting, monitoring and evaluation and reporting framework will be used in allocating budgetary resources towards strategic plans of MDAs that include capacity building and performance improvement measures for better service delivery. This mechanism which is detailed in a manual is expected to provide the incentives to MDAs to adopt key public service reform measures developed collaboratively with PO-PSM. Complementary to the manual, the budget guidelines are now consistently used to guide MDAs in the preparation of annual work plans and budgets that adopt public service reform measures agreed with stakeholders. However, by placing MDAs at the centre of PRAP, PO-PSM recognizes their fundamental role in having in place a workforce whose main responsibility is to serve the public.

31. The design of PRAP also considers critical factors that will improve sustainability of the program. These include: (i) human resources planning with a focus on increased demand for staffing in social services; (ii) the need for enhancing pay in line with socio-economic
conditions and prevailing labor markets; and (iii) strong leadership commitment to reforms across government. PRAP is designed to address these issues by:

a. Strengthening and decentralizing HR processes and systems, especially in terms of recruitment, appraisal and HR planning and training to ensure that MDAs have the right staff strength to deliver to clients.

b. Providing resources to implement the recommendations of the Presidential Pay Commission. The President tasked the commission to review pay policies and recommending measures that would enhance pay across the public service in line with socio-economic conditions.

c. Identifying and creating a leadership cadre in the public service that will be able to sustain the reforms in the long-term.

32. The proposed coordination of crosscutting reforms also demonstrate that Government has learnt lessons from the implementation of the first phase and has taken into account the recommendations made in a report commissioned by PO-PSM to examine the strengths and challenges of PSRPI.

8. Lessons Learned from Past Operations in the Country/Sector

33. Since this is the second project of an APL, many of the lessons were learnt from implementing PSRPI and the international exposure of PO-PSM to reforms in other countries. In addition, PO-PSM asked an independent team to get views from both internal and external stakeholders to the reform program with a view to incorporate this feedback into the design of PRAP. The PSRP was designed over a 15-year period on the understanding that the transformation of the public service would be a long-term venture. It also meant that some aspects of the program would take time to implement and others would need to go further and to be internalized. Government had recognized that changing the mindset and culture of the public service would be complex and laborious. Although the first phase laid the foundations to deepen the reforms, the following have been highlighted as lessons that would influence and re-align the focus for PRAP. Despite some substantial gains, much more needs to happen to change the culture of both public servants and the public towards government and its administration. This remains a key challenge of PRAP. This will require that Government intensify the communication on and sensitization to the reform program and find ways to invite more feedback from the public. These are aspects that will be stepped up during this second project of the APL.

**Institutionalize reforms**

34. Although a number of activities took place over PSRPI to sensitize the group of Permanent Secretaries (PSs) to the need for reforms of the public service, it was still felt that the PSRP belonged to PO-PSM. Therefore PRAP intends to broaden ownership of reforms, starting with the political leadership of individual MDAs. The second project puts more emphasis on PO-PSM facilitating a reform process in MDAs by providing
tools, systems and capacity that will help MDAs deliver on their MKUKUTA objectives. This will be linked with greater accountability of MDA management.

35. During PSRPI, several systems and processes have been introduced, e.g., open performance appraisal, client service charters, human resources management information systems and others that now need to be consolidated. The reforms need to go deeper rather than broader. The introduction of Information and Communication Technology (ICT) focused on the technology not business processes. Clients service charters proved to be a good instrument but beyond the introduction there has been little monitoring of the delivery of services. PRAP addresses these shortcomings.

Strengthen implementation and coordination mechanisms

36. PO-PSM tried to standardize its approaches to introducing new systems and tools in MDAs. It did not take into account the great difference in the capacity and objectives of MDAs. PO-PSM understood at the outset of PSRPI that it would not be enough to introduce systems and that it would need to give more guidance to MDAs and facilitate the linkages between strategic planning, the budget and the MKUKUTA. PO-PSM needs to modify its approach to PRAP and to become a facilitator to MDAs and an integrator of the core reforms. This will require PO-PSM to improve its own internal capacity probably both in terms of number and quality of staff. It also means that it needs to focus on showing more tangible results than during phase I if MDAs are to embrace such a comprehensive reform agenda. The links among the core reforms have to improve. Although PSRPI recognized the need for coordination of reforms, this was not strongly pursued except by promulgating regular meetings to address specifically this agenda. With the proposed approach for PRAP, this presents an opportunity and a risk, recognizing that the PSRP cannot deliver improved performance of the public service on its own. The diagram in Annex 1 illustrates well the necessary linkages among core and sectoral reforms to deliver the objectives of MKUKUTA. The DPs will pay particular attention to this feature of the PSRP through their joint dialogue with GOT.

Facilitate public demand and participation

37. During PSRPI, PO-PSM put a lot of effort to publicize the PSRP, its objectives and activities. It also used every possible opportunity, public event and debate to ensure that the program was well known. This has worked well and there is a good knowledge of the PSRP in the public. PO-PSM has also put effort on collecting feedback but not in a systematic way. It is also not clear that this feedback has been integrated into re-aligning the program. Early on in PSRPI, service delivery surveys were undertaken and their results were disseminated in the State of the Public Service report. PO-PSM searched for more nimble and less costly ways to seek feedback. However, except for the more visible events, much remains to be done to have in place an effective feedback mechanism linked to the introduction of client service charters and other components. This remains necessary to understand citizens’ needs and perceptions and to adjust the program accordingly. PRAP plans to have more regular interactions and means to invite the public to share its views on service delivery by public servants and to use more fully IEC as tools that can help achieve a better balance in the program.
9. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>[X]</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Pest Management (OP 4.09)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Physical Cultural Resources (OP/BP 4.11)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
<td>[X]</td>
<td></td>
</tr>
<tr>
<td>Indigenous Peoples (OP/BP 4.10)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Forests (OP/BP 4.36)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Safety of Dams (OP/BP 4.37)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Projects in Disputed Areas (OP/BP 7.60)*</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Projects on International Waterways (OP/BP 7.50)</td>
<td></td>
<td>[X]</td>
</tr>
</tbody>
</table>

10. List of Factual Technical Documents


Assessment of the Performance of the Records Management Component of the Public Service Reform Programme, PO-PSM, 2007.


Reforming Tanzania’s Public Administration: Status and Challenges, Report of a Stakeholder Conference, 2004


Programme Budget 2007/08 – 2010/11 (Volume III), Public Service Reform Programme (Phase II), PO-PSM, 2007

*By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

Stakeholders’ Perspectives and Imperatives in the Formulation of PSRPII Strategy, Final Report, President’s Office, Public Service Management (PO-PSM) Public Service Reform Programme, August 2006.

PSRP Results Framework and M&E Strategy (Volume II), Public Service Reform Programme (Phase II), PO-PSM 2007

Detailed Programme Budget 2007/08 – 2011/12 (Volume III), Public Service Reform Programme (Phase II), PO-PSM 2007


11. Contact point
Contact: Denyse E. Morin
Title: Sr Public Sector Spec.
Tel: +255-22-216-3200
Fax: +255-22-2113039
Email: Dmorin@worldbank.org
Location: Dar Es Salaam, Tanzania (IBRD)

12. For more information contact:
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Email: pic@worldbank.org
Web: http://www.worldbank.org/infoshop