National Pay Commission

Policy on setting a salary framework for staff hired under donor/grant-funded projects

22 March 2018

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Introduction

This policy is formulated by the National Pay Commission of the Maldives in relation to the provisions set forth in the National Pay Policy Act (No 11/2016). This policy makes provision for the determination of a salary framework to all staff hired under donor or grant funded projects.

Objective

The objective of the policy is to set forth the salary and allowances for all staff contracted under donor funded loan and grant projects.

Guidelines

The salary matrix in this policy is based on identifying the optimal governance structure of each donor funded project, and ensuring the salary and allowances given to all project management staff are aimed to decrease discrepancies amongst same expertise and levels. All implementing agencies responsible to manage project management staff should ensure that the following procedures are fulfilled prior to arriving at the salary and allowances of the respective staff.

1- **Identifying the level of Governance**. The level of governance required from one project to another will vary depending upon a range of project specific factors. Project implementing agency will be responsible for identifying and classifying the level of governance of each individual project.

   The basis to determine the level of governance is to assess the nature, scope and targeted objectives of the project. The following checklist provides guidance on classifying a project into three governance levels (G1, G2 and G3) based after assessing two key governance indicators namely complexity and risk.

   1.1 Complexity. This will be identified by the type of project in terms of scope, strategic objectives and the value added outcome to the beneficiaries. Complexity is further divided into technical complexity and management complexity. The following key areas need to be considered to assess the level of complexity (i.e. low, medium or high complexity)

   ### Technical complexity

   1- The level of understanding of technological usage of the projects.
   2- The likely use of unproven or unfamiliar technology.
   3- Initiates innovations and solutions where precedents and procedures may not exist.

   ### Management complexity

   1- The nature of project in terms of scope and complexity.
   2- The number and nature of stakeholders.

3- The value added contribution to the end users or the beneficiaries of the project.
4- The number of related projects.
5- The composition of the project team including the type of professions, technical experience and qualification.
6- Probable challenges of change management during project period.

1.2 Risk. Project risk level will be assed and identified from available project information. Following areas need to be considered to assess the level of risk (i.e. low, medium or high risk) associated with the project.

1- The underlying procedures, processes and how routine the project is.
2- The organizational environment (how mature are the processes and procedures).
3- How well the projects scope and objectives are defined and understood.
4- Technical constraints.
5- Time constraints.
6- The level of complexity.
7- Political involvement/ interference.
8- The quality requirements, number, nature and commitment of stakeholders.
9- The level of complexity.
10- The types of risks that may be passed on to the beneficiaries

Once the complexity (1.1) and risk (1.2) is assessed, all projects will be categorized according to the following governance matrix.

Table 1: Project Governance matrix

Complexity	Risk		
	Low risk	Medium risk	High risk
Low complexity	G3	G3	G1
Medium complexity	G3	G2	G1
High complexity	G2	G1	G1

As per table 1, general conclusion of the Governance matrix is as follows:

G1 projects are categorized as projects which are large in scope and high complex in nature. These projects require expertise from various specialized areas and is expected to have a significant fiscal impact on National budget. These projects typically require high level of professional expertise capable enough to implement large budgets and sizeable staff. The project management team and specialized staff will be competent to implement complex projects for systems that typically affect many beneficiaries/users. The project management staff will require the involvement of multiple sectors with significant political impact. These are high risk and complex projects which require achieving targeted goals in a complex, diverse environment with multiple and changing demands.

G2 level projects are comparatively small in scope, complexity and risk compared to G1 level projects. These projects will have a moderate portfolio and the level of complexity and risks

varies in between low and medium. These projects require relatively fewer expertise although there may be varying number of sectorial components.

G3 level projects are mainly low risk/low complexity, medium complexity/medium risk in nature. Project team is relatively small and fewer expertise from different areas and there is less inter-linkage with other projects.

2- <u>**Classification of job ranking**</u>

All project management staff will be classified according to the following job ranking matrix.

Table 2: Job ranking matrix

Job ranks	Examples of Project management staff
Managerial ranks	Project manager, Project director, Financial management specialist and procurement specialist.
Specialized professional ranks	Jobs which require a specialized expertise and knowledge.
Administrative ranks	Administrative jobs which serve as a supporting role in the implementation of the project.

3- <u>**Classification of staff grading**</u>

All project management staff will be classified according to their educational qualification with a minimum of first degree or a professional certificate up to Doctorate against the number of years of work experience with a minimum criteria of 3 years. This is presented in the following staff grading matrix.

Table 3: Staff grading matrix.

Educational qualification	Work experience			
	Minimum 3 years	Between 5 - 7 years	Between 7 - 10 years	More than 10 years
First Degree / professional certificate	1	1	2	3
Master's Degree	2	3	4	4
PhD	3	4	4	4

Salary matrix of the project management staff

Once the above three steps are completed by the implementing agency, the relevant staff's salary will be endorsed according to the following salary matrix (table 4).

Table 4: Project management staff salary matrix (in MVR per month)

Job ranking	Staff grade	Level of Governance					
		G1		G2		G3	
		Max	Min	Max	Min	Max	Min
Managerial jobs	1	22,400	19,500	20,160	17,550	17,920	15,600
	2	26,700	23,200	24,030	20,880	21,360	18,560
	3	32,000	27,800	28,800	25,020	25,600	22,240
	4	38,600	33,600	34,740	30,240	30,880	26,880
Specialized professions	1	25,300	22,000	22,770	19,800	20,240	17,600
	2	30,000	26,100	27,000	23,490	24,000	20,880
	3	36,000	31,300	32,400	28,170	28,800	25,040
	4	43,700	38,000	39,330	34,200	34,960	30,400
Administrative levels	Same as civil service salary structure						

Consequently, for the managerial and specialized professions a range of maximum and minimum salary is proposed for each governance level. The implementing agency has the discretion to determine the salary and other allowances within these ranges. The total remuneration shall not exceed the stated ranges.

For all support staff at the administrative levels, the salaries will be equivalent to the salary offered for civil servants at the equivalent levels.

Any contract staff or consultant selected through an international competitive bidding will be exempted from the above salary matrix, as their salary range will lie within the corresponding international pay scales. However, in such cases, prior approval from the Ministry of Finance and Treasury should be sought.

All implementing agencies should submit all required documentation to Ministry of Finance and Treasury for approval, prior to finalizing the salary and allowances of all project management staff.

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