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Republic of Tunisia



**Under the High Patronage of Mr. Mohamed El-Moncef El-Marzouki
President of the Republic of Tunisia**

Regional Workshop

Enhancing Transparency in the Private Sector and the Roles of Different Stakeholders in Arab Countries

Tunis, Republic of Tunisia

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Final Report

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I. Introduction

1. Under the high patronage of Mr. Mohammad El-Moncef El-Marzouki, the President of the Republic of Tunisia, UNDP's Regional Project on Anti-Corruption and Integrity in the Arab Countries, in partnership with the Arab Institute of Business Managers, and in cooperation with the Humboldt-Viadrina School of Governance, held a regional workshop on "Enhancing Transparency in the Private Sector and the Roles of Different Stakeholders in Arab Countries", on 7-8 June 2012. The workshop was attended by more than 70 officials and experts from the private sector, public sector and civil society in the Arab region, in addition to regional and global experts and representatives of regional and international organizations concerned with development and anti-corruption.

2. Since the first spark of the revolution in Tunisia at the end of 2010, the Arab region has been witnessing important transformations, the most noticeable manifestations of which was placing anti-corruption at the forefront of the concerns of people and governments. The events have clearly and prominently revealed not only the plight of the people caused by of corruption, but also their high awareness of its seriousness and their insistence on confronting it. Until recently, anti-corruption efforts at the national level have been limited, mostly focusing on the public sector. These transformations have also shown that there is a need to expand those efforts and also focus them on measures related to the private sector to ensure their comprehensiveness and effectiveness.

3. This regional workshop is organized in response to the emergence of urgent needs that were expressed by different stakeholders, namely the non-governmental group of the Arab Anti-Corruption and Integrity Network (ACINET), in order to lay more robust foundations for the participation of the private sector in anti-corruption efforts in the Arab countries, considering the importance of the private sector as a major partner in building a national anti-corruption vision that would enhance the governmental efforts to reduce this phenomenon, in addition to the role played by the civil society in this regard. The theme "Private Sector Transparency" has been chosen for this workshop since transparency is the main entry point to combat corruption in the private sector, and an integral part of the broader efforts to enhance integrity in this sector, reinforce the trust of the public in it, and activate its role in combating corruption as one of the requirements of creating a better environment for investment and businesses, thus contributing to the achievement of all forms of development.

4. The workshop was divided into three main parts, and the first day into two parts. The first part was dedicated to the meeting of the non-governmental group of ACINET in order to discuss the progress achieved in its first annual plan which was adopted in Doha on 29 March 2012 and to discuss future steps in this regard. The other part was dedicated to discuss the content of two training and educational courses on anti-corruption in business transactions which UNDP-ACIAC and its partners will design. The first course will benefit university students studying law, and the second will address managers and compliance officers in small and medium enterprises. The second day of the workshop was dedicated to address the subject of strengthening transparency in the private sector and the roles of different stakeholders in the Arab World. The major discussions and conclusions of the second day are as follow:

II. The Opening Session

5. His Excellency the Minister of Justice of the Republic of Tunisia, Mr. Nouredine Bhiri opened the workshop by a statement in which he emphasized the importance of raising the issue of transparency in the private sector and the roles of different stakeholders in this pivotal stage experienced by Tunisia, the Arab countries and the world. He underlined that transparency in general is a prerequisite for achieving democracy and political, economic and social reform. He believes that this workshop and its resulting recommendations are an important step in the collective research and thinking in Tunisia on how to best benefit from the Arab Spring, allowing the country to embark on the path of real modernity, with no going back, while ensuring that tyranny has no way of re-emerging. His Excellency also highlighted the role of the participants in this workshop, considering their efforts as enlightening for Arab societies and to all those involved in this issue so to rise up to the challenge the present times have presented us with.

