

REPUBLIC OF RWANDA



**MINISTRY OF PUBLIC SERVICE, SKILLS DEVELOPMENT,
VOCATIONAL TRAINING AND LABOUR.
BP. 403 Kigali**

Tél. (250) 58 57 14 / 51 18 04

Fax. (250) 58 33 74

GUIDELINES FOR FIXING SALARIES IN THE RWANDAN PUBLIC SECTOR

June 2004

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Various studies have been carried out since 1997¹ focusing on the issue of the weak performance level in Public Administration (lack of effectiveness and efficiency), with a clear evidence of low remuneration levels. In line with the current reforms undertaken within the whole public sector, civil servants are expected to provide quality and prompt services. They are required to work under pressure by supervisors / authorities, in addition to the citizens who have become aware of their rights and thus have to be served with professionalism. Consequently civil servants expect to enjoy a fair remuneration in compensation to their extra efforts and performance.

It is important to note that the remuneration policy is part and parcel of the human resource management and development policy. It contributes to create, attract, utilise and retain necessary competences and skills within public service.

It is in this respect that the civil service Act introduced the two fundamental changes:

- **job position based management**, where remuneration is directly attached to the job position occupied.
- **Performance based management**, where staff appraisal and motivation are result based.

This vision aims at addressing issues of poor quality of services on one hand, and high costs production on the other hand. Thus, civil servants will be rewarded for their real contribution to the public service improvement.

Obviously, remuneration is at the heart of the public service reform whereby it is imperative and urgent to undertake a pay reform.

The present note on Remuneration guidelines, highlights a tentative job classification and a grade-related scale / structure on which the salary scale's implementation will be based. As the implementation of this guiding principles evolves, lessons will be learnt and thereafter this document will be completed and updated to be translated into a comprehensive salary policy after a medium term experimentation [3 years]. In the meantime thorough economic studies will be carried out to document the process. Those studies combined with outcomes generated by other aspects of reforms will contribute to the formulation of a long term salary policy.

1. Objectives of the present pay reform guidelines

The absence of remuneration policy and clear guidelines for salary determination resulted into the following;

- **multiple salary structures**, especially after the creation of public agencies and Commissions, for emergency purposes. This entailed a generalised incoherence of salary scales with unjustified discrepancies;

¹ David CHEN ; Formulation d'une politique salariale pour les agents de l'Etat Rwandais, Kigali, Mars 1997
Alan SUNTER ; Formulation of a salary policy and unified incentives system for the public service of Rwanda, Kigali, March 1997
Simon SUKUMAR; Job classification and salary structure form civil service in Rwanda, Kigali, July 1998
Theodore R. VALENTINE; Towards the development of a medium term remuneration policy for the Rwanda public service, Kigali, February 2004

- **absence of appropriate incentives to attract and get civil servants to deliver** in a view of implementing new Public Administration Missions. The current situation is characterized by either poor attendance , lack of motivation, high turnover of staff to more attractive jobs among others.

Thus, the objectives of the new proposed salary policy is to :

- **rationalise the salary system** by harmonizing different salary systems ;
- **clarify the salary system** by making both the remuneration rules and their implementation simple and transparent ;
- **use salary as a benchmark to implement the labour and human resources management policy** in the whole public sector .

2. Basic principles for fixing salaries

The salary is a compensation in counter part of an achieved work / assignment.

Salary scales should respond to the following basic principles :

➤ **BE EQUITABLE / FAIR :**

occupants of similar job positions should be remunerated in the same manner . This principle should be measured against the following criteria :

- 1/ Job qualification, which is less considered currently ,
- 2/ skills / competencies (refer to selection and in service promotion) and
- 3/ performance (refer to evaluation of results and incentive scheme)

Although it is normal that gaps appear between salary levels. They should be objectively justified, in relation to the qualifications, skills / competencies and performance.

➤ **BE MOTIVATING :** In order for the salary scale to comply with motivation, it should be reasonable and fair thus it should be:

- 1/ competitive in comparison to other salaries enjoyed within the Administration on one hand, (internal competitiveness) and within the nearest environment, on the other hand (external competitiveness), and
- 2/ linked to the activity , to the accomplished tasks , to the deployed efforts, and to the achieved results. For continuity purposes, motivation needs to be permanently sustained and stimulated.

