

CIPE commenced its work in the Middle East and North Africa by strengthening the institutional capacity of business associations and other private sector groups to identify areas for policy reform and articulate democratic, market-oriented solutions. Today, CIPE works alongside such organizations to combat corruption; promote good governance; and encourage entrepreneurship, skills development, and civic awareness among youth – all crucial to overcoming the region's growing unemployment crisis and building a sustainable future. The following pages celebrate CIPE's years of partnership with the Lebanese Transparency Association, look forward to the future of reform with the Iraqi Businessmen Union, and provide regional highlights of the impact CIPE's work has had over the past year.

PARTNERS IN SUCCESS

LEBANESE TRANSPARENCY ASSOCIATION

Established in 1999 as the Lebanese chapter of Transparency International (TI), the Lebanese Transparency Association (LTA) is the first and leading Lebanese non-governmental organization that promotes good governance and curbing corruption, and it has gained international recognition for its work. LTA's primary objective is to bolster the rule of law by raising citizens' awareness of their rights, shedding light on corruption, improving legislation related to transparency, and empowering youth to embrace accountability.

With CIPE support, LTA has worked with representatives of the public sector, business leaders, and civil society activists to promote good governance principles. Toward this end, it has facilitated coalitions and task forces that use collective action to bring issues of corruption and transparency to public and government attention. LTA established the permanent Anti-Bribery Network that brings together public and private sector stakeholders to address issues of systemic corruption and bribery in Lebanon. It also conducts assessment surveys, holds transparency workshops and training courses, and produces guidelines for private and public actors to use in incorporating transparent action into their governance practices.

One of LTA's most remarkable successes was the first-ever Lebanese *Code of Corporate Governance*. The code was a hugely positive step toward the high level of transparency and good governance that is essential for Lebanese companies to compete successfully in increasingly global markets. To date, more than 15,000 copies of the code have been distributed in Lebanon and throughout the region, including thousands of business owners and members of professional associations spanning all sectors of the economy and many Lebanese companies are leading the way by adopting these principles. The widespread distribution has also served to increase awareness of the principles and benefits of corporate governance across the Middle East and North Africa.



AST & RICA



“...by drawing on its extensive experiences and valuable resources, CIPE helped enormously not only in raising awareness on issues related to good governance and democratic development, but also by supporting projects that seek to assist individual companies in Lebanon as they apply corporate governance principles.”

Badri El-Meouchi
Co-Executive Director,
Lebanese Transparency Association

Badri El-Meouchi, co-executive director of the Lebanese Transparency Association, speaks at the “Launch of the Lebanese Anti-Bribery Network” conference in October 2008.

2008 CIPE PROGRAMS AND PARTNERS IN THE MIDDLE EAST & NORTH AFRICA

DEMOCRATIC GOVERNANCE AND INSTITUTIONS

- Afghanistan:** Promoting Democratic Values
- Algeria:** Promoting Good Governance Practices in Algerian Businesses (Partner: Cercle d'Action et de Réflexion Autour de l'Entreprise)
- Egypt:** Combating Corruption and Promoting Transparency
- Egypt:** Integration of Liberal Economic and Political Policies
- Egypt:** Building Democratic Institutions for Economic Reform
- Iraq:** Building Constituencies for Reform
- Iraq:** Capacity Development for Provincial Investment Commissions in Iraq Project
- Jordan:** Engagement of Political Parties in Economic Reform (Partner: Al-Quds Center for Political Studies)
- Jordan:** Promoting Corporate Citizenship in Jordan (Partner: Al-Urdun Al-Jadid Research Center)
- Lebanon:** Anti-corruption Program in Lebanon (Partner: Lebanese Transparency Association)
- Lebanon:** Furtherance of Corporate Governance Codes in Lebanon (Partner: Lebanese Transparency Association)
- Lebanon:** Supporting Practitioners of Good Governance in the Financial Sector (Partner: Union of Arab Banks)
- Morocco:** Expanding Corporate Governance Awareness (Partner: Confédération Générale des Entreprises du Maroc)
- Palestinian Territories:** Establishing Governance Codes and Standards for the Private Sector (Partner: Center for Private Sector Development)
- Palestinian Territories:** Promoting Transparency, Accountability, and Business Ethics in the Palestinian Private Sector (Partner: Center for Private Sector Development)
- Palestinian Territories:** Strengthening Democratic Governance (Partner: Al-Mustakbal Foundation)
- Tunisia:** Advancing Good Governance Standards in the Private Sector (Partner: L'Institut Arabe des Chefs d'Entreprises)
- Tunisia:** Reinforcing Good Governance in the Tunisian Private Sector (Partner: L'Institut Arabe des Chefs d'Entreprise)
- Turkey:** Establishing Governance Guidelines for Business (Partner: Corporate Governance Association of Turkey)

