

Good Governance and Anti-Corruption in Tunisia

Project Highlights – September 2019





Signing Ceremony for the UK-Tunisia Memorandum of Understanding with (from left to right) Mrs. Louise de Sousa, Ambassador of the United Kingdom to Tunisia, Mr. Alistair Burt, Minister of State for the Middle East of the United Kingdom, Mr. Kamel Ayadi, President of HCCAF, Tunisia, Mr. Rolf Alter, Director of the OECD Public Governance Directorate and Mr. Hedi Mekni, Secretary General of the Tunisian Government (Tunis, 3 August 2017)

Partners & Beneficiaries:

Presidency of the Government, Ministry of Civil Service, Modernisation of Administration and Public Policies, Ministry of Local Affairs and Environment, Ministry of Justice, Ministry of Finance, High Authority for Public Procurement (HAICOP), Administrative Tribunal and Regional Chambers, Financing Bank for Small and Medium Enterprises (BFPME), National anti-corruption agency (INLUCC), High Committee for Administrative and Financial Control (HCCAF), National Commission for access to information (INAI), National Federation of Tunisian Cities (FNVT), Tunisian Institute for Democracy and Development, Tunisian Association of Public Controllers (ATCP), Local authorities, Inspectorates, Civil society, Media, Control bodies, SMEs, Public enterprises

Good Governance and Anti-Corruption in Tunisia

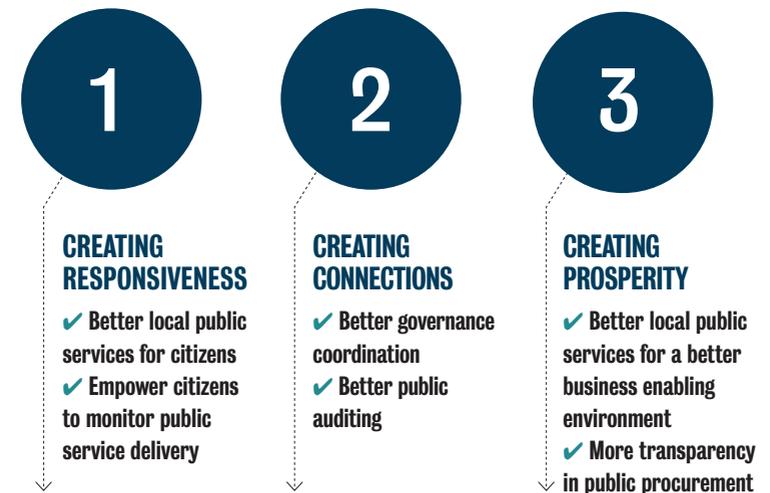
This brochure provides an overview of the project “Good Governance and Anti-Corruption in Tunisia”, its objectives, main achievements and the way forward. With the financial support of the Foreign and Commonwealth Office of the UK, the OECD is implementing this project in coordination with its Tunisian counterparts over a period of 3 years, from 2017 until 2020.

Objective of the project

The project aims to enhance stability, prosperity and citizens’ trust in Tunisia. It accompanies Tunisia in fulfilling its good governance commitments of the London Anti-Corruption Conference and in implementing the 2016-2020 national anti-corruption strategy.

Three focus areas

Building on the work of the MENA-OECD Governance Programme and the OECD Recommendations on Public Integrity, Open Government and Public Procurement, the project focuses on:



In 2016: a law guaranteeing access to information was adopted

In 2014: a new public procurement decree was adopted to improve transparency, governance and complaint mechanisms

This project builds on existing efforts of the Tunisian Government to address corruption

In 2011: a National Anti-Corruption Agency was created

In 2014: a Code of Conduct for public officials is implemented in central and local administrations

In 2017: a whistleblower protection law was adopted

In 2013: an online public procurement platform ("TUNEPS") was introduced



"The OECD is a major ally in our fight against corruption. Together, we are addressing both its preventive and coercive side, affecting citizens as well as enterprises, at the central and local level"

Official visit of Mr. Youssef Chahed, Head of the Government of Tunisia, to the OECD (Paris, 14 February 2019)

59% of Tunisians believe they can make a difference in the fight against corruption¹

Despite this progress, corruption continues to undermine Tunisia's transition:

Widespread corruption was one of the major causes of the 2011 Revolution in Tunisia.