6. In his speech, His Excellency Dr. Ali bin Fetais Al-Marri, the Attorney General of the State of Qatar, expressed his belief that no country can advance without justice. He also stressed that combating corruption in the private sector must not stop at merely organizing workshops, and neither be limited to studies that are useless on the ground. He regarded the issue of combating corruption as a culture that people and nations should enjoy; and that everyone should be concerned with it. Hence, it is necessary to expand the circle of people involved in these efforts, stressing that there is now an important opportunity to involve the private sector which has been staying away and kept away from anti-corruption efforts in the region since their beginning at the start of the last decade. His Excellency also pointed out that there is a need to strengthen the role of experts and specialists in this regard not only through recommendations, but also through follow-up and implementation of these recommendations. He reiterated Qatar's commitment to providing support to the efforts exerted by Tunisia and the region in this regard through the Rule of Law and Anti-Corruption Centre, which will be based in Doha in partnership with the UNDP, and through initiatives to support the recovery of funds derived from corruption and those which were smuggled abroad and investing them in development projects.

7. Ms. Selomey Yamadjako, Deputy Resident Representative of UNDP Tunisia, stressed that enhancing transparency in the private sector is a major challenge to ensure sustainable and fair economic development in the region. She also emphasized that this issue must be an integral part of the interests of the governments and citizens, given the central role the private sector plays in the growth of countries. She noted that the issue of private sector transparency is of increasing importance since the private sector has become a major player in providing public services to citizens, especially during situations of crises or political instability. She also pointed out that an effective anti-corruption strategy requires involving several actors, such as governments, businesses, civil society organizations and trade unions, each of which has its own area of expertise, tools and entry points.

8. In his speech, Dr. Azmi Shuaibi, Coordinator of the non-governmental group of the Arab Anti-Corruption and Integrity Network, stressed the important role played by civil society and the private sector in combating corruption, seeing that there is a need to deepen the alliance between them in the Arab region, so that they become more capable of effective influence on policy development and implementation. Dr. Shuaibi presented the preparatory work of the workshop, emphasizing the non-governmental group of ACINET's commitment to support its members in their follow-up efforts. He underlined that focusing the workshop on transparency in the private sector stems from the wish to build sustainable partnerships based on mutual trust. He added that it is not enough for these efforts to focus only on the issue of corporate governance, but that they should focus more on the risk of corruption in the relationship between the private and public sectors. In the course of his speech, he emphasized the necessity to distinguish between the different components of the private sector, in order to ensure that their specificities in terms of the size and nature of their work are taken into consideration when developing initiatives that would enable them to meet their moral commitment and social responsibilities in different areas, including anti-corruption.

9. Mr. Majdi Hassen, Executive Counsellor of the Arab Institute of Business Managers, concluded the opening session by reviewing the Institute's efforts in the field of corporate governance and underlining the importance of integrating subjects such as anti-corruption and integrity in the agenda of the private sector in the Arab region, along with underlining the importance of encouraging governments to establish dialogues and cooperate with the private sector in a way that would not affect the latter's competitiveness and economic role.

III. First Session: The Global Architecture of Private Sector Transparency

10. During the opening of the first session of the workshop's second day, Mr. Arkan el-Seblani provided an overview of the session, explaining that the participants will discuss the global and regional frameworks which consist of voluntary and mandatory measures to enhance transparency in the private sector. Participants will then break down the concept of private sector transparency into specific elements, discuss the extent of compliance with these elements in the Arab region, and focus on the incentives and sanctions that can be adopted by different stakeholders inside each country (i.e. governments, the private sector and the civil society).

11. The first panelist Mr. Stuart Gilman, Senior Partner at the Global Integrity Group, presented transparency as a prerequisite to build democracy and social reform. He introduced the United Nations Convention against Corruption (UNCAC) and its preventive measures, focusing on the provisions related to the role of the private sector and most importantly Article 12, and pointing out mandatory offences and other criminal offences in the Convention. He explained that among the challenges undermining the implementation of the Convention in general, and this article in particular, is changing the prevailing culture about corruption and raising awareness of the role of the private sector in anti-corruption, especially by adopting a code of conduct and measures to prevent conflict of interests, and a program for transparency; including maintaining books and records, financial statement disclosures, and the implementation of accounting and auditing standards. Mr. Gilman explained how combating corruption is different from promoting integrity, and displayed some incentive systems and case studies of global companies.