➤ **BE BEARABLE :** The salary regime should fall under well determined macro-economic framework which guarantees immediately financing medium and long term sustainability depending on salary system's own dynamics, and planned staffing evolution and other economic and financial parameters .

Regarding Rwandan Public Administration, it is particularly imperative to:

➤ **REMUNERATE JOBS INSTEAD OF INDIVIDUALS:** each job position contributes to the achievement and completion of public service missions ; this contribution is measured : in terms of:

- 1/ the complexity of job position (which requires rare and scarce skills) and

2/ the impact of job position, its added value. Thus , the salary is strictly allocated to the individuals in relation to their job positions (regrouped into jobs) and not to what they are , their Diploma / Degree and /or their seniority... Job remuneration should take into account the adoption of new working methods and procedures, as well as introduction of new technologies.

By virtue of equity principle, all the jobs of heads of institutions, of unit directors, and of professionals, whether belonging to the Public Administration, State Agency or National Commissions, will be considered and remunerated at the same level (except those for State Agencies of National Interests and Rwanda Revenue Authority (RRA) which have particular missions and being operating under special regime) .

The hierarchy of structures relevant to the executive will be clearly taken into account in terms of the level of responsibility linked to the job. Hence, no job of a head of a State Agency(apart from the exceptions mentioned in the above paragraph), or of a head of national commission will be positioned beyond that of a Secretary General of ministry, whose role is to coordinate the functioning of institutions (State Agency and National Commission operating in his sector of intervention).

For the technical job of a professional and that of a unit director, it will be particularly taken into account the required technical qualification in two ways: for the unit directors, by slightly over-classifying their jobs in comparison to those of “ generalists”, and concerning the jobs of rare professionals / specialists, these will be working under a fixed term contract and will be remunerated at national , regional or international experts.

➤ **TAKE INTO ACCOUNT THE CHARACTERISTICS / FEATURES OF THE JOB HOLDER :** his / her competence level on one hand, and his / her performance level on the other hand; the competence and performance of the staff may be valued as far as they fall within the framework of a précised job and participate into the improvement of job position standards.

In coherence with the government policy aiming at increasing the level as well as the professional qualification of workers, a stringent job improvement will be introduced: especially for jobs requiring a minimum level of education equivalent to a Degree / Licence (A0) , the possession of a masters or PHD will be considered as an added advantage, and will imply a pay increment (+ 10 % for masters and 15 % for a PHD); this salary increment will be acquired by a job holder and not being linked to the job as such.

The acknowledgement of personal competences and performances within the job must be significantly expressed in terms of salary , through out the career in the job and from one job to another.

- **ENSURE A CERTAIN COMPETITIVENESS OF THE SALARY :** the salary to be paid should be able to meet the comparison with the salary for the equivalent jobs paid elsewhere, in order to attract and retain the necessary competences ;this principle will be applicable in the first instance to the job salary corresponding to : 1/ to the key administrative functions , and t 2/ for which it exists a real competitive beyond the public service. A particular attention will be paid on the updating remuneration system in order to compensate with the inflation effects, to the raise of the cost of life and also in consideration of the country’s economic situation.
- **CONSOLIDATE COMPESATION PACKAGE:** while proceeding in this way, the quasi-totality of all civil servants’ salary should be subjected to the fiscal and social security deductions ; this is first of all an equity measure. Then, concerning taxes, it’s a favourable measure to the increase Government tax collection ; finally, concerning the retirement, it’s a measure conducive to improve pensions allocated to the civil servants who have already reached the retirement age. Actually, the job salary, as part and parcel of fiscal and social contributions,

should not be less than 70 % of the total salary of a civil servant. In other words, the allowances, bonuses and other benefits, all in cash , should not exceed 30% of the total remuneration of a civil servant.

- **FRAME SALARIES WITHIN A LONG TERM PERSPECTIVE**, by setting up mechanisms for wage bill planning / budgeting & monitoring of salary and staff levels.

