

# STRENGTHENING WORLD BANK GROUP ENGAGEMENT ON GOVERNANCE AND ANTI-CORRUPTION CONSULTATION FEEDBACK

## REPUBLIC OF CONGO (February 13-15, 2007)

The GAC consultations took place both in Brazzaville and Pointe-Noire from February 13 to 15, 2007<sup>1</sup>. In Brazzaville three separate meetings were held: (i) with representatives from public administrations ( ministries, public agencies, project implementation units ); (ii) with representatives from civil society and private sector stakeholders ( human rights NGOs, Church associations, media ) and (iii) with donor community. In Pointe-Noire the consultation was with the two civil society activists involved in the issues of transparency in oil sector – EITI champions – and the Vice-President of Publish What You Pay<sup>2</sup>

### **Venue of consultations**

- Meridien Hotel for the consultations with Government officials, and with civil society and the private sector ;
- World Bank Country Office for consultation with donor partners;
- Twiga Hotel for Pointe-Noire consultation.

### **Participants**

The list of participants is attached. There were 25 participants at the meeting with the Government officials; 21 at the meeting with the civil society and the private sector ,and 17 at the meeting with the donors.

### **How did the process fit into ongoing country dialogue?**

The World Bank's Interim Strategy Note (ISN) for the Congo is being finalized. The promotion of governance and combating corruption are central to the planned World Bank assistance in the ISN<sup>3</sup>. In that context, the GAC consultations are strengthening the ongoing dialogue with the authorities, the civil society and the private sector stakeholders, and enhance the coordination with other donors and should pave the way for effective World Bank actions on good governance and anticorruption.

Congo reached the Enhanced HIPC decision point in March 2006. To advance to the completion point, the Government has developed, in collaboration with the Bank and the

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<sup>1</sup> The World Bank team was composed of Midou Ibrahima, Country Manager; Chukwuma F. Obidegwu, Lead Economist, AFTP3; and Josyane Costa, Team Assistant, AFMCG.

<sup>2</sup> These two activists could not participate in the consultations in Brazzaville because of government travel restrictions that prevent them from leaving Point Noire.

<sup>3</sup> Congo was ranked 142nd out of 163 countries in the Corruption Perceptions Index of Transparency International in 2006.

IMF, a HIPC Action Plan to guide the fulfillment of the completion point triggers. The Action Plan is currently under implementation and the first progress report on the implementation of the HIPC triggers is expected to be presented to the Board by May 2007. Improving Governance and fighting corruption is the centerpiece of this Action Plan. Two WB multi-sector missions took place in November 2006 and January 2007 to support Government efforts.

The ISN plans for the Bank support for new anticorruption institutions, and to step up technical assistance and analytical work in public financial management, including procurement and the oil and forestry sectors.

### **What were the key issues/themes raised by participants?**

All participants focused on governance and corruption issues in the Republic of Congo and less on the global issues in the strategy.<sup>4</sup> Participants all recognized the negative impact of poor governance and corruption on the country's development as well as the need to embark effectively on tackling these issues. They raised a number of issues relating of institutional change, capacity development, the observance of human rights and the role of the World Bank for good governance and anti-corruption. The public sector group underlined the importance of understanding the root causes of corruption in the country in order to design appropriate remedial actions, and in reforming and strengthening public financial management and related oversight institutions. The civil society group noted the high level of corruption, particularly in the management of oil revenues and lamented the weakness of the civil society to fully engage in the anti-corruption efforts. It further stressed the need for more forceful actions by the Bank and other donors and for frank and transparent communications with the population. The donor community emphasized the need for decentralization, human resource development, improved PFM and strong oversight institutions, analytical work and close monitoring of developments in governance and anti-corruption.

### **Institutional Issues**

- Participants stressed that the concentration of economic and political power underpins corruption and poor governance in Congo and thus the urgent need for decentralization.
- Participants laid particular emphasis on the crucial role of the judicial system and strong oversight institutions in improving governance and fighting impunity and corruption.
- Participants noted the importance of the government respecting the constitution, the regulations and procedures for public financial management, and the international conventions on good governance.

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<sup>4</sup> The issues as raised by the different sets of participants are summarized in the attached table.

- Participants suggested more emphasis on political governance, given its strong connection and impact on economic governance. Some participants also suggested emphasis on addressing high level corruption in the private sector.
- Participants noted the lack of specific models of good governance and recommended action to develop one. Participants also expressed the need for country specific indicators of good governance and for close monitoring developments on good governance and anti-corruption.