12. Ms. Nicola Ehlermann-Cache, Senior Policy Advisor at the MENA-OECD Investment Programme, stressed that transparency and governance are related to several fields, including anti-corruption. She emphasized that the OECD is working on developing solutions for coordinating all available mechanisms in order to boost capacities of businesses to play a positive and effective role in anti-corruption. Ms. Ehlermann-Cache also stressed that there are several mechanisms that enable the private sector to enhance its integrity which reflects the business environment, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. While the role of the international organizations lies in developing such mechanisms, governments should develop laws appropriate for these mechanisms, and measures to implement these laws. She also noted that combating corruption is, in essence, a question of law, and that the current global climate, where many global companies have been sanctioned for corrupt practices, provides an opportunity to enhance private sector transparency. Private sector entities need clear laws, and law-making is within the powers of governments. Hence is the need for internal dialogue between the two parties to achieve their common interest in combating corruption, especially through ensuring the private sector follows appropriate conducts based on integrity principles. Finally, Ms. Ehlermann-Cache has pointed out the importance of raising awareness of the anti-corruption legal framework in the private sector, including national and international laws. She also pointed out the importance of highlighting the advantages of transparency in the private sector and its economic and competitive advantages in order to convince stakeholders to use the mechanisms that help enhance transparency in the private sector.

13. The floor was then given to Mr. Hussein Hassan, Anti-Corruption Project Manager at the United Nations' Regional Office on Drugs and Crime. Mr. Hassan compared the UNCAC to the Arab Convention against Corruption in terms of form, methodology and objectivity, as they are two major sources of legal obligations for combating corruption in the Arab region. Mr. Hassan focused on the provisions pertaining to the private sector in the two conventions, underlining the great similarity between the two. He pointed out some provisions where the two conventions do not meet, such as maintaining records and books, financial statement disclosure, accounting and auditing standards, and momentarily forbidding public officials to work for the private sector at the end of their work within the public sector. In his presentation, Mr. Hassan underlined specific standards on the role of the private sector in combating corruption which relate to society's efforts in this regard as well as the private sector's relation with the government and the citizens. He explained that the point behind those standards is to help the private sector play its role in order to achieve development and maximize benefits for everyone, including the private sector itself.

14. The different presentations enabled a rich discussion in which participants have sought clarification about some standards that were explained. Other participants suggested some practical measures to promote transparency, such as establishing a documentation, media and studies centre to gather information, studies, references and news pertaining

to anti-corruption in the private sector. They also proposed to organize condensed courses for individuals qualified to conduct research and fact-finding in the field of combating corruption in the public and private sectors. Another participant stressed that some Arab countries need support and follow-up with regards to UNCAC implementation efforts while determining the type of assistance needed and how best to provide it. Other participants argued that the UNCAC requires some amendments in light of the recent changes that the Arab world has witnessed in order to meet people's aspirations and provide better solutions.

IV. Second Session: Key Components of Private Sector Transparency in Light of International Standards and Good Practices

15. The second session was dedicated to presenting key components of private sector transparency in the light of international standards and good practices. The first speaker, Dr. Juanita Olaya, Independent Research and Consulting, focused on the specific concept of transparency in the private sector, i.e.: disclosure of information directly or indirectly. She reviewed the most important statements that companies should make, including statements about business entities' ownership and structure, statements about the identity of other entities that these companies deal with, and statements about the sustainability of companies and its efforts in combating corruption and adherence to integrity standards. She dealt with the most important practices endorsed by international organizations in this area, and gave key examples about the policies and practices of corporate disclosures. Dr. Olaya mentioned the most important reasons and objectives of disclosures, including legal and commercial issues and reputation related issues. She emphasized that disclosures must be clear, easily understandable and accessible. She also underlined that companies play an important role in combating corruption, and that they should make adequate changes in order to implement corporate governance approaches in accordance with this role. She also emphasized the role that trade unions and civil society can play in promoting corporate disclosures.

