CURRENCY EQUIVALENTS

(Exchange Rate Effective September 10, 2007)

Currency Unit = Frans Congolais (CDF)
US$ = 560 FC

FISCAL YEAR
January 1 – December 31

ACRONYMS and ABBREVIATIONS

CONFAZ Council of Secretaries of Public Administration of the Federated States
CS Civil Service
CTRAP Public Administration Reform Technical Committee
EAD Entités Administratives Décentralisées
MoB Ministry of Budget
MIS Management information system
MPS Ministry of Public Service
MPSE Ministry of Primary and Secondary Education
PCDPA Provincial Head of Division of Public Administration
PDPA Provincial Division of Public Administration
PS Public service
PSE Primary and secondary education
PSM Public sector management
PSPE Pre-school primary education
PTS Procédure Transitoire Simplifiée
SECOPE Service Comptable de Paye des Enseignants

Vice President: Obiageli Katryn Ezekweili
Country Manager/Director: Marie Francoise Marie-Nelly
Sector Manager: Anand Rajaram
Task Team Leader: Tony Verheijen
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I. INTRODUCTION: PUBLIC EMPLOYMENT IN DEMOCRATIC REPUBLIC OF CONGO - STATUS AND RECOMMENDED ACTIONS

1. Following years of internal civil strife and war, the Democratic Republic of Congo is undergoing institutional reforms. The prolonged period of social and political unrest caused important institutional changes. The most significant concern is the transition of the constitutional and administrative order of the State from high centralization to decentralization as partial devolution takes place of a number of functions to new subnational entities—the provinces. Under the new Constitution, the provinces have gained renewed political relevance by being recognized as legal entities of regional self-government with territorially limited political and administrative jurisdiction.

2. Under the old constitutional order, the centralized model of administration prevailed. The relationship between the central Government authority and the periphery was managed by the existing administrative services from the top down to the lowest level of subnational government.

3. The Civil Service management model still conforms to the old institutional order. The legislation governing employment in the public sector is unchanged and still responds to centralized administration. The public administration categorizes public employees in two main groups: civil servants and local public employees. Civil servants are governed by legislation that is neither merit based nor performance and result oriented. Local public employees are governed by labor legislation. In addition, the existing framework legislation has been supplemented by some 27 *statuts spéciaux*, which have made it de facto defunct.

4. In this context, the DRC Government is faced with five main challenges:
   - To modernize the Civil Service system and amend its legislation to elevate it to improved standards of efficiency in service delivery and human resources management. These can be achieved by instilling values including merit, results, performance, and professionalization.
   - To fill the normative vacuum by setting rules and procedures to manage the new decentralized Civil Service.
   - To establish interactive consultation tools and procedures among all levels of public administration.
   - To harmonize the national and subnational Civil Services with the new constitutional order.
   - To make the public administration a more attractive employer for young skilled professionals by reforming and improving the public sector wage system through systematic and sound reform measures.

5. The actual number of employed civil servants and public personnel is uncertain. As of July 2006, the latest available count from the Ministry of Budget (MoB) payroll revealed that a total of 489,645 public sector staff are actively employed and registered on the State payroll. This number includes actual civil servants, and public servants with a special status such as health professionals, agriculture professionals, teachers, researchers, and magistrates.
Active State civil servants amount to 130,472 units, or 26.6 percent of the public sector labor force. The appointed personnel paid from the budgets annexes amount to 30,494 units, or 6.1 percent of the entire public sector. The number of teachers of primary and secondary education (PSE) amounted to 225,773 (46 percent of total public employment) in July 2006, and 244,052 (49.8 percent of the entire public employment) in November 2006.

6. Recent World Bank projections indicate that, as a result of the "mechanization" (regularization of status) of nonregularized teachers, the number of PSE teachers is expected to rise to 295,000 by 2009—well over 50 percent of the public sector labor force. These figures are subject to change over time in relation to the progress made by the census. Establishing the actual number of public and civil servants is further complicated by the fact that in the Eastern (post-conflict) regions, a large number of officials were recruited by the former rebel forces. However, this recruitment is not recognized by the authorities. The question of how to handle this issue remains open.

Table 1. Summary table of employment levels by functional category (with mechanized teachers and public servants in post-conflict provinces)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Number of staff</th>
<th>% of total staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil and military magistrates</td>
<td>2,592</td>
<td>0.52</td>
</tr>
<tr>
<td>Magistrates of the Cour des Comptes</td>
<td>99</td>
<td>0.02</td>
</tr>
<tr>
<td>General directors of Ministries</td>
<td>3,221</td>
<td>0.65</td>
</tr>
<tr>
<td>Civil Servants: (active)</td>
<td>130,472</td>
<td>26.6</td>
</tr>
<tr>
<td>Primary and secondary school teachers</td>
<td>225,723</td>
<td>46.0</td>
</tr>
<tr>
<td>Higher education and university teachers</td>
<td>27,047</td>
<td>5.5</td>
</tr>
<tr>
<td>Scientific researchers</td>
<td>7,536</td>
<td>1.5</td>
</tr>
<tr>
<td>Health personnel</td>
<td>51,299</td>
<td>10.5</td>
</tr>
<tr>
<td>Agriculture personnel</td>
<td>11,191</td>
<td>2.3</td>
</tr>
<tr>
<td>Appointed staff and budget annexes</td>
<td>30,465</td>
<td>6.22</td>
</tr>
<tr>
<td>Total</td>
<td>489,645</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Data from the République Démocratique du Congo Ministre du Budget Secretariat Général au Budget Direction de la Paie.

7. It would be desirable if—with the agreement of, and in consultation with, the Ministry for the Budget—MPS continue to rapidly finalize the census in progress and establish two categories of civil servants: "regulars" and "irregulars." At the same time, MPS should enforce a higher level of discipline by adopting and enforcing a hiring freeze on new staff at all levels for not fewer than five years. MPS, with the Ministry of Budget, also should design a strategy to address the cases of those who were recruited in an irregular manner, that is, whose posts were not established with the permission of MoB.

8. Selective and limited recruitment of qualified young professionals to create a core of qualified professionals to be trained for senior management positions is a possibility. The objective would be to enhance the professionalization of the Civil Services and create conditions for a future senior management in the Civil Service. Action should be taken as soon as possible as a consultative process between MPS and the newly established provincial administrations. They should fast become involved in the census operations, mainly because they are in closer contact with better territorially delimited, and therefore smaller, portions of

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1 According to Ministry of Budget payroll data, July 2006.
2 World Bank estimate
the public administration. To ensure that this option will work, it is essential that a limit be set on the number of Cabinet staff in each provincial ministry.

9. The only viable records of civil servants are the payroll data in the hands of the Ministry of Budget. The Ministry for Public Service is unable to provide reliable data on civil servants. The personnel files cannot provide viable information because they are manually managed with significant difficulties in tracking and updating staff career progressions. Due to the uncontrolled and unreported recruitment practices that have prevailed over the last decade, MPS is unable to reconcile the available information with the real situation. Consequently, data on the number of filled positions, their location, and their classification are fragmented and inconsistent with the data available at the Ministry of Budget.

10. Moreover, the Ministry for Primary and Secondary Education (MPSE) has a different database that is not integrated with that of MPS since teachers have a special status regulated by separate and specific legislation. At the provincial level, for example, in the Province of Katanga, the local MPS office does not have a reliable local Civil Service registry. Registers are still largely incomplete and manually managed. In the education sector, payments of salaries are made to schools based on the number of available teaching positions as a lump sum, not to the individually registered teachers. This method generates distortion in the count of actually employed teachers since positions either might not be filled or more teachers than posts budgeted might be present in a certain school in relation to the number of children and classes. In this particular case, monitoring seems to be irregular, particularly for schools in remote, war-ravaged, and unsafe locations.

11. Recourse to payroll records as reference to carry out the civil servants’ census may be a viable solution. Nevertheless, under the current emergency, this solution is insufficient to put order and transparency in the record-keeping system of the DRC Civil Service. Consequently, it is indispensable to develop a modern central Civil Service registry. This human resources management information system should include all updated information relevant to effective HR management, staff planning, and job classification. This system also should improve pay procedures and interface with the payroll Civil Service system. Payroll records alone cannot constitute the basis for effective, efficient, and modern HR management. The integration of payroll records with the MPS registry is to be kept as a key objective that already can be initiated by using the record updates obtained during the ongoing census operations. Reliable central civil servants’ records are essential for the efficient, transparent, and smooth transfer of staff from the State administration to the new provincial administrations during the decentralization phase.

12. As of May 2007, the census operations of civil and public servants conducted in the Kinshasa capital province have covered 73 percent of the existing population of public and civil servants. Administrative staff who have been recorded have received an identification card with a progressive registration code deposited at MPS.

13. A draft government strategy developed by the Public Administration Reform Technical Committee (CTRAP) foresees the rationalization of the public administration to ensure effective management of personnel and services. This exercise is crucial since it will positively impact decentralization. It also can be seen as a key supplement to the ongoing census operations by providing relevant information on the staffing levels of the existing organizations and eventually on hidden staffing needs for specific branches of the public administration. The initiatives aimed at the rationalization of the public administration and its
staffing would help greatly to define the roles and responsibilities of the central as well as the potentially decentralized institutions. Consequently, these initiatives would help in the decision process to redeploy civil servants from the deconcentrated administration to the new decentralized administrative reality. It is essential that a sound methodology for such an initiative be prepared and implemented. The existing ministries are grouped in a maximum of 5 functional clusters: State Governance; Finance and Productive activities; Social Affairs; Infrastructure, Environment, and Resources; and Security and Public Order. These ministries are grouped according to criteria of functional similarity or subsidiarity. Thus, it is possible to identify overlaps, functional vacuums, and redundant functions that can be devolved to subnational administrations and staff who consequently can be detached.

2. Legal Status of Public Servants

14. *Public employées « à statut spécial » and « à statut général. »* The State central administration is staffed with *civil servants*. The local units of self-government (provinces, chefferies, communes) are staffed with *public employees* whose status and employment relations are governed by the civil code and labor legislation.

15. Current legislation provides a special status for certain groups of public servants. Separate statutes exist for health professionals, agriculture professionals, teachers of primary and secondary schools, researchers, and magistrates.

16. Whereas the Ministry of Public Service (MPS) is formally in charge of the management of all civil servants, there is, in reality, no evidence of any responsible institution that sets common management standards and reference legislation for the civil servants belonging to the subnational and local administration. Teachers; health, agriculture, and justice professionals; and researchers can be defined as *public servants*. The Ministries of Health, Primary and Secondary Education, Agriculture, and Justice are individually responsible for the managing human resources (recruitment, salaries, promotions) of their respective groups and regulating their terms of employment.

2.1. Civil Service

17. Defining “Civil Service” in the DRC is a complex issue. All staff on the State wage bill are considered *fonctionnaires*. No distinction is made among civil servants (staff who prepare, interpret, and execute administrative regulations and procedures), public servants (staff in charge of ensuring the delivery of services of public interest), or local administrative personnel in the centers of local government from provincial to municipal.

18. The current legislation envisions 3 main groups of civil servants encompassing 35 different categories. The main groups are civil servants with (1) a *general statute* (very close to the usual idea of civil servants), (2) a *special statute* (customs, staff of the territorial administration, inspectors of the territorial administration, medical doctors, academicians, scientific researchers, pharmacists, police), and a *particular statute*. The third group includes 27 categories of workers:

1. Hospitals administrative staff and personnel
2. Architects and urban planners
3. Archives and documentation centers staff
4. Biologists
5. Staff employed in jobs using new technologies
6. Diplomats
7. Land surveyors
8. Print-shop and graphic studio personnel
9. PSPE school inspectors
10. Revenue and cadastre inspectors
11. Journalists and employees in the communication sector
12. Merchant Marine personnel
13. Water and Forests Administration personnel
14. Meteorologists
15. Academic and higher education sector administrative personnel
16. Agriculture and geology personnel
17. National Museums Institute personnel
18. Municipalities’ personnel
19. Pre-school, primary, secondary, and professional institution personnel
20. Court stenographers
21. Parliament administrative staff
22. Health and social sector personnel
23. Postal and telecommunication administrative personnel
24. Penitentiary administrative personnel
25. Labor and social security sector personnel
26. Public works personnel.

19. It is obvious that very strong corporate interests of professional groups have contributed to create such a variety of professional categories, each with a particular statute. This “variety” definitely has a negative impact on unified financial and employment conditions applicable to the civil or public service. Thorough review and simplification of the current arrangements are required.

2.2. Special Statutes: Education

20. The Ministry of Primary and Secondary Education has a computerized database of 230,000\(^3\)–252,000\(^4\) teachers. MPSE staff are classified as public servants according to a separate system from the rest of civil servants. However, this classification does not apply to the education inspectors, who are civil servants. There is not yet any regulated equivalence of titles and ranks between the classification of civil servants and teaching personnel. This lack directly affects the equivalence of salaries and setting coherent salary scales within the DRC public administration. At the moment, according to the Civil Service classification, a district director of the MPSE is paid the same salary as a chief of division. If moving to a Civil Service position, he or she would be ranked at a functional level lower than chief of division and therefore be paid less.

21. MPSE wishes to establish a system of passerelles, or bridges, enabling mobility from the Education public service to the Civil Service system. On the one hand, the idea seems seductive. On the other, the risks behind it are several and serious. Due to the large proportion of teachers in the DRC public administration, any such opening definitely would risk significantly increasing the number of civil servants by becoming the entry point to the Civil Service. Such an opening would distort the types of tasks and responsibilities to be assigned to administrators or “mutant” teachers who morph into administrators, while retaining the status and benefits reserved to teachers due to their specific qualifications. The

\(^3\) Data provided by the General Secretary of MPSE.
\(^4\) Data from annexes to Thieny Bécheret, « Rapport de mission Novembre 2006 : Réactivation du Projet de Procédure Transitoire simplifiée (PTS) de la paie des personnels civils de l’État en DRC. »
public sector wage bill automatically would increase since the equivalence of rank and salary would be hard to be set at the lower Civil Service levels but could easily escape control during negotiations and be set at the higher education level. Moreover, the equalization of ranks and pay between teachers and civil servants very likely would create conditions of shift from equally paid but less appealing teaching positions (mainly out-posted ones) to more conveniently located work-posts across the state administration, thus depleting the teaching services of needed labor force. Last but important, any equalization in pay and ranking between teachers and Civil Service staff would erode substantially the rationale behind the current separation between staff with general and special status, thus generating conditions for an unclear status of teachers and consequent applicable legislation.

