

MAKING LIFE EASIER FOR CITIZENS AND BUSINESSES

SEMINAR ON ADMINISTRATIVE SIMPLIFICATION

MAURITANIAN EXPERIENCE

BUDAPEST : FEBRUARY 14-15 -2012

I. ABOUT MAURITANIA

1. Some figures

- Surface area: 1,030,700 km²
- Population: 3,450,773 hbts
- GDP per capita: 1030 \$
- GDP Growth: - 1.1%
- Income level: Low
- Poverty ratio: 46.3%
- Life expectancy at birth: 58
- Literacy rate 57%
- Unemployment rate: 33.0%
- Doing Business: 159 out of 183 (behind his closer neighbors, Senegal and Mali)



MAROC

ALGÉRIE

MALI

SÉNÉGAL

SAHARA OCCIDENTAL

MAURITANIE

Iles des Canaries (Espagne)

Océan Atlantique

Cap Vert
DAKAR



La'youne

Chenachane

Bir Moghrein

Ad-Dakhla

Zouerate

Taoudéni

Nouadhibou

Atar

Ile Tidra

NOUAKCHOTT

Tidjikdja

Araouane

Rosso

Kiffa

Tombouctou

Kaédi

Niger

Sénégal

2. Political context

- Date of independence: 1960 (absence of State tradition);
- 1960 – 1978 : Relative stability in the first-party regime;
- 1978 – 2012 : Permanent instability, alternating coup and "elected government" who are all, with the exception of the short period 2007/2008, run by a military or former military;
- Nowadays, there is no consensus on main issues.

3. Economic reform process

- Great opportunities in natural resources (marine, animal, agricultural resources, notably mining often exploited opencast: iron, copper, marble, gypsum, oil, gas...);
- 1985: starting of the economic reform programmes (WB, IMF);

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- Comprehensive reform in all aspects of political and economic life (1986),
 - Through a process of democratization of the political life,
 - By major economic changes,
 - Reforms have given some results, but the overall situation regarding poverty and access to basic services remained generally below expectations.

- Thereupon, comprehensive approach has been introduced materialized by the development of the strategic framework for the fight against Poverty (CSLCP).

- CSLCP presents an integrated approach to development and aims to achieve the international goals of poverty reduction.

- **It comes in four main areas:**

- Acceleration of growth and redistribution,

- Anchoring of economic growth in the sphere of the poors,

- Human resources development and expansion of basic social services,

- Institutional capacity building and governance.

As part of this fourth axis, seven components were identified as much of fields of action; these are:

- Strengthening the legislative and judicial institutions,
- Modernization of public administration,
- Effective and efficient management of public resources,
- Deepening of decentralization,
- Promotion of private sector,
- Capacity building of civil society,
- Development of education and training.

The administrative simplification is implicitly found in all these areas, so, It is the heart of the modernization of the administration (II).

II – The modernization of the administration

1. Simplification of administrative procedures between the Administration and Users (citizens/clients):

- This is at the heart of several reforms introduced in recent years and is considered not only, as the expression of a democratization of the public services, but also, a greater respect vis-à-vis citizens.

- From this perspective, the Mauritanian experience, still in its infancy, has produced mixed results.

III - Diagnosis of the functioning of the administration and its relationship with users:

Many organizational and functional audits of departments were conducted with funding from WB in the 90s and the last decade. All findings have led to unqualified following:

- Difficult relationship between the administration and users: unwelcoming and uncommunicative public services,**
- The public services are mostly unsatisfactory: (35.3% are satisfied of public services)**
- The procedures are cumbersome and slowness is permanent;**
- The three basic principles of operation of the public services: equity, efficiency and continuity are not provided as required.**
- The public administration is largely concentrated in Nouakchott (the Capital) and their relationship with the outside unclear,**
- An insufficient training: training plans do not exist and many civil servants continue to apply the same methods, no change or adapt to new working methods,**
- A major corruption in the various centers of power.**

2- Improvement measure

Based on these findings, several actions, strategies and studies have been conducted without achieving the desired results so far. Among these actions that were incurred, computerization and decentralization of civil status:

- The most common acts (marriage, birth, death) were assigned to town councils to bring them closer to citizens.
- This operation, although it helped to decentralize operations important to daily lives, their effects were limited by the weakness of municipal structures: without means in particular qualified human resources.

