



IN THIS ISSUE:

A Note from the Publisher.....	1
Governance Newsmaker Interview with Dr. Naser Al- Sane.....	2
The Role of Governments in Good Governance and Anti- Corruption Efforts.....	4
The Open Budget Index Results for MENA Countries	5
GOPAC Global Task Force—Parliamentary Ethics Project.....	6
Upcoming Events and Activities.....	8
Noteworthy Links.....	8



A NOTE FROM THE PUBLISHER

This issue of Governance News and Notes shifts our focus away from the Executive Branch towards the role of parliaments and parliamentarians in advancing good governance. In OECD countries, parliaments play a vital role in the accountability chain. They make legislation, approve budgets, review audit reports and can compel senior officials to appear and justify their policies and actions. They can serve as an important source of independent review and analysis. They are responsible for ensuring that the concerns of their electorate are reflected within the corridors of power, and in some countries they intercede directly to help their constituents receive the public services to which they are entitled.

In MENA, parliamentarians often find themselves locked in an uneven contest. The region has a long history of rulers consulting with their subjects through a variety of forums. However, most experts would agree that traditional consultative mechanisms, such as shura councils, function differently than modern parliaments. They meet at the discretion of the ruler; their members are often appointed rather than elected; and they lack statutory authority to review certain questions. There is no obligation that the emir or sheikh be bound by their deliberations. Unfortunately, the parliaments that were created after independence have often fared little better. In a region that has historically been dominated by powerful executive branches, whose control over the army, police, security services, and ministries of finance and planning have given them a monopoly over the ultimate levers of power, few legislators could challenge this leviathan even if they were inclined to do so.

One of the most fundamental challenges parliamentarians currently face is that in many countries information flows have been spotty at best. No MENA parliament has the staff or analytic capacity to mount a credible substantive rebuttal to the information provided by the executive. The most recent findings (2008) of the *Open Budget Initiative* covered seven MENA countries, out of which only two (Egypt and Jordan) were classified as falling in the middle category of providing "some" financial information. Two others were classified as providing "minimal" information, and three more as providing "scant" or "no" information.

Yet in spite of these challenges, the role of parliaments throughout the region is changing. This issue of *Governance News & Notes* reviews some of the interesting developments that are taking place through organizations such as Arab Region Parliamentarians Against Corruption (ARPAC), including an interview with the founding Chairman, Kuwaiti Member of Parliament Naser Al-Sane. Through their efforts, parliamentarians in over 11 MENA countries are being encouraged to play a proactive role in advancing transparency and integrity. Lebanese parliamentarian Ghassan Moukheiber outlines some innovative work that is taking place in the field of parliamentary ethics. This issue also contains a discussion of the work that the World Bank is doing to help parliamentarians become more effective and proactive both in MENA and throughout the globe. The process of parliamentary accountability is an occasionally messy and imperfect one. Yet it remains an essential link in the accountability chain.

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Lead Public Sector Specialist
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GOVERNANCE NEWSMAKER INTERVIEW WITH DR. NASER AL-SANE, CHAIR OF THE ARAB REGION PARLIAMENTARIANS AGAINST CORRUPTION (ARPAC)

BY RAMI G. KHOURI

Tackling politicians is key to anti-corruption efforts



KUWAIT: When it was established in November 2004, the Arab Region Parliamentarians Against Corruption (ARPAC) charted new ground in the Arab world, where elected officials fighting corruption were a novel and unproven enterprise. Today, the founding chairman of the group, Kuwaiti MP Naser Al-Sane,

describes their approach and activities in a manner that could be summarized as “shame and train”.

The “shame” reflects ARPAC’s experience in publicly speaking out against corrupt practices and naming Arab governments whose laws or practices leave much to be desired, while also repeatedly comparing Arab countries against each other. The “train” captures their focus on providing Arab parliamentarians with the tools and knowledge they need to fight corruption effectively, by building the capacity of members of Arab parliaments to weed out corruption by promoting transparency and accountability in their societies.

They combine these goals in several ongoing projects, including the publication in coming months of the first annual Arab Corruption Report and an Arab Parliamentary Guidebook on Financial Reform.