Corruption is perceived as the 3rd main problem in the country after unemployment and the management of the economy.²

Corruption costs represent 54% of Tunisia's GDP.³

Corruption costs represent 54% of Tunisia's GDP



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CREATING
RESPONSIVENESS

CONTEXT

67%

of Tunisians believe corruption has increased in 2017.

64%

of Tunisians think the government's performance in fighting against corruption is bad or mediocre.

59%

of Tunisians believe they can make a difference in the fight against corruption but 61% are afraid to report corruption for fear of retaliation.⁴

Making local public services more responsive



OBJECTIVES

The project aims to improve public services at central and local levels. It includes:

1 Working with public service providers to enhance the quality and reduce corruption risks, by:

- ✓ Conducting vulnerability scans and implementing their recommendations
- ✓ Developing citizen charters and implementing their commitments

2 Empowering citizens, civil society and the media to hold service providers accountable, by:

- ✓ Assessing existing complaint mechanisms
- ✓ Building Civil Society Organisations' (CSOs) capacity to monitor service providers

WHAT HAS BEEN DONE SO FAR?

Using the available data and relying on already-existing innovative experiences, the following public services were selected as pilots: municipal tax collection in Béja, health facilities in Sousse and waste management in Tozeur.

Public services' vulnerability scans

A vulnerability scan aims to identify specific processes within institutions that may be vulnerable to corruption. It is a learning exercise for the institution reviewed and an accountability tool for users. It looks at individual institutions or systems to evaluate the control environment, the risks for corruption and the existing safeguards.

With the involvement of local authorities, and adopting a participatory methodology, the OECD has:

- Conducted 3 vulnerability scans on corruption risks in tax, health and waste sectors in partnership with the Tunisian Auditors Association (ATCP) and a local polling firm, based on the experience of OECD member and partner countries.
- Each vulnerability scan laid out more than 20 targeted recommendations. The OECD provides on-site technical support for the implementation of key recommendations in order to make the 3 services more efficient and responsive to citizens' expectations.

1 MUNICIPAL TAX COLLECTION IN BÉJA

2 HEALTH FACILITIES IN SOUSSE

3 WASTE MANAGEMENT IN TOZEUR



Mrs. Louise de Sousa, Ambassador of the United Kingdom to Tunisia, opening the national conference to present the vulnerability scans and the citizen charters (Tunis, 25 March 2019)

1
CREATING
RESPONSIVENESS

Citizen Charters

A citizen charter is a voluntary public commitment made by a service provider to uphold standards of quality, transparency and accountability. Citizen charters are also an important tool allowing citizens to exercise their watchdog function and hold service providers accountable. It is essential that such charters are developed in a participatory way, include measurable indicators and are widely publicised.

- The OECD has supported the Ministry of Civil Service, the Modernisation of the Administration and Public Policies in developing a common methodology for such citizen charters.
- In December 2018, the decree regulating the relationship between the administration and its users was amended. Citizen charters are now mandatory for all public authorities in direct contact with the public and they need to report on the fulfilment of their commitments every year.



Citizen Charter of Sahloul Hospital, Sousse

- The OECD provided guidance and technical assistance to support the development of citizen charters for 3 pilot public services: municipal tax collection in Béja, health facilities in Sousse and waste management in Tozeur. The charters were developed in a participatory way, including civil society consultations conducted in partnership with the local CSO Jamaity. The 3 citizens' charters are finalised and are available to the citizens of Béja, Sousse, and Tozeur.

