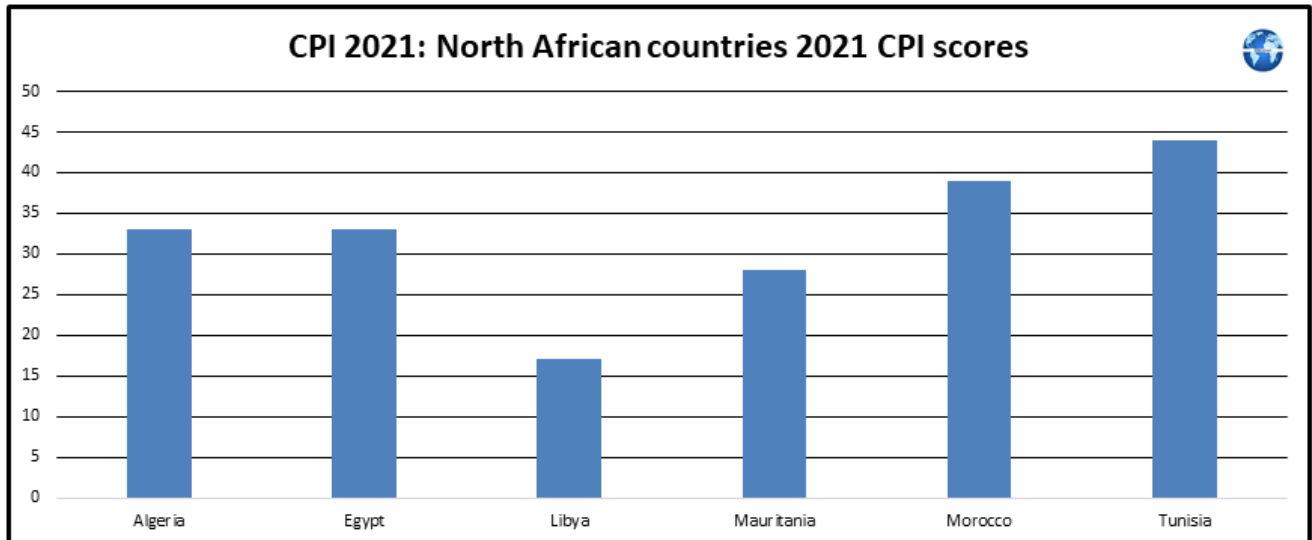


Corruption in North Africa (a US perspective)



Introduction

The United States State Department's *Country Reports on Human Rights Practices* ("country reports") strive to provide a factual and objective record on the status of human rights worldwide. The 2021 country reports were published on 12 April 2022.

Section 4 of the country reports provides an assessment of Corruption and Lack of Transparency in Government which addresses the extent to which a country's law provides criminal penalties for corruption by officials and the level of implementation of these laws.

Scores for North African countries published by Transparency International in their 2021 Corruption Perceptions Index (CPI)

report demonstrate that North Africa was ranked first out of the five African regions in terms of improvements in country CPI scores during 2012-2021. Individual country CPI score performance was mixed for North African countries in the 2012-2021 period. The country reports for North African countries reveal that no North African country was effectively implementing current criminal penalties for corruption by officials. Further discussion on corruption trends in North African countries is provided [here](#).

Details of the overview comments for North African countries in the 2021 country reports are provided below.

[Algeria](#)

“Authorities continued their anticorruption campaign against political, military, and security officials, as well as prominent business leaders from the Bouteflika era.

The law provides for criminal penalties of two to 10 years in prison for official corruption, but the government did not fully implement the law. Although President Tebboune’s administration has emphasized rooting out corruption, corruption remained a problem. Officials sometimes engaged in corrupt practices with impunity.”

[Egypt](#)

“The law provides criminal penalties for corruption by officials, but the government did not consistently implement the law effectively. There were reports of government

corruption during the year, sometimes with impunity.”