16. In another presentation, Ms. Olajobi Makinwa, Head of Transparency and Anti-Corruption Initiatives at the United Nations Global Compact, introduced the work of the compact which is a voluntary initiative to promote sustainable development and good corporate citizenship. She focused on transparency and anti-corruption as one of the ten Global Compact principles, and that businesses should combat all forms of corruption, including extortion and bribery. Ms. Makinwa explained that businesses participating in the Global Compact are subject to this duty and must work to fulfil it. However, businesses, small and large alike, are sometimes uncertain of the right approach they should follow to promote transparency; therefore, implementing the principles should be a long-term process in order to improve performance.

17. Some participants expressed their belief that the best way to implement transparency and corporate governance more general is to adopt sectoral approaches that take into consideration the particularity of each sector and its needs, and facilitate reaching an agreement among counterparts to ensure the success of measures adopted. Other participants wondered how the private sector could contribute to combating corruption in the Arab countries, proposing to adopt the idea of establishing local networks for the private sector, functioning as a framework for dialogue and exchange of experience and expertise, especially in countries that need to develop their capacities.

V. Third Session: Private Sector Transparency in Arab Countries

18. The chair of the session, Mr. Yazid Skandarani, Member of the director committee at the Arab Institute of Business Managers, commenced by stressing that the situation of private sector's transparency in the Arab countries is affected by several overlapping elements, the most important of which are: the size of the company and its structure; the legal framework for companies; the business environment; the involvement of the company with the political

systems; and the will of investors and their awareness of the importance of engaging in governance systems and enhancing transparency. He noted that the benefits a company can achieve through good governance could be a decisive factor in the promoting transparency. In this regard, companies should take the initiative, speak up, and talk without restrictions about anti-corruption in order to spread a transparent culture inside and outside the company, and develop a special anti-corruption program that includes appropriate procedures and practical measures in order to contribute positively and effectively to overall anti-corruption efforts.

19. The floor was then given to Mr. Hamzeh Hammouri, Advisor at Schema Tactical Thinking, to present Jordan's experience in combating corruption in the private sector. Mr. Hammouri underlined that governance is a culture that stems from the top (general administration) to the bottom (staff). It first requires the general administration's engagement, explaining the procedures to the staff in order to ensure the implementation of the adopted procedures within the company's framework. It also requires performing periodic assessments of these procedures to enhance and review them. Mr. Hammouri also underlined that the governance of small and medium enterprises (SMEs) in Jordan faces various problems and obstacles resulting from: the administration's ignorance of the importance of financial statement disclosure and its direct interference in the implementation of disclosure systems (70% of enterprises are family based) in addition to the corruption of some of the company's assistants and staff; the poor and deficient legal framework; and sometimes, the high cost of the implementation of transparency systems. These difficulties have resulted in weak enterprise abidance with transparency systems despite its proven advantages such as building a good reputation for the company and facilitating financial resources.

20. Mr. Qusay Salama, Deputy Head of the Corporate Social Responsibility Committee and Anti-Corruption Task Force at the Egyptian Junior Business Association, spoke of specific experiences carried out by the association in Egypt to promote transparency in private sector institutions in the form of businessmen workgroups within the same sector or region. Anti-corruption seminars were arranged aiming at breaking the wall of silence, enabling participants to talk freely about anti-corruption, diagnosing the difficulties that faced them, and envisioning and proposing a collective work plan to face these difficulties. One of the results of these seminars was the development of a list of services that are most liable to corruption. These services include administrative licences; public procurement, especially the reclamation of the tender's guarantee paid to participate in tenders; recruitment in government jobs; and bribery in the private sector, especially in procurement.

21. Discussions then focused on Morocco as an advanced case study in the Arab region as far as the topic of the workshop is concerned. The first participant was Ms. Amina Benjelloun, Advisor to the Head of Government of Morocco and Head of the Economic Development Department at the Ministry of General Affairs and Governance. She explained that the general situation in Morocco is characterized by an economic growth (up to 5%) in line with the policy of liberalization and openness to global markets; a modernized business environment; and political development including the establishment of constitutional reforms that considers governance, transparency and accountability as crucial principles of building a state of law, which led to the creation of a ministry for governance. Ms. Benjelloun added that Morocco established important reforms that can be categorized under five main titles. The first relates to establishing a partnership between public and private sectors regarding relevant decisions and their implementation by, for example, setting up a joint high business environment committee headed by the prime minister, and the implementation of programs that simplify administrative procedures and electronic administration. The second main area of reform related to enhancing the institutional and legal framework through establishing a competitiveness council within the constitution; developing a legal framework for public procurement; and issuing a witness and whistleblower protection law in addition to an asset declaration law. The third area relates to the development of corporate social responsibility and good governance, the fourth to combating parallel economies, and the last concerns justice system

reforms. Ms. Benjelloun finally confirmed that the success of these reforms lies in the collective efforts of the civil society, private companies, schools and media.

