



**GOOD GOVERNANCE FOR DEVELOPMENT IN ARAB COUNTRIES INITIATIVE
WORKING GROUP 1 ON CIVIL SERVICE AND INTEGRITY**

Under the patronage of His Excellency the Minister of Public Sector Development of Jordan

**PAY STRATEGIES FOR BETTER PUBLIC SECTOR PERFORMANCE:
REGIONAL CAPACITY BUILDING SEMINAR ON PAY AND GRADING
REFORM IN ARAB COUNTRIES**

AGENDA

**Hosted by the Ministry of Public Sector Development of Jordan
and the Jordan Institution for Standards and Metrology**

AMMAN, JORDAN, 20-21 SEPTEMBER 2006

CHAIR OF GfD WORKING GROUP I:

Mr. Rachid Talbi El Alami, Minister for Economic and General Affairs, Morocco

CO-CHAIRS of GfD WORKING GROUP I:

Mr. Fernando Ballester, Ambassador, Permanent Delegate of Spain to the OECD, Spain

Mr. Omer Dincer, Undersecretary of State, Prime Ministry, Turkey

The Good Governance for Development (GfD) in Arab Countries Initiative is a regional initiative launched by prime ministers and ministers from 18 Arab countries at a ministerial conference at the Dead Sea hosted by the Prime Minister of Jordan under the patronage of King Abdullah II in February 2005. It aims at modernising public governance in the Arab region. The Initiative is jointly supported by OECD and the UNDP Programme on Governance in the Arab Region (POGAR). For further information about the GfD Initiative, please refer to www.oecd.org/mena/governance.

TUESDAY, 19 SEPTEMBER 2006

Afternoon	Arrival of participants
19.00 - 20.00	<i>Welcome Cocktail at Le Royal Amman Hotel</i> Venue: The venue of the welcome cocktail will be indicated in the reception area of Le Royal Amman Hotel.

WEDNESDAY, 20 SEPTEMBER 2006

8.45 - 9.00	<p><i>Registration</i></p> <p>Venue of the seminar: The seminar will take place in the “Azure” meeting room located on the 10th floor of Le Royal Amman Hotel.</p>
9.00 - 9.30	<p>OPENING SESSION</p>
	<p>Opening remarks by the hosts:</p> <ul style="list-style-type: none"> • H.E. Salem Al-Khazaleh, Minister of Public Sector Development, Jordan • Mr. Yasseen Al-Khayyat, Director General, Jordan Institution for Standards and Metrology (JISM) <p>Opening remarks by the chair and co-chair countries of Working Group 1:</p> <ul style="list-style-type: none"> • Mr. Mohamed Aliat, Director of the Civil Service, Ministry for Public Sector Modernisation, Morocco <p>Meeting objectives and structure:</p> <ul style="list-style-type: none"> • Ms. Muna Hakooz, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan • Mr. Nick Manning, Head of Division, Public Governance and Territorial Development Directorate, OECD
9:30 – 9:45	<p><i>Coffee Break</i></p>
9.45 - 11.15	<p>SESSION 1: WHY REFORM PAY? DRIVING FORCES FOR PAY REFORM AND OVERVIEW OF POLICY RESPONSES</p>
	<p>This introductory session sets out the overall theme of pay and grading reform. In an opening tour de table, participating Arab countries are invited to briefly present:</p> <ol style="list-style-type: none"> 1. The <i>policy objectives</i> they are pursuing through pay and grading reform and eventual trade-offs between these objectives; 2. The <i>key challenges</i> and <i>reform obstacles</i> they face in pay and grading reform and 3. The <i>reform approaches</i> they have adopted; <p>In view of the large number of speakers in this session, delegates are kindly requested not to exceed a maximum of 5 min speaking time.</p>
	<p>Moderator: Ms. Muna Hakooz, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan</p> <p>Tour de Table:</p> <ul style="list-style-type: none"> • Bahrain <i>Presentation:</i> Mr. Ebrahim Abdel Rahman Kamal, Director, Employee Relations and Occupational Safety, Civil Service Bureau, Bahrain • Egypt <i>Presentation:</i> Mr. Alaa Eldin Ragab Kotb, Legal Advisor, Legal Advisor, Ministry of State for Administrative Development, Egypt • Iraq <i>Presentation:</i> Mr. Zeki Fattah, Economic Advisor to the Kurdistan Regional Government, Office of the Prime Minister, Kurdistan Regional Government, Iraq • Jordan <i>Presentation:</i> Mr. Majed Sajaja, HR Consultant, Ministry of Public Sector Development, Jordan • Kuwait <i>Presentation:</i> Mr. Hamad Al-Monawer, Assistant Undersecretary, Ministry of Planning, Kuwait • Lebanon <i>Presentation:</i> Mr. Samer Hankir, Policy Analyst, Institutional Development Unit, Office of the Minister of State for Administrative Reform, Lebanon • Mauritania <i>Presentation:</i> Mr. Hamma Ould Mohamed Lemine, General Director, Civil Service and Administrative Reforms, Ministry of Public Service and Employment, Mauritania