In an interview in Kuwait and Beirut in early February, he explained that ARPAC does not attempt directly to fight corruption on its own, but rather “we encourage our members to fight corruption in their own countries, and we give them the tools and the training to do so efficiently. We decided just last year, for example, to issue the Arab Corruption Report which will be launched in a few weeks time. This will allow us to measure -- between one report and the other -- to what extent there have been developments in fighting corruption, but not necessarily as a result of our organization.”

Al-Sane is a founding member of the Global Organization of Parliamentarians Against Corruption (GOPAC), which ARPAC is affiliated with. ARPAC’s founding meeting in 2004 was attended by 40 Parliamentarians representing 11 Parliaments: Jordan, Bahrain, Algeria, Saudi Arabia, Sudan, Palestine, Kuwait, Egypt, Morocco, Yemen and Lebanon. Chapters have now been established in eight of those countries.

Al-Sane explained that the organization follows three main strategies for fighting corruption. “The first one is to conduct training and teaching for members of parliament, so they will know how to fight corruption. Second, we encourage networking among MPs so that everybody will learn from colleagues in

other parts of the world how they are able to fight corruption. Third, we promote leadership roles through a number of organizations: any MP or ex-MP who joins our organization is supposed to assume a leadership role in society by becoming a good role model, by attracting other activists from civil society organizations, political parties, and so on, to join in these initiatives and this kind of work.”

Their experience to date suggests to Al-Sane and his colleagues that keys to success for national chapters include building coalitions with the media, civil society movements and academics; prodding Arab governments to ratify the United Nations Convention against Corruption (UNCAC); and adopting a national strategy on fighting corruption that involves governments, MPs, NGOs, and others who can devise a roadmap on how to fight corruption.

A crucial element in this respect, he says, is to implement UNCAC’s recommendation that each country set up an independent national agency to fight corruption. One of ARPAC’s more successful techniques has been to compare different Arab national agencies according to their degree of genuine independence.

“Instead of criticizing such organizations, we compare them,” Al-Sane said. “We ask about the extent of independence and the involvement by potentially corrupt bodies, businesses, and so on.”

Related to this, he said, is the importance of assessing the quality and efficacy of national access to information laws. Some countries have recently

passed such laws, like Jordan, he points out, “but some articles near the end of the law say that all information is supposed to be public and accessible except that which the authorities say is supposed to be confidential. That demolishes the whole thing.”

Al-Sane feels that ARPAC’s ability to compare and contrast access to information laws across the region allows it to point out weak laws and prod governments to draw up more effective ones. Making such comparisons publicly has proven to be “very effective”, including publicizing the Corruption Perception Index (CPI) issued by Transparency International every year.



Dr. Naser Al-Sane

- Chair of ARPAC
- Chair of the Kuwait Parliamentary Committee on Protection of Public Funds
- Re-elected to Kuwait National Assembly July 2006, May 2008
- Member of the Select Committee, 1997
- Member of the Public Fund Protection Committee, 1994
- Elected to the Kuwait National Assembly, 1992
- Served as Assistant Undersecretary of Administrative Development, 1988-1992
- Founding member of GOPAC and the Arab Regional Chapter – ARPAC
- Ph.D in Management from Aston University, UK

The new Arab Corruption Report will build on the work of researchers across the region who will apply 13 parameters to developments in each country that reveal events that took place in either corruption or anti-corruption fields.

The most significant breakthroughs in fighting corruption, he said, come from tackling “the corruption of politicians -- ministers, MPs, political parties. Those who were able to start with the top leadership - and do it properly - are the people who have addressed the corruption issue properly. And those who avoided this have very little effect on corruption.”

He also warns that corruption happens in both good times and bad. The current global economic crisis, for example, generates new opportunities for corruption among officials and private sector firms.

“We did an analysis when oil prices were high indicating that corrupt people will have a good opportunity to grab public money, and people will not feel it because there is a lot of money around. Then when oil prices dropped, and we suffered an economic and financial crisis on the global level, we think a lot of programs aiming at saving markets are allocating billions and billions of dollars with very little transparency. So there is a great opportunity, even during crisis, for people to lose more and more due to corruption.”