A National Pay Revision Council / Committee will be established in order to formulate suggestions to the Government, annually , about the means and ways of improving the pay situation by applying the above mentioned criteria. The membership of the council will comprise : The presidency office, Representatives of the Prime Minister's Office, the Ministry in charge of Public Service and the one in charge of Finances , then any other concerned institution.

3. IMPLEMENTATION STRATEGIES

- **This pay reform must be general** : conceived within the framework of a medium term remuneration policy (3 years) by putting in place adequate rules and mechanisms. It should be applied to the whole Public Service at large, including Higher State Institutions, Ministries, State Agencies, Provinces, Towns and Districts.

A Presidential Decree will determine detailed modalities of remuneration for the whole public sector, in respect of principles and instruments outlined in this guiding paper. Finally , the Reform must be agreed upon, in a sense that it must be broad-based and inclusive in its principles: this will be the first mission of the National Pay Revision Council / Committee than playing the role of steering its ongoing implementation.

ITS IMPLEMENTATION WILL BE PHASES OUT and not drastically carried out : that's why, without waiting for a full job classification according to an analytical methodology, which requires more time, a simplified remuneration system is proposed (in conformity to these core retained remuneration principles.

4.The instruments and guidelines for salary set up (determination)

4.1. BASIC SALARY (or JOB SALARY)

It constitutes at least 70 % of the growth salary. It takes into account the job holder's features , his / her level of competences on one hand, and his / her performances on the other hand . Competences and performances of a civil servant should be considered only if they are linked with the job and a part of the job position's requirement. The basic salary hinges on a grade related scale, enabling to carry out a dynamic pay management through out the promotion process.

- **NEW SALARY SCALE** : the grade related scale is derived from the grid of job classification : resulting from the ongoing job analysis and classification works: with a 20 levels structure (corresponding to 20 job classification levels), with 5 grades per each level (in order to ensure a certain progress in the job); the steps and index magnitudes within the scale should enable :
 - 1/ to ensure minima of required salary ,
 - 2/ to sanction adequately, the improvement of the qualification of staff as expressed by the access to a higher position on one hand , and the staff competence and performance on the job, on the other hand ; this is not applicable to electoral positions , political functions and higher State jobs, the salary scale will highlight a bracket from 1 to 13 (from an execution

staff – driver- to the Secretary General) ; the index recovery between adjacent classification levels, will facilitate the ascension /rise towards salary scale’s top level for the more competent and performing staff.

The gross amount of the basic salary will be calculated by multiplying the number of index points with the gross index point value , this one will be fixed depending upon the budget possibilities on one hand , and on cost of living on the other hand, and regularly in a view of taking into account the evolution of its two(2) parameters above.

- **PROMOTION** : in practice, two career mechanisms should be well distinguished : 1/ the promotion of staff by access to a job classified at a higher level , will be expressed by a new job salary, and 2/ the promotion within a given job, arising from the annual performance appraisal :
- Regarding job level change, the promoted staff will be entitled to higher job he has accessed to. In any case the salary will not be lower than his / her previous one ;
- Regarding promotion in the job , the staff will be progressing on a 5 levels’ scale basis, according to the merit rules which will be mentioned and confirmed in the timeframe : the minimum duration of stay in the same grade will be in a such way that the more performing staff will significantly progress during 12 years, after being confirmed in the job (15 % in three years, up to an upper limit on salaries).