	<ul style="list-style-type: none"> • Morocco <i>Presentation:</i> Mr. Mohamed Aliat, Director of the Civil Service, Ministry for Public Sector Modernisation, Morocco • Oman <i>Presentation:</i> Mr. Ahmed Ismail Al-Suwaid, Manager of Organisation and Administrative Development, Ministry of Civil Service, Oman • Qatar <i>Presentation:</i> Mr. Hadi Ben Saeed Al Khayareen, Assistant Secretary for Job Classification and Manpower Planning, Ministry of Civil Services and Housing, Qatar • Syria <i>Presentation:</i> Mr. Mohamed Said, Director, Administration Division, Prime Ministry, Syria • Tunisia <i>Presentation:</i> Mr. Mohamed Triki, Director for Remuneration, General Directorate of Public Services and of the Civil Service, Prime Ministry, Tunisia • West Bank / Gaza <i>Presentation:</i> Mr. Mazen Asad, Project Manager, Support of Public Administration and Civil Service Reform, Birzeit University Centre for Continuing Education, West Bank / Gaza <p>Discussion</p> <ul style="list-style-type: none"> • Following the presentations, in each session experts from Arab and OECD countries will have the occasion to react by providing comments and insights based on their national experiences.
	<p>Questions for discussion:</p> <ul style="list-style-type: none"> • What are Arab countries principal objectives in reforming pay and grading? • What are the key challenges and reform obstacles Arab countries face in reforming pay and grading? • What are the key characteristics of the reform approaches Arab countries have adopted?
11:15 -11.30	<i>Coffee Break</i>

