

INSTITUTIONALISING PUBLIC-PRIVATE DIALOGUE TO FIGHT AGAINST CORRUPTION IN THE MENA REGION

Conclusions, 29 March 2018, OECD Conference Centre (Paris, France)

BUSINESS INTEGRITY

Background

Corruption is a global challenge with complex social, political and economic dimensions. In the Middle East and North-Africa (MENA), a number of countries have declared the fight against corruption a priority and recently passed laws and strategies to fight corruption. However, although integrity is central to the development of competitive and open economies in which growth and opportunities are distributed sustainably and equitably, progress in eliminating this phenomenon is limited.¹



The OECD annual Anti-Corruption and Integrity Forum, which is at the fore of fighting corruption at global and regional levels, also provides an opportunity for engaging with the MENA-OECD Business Network (MOBIN).

The objective of the 2018 MOBIN meeting, which brought together over sixty stakeholders and experts, representing 14 countries as well as international organisations, civil society, the private sector and academia, was to discuss existing provisions pertaining to national Public-Private Dialogue on anti-corruption. It followed the 2017 strong peer learning demand to develop effective accountability mechanisms supportive of a stronger and cleaner business climate, and enhance voluntary corporate compliance. M.

Andreas Schaal, Director of Global Relations at the OECD and Sous-Sherpa to the G20, and Ms. Mathilde Mesnard, Deputy Director of the OECD's Financial and Enterprise Affairs Directorate recalled in the opening that comprehensive strategies to prevent and combat corruption need to include effective and co-operative mechanisms between national authorities and the private sector. Setting up a sustainable mechanism, notably supported by [United Nations Convention against Corruption \(UNCAC\)](#), is generally a long-term and challenging undertaking everywhere in the world.

Session 1 – Anti-corruption public-private dialogue: when international standards translate into action.

International standards and instruments, such as the [OECD Convention on Anti-Bribery and related recommendations and guidelines](#), significantly impact anti-corruption practices. As the Head of the OECD's anti-corruption Division pointed out, the Convention's focus on corporate liability has for instance led to a revolution in voluntary corporate compliance. These instruments are not developed in isolation, but are based on countries experiences and are the product of a continuous learning process; they are revised as issues or practices become

¹ TI CPI 2017 : countries ranking

more salient. Current international standards are highly supportive of public-private dialogue on anti-corruption. Establishing and institutionalising such a dialogue is difficult but an essential component of furthering the fight against corruption.

Participants suggested as preconditions in the region the need to develop trust between stakeholders as well as the adoption and implementation of adequate legislative and institutional anti-corruption frameworks. They noted though that this was feasible in the context of on-going economic reforms and reconstruction efforts as well as increasing social pressure. International organisations can play an important role as their involvement creates greater leverage and they can help restore trust.

Session 2 – From knowledge to practice: institutionalising public-private dialogue to develop anti-corruption policies and build capacity.

In the MENA region, only a very limited number of countries have an institutionalised public-private dialogue which focuses on business development as illustrated by Morocco and Tunisia.



In Morocco, a [new anti-corruption strategy](#) was adopted in 2015, focusing on five pillars (Governance, Prevention, Repression, Communication and Awareness, and Training) and comprising ten programmes. One of these programmes is steered by the [General Confederation of Moroccan Enterprises \(CGEM\)](#), exemplifying private sector involvement, and CGEM is also partner to the newly established National Anti-Corruption Commission (2017). That said, with only one private sector organisation being moderately involved, an institutionalised dialogue with large-scale private sector engagement has yet to be established.

In Tunisia, a [National Business Agenda](#) was implemented in 2014, which was the product of

a dialogue between employer organisations, Institut Arabe des Chefs d'Entreprises, agricultural organisations and government representatives. The goal of the initiative is to improve the business climate. Yet, this dialogue does not address corruption specifically.

Anti-corruption focused public-private dialogues can take different forms but they have to be **regular, transparent, and inclusive** to be successful.

In France, dialogue between the French public and private sector to elaborate on the new [Sapin II Law](#), which came into force in June 2017, took place in the form of a consultation. The French Anti-Corruption Agency sought online feedback whilst drafting a Recommendation outlining how companies can adjust to new legal requirements. This online consultation collected over 450 comments and signalled credibility on the side of the public sector.