Examples of commitments laid out in citizens' charters:

- Improving the municipality's website by creating a webpage explaining the role of the municipal tax in the development of Béja
- Reducing waiting time for patients by using an appointment management application in Sahloul hospital
- Ensuring the collection of garbage in Tozeur at least once every two days

58% of surveyed patients in Sahloul's hospital in Sousse admitted to have paid a bribe to access better health services

More than 44% of Tozeur's surveyed citizens think that waste management is the top environmental concern for their city

80% of Béja's surveyed citizens are concerned with the issue of corruption in tax collection



In 2018
Adoption of the decree No. 2018-1067 of 25 December 2018 Complementing Decree No. 93-982 of 3 May 1993, setting the general framework of the relationship between the administration and its users



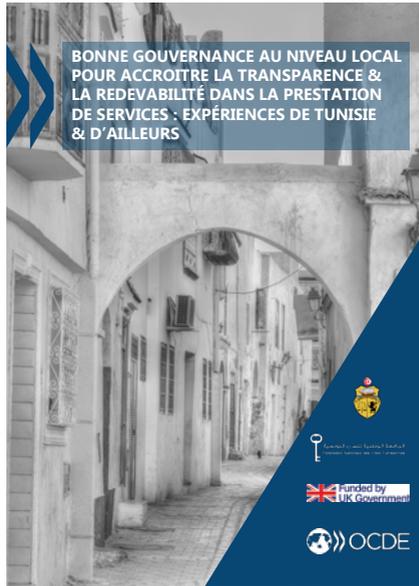
Citizen charter poster in the city of Tozeur, Tunisia

1

CREATING
RESPONSIVENESS

Access to good practices

In coordination with the National Federation of Tunisian Cities, the OECD identified good practices in local governance to better fight corruption which can be replicated and adapted by different municipalities.



■ These good practices are presented in the publication *Good governance at the local level to increase transparency and accountability in service delivery: Tunisian and international experiences.*



THE WAY FORWARD

WORKING WITH PUBLIC SERVICE PROVIDERS

- Ensure broad dissemination of the charters to the attention of citizens in the three pilot areas and support the development of citizen charters in Sidi Bouzid and Tataouine
- Continue supporting the implementation of the recommendations of the vulnerability scans to improve local service delivery in the three pilot services

EMPOWERING CITIZENS, CIVIL SOCIETY AND THE MEDIA

- Partner with local CSOs to develop capacity building activities to monitor service providers' commitments included in the citizen charters and process citizens' complaints
- Assess existing complaint and citizen participation and support their improvement

1

CREATING
RESPONSIVENESS

KEY OUTCOMES



Adoption of the decree regulating relations between the administration and its users

This makes the adoption of citizen charters compulsory for all public administrations in direct contact with citizens and mandating a self-assessment of the fulfillment of the commitments on a yearly basis (Decree number 2018-1067).



Creation of quality commitments and watchdog mechanisms

Thanks to the vulnerability scans and the citizen charters, the three pilot municipalities have committed to uphold the quality of their services for:

- ✓ The 800 daily patients of the Sahloul hospital in Sousse
- ✓ The 40,000 citizens of the municipality of Tozeur in the area of waste management
- ✓ The 80,000 citizens of the municipality of Béja, in the area of municipal tax collection



Setting-up of a citizen dialogue platform

The OECD worked to sensitise the pilot municipalities to the importance of involving CSOs and citizens in the elaboration of the citizen charters and the monitoring of their implementation. It required a behavioural change on their part but the three pilots have now embraced the citizens-centred approach towards service delivery. The vulnerability scans and the citizen charters were developed in a participatory manner. Service providers have successfully partnered with local CSOs to conduct monitoring and communication missions. This process improves local authorities' understanding of citizens' needs and capacity to adapt their services accordingly.

CONTEXT

■ Many organisations participate in different ways in the prevention and fight against corruption.

