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Foreword



When the fourth phase Government stepped into Office, we promised to serve Tanzanians diligently, to provide them with speed and quality services devoid of all forms of malpractices. Our promise was based on the Government's planned activities, programmes and initiatives of all stakeholders guided by the CCM Party Manifesto of 2005.

In the past two years, Government has strengthened various development initiatives and started new programmes towards achieving good lives for all, and to meet our poverty reduction goals as well as the Millennium Development Goals. Along these initiatives, a big push has been put in changing the way public service function in terms of its structure, functions, systems and processes.

Public Service in any country is the engine for growth. A functioning public service will make the Government of the day implement its plans smoothly, thus fulfilling what it promised to its citizens. The public service reforms that the Government has been pursuing since 2000 and which we are still implementing are geared towards having a public service that is efficient, effective and that delivers to the expectations of the people.

The Government is now embarking on a new phase of the public service reforms. As we very well know, expectations of Tanzanians for timely and quality service are very high. The design of this phase has dully taken into consideration such expectations. I urge all public servants to take seriously implementation of this phase of the programme so that the citizens can now vividly see and feel changes in terms of quality, timely and value for money service that they receive from their Government.

His Excellency Jakaya Mrisho Kikwete
PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA

Preface

Tanzania's public service reform has a long and distinguished history. At the time of independence, the emerging nation of Tanganyika inherited a public service designed to serve its colonial roots. The size of government was then small, with a focus on providing services to the colonial population. Reform, therefore, entailed the building of institutional and human resource capacity to respond to the needs of the new nation.

By the early 1990s, a consensus emerged that the shift towards a free-market economy, where the private sector was to serve as the engine of growth, needed to be better reflected in the structure and size of the nation's public service. This consensus was expressed through the Civil Service Reform Programme (CSRP), which was officially launched in July 1991. The Programme, which ran until 1999, focused on cost containment, redefinition of Government's roles and functions and restructuring of the Government.

By the late 1990s, it became apparent that CSRP had limitations in terms of scope and design and the impact it would have on improving the public service. First, the nature of the problem changed. Following significant downsizing and the achievement of macroeconomic stability, the need to impose further cost containment lessened. Second, Tanzania's move towards political pluralism amplified citizens' demands for improved service delivery. Such improvements were unlikely to arise through the CSRP's narrow focus on cost cutting. Thirdly, as public revenue collection increased, such initiatives became less relevant. All of these changes argued for a public service reform initiative that would focus more intensively on service delivery improvements rather than cost cutting.

Public Service Reform Programme(PSRP) phase I which followed CSRP and was implemented from year 2000-2007 successful installed a number of key management systems and processes which will become institutionalised under PSRP II. These achievements have convinced the Government of the need for continuing with the reforms of the public service. The major thrust of phase two of the Public Service Reform Programme (PSRP II) is performance results and accountability. Under PSRP II, major focus will go into making sure that Ministries, Independent Departments and Agencies implement public service reforms through their normal plans.

Hon. Hawa A. Ghasia, (MP.)
Minister of State, President's Office, Public Service Management

Overview

Public Service Reform Programme (PSRP) is being implemented by the Government of Tanzania in order to improve MDAs service delivery and regulatory functions through a more efficient Public Service. Programme implementation is spearheaded by the President's Office—Public Service Management. PSRP is implemented as a series of phases, each having a different theme:

1. PHASE I was implemented from 2000 to 2007 and its thrust was “Instituting Performance Management Systems.”
2. PHASE II, is implemented from 2008 to 2012. Its thrust will be “enhanced performance and accountability.”

PSRP I implementation ended in 2007. The Government has decided that the reform effort should continue beyond this point and that it should continue with a renewed focus and a revised strategic outlook.

In terms of implementation, during Phase I of PSRP, reform activities became fully integrated into the machinery of Government.

Furthermore, under PSRP I, the Government installed a number of key management systems and processes which will become institutionalised during PSRP II. They included:

- A Performance Management System that was introduced in 34 Ministries, and Departments, 21 Regional Secretariats, and 2 Independent Departments. The process included the creation of Strategic Plans, Action Plans, and client service charters, the carrying out of service delivery surveys and self-assessments, staff appraisals, and the establishment of an M&E system;
- A Performance improvement fund that was established to allow Ministries, Departments and Agencies to access additional financial resources in support of strategic initiatives emerging from Performance Management systems;
- The Government harmonised national planning and budgeting processes;
- Twenty four Executive Agencies were launched;
- 48 non-core services, such as grounds' maintenance, security, and cafeterias were successfully outsourced to the private sector;
- The Average pay of Public Servants continued to rise steadily;

- Processes for Human Resource (HR) management (like appointment, transfer, promotion, and appraisal) were re-engineered to promote more decentralised decision making, to move towards a system of position management, and to reduce delays in payroll processing;
- The Public Service Commission began undertaking HR compliance inspections; 33 Public Institutions were inspected and a report was submitted to the President; and
- Subject file management systems were rolled out to 34 MDAs and 39 Local Government Authorities. The process of undertaking a similar reform of personnel records management began and was completed in 7 MDAs.

PSRP II is a logical sequel to the achievements realised during PSRP I. During the course of implementing PSRP I, the following important lessons and broad challenges emerged:

- Aligning the Programme's medium term goals and strategy to the MKUKUTA and ruling party manifesto;
- Sustaining top leadership commitment to the reforms;
- Shifting towards a performance-accountability culture from one which is preponderantly bureaucratic in nature;
- Overcoming resistance to change and inertia;
- Establish better and more constructive partnerships with Non-Governmental Organisations;
- Effective ownership and drive of change programmes by MDAs;
- Harnessing the potential of ICT; and
- Coordination of cross cutting reforms and sector development programmes.

These challenges will need to be addressed in order to ensure that PSRP II becomes effective.

I urge all Public Servants to work together to achieve the goals of PSRP II and improve service delivery to all Tanzanians.

Philemon Luhanjo
Chief Secretary and Head of Public Service

List of Abbreviations and Acronyms

1. CCM Chama Cha Mapinduzi (Tanzania Ruling Party' Name in Kiswahili Language)
2. CD-ROM Compact Disc Read Only Memory
3. CSRP Civil Service Reform Programme
4. D by D Decentralisation by Devolution
5. GDLN Global Distance Learning Network
6. GDP Gross Domestic Product
7. HCMIS Human Capital Management Information Systems
8. HIV/AIDS Human Virus/Acquired Immune Deficiency Syndrome
9. HR Human Resource
10. ICT Information and Communication Technology
11. IEC Information, Education and Communication
12. IMTC Inter-Ministerial Technical Committee
13. JERG Job Evaluation and Re-grading Exercise
14. KRA Key Result Area
15. LGAs Local Government Authorities
16. LGRP Local Government Reform Programme
17. LSRP Legal Sector Reform Programme
18. MDAs Ministries, Independent Departments and Agencies
19. MDGs Millennium Development Goals
20. M & E Monitoring and Evaluation
21. MKUKUTA Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania (Kiswahili version of the National Strategy for Growth and Reduction of Poverty-NSGRP)
22. MOA Ministry, Office, Agency
23. MTEF Medium Term Expenditure Framework
24. MTPP Medium Term Pay Policy
25. MTSBP Medium Term Strategic Budgeting and Planning
26. MTPRS Medium Term Pay Reform Strategy
27. NACSAP National Anti Corruption Strategy and Action Plan
28. NGOs Non-Governmental Organisations
29. NSGRP National Strategy for Growth and Reduction of Poverty
30. OC Other Charges

31. OPRAS Open Performance Review and Appraisal Systems
32. PEFAR Public Expenditure Financial Accountability Review
33. PFMRP Public Financial management Reform Programme
34. PIR Programme Implementation Review
35. PMC Programme Management Committee
36. PO-PSM President's Office, Public Service Management
37. PSRP Public Service Reform Programme
38. RCU Reform Coordination Unit
39. SASE Selective Accelerated Salary Enhancement
40. SBAS Strategic Budget Allocation System
41. TGDLC Tanzania Global Development Learning Centre
42. TPSC Tanzania Public Service College

In recognition of the centrality of the role of the public service, significant investments have been made since 1991 to improve its capacity. Historically, these changes have been spearheaded through a series of Public Service reforms.

By the early 1990s, a consensus emerged that the shift towards a free-market economy, where the private sector was to serve as the engine of growth needed to be better reflected in the structure and size of the nation's public service. This consensus was expressed through the Civil Service Reform Programme (CSRP), which was officially launched in July 1991. The Programme, which ran until 1999, focused on cost containment and the restructuring of Government. During this period some of the main changes included:

- A redefinition of Government roles and functions;
- A Local Government decentralization programme began;
- Executive Agencies were created and non-core services were contracted out to the private sector. The exercise reduced ministries, departments, and units by 25 percent;
- The number of public service employees was significantly reduced from 355,000 in 1992 to 264,000 by end of 1998; and
- Salary levels were enhanced (in real terms) and a more transparent and efficient pay structure was created (by consolidating allowances into basic salaries).