### **Capacity of the State and the Civil Society**

- Participants pointed out that the current weak capacity of the civil society and private sector actors hinders their contributions to fight for good governance and against corruption. As a result, there was a strong demand of capacity development for the benefit of these partners.
- Participants stressed the need to strengthen the capacity of the public service and for progressive improvements in the provision of basic services to the people as important elements of good governance and anti-corruption.
- Participants consider civic education to be an important instrument for behavior change with respect to promotion of good governance and fighting corruption, given the value crisis country-wide. Participants noted the need to extend this education to young children to head off future corruption.

### **Human Rights**

- Participants voiced their concern regarding the protection from threats, persecution from the authorities of civil society activists demanding good governance and joining the fight against corruption.

### **Role of the World Bank**

- Participants expressed the desire for the Bank remain active in the Congo, irrespective of the level of commitment by the Government to good governance and anticorruption
- Participants would like the World Bank strengthen its GAC agenda in Congo, particularly in the context of HIPC completion point, including strengthening its communication with populations.
- Participants suggested that the Bank sharpen the part of its strategy related to fight against corruption in the private sector, as well as democratic/political governance.
- Participants laid emphasis on the need for the Bank to revisit the concept of “client” to include the civil society and the private sector and to build enduring partnerships and work closely with these stakeholders.

- Participants expressed the desire that the Bank and other donors would help to strengthen the capacity of the civil society and to fund projects that help the poor and involve the civil society in the implementation of these projects.

## 1. Top governance challenges in Congo

Respondent type	Consultation feedback
Representatives from Government and public administrations	<ul style="list-style-type: none"> <li>• Poor performance in public financial management</li> <li>• Weakness of capacity both at public and private sectors levels</li> <li>• Absence of oversight institution with respect to good governance and anticorruption.</li> <li>• Causes of corruption not widely understood and taken into account in anti-corruption programs.</li> </ul>
Representatives from CSOs, private sector and media	<ul style="list-style-type: none"> <li>• High level of corruption in country especially with respect to management of oil revenues</li> <li>• Highly corrupt private sector.</li> <li>• Impunity, lack of respect of human rights</li> <li>• Poor and opaque management of public finances</li> <li>• Poor distribution of national wealth</li> <li>• Weak capacity in public and private sectors, CSOs.</li> <li>• Civil society is marginalized by the Government and the donors</li> </ul>
Donors	<ul style="list-style-type: none"> <li>• High Concentration of political and economic power</li> <li>• Lack of political will in the implementation of reforms</li> <li>• Lack of independence of both Parliament and Justice vis-à-vis executive body that fosters impunity</li> <li>• Poor public financial management</li> <li>• Weak capacity at different levels ( public administrations, civil society, private sector )</li> </ul>

## 2. Promising areas of governance and anti-corruption reform and potential obstacles

Respondent type	Consultation feedback
Representatives from Government and public administrations	<ul style="list-style-type: none"> <li>• Institutional strengthening for performance improvement</li> <li>• Training program for civil servants and other public officers.</li> <li>• Improvement of living conditions of populations</li> <li>• Promote employment creation, particularly by SMEs</li> </ul>
Representatives from CSOs, private sector and media	<ul style="list-style-type: none"> <li>• Strengthening partnership between the Bank and civil society and private sector stakeholders.</li> <li>• The international community should keep up pressure on the Government with respect to implementation of governance and anti-corruption reforms</li> <li>• Effective elaboration and implementation of PRSP</li> </ul>
Donors	<ul style="list-style-type: none"> <li>• Implementation of results-based approaches</li> <li>• Identify champions in public and private sectors and support them</li> <li>• Strengthen economic governance i.e. improvement of public financial management and in particular put more emphasis on reviews of the management of the recurrent budget.</li> <li>• Emphasize on human resource development to promote good management practices, promote ethical behaviors in public administration</li> <li>• Strengthening of oversight bodies including Parliament, Accountant Court</li> <li>• Explore a regional approach to combating corruption..</li> </ul>