■ Overlapping competencies and a lack of co-ordination undermine the efficiency of preventive and corrective action against corruption.

Better governance coordination

OBJECTIVES

The project aims to strengthen coordination among key governance and anti-corruption actors - both at central and local levels - in order to create a more effective anti-corruption system in which information is shared, synergies are created and the risk of overlaps is minimised. It includes:

- ✓ Supporting coordination of the national anti-corruption strategy
- ✓ Improving the performance of governance units
- ✓ Supporting coordination of national anti-corruption commitments, such as access to information

WHAT HAS BEEN DONE SO FAR?

National anti-corruption strategy

A key challenge to efficiency in governance and anti-corruption is the limited coordination between national authorities and international partners. The OECD supports INLUCC to steer a coordination platform on the implementation of the national anti-corruption strategy, in collaboration with UNDP.

- The project also contributes to the National Anti-Corruption Congress, held every year, which represents an important opportunity to enhance coordination and synergies between anti-corruption actors.

Governance units

Governance units were created in each ministry, governorate, capital municipality and state-owned enterprise in 2016 and were tasked with ensuring the application of good governance principles, monitoring compliance with codes of ethics and the prevention and follow-up of corruption

cases.

At present, uncertainty as regards to their position hampers their effectiveness, yet they can constitute a powerful tool for the cross-sectional integration of good governance and anti-corruption principles.

- The project supported the institutionalisation of a coordination mechanism between governance units. A working group was created to oversee the elaboration of a guide that will support them in carrying out their mandate. The group will also exchange with other actors in the field to ensure coordination and avoid duplication of functions.
- The project is supporting the appropriation of the guide's tools through a training programme focusing on corruption detection and prevention, strategy-planning, and reporting.

Access to information

Following the adoption of the Access to Information (ATI) Law in 2016, the project supported the creation of a new working group that gathers the main ATI stakeholders: representatives from the Government, the Independent Access to Information Commission (INAI) and civil society.

- The group promoted coordination between the various ATI actors and elaborated a common guide for public officials. 647 public institutions are now using the same procedure to uniformly implement the ATI law at the central and local level.



Access to information Guide for public officials

THE WAY FORWARD

IMPROVING THE PERFORMANCE OF GOVERNANCE UNITS

- Support governance units in carrying out their mandate through the elaboration and dissemination of a procedural guide and practical tools
- Ensure a comprehensive capacity-building program, targeting the most important needs of governance units at central and local level

2

CREATING CONNECTIONS

CONTEXT

The 2014 OECD review of Tunisia's control and audit system stressed that audit recommendations rarely resulted in the expected change since there is no mechanism to monitor their implementation.⁵

Better public auditing



OBJECTIVES

The project supports the improvement of the public audit system, working with the High Committee for Administrative and Financial Control (HCCAF), the three general control bodies (for public service - CGSP, finance - CGF, and state property and land affairs - CGDEAF) and with inspection and audit officials in public institutions. It includes:

- ✓ Improving the follow-up of audit recommendations
- ✓ Strengthening the capacities of auditors and controllers
- ✓ Strengthening the role and impact of ministerial inspection units

The percentage of audit recommendations addressed increased from 42% to 80%



WHAT HAS BEEN DONE SO FAR?

Follow-up of audit recommendations

To improve the monitoring of audit recommendations' implementation, the OECD supported the HCCAF to test a new method: the proximity follow-up approach.

- This led to a system change since the HCCAF decided to adopt the method as its new standard. Proximity follow-up is now being rolled out throughout the institution to all follow-up missions of audit reports.

What is the proximity follow-up approach?

