

**STRENGTHENING WORLD BANK GROUP
ENGAGEMENT ON GOVERNANCE AND ANTICORRUPTION
CONSULTATION FEEDBACK**



SENEGAL

(DECEMBER 14 & 22, 2006 - JANUARY 12, 15, 23 & 24, 2007)

Participants: See attached list

How did the process fit into ongoing country dialogue?

Senegal is located on the West Coast of Africa and is part of the West African Economic and Monetary Union (WAEMU). With a population estimated at about 10 million, its economy is dominated by a few strategic sectors, including groundnuts, fisheries, and services.

Over the past years, Senegal has enjoyed a stable political climate, and has remained largely unaffected by regional instability.

Several indicators used by the international community such as World Bank Institute (WBI) governance indicators and the Freedom House ranking of civil liberties and political rights reflect the relatively good health of Senegalese institutions, and show that Senegal compares favorably to most African countries. However, the quality of its institutions still lags with respect to that prevailing in emerging and OECD countries.

Furthermore, progress has been limited over the past few years (except for political stability) with the Government perceived as less efficient and the rule of law less binding in 2004 than in 1998. This mixed evolution is evidenced by some Governmental spending irregularities, weak budgetary controls by the judiciary and legislative powers, and fragile governance in public and quasi-public enterprises. Helping Senegal reverse these last two trends will be at the center of the World Bank Group's agenda.

GAC consultations have been a logical continuation of the dialogue between the Bank and its partners in Senegal: Government – Private Sector – Elected assemblies (National and local) – Media – Civil Society organizations – Regulatory institutions, etc. GAC consultations were an opportunity to go more deeply in some complex issues on Governance and Corruption already discussed with such partners during the CAS (2007-2010) consultations during the course of 2006. The country office gave an international dimension to the GAC consultations by inviting MPs from two CD14 countries (The Gambian and Guinea-Bissau) to attend one session with their homologues of Senegal.

What were the key issues/themes raised by participants?

The Bank was questioned about the timing: Why this question after 40 years of operations? The Country Director anticipated this question by recalling how and why Governance and Corruption became one of the priorities of the WB during these last ten years.

Participants in all sessions welcome the consultation as an opportunity to raise and to discuss on national issues and applaud the fact that their recommendations will be taken into consideration by the Bank Senior Management.

Key issues raised by participants included:

- Role of Civil society
- Greater transparency and efficiency in the use of public resources
- Economic growth and transparency
- Investment climate
- Human development/shared growth
- Public sector accountability
- Judicial system
- Mechanisms for private sector governance

Respondent Type	Consultation Reply
1. Top governance challenges in country	
Government	<ul style="list-style-type: none"> • Improving quality of the Administration, • Independence of justice • Primacy of politics over Administration • Public service continuity • Enhance and widely publish Public service Norms • Human resource management in the Public sector (corruption, weak qualifications, unfair recruitment, exceptional procedures for recruitment, etc.)
Legislature	<ul style="list-style-type: none"> • Following sectors are considered crucial to address governance and corruption: • Public procurement system • Justice • Health • Transportation • Taxes, Land management and Custom services • Human Resource Management (fair recruitment, motivation, salary, career development).
Civil society	<ul style="list-style-type: none"> • Preeminence of Executive over Legislative and Justice • Ethics
Private Sector	<ul style="list-style-type: none"> • Abuse of exceptional procedures in public resources management through the creation of several National Agencies directly linked to the Presidency of Senegal • Independence of justice • « Privatization » of Civil service by civil servants • Ignorance of ethics rule by civil servants • Complexity of procedures • Public procurement Code • Lack of sanctions

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Conflict of interests (execution and control under same presidential Office umbrella) • Personalization of the Civil Service • Corporatism in the Civil Service against the Private Sector, mainly in fiscal and Custom services • No legal recourse against the Civil Service
Media	<ul style="list-style-type: none"> • Independence of Justice • Public Procurement code
Project Implementation Units	<ul style="list-style-type: none"> • Abuse of exceptional procedures in public resources management (30% of the Budget spent without respecting standard procedures governing the Ministry of Finance, due mainly to the existence of several National Agencies directly linked to the Presidency of Senegal) • Lack of efficiency and independence of Budget Execution administrative and judiciary agencies
2. Promising areas of governance and anticorruption reform and potential obstacles	
Government	The National Good Governance Program
Legislature	<p>On governance and corruption, these following sectors are considered the most crucial to be addressed :</p> <ul style="list-style-type: none"> • Public Procurement Mechanism • Justice • Health • Transports • Taxes, land management and custom services • Human Resource Management (fair recruitment, salaries, motivation, career development)
Private Sector	<ul style="list-style-type: none"> • Investment climate • WB should support Private sector against all threats from the Executive
Project Implementation Units	Political decision has primacy on technical decision
3. How the Bank should engage where governance is weak, and circumstances under which to disengage	
Government	<ul style="list-style-type: none"> • WB assistance to poor people should continue in any circumstances • New strategy for direct support to grassroots communities