By the late 1990s, it became apparent that the CSRP had limitations in terms of scope and design and the impact it would have on improving the public service. First, the nature of the problem changed. Following significant downsizing and the achievement of macroeconomic stability, the need to

impose further cost containment lessened. Second, Tanzania's moved towards political pluralism which amplified citizens' demands for improved service delivery. Such improvements were unlikely to arise through the Programme's earlier narrow focus on cost cutting. Third, by their very nature, the CSRP reforms were painful to implement. The reforms imposed significant hardship on the general population, for example through the imposition of cost sharing arrangements. Also, as public revenue collection increased, such initiatives became less relevant. All these changes argued for a public service reform initiative that would:

1. Focus more intensively on service delivery improvements rather than cost cutting; and
2. Be implemented by Public Servants, within the structures of Government.

Public Service Reform Programme (PSRP I): 2000-2007

Public Service Reform Programme Phase I (PSRP I) whose implementation was designed in pursuit of the above demands and in line with the Public Service Management and Employment Policy of 1999 was implemented from 2000 to June 2007. Its thrust was "Instituting Performance Management Systems."

PSRP I Mode of Implementation

During PSRP I, reform activities became fully integrated into the machinery of Government. While most of the reform efforts were implemented by Ministries, Departments, and Executive Agencies, the Programme was managed through the President's Office—Public Service Management (PO-PSM). During PSRP I, the overall capacity to implement and coordinate reforms improved significantly. In terms of finances, the Programme was operationalised through a basket funding arrangement, with contributions from the Government of Tanzania and four Development Partners.

PSRP I Main Results and Achievements

The main results of implementation as well as achievements include the following:

In terms of implementation, PSRP I installed a number of key management systems and processes which will become institutionalised during phase II. These included:

- A Performance Management System was introduced in 34 Ministries, and Departments, 21 Regional Secretariats, and 2 Independent Departments. The process included the creation of Strategic Plans, Action Plans, and client service charters, the carrying out of service delivery surveys and self-assessments, staff appraisals, and the establishment of an M&E system;
- A Performance Improvement Fund was established to allow Ministries, Departments and Agencies to access additional financial resources in support of strategic initiatives emerging from Performance Management systems;
- The Government harmonised national planning and budgeting processes;
- Five new Executive Agencies were launched; The capacity of the 20 previously launched agencies was significantly strengthened;
- 48 non-core services, such as grounds' maintenance, security, and cafeterias were successfully outsourced to the private sector.
- The Average pay of Public Servants continued to rise steadily. For example, from September 2000 to July 2006, gross wages increased by an average annual rate of 19.6% in Shillings and 10.2% in US Dollars. Pay increases between June and July 2006 have put salaries back in line with their Medium Term Pay Policy Targets. During the 2006/07 budget exercise allowances traditionally used on travel, workshops and other expenses were incorporated into basic salaries;
- Processes for Human Resource (HR) management (like appointment, transfer, promotion, and appraisal) were re-engineered to promote more decentralised decision making, to move towards a system of position management, and to reduce delays in payroll processing. Initial steps to computerise HR processes were undertaken in 10 Ministries and Independent Departments;

- The Public Service Commission began undertaking HR compliance inspections; 33 Public Institutions were inspected and a report was submitted to the President; and
- Subject file management systems were rolled out to 34 Ministries Independent Department and Agencies (MDAs) and 39 Local Government Authorities (LGAs). The process of undertaking a similar reform of personnel records management began and was completed in 7 MDAs.

Public Service Reform Programme Phase Two (PSRP –II): 2008-2012

The logical connection between economic growth and improved welfare on the one hand, and the governance of the Public Service on the other, has been recently reasserted through the Government's National Strategy for Growth and Reduction of Poverty (NSGRP) also known in Kiswahili as ***Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania (MKUKUTA)***. As a framework, the MKUKUTA guides national planning efforts. It links the longer term Millennium Development Goals (MDGs), as expressed in Tanzania's Vision 2025, to institutional plans. Related to this, MKUKUTA provides a means to ensure priorities are reflected in the budget. PSRP figures prominently in the content of MKUKUTA.

Lessons Learned in PSRP I Implementation

During the course of implementing PSRP I, a number of important lessons were learned. Key issues and broad challenges emerged that need to be addressed in order to ensure the effectiveness of PSRP II. These challenges are:

- Aligning the Programme's medium term goals and strategy to the MKUKUTA and ruling party manifesto;
- Sustaining top leadership commitment to the reforms;
- Shifting towards a performance-accountability culture from one which was preponderantly bureaucratic in nature;
- Overcoming resistance to change and inertia;
- Establish better and more constructive partnerships with Non-

Governmental Organisations;

- Effective ownership and drive of change programmes by MDAs;
- Harnessing the potential of ICT;
- Coordination of cross cutting reforms and sector development programmes; and
- Stronger incentives to change, in order to ensure reform reaches below the surface, into substantive levels of service delivery.

Keys to Success for PSRP II

The following aspects are crucial for the success of PSRP II:

Sustaining top leadership commitment to the reforms

PSRP envisions a fundamental change in the way Government does business. To support this change, leaders must perceive the relevance of the PSRP and the PSRP must produce clear and identifiable results that politicians can present to their constituencies.

A shift towards a performance-accountability culture

Weak accountability, especially on the demand side, emerged as a cross cutting issue throughout PSRP I. Related to this, there was an inadequate focus on developing Central Government bodies with supervisory, standard-setting, regulatory, monitoring, and inspection roles.

Overcoming Resistance to Change and Inertia

People are the key to any changes in an organisation. They can either make an organization succeed or fail depending on how they perceive those changes especially in terms of their benefits or risks to their positions. Adequate incentives to change will be required, as people will always ask themselves “what is in it for me?” when changes are introduced in an organization. In order to facilitate deep and meaningful change the right people will need to be in the right place at the right time.

Establish better and more constructive partnerships with Non-Governmental Organizations

To improve service delivery in a resource constrained country such as Tanzania, and where Government policy underscores the need for partnership with other actors in sharing the load of social economic development as well as getting feedback on performance, there is need to establish better and more constructive partnership with non-governmental organizations.

Effective ownership and drive of change programmes by MDAs

First, to be more effective, reforms need to be more strongly owned by the Ministries, Independent Departments and Agencies (MDAs) who ultimately implement them. During this phase, PO-PSM, as the coordinator of public service reforms, relied too heavily on a supply driven approach. There was inadequate consultation with MDAs, whose participation in the planning and implementation of reforms was limited. Ownership was further undermined by the monolithic and rigid approach adopted, where all MDAs were assumed to be homogeneous and to have identical needs.

Harnessing the Potential of ICT

The information revolution presents a tremendous opportunity for improving the efficiency of service delivery and for bringing services closer to people. However, introduction of ICT in government for improving service delivery faces three main challenges. First, there are substantial technological costs involved. Second, ICT requires specific management capacities and skills. Third, there is a tendency for technology to take over their underlying processes, and to become an end in and of itself. It is essential that the link between ICT and service delivery be strongly maintained.

Coordination of cross cutting reforms and sector development programmes.

Currently, institutional arrangements for coordination are not clear in terms of responsibilities and mandate. There is a need to harmonise interventions across reform programmes, to integrate them into national planning, monitoring and evaluation and reporting frameworks, and to remove unnecessary duplications.

Vision of the Future Public Service

The Vision of the public service of the future, which was articulated during the inception of the PSRP I, is still valid and states Tanzania public service will be:

“a national institution of excellence that plays a pivotal role in achieving sustained economic growth and prosperity, and eradication of poverty in the 21st Century”

Programme Goal

The PSRP Goal is to ensure that:

MDAs deliver improved services (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

Key Change Drivers

A “change driver” is an external stimulus which influences the Programme’s justification and design. A number of key drivers are pushing PSRP II, including:

- **MOMENTUM:** there exists a strong will for the continued and long term transformation of the public service. During the past six years the installation of tools, processes, and instruments has generated expectations, both on behalf of citizens and public servants that the reform process will continue.
- **VISION 2025 AND MKUKUTA** spells out Tanzania’s priorities in its fight against poverty and in its efforts to raise the standard of living, quality of life, and welfare of its citizens. Of necessity to achieving

these noble objectives requires continued focus on improving the public service.

- **POLITICAL CHANGE:** the third driver is the commitment of the current Government to the citizens. The public service is under increasing pressure to effectively support the Government to deliver on the campaign promises made during the run-up to the election of 2005. These commitments concerned the levels and quality of service delivery, its speed, and the need for increased accountability and responsiveness. The clarion call of the Fourth Phase Government of President Jakaya Kikwete is to serve Tanzanians with “renewed zeal, vigour, and speed” (*ari mpya, nguvu mpya, na kasi mpya*). The performance of the public service has to manifest this change, hence the need for its continued transformation.
- **RESULTS AND ICT:** During the last decade two developments are impacting on the way Governments operated. First, the public service all over the world is being increasingly expected to be accountable for results and to report these results to the public. This also includes increased demands on how monies are spent and what effect these expenditures have on service delivery and welfare. Second, the ICT revolution is offering tremendous opportunities to Governments to improve the efficiency of their internal operations, their ability to interface and relate to citizens in terms of information as well as access and quality of services.

Strategic Imperatives

The success of PSRP II will hinge on the following six key issues. These imperatives are programme wide and underlie the design of the programme:

1. Political support and commitment at the top levels;
2. A commitment to decisively impact on service delivery;
3. A strong pro-growth and anti-poverty focus;
4. Effective coordination of public sector reforms;
5. MDAs ownership of the reform agenda; and
6. Effective use of M&E results.