- A new way to monitor the implementation of audit recommendations by controlled entities that, instead of relying solely on paper evidence, uses in-person supervision missions to verify if and how the reported anomalies have been addressed and corrected.
- In 2017-2018, the OECD supported the HCCAF to conduct proximity follow-up missions for over 40 control reports. This number increased to 57 in 2019, covering notably the sectors of health, energy, transportation, environment, education, agriculture, public finance, or trade at both the central and local levels.
- The percentage of audit recommendations addressed after the first follow-up mission increased from 42% to 80% compared with the classical paper-based approach.



Guide on Using Risk Assessment in Multi-year Performance Audit Planning

Strengthening the capacities of auditors and controllers

Risk-based auditing: Audit entities can use risk assessment in multi-year audit planning to help target their limited resources on high-risk areas as well as to delimit the scope of individual audit missions to target the activities that are most prone to mismanagement and corruption in an organisation.

- In order to ensure the sustainability of this approach, the OECD and the HCCAF prepared a guide on how to use risk assessment in multi-year audit planning.

2

CREATING CONNECTIONS

Over 80% of controllers of the three general control bodies received training to improve auditing methods

Improving the quality of audit reports: Through short-term assignments within the three general control bodies, an OECD peer reviewed audit reports of the three general control bodies, and provided individual training on report writing.

Improving the role of controllers in tackling fraud and corruption: Controllers were trained to assess their organisation's existing anti-corruption mechanisms and better detect and investigate fraud to ensure greater public sector integrity.

Training of Trainers: The OECD conducts a training of trainers programme to ensure the dissemination and sustainable uptake of international standards and working procedures contained in guides and tools that were developed during the first two project years.

Strengthening the role and impact of ministerial inspection units

Inspectors from central and local level are trained to adopt more efficient and harmonised working methods in line with international standards. The capacity-building programme notably focuses on how to effectively prepare, conduct, and report on inspection missions, and implement the most up-to-date tools (such as ICTs) in detecting corruption inside the inspected institutions.



2

CREATING CONNECTIONS

KEY OUTCOMES



Increased coordination among Access to information stakeholders

The project helped to overcome the challenge of overlapping competencies and enabled a coordinated approach between governmental entities, independent institutions and civil society in the implementation of the 2016 Access to Information Law. The working group elaborated an operational guide for the 647 public institutions covered by the law, translating its provisions into practice.



Successful implementation and generalisation of the proximity follow-up approach

The proximity follow-up approach delivered rapid results: the overall number of reports handled rose from 77 in 2015 to 120 in 2018-2019, and the percentage of audit recommendations addressed doubled from 42% to 80%. The OECD is now supporting the generalisation of the proximity-follow-up approach to all audit reports.



Improvement of audit processes and working methods

Over 80% of controllers of the three general control bodies received training to improve auditing methods. 124 out of a total of 152 controllers received training on at least one of the following auditing processes: follow-up of audit recommendations, risk-based audit planning, audit report drafting and auditing fraud prevention arrangements.

THE WAY FORWARD

FOLLOW-UP OF AUDIT RECOMMENDATIONS

- Facilitate the institutionalisation of the proximity follow-up approach through continued support to the HCCAF for proximity follow-up missions

STRENGTHENING MINISTERIAL INSPECTION UNITS

- Develop a methodological guide and a customised code of professional conduct for inspectors



Annual HCCAF Congress on audit, public control and performance (Tunis, 3-4 October 2018)

3
CREATING
PROSPERITY

Better local public services for a better business enabling environment

CONTEXT

6 procedures are required to start up a business in Tunisia, a higher number than the average of OECD high income countries according to Doing Business 2019.⁶

15.7% of SMEs were satisfied with the service provided by first instance tribunals in 2018.⁷

10% of the 200,000 cases received annually were treated by the first instance tribunals in 2017.⁸



OBJECTIVES

The project aims to support the development of SMEs through a better access to public services at the central and local level by:

- ✓ Encouraging greater dialogue between public service providers and SMEs and identifying administrative burdens and delays
- ✓ Supporting newly created SMEs in the post-creation phase
- ✓ Improving SMEs' reception & access to justice services

In 2018, the BFPME financed 1621 SME projects for a total cost of investments of nearly €321 million, and since its founding, 30,023 jobs were created thanks to its support.