11.30 - 13.15	<p>SESSION 2: HOW TO REFORM PAY (I)?</p> <p>PART A. CENTRALISED VERSUS DECENTRALISED WAGE SETTING</p> <p>PART B. UNIFIED PAY SCALES VERSUS DIVERSE PAY SCALES</p>
	<p>The aim of this session is to allow participating Arab and OECD countries to exchange practical know-how and discuss their experiences with:</p> <p><i>A. Centralised versus decentralised wage setting:</i> As one key element of delegating authority over the HRM framework to public sector units (e.g. line-bodies, local authorities, sectors), decentralised wage setting can take various degrees, ranging from limited scope for managerial discretion (e.g. through "broadbanding" of pay scales) to the decentralisation of pay bargaining.</p> <p><i>B. Unified pay scales versus diverse pay scales:</i> While in some countries a unified pay scale covers most public employees, other countries apply various pay scales to different organisations / groups of employees or various rates of pay adjustments between different locations, different categories of staff and different sub sectors. A particular challenge for many Arab countries lies in the fragmentation of their pay systems: often, complex and non-transparent allowance systems have grown over time – reducing equity, the predictability of the wage bill and staff mobility.</p>
	<p>Moderator: Mr. Nick Manning, Head of Division, Public Governance and Territorial Development Directorate, OECD</p> <p>Key-note presentations:</p> <p><i>Part A: centralised versus decentralised wage setting:</i></p> <ul style="list-style-type: none"> • OECD Secretariat: Trends towards pay flexibility in OECD countries (10 min) <i>Presentation:</i> Mr. Nick Manning, Head of Division, Public Governance and Territorial Development Directorate, OECD • The Netherlands: Case study on decentralised wage setting in the Netherlands (10 min) <i>Presentation:</i> Mr. Peter Van der Gaast, Head of International Civil Service Division, Ministry of the Interior and Kingdom Relations, The Netherlands <p><i>Part B: Unified pay scales versus diverse pay scales:</i></p> <ul style="list-style-type: none"> • Morocco: Case study on the fragmentation of the Moroccan pay system through allowances and the corps system (10 min) <i>Presentation:</i> Mr. Mohamed Aliat, Director of the Civil Service, Ministry for Public Sector Modernisation, Morocco • Jordan: Case study on strategies for reducing the fragmentation of the Jordanian pay system (working title) (10min) <i>Presentation:</i> Mr. Sameh Al-Nasser, Director of Management Development and Information in Civil Service Bureau (CSB), Jordan <p>Comments by:</p> <ul style="list-style-type: none"> • <i>Ms. Annick Sools</i>, Advisor, Development of Personnel, Federal Public Service for Staff and Organisation, Ministry of Public Service, Belgium • <i>Mr. Samer Hankir</i>, Policy Analyst, Institutional Development Unit, Office of the Minister of State for Administrative Reform, Lebanon <p>Discussion (65 min)</p>
	<p>Questions for discussion:</p> <ul style="list-style-type: none"> • What are the chances and risks of letting different parts of the public sector move in different directions with regards to pay arrangements? • What are the chances and risks of various decentralised wage setting arrangements? • How can wage setting mechanisms be designed to avoid fragmentation? How can highly fragmented pay systems be integrated?
13.15 – 14.30	<p><i>Lunch Invitation</i></p> <p>Venue: Open international buffet at the main restaurant “Patio” of Le Royal Amman Hotel, located on the 7th floor.</p>

14.30 – 16.00	SESSION 3: HOW TO REFORM PAY (II)? PERFORMANCE-RELATED REWARDS
	<p>The aim of this session is to allow participating countries to exchange practical know-how and discuss their experiences with performance-related rewards:</p> <p>Foremost, the salary structure and the promotion system must reward good performance and penalise underperformance. In addition, as part of a wider movement towards increased pay flexibility and individualisation, most OECD countries have introduced performance-related pay schemes (PRP) of different kinds, in particular for senior civil servants. Essentially serving as a way of improving the individual performance of public employees, PRP is an appealing idea. However, PRP systems in fact often tend to remain more rhetoric than a reality, being both complex and difficult to implement.</p>
	<p>Moderator: Mr. Alaa Eldin Ragab Kotb, Legal Advisor, Ministry of State for Administrative Development, Egypt</p> <p>Key-note presentations:</p> <ul style="list-style-type: none"> • OECD Secretariat: Comparative overview of experiences with performance-related pay from OECD countries (10 min) <i>Presentation:</i> Mr. Jürgen Blum, Administrator, Public Governance and Territorial Development Directorate, OECD • Bahrain: Case study on performance management and rewards (10 min) <i>Presentation:</i> Mr. Ebrahim Abdel Rahman Kamal, Director, Employee Relations and Occupational Safety, Civil Service Bureau, Bahrain • United Kingdom: Case study on performance-related pay in the United Kingdom (10 min) <i>Presentation:</i> Mr. Malcolm Green, C3 consulting, United Kingdom <p>Comments by:</p> <ul style="list-style-type: none"> • <i>Mr. Mohamed Aliat</i>, Director of the Civil Service, Ministry for Public Sector Modernisation, Morocco • <i>Mr. Peter Van der Gaast</i>, Head of International Civil Service Division, Ministry of the Interior and Kingdom Relations, The Netherlands <p>Discussion (60 min)</p>
	<p>Questions for discussion:</p> <ul style="list-style-type: none"> • How can PRP schemes be designed? What is the potential impact of PRP schemes on motivation? How can they serve as a lever for organisational change? • What are the prerequisites for successfully introducing PRP schemes? Should PRP schemes be limited to specific groups of staff, e.g. senior civil servants?
16.00-16.30	<i>Coffee Break</i>