Effective Coordination of Cross Cutting Reforms

During PSRP I it was recognised that there was need to coordinate the reform efforts of the various high profile central cross-cutting reforms by setting up a number of coordinating committees and the appointment of an adviser on reform coordination. While these efforts did go some way in increasing coherence and convergence among the reforms, some problems remain.

In PSRP II, it is imperative that these problems are significantly reduced. Therefore, the alignment and coordination of these programmes require

significant strengthening to ensure that their implementation is smooth and effective, in order to improve service delivery. To achieve this, the Government will:

- Facilitate efforts to strengthen monitoring of implementation of all central reforms through a steering committee of Permanent Secretaries as well as a Reform Coordination Unit in the Office of the Chief Secretary;
- Integrate activities of cross cutting reforms into MDAs strategic and operational plans. In this regard the Government has prepared a Reform Coordination Framework which will be used to harmonise the cross cutting reforms and integrate them into sector development

CROSS CUTTING REFORM PROGRAMMES

LEGAL SECTOR REFORM PROGRAMME: Aims to improve legislation, independence of Legal Sector institutions, streamline and strengthen prosecution and investigative systems, promote Human Rights and access to justice, and build capacity of legal professionals.

LOCAL GOVERNMENT REFORM PROGRAMME (LGRP): aims to improve performance by local governments, build their capacity, and promote decentralization by devolution (the transfer of powers, functional responsibilities and resources from Central to Local Government).

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAMME (PFMRP): Aims to enhance the capacity for achievement of macro-economic stability and best practices in public accounting, budgeting and financial management policies and practices

BUSINESS ENVIRONMENT STRENGTHENING FOR TANZANIA (BEST): Aims to produce an enabling environment for the private sector.

NATIONAL ANTI-CORRUPTION STRATEGY AND ACTION PLAN (NACSAP): Aims to reduce corruption by providing resources to Government institutions to prevent and fight corruption.

programme activities through the Medium Term Strategic Planning Budgeting (MTSPB); and

- Encourage managers of cross cutting reform programmes to meet regularly in order to harmonise their interventions and remove unnecessary duplication.

MDAs ownership of the reform Agenda

The stakeholders' perception review suggests that during PSRP I, reform interventions were perceived to be owned and driven by PO-PSM. In PSRP II, it is imperative that the situation must change and MDAs must own and drive the reforms. This will entail MDAs prioritizing, designing, and customising their PSRP interventions with PO-PSM increasingly assuming a more facilitative role.

To further ownership, PSRP II will be better integrated into the work of MDAs, through the planning and budgeting mechanism which will explicitly link PSRP interventions to MDAs plans using the MDAs' Medium Term Strategic Planning and Budgeting (MTSBP).

Monitoring and Evaluation (M&E) and Information and Communication Technology (ICT)

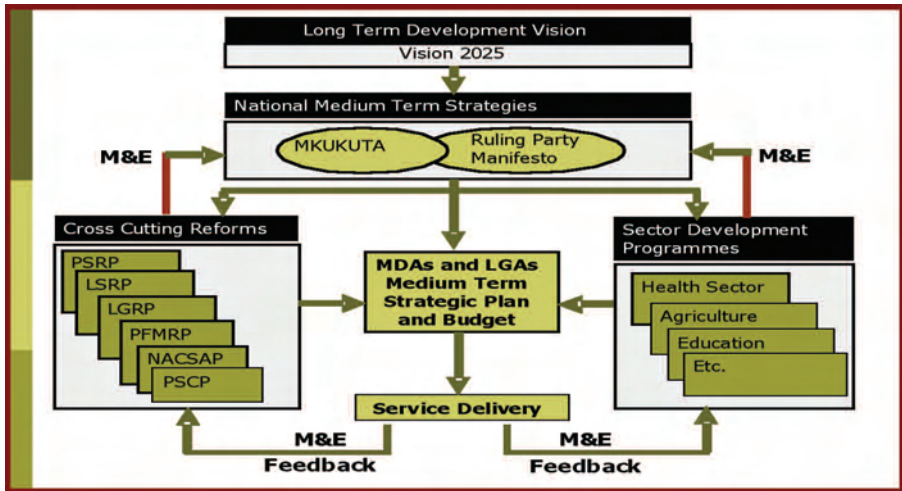
In light of recent developments in terms of results-based management and ICT, PSRP II will need to pay particular attention to monitoring, evaluation, the reporting of results to the public, as well as the promotion of ICT in support of improved administration and service delivery. Because of their cross-cutting nature, failure to do so will put at risk the public service transformations envisioned in the PSRP II Strategy.

Coordination of PSRP Interventions With Other Cross Cutting Reforms.

In addition to PSRP, there are other cross cutting reforms which are intended to improve the internal capacities and efficiencies of MDAs with a view of improving their service delivery objectives.

As part of PSRP II implementation methodology, Government will require the various cross-cutting reform interventions to be increasingly:

- Driven by MDAs needs and priorities; and
- Integrated into MDAs Medium Term Strategic Plans and Budget.



REFORM COORDINATION FRAMEWORK

PUBLIC SERVICE REFORM PROGRAMME- PHASE TWO ORGANISATION

PSRP II intermediate outcomes have been grouped into seven Key Results Areas (KRAs). These are:

- KRA 1: Systems to Support Service Delivery;
- KRA 2: Policy Development;
- KRA 3: Pay, Incentives and Rewards;
- KRA 4: Accountability and Responsiveness to the Public;
- KRA 5: Management of Public Servants;
- KRA 6: Leadership Development; and
- KRA 7: Change Management and Reform Coordination.

During Phase I the focus was on installing systems, structures, and processes to support MDAs' regulatory and service delivery functions. The main interventions included: installing Performance Management Systems, forming and strengthening Executive Agencies, restructuring, Private Sector Participation, Business Process Improvements, and the installation of systems, technologies, and capacities to better manage information.

Outcomes and Interventions for KRA 1

The overall goal of these interventions under PSRP II is to put in place systems, processes and structures that enable each MDA to develop the capacity and perform efficiently and effectively in service delivery. To achieve this goal, the following outcomes are planned:

- Reduced bureaucracy and red tape in the delivery of services;
- Improved Systems and structures to enhance access and efficiency of service delivery;
- Efficient delivery of internal operational and administrative services in MDAs; and
- Improved management of information that supports service delivery.

The following broad interventions will be needed to achieve the planned outcomes:

- Institutionalise Performance Management Systems;
- Restructure MDAs and re-engineer service delivery;
- Outsource internal non-core services;
- Promote E-government and knowledge management systems; and
- Improve the management of records that support service delivery.

As part of the restructuring and reorganization of Government functions, Central Government will focus on policy development, the creation and monitoring of standards, and other regulatory work. Service delivery is increasingly being delegated, decentralised, or shared with other actors.

Although there were some efforts during PSRP I to build the Government's policy development capacities, interventions in this area tended to be tangential and received inadequate focus.

Issues and Challenges

In terms of current policy development, a number of inadequacies are in evidence. First, there are many key areas which lack policies and regulation. Second, policies and regulations tend to be of uneven or of inadequate quality. Third, policies may be conflicting or inconsistent. For example the policy of Decentralization by Devolution (D by D) is, in some cases, in conflict with sector policies. Finally, policies, rules, regulations or standards tend to be weakly enforced and adhered to. There are a number of underlying causes of these policy-inadequacies, which include:

- The mechanisms and processes to develop, coordinate, and evaluate policies at both the MDA and Central levels are weak;
- Lack of clarity concerning the responsibility for guiding the policy process;
- The structures in certain sector Ministries are not consistent with their policy development and regulatory functions; and
- Involvement and participation of the public and their representatives in the policy development process is inadequate.

Planned Intermediate Outcomes

The KRA outcomes would make sure that:

- Policies are effective, feasible and consistent within and across sectors;

- MDAs proactively develop and oversee implementation of policies that support national development goals and strategies;
- There is improved M&E system for policy implementation established & operational by Cabinet Secretariat; and
- Make sure that there is quality policies that are feasible effective and consistent within and across sectors by the end of the programme.

Broad Interventions to Achieve the Outcomes will include:

- Strengthen Central institutions and the Cabinet Secretariat in policy development;
- Enhance policy development capacities within MDAs; and
- Improve the climate for participatory policy development.

In recognition of the importance of pay and incentives to the improvement of service delivery, the Government has adopted a Medium Term Pay Policy (MTPP) as part of PSRP I. The policy was intended to guide action on pay across MDAs, RSs and LGAs. To implement the policy, a Medium Term Pay Reform Strategy (MTPRS) was adopted. This MTPRS consists of three main elements:

1. The adoption of a medium term target salary structure that systematically enhances pay for all public servants. Annual salary adjustment plans were proposed for achieving the medium-term target salary structure;
2. The undertaking of a Job Evaluation and Re-Grading (JERG) exercise expected to facilitate improved links between pay and performance. Among others, the JERG was expected to result in improved pay of professional and technical staff relative to others in the Civil Service; and
3. The adoption of a Selective Accelerated Salary Enhancement (SASE) scheme, which targeted salary enhancement to key professional, technical and managerial personnel whose efforts were critical to the improving service delivery, managing the reform efforts, and producing strategic government output.