22. The division of competencies among MPSE, Ministry of Finance (MoF), and MPS for payroll procedures setting is complex and opaque. The MoF Payment Directorate is responsible for paying the salaries of the civil servants under MPS jurisdiction. They include all employees of the line ministries (central) with the exception of teachers; education inspectors; health, agriculture, and justice professionals; and researchers. Established in 1986, SECOPE (Service Comptable de Paye des Enseignants) is in charge of paying teachers’ salaries. SECOPE’s payroll database is not harmonized with that of MPS. The financial resources for teachers’ salaries, managed by the SECOPE, are part of the budget allocated to MPS. Thus, it is essential to harmonize such databases and make more transparent the overall record-keeping in terms of actual number of staff and payroll. In the medium term, the government will have to establish a computerized, integrated human resources management information system (MIS) for transparent staff record-keeping and payroll.

3. HUMAN RESOURCE MANAGEMENT PRACTICES

23. The human resource management (HRM) rules and procedures for the Civil Service are neglected or bypassed. They need updating and more determined law enforcement. As in many other countries prior to the reform of their civil services, in DRC the personnel management approach still prevails and the approach has yet to replace it. Moreover, years of institutional instability have weakened the competent Civil Service authority, virtually eliminating its capacity to conduct oversight over Civil Service management beyond Kinshasa. As a result, conditions for abuses and systematic rule-bending prevail, at the expense of the efficiency and quality of the Civil Service as a whole. For example, performance appraisals are not taking place despite the fact that they were foreseen by the current Civil Service legislation. Salaries often are not paid for long periods, and their levels may vary from month to month, as happens, for example, to health personnel.

24. The current Civil Service is merit based only on paper. Recruitment procedures are avoided, and performance assessment is regulated but not implemented. During the last 10 years, no performance evaluation has been made across the entire administration. The rules in the law on civil servants\(^5\) probably originally were conceived to ensure performance-driven human resources management and development. However, their spirit has been overshadowed by widespread negative practices to the point that performance is a completely ignored management tool.

25. Rules and procedures on performance evaluation are present in the law on civil servants (article 64) but no longer applied. Current norms foresee that performance evaluations will be used to support step increases for higher pay and admission to internal

exams for vertical career progression. The civil servants law contains no language that performance evaluations also can be used as a basis to trigger capacity building actions for civil servants with a poor performance record. In practice, good performance is not rewarded with either better pay or career progression. The government needs to revamp performance norms and link them to the pay and career systems.

26. **According to the existing legislation, vertical promotion to higher career levels or horizontal promotion through step increases are merit based. However, the irregular recourse to performance evaluation procedures do not back up progression based on merit.** Article 15 of the law on civil servants and articles 66–68 set the criteria for promotions. According to the rule, career progression is primarily performance based. Vertical promotion can take place upon proven good performance for three years with successful participation in competitive selection exams. In practice, this portion of the law is not implemented, and vertical promotions have not been given since 1993. The law in article 69 links horizontal career progression to performance. However, due to the absence of a consistent and respected performance evaluation system, horizontal progression has become purely seniority based. In derogation of the law, the prevailing practice for horizontal career progression to higher pay steps is annual and automatic. Over the last years, the authority overseeing Civil Service, the Ministry of Public Service (MPS), has proven too weak to enforce adherence to the existing legislation and curb any unilateral derogation from Civil Service rules and procedures.

27. **In the DRC, resurrecting adherence to the laws for civil servant recruitment and placement are critical items in the management of human resources.** The civil servants law defines in detail conditions and procedures that are to be followed for the recruitment of new staff (articles 7–14). Hiring can take place exclusively for vacant positions for which budget exists. Recruitment can take place exclusively by preliminary public announcement and open competitive examination. The law permits exceptions to the competitive examination for candidates who have a specialized diploma for the branch of the administration to which they apply for a position. MPS approval is mandatory for those cases. In addition, the minister, or head of department within the “regions” (in the near future the “provinces”) are responsible jointly with the head of the recruiting department (plus the governor of the region in case of recruitment for administration) to organize admission examinations. These rules, which certainly are adequate to ensure a sound starting point for merit-based competitive recruitment, have not been respected since the start of the 1990s.

28. Since the early 1990s, the majority of the recruitment of civil servants has completely violated all legality. Advertisement of vacant positions is not taking place or at least is not reaching the periphery of the country. There, potential candidates approach individual State institutions to submit unsolicited applications for jobs that are accepted and processed without consultation with MPS. An example was the hiring process for teachers of Katanga Province.⁶

29. In most cases, recruitment takes place with the unilateral support of the ministers’ Cabinets with no budgetary coverage and no approval by the Ministry of Public Service and the Ministry of Budget. This practice has dramatically inflated the size of the Civil Service. In some other cases, posts are unilaterally created by ministries outside of any approved budget. The needed financial resources are allocated for these “new” posts from temporary parallel budgets (budgets annexes) that do not contain any specific provisions linked to the list of posts approved by MPS and Ministry of Budget and therefore are not part of the Civil

Service systematization plan. These posts formally do not exist, and no payments of salaries and other disbursements for their maintenance can be made. For this reason, scores of irregular civil servants do not receive any pay for months. The consequences are dramatic: MPS has lost control over the actual number of staff and is in a very difficult situation regarding the eventual “regularization” of these non-accredited public servants.

30. **Centralization is very strong and the prevailing management model.** The dialogue and functional interaction between the central MPS and its branches, and through them with the rest of the administration within the DRC, shows a very high degree of centralization that the decentralization reform must address with clear and unyielding determination.

31. The **Chef de Departement de la Fonction Publique** (provincial Head of Division of Public Administration, or PCDPA) is the delegate of the Ministry of Public Administration in the province. The chief has been reduced to an exclusively technical role in support of the governor of province who, under the not-yet-current decentralized system, is the delegate of the central government. Decisions concerning HRM are taken through the governor of province by MPS. Meanwhile, the Provincial Departments of Public Administration (PDPAs) are not authorized to issue any decisional acts in any matter. It simply makes proposals to the governor of province either to amend or regularize situations concerning public employment. In practical terms, the dialogue between the PCDPA and the central MPS is not direct, and the PDPA has a very restrained role in oversight and decision-making.

32. The decision-making roles of the administrations responsible for the Civil Service (MPS and PDPA) too often are limited. For example, at the provincial level, recruitment procedures, when they are done according to the rule, appear to be highly centralized and cumbersome. Concerning recruitment of ordinary civil servants, a line ministry at the provincial level identifies candidates and proposes them to the PDPA. The latter reviews the documents and passes the file to the governor of province, who then passes the file to MPS in Kinshasa. From this point, PDPA is excluded from the procedure. At the central level, MPS verifies the qualifications of the candidates and availability of suitable work posts and budget, and finally approves with a decision to hire the candidates.

33. To hire high executives—**Cadres de Commandement**—such as Heads of Division and Heads of Office at subnational level, the concerned line ministry in Kinshasa makes proposals to MPS for approval. The President of Republic approves and issues a decree of appointment. In Katanga Province, the last Presidential decree for appointment of top executives was issued in 1993. Since then, all high executives have been appointed without Presidential decree. According to the existing rules and procedures, PDPA does not take part in the decisions to designate high executives. This function is the exclusive prerogative of the Cabinets of line ministries, which act without consulting anyone. PDPA in particular is involved when the appointment concerns a provincial administration. According to the legislation, the governor of province may deploy the appointed high executive(s) or may reject their appointments. Once again, PDPA is bypassed and subject to decision-making that resides with authorities other than PDPA or MPS.

34. **The role and mandate of the Civil Service management structures will need to be redesigned especially to ensure proper implementation of the Civil Service legislation, particularly regarding its perspective on decentralization.** The bodies in charge of Civil Service will have to gain new authority and capacity to enforce order and legislation in a situation that is largely out of control. In this respect, the level of authority and role of a

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7 Deconcentrated units of MPS.
Ministry of Public Service might need to be reconsidered. MPS is experiencing serious difficulties in effectively managing the Civil Service. Its proven limited capacity to overcome such difficulties in a time of impending decentralization reform requires a rapid intervention to rehabilitate to full capacity the HR management functions across the DRC public administration. The actions needed to strengthen MPS to regain full control over the Civil Service might require time and investments and might not be realistic in light of the reform that the Civil Service will undergo following decentralization. Alternative scenarios will need to be considered.
II. CIVIL SERVICE, PUBLIC SERVICE, AND THE TRANSITION FROM CENTRALIZATION TO DECENTRALIZATION

1. INTRODUCTION

35. Civil service reform is a key condition for effective administrative reform. The timing, substance, and quality of the administrative decentralization may be dramatically affected by the condition of the civil and the public services. A strategy to adapt the Civil Service (that includes State and subnational civil servants) and the public service (main health and education personnel) to a new decentralized institutional system is needed.

36. At this stage, it is difficult to visualize whether the decentralization measures will anticipate the Civil Service reform or proceed in parallel. Certainly the model of decentralization and the success of the process will depend on how the supporting pillar called “Civil Service/public service” will be shaped and modified. In the absence of a clear organic development program covering the administrative reform and the Civil Service together, it is necessary to set the terms of the reform before any further action. Certainly, the effective implementation of decentralization and functioning of both central State and subnational administrations can be ensured only upon adapting the Civil Service, as well as the public service, to the new organizational and managerial modules introduced with the decentralization.

37. In establishing a new layer of administration, especially at the provincial level, a number of issues must be addressed along the lines of institutional hierarchy and assignment of types and levels of competence. Attention is particularly needed concerning the responsibilities and functions of the provincial administration in managing its own Civil Service. The risks of a new layer of administration created and, very likely, expanding with little control, prior to any adequate regulatory initiative supported by a coherent Civil Service reform strategy and related policies, are real. Therefore, eventual damages from uncoordinated policies must be mitigated. It is vital to formulate a strategy for the administrative and Civil Service reform that sets the degree of responsibility to be assigned to institutions and their agents.

To facilitate the functioning of the decentralized model of public administration and the appropriate use of the human resources at all levels, six issues need to be addressed urgently:

a. Rationalization of the existing organizational and staffing situation of the public administration
b. Institutional arrangements concerning the Civil Service: unified versus separate for each level of government
c. Regulatory framework and definition of status for civil servants at State, provincial, and local levels, as well as for teachers and health workers in a decentralized administration
d. Payroll management authority for the provincial Civil Service
e. Mobility of subnational civil servants within the provincial and local Civil Service and between central and decentralized administration
f. Wage rate-setting for State, provincial, and local civil servants and for public servants.

38. Article 194 of the DRC Constitution declares that framework legislation sets the rules for the organization and functioning of the Civil Services of the central State administration, of the provinces, and of the decentralized territorial entities. The Constitution is not clear
whether the Civil Service should integrate the central and subnational Civil Service in a unified body under one single legislation, or be divided, coherently with the decentralization process, into harmonized but separate legislations all inspired by common principles. So far, there is no evidence of a clear policy in this direction.

39. In the DRC's administrative context, a separate subnational Civil Service would bring numerous relevant benefits. It would:

   a. Enhance administrators' responsiveness to local problems
   b. Ensure more direct accountability of local administrators to the immediate beneficiaries of services
   c. Ensure more transparency in the use of public funds for local expenditures, particularly for the local wage bill
   d. Ensure more direct control over staffing levels
   e. Improve performance monitoring
   f. Reinforce decentralization.

40. World practice supports this orientation. Many OECD and decentralized developing countries have a separate Civil Service and accompanying separate legislation for each government level. For example, Hungary, and Poland have dual Civil Service legislation. In federal countries such as India and Malaysia, each State has its own Civil Service, but federal civil servants are sent to work for regional governments on a rotational basis, often in the most senior posts. Other States, such as Indonesia, operate based on a central legal framework. However, the provincial level has discretion to create rules and procedures for public service management so long as these do not contradict key national legal principles.

Box 1. Local government staffing practices in Indonesia: Key features

- Employer: Regional government (primarily districts).
- Reporting relationship: To locally elected bodies.
- Ability to hire, fire, assess performance: This authority rests with the local government; however, the central government is moving to regulate hiring procedures, for example. In addition, the provinces have the authority to supervise the employment administration.
- Local Civil Service commission: Presidential decree 159/2000 sets the authority to establish Civil Service agencies; however, it is not clear that any have been established yet. Standards for recruitment and other employment policies are to be set by the central Civil Service commission.
- Pay scales: Wage rates (including base wage, position allowances, and family and rice allowances) are set centrally. In fact, during the year of transfer, the central government awarded a significant pay increase that was not factored into the calculation of grant transfers.
- Setting establishment ceilings, staffing norms: Central ministries (and provinces) have the responsibility to set delivery standards and norms. The head of the region has the authority to determine the number of civil servants in the region (government regulation 97/2000).
- Payroll management: Payroll management has been transferred to regional government. As part of the transitional provisions, central government continued to pay the salaries of devolved staff for five months following transfer, and deducted the amount from the calculation of the general grant transfer. This measure helped considerably to reduce some expected transition problems.


41. The course of action to pursue depends mainly on the division of roles and responsibilities between central and subnational administrations. These need to be streamlined and defined in detail with particular attention given to the provincial and
subordinate levels of local administration. Civil service reform cannot be a standalone initiative since it is a key component of the broader public administration reform.

42. However, a separate subnational Civil Service needs to be under some degree of central supervision that can be exercised from a central Civil Service administration through the definition of general and common human resources management standards (such as recruitment, promotions, performance), codes of conduct, capacity building activities, definition of salary scales, and wage negotiations in line with common parameters. Moreover, the interaction among levels of Civil Service is to be preserved for the sake of national unity and efficient management of public services. In Germany and Indonesia, the subnational Civil Service is obliged to perform central tasks as an agent of the central government (co-administration), thereby ceding some of their independence from the center. Subnational tasks financed through earmarked grants have similar effects, with the center exercising at least some influence over the subnational Civil Service. Other unifying elements are common training for national and subnational civil servants, national standards of service delivery, and the qualification level of particular categories of public servants (such as teachers, doctors).\(^8\)

43. This standardization is essential to manage local pay and career development disparities. Moreover, this role of the central control should focus on (a) ensuring fair and equal treatment and recognition of merit for all public personnel at all levels of administration and professional category, and (b) ensuring the possibility for subnational civil servants to access the central Civil Service (and vice-versa) across the entire country according to equal standards of capacity and selection.

44. The separation of Civil Services within a context of decentralization poses the problem of relationship model that is to be established between the central and the subnational administrations. The degree of control and tutelle that the central administration is to exert over the decentralized subnational administration may vary according to the degree of devolution of tasks and responsibilities. The models can range from a very tight and centrally driven administration to a more autonomous regime of self-management. To identify the most suitable formula for the process of decentralization in the DRC, box 2 proposes the most recurrent models of relationship between central and subnational administrations.