22. Another presentation followed, by Mr. Fahim Zakaria, President of the Commission on Ethics and Deontology, General Confederation of Moroccan Enterprises. He said that the year 1998 was pivotal for the Moroccan private sector as it included a comprehensive tax cleansing process which revealed that a significant proportion of businessmen earned their businesses by coincidence or inheritance, unlike a limited number of investors who established and developed their businesses with their efforts and work. This was one of the reasons that hindered private sector transparency in Morocco and requires the business sector to move from franchise or proceeds holder systems to real investment systems by changing the culture, raising awareness, bringing attention to the importance of accountability, engaging in anti-corruption efforts and adopting good governance systems.

23. The debate in this session discussed the degree of compliance of private sector institutions in the region to transparency standards as well as their interest in the latter. It was agreed that there is a limited number of companies that abide by specific standards and special systems of good governance. There are successful experiences, however, for companies adopting advanced governance systems. Some participants emphasized the importance of implementing ISO quality standards by institutions to reduce corruption. Others said that quality standards contribute to anti-corruption but that they are not self-sufficient to lay the ground for good governance, because quality standards are mainly related to the production process (goods/services) while governance systems are comprehensive and are related to a company's life cycle, management and its relation with its environment. Participants then stressed that corporate governance is connected with good governance in general; and that it cannot flourish in an atmosphere dominated by tyranny, lawlessness and corruption where establishing successful and effective governance systems in the private sector is impossible in such a context. Governments and public authorities are thus required to establish the rule of law and commit to anti-corruption, in order to have a positive impact on the private sector.

24. Participants confirmed that the private sector can be either the perpetrator or the victim of corruption. In this context, some participants noted that despite the reforms announced in some countries, people's demands for combating corruption and separating wealth from politics remain. In addition to that, the endorsement of the UNCAC did not achieved tangible progress as far as anti-corruption efforts are concerned, due to many shortcomings in the national legal frameworks. For example, the impact asset declaration laws have had remains below expectations. In addition, corporate social responsibility did not develop sufficiently, while businessmen's opposition to tax reforms remains strong. During the discussion, it was confirmed that anti-corruption efforts require clear political will, fighting impunity, and activating asset recovery mechanisms. Furthermore, it was underlined that private sector transparency is strongly affected by the general anti-corruption framework, the business environment and the structuring of private sector institutions. It was also stressed that protecting investments requires the establishment of democratic systems that lay the foundation for new relations based on the rule of law, participation, independent judiciary and impartial administration, as well as strong economic system reforms transforming the system from one based on proceeds and franchises to a competitive and organized one.

VI. The Fourth Session: Incentives and Sanctions applicable to different stakeholders

25. Mr. Arkan El-Seblani, Manager of UNDP's Regional Project on Anti-Corruption and Integrity in the Arab Countries, moderated the fourth session of the workshop and summarized the five themes discussed in the previous sessions. Mr. El-Seblani emphasized that the concept of transparency in the private sector is part of the general concept of transparency but that it is different from the latter as it basically relates to corporate statement disclosures in accordance with the binding standards available in the UNCAC and other sectoral and regional conventions, such as the

OECD convention and some voluntary standards set by sectors themselves. Having been discussed in the workshop, Arab countries experiences show that there is a real demand to modernize the private sector in order to enhance transparency, but there is little compliance because of various obstacles, and because some companies do not fully adhere to transparency due to their non-transparent link with the political class. That is why efforts must not focus only on sanctions but also on mechanisms and incentives that can promote public sector transparency and develop its role in activating national anti-corruption strategies.