16.30-18.30	SESSION 4: HOW TO MANAGE CHANGE (I)? PAY & GRADING REVIEWS & PAY SCALE DESIGN
	<p>The aim of this session is to allow participating countries to exchange practical know-how and discuss their experiences with regards to undertaking pay reviews and designing pay scales.</p> <p>Several Arab countries are currently undertaking comprehensive reviews of their pay & grading systems, comprising the description, evaluation and classification of jobs and the design of new pay scales. This process implies several political and technical challenges, such as ensuring stakeholder involvement in the review process and acceptance of the results, choosing an appropriate review method, taking into account private-sector comparability and modelling the costs of the envisaged pay and pension reforms.</p>
	<p>Moderator: Ms. Muna Hakooz, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan</p> <p>Key-note presentations:</p> <ul style="list-style-type: none"> • Egypt: Case study on the legal framework for public employment in Egypt and the prospects for development: The restructuring of wages and privileges for public servants (10 min) <i>Presentation:</i> Mr. Alaa Eldin Ragab Kotb, Legal Advisor, Ministry of State for Administrative Development, Egypt • Lebanon: Lessons-learnt from the recent pay and grading review of the Lebanese public service (10 min) <i>Presentation:</i> Mr. Samer Hankir, Policy Analyst, Institutional Development Unit, Office of the Minister of State for Administrative Reform, Lebanon • Belgium: Case study on the job classification system of Belgium (10 min) <i>Presentation:</i> Ms. Annick Sools, Advisor, Development of Personnel, Federal Public Service for Staff and Organisation, Ministry of Public Service, Belgium • Designing pay and grading reviews: Institutional arrangements, pay structures and review mechanisms (15 min) <i>Presentation:</i> Mr. Malcolm Green, C3 consulting, United Kingdom <p>Comments by:</p> <ul style="list-style-type: none"> • <i>Mr. Mohammed Aliat</i>, Director of the Civil Service, Ministry for Public Sector Modernisation, Morocco • <i>Mr. Peter Van der Gaast</i>, Head of International Civil Service Division, Ministry of the Interior and Kingdom Relations, The Netherlands <p>Discussion (75 min)</p>
	<p>Questions for discussion:</p> <ul style="list-style-type: none"> • How can the job description, evaluation and classification process be organised effectively? • Which principles should be respected when designing pay scales? How can the potential impact of the new remuneration system on the wage bill and pension liabilities be modelled? • How to ensure stakeholder involvement and the acceptance of the results of the reclassification process by employees?
20.30	<p><i>Dinner Invitation</i></p> <p>The venue of the meal will be announced at the meeting.</p> <p>All participants are kindly asked to assemble at the Main Lobby of Le Royal Amman at 20:30.</p>