PARTNERS IN SUCCESS IRAQI BUSINESSMEN UNION

In five years of receiving CIPE support, the Iraqi Businessmen Union (IBMU) has achieved impressive growth – starting as a business association with one branch and 600 members in 2004 and growing to 17 branches and more than 8,000 members today. CIPE grants, technical support, and capacity building have helped IBMU focus on best practices in business association governance, management, and strategic planning and implementation to create a financially and structurally sustainable association.

One of the most important elements of IBMU's success stems from its ability to bridge the sectarian divides and ethnic differences that were felt acutely after the onset of conflict in 2003. IBMU members, representing different religious and ethnic backgrounds, ranging from the northern Kurdistan region to the capital of Baghdad, have rallied together to advocate for productive and continued dialogue



IRAQ

between the public and private sectors as a means of creating an environment that nurtures democracy, economic competitiveness, and sustainability.

IBMU has also successfully advocated for private sector representation in Iraq's Provincial Investment Commissions (PICs), an initiative that has the potential to bring much-needed investment to Iraq's provinces. The Iraqi Government created the PICs in 2006 to encourage and regulate domestic and foreign investment. The essential private sector role in the PICs was originally overlooked, creating a gap between public and private sector priorities. Today, 15 IBMU representatives serve as members on the PICs in 9 out of Iraq's 18 provinces. A turning point in the organization's maturing process, the government's decision in 2008 to include the private sector on the PICs demonstrates that consistent grassroots advocacy over time can effect change in government perspectives, and will be essential as Iraq builds its economy in the coming years.

Highlights of IBMU's past successes include:

- The reversal of a Central Bank decree that would have increased loan interest rates to 22 percent, ensuring entrepreneurs have continued access to credit.
- Consistent and regular public-private dialogue between Iraqi Government officials (including the Ministry of Planning, the Ministry of Industry, and the Ministry of Foreign Affairs) and IBMU members to discuss the impact current and proposed regulations have or could have on Iraq's economic performance. Several IBMU leaders have been appointed to state commissions to further bridge the gap between the public and private sectors.

Representatives of the Provincial Investment Commissions take advantage of the opportunity to discuss private sector representation – an important reform for which IBMU ardently advocated.

AFGHANISTAN

ENGAGING STAKEHOLDERS IN DEVELOPMENT AND GROWTH

In 2008, CIPE worked with a broad spectrum of stakeholders in Afghanistan – from high school students to members of parliament – to help build institutions that give citizens a voice in their country’s development. CIPE expanded its *Tashabos* entrepreneurship education course for 10th- and 11th-grade boys and girls – with newly updated textbooks – to 13 new schools in rural areas outside of Kabul and in Bamyan and Parwan provinces. *Tashabos* provides instruction on the business skills these students need to participate in a market economy, skills students often take home to improve their family business or establish new ones.

CIPE’s new seminar series for members of parliament (MPs) helped policymakers increase their knowledge of democratic and market reform issues. CIPE is currently working with its partners and various MPs to select the most pressing policy issues, such as the country’s food shortage crisis, for further action. Lastly, CIPE has been actively building the capacity of Afghan business associations through regular seminars on membership development, association organization, non-dues income, marketing plans, and finance and budgeting. Association members previously unfamiliar with these subjects have expressed a new perspective on their role in promoting trade and policy change, and they have quickly implemented the newly learned strategies.