Libya

“The law provides criminal penalties for official corruption. The government did not implement the law effectively. There were numerous reports of government corruption but, as in 2020, no significant investigations or prosecutions occurred. There were many reports and accusations of government corruption due to the lack of transparency in the GNU’s management of security forces, oil revenues, and the national economy. There were allegations that government officials sometimes misused the letter of credit system to gain access to government funds.”

Mauritania

“The law provides criminal penalties for corruption by government officials, but authorities did not enforce the law effectively, and officials often engaged in corrupt practices with impunity. There were numerous reports of government corruption during the year.”

Morocco

“The law provides criminal penalties for corruption by officials, but the government generally did not implement the law effectively. Officials sometimes engaged in corrupt practices with impunity. There were reports of government corruption in the executive, judicial, and legislative branches during the year.”

Tunisia

“The law provides criminal penalties for corruption by officials, but the government generally did not implement the law effectively. There were numerous reports of government corruption during the year.”

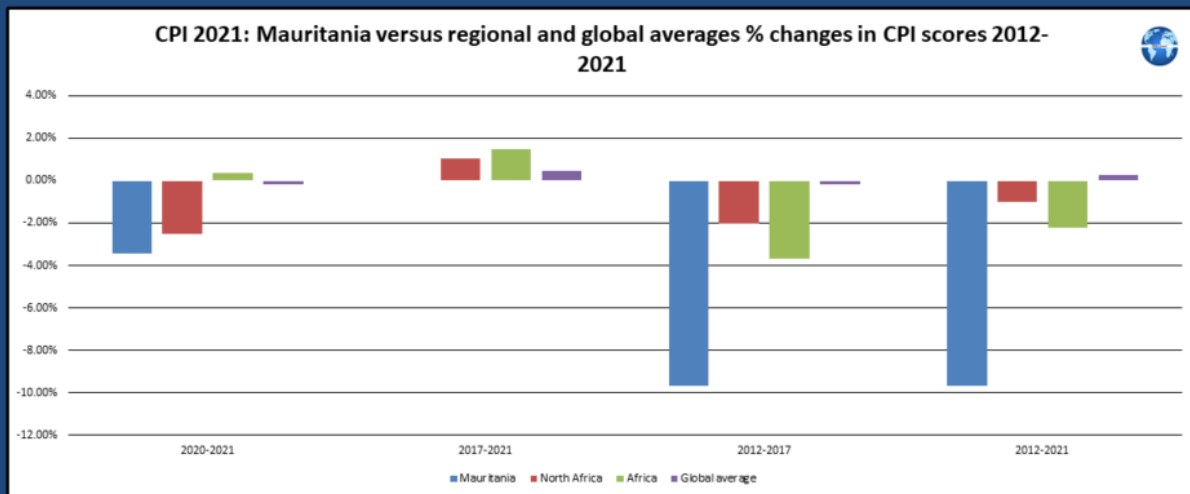
Conclusion

The country reports for North African countries demonstrate that no North African country is well placed to fight against corruption by officials due to material weaknesses in prosecution capacity.

Progress in combatting public sector corruption in North Africa is likely to be constrained until there is a considerable improvement in the relevant authorities' ability to effectively enforce criminal penalties for corruption.

Corruption in Mauritania in 2021

CPI 2021: Mauritania versus regional and global averages % changes in CPI scores 2012-2021



Corruption was a serious problem in public administration in Mauritania during 2021 and the government rarely held officials accountable or prosecuted them for abuses according to the [US State Department's 2021 report on human rights practices in Mauritania](#), published on 12 April 2022.

The US State Department notes there were reports government officials used their power to obtain personal favours, such as unauthorized exemption from taxes, special grants of land, and preferential treatment during bidding on government projects.

Corruption was most pervasive in government procurement but was also common in the distribution of official documents, fishing and mining licenses, land distribution, as well as in bank loans and tax payments.