4.2.4.2. SALARY SUPPLEMENTS

- **ALLOWANCE AND BONUSES SYSTEM** : they should be reduced at their lowest level , because the basic salary index will integrate most of the remuneration components : all sorts of bonuses, allowances should not exceed 30% of the basic grade-related salary.
 - Individual performance allowance will be annually determined and subjected to each civil servant’s performance appraisal. It will be paid once in a year to a most deserving civil servant in each institution and job category (for instance : a well performing driver, technician, professional staff, Unit Director , etc...), and should be at least equal a one month salary.
 - Allowance for foreign service delivery by (Diplomats) will be adapted to the living conditions where they are appointed and the allowance is to be determined by a Ministerial Order of the Minister in charge of finances taking into account State financial capacity.
 - Working conditions allowance, corresponding to the compensation for hardship , risky work , special work timetable/ with exception; it will be allocated to the concerned jobs, if they have one or many of these characteristics, and should not exceed 10% of the current basic grade-related monthly pay.
 - Transport allowance, corresponding to the transport cost incurred by the civil servant while proceeding to and coming from the work place, not exceeding 10% of the basic grade-related monthly pay.
 - Profit making State Agencies may be authorised to grant the global institutional bonus to their employees upon their respective annual turnover.
- **NONE MONETARY / CASH BENEFITS** : The granting of house and vehicle should be strictly linked to very restricted job positions : high political functions , higher State jobs. Regarding the mean of transport , only some high Administration Jobs holders will enjoy it. The grant of such benefits is exclusive from the corresponding allowance. Determination of beneficiaries of these allowances must be clearly precise by appropriate legal provisions.
- **SCHOOL FEES FOR DIPLOMATS’ CHILDREN** :school fees for Diplomats’ children should be regulated and the maximum amounts of money will be determined, as much as possible, by

an Order of Minister in charge of finances, according to the public school charges / rates in the host country where their parents have been accredited.

- **SOCIAL BENEFITS** : social protection (illness/ disease), contingency (retirement), loans ..., are none salary components , that should be subjected to specific measures. A deep revision of both pension scheme and fiscal system applied on public service salaries should be planned in advance , depending upon tax base broadening resulting from the new salary structure. In other words, one could be thinking of reducing the rates.

4.3. DEDUCTIONS ON SALARIES :

The contributions for retirement will be calculated on the grade-related gross salary, resulting from the implementation of salary scale ; the fiscal deductions will be carried out over the whole gross remuneration. However , they should not be applied to the transport and house allowances at their real cost, neither to various social contributions including: social security funds, medical insurance funds, genocide survivors' assistance funds (FARG), etc...

Solution to the problem of remuneration posed by rare qualifications, required for some key jobs, especially technical jobs :

The efforts undertaken in the restructuring of the remuneration system and its progressive value increase with time, will not make suddenly the administration competitive through the salaries increase. It will remain less attractive, for many years, as far as some rare qualifications are concerned in improving public service. In order to immediately increase the value at a sufficient level for a certain number of key jobs, here are two methods that could be applied :

- either to apply a salary increase in order to compensate / cover the gap between the civil service's salary and the one enjoyed by employees of private sector and civil society (internal solution), or to simply remove these kind of jobs from the salary/ remuneration system drawing (external solution) .

- The external retained solution tool / instrument is concerned with performing timely fixed tasks executed by physical persons or competent companies, according to well precised terms of reference comprising objectives to be attained.

5. Next Steps / the way for ward

The next steps of the implementation of the new salary guidelines , once approved by Cabinet, should be :

- **Determination of salary maximum level** according to State budget Capacity;
- **Establish lists of staff for all job defined**, for structures and personnel concerned with the new salary policy;
- **Simulations of staff and salary envelop** , taking into account of all information available on resources; jobs and staffing
- **Draft of legal provisions** related to the new salary system : new salary scale, new allowance system, provisions concerning transfer of personnel into the new system.

Adopted grade-related salary matrix

The job classification displays the whole set of jobs on only one and unique 20 levels scale for both ordinary jobs of public service at large (administrative & technical ones) and “ political” positions (in bold in the table):

- Job holders with electoral mandate (President of the Republic, Senators & Deputies) ;
- Top government officials appointed by those with electoral mandate (Prime Minister, Ministers, Ministers of State, Ambassadors & Counsellors);
- High Magistrates presiding high judicial institutions;
- Top leaders of State Agencies with a special mandate: Governor of Central Bank , Ombudsman , Auditor General, Director of National Security Service, Director of Rwanda Revenue Authority);

This classification is carried out by considering the job qualification , given their importance , their impact and complexity (their protocol ranks are not much considered).

The table makes a hierarchy of all jobs on two pages , and presents them taking into account : those for the Judicial , for the Legislative (the 2 chambers : Senate and Parliament) and the Executive (Government and Central Administration) on the first page; those for Provinces, for higher learning institutions, for health institutions , for State Agencies and national commissions on the second page .