Members of Afghanistan’s National Assembly gather with CIPE staff to explore economic issues.

2008 CIPE PROGRAMS AND PARTNERS IN THE MIDDLE EAST & NORTH AFRICA

Turkey: Supporting Corporate Governance Practice in Turkey (Partner: Corporate Governance Association of Turkey)

Yemen: Economic Platform Building (Partner: Political Development Forum)

Regional: Fostering Cultures of Good Governance in Bahrain, Tunisia, and Yemen

Regional: Promoting Business Principles for Countering Bribery

Regional: Strengthening Civil Society Institutions to Improve Governance Practices

EMPOWERING PRIVATE SECTOR ORGANIZATIONS

Afghanistan: Institutionalizing the National Business Agenda

Algeria: Strengthening the Voice of Business

Lebanon: Strengthening the Private Sector Voice in Lebanon (Partner: Lebanese Center for Policy Studies)

Palestinian Territories: Evaluation and Advocacy for an Empowered Private Sector (Partner: Center for Private Sector Development)

Turkey: Fortifying Regional Development (Partner: Ekonomistler Platformu)

Turkey: Professional and Organizational Development for Business Associations (Partner: Ekonomistler Platformu)

Regional: Promoting Good Governance in Associations

IMPACT ON REFORM

- 6,956 new students, including 3,753 girls, began to learn business skills through the *Tashabos* program. The program now reaches a total of 9,518 current students.
- 84 percent of 10th-grade students and 81 percent of 11th-grade students in the *Tashabos* program scored 80 – 100 on final tests, up from pre-course surveys showing only 8 percent of 10th-graders and 3 percent of 11th-graders with this level of business knowledge.
- MPs are better prepared to analyze, develop, contribute to, and approve economic legislation. An MP from Herat, Abdul Salam Qazizda, said, “We really appreciate the efforts of CIPE [in] building MP’s capacity and understanding of economic matters... CIPE teaches us about free market economic matters, which will help MPs to learn more [about] economic issues.”
- The Union of Handicrafts and Traders of Afghanistan developed and implemented a new marketing strategy based on skills gained in CIPE seminars. The new skills allowed them to participate in agricultural trade fairs in Kabul and Mazar-e-Sharif and create an exhibit of products produced by members.

GROWING THE NEXT GENERATION OF BUSINESS LEADERS

Addressing a gap in Egypt's educational system, CIPE launched its *Efham* civic education course in 2008 for 300 students (and trained 80 teachers to deliver the program) in public schools in the southern city of Minia, in Port Said on the Suez Canal, and at Talaat Harb Public Library in Cairo. The *Efham* program teaches civic values and entrepreneurship to young Egyptians at the secondary school level. Named for a colloquial Arabic word for "understand" (as in *Get it?!*), *Efham* illuminates the connections between entrepreneurship and the freedoms, rights, and responsibilities of a citizen, drawing directly from the tenets of the Egyptian Constitution. The curriculum highlights the importance of ownership, credibility, and reliability as an entrepreneur. With the backing of the program's high-profile task force, which includes Chairman of the Education Committee of the National Democratic Party Hossam Badrawi, *Efham* is set to continue fostering Egypt's next generation of leaders.

EGYPT

IMPACT ON REFORM

- Pre- and post-course testing of students by CIPE shows that 63 percent of participants improved their level of understanding of entrepreneurship, democracy, and free market systems.
- Individual business owners have served as instructors for the program and have been influential with local education directorates and governors to promote the program, clearly indicating that *Efham* has been a catalyst for local businesses and civil society organizations in Egypt to take a more direct and active role in education in their communities.



Dr. Hossam Badrawi, head of the *Efham* task force, presents a certificate of recognition to Mohamed Shokry, a student from Port Said, for his successful completion of the *Efham* program.