In Switzerland, the public sector engages in a number of regular efforts to raise awareness on anti-corruption and foster dialogue. The Ministries of Economy and Foreign Affairs for instance provide advice on setting up control systems and risk analysis systems. Swiss companies abroad approach embassies for preventative assistance.

Colombia adopted the ["Active Anti-Corruption Companies" programme](#), which offers private companies a free and voluntary evaluation on the adaptation and implementation of mitigating measures to target corruption. Companies that pass the evaluation are publicly recognised. The programme has also been useful for companies to accommodate their policies with national and international anti-corruption standards.

Creating an area of **trust** is of critical importance, not only between the public and the private sector, but also between companies themselves to facilitate collective action. In order to achieve this, anti-corruption efforts should be clearly framed as a **win-win situation**. Companies do benefit from enhanced integrity, not only in terms of reputation, but potentially also in monetary terms.

Session 3 – Anti-corruption collective actions: Experience, challenges and outcomes.

Collective action is described by the World Bank Initiative as “a collaborative and sustained process of cooperation among stakeholders” to jointly tackle corruption. [The Basel Institute on Governance](#) notes that in practice, **collective action** often takes the form of declarations/joint activities, standard setting practices or integrity pacts, which have ascending levels of enforceability.

A **declaration** is a statement by a group of companies, or by companies and government, committing the parties not to engage in corruption. Participants shared two examples:

- The [Maritime Anti-Corruption Network \(MACN\)](#) gathers over 90 companies which collaborate together and with stakeholders towards a vision of a maritime industry free of corruption. The Network focuses both on the supply and demand side, and on fostering a culture of integrity. MACN’s collective action projects globally show these efforts are scalable and replicable across different geographies.
- The Egyptian Junior Business Association (EJB) has launched an [Integrity Network](#) which is to increase integrity among SMEs by building the business case for and establishing a tailored anti-corruption standard (Integrity Pledge). EJB also provides capacity building and training. Furthermore it aims to build a surrounding network of partners in the public, private and civil society sector that can help increase awareness.



Standard setting initiatives often take the form of codes of conduct, and adherence to these standards is a condition for continued membership of the initiative. A successful example of this is the [Aerospace and Defence Industries Association of Europe \(ASD\) Common Industry Standards](#), as highlighted in the intervention of a representative of the International Chamber of Commerce, who was involved in the drafting of these standards. **Integrity Pacts** have been developed by [Transparency International](#) to counter corruption in the public procurement process. These pacts reiterate the commitment of contracting authorities and bidding companies to refrain from all forms of corruption and to publish all information related to the tender process, under the supervision of an independent monitor, often from civil society. This leads to more transparent, participatory and accountable public procurement processes.

Next to these experiences of collective action, private sector representatives noted that companies can take further pro-active steps. The [Philips Morris International Impact programme](#) for instance supports projects against illegal trade and related crimes through funding public, private and NGO projects.

Ownership and political will are important for successful collective anti-corruption actions. Solutions to identified problems need to be **practical**; **quick wins** should be combined with commitment for the longer term. Different sectors need different approaches as highlighted by collective action attempts in Morocco in health, transport and energy.

Next steps

Fighting corruption calls for taking into account the detrimental effects on investment, trade and other development issues in the region. The public sector has to lead the way and should send a clear message to all stakeholders, to show what anti-corruption involves, and that eradication of corruption is a win-win situation for all.

Specifically, going forward:

- The OECD will develop a **questionnaire** that will support a report on current practices and needs of MENA economies in relation to anti-corruption public-private dialogue and collective actions. The OECD would highly appreciate countries’ support to fill in this questionnaire and bring it under the attention of other stakeholders.

- The **outcomes of the 2018 MOBIN meeting** should feed more broadly into the policy debate, for instance on investment and SMEs. As pointed out by several participants, engaging with SMEs on this issue is of paramount importance.
- The upcoming MENA-OECD Business Advisory Board will offer another platform to build in public-private dialogue on anti-corruption.
- Collecting **data** is a high priority. The Basel Institute on Governance for instance is working on data collection.
- International organisation should support the development of a public private exchange mechanism to help foster **local ownership and political will**.



Contact:

Nicola EHLERMANN

Head of the MENA-OECD Competitiveness Programme

OECD Global Relations

Nicola.Ehlermann@oecd.org

Carlos CONDE

Head of Middle East and Africa Division

OECD Global Relations

Carlos.Conde@oecd.org

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