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Box 2. Management models

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<tr>
<th>Model</th>
<th>Model Description</th>
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<tr>
<td>Model 1</td>
<td>Total Central Authority</td>
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<tr>
<td>National and subnational Civil Service is unified, with no significant subnational distinctions. Consequence is that there are no significant differences between civil servants placed in national or subnational governments.</td>
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<tr>
<td>Model 2</td>
<td>Central Dominance</td>
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<tr>
<td>Subnational Civil Service exists, but center sets legislation that tightly defines and prescribes its workings. Consequently, there are minor differences between central and subnational civil servants, with possibility of some variation prescribed by center.</td>
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<tr>
<td>Model 3</td>
<td>Central Guidance</td>
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<tr>
<td>Center sets standards and other parameters in legislation covering subnational Civil Service, giving considerable discretion to subnational government. Significant differences can emerge between center and subnational governments, and among subnational governments themselves.</td>
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<tr>
<td>Model 4</td>
<td>Central Leadership</td>
</tr>
<tr>
<td>Center shapes subnational Civil Service structure and practices through reference power, that is, customary leadership, professional influence, and demonstrated best practices. Significant differences can emerge between center and subnational governments, and among subnational governments.</td>
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<tr>
<td>Model 5</td>
<td>Autonomous</td>
</tr>
<tr>
<td>Subnational governments set their own Civil Service policies. Consequence is that potential exists for wide variation between central and subnational governments, and among subnational governments.</td>
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</table>

45. Currently, DRC is very close to Model 1, Total Central Authority. The change in legal status of the provinces opens the potential for transition to a more liberal model among those outlined in table 1. The transition should be gradual and steady toward a relationship based on Central Dominance mitigated by a rationalization in the distribution of central controls. These should be exerted not primarily by one ministère de tutelle (for example, the Ministry of Interior mostly alone) but by a State Commission of Ministries sharing responsibilities for guidance and control over the subnational administrative entities according to their mutual respective areas of competence.

46. The State Commission should consist of four permanent members: the Ministry of Finance, Ministry of Budget, Ministry of Public Service, and Ministry of Interior. The main tasks of the State Commission should be to (a) support and guide the institutional and economic development of the subnational administration and (b) exercise oversight over subnational administrative management. In addition, as a proactive participant, the commission should (c) implement permanent consultation mechanisms through the activities of Standing Commissions, namely, the Standing Commission on State-provinces, State Commission on State-Municipalities, and State Commission on State-Decentralized Territorial Entities. In Brazil, the establishment of consultative bodies and procedures has proven vital for the sustainability and progress of the reform.

2. LEGAL FRAMEWORK AND DEFINITION OF STATUS FOR CIVIL SERVANTS AT STATE, PROVINCIAL, AND LOCAL LEVELS; TEACHERS; AND HEALTH WORKERS IN A DECENTRALIZED ADMINISTRATION

47. The increase in levels of administration and categories of public employees and the need to differentiate such categories puts in question the validity of the current regulatory framework. It must be amended and improved primarily to create a merit-based Civil Service that is result and performance oriented and aims at fostering the professionalization of public employees. In this respect, Brazil’s experience is fairly innovative (box 3). There, the legislature established an authoritative base of reference for the administrative and Civil Service reforms by inserting the guiding principles of Civil Service management in the Federal Constitution. These principles include open competition as a mandatory principle for the selection of civil servants, career management based on explicit written regulations, and
job security limits that can be invoked when public expenditures are excessive. These principles are binding to both federal and subnational authorities and thus are above all constituent parts of the Federation. At the same time, as in the other cases, the organization and management system of subnational authorities is defined by individual subnational authorities and is not predefined by central government.

Box 3. Brazil and the use of Constitutional amendments to drive reforms

Constitutional amendments introduced in 1998 provided a direct powerful tool for public sector management reform. They stipulated the following principles, applicable to both federal and subnational authorities:

- Introduction of efficiency as one of the guiding principles that any of the powers and levels of the Union shall obey, in addition to morality, impartiality, lawfulness, and publicity, which were already prescribed
- Possibility to dismiss public servants due to excessive personnel expenditure or inadequate performance, with some protection given to state careers to be defined in lower-level legislation
- Suppression of the mandatory adoption of a single labor regime for civil servants, enabling the existence of multiple regimes, with or without tenure, and specific pension system regulated by the common labor law and the general social security system, according to the characteristics and needs of each sector of Civil Service
- Possibility to pay bonuses for productivity or measurably improved quality of the services
- Provision for the enactment of a Fiscal Responsibility Law to enhance budget discipline
- Impediment for the federal government, state governments, or their financial institutions to transfer funds voluntarily or to grant loans to meet payrolls
- Limit to the expenditures with personnel, to be detailed by law (in 2000 the limit was established), that, if surpassed, might result in dismissal of employees in a stipulated sequence. The sequence would be a proportion of freely nominated commission offices or positions of trust, nontenured public servants, and tenured public officials
- Imposition of limits and more rigorous controls over civil servants' wages to combat the proliferation of distorted wages due to corporate power and legal tricks
- Greater autonomy for the Executive branch to reorganize the public administration

Interaction between central and subnational governments

- In Brazil, since the election of President Lula, the federal government has played a much less prominent role in driving reforms. As a result, subnational authorities increasingly set the pace of reform, with modernizations increasingly occurring bottom-up. For example, Sao Paulo, Ceará, and Minas Gerais lead reform efforts in key areas such as the creation of autonomous agencies for service delivery and management of relations between agencies and government-based performance principles. The State of Bahia's very successful implementation of the one-stop-shop for citizens was studied by the federal government and then recommended to other States. Bahia offers multiple public services, including identifications, birth certificates, social security and tax documents and information, and drivers' licenses, at the same location, The States of São Paulo, Pernambuco, Minas Gerais, and Maranhão adapted the model to their own reality with good results. However, it is important to note that these citizen shopping centers do not often reduce costs, owing to the increased demand for services that were not previously available for all.

Consultation mechanisms in support of reform implementation

- Brazil has used consultation mechanisms extensively in reform implementation. The CONFAZ* structures in Brazil continued to review public management reform implementation once the design work was completed, which has proved to be one of the important factors in ensuring cross-fertilization among the public management innovations that have characterized Brazilian reforms.


Note: * = CONFAZ is the Intergovernmental Consultative Structure on Administrative Reform.
48. Besides the need to introduce more modern management standards in the Civil Service, the transition from a centralized to a decentralized administration imposes a legislative review process able to introduce new patterns of administrative and political culture. The Canadian model might inspire DRC legislators and reformers in this respect (box 4).

Box 4. Decentralization in Canada a mosaic of independent models following common principles of governance

The Canadian reform agenda leans heavily on the introduction of performance management practices. At the same time, there is not actually a concept such as “Canadian public management reform.” The reason is that reform content and implementations vary significantly between the constituent parts of the Canadian federal system. Canadian subnational authorities have the highest degree of de facto autonomy over public sector management issues generally, although, as in other States, autonomy in budget management practices is more limited. Limits are due mainly to the fact that the Constitution does not empower the federal government to implement reforms by law in most policy areas (and Constitutional amendments are virtually impossible to achieve), including public sector management (PSM). There are some exceptions in this regard. For example, in the health care sector, owing to specific conditions and agreements between federal and regional authorities, the obligation to provide health care services continues to rest with the provinces. Meanwhile, the federal government’s obligation to provide funding has de facto decreased.

The situation is entirely different at the level of provincial-municipal relations, where provincial governments can, through performance-related fiscal transfers, have a high degree of impact on the way that local authorities function. As a result of the specific nature of the Canadian governance system, it is not possible to speak of one direction of reform but rather of “independent experimentation” within the boundaries of generally agreed principles underlying the Canadian governance system. These principles are:

- A professional, politically nonpartisan public service whose members do not change with each election
- Elected politicians are responsible for policy, while the role of the public service is to advise, and then to carry out the decisions of, the elected officials
- Hierarchical accountability
- Prudence, efficiency, economy, and honesty with public resources
- Procedural fairness and the equal treatment of all citizens
- Appointment and promotion on merit, reasonably objectively measured, principally through competition
- Logic, analysis, rationality, and the rule of law as guiding principles for decisions and actions.

It is in particular the principle of procedural fairness that constrains the ability to reform, especially the introduction of business management practices in the public sector. On the other hand, the principles of prudence, efficiency, economy, and honesty with public resources have created an overall institutional culture in Canada that is strongly geared toward the measurement and outcome evaluation of government programs. Thus, methods and reform substance may differ between federal and provincial governments as well as among different provincial governments. Nonetheless, there is an overall concern with performance as a key element of PSM that has driven the introduction of enhanced performance management principles at all levels of government.

The best known example of such reforms remains Ontario. This province put in place a highly sophisticated performance management system in the public sector, with a cascading hierarchy of objectives reflected in the individual pay envelope of each civil servant. In this regard, Canada also provides one of the best examples of how performance-based pay practices can coexist with the principle of an impartial and professional Civil Service, with very low levels of politicization.

Canadian reforms provide one of the world’s best examples of how results in improving public sector performance can be achieved without the use of hierarchical tools and imposition, but rather by broadly agreed principles underlying the governance system.

49. There is an urgent need to re-examine and modify the Civil Service legal framework to provide an updated and comprehensive set of rules and clarify to which categories of public personnel they are intended to apply. The legal framework proposed in the Reform Strategy prepared by the Technical Committee for Public Administration Reform (CTRAP) is
not synchronized with the administrative decentralization. As formulated, the reform strategy still does not distinguish between civil and public servants. Rather, it maintains the different statuts (statut général, à statut special, and à statut particulier) for all public employees. The reform strategy does not differentiate among staff belonging to the central or the decentralized administrations. The varying classification of public employees in the three groups results in excessive normative fragmentation, making it difficult to set common management standards and pay scales. Decentralization is starting from scratch without the requisite preparation. The financial, normative, and organizational frameworks and supports required to advance the complex reallocation of administrative responsibilities between central and subnational administrations without major shocks have not been prepared.

50. In this precarious institutional and normative environment, it is wiser to adopt an incremental approach by simplifying the current institutional setting and normative framework. First, it is advisable to adopt a new Civil Service framework law for all State civil servants belonging to the central (State) administration. It is responsible for defining, implementing, and controlling State administrative regulations and procedures. Second, it is necessary to adopt a law on civil servants who belong to the decentralized administration. It is responsible for the administrative personnel who define, execute, and control administrative regulations and procedures at the provincial and local levels. Third, it is necessary to adopt a framework law for the public servants responsible for the delivery of services of public interest (health, education, rural development). This third normative text is required by the fact that it is still unclear whether health, agriculture, and primary education personnel will be decentralized. Depending on which sectors will be decentralized, the number of normative acts may vary. In this respect, it is possible to envisage two scenarios:

- **Scenario A**: Health and primary and secondary education along with university education and scientific research, and agriculture remain under the central administration. In this scenario, there should be one law on Civil Service, one on public service, and one on provincial and local public service.
- **Scenario B**: Health, primary and secondary education, and agriculture are devolved to the provincial administrations. University education and scientific research remain under the central administration. In this scenario, the most appropriate option would be to have:
  
  o *I* state law on Civil Service
  o *I* law on state public service
  o *I* law on provincial and local Civil Service
  o *I* law on provincial public service.

51. The experience of other countries can be a viable support for decision- and policy-makers. For example, subnational government employees (excluding education, health, and police) are defined as national civil servants in Australia, Austria, France, Germany, Portugal, and Spain. In contrast, in Canada, Italy, Japan, Korea, and Mexico, there is a separate Civil Service for subnational government. Medical personnel and teachers are covered by the state civil servants’ legislation in Austria, Denmark, France, Germany, Italy, Korea, Mexico, Sweden, and UK. For example, in the OECD, judges rarely are civil servants. Table 3 summarizes world practice in this area.
Table 2. Groups of public employees covered by the same Civil Service legislation as civilian central government employees

<table>
<thead>
<tr>
<th>Country</th>
<th>Health employees</th>
<th>Education employees</th>
<th>Police</th>
<th>Subnational government (excluding education, health, and police)</th>
<th>Covered by same legislation as civilian central government?</th>
<th>Separate Civil Service legislation offering similar, but distinct, status?</th>
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The following factors are important for DRC policy-makers to consider:

1. The administrative personnel of the provincial Civil Service cannot exist as a de facto unregulated reality. Nor can it operate in a legislative vacuum without specific norms regulating status, duties, benefits, wages, recruitment, and promotions.

2. Excessive fragmentation of the legislative framework into several legislative texts for different categories of public employees creates regulatory inflation. Problems result regarding harmonizing rules, particularly the definition of responsibilities, classification of positions, and making ranks and pay scales equivalent. Fragmentation also creates difficulties in redeploying civil servants governed by specific legislation within the overall public administration (central or subnational) and between different levels (central and subnational to local).

3. Simplification and re-regulation of the different categories of civil servants might be time-consuming, particularly if new drafts of legislation must be prepared and added to the existing legislation.

3. MANAGING THE TRANSITION

53. **Transitional measures for state civil servants transferred to provincial governments.** It is essential that in this phase of establishment of the provincial administrations transitional provisions be adopted to mitigate disruption. It may happen that, rather than filling the new provincial administrations with scores of newly recruited staff, a number of qualified staff from the existing Civil Service in the provinces shift to the new subnational governments, Such a move would depend on the amount and types of functions that have devolved from the central to the provincial administrations. The legislation being prepared to regulate the decentralized administration should set more precisely the degree of devolution and range of areas passed to provincial responsibility. The number of skilled workers who will pass from the national to the subnational administration depends largely on this definition. No evidence exists of any administrative plans, or ongoing measure or policy to regulate such flux of staff. Initially, policy-makers need to conceive transitional—and subsequently, permanent—
measures (legislative and organizational) for state civil servants to shift from the central to the provincial administration.

54. The most practical formula for ensuring a smooth transition of public personnel from the State to the provinces would be to facilitate in a systematic manner the secondment of State civil servants to the provincial administrations. The temporary move from one administration to another should be regulated and could be supported with time-limited financial incentives (secondment allowance).

55. The risk of a mass exodus from the central to the subnational administrations could be reduced by setting staff ceilings on the number of personnel that can be employed by the provincial administrations and by introducing a system of staff planning based on actual needs related to the fulfillment of mandated functions. Staffing plans should be jointly approved and authorized by the provincial Departments of Public Administration and by the provincial Ministry of Budget. This special secondment could be the initial step in the regularization and redeployment of work force within the public administration. This secondment period could be used as a sort of probation to assess the civil servants’ skills and build capacity. The duration should be exactly one year.