He said his organization is urging activists, colleagues and MPs around the world to vigilantly monitor those organizations and individuals who are entrusted with rescuing their national economies, to make sure that hundreds of billions of dollars spent on economic bailouts are equitably distributed.

Asked if MPs have a special responsibility or capacity to fight corruption, he replied affirmatively, noting that even in countries where parliaments are weak institutions the MPs themselves are very influential members of a society.

“They have the right to ask questions, to grill whoever is in charge of any kind of public or financial action, and to vote for confidence in ministers and prime ministers. They also generate media attention, so they have to capitalize on such positions in society.”

The new Arab Parliamentary Guidebook on Financial Reform aims to help MPs carry out their responsibility to oversee the budget process.

“To do budget oversight, you have to have the necessary skills. What governments do to MPs -- if

the aim is to confuse them -- is dump as much technical information as possible on Parliament and the members will not have time to look at it. They have no experience or knowledge to go through it. Our guidebook will help them enable themselves to review this material, through specialized staff and procedures.”

ARPAC is also publishing a Code of Conduct Guidebook for MPs, to make sure that they do not have conflicts of interest when they conduct their business.

THE ROLE OF PARLIAMENTS IN GOOD GOVERNANCE AND ANTICORRUPTION EFFORTS

BY MITCHELL O'BRIEN

With the recognition that good governance and integrity are an important pre-requisite for development generally, there has been a growing realization that effective legislatures are both critical institutions of good governance and important actors in attempts to curb corruption. Parliaments have three primary functions, namely oversight, lawmaking, and representation. The performance of all three parliamentary functions has the potential to contribute to the anticorruption agenda.



All too often legislatures are ill-prepared or ill-equipped to carry out these primary functions. Irrespective of whether they have the constitutional authority to do so, parliaments often suffer from inadequate budgets, insufficient or poorly trained staff, and, perhaps most of all, ill-prepared legislators

who lack detailed knowledge of the budget process and anticorruption efforts they are expected to oversee. Therefore it is important to strengthen parliaments' internal transparency and ethics regimes, improve the representative function of legislatures as a tool for curbing corruption, utilize parliaments' law-making function to create a regulatory environment conducive to anticorruption, and enhance parliaments' capacity to perform effective parliamentary oversight to increase transparency and improve accountability.

Consistent with this broader strategy, the World Bank has been working with parliaments in the Middle East and North Africa region to strengthen their capacity to provide effective oversight and contribute to the anticorruption agenda. Much of this work has taken place through the World Bank Institute (WBI). For instance, WBI, in partnership with the Arab Region Parliamentarians Against Corruption (ARPAC) and Revenue Watch, helped deliver a seminar on "Transparency in Revenues: The Role of Parliamentarians" in Beirut, Lebanon from July 6-8, 2008. The seminar explored parliamentarians' role in financial oversight. It reviewed country examples of public finance. It also sought to move forward two ARPAC projects through consultation and discussion, namely the adaptation and translation of a handbook on financial oversight for parliamentarians in the region (co-sponsored by WBI and to be published in the coming months) and the transparency in revenues project.

Furthermore, WBI, in collaboration with operations, the United States Institute of Peace, and the Legal Vice Presidency, delivered a training activity for the Iraqi Parliament's Constitutional Review Committee between August 13-17, 2008 on the design of a second parliamentary chamber and judicial federalism in Iraq. In particular, WBI's Parliamentary Strengthening Program took the lead on the second chamber theme as an extension of its work aimed at strengthening parliaments as representative and demand-side accountability institutions. Finally, WBI delivered a training program, in partnership with the Global Organisation of Parliamentarians Against Corruption (GOPAC), the Parliament of Kuwait and ARPAC, at the "3rd Global Conference

OPEN BUDGET INDEX (OBI)

The Open Budget Index is a comprehensive survey, created by the Center on Budget and Policy Priorities, which evaluates public access to national government budget information. Civil society researchers from each country respond to 91 questions that are averaged to form the OBI. The questions are not intended to evaluate the quality or credibility of information that a government provides. Results have shown a strong, positive correlation with the World Bank's Governance Indicator on Voice and Accountability, the Global Integrity Index, and the Democracy Index.

