

**Deauville Partnership for Arab Countries in Transition
Governance Pillar
Action Plan on Open Governance and Anti-corruption**

G8 and Deauville partner countries will take a range of specific actions to strengthen good governance practices in transition countries. These initiatives are designed to foster rule of law, enhance citizen confidence in democratic institutions and combat impunity, which are essential to attract investment and foster local economic development and job creation. The interventions below highlight steps for the G8 and Deauville partner countries to embark upon to increase the transparency in government institutions, foster government-citizen dialogue, promote greater domestic resource mobilization, combat corruption, and enhance integrity in public procurement. More open governments and anticorruption reforms will facilitate a more enabling business environment in support of better market access, more foreign investment and less corruption. These factors, in turn, will serve to maximize growth.

Specific actions to promote open governance will include:

- The Partnership will establish a network of contacts across the G8, transition countries, and regional partner countries who will serve as experts on open governance and anti-corruption issues.
- Achieving Open Government Partnership Eligibility: The Open Government Partnership (OGP) is a diverse coalition of governments who have pledged to embrace a set of high-level open government principles, pledge country-specific commitments for putting the principles into practice and invite civil society organizations to assess their individual and collective progress going forward. Reform countries have agreed to consider a series of tailored actions to facilitate OGP membership in coordination with the OGP Steering Committee. The OECD MENA Initiative on Governance and Investment for Development will work in close collaboration with the OGP Steering Committee to help interested countries achieve this goal. Beyond membership, Deauville partner countries will reaffirm their commitment to fully implement OGP principles. As an OGP member, Jordan will work to strengthen its OGP action plan in cooperation with the OECD program. Tunisia, Morocco, Libya and Egypt will work with the MENA-OECD Governance Programme to apply open governance principles, which will enhance the potential for OGP eligibility and future membership.

- **Jordan** is commended for its recent accession into OGP. Jordan will work with the OECD to identify areas to support Jordan's implementation of its OGP action plan. (Implementation: Work will proceed over the next nine months.)
- **Tunisia** only needs one point to qualify for the OGP. We commend its efforts thus far. To finalize its eligibility, Tunisia has agreed to work with the OECD to develop country-specific reviews on its current achievements and the remaining gaps to open governance. It will draft an implementation plan with recommendations on how to strengthen government-citizen dialogue in public policy-making at all levels of government, organize capacity building activities and provide policy implementation support to facilitate knowledge transfer and the long term sustainability of these initiatives. Tunisia will also participate in OECD-led policy dialogues at the national and regional level. (Implementation: Work will begin as soon as possible and proceed for 18 months.)
- **Morocco** has agreed to work with the OECD to develop country-specific reviews on its current achievements and the remaining gaps to open governance. It will draft an implementation plan with recommendations on how to strengthen government-citizen dialogue in public policy-making at all levels of government, organize capacity building activities and provide policy implementation support to facilitate knowledge transfer and the long term sustainability of these initiatives. Morocco will also participate in OECD-led policy dialogues at the national and regional level. (Implementation: Work will proceed over the next 18 months.)
- **Libya** has agreed to work with the OECD to develop country-specific reviews on current achievements and remaining gaps to open governance. It will draft an implementation plan with recommendations on how to strengthen government citizen dialogue and in public policy-making at all levels of government, organize capacity building activities and provide policy implementation support to facilitate knowledge transfer and the long term sustainability of these initiatives. Libya will also participate in OECD-led policy dialogues at the national and regional level. Libya's program will have a greater focus on capacity building, as identified by the Libyan government. (Implementation: Work will begin in approximately nine months and proceed for one year.)

- **Egypt** has agreed to work with the OECD to develop country-specific reviews on the current achievements and remaining gaps to open governance. It will draft an implementation plan with recommendations on how to strengthen government-citizen dialogue in public policy-making at all levels of government, organize capacity building activities and provide policy implementation support to facilitate knowledge transfer and the long term sustainability of these initiatives. Egypt will also participate in OECD-led policy dialogues at the national and regional level. Egypt's program will have a greater focus on capacity building, as identified by the Egyptian government. (Implementation: Work will begin in approximately nine months and proceed for one year.)