56. Concerning nontransitional remedies in this field, the DRC government will need to clarify whether the subnational government will have the authority to transfer staff from one job to another, or will need authorization or approval from either MPS or the relevant Ministère de Tutelle. It would seem awkward to submit this function to the approval of any central authority. The right of deployment and redeployment of subnational civil servants should be the exclusive competence of the provincial Civil Service administration. The same should apply to the health personnel and teachers according to the needs for their presence in the provincial territory. Centralized control and decision, which in daily experience prove to be inefficient, especially in education, should be devolved to the provincial authorities through the provincial public service administration.

4. INSTITUTIONAL ARRANGEMENTS

57. The role of the MPS and the institutional authority responsible for subnational Civil Service needs to be urgently defined. Since the provinces as well as subprovincial entities are foreseen to be in charge of their human resources it is a priority during this phase of institution building to have a clarification in this respect.

58. As yet, no evidence exists of provincial institutions competent to manage provincial civil servants besides primarily the Divisions of Public Administration (PDAPs), which, so far, are exclusively responsible for the civil servants belonging to the State administration. There are still insufficient policy statements or normative indications suggesting whether the management and regulation of the national and subnational public servants will be ensured by one central institution (Ministry of Public Service for both central and subnational Civil Services) or assigned by the provincial Civil Service to Provincial Civil Service Management Agencies (PCSMAs). The creation of provincial Civil Service management bodies is expected within not less than one year from the appointment of the provincial governments. The speed will depend on the existing capacity of local agents and the progress made by local human resources management staff in building capacity.

59. The PCSMAs will be responsible to:
• Ensure the correct implementation of the general rules governing the provincial Civil Service
• Ensure the implementation of personnel policies in performance management, career development, career progression, social benefits, and staff mobility within the provincial administration
• Manage outsourcing agreements for the delivery of public services
• Manage performance according to standards
• Recruit provincial civil servants
• Manage retirement and separation procedures for provincial civil servants
• Participate with the MPS to define wage policies and legislation for provincial civil servants.

60. The public service in the DRC requires urgent interventions to ease the HRM difficulties in the central administration. The role of a national authority to guide and facilitate the decentralization of HRM services is crucial, particularly in this phase of initial institutional development. The reform of the central Civil Service is needed to establish a set of standards for both levels of administration (central and subnational). Without a functioning central authority for the Civil Service, reform cannot be effective. However, it must be focused, rapid, and effectively phased. DRC policy-makers should consider introducing reforms to rehabilitate central Civil Service management capacity by intervening directly in the MPS.

61. The Ministry of Public Service (Ministère de la Fonction Publique) needs to remain fully competent to define and execute Civil Service policies and legislation at the national level. During the initial period of one year from the establishment of provincial governments, MPS temporarily will keep responsibility for the subnational Civil Service through the PDPAs. In the context of the imminent decentralization, MPS needs to retain full jurisdiction over the staff employed by the State and administration at the central and subnational levels. It will share with the Ministry of Interior the role of coordinator of reform and development programs for the subnational Public Service. The MPS shall ensure the “management” side of decentralization. The Ministry of Interior shall ensure the respect for the “legality” of the process. In this context, the MPS will retain the leading role in setting standards for the conduct of public employees and wage definition for both civil and public servants. It also will define the performance standards and ensure harmonization between national and subnational regulatory frameworks for both civil and public servants. Finally, MPS will prepare framework legislation and prepare development programs and activities for the provincial public services. All of these activities will take place in close and permanent consultation with the provincial ministries and authority for public administration.

62. This scenario foresees the division, upon decentralization, between the State Civil Service and the subnational Public Service and ensures a certain degree of autonomy for the provincial public service administration from that of the MPS. The low capacity of the current provincial Civil Service administrators is a weakness that needs to be taken seriously, particularly regarding the transfer of professional know-how in HRM and administration of the Civil Service from the center to the new subnational level. Intensive capacity building and internal reorganization within MPS is necessary to bring it up to effective performance.

63. It is clear that the Ministry of Public Service has limited capacity in oversight and guidance in managing the Civil Service and needs to be strengthened to develop a more authoritative institutional framework. The low level of authority that characterizes the MPS is detrimental to the functioning of the central Civil Service, the definition of reform policies
and their implementation, and the development of a strategy for the decentralization of Civil Service management functions and its implementation. The line ministry responsible for the public administration and Civil Service as *primus inter pares* among other ministries often suffers from inadequate political authority to ensure implementation of personnel and reform policies due to the resistance to change from other line ministries. Authority and decision-making capacity could be enhanced by revising the functional attributions of the MPS. A thorough rationalization process must start from MPS itself.

64. **The impact on the State budget of the decentralization and reform of the public administration and Civil Service very likely will be high.** Transitional financial arrangements with the provinces to sustain the creation of provincial Civil Services will be needed and closely monitored to prevent uncontrolled spending. New wage policies and legislation for both central and subnational Civil Services will need to be rapidly adopted. The body responsible for the administrative and Civil Service reforms will need to operate in very close consultation with the Ministry of Finance and Budget.

65. **The administrators of ministries at both central and subnational levels neglect conducting staffing needs assessments and preparing staffing plans prior to submitting annual budget proposals.** These omissions are particularly true for MPS, which does not take any initiative in this direction. Furthermore, MPS does not operate in consultation and interact sufficiently with the provincial Departments of Public Administration.

66. Currently, each administrative structure defines its staffing needs without checking the availability of funds within their budgets or consulting or coordinating with the services responsible for the definition of budgets. The synchronization between budget estimates and the actual needs of ministries in terms of staff numbers is weak. Too often, administrators of ministries and departments do not have any knowledge or clear perception of their budgets. This lack of planning and budgeting delays disbursements. In the worst cases, frequently, disbursements do not take place at all—causing great to the employees, who do not receive any salaries for several months. The irregularity of salary payments encourages corruption within the public administration.

67. It is essential to reinforce the institutional capacity of the MPS in the consultation phases of budget formulation to ensure availability of financial resources to cover staffing needs. Strong interaction between the MPS and the Ministry of Budget, and the exclusive competences of these two ministries are essential elements particularly for the Civil Service.

68. Regarding the decentralized provincial administration, the same formula of close interaction between the two provincial ministries—administration and budget—is to be replicated for local recruitment. This close interaction is particularly important not only as a control but also as good governance.

69. **Recruitment of provincial public servants.** To date, no rules establish setting an independent, merit-based recruitment mechanism for the provinces or indicate whether the provincial administrations will have the authority to hire staff. The new legislation is expected to grant this right to the provincial administrations by subtracting recruitment from MPS and devolving it to the provincial public service authority. During the transitional period of the establishing the provincial administrations and Civil Services this function can be left, for approximately one year, to the branches of MPS present in the provinces (PDPAs).

70. The local recruitment of teachers and health personnel is an issue that the DRC government must address and resolve in the context of the type of decentralization that is
appropriate to the health and education sectors and the status to be assigned to their staff. Currently, they are special civil servants governed by national legislation.

71. **Payroll management authority for the provincial Public Service** As the provincial administrations progress and staff their institutions, timely payment of staff will be essential. So far, there is no evidence of any norms defining the payment modalities during the first months of life of the provincial administrations. Also yet to be defined for the transition are (a) whether and how the provincial administrations will process payrolls for their staff, and (2) how the central State administration will ensure payroll operations. Regarding the other local government structures (municipalities), each province will be fully in charge of its own staff payroll, with a progressively diminishing dependence on the central State administration (Ministry of Budget).

72. The duration of the transition will depend on how fast and how precisely the financial rules and autonomy of the provinces will be defined. In Indonesia, for example, payroll management was transferred to the regional governments. As part of the transitional provisions, central government continued to pay the salaries of devolved staff for five months following the transfer and deducted the amount from the calculation of the general grant transfer. This measure considerably reduced some expected transition problems. In Uganda and in India, payroll management is centralized for education and health workers, while for employees of the subnational administration, salaries are paid locally. The same happened in the Philippines and Poland.

73. **Wage-rates-setting authority for subnational Public Service and in particular for the provincial administration. Who will be in charge?** As the first step in the pay system reform, the central government must clarify what entity has authority to set wage rates for subnational public servants. The authority responsible for setting common standards and controls across the country during the transition for the central and decentralized pay system needs to be assigned without ambiguities. The central government also needs to make a statement designating the competent authority.

74. So far, no new normative text defines the terms and conditions for setting the wage rates for the public servants of the provincial administrations. Recourse to the best international practice might help DRC policy-makers to introduce innovative regulations in this area. To start with, the current situation, characterized by weak HRM capacity at the central level and even weaker capacity at the periphery, requires a solid central control and management authority. Such authority should be able to ensure reliable and reformed human resources management rules procedures and controls extending to the pay system and pay bargaining, both centrally and at subnational levels until a sound subnational Public Service management authority is established in each province. The experience of Denmark and Finland can be considered. Both combine central responsibility for pay bargaining with responsibility for overall staff regulations within the government sector. They also separate responsibility for pay bargaining from responsibility for budget formulation.9

75. In Indonesia and the Philippines, for example, wage rates (including base wage, position allowances, and family allowances) are set centrally, although supplements may be paid by local authorities. In Pakistan, wage rates are established by the provincial governments but effectively by the federal government through framework legislation. In

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India, pay scales for the subnational administrations are determined by the subnational governments.

76. Poland and Uganda provide a more flexible model that respects local peculiarities and therefore local autonomy. There, pay scales are set by the State while subnational governments have the ability to supplement the base salary and are free to provide incentives and allowances. For at least an initial period of five years, until HRM capacity is established at the provincial level, the central government should limit the margin of discretionary authority to set salary supplements for the provinces. This is necessary to avoid the build-up, in the long run, of a disproportionate salary gap between central and subnational administrations. A common pattern is that provincial salaries become substantially higher than those paid in Kinshasa for the same ranks and same types of jobs. Furthermore, the varied and high salary differentials among provinces make the whole pay system completely unmanageable and financially out of control.

77. Under those conditions, the central control and management option is the most suitable for the DRC because it would not deviate from the central government’s practice of setting wage rates (base salaries). The reformed pay system for central and subnational civil services is to be regulated with a new Civil Service pay law and a public service pay law. These laws will set the standards for more transparent, merit-based, attractive, and fairly rewarding wages. Meanwhile, the Bank is urging the DRC government to take a clear position and define three points:

a. Whether subnational governments do or do not have competence to set wage rates
b. How provincial governments will interact with the State competent authority to define wage rates and pay system
c. Whether, or within which limits, the provincial administrations will have the authority to provide local hardship or remoteness allowances to subnational public servants, including teachers and health workers, within the framework of a new wage system.
III. PUBLIC SECTOR PAY SYSTEM IN THE CONTEXT OF CIVIL SERVICE REFORM AND DECENTRALIZATION

1. INTRODUCTION

78. *The DRC public administration is far from being the best or the most competitive employer.* The wage factor is one of the main causes making the DRC public administration a non-competitive employer. Due to poor employment conditions, including poor remuneration, the public administration is incapable of attracting, retaining, and motivating skilled professionals. Consequently, the central government is unable to provide quality services to client citizens. Salaries are paid irregularly and, in some cases, not at all. Their levels are inadequate and do not (a) provide a basis for the delivery of quality public services, (b) ensure the respect of basic professional ethics and loyalty to the institutions, and (c) ensure responsiveness by civil servants to client citizens’ quest for services.

79. The existing salary scales for differing professional categories within the Civil Service are excessively compressed, thus disincentivizing staff to accept higher level responsibilities and make meaningless career progressions. The way that wages are structured and managed far from rewards merit and performance. Benefits added to the base pay barely provide the supplementary compensation for specific personal or service conditions (allowances for housing, hardship, transfers to other locations within the country). There is no doubt that the current situation is not the ideal for motivating civil servants to work more and better and raise their pride in serving the State and the public.

80. This section of the review deals primarily with the core Civil Service, although many aspects of reform options also could be applied to other parts of the public service.

81. *Due to uncertainty about the number of staff and management, and the control problem over the pay procedures, DRC’s pay system is in critical condition.* A large number of staff, particularly in the provinces, and mainly teachers, are receiving their salaries late or have not received any for several years. The mechanisms in use are not streamlined and are not concentrated in the hands of the bodies that should have exclusive jurisdiction over the Civil Service: the Ministries of Public Administration and of Budget together. Ministerial Cabinets and other subjects are issuing payment orders, thus creating confusion, inefficiency and double-dipping by enterprising people.

82. In conjunction with the census of civil servants, the government is introducing simplified the Transitory Simplified Pay-System (TSP; otherwise known in French as PTS for *Procédure Transitoire Simplifiée*). TSP is designed around the concept that each ministry will be able to modify the database and introduce all necessary changes related to its personnel (including recruitment and promotions). According to this system, ministries could modify the database at will whereas the payments are to be disbursed for three months at a time with regularizations of staff done at the end of the three months. This mechanism would enable reconciliation of the need to account for turnover with the need for wage bill control based on a reliable database of staff.

83. The main risk of this procedure is that essentially it is an accounting procedure without much concern for the human resources management side. Moreover, it is exclusively managed by the Directorate of Pay of the Ministry of Budget (MB) with no participation and role for MPS. The risk of regularizing personnel with little concerns for Civil Service
management rules and staffing policies is as real as the strong possibility of increasing the staffing levels without much control.

84. It is crucial that in this context MPS and MB work in close consultation and with respect for the existing HRM procedures, legislation, and policies that, although outdated, can still be viable in the emergency in which the DRC Civil Service finds itself. It is essential that the “right” of ministries to enter personnel data be constrained by restrictions on the freedom of ministries to hire staff. Hiring is unrestricted, and formal financial coverage with doubtful resources from budgets annexes creates serious budget management problems. Thus, the decentralized management of the PTS should include mechanisms for tightening the rules on staff recruitment, that is, requiring advance joint permission from both the Ministry of Budget and the Ministry of Public Service.

85. The objective is to create transparent, reliable, regular, fair, and durable remuneration. The top priority of the wage reform is to engender sustainable higher remuneration levels over time for both civil and public servants. Another priority is to pay salaries that are reasonably in line with market pay levels and thereby minimize any tendency for staff to seek illegal ways of supplementing their incomes. Adequate mechanisms will be introduced not only to bring contingent pay increases, which can fast be eroded by inflation or economic instability, but also to set conditions that, over a maximum time of five years, contribute to consolidate progressively higher and more reliable revenue for civil servants. Through restructuring the base wage, the reform also aims to set solid conditions for durable income earnings by civil servants for more meaningful pension levels. Under the new system, pay increases no longer will be based exclusively on seniority but on performance, skills, and professional experience.