9.00 - 11.00	<p>SESSION 5: HOW TO MANAGE CHANGE (II)? IMPLEMENTING PAY REFORMS</p>
	<p>The aim of this session is to allow participating countries to exchange practical know-how and discuss their experiences with technical and political challenges to be met in implementing a new pay & grading system.</p> <p>Many Arab countries face the challenge of managing the transition from a pay system that is largely based on formal qualification and seniority towards a system where staff remuneration is based on the relative worth of jobs and which has a sufficiently decompressed salary structure to provide genuine incentives for performance.</p>
	<p>Moderator: Mr. Peter Van der Gaast, Head of International Civil Service Division, Ministry of the Interior and Kingdom Relations, The Netherlands</p> <p>Key-note presentations:</p> <ul style="list-style-type: none"> • Jordan: Case study on the political challenges of implementing pay and grading reforms in Jordan. (The Quest for Magical Formula) (10 min) <i>Presentation:</i> Ms. Muna Hakooz, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan • Bahrain: Case study on managing change from the centre: The Civil Service Bureau of the Kingdom of Bahrain: Practice & Challenges <i>Presentation:</i> Mr. Isa Al-Zallaqi, Senior Wage Studies Specialist, Civil Service Bureau, Bahrain & Mr. Hashim Al-Hashim, Project Leader. • World Bank: Experiences of the World Bank with implementing pay reforms: success factors and pitfalls (working title) (10 min) <i>Presentation:</i> Mr. Robert P. Beschel, Lead Public Sector Specialist, Social and Economic Development Group (MNSSED), Middle East & North Africa Vice Presidency, The World Bank <p>Comments:</p> <ul style="list-style-type: none"> • <i>Mr. Alaa Eldin Ragab Kotb</i>, Legal Advisor, Ministry of State for Administrative Development, Egypt • <i>Mr. Samer Hankir</i>, Policy Analyst, Institutional Development Unit, Office of the Minister of State for Administrative Reform, Lebanon • <i>Ms. Annick Sools</i>, Advisor, Development of Personnel, Federal Public Service for Staff and Organisation, Ministry of Public Service, Belgium • <i>Mr. Malcolm Green</i>, C3 Consulting, United Kingdom <p>Discussion (100 min)</p>
	<p>Questions for discussion:</p> <ul style="list-style-type: none"> • Who are the winners and the losers of the reforms? • How can the technical reform design be accompanied by a political strategy that accounts for necessary bargains with concerned stakeholders? • How can the gradual transition to the new pay system be managed to so as to evoke the least amount of resistance (e.g. reclassification of existing staff, pay differentials between existing and new staff, pay decompression)?
11.00 - 11.30	<i>Coffee Break</i>

11.30 - 12.30	SESSION 6: FOLLOW-UP PLANNING OF FUTURE REGIONAL ACTIVITIES
	<p>This session will be an opportunity for delegates from Arab and OECD countries to:</p> <ol style="list-style-type: none"> 1) jointly plan future regional activities. In particular, these could comprise regional capacity-building seminars on related HR themes that have been identified as key common challenges. 2) envisage the development of regional tools and instruments for pay and grading reform, which would be of value to a number of countries from the region. On the basis of the guidance provided by Arab countries, the Secretariat would then develop corresponding project proposals and present them to donors for potential funding. 3) make suggestions for co-operation projects with experts from OECD and Arab countries on the national level.
	<p>Moderator: Ms. Muna Hakooz, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan</p> <p>Presentation:</p> <ul style="list-style-type: none"> • OECD Secretariat: Summary of planned and suggested future regional activities (10 min) <i>Presentation:</i> Mr. Martin Forst, Principal Administrator, Public Governance and Territorial Development Directorate, OECD <p>Discussion (50 min)</p>
	<p>Questions for discussion:</p> <ul style="list-style-type: none"> • Which regional activities would provide the highest value-added to Arab countries' national reform agendas? • Which regional tools and instruments should be developed? • Are there suggestions for peer-advice projects with experts from OECD and other Arab countries at the national level?
12.30 - 13.00	WRAP-UP BY THE CHAIR AND CO-CHAIR

- END OF THE REGIONAL SEMINAR -

SPECIAL SESSIONS

IN THE FRAMEWORK OF THE REGIONAL CAPACITY BUILDING SEMINAR

NOTE ON THE SPECIAL SESSIONS

The main regional capacity building seminar ends at lunchtime on Thursday, 21 September. Following the main seminar, two special sessions have been scheduled on Thursday afternoon in response to requests by the government of Jordan (special session 1) and the Public Administration and Civil Service Reform (PACSR) Project / Birzeit University in West Bank / Gaza (special session 2).

These special sessions are aimed at allowing for a regional exchange focussing on a specific country. Participants at the main seminar are most welcome to participate in these sessions to provide peer-comments on the background of their own countries' experiences. Interested delegates are invited to subscribe to a participants' list for these special sessions which will be circulated during the main seminar or to inform the OECD Secretariat before the seminar.