The following significant results have been registered since the launch of the MTPRS:

- In terms of pay increases, the average monthly wage has risen from TSh 75,560 in September 2000 to TSh 214,180 in July 2006. Even in dollar parity terms, this translates to an average annual rate of increase of 10.2%
- Actual wages, as of July 2006 were 96.5% of the levels implied by the MTPRS targets while 65% of all eligible public servants received salaries equal to or in excess of their targeted levels; and
- The Selective Accelerated Salary Enhancement (SASE) Scheme for key

professional, technical and managerial personnel supported recruitment, retention and motivation of staff in several agencies during the period.

Progress in the implementation of this strategy took place much slower than had been planned at the start of PSRP I. However, in July 2006, at the turn of the 2006/07 financial year, significant increases in pay were realised, and pay targets were almost met. Work on the consolidation of non-incidentally allowances into salaries, which started in the mid-1990s to achieve a more transparent pay structure, was completed. On the other hand problems remained with regard to incidental allowances which have been a rising share of other charges (OC), as analytical work taken under the Public Expenditure and Financial Accountability Review (PEFAR) indicates. In recognition of this problem, Government appointed a Taskforce to review the problem and recommend appropriate measures. The measures recommended by the Taskforce will inform the budget frame for 2007/08 to 2009/10.

Despite these successes, Tanzania's public service pay remains uncompetitive and compressed thereby hindering the recruitment and retention of qualified and experienced technical and managerial professionals in the public service. Tanzania's Fourth Phase Government recognizes the importance of public service pay reform and on inauguration, the President H.E Jakaya Mrisho Kikwete, 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”.

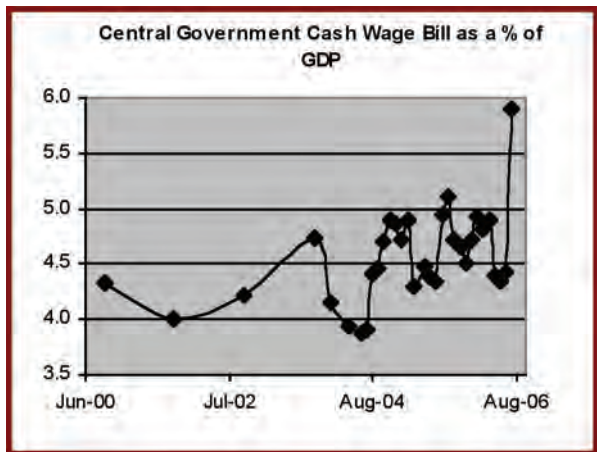
In May 2006 the President appointed members of the Commission. The Commission has worked closely with President's Office - Public Service Management (PO-PSM) to complete its. This KRA will support the implementation of Commission's recommendations and the subsequent decisions of Government.

Main Issues and Challenges

During PSRP I, increases in pay have been financed through the growth of the economy as well as deliberate decisions to increase the wage bill to GDP ratio. Historically, the size of the wage bill had never risen to the levels anticipated in

the strategy. Using the conventional measure of wage bill as a percentage of the Gross National Product (GDP), the size of the public service wage bill remained relatively constant until July 2006.

The Phase IV Government is committed to increasing public servants' remuneration.



Planned Outcomes and Interventions

The basic goal of the interventions under this KRA is to accelerate the pace of pay reform in the context of the Medium Term Pay Strategy to enable Government to recruit and retain a critical mass of technical and professional personnel, as well as to motivate the entire public service.

Planned Intermediate Outcomes under this KRA include:

- A motivated, disciplined and ethical public service;
- Ability of Government to recruit and retain a high level of competence and talent;
- Public servants have a smooth transition to retirement; and
- Government capacity for addressing pay issues strengthened

Broad Interventions

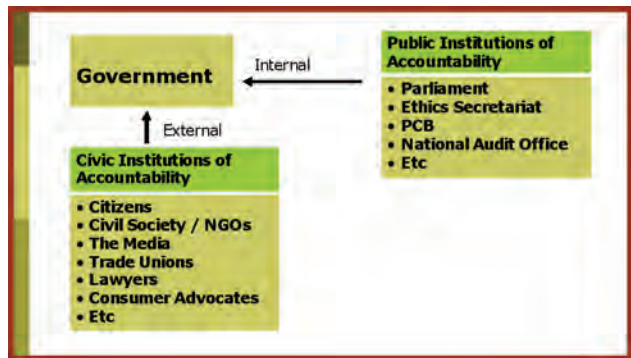
In order to achieve the planned outcomes, the following broad interventions will be implemented:

- Support Implementation of the Recommendations of the Presidential Commission on Pay;
- Develop and implement a central performance based rewards and incentives systems; and
- Review the planning and budgeting framework to allow flexibility in allocation of resources between Personnel Enrollment; Other Charges (PE,OC) and Development budget resources.

Without accountability no large organization – be it private or public could function effectively. Accountability is the obligation to answer for or be responsible for one’s actions, ultimately to a party or authority that may impose a penalty for failure. In the case of the Government, the challenge is to make all Public Servants working towards the common objective of delivering improved services to citizens and to ensure that these services meet the standards and quality citizens expect. Such accountability is enforced both within Government (horizontally, on the supply side, between bodies) and between government and citizens (vertically or on the demand side).

The Place of Accountability in PSRP II

PSRP I focused on the installation of mechanisms for securing enhanced levels of accountability in the public service at both institutional and individual levels. This involved the installation of systems and tools for strategic planning open performance review



INSTITUTIONS OF ACCOUNTABILITY

and appraisal and client service charters. It also entailed instituting new rules and regulations for securing enhanced discipline and ethical conduct within the public service.

In PSRP II, three main Avenues for Enhancing Accountability will be Addressed:

Accountability to citizens: without citizens and their representatives clamoring and lobbying for improved services, PSRP's impact will be negligible. During this phase, the programme will stimulate demand for service delivery improvement and facilitate the use of systems, such as complaints handling mechanisms, to improve the interface between service providers and service users.

Accountability across Government: this occurs where one public institution holds another accountable. In PSRP II, these are built through reporting and accountability frameworks, the development of compliance inspection processes, roles, and systems, and the capacity development of internal institutions of accountability.

Accountability within an organization: typically this will be between headquarters and decentralised service delivery posts or between individuals (such as the appraisal process)

Planned Outcomes and Interventions in KRA 4

In recognition of the seriousness and continued prevalence of problems in that area, the Fourth Phase Government, which assumed office in December 2005, has "accountability and responsiveness" as its main theme and has zero tolerance to public service officials who do not take the commitment seriously.

Planned Intermediate Outcomes:

- Citizens and clients are increasingly aware of the availability of public services and their rights to access them;
- Louder voices in demanding for better access and quality of services;
- Public Servants listen better; they are courteous and responsive;
- Increased propensity by Public Service managers to share information; and
- Increased propensity by Public Servants to be accountable for service delivery results.

Broad Interventions to Achieve the planned Outcomes

1. Strengthening the demand side of accountability for service delivery;
2. Create and Enhance Channels for Feedback from Citizens and Clients;
3. Strengthen the capacity of Ethics oversight and compliance institutions;
4. Strengthen Internal Accountability Mechanisms within Government;
5. Promote Ethical Conduct in the Public Service; and
6. Strengthen the capacity of the Public Service Commission in the performance of the oversight role and functions.

One of the major achievement of PSRP I was to modernize the management of the public service. 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. PSRP I operationalised the policy. This KRA will continue to deepen and make available appropriate Human Resource (HR) systems and tools that would effectively enable MDAs to have an optimal, adequate and competent staffing capacity.

7.1 Interventions and Results during PSRP I

During PSRP I, the Public Service Management and Employment Policy was operationalised. This entailed:

- Providing legal underpinnings related to division of responsibilities between central managers of public servants and those who supervise them directly. In this regard the Public Service Act No. 8 of 2002 and supporting regulations were promulgated. The Act introduced decentralised employment in Government and established an independent Public Service Commission as its main regulatory body. Key processes described in the Act include recruitment, promotion, staff appraisal, and disciplinary action. A major achievement in the area of Performance Management was the introduction and adoption of the Open Performance Review and Appraisal System (OPRAS) which replaced the Confidential Performance Appraisal System.
- Computerisation of the management of HR. This involved installing an integrated HR and payroll management system. The aim was to develop the Human Capital Management Information System (HCMIS) from payroll management into HR Management. In this regard a review of HR business processes was undertaken which

recommended simplification and systematisation of HR processes. It also included extending the HCMIS to cover additional functionalities including recruitment, training, leave, disciplinary action, OPRAS and five different processes of salary administration. The redesigned HR processes will later on be computerised as part and parcel of a decentralised HCMIS. A decision to decentralise the management of the HCMIS to MDAs, RSs and LGAs was taken in PSRP I, and the current system was rolled out to an initial ten Ministries.