- Strengthening National Statistics Systems: The OECD will convene in June an *ad hoc* working group – including Germany, France, Turkey, the EU, Tunisia, Egypt, Jordan, Italy, the United Kingdom and any other interested partners – to develop proposals for strengthening the collection and publication of official statistics in transition countries. This working group, acting in cooperation with the World Bank, will:
 - Take stock of existing statistical information systems in transition countries and identify the most pressing gaps that need to be addressed. Potential work streams could include: the development of basic statistical tools to improve national accounts, business and taxation statistics or conducting simple labor force and consumer price index surveys.
 - Assist transition countries to build independent and technically reliable national statistics systems oriented, inter alia, towards an analysis of implementation of the MDGs thus helping national governments to optimize socio-economic policies.
 - Facilitate bilateral technical assistance that statistical offices of G8 countries may wish to organize with MENA countries.
 - Depending upon the need, periodically review the projections and forecasts for transition countries, drawing upon regional economic outlooks and other regional surveys.
 - Gather governance indicators in order to integrate, in addition to Egypt, all DP countries into the OECD *Governments at a Glance* publication.
 - Make proposals to increase open access to government-held data.

- The European Union, together with the Council of Europe, will continue to support good governance, preventing corruption and money laundering in the Southern Mediterranean. The EU will continue to promote evidence-based

policy-making and to foster the use of robust statistical data, including through the MEDSTAT Program.

- The OECD and the Italian School of Public Administration will implement capacity building activities in the area of good governance in the new Training Center jointly established in Caserta. The Center will operate within the framework of the MENA-OECD Governance Programme.
- Arab Administrative Development Organization (ARADO) will work with the OECD, and other international organizations to develop a number of joint activities to serve the MENA region under the umbrella of the Deauville Partnership by conducting a number of research projects and professional conferences and meetings over the next two years, including in the areas of administrative development, good governance, open government and social media, transparency and accountability, and gender issues.
- Under its mandate to promote transparency and integrity in the public sector and has been engaged in a number of projects with OECD, UNDP, UNODC, and other international institutions in building capacity of government officials, oversight organizations, parliamentarians in Egypt and other Arab countries, the Ministry of State for Administrative Development in Egypt will explore opportunities to build the capacity of elected government officials in areas related to fighting corruption and transparency.
- Building upon Best Practices in Economic Governance: To facilitate greater knowledge sharing of best practices in open governance, domestic revenue mobilization and public financial management, transition countries will consider sending appropriate participants to the following knowledge sharing events:
 - MENA Conference on “Better Governance & Fair Taxation:” The International Tax Dialogue (ITD) – a coalition of international organizations including CIAT (Inter-American Centre of Tax Administration), the European Commission, International Monetary Fund (IMF), Inter-American Development Bank (IDB), OECD, and World Bank - is organizing a knowledge sharing event entitled “ Better Governance & Fair Taxation” in Tunis on May 30-31. Support for the conference is being provided by the U.S. Domestic Finance for Development (DF4D) Initiative. The conference will be hosted by the Tunisian Ministry of Finance. This conference will

explore good practices on how open governance and fair tax systems can contribute to more engaged citizens, confident businesses and sustainable and progressive states. All transition and Deauville partner countries will be encouraged to present on their plans to improve open governance and fair tax systems in the region. The key deliverables for this conference will include:

- Transition country updates on OGP country action plans;
 - Official launch of the OECD's Open Governance Project with joint commitments from transition countries to continue progress towards OGP eligibility; and
 - Official launch of a Deauville Fiscal Management Advisory Corps. (See anticorruption work stream for more details.)
- Global Forum on Transparency and Exchange of Information for Tax Purposes: The Global Forum's next meeting will be in South Africa in October 2012. The key deliverables for this forum will include:
- Adopting another 10 peer review reports and 2 supplemental follow-up reports that assess jurisdictions' compliance with the international standards for transparency and exchange of information for tax purposes;
 - Welcoming a number of new member jurisdictions, including Tunisia, that recently committed to implementing the international standards; and
 - Following-up on progress made in implementing the Phase 2 Peer Reviews, which assess the extent to which jurisdictions have effectively implemented the international standards in practice.

Specific actions to mitigate corruption will include:

- Strengthening Public Financial Management Capacities through a Deauville Fiscal Management Advisory Corps: The U.S. Domestic Finance for Development (DF4D) initiative, the Financial Services Volunteer Corps (FSVC) and the OECD's Centre for Tax Policy and Administration have agreed to partner with the Deauville Partnership to recruit a cadre of international volunteer experts from the public and private sectors to provide public financial management-related technical assistance to regional tax administrators, auditors, customs officials, and other public officials. The primary objectives of this volunteer corps will be to train public servants on how to: 1) better protect public finances from fraud and illicit financial flows; and 2) raise the

capacity of reforming countries to better generate and channel domestic revenues towards public investments that facilitate enabling business environments. This volunteer service corps seeks to complement existing programs by filling gaps in G8 bilateral assistance. It also seeks to establish an outlet where reforming countries can access speedy training or advisory services for a specific project or objective in support of G8 Deauville Open Governance initiatives. Technical assistance will be country-specific and available upon request for Libya, Tunisia, Egypt, Morocco and Jordan. G8 and Deauville partners will provide in-kind or financial contributions to this program. (Implementation: June 2012-May 2014)

