

The Coalition for Accountability and Integrity-AMAN

Award Winner of the “Anti-corruption Collective Action Competition for Practitioners”

Type of Organization: NGO

Country and Region: Palestine, Ramallah

Project Name: Enhancing Transparency, accountability and integrity in the private sector

Participants: Bodies and individuals: NGOs, public sector, private sector, parliamentarians, AMAN's Networks (NGOs Against Corruption, Parliamentarians Against Corruption, Journalists for Integrity and Accountability).

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I. Description of Initiative

AMAN, through its experience, believes that the Palestinian private sector (PS) has a contribution to corruption spread. It also has a special role to play in building and maintaining its country's national integrity, both at its corporate level and at its operation in the market. Several stakeholders are associated where the private sector is concerned, including public sector, consumers, and employees of the corporations and civil society at large. Furthermore, early-on private sector role in combating corruption practices is highly strategic to prevent corruption from becoming an integral part of day-to-day business operations.

As the Palestinian private sector is seen as the engine for growth and development, AMAN on the one hand seeks to mobilize the role of the Palestinian private sector in safeguarding the integrity of the national system, confronting corruption practices, and promoting transparency and accountability. On the other hand, AMAN is working on raising the private sector awareness on the impact and cost of corruption on business environment and so to working as advocates in the promotion of good economic governance to all sectors.

AMAN's program for enhancing the values of integrity, systems of accountability and principles of transparency covers all the Palestinian sectors including the private sector. This requires building strong relationship with this sector based on partnership and mutual cooperation. The concept for this component (as part of AMAN's core program) was developed to encourage and facilitate cooperation between the Palestinian private sector and AMAN. This aimed at developing good governance, in addition to the consultation on development of corporate governance including Business Principles and adoption of the private sector code of ethics. That code which AMAN prepared for the PS in 2006/2007 through a participatory approach included AMAN, PALTRADE and academics specialized in economics and business.

Building the capacity of the private sector to play its role in combating corruption is a vital component of this initiative. This includes: conduction of training courses on issues related to combating corruption as training sessions on Best Practices in Business, corruption forms and causes, in addition to providing the private sector with anti-corruption materials (reports, studies...etc), also inviting the private sector representatives to participate in AMAN activities.

To encourage the private sector in enhancing transparency and accountability within its work, AMAN is granting integrity award, which targets several sectors including the private sector, in 2007 AMAN started the process of awarding good governance certificate to public shareholding companies. The integrity award committee and jury include AMAN's partners from the private sector additional to profound and respected academics and civil society activists. On the other hand, the private sector is vital partner with AMAN in many activities such as public hearing sessions for the Finance Minister to discuss the PNA's general budget as well as workshops that held to draft the national plan against corruption.

II. Contribution, done by the initiative, to reduce corruption in its operating environment

1. The Private Sector Code of ethics is a commitment by the main Palestinian private sector companies to all valid legal requirements at the highest ethical levels that are included in the Code. It also defines expectations (outcomes) of the private sector's commercial activities, as a sector and as individuals, regardless of location or background. It includes general instructions in the main fields, and it provides more detailed reference for standards, orders and processes that suggest additional instructions. AMAN managed to bring the code of ethics to the attention of the Corporate Governance Team of which AMAN is a member. It was discussed and approved by the team. It also constituted a bench mark and milestone of other initiatives pertinent to good governance.

Adhering to the code of conduct has enhanced ITA (Integrity-Transparency-Accountability) within the private sector work and in its relation with the public sector. And so, it will contribute, in the medium and long terms, to building the national integrity system and to supporting good governance practices.

2. Due to the normal competition among the private sector companies to win the customers trust, the good governance certificate has mobilized these companies to implement the administrative and financial standards as well as good practices in their work.
3. Eight anti-corruption legislations and bylaws were drafted/ amended and discussed & adopted by specialized legal experts. AMAN was the main player and stimulator in drawing these laws and advocating for their implementation.
4. Transparency International approached AMAN to adapt the "private sector chapter" in the TI's Source Book to meet the Arab World needs. The chapter became now one of the important resources for securing ITA in the Palestinian PS.

III. Setup of the initiative

- Publicized Code of Ethics and made known the signatories.
- linked research results to draft legislation (this include bylaws for illicit gain, amendments to the penalty law, conflict of interest draft bylaws, Palestine investment fund draft law, whistleblower protection draft law, Courts Establishment draft law, the Civil and Trade Trial Principles draft law, Criminal Trial Procedures draft law).
- Built professional and continuous relationships with the private sector such as Coordinating Council of the Private Sector Companies and the Corporate Governance Team.
- Conducted opinion polls, since 2007 onwards, aimed at measuring the perceptions of private sector's employees and stockholders on issues of ITA within their private sector institutions.
- Organized several workshops to engage the private sector in anti-corruption activities.