- Addressing the skill and competency levels of public service personnel through training. PSRP aimed to strengthen leadership and management capacity within the Public Service and to facilitate MDAs to better develop their own human resources. To address deficiencies in leadership, management and private sector facilitation, PSRP trained higher and middle level government employees, through both a supply and a demand-led approach. Through those interventions, more than 7,500 public servants have been trained in leadership development, customer care, OPRAS, Records management, and other relevant management related areas.
- To help MDAs manage the HR development process, a wide variety of tools and processes were created and rolled out. These include: an HR development (training) policy, competence framework. Supply and Demand Surveys still under development by the time this book was completed in January 2008, training needs assessments (in use in 11 MDAs), training plans (in use in 9 MDAs), Training Impact Assessments (still under development), and succession plans (still under development).
- The establishment of the Tanzania Public Service College (TPSC) and the Tanzania Global Development Learning Centre (TGDLC). The former focuses on management and leadership training for middle and senior level public service personnel while the latter focuses on providing opportunities for learning through a virtual learning environment.
- In the area of Diversity Management two areas were dealt with: promotion of gender equality and combating HIV/AIDS. As a result of

those interventions the percentage of women in top management positions has reached 29.1% in 2007 against the target figure of 30%. Based on a situation analysis an HIV/AIDS Management Policy in the Public Service was prepared and is ready for implementation.

Future Challenges in the Management of Public Servants

A review of the interventions over the period of implementation of PSRP I suggest that despite efforts undertaken under this phase, there are still significant challenges in this area. These include the following:

- Continued weaknesses in the management of the Human Resource (HR) function in the public service. These are reflected in the fact that most MDAs are failing to undertake strategic HR functions such as human resource planning and the preparation of needs-based training and development plans;
- While opportunities for training has increased through the starting of new universities (public and private), and expansion of existing institutions, the demand for skilled personnel continues to expand fast. Secondly as indicated earlier, the ability of the public service to attract and retain highly skilled professional remains a problem. Third, because of the freeze in recruitment within the public service during the 1990s, many officers at senior levels will retire en masse and their replacements might not yet have the requisite experience. Finally the attrition within the public service caused by the HIV/AIDS pandemic is severely affecting the public service skill base. The combined effect of those four factors poses a major challenge to the Government;
- Continued gender imbalances in decision-making positions throughout the public service;
- Despite the provision of the Public Service Act No. 8 of 2002 and consequential regulations which call for a decentralised HR management regime, there are still major impediments to realising those intentions. This is due to, resistance and inertia at the centre, as well as low capacity (in terms of ability to understand rules, regulations and rights) in MDAs, RSs and LGAs;

- The application of the new regulations under the Public Service Act No. 8 of 2002 which were intended to support meritocratic values seem to have been crudely implemented and are acting as a demotivating influence;
- Introduction of the Open Performance Review and Appraisal System (OPRAS) which was also intended to advance merit principles, has run into a number of difficulties. These include its standardised nature and inapplicability to certain job groups; a perception that it does not link to improvements in rewards; and the difficulty of undertaking objective assessments in situations where possibilities of collusion might be prevalent.

During PSRP II, government will implement the following broad interventions:

- Strengthen and decentralise HR processes and systems, especially in terms of recruitment, appraisal, HR planning and training;
- Combat HIV/AIDS in the workplace;
- Manage diversity in the public service;
- Strengthen the management of HR information;
- Transform HR administrators into HR managers; and
- Strengthen local training institutions to provide the courses needed for improving public service performance.

Planned Outcomes and Broad Interventions

The overall goal of this Key Results Area is to develop and make available appropriate HR systems and tools that effectively enable MDAs to have an optimal, adequate and competent staffing capacity.

Planned Intermediate Outcomes

The following outcomes are expected:

- Optimal and adequate staffing levels to effectively support service delivery;
- Efficient and effective use of Human Resources;

- A public service with state of the art skills and competence;
- HIV/AIDS infection rates reduced in the public service;
- Public Servants with HIV treated with dignity and fairness;
- Welfare of Public Servants with HIV improved;
- Recruitment processes result in the selection of the best available candidates;
- Training interventions result in improved knowledge, skills, and job performance;
- Public Service composition reflects the diverse character of the nation; and
- Recruitment, appointment, appraisals, and promotions based on merit

Broad Interventions To Achieve the Outcomes

In order to achieve the outcomes under this KRA, the following broad intervention will be implemented:

- Strengthen and decentralise HR processes and systems, especially in terms of recruitment, appraisal, HR planning and training;
- Combat HIV/AIDS in the Public Service;
- Manage diversity in the public Service;
- Strengthen the management of HR information;
- Transform HR Administrators into HR Managers; and
- Strengthen local training institutions to provide the courses needed for improving public service performance.

Key Results Area 6: Leadership Development

Effective leadership, is, and will always be an important determinant of an institution's performance. Leadership can powerfully influence an organisation's culture. What leaders do, how they react in extreme or high profile situations, how and where they spend their time, how they allocate resources, and what they tolerate, encourage, and condemn can all have a significant impact on the behavior of Public Servants.

The future public servant in Tanzania will need a broad and different range of skills and competencies. Leaders will need to be more entrepreneurial; in Government they will need to work more closely and better with NGOs and the private sector. Leaders will need to mentor; they will exert power differently, by setting a general direction, determining goals and mobilizing others. The leaders of the future public service will need to

HIGHLIGHTS OF THE PRESIDENT'S SPEECH ON PUBLIC SERVICE LEADERSHIP

A selection of the leadership capabilities spelt out by His Excellency President Jakaya Kikwete at the Opening ceremony of the five-days Induction Seminar for Regional Commissioners, District Commissioners and Regional Administrative Secretaries at the Ngurdoto Mountain Lodge, Arusha:

- Be exemplary and avoid bad manners and unbecoming behaviour in the eyes of public;
- Use powers prudently and never abuse these powers by being corrupt, misappropriating public funds and property and being revengeful;
- Obey laws, rules and regulations governing day to day government activities. Listen to your assistants but do not be indecisive;
- Develop a good level of public relations (PR) with the public and subordinates;
- Act promptly on problems that face the citizenry;
- Be self-innovative, hard working and not bureaucratic. Meet the public at grass-root level frequently;
- Revive the spirit of Self-Reliance; and
- Instill in people knowledge that the government can not do everything for them.

demonstrate abilities of openness, innovation, creativity and adaptability to changing situations.

Challenges

During PSRP I leadership was addressed as an issue relating to training. The interventions involved providing skills and changing attitudes among public servants. During PSRP II, the focus will be on identifying, creating and developing leaders for the Public Service. In this endeavor training will only be one of many inputs.

The challenges relating to the leadership question in Tanzania which will need to be taken into account both in designing and implementing this KRA include the following:

- The current crop of people holding leadership positions is aging enmasse. The challenge facing the Government is to develop individuals in the public service with leadership potential to facilitate movement to higher positions.
- Fussiness and lack of clarity on attributes and competencies required for effective public service leadership in the Tanzanian context. This issue complicates any exercise aimed at identifying leadership potentials; and
- The environment within which public servants have to exercise their leadership responsibilities is changing rapidly and becoming more complex. Citizens are better informed as a result of the ICT revolution and as a result are demanding their rights. Furthermore Government no longer has a monopoly of governance functions. It is now sharing it with other players. This further complicates the already fuzzy situation referred to above.

Planned outcomes and Broad Interventions in KRA 6

The planned outcomes in this Key Results Area revolve around having the Tanzania Public Service leadership occupied by persons who are visionary, entrepreneurial, accountable and transparent, and who show a high degree of integrity.

Planned Intermediate Outcomes

- Leaders who envision and initiate strategic changes, are entrepreneurial and enable the realization of the national development goals, promulgated in MKUKUTA and the ruling party manifesto;
- Leaders who inspire, guide, and manage their organizations to improve service delivery; and
- Leaders who demonstrate accountability, integrity and transparency.

The broad interventions to achieve these outcomes are:

- Identify, develop and nurture leadership capacities of Public Service managers;
- Recognise and reward exemplary leadership; and
- Organise and deliver top leadership training programmes.

Key Results Area 7: Change Management and Reform Co-ordination

The objective of this KRA is to ensure that the outputs of the reform are being realised in an efficient and effective manner. It is concerned with ensuring that the Public Service Reforms Programme (PSRP) and its coordinating agency – President's Office, Public Service Management (PO-PSM) and the Ministries, Independent Departments and Executive Agencies (MDAs) implementing it are provided with and in a timely manner an appropriate institutional arrangement, adequate human resource capacity, financial resources, facilities, equipment and tools in a timely manner.

Under PSRP I this objective was addressed through the Programme Management, Coordination, Monitoring and Evaluation component. However, in addition to dealing with the generic function, the component had other objectives which were intended to mainstream PSRP implementation into the Government structure and to make it more interactive with MDAs and across Government reform programmes on generic and non-generic objectives. This second set of objectives envisioned the following:

- MDAs were to increasingly own the PSRP reform and play a lead role in its implementation;
- Implementation was to be mainstreamed into the Government's own structures. At PO-PSM the enclave Secretariat was to be disbanded and implementation of reform activities integrated into its structure;
- Placing emphasis on enhancement of cohesion and synergy among the various PSRP components;
- Greater coordination of PSRP with the other public sector reforms (PFMRP, LGRP, and LSRP);
- Strengthening capacity to monitor implementation and report on results; and
- Increase awareness of the reforms and their outcomes to stakeholders, including politicians and citizens through Information,

Education and Communication (IEC) activities.