GIVING A VOICE TO SMALL BUSINESS

The Federation of Economic Development Associations (FEDA) is an umbrella organization that represents more than 30,000 small and medium-sized enterprises (SMEs) in Egypt. FEDA has implemented successful grassroots policy advocacy to involve an unprecedented number of public and private stakeholders in what has traditionally been a closed-door policymaking process. With CIPE support and grassroots input from their membership, in 2008, FEDA identified and advocated against 132 Ministry of Industry and Trade regulatory decrees – dating back to Egypt’s old command economy – that were unfavorable to business in a market economy. As a result of FEDA’s advocacy efforts, 84 of these decrees were removed (below are just two examples of the impact this has had for Egyptian small business). Having identified problems with the current industrial law, FEDA drafted a new law in cooperation with their members, government, and other stakeholders, and advocated to put the law on the parliamentary docket, where it is now pending a vote.



Egyptian students read CIPE materials in Arabic about civic involvement and economic reform, such as the successful advocacy work of FEDA that helped to reform 84 regulatory decrees.

IMPACT ON REFORM

- New sources of inexpensive scrap metal were made available to more than 3,000 Egyptian foundries with the repeal of a Ministry of Industry and Trade decree that had prevented the import of scrap metal into Egypt.
- Manufacturing businesses in Egypt can now import used machining tools with the repeal of a Ministry of Industry and Trade decree that prevented the import of these tools. This reversal affects every manufacturing business that was in need of a new machine but could not afford brand new equipment. For example, machines to make nails had to be purchased from Egypt’s military industry for approximately \$537,000, but can now be imported for as little as \$18,000. The new regulations have lowered production costs for hundreds of SMEs at all points of the supply chain.

2008 CIPE PROGRAMS AND PARTNERS IN THE MIDDLE EAST & NORTH AFRICA

INFORMATION AND VALUES

Egypt: Combating Corruption and Promoting Transparency

Palestinian Territories: Shaping the Israeli-Palestinian Private Sector Dialogue (Partner: Israel-Palestine Center for Research and Information)

Yemen: Changing Perceptions on Corruption

Yemen: Creating Polling Competencies (Partner: Yemen Polling Center)

Yemen: Improving Access to Information in Yemen (Partner: Media Women Forum)

Gulf Regional: Foundations for Sustainable Growth

Regional: Advancing Democratic Reforms by Improving Access to Information

Regional: Improving the Quality of and Access to Information

ACCESS TO OPPORTUNITY

Algeria: Building Entrepreneurship and Civic Awareness among Youth (Partner: INJAZ Al-Arab)

Jordan: Public Policy Advocacy (Partner: Young Entrepreneurs Association)

Lebanon: Entrance to Enterprise (Partner: Development for People and Nature Association)

Lebanon: Fostering Free Enterprise in Youth (Partner: Development for People and Nature Association)

Palestinian Territories: Enabling Women Entrepreneurs in Civil Society (Partner: Business Women Forum)

Regional: Economic Freedom of the Arab World (Partner: International Research Foundation)

GRASSROOTS PARTICIPATION

Egypt: Empowering Egyptian Citizens to Engage in Public Policy and Fight Corruption

Egypt: Grassroots Empowerment and Participation in Policy Formulation (Partner: Federation of Economic Development Associations)

Egypt: Upgrading the National Business Agenda (Partner: Egyptian Junior Business Association)

ENGAGING CITIZENS IN ECONOMIC GROWTH

The Kurdistan Economic Development Organization (KEDO) has been active on many fronts in the Kurdistan region of Iraq to create a productive exchange between the public and private sectors and non-governmental organizations (NGOs), and specifically to involve young people in entrepreneurial activities. To commence this exchange, KEDO formed an advisory board that comprises public institutions and NGOs – a first in the Kurdistan region – to draft a law to promote and support small and medium-sized enterprises (SMEs). With the draft law in hand, KEDO spearheaded an effort to bring the directors general and consultants from six ministries to meet – a major milestone – and expand on the SME promotion law to address barriers for young entrepreneurs. As a result of this meeting, the Kurdistan Regional Ministry of Planning and Ministry of Agriculture are implementing three agricultural youth projects to reduce youth unemployment in various regions in Iraq. Additionally, the Kurdistan Regional Ministry of Youth has started establishing 30 “culture houses” in the Kurdistan region to build young people’s business management skills. KEDO’s success across the Kurdistan region has resulted in its selection by the United Nations Office for Project Services as a committee member to encourage entrepreneurship in the Kurdistan region and surrounding areas.

