



# MNA Knowledge and Learning

## ...Fast Brief



## GOVERNANCE AND ANTICORRUPTION (GAC): IMPLEMENTATION IN MNA

Robert P. Beschel Jr.<sup>1</sup>

**Introduction:** In recent years, the World Bank Group has intensified its efforts to assist countries overcome corruption through the Governance and Anticorruption Strategy. The implementation of this strategy involves actions at country, project, and global levels.

**MNA and GAC Implementation:** In MNA, as in other regions, the VPU is responsible for coordination, oversight and resource mobilization. The region's approach is country based with a focus on the implementation of GAC in sectors and projects. Strategic staffing and capacity building within MNA is well-recognized and the definition of a regional governance agenda is well advanced. In order to implement the GAC and monitor progress, MENA has also put in place a Committee of seventeen members chaired by Nadir Mohammed Director Strategy and Operations.

**I - VPU Coordination, Oversight, and Resource Mobilization:** A main factor in ensuring successful implementation is the availability of resources. In this regard, MENA is well positioned since GAC BB funding in MENA has gone up by US\$ 915,000 in FY08 to US\$ 2,000,000. In addition, the region has received over \$3 million in Governance related Trust Funds, and more than US\$ 3 million are pending in GPF proposals.

**II - A Country Based Approach:** In regards to the Bank's overall strategy in implementing the GAC, of note is the fact that the individual countries within the region are at the heart of the implementation plan: the objective of countries should be to initiate strategies that effectively address GAC impediments to their development

and poverty reduction goals. Fortunately, within the MENA region, demand for GAC actions is steadily growing. In fact, work with traditional countries like Morocco, Tunisia, Jordan, Lebanon, WBG, and Yemen is steadfast, but new countries are coming on line (Iraq, Syria, and Libya). Furthermore, the Bank's agenda within the region has been expanding to service delivery (Morocco, Egypt, and Yemen), LJR (Morocco and Iraq), and Anticorruption (Egypt and Yemen). For their part, RTA programs have been rapidly growing along with Anticorruption in Kuwait and CPARs in Kuwait and Saudi Arabia. At the same time, there has been significant growth in ESW focused on Governance.

In addition to country strategies intended to address the GAC strategy, individual countries will also set targets with the goal of taking a comprehensive, strategic view of governance in a country context. These targets will draw upon existing work to the greatest extent possible and will be closely linked with the CAS or the Interim Strategy updates. The focus will be on countries where there is heavy Bank engagement and significant governance challenges. The types of CGAC issues to be addressed include:

- Stocktaking of what is currently going on;
- Integration of core and sectoral reform agendas;
- Exploration of new entry points within governance dialogues;
- Review of overall risk environments for projects and reliance upon country systems;
- Review and reform of political economy issues.

During fiscal year 2008, Lebanon, Iraq, and Yemen set their Country GAC targets followed by Morocco and Djibouti in FY09.

<sup>1</sup> Robert P. Beschel Jr., Lead Public Sector Specialist, Middle East and North Africa.

While it is too early to assess the impact of this specific targeting, experience to date has been disappointing.

### **III - GAC in Sectors:**

The sectoral GAC agenda has been undergoing significant expansion. On the monitoring side, there has been innovative and collaborative work on the quality of service delivery. Examples are PETS in the Education Sector in Yemen (2007), in Morocco (absenteeism and parent oversight), in the Health Sector in Morocco and Egypt, and in the PDS System in Egypt.

Finally, the following innovative initiatives have also been launched: a cross-country comparative study of pharmaceutical procurement (MNSHD); a regional study to strengthen demand-side governance (MNSSD); a vulnerability assessment of the Water Sector (MNSSD); and a development of Sector anticorruption plans (MNSSD).

### **IV - GAC in Projects:**

Implementation of the GAC strategy within projects is not only extremely important, it is also fraught a significant amount of challenging components. These components include the need to achieve a balance between ensuring financial probity and strengthening country systems; the need to improve practices and resource allocation for preparation and supervision in high risk settings; ensuring that internal quality processes and/or structures on GAC issues are strengthened; devising an optimal role for MNAFM and MNAPR; and ensuring the targeting of vulnerable sectors.