OBI Results for MENA Countries

	2006	2008
Provides EXTENSIVE Information to Citizens (score of 100-81)	-	-
Provides SIGNIFICANT Information to Citizens (score of 80-61)	-	-
Provides SOME Information to Citizens (score of 60-41)	Jordan	Jordan, Egypt
Provides MINIMAL Information to Citizens (score of 40-21)	Algeria	Lebanon, Morocco
Provides SCANT or NO Information to Citizens (score of 20-0)	Egypt, Morocco	Yemen, Algeria, Saudi Arabia

Survey findings for 2008 are based on data collected from June-September 2007. Any changes occurring after that date are not reflected in the results.

of Parliamentarians Against Corruption” held in Kuwait City, Kuwait from November 17-20, 2008.

The objective of the training program was to enhance participants' knowledge of oversight strategies that can be embraced by parliaments in order to combat corruption generally and, in particular, encourage the implementation, domestication and monitoring of the *United Nations Convention against Corruption*.



As the linkages between parliaments and good governance become clearer and, in particular, the contribution parliaments can make to the anticorruption agenda becomes more pronounced, there will be increased impetus to not only include MENA parliaments in the dialogue on governance but to examine ways to strengthen these institutions. Possibilities for near-term reforms would include greater budget transparency, including the provision of short, readable budget summaries and adequate time for legislators to review them. Another step would be strengthening the technical capacity of parliamentary staff to review budget documents. In many MENA countries, parliament's role in

reviewing audit reports can also be strengthened. Working in conjunction with our member governments and other development partners, the Bank stands ready to support such efforts to enhance transparency and accountability by strengthening parliaments.

GOPAC GLOBAL TASK FORCE— PARLIAMENTARY ETHICS PROJECT

**BY MP GHASSAN MOUKHEIBER—
MP LEBANON, CHAIR OF THE WORKING
GROUP**



The issue of parliamentary ethics has, of late, taken center stage on an international level; parliaments all over the world are following in some pioneering countries' footsteps, developing parliamentary codes of conduct of their own as part of a broader system of parliamentary and political ethics. The recent surge in interest surrounding this issue stems not only from the desire to find ways to deter or sanction specific cases of unethical behavior by parliamentarians, but also from the dire need to tackle low levels of trust in the government and the public's suspicion of parliamentarians' integrity, honesty and openness. Ethics systems for Parliamentarians are therefore currently being developed to both address the aforementioned issue of combating corruption and public perception of corruption in parliaments, and to act as guidelines for proper conduct and etiquette to which parliamentarians can adhere.

In light of this current concern, the Global Organization of Parliamentarians Against Corruption (“GOPAC”) has created a special task force on Parliamentary Ethics whose main goal is to develop a Guidebook on Systems of Parliamentary Ethics, which can then be disseminated to and reapplied in various countries. The task force is comprised of parliamentarians of several continents, expert consultants as well as representatives of international organizations. The project guidebook hopes to offer parliaments the direction they need to tailor-make a code of conduct which can be realistically adopted into their respective political and cultural contexts, but nevertheless adhere to basic international ethical standards.



The Guidebook is now being finalized following a number of meetings held by the taskforce. It is divided into four main sections: 1. Determining the purpose of the ethics systems, the problems it intends to solve, and outlining the political values and behaviors parliaments wish to propagate; 2. Establishing the building blocks of the ethics system i.e. setting up ethical and institutional principles, pinpointing detailed rules and restrictions governing behavior and establishing a regulatory framework for enforcing the rules, 3. Developing the content and the rules for the ethics system which includes highlighting criteria for issues of conflict of interest, ensuring transparency and detailing provisions of parliamentary immunity and finally, 4. Creating mechanisms for regulation and enforcement which can either come in the form of external regulation, internal regulation or semi-independent regulation.

The context in which the code is developed is also touched upon in the Guidebook; cultural nuances and legal systems (i.e. common law vs. civil law) must be taken into consideration throughout the process for the development of the ethics system, however, must not be used as means to deviate from established international ethics standards. The Guidebook ends by stressing the importance of education and training after the code of conduct is developed. Ethics regimes can only be established and adhered to when parliamentarians are educated and trained on the conditions, behaviors and etiquette they must follow.