North Africa PFM digital transparency recent trends



Introduction

Transparency of public finances is a key element of a public financial management (PFM) system enabling public scrutiny of government actions and intentions. From our September 2020 “Improving PFM digital transparency in African finance ministries” [presentation](#) we now examine recent trends in North Africa PFM from a digital transparency perspective by presenting data for six North African countries that was identified during our examination of 45 African ministries of finance (MoFs) current use of digital platforms to promote PFM

transparency.

PFM transparency is important

Transparency of public finances is achieved by providing information on PFM which is comprehensive, consistent, and accessible to users. The World Bank's September 2020 report ["Enhancing Government Effectiveness and Transparency – The Fight Against Corruption"](#) (link to be provided) has highlighted the importance of ensuring greater transparency in government operations.

Identifying PFM digital transparency trends

The following statistics were prepared to help identify PFM digital transparency trends:

- Country internet usage

- MoF website visits during May/July 2020 and projected annualised visits for 2020

- Domestic and non-resident visits to MoF websites

- Country Facebook usage

- MoF Facebook page follower numbers

- Country Twitter usage
- MoF Twitter follower numbers

Penetration levels for MoF website users, Facebook and Twitter followers were subsequently identified to demonstrate the level of usage of these digital platforms and key recent PFM digital transparency trends.

Key trends

Trends in the key PFM digital transparency indicators for the six North African finance ministries with websites during the period May/July 2020 are available. These can be accessed by clicking on to the country links below:

- [Algeria](#)
- [Egypt](#)
- [Libya](#)
- [Mauritania](#)
- [Morocco](#)
- [Tunisia](#)

A video showing North African country PFM digital transparency trends for key PFM digital transparency indicators is available [here](#).

An additional video showing comparative results on a PFM digital transparency indicator basis across North African countries is available [here](#).

Questions?

Please contact us at team@pfmconnect.com if you have any questions about this material.

**Public financial management
weaknesses can lead to
corruption**

Mauritania's experience

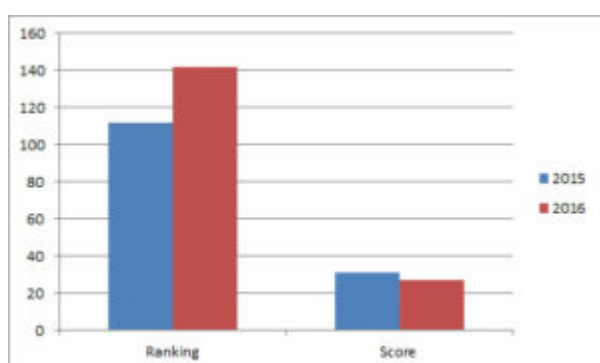


Global corruption trends

Two recent reports on Global corruption trends highlight a number of states facing serious challenges and our analysis indicates some interesting links between corruption and standards of public financial management.

Transparency International's recently released 2016 Corruption Perceptions Index for 2016 indicates that Mauritania's ranking deteriorated noticeably in 2016 compared to the previous year. The full data set for all 176 countries is available [here](#) and the Mauritanian data is shown at Figure 1.

Figure 1: Transparency International Corruption Perceptions Index Mauritania results 2015-2016



The World Economic Forum's 2016 Global Competitiveness Survey, released on 15 September 2016, included the results of their annual Executive Opinion Survey which aims to measure critical concepts affecting the business environment such as the

incidence of corruption. This survey shows that Mauritania was ranked 124th out of the 138 countries for corruption. The World Economic Forum's 2016 Global Competitiveness Survey report is available [here](#).

We have developed a spreadsheet showing (i) the country rankings for the World Economic Forum's Executive Opinion Survey (not publicly available) and reported corruption impediment scores and (ii) a comparison of the Transparency International and World Economic Forum survey results that are available for 125 countries. [Contact us](#) if you would like to receive a copy of our spreadsheet.

We have found that there is a significant overall negative correlation between the scores in the two surveys (a Pearson coefficient of $-.78$).