PSRP I Results and Challenges

The results of PSRP I interventions, over the last six years can be summarised as follows:

- The mainstreaming of PSRP into PO-PSM structures has been effective;
- The capacity of the Government structures to design and implement reform activities outside the enclave of Reform Secretariat has improved significantly. Recent independent studies quote Tanzania as one of the best examples in good practice in managing public service reform in developing countries;
- There is improved coordination between and among the various components in implementation of reform;
- There is greater cooperation among various reform programmes than was the case before although the reforms still operate as SILOS;
- Also efforts to coordinate reform efforts between PSRP, PFMRP and LGRP have led to greater integration of Planning and Budgeting; (i.e. Between MKUKUTA, Strategic Planning and MTEF);
- Efforts aimed at awareness and ownership of the PSRP at the political and citizen level focussed predominantly on supplying of information and some progress has been achieved in that regard. The Stakeholders consultancy report suggests that there is enhanced awareness of PSRP objectives and results.
- The objective of having MDAs drive and own PSRP reform interventions has been least achieved; with most MDAs still considering PSRP reforms that have been installed to be “PO-PSM reforms.” Focusing on changing those attitudes is an imperative.

Planned Outcomes and Broad Interventions in Terms of Managing Programme Implementation

This KRA is designed to ensure that (1) PO-PSM and MDAs are efficiently provided with administrative and logistical support services to enable them to implement reforms effectively, (2) the new thrust of the programme—

“enhancing performance and accountability” as well as the changed implementation methodology which involve MDAs driving the reforms—is effectively implemented. The main attributes of this approach are as follows:

- Reforms will be MDA-led;
- Reforms at MDA level will be integrated into the Government’s planning, procurement, and financial management processes;
- Governance arrangements will better ensure the programme’s design and management respond to the needs of MDAs; and
- PSRP will be better coordinated with other cross cutting and sector reform programmes.

Planned Intermediate Outcomes includes:

- PSRP implementation process is owned and predominantly driven by MDAs;
- Synergies and coordination are realised amongst Public Sector reforms;
- Awareness and appreciation of the PSRP is achieved across all levels of Government; and
- PSRP is efficiently managed.

Broad Interventions to Achieve the Outcomes are:

1. Ensure MDAs lead and drive the reforms, using Government processes and procedures;
2. Improve the governance of PSRP to achieve greater efficiency and accountability in programme implementation;
3. Enhance coordination among cross cutting reforms;
4. Strengthen the awareness, participation and commitment to PSRP at all levels;
5. Manage and Administer PSRP in compliance with established procedures and in order to achieve results; and
6. Support public service reform in Zanzibar.

Public Service Reform Programme Phase Two (PSRP II) will largely be implemented through a new approach aims to:

- Increase the relevancy and ownership of reforms by MDAs;
- Better connect reform interventions to service delivery improvements, and thus ensure reforms are linked to national development programmes, such as MKUKUTA; and
- Given the large number of reforms being implemented by public institutions, better coordinate the reforms and ensure their complementarities.

The approaches that will be used to meet these objectives include:

- Employing an integrated, MDA led-approach that enables MDAs to select, plan, implement, and monitor their own reform packages. Using this approach: (1) PO-PSM will play a more facilitative and supportive role and (2) PSRP initiatives, at MDA level will be mainstreamed into the Government's planning, budgeting, and performance reporting processes as well as the Government's accounting and exchequer system;
- Improving PSRP Governance arrangements to facilitate accountability between Programme management and its clients or stakeholders; and
- Coordinating Reforms through a Reform Coordination Unit to be established in the Chief Secretary's Office and through the Government's planning and budget process.

This chapter provides descriptions on how the programme will be implemented. It addresses (1) the integrated MDA-led approach (2) internal programme organization and governance arrangements and (3) processes for ensuring PSRP and other reforms are coordinated better and have more synergy among them.

An MDA Led Approach

The Review of PSRP I showed that MDAs perceived PSRP I to be PO-PSM led and driven. From their perspective the programme was addressing the needs of PO-PSM rather than those of institutions where reforms were being implemented. The reforms were seen to be prescriptive, one-size-fits all in design, and often not responsive to what the specific MDA needed at a given point in their capacity development. To address those shortcomings when implementation is MDA led, MDAs will:

- Based on an assessment of its own needs and priorities, decide what interventions to implement and how to implement them. This may involve adaptation and customization of standard products or processes;
- Implement the intervention, including its procurement;
- Control the intervention's finances, through the Government's accounting system, including the authorization to pay contractors or suppliers;
- Monitor, evaluate, report progress and be accountable for the results; and
- Take a more central role in reviewing the programme's design and implementation arrangements.

An MDA Led Approach: Responsibility in Terms of Process

Process	PO-PSM LED INTERVENTIONS	MDA LED INTERVENTIONS
Planning and Budgeting	≡ PO-PSM plans and designs the intervention.	≡ MDA plans and designs the intervention.
Implementation	≡ PO-PSM procures, authorizes payment, and accounts for expenditures	≡ MDA procures, authorizes payment, and accounts for expenditures
Reporting	≡ PO-PSM reports	≡ MDA reports, PO-PSM aggregates
Role of PO-PSM	≡ Implementer	≡ Facilitator, supporter, quality assurance
Role of MDA	≡ Consulted as a stakeholder	≡ Manager and Implementer
Accountability	≡ PO-PSM accountable for compliance with procurement and financial regulations	≡ MDA accountable for compliance with procurement and financial regulations
	≡ PO-PSM accountable for results up to the output level; joint accountability for outcomes	≡ MDA accountable for results up to the outcome level

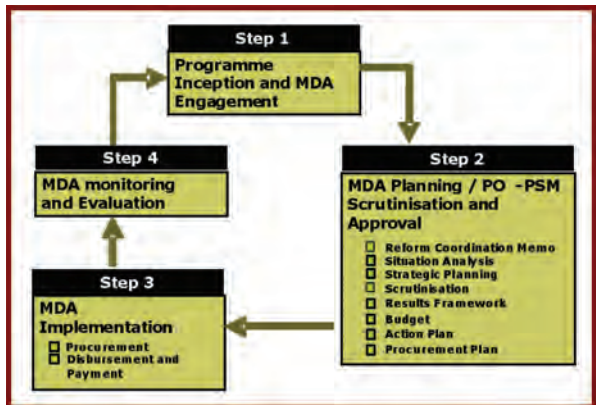
Although MDAs will be implementing the bulk of PSRP II, there remains a series of interventions that will be PO-PSM led. Activities that are PO-PSM led include; the development of tools, frameworks, innovations to be adopted at MDA level, reform activities which are standard and can benefit from being applied across all MDAs. In these cases, PO-PSM will plan, implement control the finances, monitor, report progress and be accountable for results. PO-PSM will also provide guidance, advice and act as consultants. It will retain overall responsibility for programme management, including programme design, coordination, and quality assurance. PO-PSM will be accountable for ensuring that all reform efforts are directed at realizing the programme's envisioned broad results.

Operationalising an Integrated, MDA Led-Approach

PO-PSM has completed the development of a menu of PSRP interventions. On an annual basis, this menu will be jointly reviewed (based on performance and demand for individual

items). Within the context of the "menu," the choice of interventions and decisions on how they will be undertaken by MDAs will require that PO-PSM actively markets, lobbies and cajoles MDAs to buy-into the PSRP programme. MDAs need to be facilitated to make the right choices, to prioritize and to decide on what to implement using the resource levels available.

STEPS IN AN MDA LED APPROACH



Overview of the steps within an MDA-led approach

The MDAs led approach will involve a number of steps. This includes inception and engagement, planning, implementation, and monitoring and evaluation.

Inception and Engagement

Inception refers to the preparatory steps PO-PSM must undertake in order to

serve as a knowledgeable and capable facilitator. This will include training of PO-PSM staff in key facilitation skills and change management, creation of facilitation materials and assessment tools (to assist MDAs to identify the most relevant interventions and allocate resources), and the formation of mixed facilitation teams. During this stage, teams will familiarize themselves with their MDA-clients, will understand the MDA's expected results, and will be able to "speak its language."

Engagement refers to the process by which PO-PSM increases the awareness, interest, and buy-in of an MDA's key managers. At the end of this process, the MDA needs to have understood the reform efforts, and to have a general idea of what its priorities will be. Engagement will proceed through a series of high level meetings grounded in the PSRP's results framework, content, approach and methods of operation.

MDA Planning and Scrutinisation

PSRP interventions will be designed by MDAs during the strategic planning process. In order to meet their overall service delivery objectives, based on a joint PSRP-MDA situation analysis and capacity assessment, and guided by the PSRP menu of interventions, MDAs will create a customized set of reform interventions. Since the MDA leads the selection process, this:

- Ensures the programme is relevant to the MDA;
- Ensures PSRP interventions are prioritised by the MDA, not PO-PSM;
- Ensures the programme is linked to sector reforms being implemented by the MDA;
- Ensures the programme is linked to the MDA's envisioned service delivery improvements; and
- Ensures the programme is linked to MKUKUTA.

It is the MDA, through the planning process, that links its reform efforts to its service delivery improvements, not PO-PSM.

