TERMS OF REFERENCE

A consultancy for the Establishment of a Wage Commission in Sierra Leone

Background

The government of Sierra Leone (GoSL) recognizes that the pace, effectiveness and efficiency with which its developmental priorities articulated in its Poverty Reduction Strategy Paper III (Agenda for Prosperity 2013-2018) can be implemented, and the impact it will make on poverty reduction and the overall growth and development of Sierra Leone will continue to depend on the quality of the public service. In this context, GoSL is carrying out a wide range of reforms in the public service intended to change its business processes, improve its performance and service delivery. A key component of the reform process is the adoption of an integrated approach to pay harmonization inclusive of a dedicated and representative body to determine pay and compensation in the Public Sector.

A Cabinet Conclusion in 2011 approved a multi-year pay reform strategy with the aim of bringing compensation of public servants to more competitive levels. The strategy was to be partly funded out of savings achieved through rightsizing and payroll clean-up, and partly from improvements in domestic revenues. The strategy also calls for a comprehensive job evaluation for the Civil Service aimed at the rationalization of the pay and grading system, filling of critical professional/technical positions particularly in the mid-levels, developing stronger performance management systems, and addressing motivation and retention issues1.

Pursuant to the above, Government is proposing the establishment of a Wage Commission to implement the Cabinet Conclusion of 2011 and harmonize pay and compensation structure in the Public Service.

Rationale

The Wage Commission will be responsible for the implementation of a comprehensive pay reform initiative which is intended to ensure that public service pay and incentive system is not only able to

1 These critical activities are currently being pursued under the World Bank supported Pay and Performance Project. Objectives include filling 805 critical vacancies in the middle and senior grades; establishing a vigorous performance appraisal and contract system in all ministries; and conducting a comprehensive Job Evaluation and Labour Market Survey for the Civil Service which will commence by the start of the 2nd quarter 2014.
attract and retain the requisite skills but that it is also applied in a consistent and sustainable manner, so that it fairly reflects the work that public servants and civil servants actually perform, and is grounded on the principles of affordability and fiscal discipline. The following provides the rationale for the establishment of a Wage Commission.

Over the past ten years, work has been on-going on developing a comprehensive pay reform strategy that will address the inconsistencies in the public service pay system. Several reports and studies on the issue have been conducted, including models for addressing internal salary disparities between core civil servants and local contract staff.

The Cabinet approved multi-year pay reform strategy aimed at (i) realigning the pay and grading system to correct the existing distortions and decompressing the pay structure; (ii) rationalization of staffing in the public sector by the elimination of redundant posts, retrenchment of redundant staff and filling critical skills gaps; and (iii) gradually raising pay and compensation to competitive levels to be financed partly from savings resulting from restructuring and, partly through affordable and sustainable adjustments to the public sector personnel bill.

The strategy proposes a sequenced and logical approach to pay harmonization inclusive of a dedicated and representative body that will consider all public sector departments including the civil service, police, military, teachers, political class, judiciary, health sector, etc.

**Key Issues impacting public sector pay regime**

Assessments conducted on the public service over the years have revealed among other things the following, which have implications for pay reform:

1. The public service of Sierra Leone has huge capacity challenges, characterized by overstaffing in the minor grades and a dearth of professional, scientific and technical skills in the workforce;

2. The public service currently consists of an aging workforce across the board, which constitutes both a downsizing opportunity (in the case of minor, low skill grades) and a threat to succession and leadership development;

3. Salaries in the mainstream public service (consisting of the civil service, the education sector, and the disciplined services) as well as across all three arms of Government are extremely low,
uncompetitive and incapable of attracting the requisite skills to effectively formulate and implement credible programmes;

4. Current Salary levels and conditions of service in the mainstream public service, being low and uncompetitive, are out of sync with the policies and strategies espoused in Government's Anti-Corruption Agenda – there is a mismatch between the approach to minimising the opportunities for corrupt practices on the one hand, and the incentives structure that should be designed to reduce the temptations of corruption;

5. The grading and staff classification in the public service is acutely distorted and constitutes a package of disincentives to performance, with the implication that unless these are corrected, it would be difficult to attain and/or maintain a fair pay and compensation system that guarantees comparable reward to comparable effort;

6. The administration and management of the payroll should be streamlined and centralised within a clear and cohesive institutional and functional framework that promotes accuracy, stability, and security; and

7. The legal and regulatory frameworks for pay determination, as well as the pay administration system, are weak and would require clarifications, harmonization and strengthening.