2. Public Sector Employment Levels and Wage Disbursement

86. Staffing levels are unstable and, despite adjustments due to the outcomes of staff census, they tend to increase rather than decrease or stabilize. Some adjustments to the number of employed personnel in the DRC public sector already are taking place with the first data of the ongoing census. From January–July 2006, the number of staff of some categories increased: civil servants (+ 8.15 percent for the actively employed ones), primary and secondary teachers (+ 7.3 percent), higher education and university teachers (+ 3.1 percent), health (+ 8 percent) and agriculture personnel (+ 13 percent), and appointed staff (+ 6.6 percent). These numbers increased the total staff to 489,645. The ongoing census may increase this number. In addition, the Ministry of Primary and Secondary Education has identified some 50,000 teachers to be regularized, adding significant numbers of public servants to the wage bill. This will take the number of public servants on the wage bill well above levels that are sustainable, a point recognized by the authorities.

Table 3. Increase in personnel of selected functional categories, January–July 2006

<table>
<thead>
<tr>
<th>Categories</th>
<th>Number of staff January 2006</th>
<th>Number of staff July 2006</th>
<th>Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil servants:</td>
<td>121,624</td>
<td>131,545</td>
<td>+8.15</td>
</tr>
<tr>
<td>Primary and secondary school teachers</td>
<td>210,416</td>
<td>225,723</td>
<td>+7.3</td>
</tr>
<tr>
<td>Higher education and university teachers</td>
<td>26,254</td>
<td>27,072</td>
<td>+3</td>
</tr>
<tr>
<td>Health personnel</td>
<td>47,869</td>
<td>51,705</td>
<td>+8</td>
</tr>
<tr>
<td>Agriculture personnel</td>
<td>9,929</td>
<td>11,211</td>
<td>+13</td>
</tr>
<tr>
<td>Appointed staff and budget annexes</td>
<td>28,606</td>
<td>30,494</td>
<td>+6.6</td>
</tr>
</tbody>
</table>
87. During 2005, wage disbursement passed from CDF 10,573,914,408 to CDF 12,261,824,542 with an increase of CDF 1,687,910.134 (+15 percent). At this level of spending, the wage bill represents 1.17 percent of the overall 2006 state budget and 0.55 percent of GDP (core Civil Service only). The increases have taken place due to an increase of the transportation allowance (CDF 1,000) for the State civil servants in the provinces; of the housing allowance (CDF 2,500) for the State civil servants residing in Kinshasa; and of the allowances for the job of the primary and secondary education teachers, the teachers of the professional and academic institutions, and the personnel of the scientific research sector. Also contributing to increase of the 2006 wage bill were the increase of the risk allowance for out-posted medical doctors; increase of the bonus for teachers in 2005; allowance for the census to the State civil servants in Kinshasa and in the provinces; computerized payroll registration of teachers of the primary, secondary, and superior education levels; readjustment of the salary of medical doctors; regularization of salary levels and payment of arrears of the regularized civil servants; and liberalization of certain services financed by budgets annexes.

2.1. Civil Service wage system

88. The current wages are inadequate to create fair and reliable remuneration. Since 2001, the structure of Civil Service wages in the DRC for all categories of personnel in the public sector has been progressively modified by adding supplements to the base salary. Meanwhile, the latter has insignificantly increased in value since March 2004, whereas supplements have experienced more significant increases (table 4).

Table 4. Evolution barémique de 2001 à 2006/Secteur Fonction Publique

<table>
<thead>
<tr>
<th>N°</th>
<th>GRADE</th>
<th>BASE</th>
<th>TRANSPORT</th>
<th>KINSHASA</th>
<th>BASE</th>
<th>TRANSPORT</th>
<th>KINSHASA</th>
<th>BASE</th>
<th>TRANSPORT</th>
<th>KINSHASA</th>
<th>BASE</th>
<th>TRANSPORT</th>
<th>KINSHASA</th>
<th>BASE</th>
<th>TRANSPORT</th>
<th>KINSHASA</th>
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<tbody>
<tr>
<td>1.</td>
<td>DIRECTEUR</td>
<td>3,500</td>
<td>4,446</td>
<td>10,328</td>
<td>10,210</td>
<td>1,020</td>
<td>10,900</td>
<td>6,702</td>
<td>10,900</td>
<td>8,000</td>
<td>2,200</td>
<td>10,200</td>
<td>11,650</td>
<td>8,300</td>
<td>2,200</td>
<td>10,300</td>
</tr>
<tr>
<td>2.</td>
<td>DIREC DE DIVISION BONHEUR</td>
<td>3,600</td>
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<td>10,328</td>
<td>10,210</td>
<td>1,020</td>
<td>10,900</td>
<td>6,702</td>
<td>10,900</td>
<td>8,000</td>
<td>2,200</td>
<td>10,200</td>
<td>11,650</td>
<td>8,300</td>
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<tr>
<td>3.</td>
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<td>10,900</td>
<td>6,702</td>
<td>10,900</td>
<td>8,000</td>
<td>2,200</td>
<td>10,200</td>
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<td>8,300</td>
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</tr>
<tr>
<td>4.</td>
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<td>4,445</td>
<td>10,328</td>
<td>10,210</td>
<td>1,020</td>
<td>10,900</td>
<td>6,702</td>
<td>10,900</td>
<td>8,000</td>
<td>2,200</td>
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<td>2,200</td>
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<tr>
<td>5.</td>
<td>DIREC DE DIREC DE DIREC DE DIREC DE DIVISION BONHEUR</td>
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<td>11,650</td>
<td>8,300</td>
<td>2,200</td>
<td>10,300</td>
</tr>
</tbody>
</table>

Source: Ministry of Budget, 2006

89. The table shows the ranks starting from Director because the level of General Director has been de facto suppressed. Table 4 does not show the level of General Secretary since it is not paid by the MB General Directorate for Pay but by the Cabinet of the Minister of Budget.

90. The salaries of public personnel (civil and public servants) contain a high number of pay supplements based on functional category, status, and tasks. In addition to the base salary and the transportation and housing allowances, a number of pay supplements vary according to the functional category (status) of the public servants and the types of tasks that...
their positions entail. Consequently, civil servants receive (statut général) pay supplements according to the ministry in which they are employed.

91. Civil servants, for example, are called Primes de Recensement. This term is applied only up to the rank of Director; it excludes General Directors and General Secretary of Ministries. Civil servants located in Kinshasa and those out-posted there have two different rates. The primes de recensement for the civil servants located in Kinshasa are scaled with a different value for each echelon and represent 59 percent of the full salary. In contrast, those paid to the civil servants in the provinces have a flat value for all echelons and represent from 40 percent of the full salary for the highest civil servant in the province equivalent to Secretary General to 76 percent for the lowest rank in the hierarchy.

92. The Transportation Allowance for Civil Servants is a flat rate monthly allowance equal for all ranks but is paid at different rates for Kinshasa and in the provinces. For staff in Kinshasa, the allowance is superior in value to the base salary, thus contributing to wage distortion. This allowance is 115 percent higher than the base salary of the highest echelon of the Civil Service up to 1153 percent higher than the base salary of the lowest rank. For civil servants in the provinces, the applied rate is nine times lower than that applied in Kinshasa (DCF 1000 versus DCF 9202). The wage distortion is much less impressive for the civil servants in the provinces than for those in Kinshasa.

93. The Housing Allowance for civil servants is payable only to the civil servants residing in the Kinshasa area. It is a flat monthly rate, and the same amount is paid to all ranks of the hierarchy. This allowance represents less than 10 percent of the overall salary for each echelon of the Civil Service hierarchy.

94. The personnel of the Ministry of Finance and Budget receive a supplement called prime de rétrocession. The civil servants in the Ministry of Public Service receive a special supplement “for the assigned tasks” (prime spéciale de fonctions). The Minister for Public Administration is prepared to introduce a pay supplement for the educational level applicable across the entire public administration. The civil servants employed in the Ministry of Planning receive a supplement for “planning.”

95. The variety of pay supplements that exists for the civil servants employed in the Ministry for Higher Education is problematic. There is a supplement for studies completed (prime de diplôme), one for technical skills (prime de technicité), one for membership in the commission that validates foreign degrees (prime d’homologation), one for the exercise of academic authority, one for special administrative functions, and one seniority supplement.

96. For Ministry of Finance personnel, there is a supplement for budgetary control functions, one for the definition of the wages, one for the management of budget implementation, a supplement d’intendance, and one supplement for IT functions.

97. The situation is much more opaque in the Ministry of Health (MoH). It has a supplement for professional risk reserved for medical doctors. Paramedical personnel receive an further supplement for “curative functions” (prime de fonctions soignantes). The Ministry of Budget grants to the Ministry of Health an annual amount for salaries and supplements. The pay of each person employed in the health sector is managed by the Wage Commission of the MoH, and salaries are paid by dividing the total amount assigned by the budget for wages by the number of employed staff. Individual pay is decided case by case by the Wage Commission. Consequently, when the number of staff is higher, individual salaries are lower.
The wage levels thus vary greatly each month. Social justice and fair treatment of workers are principles completely neglected in this case.

98. **Salary compensation supplements for PSE teachers.** All teachers receive two such supplements, which are defined as *primes* with no particular denomination. There are different rates for different ranks, and they vary for the teachers working in Kinshasa, or in Lubumbashi, or in the provinces. They constitute 50 percent–60 percent of the full salary for PSE teachers in Kinshasa, 50 percent–70 percent in Lubumbashi, and 50 percent–60 percent in the provinces. For the transportation allowance for PSE teachers, the same rates used for the civil servants apply to the PSE teachers in Kinshasa (DCF 9202) and in the provinces (DCF 1000). The distortion is the same as noted in the case of civil servants. The Housing Allowance for PSE teachers (in Kinshasa only) is paid monthly in the same way as for the civil servants and at the same rate. Similarly, PSE teachers in Lubumbashi and in the provinces do not receive such supplement.

2.2. **Allowances and supplements**

99. A number of “pay supplements” cannot be codified as required by the PTS. According to the PTS, supplements that cannot be codified and recorded cannot be paid. This represents a particularly serious problem, especially for public servants whose pay consists almost exclusively of supplements with a very limited base salary.

100. The current central pay system with the great variety of supplements:

- Is particularly opaque, extremely complex to manage and highly inefficient for accounting purposes; and does not facilitate the calculations for the fiscal impact assessment needed to reform the pay system.
- Cannot ensure that the actual wages are equitable and cannot ensure stable wage levels across the administration;
- Defeats any possibility of making pay a motivating factor.
- Favors the “personalization” of wages and is detrimental to the establishment of a fair pay system.
- Contributes to fragmenting functions assigned to a position into a number of tasks. Fragmentation undermines accountability because performance concentrates on some better paid tasks within the functions rather than on the exercise of functions as a whole.
- Distorts the pay scale applicable to civil servants at the same career level but working in different areas of the administration by creating inequalities.
- Does not permit fixing satisfactory levels of pensionable remuneration common to all civil and public servants.
- Inflates the wage bill without remarkable long-term benefits for staff (unchanged base for pensionable remuneration).
- Increases wage compression for all pay scales applicable to the different professional categories of the DRC public sector.

101. Concerning other allowances, more evidence is to be sought. Particularly concerning the *allocations familiales*, it is necessary to explore the applicable rates/amounts and their percent of the final pay. It also is necessary to explore whether public personnel receive other
forms of nonmonetized fringe benefits (insurances, exemptions from income tax for revenues earned from employment in the public administration, free access to education).

102. According to the evidence offered by the official salary scales, it is possible to conclude that past governments have opted for an incremental public sector wage policy rather than introduce appropriate mechanisms that could preserve wages’ real value and a fair and reliable way of remuneration. The prevailing wage policy consists mainly of compensating for the decline in real salaries by adding monthly supplements.

103. Another distorting element of the wage system is the selective payment to staff of supplements (housing or transportation) at different rates depending on the their job location (Kinshasa, provinces, Lubumbashi). This practice strongly diminishes the equity of remuneration for civil servants who are discharging equivalent types of functions across the country and increases wage compression. In practice the variety of supplements and of base salaries for different professional categories (civil servants, teachers, health and agriculture personnel) creates multiple salary scales and systems within the public administration, furthermore undermining motivation and the possibility of setting modern management standards within the public administration.

2.3. Wage compression ratios

104. Wage decompression ratios are far too low, and wage differentials for different categories across the public administration are too high. A compression ratio of 1:4 between lowest and highest paid career official is internationally seen as the minimum needed to assure a relevant level of motivation to pursue additional responsibility. In the DRC, wage compression has reached limits in which the salaries are unable to provide asuch adequate motivation and minimum satisfaction of basic needs across the hierarchies of the different professional categories of civil servants. Table 5 provides interesting elements with which to assess the actual wage compression of the pay system in the DRC. The table shows the actual pay grid for civil servants including the General Secretary level as of November 2006. It is important to note that this grid does not include a number of specific supplements, notably the ones discussed in section 2.1 above.
Table 5. Overview of main allowances and supplements, November 2006

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Secretary</td>
<td>7,980,00</td>
<td>9,202,00</td>
<td>1,000,00</td>
<td>2,500,00</td>
<td>139,200,00</td>
<td>6,000,00</td>
<td>158,882,00</td>
<td>14,980</td>
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<td>6,000,00</td>
<td>40,903,00</td>
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<tr>
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<td>2,500,00</td>
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<td>2,500,00</td>
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<td>6,000,00</td>
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<tr>
<td>8</td>
<td>Agent de bureau 2</td>
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<td>33,394,00</td>
<td>8,996,00</td>
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<td>9</td>
<td>Auxiliary Agent 1</td>
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<td>9,202,00</td>
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</table>

105. The base salary (without supplements) has a compression ratio of 10 (table 5).

106. For the civil servants located in Kinshasa, the allowances for transportation (CDF 9202) and for housing (CDF 2500), when added to the base salary, automatically have a negative effect on the wage decompression ratio, drops drastically from 10 to 1.4. The payment of equalized supplements irrespective of different ranks and living standards leads to such low decompression rate. This drop could be easily avoided if only those supplements were scaled proportionately. Further to this, a supplement for census (without a proper rationale) was added in 2005. The very high supplement (DCF 139,200) paid to General Secretaries, although it keeps the overall decompression ratio high (7.7), in reality adds more distortion to the pay grid itself. In fact, DCF 139,200 remains an “extravagant” supplement in comparison to the amounts granted across the entire grid. In reality, for those to whom a more coherently scaled supplement is granted, such as the range from Chief of Division to Porter, the decompression ratio is 2.2 for the civil servants based in Kinshasa. This wide discrepancy has a significant impact on staff motivation because it affects the intermediate and intermediate/high ranks of the Civil Service hierarchy, who consequently have little incentive for ensuring a higher quality of service, loyalty, and overall professional motivation.