Planning at MDA level will consist of several key sub-steps. These will be facilitated by PO-PSM and undertaken in a consultative manner. They are:

- The MDA receives a Cross-Sector Reform Integration (CSRI) Memo;

- The MDA undertakes a situation analysis (including its response to the CSRI memo);
- The MDA identifies its reform objectives;
- The MDA selects from the menu, and converts the menu into targets or activities on a prioritized basis;
- The MDA prepares an indicative budget;
- The Resources Sub-Committee of the PMC scrutinizes the reform elements in the MDAs' plan and approves the final budget;
- The MDA finalises its SBAS budget preparation, based on the approval of the PMC; and
- Based on the Government's budget guidelines, the MDA finalises the budget process, including the preparation of a final budget, a results framework, an action plan, and a procurement plan. These are scrutinized by the Resources Sub-Committee of the PMC

Using the Cross-Sector Reforms Integration Memo

From an MDA's perspective, the planning process begins with the receipt of a circular issued by the Ministry of Planning and Economic Empowerment. This circular is received in October and guides and instructs MDAs in the preparation of their plans. Each of the MDAs responsible for managing the cross cutting reforms (PSRP, LGRP, PFMRP, etc.) will prepare a separate memo to be attached as an addendum to this circular.

In the case of PSRP, the Cross-Sector Reform Integration (CSRI) Memo will guide MDAs to consider the potential impact of PSRP on their strategies and operations. It will describe what is expected from the MDA so that its reform initiatives can be fully integrated. In particular, a "Matrix of Programme Targets and Implementing Agencies," will describe the interventions expected of MDAs (implementing agencies), the resources available, and their expected response. In terms of the specifics for planning, the memo may:

- Suggest formulations of common PSRP-related objectives, targets or performance indicators;
- Identify the planning codes (cost centre codes) to be used by MDAs so

their PSRP interventions can be identified centrally through the Government's IFMS; and

- Describe any other limitations on the implementation of PSRP interventions.

Situation Analysis

Having received a reform coordination memo, the first active step for MDAs is the completion of a situation analysis. This situation analysis will flow naturally from the initial and broad discussions of the engagement process. At this stage MDAs will identify weaknesses in service delivery, capacity gaps, management gaps, or other key constraints. MDAs may identify quick wins that need to be supported by a reform of systems or processes. The exact nature of this situation analysis will be finalized during the programme's inception stage, when PSRP completes the design of its assessment process, facilitation materials, and training tools. Since there is already a procedure for undertaking a situation analysis within the Government's planning process, PSRP interventions will make adjustments to ensure capacity assessments are undertaken.

Strategic Planning

Based on the MDA's situation analysis, a series of facilitated meetings will be held. In these meetings MDAs will select items from the menu of interventions and prioritise them. In brief, menu items correspond to activities in the PSRP II plan. These activities, as well as their overall budgets, have been separated into two categories: MDA led and PO-PSM led. PO-PSM led activities are limited to product development, facilitation support, regulation, and monitoring and evaluation.

Scrutiny

At this stage, MDAs will submit their budgets to PO-PSM for scrutiny. During consultation between PO-PSM and MDAs, PO-PSM will inform the MDAs of the overall budget standing (whether the programme as a whole is under or over budget) and advise the MDA to adjust its budget prior to submission to the Resources Sub-Committee of the Programme Management Committee. Following this dialogue, the Resources Sub-committee, based on recommendations by PO-PSM will assess submissions (which are prioritized) and approve the MDA's PSRP budget.

Finalisation

Once the MDA has revised its plan and indicative budget, the MDA will submit (electronically) its plan and budget to the Ministry of Finance (as per the Government's processes). Once the budget guidelines have been prepared, the MDA will finalise its budget. Upon completion of this work, PO-PSM will:

- Aggregate the MDA's interventions and derive a facilitation and support action plan based on this. This support plan "reacts" to the MDA's plan and describes when visits to MDAs will take place; and
- Create a comprehensive procurement plan.

Implementation

The PSRP interventions that are MDA led will be costed in the MDA's budget. Therefore, once approved by Parliament, funds will be disbursed quarterly to the MDA via the Government's exchequer system and based on the submission of output and financial performance reports to PO-PSM.

The MDA will account for funds using the Government's computerised IFMS (Integrated Financial Management System). Though MDAs will be managing these interventions, PO-PSM is likely to provide backup support and advisory services where necessary.

- MDAs will adhere to the Government's procurement and financial management and reporting procedures.
- Where procurement levels surpass specified levels, a no objection from the World Bank on behalf of basket fund partners will be required. In this case, PO-PSM will prepare the no objection on behalf of the MDA.

Monitoring, Evaluation and Reporting

MDAs will monitor and evaluate results of the PSRP interventions they are implementing. Because PSRP results are part of their plan, this is a Government-wide obligation, not a PSRP obligation. As such, MDAs will adhere to the Government's reporting requirements, including the preparation of quarterly progress reports, annual performance reports, and a three-yearly outcome report.

Internal Programme Implementation Arrangements

In terms of organization for managing PSRP II activities within PO-PSM there is an immediate need to review PO-PSM structure and capacity.

Programme Governance Arrangements

Governance arrangements shortcomings that PSRP I encountered will be addressed in PSRP II implementation. Among the issues that are addressed in the institutional arrangements for Phase II, are:

- The frequency and sequencing of meetings;
- Better linking meetings with the Government's planning, budgeting and reporting instruments and timeframe;
- Separation of strategic issues from operational issues; and
- Separating PSRP governance arrangements from governance arrangements relating to the coordination of cross-sector reforms.

The PSRP governance arrangements are intended to provide strategic guidance to the programme, to approve the plans and budgets of the programme, to ensure the programme's management is meeting the needs of its clients, and to monitor the implementation of PSRP (i.e. ensure results).

Three institutions will be used:

1. PSRP Management Committee (PMC): The role of the PMC will be to provide overall strategic guidance as well as review and monitor the performance of the PSRP. The PMC will perform this role by reviewing and approving plans, budgets and 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 Programme Implementation Review (PIR). The PMC will be chaired by the Permanent Secretary, PO-PSM and will consist of all Deputy Permanent Secretaries and senior officers appointed by Permanent Secretaries in MDAs where there is no Deputy Permanent Secretary as well as Development Partners. It will also include development partners. PO PSM Directors will be in attendance to provide technical support. The PMC will be supported by Review Missions, from the Development Partner community, which will review PSRP mid and

end of year performance reports as well as PSRP Strategic and Operational plans.

2. PMC Sub-Committee on PSRP Resources: The role of this body will be to scrutinize and approve plans and budgets, to review performance reports, as well as audit the use of PSRP resources. The sub-committee will prepare recommendations for consideration by the PMC. It will be chaired by the Deputy Permanent Secretary, PO PSM and will consist of a selected number of Deputy Permanent Secretaries and Development Partners. This sub-Committee will meet three times per year i.e. in late September, early December, and early June.

3. Program Implementation Review (PIR): The role of the PIR will be to review the day to day implementation of PSRP and prepare working papers (draft Implementation and performance reports, lead programme reviews (joint, internal, and external), draft Strategic and Operational plans, draft Reform Coordination Memo's etc) to support the work of the PMC (through its sub-committee). The PIR will be chaired by the Permanent Secretary, PO PSM and will consist of the Deputy Permanent Secretary PO-PSM; all Directors and assistant directors of PO-PSM; and all PSRP Advisors and Experts.

Synchronising PSRP Governance Processes and the Government's Planning Process

One of the shortcomings of the PSRP Phase I governance arrangements was that meetings were not well synchronized with the Government's planning process. As a result, the decisions of PSRP governance bodies had little or no influence on the use of resources or the determination of priorities. In order to address this problem, the timing of meetings will be sequenced such that they will link to the Government's planning processes. In addition, the Governance meetings will be sequenced so that reviews better inform planning.

Coordinating PSRP with other Reforms

PSRP is one of many reform programmes aimed at improving and strengthening performance of public institutions. Currently, however, these reforms contain overlaps or duplication and lack synergy. This dissipates the

energy and resources of their implementers (MDAs and LGAs), and contributes to the weak ownership and inadequate service delivery linkages of reforms. PSRP II has given attention to developing and establishing mechanisms for coordination of reform at central level, which will be more robust.

These arrangements involve (1) the redefinition of the role of the Steering Committee of the IMTC

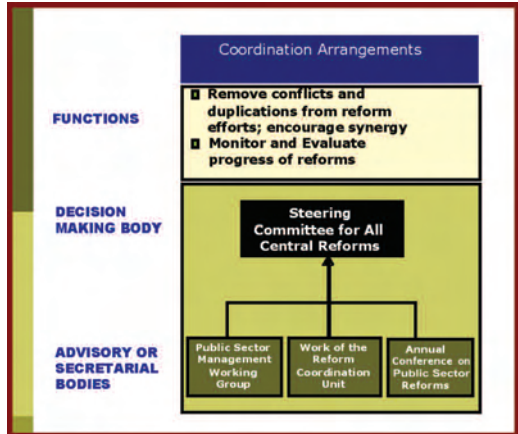
on cross-cutting reforms, a resuscitation of (2) the Public Sector Management Working Group and (3) the Stakeholders' Conference on Public Sector Reforms, (4) the establishment of a Reform Coordination Unit, staffed by Public Servants, and in the office of the Chief Secretary, and (5) development and implementation of a reform coordination framework.