The Arab Region's Chapter of GOPAC, "ARPAC" and the Westminster Foundation for Democracy ("WFD") have teamed up and made follow-up plans to the development of the Guidebook on Parliamentary Ethics in the Arab region. ARPAC has commissioned researchers in each of their eight national chapters to conduct studies on current ethics regimes in their respective countries and will later

collaborate with parliamentarians to adapt the Guidebook on Parliamentary Ethics into their parliamentary structures. Training sessions and educational seminars are scheduled to be held in order to help parliamentarians in the Arab region develop their own codes of conduct and ethical regimes based on established international standards.

The option of developing an electronic based toolkit is also being looked into with the help of the UNDP, so that trainings can be far more accessible and interactive. The e-toolkit will allow parliamentarians all over the world to get an overview of the Guidebook and help them kick-off their work on creating a code of conduct for their parliaments.

UPCOMING EVENTS AND ACTIVITIES

- **March 11, 2009, The National Conference To Launch The Algerian Corporate Governance Code, Algiers, Algeria.** The Cercle d'Action et de Reflexion Autour de l'Entreprise (CARE), and the national corporate governance taskforce in Algeria will launch the country's CG code. The code was developed with the assistance of the Global Corporate Governance Forum (GCGF) and the International Finance Corporation (IFC). CIPE is supporting CARE in enhancing awareness of the code and advancing the implementation of corporate governance in Algeria. lwafi@cipe.org and www.cipe.org
- **March 19, 2009: Company Secretarial Workshop: Essential Company Secretarial Practices in Corporate Governance.** The aim of this workshop is to develop the essential knowledge and skills required to ensure that the Board practices are effective and are benchmarked against best international practice. info@hawkamah.org and www.hawkamah.org
- **March 29-31, 2009: Second EUROSAI-ARABOSAI Conference, Paris France.** The theme of this year's conference is "Contribution of the Supreme Audit Institutions to the modernization of the State." This conference is in cooperation with SAIs of both EUROSAI and ARABOSAI. info@rai-see.org and www.rai-see.org
- **March 30-April 1, 2009: Gulf Summit 2009 - Ethics, Governance, and Corporate Compliance, Dubai, UAE.** Issues covered include corporate governance, internal controls, bribery, corruption, compliance and business conduct, as well as detecting and preventing fraud and managing investigations, taking special consideration of recent high profile cases, government initiatives and how Gulf-based companies can improve transparency to be able to better partner with foreign companies. gtam@beaconevents.com and www.beaconevents.com
- **April 1, 2009, Ethics and Compliance; and the Current Financial Crisis. Cairo, Egypt.** Organized by CIPE and Egypt Exchange. As recent corporate scandals have demonstrated, a lapse in ethical conduct not only has the potential to cost a company and its investors millions, even billions, it can even send the most well-established and respect company to the brink of bankruptcy. The seminar will discuss why did the financial crisis occur and how did it occur from two perspectives. lwafi@cipe.org and www.cipe.org

NOTEWORTHY LINKS

World Bank MENA Governance Website:
<http://www.worldbank.org/mena-governance>

World Bank General Governance Website:
<http://www.worldbank.org/governance>

Global Organization of Parliamentarians Against Corruption Website:
<http://www.gopacnetwork.org>

Arab Region Parliamentarians Against Corruption Website:
www.arpacnetwork.org

Parliamentarians for Global Action
www.pgaction.org



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FOR FURTHER READING

Legislative Oversight and Budgeting: A World Perspective, edited by Edited by Rick Stapenhurst, Riccardo Pelizzo, David Olson, Lisa von Trapp, <http://go.worldbank.org/T1ADBIXN10>

Parliamentary Strengthening Program Website, <http://go.worldbank.org/BUTNWF7EY0>

Parliamentary Strengthening e-Learning Website, www.parliamentarystrengthening.org

The Role of Parliaments in Curbing Corruption, edited by Rick Stapenhurst , Niall Johnston , Riccardo Pelizzo, http://publications.worldbank.org/ecommerce/catalog/product?item_id=5824604

WBI Working Papers on Parliamentary Strengthening, <http://go.worldbank.org/CS7UTKIHU0>

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