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- The government has initiated many strategies and projects in order to computerize the administration;
 - a secretary of State for ICT has been set up for several years;
 - The result was a halftone system, with many containing (computers, devices...) and a little content.

 - Among strategies: ICT Strategy, Strategy for the fight against poverty, Strategy against corruption, and the Strategy for the modernization of the administration.

 - In consideration of these various actions and strategies, we can only share the conclusions of the organizational audit achieved by KPMG in 2006: “One major obstacle to the modernization of the Mauritanian State is not the lack of ideas, or relevant analysis, but the defects related to the execution of instructions. Indeed, it often appears that analyzes were made, the weaknesses identified and remedies proposed. But things are still there.”

Two other factors seem significant:

- **Reluctance to change (fear of loss of privileges);**
- **And above all, the absence of initiation of reforms from the base: Attempts to organize by modernization and simplification are not required from the base (no social demand and society involvement),**

- **The lack of consultation and stakeholder involvement also explains much more the mixed results in the process of simplifying and modernizing procedures in the businesses middle.**

3. Simplification of administrative procedures in the business community.

The private sector has been subject of many projects and programs supported by Donors in the last 15 years, and unfortunately so far, the results are highly questionable.

Some basic facts summarize the current situation in Mauritania.

- **According to the Global Competitiveness Index 2010/11 World Economic Forum, Mauritania occupies the 135th place of 139, a decrease of 8 points and lags far behind Mali (132 th) and far behind Senegal (104 th).**
- **The business climate in Mauritania is not famous. Several reports and studies have shown repeatedly bottlenecks which constitute an obstacle to the development of the private sector and starting businesses in Mauritania;**
- **A widespread informal economy (85% of the workforce are considered informal and about 30% of GDP is generated by informal activities).**

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- Several factors discourage companies to opt for formality, such as:
 - The weight and cost of taxation (696 hours to overcome the tax proceedings against only 161 hours in Uganda, for example);
 - The monetary cost of time and number of procedures, registration procedures and obtaining permission;
 - Procedures for registration and starting business are unknown (no formalization in prospectuses, no advertising), so that the operator who wishes to start a business is forced to use the services of a specialist (notary or lawyer) for this.

Aware of certain weaknesses Mauritania is committed under the leadership of the IMF, in a reform process aimed at reducing the tax burden.

- **Some Improved Procedures**

The aim of these reforms is to reduce its administrative and financial costs, burden tax on investment.

The state has committed such reforms to streamline the tax administration by creating the office of the taxpayers and functional administration based on the size of the taxpayer.

In discussions with the IMF and World Bank was also recommended to significantly reduce the tax barrier:

- **Simplify advantage of the tax system by eliminating the check-off system**
- **Establish a tax identification number, essential measure for the population census and tax duplication,**
- **The training of officers of the tax administration;**
- **The strengthening of the reform of the taxation of small and medium-sized enterprises through information dissemination by taxpayers but also direct action from taxpayers information on (i) simplified procedures (ii) the fairness of system**

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- **The implementation of authorized management centers (CGA) to support small and medium-sized businesses to the simplified tax compliance. CGAs may be associations (created and / or managed by accountants);**
 - **Aligning reform efforts at central and local, to ensure that the local tax burden becomes an additional obstacle to formalization.**
 - **Finally, up to now only 1 one-stop-shop has been implemented, as part of a pilot project. It is aimed to help citizens to facilitate obtaining driving licenses, car registration, construction permit that are most asked.**

Conclusion

Knowing **What (?)** have been achieved in terms of improving Mauritanian public services that are unfavorable for both citizens and for businesses, there is no doubt about the urgent need to engage a process of simplification of administrative procedures. **But,**

Who? can engage a serious process of administrative simplification that can help to ease the life for citizens and promoters?

Who are able to establish the credibility required for citizenship and investment?

Knowing the lack of confidence and the gap between most of the populations (citizens and business promoters) and the political rulers, peoples are also asking **How?** can we improve the climate of investment in such countries known for there institutional instability and bad governance?

Finally, What about the role of International Partners?

An example among others, Why, a project funded by the World Bank did not give priority to their own recommendations in order to ease businesses, in particular, those contained in "Assessing the Investment Climate" in Mauritania (2007) such as?

- Improving the credibility of the State;
- Improving the access to bank financing;
- Improving the legal system by training judges for example;
- Improving the fight against corruption;
- Improving the tax system;
- Improving the quality of labor and operation of the labor market.

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THANK YOU FOR YOUR ATTENTION