- Conducted awareness raising campaigns about corruption in terms of causes, impact, forms and expressions.
- Conducted training of trainers (ToT) courses and developed a training manual specific to fighting corruption in the private sector.

Costs of initiative:

US\$ 55,000

Use of auditing and enforcement initiatives:

- AMAN has contributed to the enforcement of anti-money laundering following successful and fruitful lobbying and advocacy campaigns on the Palestinian President (Mahmud Abbas) who formed national team to supervise and monitor the implementation of the aforementioned law.
- AMAN developed corruption index with indicators tracking and measuring corruption in all sectors including the PS. The index forms one of the credible tools for collection and analyzing corruption-related information.

IV. Achieved results / impact for businesses and society

1. A minimum of 50 Signatories from the private sector companies have signed the Code of ethics during AMAN's Transparency Festival held in December 2007 in the occasion International Anti-corruption Day.
2. A minimum of 20 companies competed for the good governance certificate granted by AMAN on annual basis.
3. 8 anti-corruption legislations and bylaws were drafted, amended and adopted by legal experts.
4. The initiative impact was tangible, clear and reportable. As an indicator on the PS involvement and ownership in the initiative, AMAN accordingly granted in kind support. For instance, the free-toll line for AMAN's ALAC (Advocacy and Legal Advice Center). AMAN was approached by a number of PS companies on complaints against the public sector particularly it's Central Tenders Committee. On several occasions, AMAN succeeded to stop tender awarding where corrupt practices were detected. This thing created appreciation from the PS towards AMAN.
5. The aforementioned points created a believe that AMAN is an experience home. The PS accordingly requested training sessions from AMAN. AMAN therefore conducted ToT trainings and produced relevant training manuals.
6. Printed materials for the benefit of Consumer Protection Society basically related to consumer rights.
7. Active participation of PS representatives in annual public hearings for the Minister of Finance held by AMAN. Other public hearings regarding public fund management and services provided by public institutions.
8. AMAN, upon request from SAIP (a regional workshop on PS ethics and corporate good governance), to capacitate PS in the region. In specific, in Jordan and Morocco in 2006/2007.

V. Replicability to other sectors/companies

AMAN already proved that the initiative is replicable for other sectors as well as for other companies. This was really ensured as AMAN copied this PS initiative from other sectors and self experiences. It is accordingly worthy to mention that, before applying this initiative for the PS; AMAN has prepared and applied similar Codes of Conduct for the NGO Sector, Media Sector, Public Sector, local authorities, Judicial Authority and General Attorney.

Within each of the above sectors, the individual level (Civil Society Organizations, companies, directorates and directorates general) were also interactive. The governance certificate was also copied in the form of integrity awards that AMAN declared starting 2006 for the different sectors.

The targeted sectors were interactive with the special Codes AMAN prepared for them, on the one hand. On the other hand, AMAN through the mentioned initiatives became the experience home in this field. This consequently qualified AMAN to act on the Arab Countries level so as to prepare a code of conduct for political parties, workers' associations and NGOs in the Arab World.

In the course of the codes preparation, and other initiatives like the integrity award for instance, AMAN has adopted a participatory approach. Through this approach the targeted sectors representatives and their actors (CSOs, companies ...) regularly participated in the preparation process.

It is however perceived that, at least, this ownership methodology will secure appropriate attention, participation and interest for new sectors to be targeted in the future.

VI. What is new and innovative about this initiative

As AMAN is the sole organization who prepared codes of conduct for the Palestinian context, those codes were hence the first ones in Palestine. The codes are of paramount significance in their presence and in their function. They give the legal-regulatory impression that is completely or partially missing in the different sectors.

The other major importance came from the fact that they fulfill a gap in the Palestinian context. That gap is clearly the absence of the Palestinian Legislative Council (PLC) since more than 3 years in terms of legislating and action taking. Accordingly, as a direct result for the PLC absence, no laws and regulations were adopted and no actions were undertaken.

Furthermore, the good governance certificate, introduced to the Palestinian context by AMAN, is the sole one in the Arab World.

As for the applicability and situation of the codes, all the aforementioned codes are approved and signed by their representative bodies. All of them were generalized and distributed. The Codes' articles are respectful and usable, for instance, 120 CSOs in Palestine have endorsed the CSOs code of conduct.

VII. Why should other practitioners learn about your initiative?

Because:

- We believe that the "successful and fruitful" participatory approach we used is productive and secures commitments in the future.
- We, through actual lessons, learned that organizations can plan. But, at the same time, they can not guarantee the implementation without adopting the participative approach since the onset.

- Codes of conduct are good alternatives for difficult situations in which legislative bodies are absent.
- AMAN's initiatives with the PS in general have ensured that NGOs can play a decisive roles in monitoring potential and actual corruption related issues in between the private and public sectors.