In light of the contextual issues highlighted above, the GoSL has requested the Commonwealth Secretariat for support to get experienced and knowledgeable consultant(s) to provide technical support to a small team of professionals for the establishment of a Wage Commission.

**Objective of support**

To provide technical support to ensure that the legal framework, appropriate systems and procedures, as well as the institutional arrangements that are required for the establishment of a viable and functioning Wage Commission in Sierra Leone are developed, agreed and adopted by appropriate authority and Parliament.

Specific areas wherein the Consultant will provide Technical Assistance to GoSL include the following:

a. Establishment of an independent system/mecchanism using the appropriate legal and institutional instruments for pay determination, regulation and for ensuring a credible system of pay and grading and incremental awards that reward performance;
b. Development and adoption of a comprehensive policy approach to employment, pay and grading in the public service to ensure uniformity and fair remuneration, paying for the job and equal pay for equal work done;

c. Strengthening of the public sector payroll management and administration by establishing clear and defined roles of the various institutions involved in the process including the Human Resource Management Office, and the Ministry of Finance and Economic Development (Accountant-General’s Department); developing the necessary institutional capacities and instituting systems, controls and accountability mechanisms with in-built checks and balances in the pay administration system;

d. Establishment of the necessary pay and compensation research capability to support the management and administration of the payroll, with a view to building a complete and comprehensive database of staffing in the public and civil services. The database should be maintained and updated regularly on the basis of fool proof systems of authorization and controls and checks and balances, while at the same time being subjected to periodic systems and financial audits as well; and

e. Review payment of pensions in Sierra Leone and make recommendations in line with international best practice.

Scope of work
The scope of work for the consultants is to provide advice and technical backstopping to the GoSL committee (led by the Ministry of Finance, and inclusive of the Secretary to the Cabinet & Head of the Civil Service, Chairman Public Service Commission (PSC), Director Public Sector Reform Unit (PSRU), Director-General, Human Resource Management Office (HRMO), Solicitor-General and a representative from the Ministry of Labour) regarding the following:

i. Review of the legal framework for public service pay and compensation in Sierra Leone, including those relating to the Constitution, the Civil Service Code of Conduct, as well as the laws and regulations on labour, decent work, and performance management;
ii. Review of the existing structures, systems, and processes for public service pay, including those relating to Local Government, political institutions sub vented institutions, and Commissions;

iii. Review of the Cabinet-approved public service pay reform strategy and other related documents on pay reform to contextualise their operationalization within the national development agenda the Agenda for Prosperity (PRSP III);

iv. Development of the structure, systems, and processes that will be required for addressing current anomalies and distortions in public service compensation systems, including those relevant to the conditions of service.

v. Development of a coherent structure that will enable the efficient implementation of the following functions:
   - Consistent implementation of the pay reform strategy informed by valid research on salaries, benefits, and allowances;
   - Implementation of relevant grading and classification structures;
   - Co-ordination, management and monitoring of collective bargaining processes in which Government is the direct or indirect employer; and
   - Ensuring that the balance of internal consistency, external competitiveness and employee performance are fully reflected in the public service pay system.

Reporting

- The consultancy will be undertaken under the leadership of the Minister of Finance and Economic Development, and supervision by the Committee inclusive of the Secretary to the Cabinet & Head of the Civil Service, Chairman, PSC, Director, PSRU, Director-General, HRMO, Solicitor-General and a representative from the Ministry of Labour; and
- Regular update and reports as will be decided to Commonwealth Secretariat

Duration

90 – 150 days in-country. Work Plan with clear timelines will be finalised before the commencement of the exercise.
Required Expertise

The Expert(s) should possess the following:

- Relevant skills in project design and management
- Expertise and experience in working modalities of Wage Commission or other related institutions and possess good working knowledge of Africa including best practices and challenges within the sub-region
- Demonstrable experience in computing public sector salaries, allowances and benefits within the context of the national budget
- Experience in Public Sector Reform including salary and wage benchmarking
- Knowledge in Human Resource Management
- Research skills
- Demonstrable knowledge of public service in Sub-Saharan Africa and/or developing countries
- Ability to communicate effectively with diverse audiences
- A minimum of Master’s Degree will be required in relevant disciplines