107. The Census Supplement paid to General Secretaries is 5 times higher than that paid to Directors and 23 times higher than that paid to Directors out-posted in the provinces. This vast difference constitutes an element of unfair treatment within the Civil Service contributes to demotivation, particularly of civil servants who have leadership and decision-making responsibilities.

108. Further analysis of the civil servants’ wage decompression indicates that, for the mid-level staff Agent de Bureau 1 and Chef de Bureau, the decompression ratio is 1.2, which is still too low to raise career ambitions among the staff ranked within that bracket of positions. It is obvious that this scale is not merit based and that wage levels have been set without taking into account responsibility, accountability, complexity of work, type and quality of decisions to be taken, coordination, and supervision.
109. It also is possible to see that the government’s policy orientation thus far has been to keep a low ratio to minimize the pay differentials between higher and lower echelons. The containment of the salaries at the top of the hierarchy and the raising of salaries of the unskilled or semiskilled labor force would signal the government’s commitment to an egalitarian pay structure that needs to be reverted and pay levels that need to begin to match with skills and responsibilities. In practical terms, low decompression ratios do not help substantially to improve either wage bill spending or the professionalization of the public service and certainly are not instrumental to ensure improved governance.

110. The decompression rate for the civil servants living in the provinces depends on the pay structure, which does not include the monthly housing supplement and does contain a lower (CDF 1000) transportation supplement than that paid in Kinshasa (CDF 9202). Considering that such supplements paid at flat rates are conceived to ensure a higher salary rather than to reimburse actual costs, there are obvious elements of unfair treatment among equally ranked staff based on the different job locations. It is important that in reforming the pay system, this type of discrimination be removed. In addition, the absence of compensation for staff out-posted constitutes a disincentive for many civil servants, who strive to concentrate in the central administration in Kinshasa rather than move to the provinces. This element needs to be taken seriously into account, especially in the impending establishment of decentralized subregional governments, which will require a number of staff in the provinces. The salary decompression ratio for the Civil Service in the provinces is extremely low at 1.9. There is no way that civil servants would be keen to accept any out-posted work assignment, particularly in areas that offer very high levels of risk to personal security and hardship.

111. The wages paid to teachers of primary and secondary education have substantial differences from those paid to civil servants. The first difference is in the denomination of the functional ranks for which it is fairly complex to establish an exact equivalence. For each echelon, there are 10 steps (0–9). For the teaching staff of the Kinshasa area, between the first step and the last, the salary ranges from 20 percent between lowest and highest step for Grade 12 (the highest step within echelon) to 10 percent for the lowest echelon that contains steps (Grade 32). Grades 33, 34, and 35 do not foresee any step progression. In Kinshasa, a teacher ranked at Grade 12 is equivalent to a civil servant ranked as Director (in Kinshasa) and earns from a minimum of DCF 54,495 (step 0) up to DCF 64,358 (step 9), versus CDF 45,423 for the Director of the Civil Service, that is, 20 percent–30 percent less. Nevertheless, despite the higher pay, the decompression ratio across the scale of 12 echelons is fairly low (3.2) but definitely is better than that of the Civil Service.

112. For out-posted teachers, the system distinguishes between those posted in Lubumbashi and those posted in the provinces. For the teachers in Lubumbashi, the salary is particularly lower than that paid to their colleagues at the same rank in Kinshasa. The average difference is approximately 54 percent less for the teachers in Lubumbashi. Compared to Civil Service salaries paid to staff outside of Kinshasa, the teacher at grade 12 step 9 earns CDF 42,454 (and CDF 32,591 at grade 12 step 0). In contrast, an out-posted Chef de Bureau of the Civil Service earns CDF 12,746. That is 233 percent less than the higher step of the grade 12 for teachers, or 155 percent for teachers at the lowest step of the same echelon. The compression ratio for the PSE teachers’ pay scale (from grade 12–32 included) in Lubumbashi is 2.3.

113. In the remaining provinces, the PSE teachers still earn substantially less than those employed in Kinshasa. The salary averages 85 percent less than the one paid in Kinshasa, and
the decompression ratio is 2.4 for the teaching staff (excluding support personnel) ranked at echelons 33, 34, and 35.

114. For all teachers in Kinshasa, Lubumbashi, or in the provinces, contrary to what happens for civil servants, salaries contain two supplements plus housing and transportation allowances. The two supplements have different values in each location (Kinshasa, Lubumbashi, provinces) and for each echelon, but the same value for each step within echelons. These supplements and allowances are the main factors in compression. Without such supplements and allowances, since the base salary is the same, the decompression ratio would be equal for all three locations: 19.8. Moreover, the base salary for each echelon of the hierarchy for PSE teachers is substantially higher than the equivalent rank for civil servants.

115. The situation is further complicated by the pay scale used for employees of the Ministries of Health and of Agriculture. As a matter of fact, for the Health and Agriculture personnel, a common pay scale has been established different from the one adopted for the PSE and Civil Service. The MoH/MoA scale is structured on levels of base pay different from those paid to the civil servants and to PSE personnel, and it includes 14 functional levels versus the 11 foreseen for the civil servants and the 10 for the PSE. Under these conditions, it is very difficult to establish the equivalence of functional levels and elaborate a unified base pay that would be applicable across all public and Civil Service sectors.

116. In the pay scale in table 6, EC stands for “En Chef.” It is not clear to what this level corresponds since these positions are above the levels of Chief of Clinic or of Plantation (for agriculture), Chief of Service, or Chief of Sector. It is stressed that there is no equivalence between the functional levels 9–14 of this scale with the functional levels 1–8 of the Civil Service pay scale. The fact that the base pays are almost identical is purely coincidence.

### Table 6. Pay scale for Health and Agriculture Ministries’ administration personnel (2006)

<table>
<thead>
<tr>
<th>N.</th>
<th>Grade</th>
<th>Base pay</th>
<th>Transp. Allow.</th>
<th>Housing Allow.</th>
<th>Supp. ment</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>1</td>
<td>EC5</td>
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<td>9,202</td>
<td>2,500</td>
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<td>33,547</td>
</tr>
<tr>
<td>2</td>
<td>EC4</td>
<td>19,950</td>
<td>9,202</td>
<td>2,500</td>
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<td>31,652</td>
</tr>
<tr>
<td>3</td>
<td>EC3</td>
<td>18,953</td>
<td>9,202</td>
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<td>30,655</td>
</tr>
<tr>
<td>4</td>
<td>EC2</td>
<td>17,955</td>
<td>9,202</td>
<td>2,500</td>
<td>0</td>
<td>29,657</td>
</tr>
<tr>
<td>5</td>
<td>EC1</td>
<td>16,958</td>
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</tr>
<tr>
<td>6</td>
<td>EC</td>
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</tr>
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<td>8</td>
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<td>21,777</td>
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<td>13,697</td>
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</table>

117. The scale shows elements of distortion that affect the compression rates for the personnel working in both Kinshasa and the provinces. For the Kinshasa personnel, base pay without allowances shows an encouraging compression rate of 11. However, the rate drops to 2.45 after adding the housing and transportation allowances. It is important to take into account that the compression rate of the salary after adding allowances can be substantially different when special pay supplements (prime de risqué and other “ad hoc” supplements) are
added to the total indicated in the scale in table 6. It is highly unlikely that the additional special supplements would improve the compression rates. In any case, the adjustment or improvement would be limited to individual cases rather than to the whole category of employees.

118. The situation in the provinces is definitely worse in many respects. First, it is very hard to understand for what reason there are five different levels of EC when their pay is exactly the same. The compression ratio of 1.0 makes it superfluous to have so many levels. Moreover, compared to 11 in Kinshasa, the overall compression rate before allowances is 3.68. Adding the transportation allowance drops it to 2.78. Once again, this pay scale does not include any additional special pay supplement that might furthermore reduce the compression rate primarily at the level of individuals.

119. This pay scale certainly is not suitable to motivate personnel posted in the provinces to better perform or to aspire to higher levels of responsibilities. It especially frustrates the ambition to reach the functional levels classified as EC. The current scale encourages particularly the medical and paramedical personnel to seek employment in Kinshasa rather than in the provinces, where the pay averages 25 percent lower for no reason. On the contrary, the base pay for the out-posted medical and paramedical personnel as well as the personnel of the provincial ministry of agriculture in charge of rural development programs should be higher than in the capital.

120. All data so far reported are very basic and provide only a simplified view of the distortions that affect the different pay scales and consequently the overall pay system for the public sector in the DRC. It is important to be aware that a large number of special supplements, plus seniority pay coefficients, are added to the wages. After such additional wage components, it becomes virtually impossible to draw a general pay scale for each sector (PSE, Health, Agriculture, Civil Service) in both the central and the provincial Civil Services.

121. It is vital to change the pay scales to re-equilibrate the decompression rates to higher levels. It also is important to integrate as many supplements as possible in base pay. In this last hypothesis, however, there is an immediate need to dismantle the system of special pay supplements to gain more transparency and strengthen the values of the base pay for all sectors of the DRC's public administration. In the last decade, various African countries have pursued the path of either high or low decompression ratios. Benin, Burkina Faso, and Senegal have kept their salary decompression ratios below 10. However, their top salary levels also are too low to attract or retain professionals in the public service. Botswana and Uganda have adopted high decompression ratios of 20 and 30 respectively. Tanzania has a moderate decompression ratio of 15–20.

122. The amount paid for supplements is higher than the base salary. The evolution of the pay structure in DRC has degenerated into paradox in which, in most cases, base salaries represent a small, or often too small, portion of the pay, whereas supplements are far larger than they should be. Tables 7 and 8 portray the situation for the Civil Service and Primary and Secondary Education (78 percent of public personnel).

123. It is obvious that the supplements added to the base salary represent a main factor of distortion. For the civil servants and the PSE personnel in Kinshasa where the transportation allowance is paid the differential in percentage between base salary and supplements is higher than in the provinces. Concerning the Health and Agriculture personnel, while in Kinshasa from the mid level of the hierarchy to the lowest one the percentage of allowances
is higher than the base pay, in the provinces the differential between base pay and allowances is more reasonable preserving at a higher level the portion of pensionable remuneration. It is obvious that the number and nominal value assigned to the allowances has a distorting and negative impact on the repartition between base pay and non pensionable additional pay supplements. The inadequacy of the levels of pay in nominal value becomes particularly evident for the low and mid echelons of the hierarchy where the wage is almost exclusively a sum of supplements. The situation needs to be modified and an improved balance between base salary and supplements needs to be re-established to create conditions of transparency and equity as a platform for a coherent pay system within the public administration particularly in view of setting pay levels for the decentralized administration.

**Table 7. Proportion of base salary and supplements in civil servants' wages**

<table>
<thead>
<tr>
<th>Echelons</th>
<th>Kinshasa Base salary Supplements</th>
<th>Provinces Base salary Supplements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(%) (%)</td>
<td>(%) (%)</td>
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<tr>
<td>Secretary General</td>
<td>5  95</td>
<td>53  47</td>
</tr>
<tr>
<td>Director</td>
<td>15  85</td>
<td>49  51</td>
</tr>
<tr>
<td>Head of Department</td>
<td>14  85</td>
<td>45  55</td>
</tr>
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<td>Head of Office</td>
<td>11  89</td>
<td>45  55</td>
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<td>9.6  91.4</td>
<td>30.3  69.7</td>
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<td>25.5  74.5</td>
</tr>
<tr>
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<td>6  94</td>
<td>22  78</td>
</tr>
<tr>
<td>Attaché Général de Bureau 2</td>
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<td>20  80</td>
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<td>Administrative assistant 1</td>
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<td>20  80</td>
</tr>
<tr>
<td>Administrative assistant 2</td>
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<td>17  83</td>
</tr>
<tr>
<td>H</td>
<td>4  96</td>
<td>11  89</td>
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Table 8. Proportion of base salary and supplements in PSE teachers' wages

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<tr>
<th>Echelons</th>
<th>Kinshasa Base salary</th>
<th>Supplements</th>
<th>Lubumbashi Base salary</th>
<th>Supplement</th>
<th>Provinces Base salary</th>
<th>Supplement</th>
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<tr>
<td></td>
<td>(%)</td>
<td>(%)</td>
<td>(%)</td>
<td>(%)</td>
<td>(%)</td>
<td>(%)</td>
</tr>
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<td>86.6</td>
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<td>79</td>
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<td>73</td>
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<td>- step 9</td>
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<td>84</td>
<td>22</td>
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<td>70</td>
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<td>91.6</td>
<td>15.5</td>
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<td>80</td>
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<td>- step 9</td>
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<td>70</td>
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<td>62.5</td>
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<td>Grade 32 (AGB2)</td>
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Table 9. Proportion of base salary and supplements in Health and Agriculture wages

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<th>Echelons</th>
<th>Kinshasa Base salary Allowances</th>
<th>Provinces Base salary Allowances</th>
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</thead>
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<td>(%)</td>
<td>(%)</td>
</tr>
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2.4. Political appointees

124. There is a need to define the pay scale for political appointees in the public administration at both the central and subnational levels by linking it to the wage system.
and dynamics of the Civil Service pay system. The pay of the politically appointed and elected representatives of the State and provincial administrations is remarkably higher than that of the Civil Service and is not linked to the pay of public and civil servants. It is common that the wages of the political staff are substantially different (either higher or differently structured) than those paid to career civil servants. In addition, given the different and separate wage dynamics in which synchronization of reviews and increases occur according to different schedules, political priorities and criteria may occur. These are to be avoided and any possibility of a pay gap between career civil servants and political staff for the same work is to be prevented or eliminated.

125. The scope of this reform is twofold. First is to establish a pay scale and a salary structure that attract non-civil servants to work, even temporarily, in the public administration. Second, the reform will establish a coherent link between the salaries of career civil servants and those to be paid to politically appointed staff within the Cabinets of line ministers as well as to Cabinet members; and ensure that increases in the Civil Service pay scale are reflected in the Cabinet and their staff pay system and vice-versa. It should be the goal of the reform to achieve a harmonized and interdependent pay system without gaps for career civil servants, Cabinet members, and their politically appointed staff.