The Steering Committee for all Central Reforms

The Steering Committee for all Central Reforms will be responsible to guide and monitor the implementation of cross cutting reforms, with a particular focus on building on the synergies between various reform efforts. The Steering Committee will be composed of all Permanent Secretaries and will meet as a "Committee of the Whole" of the Inter-Ministerial Committee of Permanent Secretaries (IMTC). This body will constitute the final Apex Governance Mechanism and meet two times per year. During this meeting decisions will be taken by the Chief Secretary in order to effect improved reform coordination. Its meetings are scheduled as follows:

- First Meeting of the Steering Committee (scheduled for October of every year), with an agenda of addressing the annual performance reports prepared by all cross cutting reforms and scrutinizing the draft Reform Coordination Memos. These reports are aggregates and summaries of the institutional performance reports which are prepared by July. During August-September, the Reform Coordination Unit (RCU) will have

REFORM COORDINATION BODIES



reviewed these reports and have identified items for the attention or action by the Committee. The output of the Committee will be a set of recommendations, to be sent to the managers of cross-cutting reform Programmes, and to concern: (1) the preparation of the reform coordination memo, and (2) issues that need to be included in their plans for the upcoming financial year.

- Second Steering Committee Meeting to be held (Mid December), with an agenda of coordinating reform submissions in the Government's planning process. By this time reform programmes will have completed their indicative strategic plans. These plans will have been approved by their various management and governance structures. Prior to final submission to the Ministry of Finance (using SBAS, the Strategic Budget Allocation System), the Reform Coordination Unit will review and assess the plans of all cross-cutting reform programmes. The objective of the review will be to ensure duplications and overlaps have been removed, results from various performance reviews have been incorporated, the programmes are not like to result in too much of a burden on MDA/LGA implementers, and synergies have been realized. The output of the meeting is a series of instructions made to the cross cutting reform programmes on how their programmes can be better coordinated.

The Public Sector Management Working Group (PSMWG)

The Public Sector Management Working Group will be responsible for linking the work of cross cutting reforms within the framework of the Public Expenditure Review (PER) process. In terms of membership, it will be composed of Directors of Policy and Planning from MDAs involved in the legal sector, governance, cross cutting reforms, public financial management and Gender. Representatives of the Development Partners as well as the MKUKUTA monitoring system will also be included. Meetings will be held quarterly

The Stakeholders Conference on Public Sector Reforms

The Stakeholders Conference on Public Sector Reforms, held once every two years is a high-profile event in which the broad direction of all reform Programmes will be presented and debated by stakeholders, including civil society and private sector.

The Reform Coordination Unit (RCU)

Reform Coordination Unit will be formed and placed in the Chief Secretary's Office. The location of the RCU in the Chief Secretary's Office is intended to provide to give it high responsibility in coordination of the various public sector reforms. It is important that the RCU has the authority to call to account each of the Accounting Officers of the MDAs, RAs and LGAs to perform their respective roles in driving the reform agenda.

The unit will advise the Chief Secretary on how the Government's reform initiatives can be better coordinated. It will also act as Secretary of the Steering Committee of Public Service Reforms, the Public Sector Management Working Group and the Stakeholders Conference on Public Sector Reforms. In brief, the Unit's main tasks will be include:

- To periodically review programme design and to liaise with reform programme management in order to identify overlaps, conflicts, and areas of synergy
- To monitor and evaluate progress in the programmes, and thus to ensure they are operating effectively and meet the needs of their client MDAs/LGAs
- To act as a Secretariat of the various mechanisms governing cross-cutting reforms, including the Steering Committee for All Central Reforms and the Public Sector Management Working Group.

The Reform Coordination Framework

The Reform Coordination Framework will integrate national strategies, reforms and sector development programs at service delivery agencies' levels. In addition to existing coordination mechanisms like IMTC, the framework will make use of the Cross-Sector Reforms Integration (CSRI) Memo. The memo will guide MDAs and LGAs to consider the potential impact of cross-sector reforms on their strategies and operations and describe what is expected from the MDA so that its reform initiatives can be fully integrated. The key features of the format of the CSRI memo are as follows:

- A memo will be prepared for each of the cross-sector reform programmes;

- It will be simple and brief (maximum of 4 pages of A4 size paper);
- It will be issued and signed by the Chief Executive/Permanent Secretary of originating (program leading/coordinating) Ministry/Office/Agency (MOA); and
- The memo will be described in the Government's Medium Term Planning and Budgeting Framework Manual;

Since reforms will be part of an MDA/LGA's plan, reform efforts will be reviewed under the Government's PER process.

Sources of Funds for the Implementation of PSRP II

This expenditure will be financed both through contributions by the Government of Tanzania as well as contributions from development partners such as the World Bank, CIDA, DANIDA, JICA, Commonwealth Secretariat, UNDP and ACBF. These resources will be channeled mainly through the agreed mode of the integrated basket funding arrangement within the Government of Tanzania exchequer system. However, it is expected that there will remain some instances where project modalities are continued.

Apart from direct funding, the Government of Tanzania's will also contribute indirectly expenditures in the areas of salaries, office accommodation costs, etc. for both PO-PSM whose staff will almost exclusively devote their time to PSRP implementation as well as the MDAs staff who will spend a considerable amount of their time on reforms.

Tanzania Public Service College

Tanzania Public Service College (TPSC) was established under the ambit of the Executive Agencies Act No. 30 of 1997 through the Government Notice No.473 of 2000. The College fills an extant void of a comprehensive public service training facility for changing needs of public services resulting from the public service reforms. It also meet the need for an autonomous economically vibrant public service college that works in partnership with the entire public service.

The thrusts of the ongoing TPSC strategic review include actions that will result in the following medium term outcomes: the hiving/shedding off the non-core business operations; the improvement of internal business processes; the strengthening of capacity to deliver through a more focused approach to strategic partnerships; and a streamlined staff complements.

Although TPSC is aware of government efforts to create a high-level virtual leadership institute, which is expected to provide a platform for rapid development of leadership competencies in the public service, still it occupies a unique position in providing synergetic linkages in the leadership competency development continuum. TPSC, may not only continue to provide leadership competency development targeted at the operational and programme levels in the leadership development continuum, but it might also be in a position to render back up services to the strategic leaders level programmes through facilitation of programmes design, curriculum development, networking and partnerships management.

VISION

TPSC is envisioned to be:

“The centre of learning excellency and leadership development for the Tanzania public service”

MISSION

The Mission of the TPSC is:

“To provide customer-driven training, and organisational development interventions that lead to improved public service reforms and service delivery”

TPSC Core Values

The following are values that drive implementation of set strategic objectives in a manner, which is consistent to TPSC mission and strategies:

- **Mission-Driven**

TPSC mission, and not mere rules, regulations and standing orders, will form the basis for making all-important decisions.

- **Customer- Focused**

TPSC goals and operations will focus on meeting the needs of beneficiaries of its services on time. For this reason, the College and its faculty members will avoid self-interests and bureaucratic behaviours.

- **Value for Money**

Cost-efficiency and effectiveness will prevail in all TPSC operations.

- **Professionalism and Business Integrity**

TPSC will adhere to set professional codes of conduct in delivering its core services to its clients. It will also deliver its services on time. In course of discharging its duties TPSC will neither use public facilities for private gains nor seek or accept gifts (financial or otherwise), favours or inducements.

- **Continuous Performance Monitoring and Evaluation**

In order for TPSC to remain result-oriented, its performance will continuously be appraised on basis of outputs and outcome achieved and not on inputs. Its Monitoring and Evaluation (M & E) System will be used evenly to anticipate limiting forces and feasible ways of resolving them in advance.

Tanzania Global Development Learning Centre (TGDLC)

Tanzania Development Learning Centre(TGDLC) is a member of the Global Development Learning Network(GDLN) with over 120 networked development communication hubs globally. Its core function is to enable decision makers and mid-level professionals and practitioners to access and share the wealth of knowledge and experiences available in the world through the global communication system including video conferencing, Internet, Video, CD-ROM and Print.

TGDLC is a public interest,non-profit organization, whose operations will in future be met from the income it generates.As such,the Centre will be driven by both social benefit analysis and cost-benefit analysis.

Vision

The vision of TGDLC is:

To be a leading world class development knowledge transfer centre

Mission

The mission of TGDLC is:

To develop skills and competences of the public servants, private sector and civil society for the delivery of excellent services through distance learning using cost-effective state of the art technology.

Core Values:

- Customer Focus
- Integrity
- Diligence to duty
- Pursuit of Excellence in Services

Mandate

TGDLC is a public interest, non-profit organization, whose operations will in future be met from the income it generates. As such, the Centre is driven by both social benefit analysis and cost-benefit analysis. TGDLC is, therefore, committed to four Core Values that

reflect its core functions. These are:

● Customer Focus, ● Integrity, ● Diligence to duty; and ● Pursuit of Excellence in Services TGDLC's core function is to enable decision makers and mid-level professionals and practitioners to access and share the wealth of knowledge and experiences available in the world through the global communication system including video conferencing, Internet, Video, CD-ROM and Print.

Services Offered by TGDLC:

TGDLC Services include but are not limited to:

- Video-Conference facilities for both local and International delegates.
- Net conferencing and Internet facilities using wideband satellite system.
- Organize market-led fully interactive trainings through teleseminar, workshops, discussion groups and courses for decision-makers and professionals in public and private sectors.
- Links to over 120 similar GDLN centres globally.
- Access to a multi-partner Tanzania Development

TGDLC also operates Tanzania Development Learning Centre(TDIC - www.tdic.or.tz) located at the Ground Floor of the IMF Building, Shaban Robert Street, Dar es Salaam.