In the perspective of job qualification, and while it is expected to have real analytical criteria, we should consider:

- A unique group comprising the whole set of National Commissions (composed of none permanent commissars and coordinated by an Executive Secretary, eventually assisted by one or two vice Executive Secretaries with well defined and specified duties.)
- Two higher learning institution levels, according to whether they are issuing a Degree / licence or not;
- And three State Agency levels, in a sequence order based on their importance: State Agencies of national interest provided for in the national Constitution (National Bank , Office of Ombudsman , Office of the Auditor General, National Security Service, Rwanda Revenue Authority, then the rest of other State Agencies not spelt out in the job classification table.

Hence, one can proceed to the reading of the classified jobs, either horizontally or vertically, or in both positions for some referral jobs (for instance : those for Members of Parliament , for Secretary General , and for Unit Directors ...).

What is important here is that the hierarchy may be respected between the jobs falling under the same area / sector (for instance : those for the Judicial), that difference of qualification between different jobs may be reflected by the number of levels separating them ,and that of jobs which are strictly equivalent / similar but relevant to distinct sectors are found at the same level .

The table displays a majority of personalised jobs, all others (except those for primary & secondary education not tentatively retained) are rather generic jobs of ministries (central administration). Five generic jobs have been pre- positioned on the job classification grid: duty jobs, qualified jobs, job of technician, job of higher technician and those for professionals. Most of the central administration jobs (except “political “ positions) identified in cadres organiques / organizational structures, should be linked to those generic jobs, by applying some simple criteria.

The political positions are divided up into 12 levels starting from the highest level of -President of the Republic - (scaled from A to L). The Administration Jobs are divided up into 14 levels starting from the lowest level of – none qualified – (scaled from 14 to 1). The two scales are covered on 6 levels .

To each letter and figure of these two scales , are associated some indexes.

The starting index is fixed all other indexes are calculated from that starting index , by leaning on a fair / rational system progressively(from a lower level to a higher level and from a lower grade to the highest one within the same level).

The index used for Administration Jobs is an index at 1st grade of the concerned level, on a scale comprising of 7 grades (promotion in the job) ; in fact , according the simulations, the index range of a level (of grades 1 to 5) should be of 1,9.

The unique index , retained for political positions , corresponds to 4th grade level ;there should not be promotion for these jobs.

On the resulting grade – related scale, one should make sure that a staff at any given level , while performing and enjoying regular promotion, will find his / her salary more greater than the one of his / her colleague who has a poor performance, even though he / she has a job classified at a next higher level. The implication of the rise of salaries resulting from staff promotions towards higher jobs, should be examined (position of the corresponding grade to the index immediately greater than the one he held), (maintenance of the former grade –related scale). The case of the move of civil servant from political positions with a higher random salary towards administrative positions with salaries linked to the required skills and performance, should take into account of performance appraisal carried out by the respective hierarchical authorities, in the exercise of their duties during the activity period. The results of performance appraisal should be matched with the evolution in relation to job positions to be occupied.

The basic grade-related salary results from the application of an index point value

The scenario of index and its retained value , will be logically expressed by a certain value adding (salary increase) of low and medium salaries (up to the level of a unit director) on one hand, and by a great decrease of salaries of high ranked officials, starting from those of Secretary Generals of Ministries.

Briefly, the 4 parameters for the determination of a new job salary are:

- **job classification** , expressed by a letter (A to L), or a figure (1 to 14) ;
- **departure index** (in the example : 100) ;
- **index steps** , from one level to an other (in the example : +30%, +20%, 10% then + 15%, progressively until to reach a higher level) and from one grade to an other (+5% of 5

1st and 2nd grade, then 15 % at each new grade, up to the 4th grade , then once again + 5% in order to a last grade);

- The gross index point value (**200, 250, or 300 RWF**)
By changing these parameters and proceeding to successive iterations , we can progressively come closer to a better possible equilibrium.

Attached Documents:

- Table of job classification (a 2 pages table)
- Grade-related scale