26. Mr. Sven Bierman, Director of Anti-Corruption Projects at the Humboldt-Viadrina School of Governance, reviewed some of the best anti-corruption sanctions and incentives practices in the private sector. He explained that stakeholders in the private and public sectors and in the civil society can reward companies for their adherence to anti-corruption standards or, otherwise, punish them by applying a variety of legal, commercial or reputational sanctions. A global survey that was conducted by experts to evaluate different incentives and sanctions and study their importance for stakeholders and their effects on companies proved the efficiency of these tools. Using them, however, must not be automatic and mandatory. Instead, collective dialogue should be carried out between stakeholders and companies to determine the degree to which the society needs to apply incentives to increase private sector transparency, choose appropriate and efficient tools, and determine implementation methodologies and obstacles.

27. The presentation on incentives and sanctions was met by varying responses. Some of the participants considered that motivation leads to the demolition of the foundations of criminal law which is based the rule of law and the punishment of violators, and thus might open the door for corruption. Others considered that incentives are inapplicable in the Arab countries whose economies depend on franchise and proceeds because they make competitiveness, which is main prerequisite for incentives success, pointless. The experts confirmed that incentives are stated by the law, and can be benefited from impartially by all companies, and should be implemented fairly through specific measures. Thus, they do not demolish the criminal law because they are acknowledged incentives, and not a door for corruption. In some cases, incentives are voluntary. Companies can then decide to set the standards by which they abide, and on the basis of which incentives are awarded or sanctions are inflicted. The experts pointed out that incentive systems are not meant to reward companies for not paying bribes; as incentives are not rewarded for not committing a crime. Rather, incentive systems are based on motivating companies which implement transparency and governance standards, exceed the minimum stipulated by law, and devise better and more efficient solutions. Incentive systems do not mean either that companies which adopt anti-corruption programs will certainly get a certain tender, but they would be a factor to improve their chances of winning that tender. The experts asserted that it is very difficult to implement an incentive system in an uncompetitive environment, but that this remains a challenge. In some cases, it was possible to devise appropriate mechanisms to overcome the obstacles posed by the peculiarities of proceed-based economy. In Nigeria, for example, some company owners attempted to organize themselves in small, coherent groups, to reach collective solutions for this situation. This collective work was the best way to face the deteriorating situation, and led to significant results.

VII. Key Findings and Recommendations

28. The following are key findings from the second day of the regional workshop:

A. Tackling corruption more effectively is very important for the advancement of the Arab region. It is not only important for the present time, or for the Arab countries that are experiencing transitional stages alone, but is also important to bring about prosperity to the people of the region in the long run. Making tangible progress in this regard is the shared responsibility of all stakeholders, including governments, businesses and civil society.

B. The private sector is often the victim of corrupt practices, but in other cases, it can be a partner. The private sector, therefore, has a very important role in anti-corruption efforts, whether internally or externally, due to its overlapping relation with the public sector and the other stakeholders. This role has not been addressed adequately in the Arab countries anti-corruption efforts so far, as they have mostly focused on the public sector.

C. Enhancing private sector transparency requires strengthening the adherence of businesses to disclosures in accordance with international standards and good practices without compromising competitiveness principles and fair profit requirements. This comes as a result of awareness, training and the establishment of incentives and sanctions appropriate for each country.

D. Private sector transparency is one of the many prerequisites needed to promote the sector's integrity and its anti-corruption role. It is an integral part of boarder efforts to promote good governance. It is necessary to improve the business environment in the Arab region, attract investments, support competitiveness, and assist the economies of the region to integrate into the global economy effectively. Paying more attention to the transparency of the private sector is of even greater importance in the Arab region as there is a need to rebuild trust in the private sector, change the deeply-rooted preconception of its involvement in corruption, and motivate it to play a more leading role in the boarder efforts to promote good governance and accelerate sustainable development, given its pivotal role in creating job opportunities and providing income, goods and services to citizens.

E. The global structure devoted to enhance private sector transparency includes legally binding acts (like UNCAC, or OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions), voluntary standards (like UN Global Compact), initiatives of specific sectors (like Extractive Industries Transparency Initiative), specific region acts (like the Arab Convention against Corruption), international acts (like the UK Bribery Act or the U.S. Foreign Corrupt Practices Act) and national laws in the region. Efforts should be boosted to publicize them and enhance abidance by them in texts and practices.