126. According to a proposal recently advanced by the Minister of Public Administration, the political staff can be classified according to the following scale:

- Category 0: Head of State
- Category 1: Chiefs of the State legislative assemblies and Prime Minister
- Category 2: State Ministers and equivalent
- Category 3: Ministers and provincial ministers
- Category 4: Vice ministers and governors of provinces
- Category 5: Elected members of State and provincial legislative assemblies
- Category 6: Staff of State and provincial ministerial Cabinets

127. The formula proposed by the Minister for Public Service needs to be considered a transitional solution since it incorporates political staff belonging to the central and subnational administrations. This solution is contingent on the fact that, so far, all central and provincial staff (civil servants and political appointees) are paid from the State budget. The provincial political staff will need to be separated from the State political staff as soon as the decentralization is in advanced development so that the reformed regulatory and financial instruments will be enforced. At that point, the pay scale for provincial political staff will be linked to the pay system designed and adopted for the provincial Civil Service.

128. The pay grid for staff of ministerial Cabinets should apply the same principles as the grid established for the general career civil servants. For the sake of transparency, it would be appropriate to establish a pay grid for those who can be called Executive Politicians, including the Prime Minister and State Ministers, Ministers, and heads of State agencies; a grid for Elected Politicians, that is, members of Parliament; and a grid for the Cabinet Staff Appointed by line ministers. The applicable criteria should be the same for all groups but with a lower coefficient for the ministerial Cabinet personnel.

129. To ensure linkage with the Civil Service pay scale, a number of countries use the base pay of the highest Civil Service position as a starting reference value for the base pay of the
lowest level of the scale. In this way, any increase at the level of political personnel has an immediate impact on the whole pay system within the public administration and vice versa.

130. Thus, the reformed pay grid should be structured to:

- Take as a starting reference the highest salary paid to the highest position in the Civil Service to ensure linkage with the career Civil Service pay system and reduce to a minimum any gap, or prevent the widening of any gap
- Define the pay of political members and their appointed staff to take into account that:
  
  o In view of the political role of the staff, the workload, responsibility, impact of decisions taken and policies prepared, and degree of decision-making must be more valued than for civil servants.
  o The pay must be adequate, competitive, and attractive and therefore conceived as a compensation rather than as a standard salary for highly qualified professionals engaged in policy- and decision-making.
  o The duration of mandate (tenure) is limited for Cabinet staff, particularly for those appointed from outside the Civil Service.
  o The duration of assignment with increased responsibility is temporary also for civil servants who have been assigned to Cabinet positions.
  o The remuneration might not be used to calculate the pension. Often, political public servants and their staff are excluded from participating in Civil Service pension funds or are allowed a limited period of contribution due to the short durations of their mandate. In such cases, their remuneration must be adjusted with additional pay.
  o There is no career progression for Cabinet staff not belonging to the Civil Service.
  o The political exposure and accountability are expected to be higher for Cabinet members and proportionately higher for their Cabinet staff compared to general civil servants who are discharging administrative tasks.
  o No severance payment (*indemnité de fin de carrière*) should be payable to Cabinet members or their staff when their assignments end.

The criteria to define a salary scale for political public servants are summarized in table 10:
Table 10. Criteria to define a salary scale for political public servants

<table>
<thead>
<tr>
<th>Rationale for a specific pay scale for Cabinet staff</th>
<th>Criteria for paying specifically designed salary different from ordinary civil servants</th>
<th>Most frequently recurring types of benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive and attractive pay conceived as a compensation rather than a standard salary for highly qualified policy- and decision-makers</td>
<td>Workload undertaken</td>
<td>Base salary set in a pay scale specifically elaborated inside the Civil Service pay scale. The base salary is higher (%) than a reference base salary paid to the highest civil servant.</td>
</tr>
<tr>
<td>Limited duration of mandate (tenure) for Cabinet staff appointed from outside the Civil Service</td>
<td>Level of responsibility</td>
<td>Basic salary individually negotiated inclusive of bonuses and allowances</td>
</tr>
<tr>
<td>Temporary assignment following detachment from Civil Service</td>
<td>Size of organization</td>
<td>Tax-free allowances</td>
</tr>
<tr>
<td>Exclusion from participating in Civil Service pension funds for non-civil servants due to limited duration of their mandate</td>
<td>Complexity of assignment</td>
<td>Paid costs (travel, relocation, insurances)</td>
</tr>
<tr>
<td>Absence of career progression for non-Civil Service Cabinet staff</td>
<td>Degree of decision-making</td>
<td>Child allowance</td>
</tr>
<tr>
<td>No severance payment upon completion of mandate as Cabinet staff</td>
<td>Impact of decisions taken and policies prepared</td>
<td>Housing allowance</td>
</tr>
<tr>
<td>High political exposure and accountability compared to general civil servants discharging administrative tasks</td>
<td></td>
<td>Earnings from activities external to public administration or from other special assignments within the public administration allowed</td>
</tr>
</tbody>
</table>
IV. CONCLUSIONS AND PROPOSED STRATEGY FOR WAGE SYSTEM REFORM

1. INTRODUCTION

131. The current wage system in the DRC’s public sector corresponds to “Grade-Related Pay” (GRP). It is an older pay system. Wages increase automatically on a periodic progression (usually annual) along a predefined pay grid in which each pay grade contains a number of “steps” usually linked to job seniority. By ensuring an automatic and guaranteed incremental salary progression, this system disincentivizes employees to improve their performance and creates conditions for reactive management among public servants. The alternative to GRP is the “Performance-Related Pay” (PRP) system based on periodic step increases upon proven good performance.

132. Conclusion 1: The overall long-term objective of the pay system reform for DRC’s Civil Service is the gradual removal of the factors that contribute to maintain the GRP system to gradually introduce a more modern PRP. It should be in place within the next five years.

133. The decompression ratio in the various pay scales (civil servants, PSE teachers, health professionals) is dangerously low. It is depressing the morale of civil servants and their motivation to remain in the public administration and improve their performance. Particularly treacherous is the situation of the civil servants’ pay scale in which the excessively high level and large quantity of “ad hoc” pay supplements distort wages, resulting in too high a differential in final pay between the highest rank and the rest of the hierarchy as well as a constellation of individually tailored wages that undermine the principle of equal pay for equal job. Moreover, the sharp difference between wages paid to public personnel at the central and local levels of the administration is to be reduced always to be in line with the principle of equal pay for equal job.

134. Conclusion 2: All of the factors causing high wage compression need to be removed as early as possible and adjustments made to the pay structure to re-establish value and credibility to salaries and ensure fair and reliable remuneration for all categories at all levels in the public administration.

135. The pay system within the public administration has evolved into a constellation of subsystems that are drifting ever farther apart, concealing privileges and increasing opacity, fragmenting the Civil Service, and increasing disparity of treatment and distinct staff ranking systems. Fragmentation of standards and principles within the Civil Service necessarily leads to more complexity in HRM and more difficulties in ensuring staff mobility within the public administration. Fragmentation also lays the groundwork for even greater difficulties in determining the applicable standards and parameters of management and remuneration for the new decentralized subnational administrations.

136. Conclusion: Common standards must be re-established and renewed, particularly concerning remuneration. To this effect, the primary obligation of the DRC government is to review and rationalize the pay structure by intervening in the formulation of new wages based on the value of base salaries and number and weight of supplements.

137. Pay reform alone cannot succeed and the reform cycle cannot be completed unless parallel Civil Service reform takes place to ensure the modernization of HRM principles,
rules, and practice. Performance and results-oriented management are the main common guiding principles of both the Civil Service and the Civil Service wage reforms. To create conditions for an effective and functioning PRP in the future, the Civil Service legislation and HRM practice need to undergo substantial improvement to establish a merit-based and results-oriented Civil Service.

138. **Conclusion:** Consolidated legislation and practice is the essential support to design the new pay scales of performance-related pay. The DRC government is urged to undertake the appropriate initiatives to ensure the reform of the Civil Service within the next two years, starting with revising the legal framework along the lines presented in this Note.

139. The current Civil Service wage accounting system includes the balances for both actively employed and retired personnel, thus distorting the actual wage bill size. This practice results from the absence of a separate pension fund supported by individual public employee contributions. The fact that the State budget is the primary source of the funds needed to ensure financial coverage for retired personnel, is not a sufficient reason to maintain the situation. The current system is not cost efficient since there is no pension fund that can rely on both contributions and subsequent investment of such capital as mechanisms to ensure self-sustainability. The current level of base pay is too low to ensure adequate financing of any fund. Furthermore, the absence of a gross and net pay prevents levying contributions from salaries according to a defined scale. It is urgent that the reform of the pay system introduce the distinction between gross and net pay by incorporating pay supplements. This distinction would set the mechanisms necessary to finance a pension fund. It also would strengthen the certainty of the availability of financial resources and the future levels of payable pensions for retirees as elements that make employment in the public sector attractive. Finally, the existence of a pension fund for civil and public servants would provide more transparency in payroll management, wage bill size, budget management for the public sector, stable pension levels, and constant availability of financial resources.

2. **PHASING CIVIL SERVICE REFORM**

140. **Wage reform as a phased process.** Civil service wages will be reformed following a progression of measures over a maximum of five years. The particularly critical conditions of the overall Civil Service management system; impending decentralization of the State administration with the creation of the new provincial governments; and necessity to determine the existing and future staffing levels, particularly resulting from decentralization, should galvanize public sector personnel to tackle more specific and sophisticated aspects of public sector reform. Moreover, the need to re-establish discipline and the rule of law within the DRC Civil Service necessitate the rehabilitation of the wage system as a key support tool to reduce corruption and improve good governance standards overall.

141. Wage bill and employment rationalization supported with systematic head-counts through more rigorous a Civil Service census and transfer of State civil servants to decentralized subnational administrations, certainly would contain any wage bill growth that the Civil Service employment growth might generate.

142. The reform should concentrate on the reform of the institutional authority and responsibility for wage setting and on the reform of the wage structure. The proposed approach to reform the institutional aspect should focus on:
(i) Setting appropriate mechanisms for control and decision-making on the size of the public workforce and the wage bill

(ii) Setting financial disbursement procedures and payroll reform procedures

(iii) Establishing a functional HRM authority able to enforce appropriate pay-setting regulations and standards

(iv) Deciding on the applicable model to conduct decentralized pay-setting and management.

143. The immediate adoption of policy measures to stabilize public employment levels and wage bill size should consist of:

a. Stopping civil and public service employment growth through hiring freezes for new staff for no fewer than five years

b. Ensuring tighter and more selective control over the regularization of personnel hired in partial or total violation of Civil Service hiring procedures or without financial coverage

c. Freezing promotions for not fewer than five years of civil servants who have been regularized during census operations

d. Providing some form of monetary incentive (either as adding 1 or 2 bonus years toward retirement date or percentage increase to base salary) for the civil servant opting to be transferred to the new subnational decentralized administrations (provinces)

e. Defining the wage bill ceiling for central and subnational administrations to promote fiscal stability and support against uncontrolled civil service employment growth. The approach would demand adjusting salaries to stay within the wage bill envelope.

144. Reform of the wage disbursement and payroll management procedures should ensure that wages are disbursed directly to individual public employees by the State or provincial treasuries according to the data and salary levels established by a single State, or provincial, payroll system. This reform would depart from the current practice of leaving wage payments and case-by-case pay-setting to the individual ministerial “pay commissions.”

145. The reform also should ensure that a solid link of data on staffing levels and unified remuneration standards across the central and subnational public administrations be established. It also would ensure that the MPS for an initial period be the primary authority responsible to set rules and procedures and monitor their implementation for both central and subnational administrations. Upon establishing a reliable and functioning system, MPS should play the role of controller over the provincial public service authorities regarding HRM and wage-setting standards.

146. The recommended model is the “consensus model” similar to the one adopted in Denmark and Finland. This model is based on pay bargaining at two levels. First, a central collective agreement covering all central government employees is negotiated with the relevant trade unions. This agreement is then implemented through secondary negotiations at the subcentral level. Coherence across the central administration is ensured by the clauses in the central agreement. One advantage of this model is that the parameters governing and confining the subcentral bargaining (corresponding to the bargaining parameters in the remit
model) has been agreed to by the central trade union organizations. Therefore, these parameters should also govern the behavior of the local trade union representatives. However, at the same time, it means that the government cannot unilaterally set any parameters.

147. Regarding wages, an important step to be undertaken in the reform progression is to intervene directly in the pay system to enhance its transparency, equity, and efficiency with the ultimate aim of also improving the post-employment compensation structure as an additional staff incentive. At the moment, in the DRC, wages are far too low and insignificantly remunerative according to any standards. The wage-distorting bonuses have altered the compression rate so that the pay is no longer a motivating factor for all levels of the hierarchy.

148. The legislative work to write new rules to define wages and their management is to take place into two phases. During the first phase, the existing pay grids (for civil servants, teachers, health personnel) should be revised to set at least a common base of values for each pay component. Following the decision on the decentralization of the health and educational sectors, the pay scales of the employees of these two categories can be revised and reformed separately from those for State and provincial civil servants. Upon clarification on the devolution or not of these two categories to the provinces, the reference base pay allowances and pay supplements should be defined and harmonized with the rest of the public sector. In any case, a new pay scale for state civil servants and one for public servants (including provincial public servants) should be defined. A coherent pay scale also would be prepared for appointed top executives in the Civil Service and public service. The new pay scale would be based on the minimum salary to ensure the minimum acceptable standard of living for the public personnel working in Kinshasa or in the provinces. The differential between wages paid at the central and subnational levels should be drastically reduced to avoid uncontrollable initiatives at the provincial levels to obtain more rewarding pay. Standards and strict criteria and control mechanisms to contain this risk are to be introduced.

149. After the pay structure and system based on a simplified pay structure is rationalized, the job classification for the definition of common parameters for the work posts within the public administration will be completed across the entire administration. The job classification will have two main goals. First, it will establish a base of common standards to easily determine the equivalence of ranks and titles across the administration between civil servants and public servants. Second, it will define jobs according to principles (such as complexity of work, level of responsibility, level of autonomy in decision-making, workload, professional experience, and skills and competence required for the job) that will facilitate the definition of pay levels and the introduction of a performance-related pay system.

150. The final step in the reform will be the adoption of one PRP system for civil servants and one for public servants. The possibility of setting a pay scale for top officials harmonized with the one for civil servants also will be examined, and if possible, a new pay grid for that category of staff will be elaborated. The last grid should include teachers and health personnel.

151. The pay reform should be developed and implemented in 3 phases, each introducing a new reform element over 3–4 years:

**Phase 1:** A temporary reformed wage system will introduced. During this phase, the wage structure will be decompressed for all civil servants from the rank of director to the lowest one (porter). Since Secretary-Generals' wages have become a significant outlier in the wage
system, it is suggested that the wage of the huissier to the director is used as the basis for calculating compression ratios. At this point, the Secretary-General position would remain in the Civil Service wage grid (to avoid politicization) and wage increases for this function will follow those of other civil servants. Thus, it is suggested that this position be excluded from the discussion on re-establishing a functioning grade system. A common base salary averaging the current levels used for different categories would be used as a starting base. Decompression could be raised from the current level below 2 of civil servants and 3 of PSE teachers to an average of 1:6 over 4 years.