- Setting the Regulatory Framework to Prevent Corruption: Transition countries underline their continued commitment to undertake anti-corruption measures. Within the context of their membership in existing treaties, G8 members, partner countries, and international organizations will provide technical assistance related to adopting the following best practices and recommendations.
 - Transition countries will pursue completion UNCAC reviews in a participatory and transparent fashion (i.e., with site visits, nongovernmental input, and publication of the report). Transition countries will examine the adoption or enhancement of systems on disclosure of assets of appropriate officials, on whistleblower protection, and on conflicts of interest, ensuring that they are consistent with international best practices and applied in practice.
 - G8 members will encourage partner countries to monitor and combat bribery by businesses and persons under their jurisdiction and to more actively engage with the OECD including with regards to standards in the *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*. G8 members that are not parties to the UNCAC accede as soon as possible.
 - Transition countries and regional partner countries will aim to join and participate actively in the Arab Anti-corruption and Integrity Network and UNDP's Anti-corruption and Integrity for the Arab Countries initiative, a more comprehensive project that includes support to the Network as one of its workstreams. They will encourage expert, private sector and NGO participation in the Network's activities. Regional partner countries will be encouraged to provide support (financial and/or in-kind) of some \$1 million yearly to this initiative.

Specific actions to strengthen public procurement will include:

- Adopting Best Practices in Public Procurement: Transition countries will consider the adoption and implementation of the OECD Principles for Enhancing Integrity in Public Procurement. Transition countries will discuss the formation of a network of procurement officials to assess compliance with the OECD's related principles against a monitoring survey. G8 members, partner countries, and international organizations will provide technical assistance related to adopting the following best practices and implementing the recommendations below.
 - Partner countries and international organizations will support transition country participation in World Bank self-assessments and participation in OECD peer reviews of procurement procedures to build on international good practice.
 - With World Bank and African Development Bank guidance, Tunisia will undergo a self-assessment of its government procurement system from April-June 2012. Other transition countries are recommended to undertake similar self-assessments.

- Jordan will continue its efforts to pursue membership in the Government Procurement Agreement (GPA) of the World Trade Organization (WTO). Jordan has already begun GPA accession negotiations, and has indicated its intent to complete its accession by end- 2012. The G8 members invite Morocco to examine the possibility of acceding to the GPA, already having undertaken government procurement obligations in its bilateral FTA with the United States.

Reporting

All Partner countries will keep the Presidency and one another well informed, on their progress in implementing the specific actions agreed to above and will plan to take stock of the progress of the Deauville partnership, coordinated by the Presidency, by September 1, 2012.

Background

The G8 and regional partner countries will assist the transition countries in making best efforts to fulfill eligibility criteria for participation in the Open Government Partnership (OGP). The OGP is an international, multi-stakeholder initiative that

aims to secure concrete commitments from senior-level government officials to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. OGP provides an international forum for dialogue and sharing among governments, civil society organizations, and the private sector. Jordan has now joined the OGP and, as part of that process, participated in an open government study by the OECD. OGP member governments are already working with Libya and Tunisia to help them become eligible for participation. And Libya and Egypt have been in talks with the OECD for an open government study. The OECD MENA Initiative on Governance and Investment for Development, chaired by Morocco, will work in close collaboration with the OGP Steering Committee to help interested countries achieve this goal. The OGP community of governments and leading civil society organizations will be tapped, via the OGP Networking Mechanism and the OECD Open Government Project, to deploy a team of selected experts to advise those governments.

Given the aspirations of populations in MENA countries in transition, fighting corruption will stand as a key element of the governance pillar of the Deauville Partnership under the U.S. G8 Presidency. Deauville Foreign Affairs Ministers highlighted the need for action in this area in New York in September 2011. Improving the knowledge and technical capacities of finance, banking, tax administration other public officials to detect and mitigate tax fraud and illicit financial flows play a key role in preventing corruption. Efforts to fight corruption and improve the efficacy of public financial management can result in a better business environment, which in turn can increase flows of foreign investment and boost prospects for economic growth. Codes of conduct for public officials and whistleblower protection help avoid conflicts of interest and support enforcement; both are provisions of the UN Convention against Corruption (UNCAC), to which all transition countries are parties.