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Coordination with other donors to support civil society organizations
Legislature	<ul style="list-style-type: none"> • To avoid penalizing poor people, the World Bank should not stop assistance to a country presenting weak governance and severe corruption, especially when government leadership is not consistent in addressing these matters. The WB should have the option of directly supporting credible NGOs, Community Based Organizations and Private Sector. • The WB's disengagement could only be justified where such credible non-governmental organization doesn't exist.
• 4. How to ensure fair and consistent treatment across countries	
Legislature	<ul style="list-style-type: none"> • The GAC should have a double face : legal and ethics • The GAC should keep in mind the multi socio-cultural context and take into account the general morale crisis as well as poverty increase. • WB should avoid to be perceived as a “donneur de lecon” and must have an exemplary behavior in the design and implementation of the GAC • Harmonize the terminology: corruption, governance, regulation, ethics, etc. • Each country should sign, ratify and internalize international instruments. The international has to make sure that the internalization of such international agreements is complete and adequate.
5. How to strengthen the Bank's work with champions of reform outside the executive branch of government – parliament, judiciary, civil society, media and the private sector	
Government	<ul style="list-style-type: none"> • Capacity building for civil society organizations • Involve CSOs in the Project cycle
Legislatures	<ul style="list-style-type: none"> • Various supports (logistic, financial, technical) to the Government and to any other player involved in the GAC • Support studies and design of standard laws • Support consolidation and enhancement of national commission against corruption (mandate, financial resources, investigation, logistic) • Design and Implement a communication strategy for the GAC • WB member states should express their commitment for GAC by demonstrating clearly their willingness to work with civil society, media and private sector.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • WB should recognize national reform champions with symbolic awards national reform champions.
Private Sector	<ul style="list-style-type: none"> • Support reforms from the Private Sector • Support Private sector when arbitrary jeopardized by public sector • Disclosure of all information, including report after WB/IMF mission
Media	<ul style="list-style-type: none"> • Support “Watch dog” role of Media and Civil society • Support Ethics values in civil society representative • Support for Investigation journalism • Support to Media firms as part of the private sector (Financial management – Capacity building)
6. How to mitigate fiduciary risk in Bank operations?	
Government	<ul style="list-style-type: none"> • Why this question now after more than 40 years of Bank operations? • Create and support technical units for day-to-day monitoring of IDA’s fund • Regular program review (Compare to other donors, Bank review are more consistent) • Habilitate population to use laws and rules to control local governance entities, notably in the rural areas; • Independent anti-corruption team in each project • Increase utilization of the Participatory Local Development • Disclosure of legal agreements between IDA and the country • Management for result
Legislature	<ul style="list-style-type: none"> • Design penal and civil laws to protect the financial interests of the State. • Detection of frauds, thanks to procedure traceability • Improve penal responsibility of moral entities • Creation and vulgarization of a control and evaluation mechanism • Disclosure of personal patrimony before and after duty for key project staff
Private Sector	Capacity building for Private sector and Media to monitor public expenditures
Media	<ul style="list-style-type: none"> • Support journalist enabling to understand national budget procedures from design to effective execution and control by independent administrative bodies • World Bank more open to round table with media about governance and corruption issues in the country • Presence of media during supervision and review of projects