Phase 2: Starting one year after the end of phase 1, phase 2 will be marked by further decompression and restructuring of the pay to reach a target ratio of 5. In this phase, the pay grid would be standardized for all categories. No more than 1 allowance of no more than 10 percent of the overall pay could be allowed for specific categories. Levels within echelons would be reduced to half, changing from 10 (or 12) to maximum 5.

Phase 3: Would complete decompression and rationalization, bringing the ratio to 8. Levels within echelons will be eliminated, and a pay grid with a horizontal step progression for performance payments will be adopted.

152. On completion of this gradual transition from the existing system, a PRP system should have the appropriate conditions for being launched, provided that Civil Service reforms have introduced new and functioning performance management procedures.

153. It could be possible to test phases 2 and 3 in pilot ministries.

154. Wage rationalization options. Restructuring the current wage system is the most immediate need. Rationalization should be based on three milestones:

   a. Decompressing the salary structure to create incentives for mid- and high-level staff
   b. Eliminating distortions and nontransparent compensation created by allowances or salary-compensating supplements by consolidating allowances, and monetize benefits into a base salary
   c. Establish a salary scale for appointed Cabinet staff and link it to the Civil Service salary scale.

155. Prior to tackling the outline of possible remedies to ensure a more transparent and realistic wage system, it is important to note that the distortion caused by the introduction of salary-compensating supplements and allowances constitutes an average of 70 percent–80 percent of wages. The distortion has been such that the base salary had become a negligible element of remuneration in some instances. This deterioration of wages requires a more drastic intervention on the levels of paid supplements than on the base salary. The best approach to remodel current wages is to intervene heavily in the compression caused by the supplements. This can be done by raising base salaries in a scaled manner and redesigning allowances prior to integrating them in the base salary when and if needed.

156. Common base salary for all public administration. Separate base salaries for the public administration seriously distort job classification and mobility of human resources. They also create an unbalanced distribution of personnel with higher concentrations of staff in one sector rather than in another. Higher and better paid salaries for the education sector make employment as a teacher more attractive, but create a distorted system fostering inequality and therefore discontent within public administration. Due to higher wages in the
PSE sector, almost half of DRC public personnel is concentrated in it. By standardizing the fixed components of the PSE salary, a natural readjustment of the staff distribution can take place.

157. This does not mean, however, full equalization of wages across all sectors of public administration. Specific functions and tasks need to be sustained with a limited number of meaningful financial incentives that should not overwhelm the value of the base salary. Above all, the pay supplements called primes spéciales should not be a constant component of the final pay, as it is happening now. Rather, they should represent a specific occasional compensation payable exclusively upon occurrence of particular circumstances. For example, compensation for having participated in a commission should be paid only for that one participation and not become a permanent reward. However, this does not mean that the current system of supplements should be protected and kept with few changes. A thorough review of the pay supplements for each sector and category of public employees must take place urgently. As much as possible, supplements for the exercise of functions that are normally part of the assignments foreseen for a certain position are to be suppressed and integrated in the base pay. Upon completion of this review and integration of supplements into the base pay, the compression ratio needs to be re-assessed and a new pay scale designed.

158. Decompressing the salary structure to create an incentive for mid- and high-level staff. The compression ratio of 10 that exists for the base salary (only) for all pay scales for the different categories of public personnel could be a very good reference and certainly an important starting point. The base wage levels currently applied are anachronistic although the compression ratio between the minimum and maximum echelon is good. It is important, therefore, to raise base salary levels to be adequate to provide decent living standards for public personnel. Regardless of whether the macroeconomic performance and the current and projected levels of public expenditure will permit an increased wage bill, the wage bill must be carefully calculated to ensure a sustainable and affordable increase of livable base salaries.

159. The best option would be to set a schedule of periodic base salary adjustments scaled over 2–3 years to reach a maximum ceiling without provoking unnecessary and sudden income effects that would once again erode the benefits of wage increases. The ceiling could be set by taking into account an average of private sector reference salaries, and the decompression ratio should progress from the current ratio. These measures would make remuneration, if not fully competitive, at least more attractive and motivating. Wage differentials should be more obvious and should divide the total echelons into three main groups: one for low-skilled staff, one for medium-level administrative staff, and one for higher-level executives. This plan follows in a certain way the scheme that currently divides civil servants into cadres d'exécution, cadres de collaboration, and cadres de commandement. From one bracket to another, the pay raise should be proportionate to the level of increased responsibility and decision-making.

160. Eliminating wage distortion by incorporating pay supplements. What actually needs to be redesigned in a decompressed way are the salary-compensating supplements (primes) and the allowances that are highly compressed themselves and transfer their negative effects to the base pay. Primes that are not special and therefore are limited to one per category at a flat rate and foreseen in the different pay grids (that is, prime de recensement) should be recalculated and harmonized with the scale of progressive value set for each echelon in the pay grid. Consequently, they should be incorporated in the base pay. In this way, the payable wage would become remunerative enough and less compressed. The so-called primes
spéciales also should be eliminated upon redefining the base salary to adequately reward a job according to all the tasks that it entails without a separate reward for each task.

161. Therefore, three scenarios could considered:

Scenario A: Conservative. The base salary should be decompressed to reach a ratio of not less than 6. All primes and allowances should be decompressed accordingly. This scenario would allow more decompression but not necessarily a more transparent wage system and definitely would not increase pensionable remuneration.

Scenario B: Incremental. The same approach as in Scenario A would be used for the base salary, but in Scenario B the housing and the transport allowances would be integrated into a single allowance. This combined allowance would be renamed, for example, *Indemnité de service*. Its new value would be substantially lower (for example, no more than 10 percent of the base salary that integrates the *Prime de recensement*) than the sum of the two allowances.

Scenario C: Strategic. As in Scenarios A and B, the base salary should be initially decompressed to a ratio of 5. The primes should be decompressed accordingly prior to their incorporation in the base salary, with attention that incorporation does not generate further compression. After its decompression, the transportation allowance very easily could be incorporated in the base salary as a percent increment scaled along the wage levels. There is no need to give separate visibility to this pay component, particularly because it is not associated with facilitating specific functions or operations.

162. The housing allowance very easily could be extended to all staff in Kinshasa and in the provinces. The allowance also should be decompressed and incorporated in the new wage since there is no need to keep it as a separate wage component. This pay component should be determined as an additional percentage to the base salary that already incorporates the transportation allowance. The determination and calculation of this component should be done across the entire public administration according to standard criteria.

163. The design of the pay grids will be scaled with a number of progressive pay steps to be used for performance payment. The echelons of the pay grid should be kept as simple as possible, and no internal scale of levels (as in the PSE teachers’ pay system) should be allowed. This system of vertical subdivision of echelons, so far based mainly on seniority, does not match the system that the reform plans to introduce. The latter will be based on horizontal progression based on merit within the echelon (rank). It will result in accelerated promotion to the immediately higher echelon upon repeated outstanding performance and proven competence/capacity.

164. In defining the levels, the option of a gross and net pay should be considered in view of starting a system of contributions deductible from the gross salary and, in the long run, having wages subject to social contributions (health, pension, work safety insurance) and income taxation.

165. Contingent allowances to facilitate relocation and undertaking new responsibilities as well as the welfare of civil servants and a number of additional incentives contingent on specific situations can be foreseen for the new pay system. For example, a once-in-a-lifetime relocation grant might be given to staff who are moved from one work location to another across the country for an assignment of more than 12 months.
166. To provide an incentive to move out of the capital to areas in which harder living conditions are a reality, the pay system should foresee a hardship allowance payable upon relocation to a place classified as a hardship location. This special allowance should be payable monthly only for the duration of the relocation in the difficult area.

167. A sort of family allowance should be considered. It should not be in the form of a separate additional supplement, but the base salary could be defined at dependency or single rate. “Dependency” should consist of having responsibility for a close relative or spouse with or without children. The number of children or declared dependents should not affect the rate of the allowance. This option is meant to avoid the risk of abuses by workers increasing the number of dependents to earn more salary. The base salary at the dependency rate could be at least 25 percent higher than the one at the single rate.

168. Decentralization and wage system reform. Decentralization also requires the definition of a salary system for the new provincial administrations. This new salary system could be phased as follows:

- For the first six months of the establishment of the provincial Civil Service, the same salary paid to the State civil servants should be ensured and paid to the provincial civil servants by the State administration. The provinces would not have yet established adequate financial coverage and mechanisms to ensure regular payments.
- In case personnel from the administration should opt to transfer to the new provincial administration, the transfer should be treated as a secondment leading to transfer. To facilitate payment procedures for the State and provincial administration, salaries should be paid by the central administration with an additional secondment allowance. This incentive also should be payable for no more than six months.
- While the provincial administrations are being consolidated (maximum 2 years), new legislation for public subnational service should be established including norms on wages. Such legislation should be in line with the national Civil Service legislation regarding principles and standards.
- Wage levels for provincial public servants should be marginally higher than those paid to the central administrative staff located in Kinshasa. The provincial levels should be determined by taking into account responsibilities of assigned tasks; level of accountability to clients, which, at the local level, is more direct and therefore higher than in the Capital; hardship, which can entail higher costs for essential services; complexity of jobs; and required competence. The standards should be common to all provinces. Provinces should be allowed to add a variable value in percentage (under the limit of a ceiling common to all provinces) to the wages of provincial public servants.
## Appendix 1. Public Service Reform: Strategic Plan

<table>
<thead>
<tr>
<th>Actions/Phasing</th>
<th>Actions Phase I 2007–08</th>
<th>Expected outcomes</th>
<th>Actions Phase II 2009–10</th>
<th>Expected outcomes</th>
<th>Actions Phase III 2010–11</th>
<th>Expected outcomes</th>
</tr>
</thead>
</table>
| **Strategy for integrated Administrative and Civil Service Reform**              | • Policy on separation between civil and public service  
  • Policy on status of teachers and health personnel within the Civil Service (State and provincial)  
  • Policy on transfer and redeployment of state civil servants to subnational Public Service  
  • Policy on Civil Service (CS) pay reform adopted and plan of action endorsed by government | Policy framework for initiating the reforms is in place, changes can start to be implemented. |                                                                                                                                  |                                                                                                                                         |                                                                                                                                  |                                                                                                                                         |
| **Legislation and institutional remedies for civil servants in phase of decentralization** | Transitional regulations for transfer from State CS to subnational Public Service  
  regulating seniority, benefits, incentives, transition  
  Framework legislation for subnational public service | Transitional regulation allows shift of State civil servants to subnational level.  
  Normative vacuum concerning provincial public service is filled. | Review/amendment of existing CS legislation  
  Adoption and implementation of framework legislation for subnational Public Service | Regulatory framework of civil service is modernized.  
  Subnational Civil Service can operate with autonomous rules and procedures. | Finalization of all executive regulations and harmonization of secondary legislation with new law on civil servants.  
  Preparation and adoption of subnational by-laws for implementation of framework legislation and of new CS law. | CS at both central and subnational levels is brought up to improved standards and is merit based. |
| **Institutional strengthening for improved Civil Service management**            | Rationalization of central public administration as key step to streamline structures-functions-staffing and decentralization of function  
  Definition of level of authority and relationship between MPS and provincial public service agencies  
  Definition of consultation mechanisms State-provinces for CS reform and development  
  Financial control mechanisms for CS defined and financial control mechanisms for subnational Civil Service defined | Division of roles and responsibilities between central and local CS administration ensures effective management.  
  HR planning and management are taking place according to controlled mechanisms. | Establishment of Standing Commission  
  Establish permanent consultation conference with MoI for civil and public service financial management and control of spending  
  Establish computerized Civil Service registry interfaced with payroll database and social security funds | Institutionalized and organized consultation facilitate progress of reform activities and ensure efficient and effective management. | Reorganization and definition of role and responsibilities of MPS for HRM/Civil Service Component  
  Strengthening HRM capacity within ministries | Management of HR within CS is improved thanks to a stronger capacity at level of central and subnational HRM institutions. |
<table>
<thead>
<tr>
<th>Actions/Phasing</th>
<th>Actions Phase I 2007–08</th>
<th>Expected outcomes</th>
<th>Actions Phase II 2009–10</th>
<th>Expected outcomes</th>
<th>Actions Phase III 2010–11</th>
<th>Expected outcomes</th>
</tr>
</thead>
</table>
| Pay system reform and legislation | • Wage decompression for pay scales of public administration  
 • Rationalization of pay structure and suppression of most specific pay supplements  
 • Transitional salary scale for civil servants and public servants adopted as Phase 1 improved pay scale for CS and PS  
 • Transitional regulation on salary system and payment procedures for provincial public service prepared and implemented | Wages ensure fair and more appealing remuneration. Wages are more transparent. Wages are motivating staff. | • Job classification system is designed for pilot ministries.  
 • Phase 2 of improved pay system for CS and PS servants in pilot institutions is based on new job classification and is implemented for testing. | Beginning of job classification helps overcome fragmentation within Civil Service and creates conditions for new pay levels determination. It is first step to replace PRG with PRP. | • Salary scale based on performance-related progression is prepared.  
 • Phase 2 of improved pay scale for CS and PS integrates criteria for PRP and is implemented in pilot ministries for testing.  
 • New PRP is fully tested and adopted.  
 • Wage legislation adopted. | Performance starts to be rewarded and is a career progression factor. |
| Civil Service management | Civil Service hiring freeze applicable to all categories  
 Improve HR planning procedures  
 Improve recruitment and selection procedures | Number and deployment of staff are under control; new staff is selected according to needs and competence. | Improve and enforce performance appraisal procedures in pilot ministries  
 Improve promotion procedures | Full implementation of performance management within both State and subnational civil and public service | Conditions for introducing PRP and management are in place. |
| Civil Service capacity building | Improve management and control capacity within MPS through training programs  
 Train provincial HR personnel to undertake autonomous HR management in provincial administrations | Capacity to better manage is enhanced at level of MPS.  
 Newly created institutions acquire capacity to manage. | Develop HRM capacity institutional capacity at central and subnational levels.  
 Train trainers  
 Conduct training needs assessment  
 Develop HRD strategy  
 Develop HRD planning capacity. | Capacity building system improves quality of CS management. | Multianual training programs for central and subnational administrations being developed | HRD becomes a structured component in CS management |