As it relates to Financial Management, Procurement, and projects, a large amount of activities have been initiated. At the Financial Management level, these activities include audit firm assessments in three countries and transaction reviews in Jordan and Lebanon. Also ongoing are Institutional Financial Management capacity assessments (IFMCA) at the sector level and support continues to national Supreme Audit Institutions and ARABOSAI<sup>2</sup> to strengthen the control environment in MENA countries. The Bank also continues with its efforts on enhancing Corporate and Financial Reporting (CFR) in Morocco, Tunisia, and Egypt.

---

<sup>2</sup> The Arab Organization of Supreme Audit Institutions.

In regards to Procurement, the activities initiated include: (i) scaled up independent procurement reviews by MNAPR in Yemen and Egypt (FY08); (ii) an independent procurement review of health sector (FY09); (iii) accelerated efforts in post procurement reviews; (iv) development of a Rapid Response Handbook for Procurement in Fragile States by MNAPR for Bank-wide use; and (v) a GPF-supported activity on the political economy of procurement reform and support to a regional "Center of Excellence" in Jordan; (vi) the first GAC survey of civil servants will be taking place in Egypt in Spring 2009; and (vii) a significant reimbursable technical assistance program on Governance has been set in motion in Kuwait.

Examples of the activities initiated at the project level include the Yemen Water Sector Support Project which has developed a sector wide Anticorruption Action Plan. The Morocco INDH project<sup>3</sup> recently introduced an internal auditor into sub-project review stage. The WBG Social Safety Net Reform Project has had its internal controls and audit strengthened to ensure accurate targeting of cash transfers to vulnerable households.

### **V - Strategic Staffing and Capacity Building:**

The implementation of the GAC strategy requires the existence of qualified human capital. In recognition of this fact, one key element for GAC implementation in MENA is strategic staffing and capacity building. The current state of MENA GPM staffing reveals that regionally, MENA averages 6% of Bank PSGB and FM staff. The region has fewer GH staff than other regions and the staff are thinly spread over a wide number of country programs. As a means of addressing these limitations, three types of actions need are being undertaken:

*Strengthening of field presence-* field presence needs to be strengthened through country based Governance Advisors or level GG senior public sector specialists. Currently, Iraq, Kuwait, WBG, and Yemen have such staff appointed. The Maghreb is yet to be addressed.

---

<sup>3</sup> The reference is to the French Acronym for Morocco's National Initiative for Human Development (INDH), a program launched by King Mohammed VI in May 2005 to alleviate poverty, vulnerability and social exclusion in the country. Bank has provided \$100 million in lending and a TA package is support.

*Key skills gaps in HQ need to be filled-* new skills have been added with two staff for Anticorruption and LJR, one STC for PETS and QSDS and one ETC for Parliamentarians and NGOs.

*Investment in Knowledge and Learning-* there should be an investment in knowledge and learning both in terms of learning activities (which include workshops on Anticorruption at the project level, core courses on conflict and fragility, and the “Building coalition for Governance Reform” course organized jointly with Dev Comm), and in terms of knowledge sharing (two MNA K&L Fast Briefs on Anticorruption have been issued and a series of workshops on Bank CGAC experiences are being planned).

### **VI - Regional Governance Agenda:**

In terms of the region’s governance agenda, a cost effective effort has been initiated to create regional “Public Goods.” These include actions such as the strengthening work on governance indicators (PEFA, Global Integrity); comparative analytic studies on cross-cutting issues; case studies of successful reform; a book being prepared on the political economy of governance reform in MENA; and an improved outreach and dissemination through internet and electronic media. All this is complemented by participation in regional events and fora.

Nonetheless, looking forward, there remain several questions to address. How can we retain core capacity while expanding into new areas? How can we best strengthen an integrated, risk based approach? Finally, how can we spend increased resources efficiently as well as effectively and deliver on what we have promised.

#### **Contact MNA K&L:**

Director, MNACS: *Nadir Mohammed*  
Manager, MNADE: *David Steel*

Regional Knowledge and Learning Team:

*Omer Karasapan and Aliya Jalloh*

Tel #: (202) 473 8177

MNA K&L Fast Briefs:

<http://go.worldbank.org/OXADZV7110>

*The MNA Fast Briefs are intended to summarize lessons learned from MNA and other Bank Knowledge and Learning activities. The Briefs do not necessarily reflect the views of the World Bank, its board or its member countries.*