Respondent Type	Consultation Reply
Project Implementation Units	<ul style="list-style-type: none"> • Minimum budget support • Fiduciary risks and mitigation strategy should be more developed in the PADs (not just one paragraph) • Recruit Audit firms without any interference of the PIUs to avoid conflict of interest and implement audit recommendations • Involve the PIUs in the Project cycle, at least during the negotiations period • Current bank procedures (Non Objection, Supervision, Review, etc.) secure IDA funds managed through PIUs. • Task team leaders and other bank staff should respect the procedures established by the World Bank and should have technical skills and be ethics oriented • Staff of the PIUs selected in a fair and transparent manner • Maintain the PIUs – with some reforms – to avoid to jeopardize bank funds in a country • Create an information system in multi-donors project, to give same information to all donors, without any consideration of the origin of the funds • Enhance efficiency and autonomy of PIUs and enhance execution control • Implement positive and negative sanctions • Exclude any procurement specialist in the execution • All PIU staff and all goods/services providers should be exposed to procurement mechanisms in order to know their role and responsibility • Guarantee irrevocability of key PIU staff to minimize political government interference to change technical decision.
7. The Bank's role vis-à-vis other donors in supporting governance reform	
Government	<ul style="list-style-type: none"> • Coalition of important donors for GAC • GAC leader among donors
Legislature	<ul style="list-style-type: none"> • Building consensus: Create a flexible dialogue tool to harmonize strategies and policies for governance and anti-corruption to build consensus on common values on governance and fight against corruption in order, finally, to adopt an International Financing Ethic Chart. • Leadership: Participants questioned about leadership to coordinate international movement for Governance and Anti-Corruption. This leadership should be devoted to the U.N. rather than to the

Respondent Type	Consultation Reply
	<p>World Bank due to the ethical dimension of this problematic.</p> <ul style="list-style-type: none"> • International private and civil sectors: As at national level, private international economic sectors and international civil society representatives should be involved in this international GAC strategy design.
Civil society	Coalition of important donors for GAC
Private Sector	GAC should be an indicator for the Human development indicator
Media	Disclosure of harmonized information
<ul style="list-style-type: none"> • 8. How to monitor progress in governance and anticorruption at the country level 	
Legislature	<ul style="list-style-type: none"> • To guarantee sustainability of the GAC, design qualitative and quantitative indicators, results and impact adapted to each sector, including: <ul style="list-style-type: none"> • Political will expressed • All actors involved • Reforms implemented • Fiduciary risk decreased • Poverty reduced • Disbursement rates increased • Direct investments increased • Time for investment, execution and administrative formalities reduced ; • Quality of life of disadvantaged population improved • Economic growth
Private Sector	Regular surveys to measure efficiency and efficacy of the Civil Service
<ul style="list-style-type: none"> • 9. Areas for improvement in GAC strategy and country-level support 	
Government	<ul style="list-style-type: none"> • Culture of evaluation • Satisfaction survey (Client and civil servants) • Organizational audit of the Administration • Quality and quantity improvement of the Administration
Legislature	Entry Point sectors:

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Public Procurement Mechanism • Justice • Health • Transports • Taxes, land management and custom services • Human Resource management (fair recruitment, salaries, motivation, career development) <p>Reform objectives should be:</p> <ul style="list-style-type: none"> • Simplify administrative rules and procedures • Combat(Fight?) impunity • Restore primacy of laws and institutions • Design a strategy and action plan for governance and anti-corruption • Improve legislative and regulation framework regarding decentralization and fight against corruption with civil, penal, and administrative instruments, and by mediation. • In these reforms frameworks, interference and traffic of influence from religious and opinion leaders should be considered.
Civil society	<ul style="list-style-type: none"> • Extended reforms of laws and rules regarding GAC • Capacity building for Justice
Private Sector	<ul style="list-style-type: none"> • Investment climate • Ethics of Civil service • Procurement Code
Project Implementation Units	Not relevant to be focused on corruption issue during the reviews: the presence of the Government will not encourage free-speech.
10. Other key issues	
Government	PIU Vs Budget support

Respondent Type	Consultation Reply
Media	<ul style="list-style-type: none"> • WB should be more proactive on GAC at national level and inform media about he these issues • There is no support to the media from the Bank • Language barrier : Not enough French in the Internet • Credibility on WB report on GAC in Senegal
Project Implementation Units	<ul style="list-style-type: none"> • The Bank has taken back the control. In order to better control the utilization of IDA's funds, the WB non-interference policy should be reviewed for more interference. • Not relevant to be focused on corruption issue during the reviews: the presence of the Government will not encourage free-speech. • National needs and partners priorities to be adequate • Price reference for goods and services issued monthly by the Government of Senegal should be used for quotation • What a Bank view? Who express the Bank view?