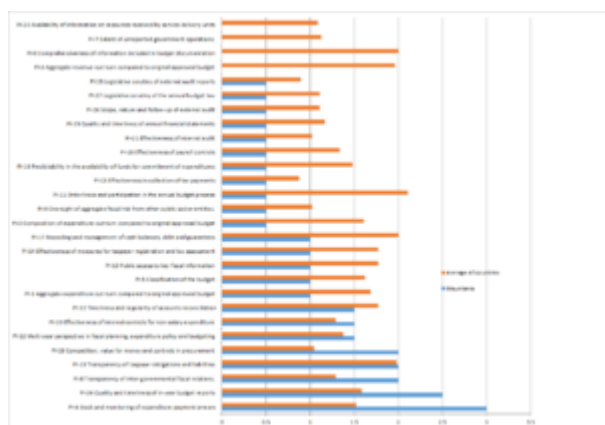
Mauritania's poor PFM and poor corruption performance

Mauritania's corruption rankings in both surveys are relatively poor with scores falling in the bottom 20% of the two surveys. Many developing countries, including Mauritania, face significant challenges in addressing corruption. We have previously identified a wide range of actions that governments (as well as the private sector) could take to assist in reducing corruption levels that include improving a range of public financial management practices in our blog [International Development and the Challenge of Public Sector Corruption](#).

Last year we examined the Public Expenditure and Financial Accountability (PEFA) results of the twenty-four countries, including [Mauritania](#), that published PEFA assessments during 2013-2015. Nine of the twenty-four countries studied, including Mauritania, had PEFA results indicating relatively weak public financial management; Mauritania was ranked 19th

out of the twenty-four countries studied using a scoring system that the IMF has previously employed. Mauritania recorded relatively poor scores in a number of key PFM activities that are important in reducing corruption including payroll controls, internal audit, financial reporting and external audit; details are shown at Figure 2; this chart can be viewed in more detail [here](#).

Figure 2: Mauritania PEFA indicators' relative performance



Seventeen of the above-mentioned twenty-four countries feature in Transparency International's 2016 Corruption Perceptions Index. Sixteen countries (Ghana is the exception) recorded below –average scores in TI's 2015 and 2016 surveys; details of the 2015 and 2016 scores and the percentage change between these periods are presented in Table 1.

Table 1: TI 2015-2016 scores for 2013-2015 PEFA assessment countries

	PEFA score	TI 2016 score	TI 2015 score	% change in 2015-2016 scores
Armenia	60	33	35	-5.71%
Azerbaijan	61.5	30	29	3.45%
Belarus	49	40	32	25.00%
Bosnia & Herzegovina	50	39	38	2.63%

Burkina Faso	58.5	42	38	10.53%
Congo Republic	21	20	23	-13.04%
Gambia	32	26	28	-7.14%
Ghana	27.5	43	47	-8.51%
Guinea-Bassau	14.5	16	17	-5.88%
Kyrgyz Republic	49.5	28	28	0.00%
Macedonia	44.5	37	42	-11.90%
Madagascar	25.5	26	28	-7.14%
Mauritania	26.5	27	31	-12.90%
Mongolia	42	38	39	-2.56%
Nepal	50.5	29	27	7.41%
Papua New Guinea	21.5	28	25	12.00%
Timor-Leste	36	35	28	25.00%

With ten of the seventeen countries in Table 1 recording either no change or a deterioration in their scores in 2016 (including Mauritania), the negative Pearson correlation between overall 2013-2015 PEFA scores and TI corruption scores for these countries strengthened from -0.41 in 2015 to -0.56 in 2016 pointing to the possible impact that poor PFM may have in facilitating corruption in the public (and private) sectors.

The World Bank noted in November 2016 that “Mauritania’s PFM system remains weak”. If countries, such as Mauritania, employ robust anti-corruption strategies, including actions to address key PFM weaknesses currently influencing corruption levels, they may in time be able to make some progress in curbing corruption.

Need to resolve a public financial management problem? [Inquire now](#) to schedule an initial online meeting.