WHAT HAS BEEN DONE SO FAR?

Encouraging dialogue between public service providers and SMEs

The OECD promotes a sustainable platform for an inter-institutional dialogue between the Presidency of Government, the Administrative Tribunal, the Ministry of Justice, the Ministry of Finance, local officials, and SMEs, on SMEs' experiences in accessing public services in order to improve public service delivery.

■ Thanks to the dialogue supported by the platform, OECD experts were able to conduct a survey among SMEs and service providers in three pilot regions (Béja, Sousse and Tozeur) to evaluate SMEs' legal needs and challenges in accessing public services.

Supporting SMEs in the post-creation phase

The Bank Financing Small and Medium Enterprises (BFPME) is one of the main Tunisian public actor providing assistance to SMEs in the development of their business plans and facilitating their access to financing. The BFPME has its headquarters in Tunis as well as 24 regional offices.

■ The OECD supports the BFPME in creating a team of "post-creation" advisors and building up their capacities in order to improve the service offer to SMEs in their early development stages. The new advisors will be able to direct SMEs towards appropriate public financing options and assist them in conducting a global performance diagnosis.

■ This assistance will help SMEs overcome difficulties in the post-creation phase, especially as regards exchanges with the administration, and secure growth and sustainability in their activities.

3

CREATING PROSPERITY

Improve SMEs' reception and access to justice services

Administrative justice oversees public institutions and addresses litigations related to them. The OECD supports the Administrative Tribunal in Tunis and its 12 regional Chambers in Bizerte, Kef, Sousse, Monastir, Gabès, Sfax, Kasserine, Gafsa, Médenine, Nabeul, Sidi Bouzid, and Kairouan to improve the information and orientation of citizens and SMEs on services provided by the Administrative Tribunals.

- The OECD elaborated a draft brochure detailing the required documents and necessary steps needed to file an appeal and apply for legal aid.
- The OECD also works to help reduce delays in addressing fiscal disputes with SMEs by improving communication between the Ministry of Finance and the Administrative Tribunal using digital technologies. A Memorandum of Understanding between the two institutions will institutionalise this change in working procedure.



Regional Chambers of the Administrative Tribunal



Meeting with the Secretary General of the Administrative Tribunal of Tunisia (Tunis, 16 March 2018)



THE WAY FORWARD

IMPROVE SMEs' RECEPTION AND ACCESS TO JUSTICE SERVICES

- Support the Ministry of Finance and the Administrative Tribunal in signing a convention to facilitate the exchange of documents between the two institutions
- Provide tailored training to magistrates to facilitate the handling of judicial cases by using digital tools

SUPPORTING SMEs IN THE POST-CREATION PHASE

- Support the BFPME in strengthening its offer to SMEs in their early development stages through a capacity-building program for advisors and the elaboration of a best practice guide

3

CREATING PROSPERITY

More transparency in public procurement

CONTEXT

With public procurement accounting for about 15% of Tunisia's GDP and **40%** of the state budget, it offers huge business opportunities.

25% of the volume of public contracts are lost by the State to corruption.⁹

17% of public contracts are awarded to SMEs,¹⁰ yet they account for 2/3 of the Tunisian economy, 65% of employment, and 90% of all companies in Tunisia.¹¹



OBJECTIVES

The project aims to reinforce transparency and efficiency in public procurement by:

- ✓ Enhancing access to public procurement opportunities for SMEs
- ✓ Developing a risk management strategy in public procurement
- ✓ Adopting transparency measures and tools



WHAT HAS BEEN DONE SO FAR?