F. The achievement of public sector transparency requires adherence to a number of main principles, including positive and negative disclosure, which includes financial and non-financial information disclosure; public policies and practices, corporate social responsibility and supply chain responsibility, as well as disclosures on overall performance. Finding the right balance between what can be disclosed and what is considered as trade secrets is necessary to allow competition and still constitutes an unresolved dilemma hampering disclosure processes and transparency.

G. The effective enhancement of private sector transparency requires making the distinction between the various entities that constitute the private sector, as being joint-stock companies that are available for public circulation, privately held businesses, family owned enterprises, or small, medium or large enterprises. The private sector in the Arab region has certain characteristics, such as the large number of family owned enterprises and the importance of the informal sector. These characteristics make the challenge of integration with the formal sector a pressing one.

H. Adherence to private sector transparency is, in general, limited in the Arab region despite the existence of some rare good practices and some notable successful examples. Despite the wish to adhere, the region is prevailed with a weak understanding of the rationale on which the concepts of private sector transparency and its benefits are based. In addition, the process of conveying these ideas to stakeholders is a weak and irregular one.

I. There is a wide spectrum of incentives and sanctions aimed at strengthening private sector transparency that have legislative, commercial and reputational impacts. The current national policies in the region are more inclined towards sanctions rather than incentives. It might be feasible in some cases to reconsider these policies and benefit from the experiences of other countries in this area.

J. Some specific initiatives in the region are working on enhancing private sector transparency, such as UNDP's Arab Anti-Corruption and Integrity Network (ACINET), the MENA-OECD Investment Program, and other active actors and regional and global organizations. There are also several national initiatives, such as UNGC's local networks.

K. There is an urgent need to train the concerned government experts, employees and managers of companies, and civil society organizations on promoting private sector transparency effectively through more comprehensive programs dedicated to transparency in the private sector and its role in anti-corruption.

29. In conclusion, participants agreed to benefit from the outcome of this conference to conduct specific follow-up activities in their countries and enhance their communication and cooperation on the regional and national levels within the framework of ACINET in order to boost the role of the private sector in the national efforts of the countries in combating corruption and promoting private sector transparency initiatives. The participants called upon the UNDP to support such initiatives, and other international organizations to contribute to these efforts, most notably the OECD, the UNGC, the United Nations Office on Drugs and Crime and Transparency International. They agreed on the following recommendations:

- 1. To prepare a report that summarizes the outcomes of the workshop, and to publish it in order to raise awareness and promote cooperation on the regional and national level to enhance private sector transparency.**
- 2. To establish channels to benefit from the knowledge and information available at the UNGC, and to encourage business entities in the region to set up UNGC local networks and coordinate their work with the Arab Anti-Corruption and Integrity Network.**
- 3. To welcome the building of a more cooperative relationship with the OECD to benefit from its MENA Investment Program, and particularly from the business forum of this Programme.**
- 4. To follow up on the efforts conducted for the two training and educational material for anti-corruption in business transactions, which are supported by the UNDP and its partners in order to contribute to them and benefit from them, and find ways to utilize them on the national and regional levels.**
- 5. To organize a series of local roundtables in the countries of the region to bring together all stakeholders focusing on private sector transparency in order to identify specific actions points or plans that would take into consideration the national context, national priorities, international standards and good practices.**
- 6. To organize a second regional workshop to follow up on the progress achieved following the series of local roundtables, and to draw the roadmap to continue to support these efforts.**
- 7. Inviting the UNDP, particularly its country offices in the Arab region, and its Regional Project on Anti-Corruption and Integrity in the Arab countries to continue to focus on efforts to enhance integrity in the private sector and its role in anti-corruption, and to allocate adequate resources for special studies on the region in this regard.**

30. The participants concluded by extending their grateful thanks and deepest gratitude to the Republic of Tunisia for hosting the regional workshop, and to His Excellency the President of the Republic for his generous patronage of its events. They also expressed their great appreciation of the efforts exerted by the organizers to guarantee the success of this important occasion.