14.30 - 16.30	SPECIAL SESSION 1: PEER-DISCUSSION ON PAY AND GRADING REFORM IN JORDAN
	This session will provide an opportunity for key stakeholders from the government of Jordan (including the Human Resources Policy Administration, the Civil Service Bureau, the Ministry of Finance, the General Budgetary Department, the Civil Retirement Corporation and the Social Security Corporation) to discuss the Jordanian approach towards civil service reform with peers from other Arab and OECD countries.
	<p>Moderator: Ms. Muna Hakooz, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan</p> <p>Key-note presentation:</p> <ul style="list-style-type: none"> • <i>Jordan: New approaches for addressing the challenge of modernising pay and grading in the civil service (How to Bridge the Gab?) (20 min)</i> <i>Presentation:</i> Ms. Muna Hakooz, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan <p>Comments:</p> <ul style="list-style-type: none"> • <i>Mr. Mohamed Aliat</i>, Director of the Civil Service, Ministry for Public Sector Modernisation, Morocco • <i>Mr. Ebrahim Abdel Rahman Kamal</i>, Director, Employee Relations and Occupational Safety, Civil Service Bureau, Bahrain • <i>Mr. Mazen Asad</i>, Project Manager, Support of Public Administration and Civil Service Reform, Birzeit University Center for Continuing Education, West Bank / Gaza • <i>Mr. Peter Van der Gaast</i>, Head of International Civil Service Division, Ministry of the Interior and Kingdom Relations, The Netherlands • <i>Ms. Annick Sools</i>, Advisor, Development of Personnel, Federal Public Service for Staff and Organisation, Ministry of Public Service, Belgium • <i>Other interested OECD and Arab delegates</i>
16.30 - 17.00	<i>Coffee Break</i>

17.00 - 19.00	SPECIAL SESSION 2: PEER-DISCUSSION ON CIVIL SERVICE REFORM IN WEST BANK / GAZA
	<p>A team of public management specialists from the Public Administration and Civil service Reform Project (PACSR) and from Birzeit University has been undertaking research to assess the current state of the civil service in West Bank / Gaza and to develop constructive suggestions for reform. This session will be an opportunity for the research team to discuss the preliminary results of their research with civil service experts from Arab and OECD countries to put their findings into a comparative context.</p>
	<p>Moderator: Mr. Mazen Asad, Project Manager, Support of Public Administration and Civil Service Reform, Birzeit University Center for Continuing Education, West Bank / Gaza</p> <p>Key-note presentations:</p> <ul style="list-style-type: none"> • Mr. Basem Ezbidi, Head of Public Administration Department, Birzeit University • Mr. Samer Faris, Head of Law Institute, Birzeit University • Mr. Feras Melhem, Teacher, Public Administration Department, Birzeit University <p>Comments:</p> <ul style="list-style-type: none"> • <i>Mr. Mohamed Aliat</i>, Director of the Public Service, Ministry for Public Sector Modernisation, Morocco • <i>Mr. Ebrahim Abdel Rahman Kamal</i>, Director, Employee Relations and Occupational Safety, Civil Service Bureau, Bahrain • <i>Ms. Muna Hakooz</i>, Executive Director, Human Resources Policy Administration, Public Sector Development Administration, Prime Ministry, Jordan • <i>Ms. Annick Sools</i>, Advisor, Development of Personnel, Federal Public Service for Staff and Organisation, Ministry of Public Service, Belgium • <i>Mr. Peter Van der Gaast</i>, Head of International Civil Service Division, Ministry of the Interior and Kingdom Relations, The Netherlands • <i>Mr. Robert P. Beschel</i>, Lead Public Sector Specialist, Social and Economic Development Group (MNSD), Middle East & North Africa Vice Presidency, The World Bank • <i>Other interested OECD and Arab delegates</i>
	<p>Questions for discussion: <i>Please refer to the documentation for this session.</i></p>