As UNCAC parties, the transition countries have agreed to pursue periodic peer reviews of implementation. The credibility and specificity of those reviews can be enhanced by elements such as site visits, involvement of civil society, and publication of the entire report. In accordance with results of the fourth session of the Conference of the States Parties to the UNCAC, Germany and other donors will support those reviews. Targeted reviews, such as the OECD Public Sector Integrity reviews, will complement the UNCAC process. The OECD reviews provide a first strategic assessment of anti-corruption legislative and institutional frameworks and would support countries in effectively implementing anti-corruption policies. The OECD will offer these reviews to transition countries with support from the G8 and regional partner countries.

All G8 countries are involved in concrete cooperation in the MENA region on a bilateral and multilateral basis. The U.S. and Qatar, along with other donors, are supporters of the UNDP's regional anticorruption initiatives. They can assist partner countries on many of the elements set out above. The U.S. and European donors have supported OECD's ongoing complementary efforts. In 2010, UNDP launched its latest regional anticorruption project, Anti-Corruption in the Arab Countries (ACIAC), which resulted in the adoption and implementation of concrete anti-corruption measures in Arab countries and the endorsement of the ACIAC Project by high-level delegations from 17 Arab countries. In order to cooperate through OECD in improving governance in transition countries, Japan has made financial contributions since its inception in 2005, which were used to conduct the OECD Investment Policy Review of Jordan.

Civil Society, non-governmental organizations and community based organizations can play an important role in the prevention of and the fight against corruption. Regional partner and transition countries agree to consider, for example, the work of organizations such as the Global Organization of Parliamentarians against Corruption and its regional and national partners in the Middle East and North Africa Region. The U.S. Domestic Finance for Development (DF4D) initiative is a U.S.-sponsored program to help countries self-fund their own development and thwart corruption in public financial management. DF4D, in cooperation with the Financial Services Volunteer Corps (FSVC) and the OECD's Center for Tax Policy and Administration, will work to develop a Deauville Fiscal Management Advisory Corps. This corps will seek cultivate public-private partnerships to amass an international cadre of volunteer fiscal management and anticorruption experts to further G8 Deauville Open Governance goals and objectives in reforming countries. G8 and partnership countries will commit to providing financial or in-kind contributions to this initiative.

The Partnership also will work together to implement policy initiatives for the transition countries to promote reforms in public procurement. The OECD has developed international standards, tools, and guidance to support countries in designing and effectively implementing integrity and anti-corruption policies. The OECD *Principles for Enhancing Integrity in Public Procurement* is a policy instrument to help governments prevent waste, fraud, and corruption in public procurement. Participants, including non-OECD members, may take the first step by completing a monitoring survey to assess compliance with the procurement principles, or by requesting a peer review of their procedures. Morocco and several other countries in the MENA region have already conducted procurement

peer reviews, and Egypt and Tunisia have made similar requests. Partner countries will support the diffusion of e-procurement platforms, in order to increase transparency, openness and opportunities for competition and to improve access of small and medium enterprises to public contracts.

Additionally, the Partnership will encourage transition countries to advance progress towards joining the Government Procurement Agreement (GPA) of the World Trade Organization (WTO), as appropriate. The GPA is a plurilateral agreement which currently has 42 members, including the United States, and is designed to ensure that its Members' laws, regulations, and practices regarding government procurement are transparent and do not discriminate against goods or services of other GPA member countries in procurement covered under the Agreement. Transition countries will be able to take advantage of the recent revision of the GPA, negotiated over the last 10 years and concluded in December 2011. The revised GPA text updates the Agreement to specify transitional measures which are available for developing countries wishing to accede to the GPA, with a view to encourage and facilitate developing country accessions.

Partner countries and international organizations will provide technical assistance related to enhancing the transparency and efficiency of public procurement, including through the development of e-procurement platforms, to reduce opportunities for corruption and graft. The Deauville Partnership acknowledges the work that Saudi Arabia and Italy are doing in this regard and urges them to play a key role towards providing technical assistance for transition countries.

The Governance Centre, affiliated with the National Management Institute of Egypt, has a mandate to promote transparency and integrity in the public sector, has been engaged in a number of projects with UNDP, UNODC, and other international institutions in building capacity of government officials, oversight organizations, parliamentarians in Egypt and other Arab countries. The Centre may become a focal point for building capacity of elected government officials in areas related to fighting corruption and transparency.

These steps are consistent with the obligations of UNCAC. Article 9 of UNCAC focuses on prevention of corruption in the public sector through procurement and management of public finances.