### 3. How the Bank should engage where governance is weak, and circumstances under which to disengage

Respondent type	Consultation feedback
Representatives of Government and public administrations	<ul style="list-style-type: none"> <li>• Promote Decentralization as to encourage participation</li> <li>• Support the development of a participatory PRSP</li> <li>• Continue to support human resources development, capacity and institutional development</li> <li>• Help to ensure the flows of information on public affairs to the civil society and other stakeholders.</li> </ul>
Representatives from CSOs, private sector and media	<ul style="list-style-type: none"> <li>• The Bank should maintain its dialogue at the highest levels and continue to push for the effective and proper implementation of the reforms, otherwise the situation could be worse.</li> <li>• The Bank should speak out frankly and forcefully on the developments in the country. Get the civil society more involved at different levels of providing and implementing donor-funded projects in countries.</li> </ul>
Donors	<ul style="list-style-type: none"> <li>• Joint advocacy with other partners to increase Government commitment to implement effectively GAC reforms</li> <li>• Avoid withdrawal but target specific actions from which the populations can benefit</li> <li>• Strengthen oversight institutions and consider governance and anti-corruption issues as triggers for international aid</li> <li>• Continue to support human resource and capacity development</li> <li>• With other partners, support analytical work on governance and anticorruption and the monitoring of developments.</li> <li>• Support the development of mass media.</li> </ul>

#### 4. How to mitigate fiduciary risk in Bank operations?

Respondent type	Consultation feedback
Representatives from Government and public administrations	<ul style="list-style-type: none"> <li>• Ensure permanent presence of Bank staff on the ground for close supervision</li> <li>• Include among others, integrity in the criteria of staff recruitment</li> </ul>
Representatives from CSOs , private sector and media	<ul style="list-style-type: none"> <li>• Ensure that fiduciary expertise is in place to ensure proper management of the finances of the operations.</li> <li>• Carry out regular audits of the operations</li> <li>• Consistently apply sanctions on infractions to ensure compliance with financial management procedures</li> <li>• Provide training to the government on procurement.</li> <li>• In addition to working to improve projects financed by the Bank, support the improvement in the implementation of government projects in general</li> <li>• Include local NGOs in the implementation of Bank projects</li> </ul>
Donors	<ul style="list-style-type: none"> <li>• Regular supervision of Bank operations</li> <li>• Support capacity building for public financial management, including procurement, project monitoring, evaluation and management.</li> <li>• Strengthen communication with the authorities including regular monitoring and reporting</li> <li>• With respect to sustainability, progressively use country systems along with capacity building</li> </ul>

### 5. How to monitor progress in governance and anti-corruption at country levels?

Respondent type	Consultation feedback
Representatives from Government and public administrations	<ul style="list-style-type: none"> <li>• Conduct periodic surveys to assess perceptions</li> <li>• Provide training to public servants on monitoring and evaluation, managing public information in a way that is readily accessible by the public.</li> </ul>
Representatives from CSOs, private sector and media	<ul style="list-style-type: none"> <li>• Promote transparency in government as well as improve access to public information by the civil society.</li> <li>• Set up oversight body that will work closely with civil society and private sector</li> <li>• Strengthen capacity of civil society stakeholders</li> </ul>
Donors	<ul style="list-style-type: none"> <li>• Use Country Integrated Fiduciary Assessment ( CIFA ) and PEFA to monitor public financial management</li> <li>• Identify concrete and country specific indicators to monitor developments in governance and corruption.</li> <li>• Strengthen the capacity for monitoring and evaluation.</li> <li>• Promote the capacity and independence of the mass media.</li> </ul>

### 6. Areas for improvement in GAC strategy and country-level support

Respondent type	Consultation feedback
Representatives from Government and public	<ul style="list-style-type: none"> <li>• The strategy needs to examine deeper the causes of corruption, and identify typologies in order to prescribe remedies.</li> </ul>

administrations	<ul style="list-style-type: none"> <li>• The role of education and communications in fighting corruption needs more emphasis.</li> </ul>
Representatives from CSOs, private sector and media	<ul style="list-style-type: none"> <li>• Put emphasis on asset declaration for Government officials</li> <li>• Advocacy for implementation of sanctions when necessary</li> <li>• Need for clarity on how the World Bank can help to scale up participation, particularly in countries where participation is very limited.</li> <li>• Need to clarify the Bank's communication strategy, particularly on the openness of its dealings with the Government, to the civil society and other stakeholders.</li> </ul>
Donors	<ul style="list-style-type: none"> <li>• Sharpen the typology of corruption</li> <li>• Strengthen the paragraph related to corruption in private sector</li> <li>• Highlight the role of Parliament and how the Bank could provide assistance in this area.</li> <li>• Strengthen the links of the strategy to developments in political governance</li> <li>• Give more emphasis to monitoring and evaluation and related capacity building</li> <li>• Examine the role of a regional approach to improving governance</li> </ul>