Public procurement opportunities for SMEs

The OECD delivered a benchmark report on SMEs' access to public procurement in close cooperation with the High Authority for Public Procurement (HAICOP), contracting authorities and business representatives. This benchmark report *Improve SMEs' access to public procurement in Tunisia: The path to follow* provides a comprehensive overview of the challenges SMEs face in accessing public procurement, as well as key recommendations to enhance the regulatory framework and supporting tools to improve SMEs' access to public procurement.

■ On the basis of this report, the OECD supported relevant stakeholders from HAICOP, contracting authorities, SMEs and business representatives to explore new approaches to improve SMEs' access to public procurement.

Risk management strategy in public procurement

Risk management is a key element of Tunisia's efforts to improve performance and integrity of the public procurement system.



3

CREATING
PROSPERITY

■ HAICOP officially launched the risk management strategy in March 2019 and committed to integrate it in the legal framework. This customised strategy and an implementation guide were developed by the OECD and HAICOP in close cooperation with Tunisian procurement professionals.

■ The quality and applicability of the risk management approach were tested by 5 pilot entities that received continuous on-site support by the OECD and HAICOP experts.

Enhancing the cycle of e-procurement

The OECD is working with HAICOP to enhance the use of the e-procurement system “TUNEPS” by vulnerable groups. This includes supporting a policy dialogue, strengthening the capacities for suppliers and contracting authorities to use TUNEPS effectively and enhancing the system’s functionalities.

The five pilot entities are the **Ministry of Equipment**, the **Ministry of Transport**, the **Ministry of Agriculture**, the **National Railway Company (SNCF)** and the **Electricity and Gas Company (STEG)**



THE WAY FORWARD

RISK MANAGEMENT STRATEGY IN PUBLIC PROCUREMENT

■ Continue to provide on-site support to generalise the integration of risk management in public procurement operations in pilot entities

E-PROCUREMENT

■ Conduct consultations with different stakeholders, including vulnerable groups, on the access, transparency and user-friendliness of the online public procurement platform “TUNEPS” and develop recommendations on this basis to improve its functionalities

3

CREATING
PROSPERITY

KEY OUTCOMES



Creation of a platform for dialogue on SMEs’ needs in accessing public services

The project promoted a sustainable platform for an inter-institutional dialogue between public institutions and SMEs. The exchange on SMEs’ experiences in accessing public services allows the administration to tailor its services to the actual needs of SMEs.



Optimisation of HAICOP’s e-procurement platform

Following OECD recommendations from the benchmark report on improving SMEs’ access to public procurement, HAICOP has i) integrated its e-procurement platform with other government platforms and ii) developed a functionality to block the launch of a tender if not foreseen initially in the procurement plan of the entity. Those changes will simplify SMEs’ access and participation to procurement opportunities.



Adoption of a risk management strategy and tools in public procurement & generalisation of risk management working tools

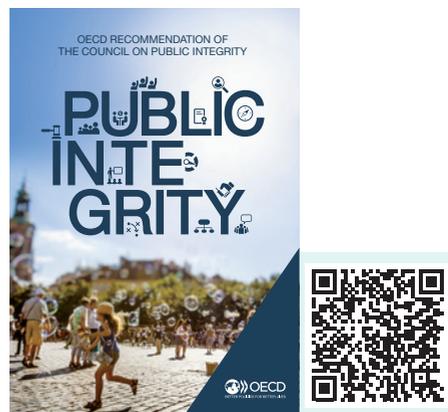
The OECD supported HAICOP in elaborating a risk management strategy and integrating it within its legal framework. It also provided training in the adoption of risk management working tools to its staff as well as to public officials from 5 pilot entities. This will promote the institutionalisation of risk management throughout the public procurement system and thus contribute to its greater efficiency.



This project builds on the work of the MENA-OECD Governance Programme and the OECD Recommendations on Open Government, Public Integrity and Public Procurement



OECD Recommendation of the Council on Open Government (2017)



OECD Recommendation of the Council on Public Integrity (2017)



OECD Recommendation of the Council on Public Procurement (2017)

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