IMPACT ON REFORM

- Of the 714 participants in KEDO’s entrepreneurship trainings, 160 used their new skills to establish a business, and many others improved their existing businesses.
- The Ministry of Planning of the Kurdistan Region has established greenhouses for young agriculturalists to use for free as a way to encourage youth entrepreneurship. Young people using the greenhouses have already experienced greater access to central agricultural markets.
- KEDO’s advocacy resulted in a new committee of 13 government ministries to study and recommend solutions for problems facing youth entrepreneurship. The committee is addressing issues such as poverty, unemployment, illegal immigration, education, and democratic participation.
- There has been an increased reference to entrepreneurship in the Kurdish mass and print media. Entrepreneurship was a term and concept that was neither used nor understood prior to CIPE’s project with KEDO.
- President of Iraq Jalal Talabani has called for the creation of an entrepreneurship curriculum for universities in line with findings of a KEDO survey that highlighted the need for government and societal support of young entrepreneurs.

IMPACT ON REFORM

- Tunisia’s Finance Law of 2008 includes provisions for harmonizing taxation rules with accounting practices in order to promote fiscal transparency, and the law requires the *Cour des Comptes* (a type of public auditor) to guarantee transparency in public financial transactions.
- A 53 percent increase in media reporting on topics related to corporate governance such as fiscal transparency, tax regulations, accounting practices, and the role of an audit committee resulted from IACE’s work with journalists.
- Public agencies and corporate leaders such the Tunisian Stock Market Exchange, the Capital Markets Authority, and Attijari Bank place a higher value on corporate governance as a result of IACE’s work, and have asked IACE to train their staff members on corporate governance principles and identify mechanisms that can facilitate the implementation of corporate governance.

STRENGTHENING INSTITUTIONS THROUGH CORPORATE GOVERNANCE

In Tunisia, corporate governance has emerged as a way for business leaders to support the rule of law, lead efforts to combat corruption and bribery, and assist in creating a healthy and sustainable political and economic climate. In 2008, CIPE supported L’Institut Arabe des Chefs d’Entreprises (IACE) in developing the country’s first-ever *Guide for Corporate Governance Best Practices*. The guide gives concrete recommendations for family firms and company managers to optimize business sustainability through transparent and ethical standards on shareholders, management, and reporting. The guide was created after a year of intensive consultations with local stakeholders, ensuring buy-in from both the public and private sectors. The guide is uniquely Tunisian in that it accounts for the role of local entities as well as local regulations related to topics of corporate accountability, transparency, and ethics. With CIPE support, IACE’s broad-based efforts have led to greater public awareness of good governance practices as well as more productive public-private dialogue to strengthen compliance mechanisms and advance institutional reform.

JORDAN

CREATING POLITICAL PARTY PLATFORMS FOR ECONOMIC REFORM

With CIPE support, Al-Quds Center for Political Studies in Jordan has been engaging Jordanian political parties in economic reform by helping them build sound economic platforms as the basis for strong economic policy. With the establishment of the *Policy Forum* – a group of representatives from each of Jordan’s 14 political parties, parliamentarians, businesspeople, academics, and civil society leaders – Al-Quds Center has fostered debate, interaction, and consultation between diverse stakeholders. In 2008, Al-Quds Center held a series of workshops to assist Jordanian political parties in formulating economic agendas, the first time these parties shared their platforms across political lines. After participating in the Al-Quds Center workshops, even parties of socialist origins have reported back that they are more amenable to market-based policy solutions. All parties that now have economic agendas are publicizing this content on radio stations and on the parties’ respective websites, allowing the parties to solicit feedback from constituents.



Members of Jordanian political parties present their economic reform agendas, many for the first time.

IMPACT ON REFORM

- For the first time, six political parties (the Arab Islamic Democratic Movement, the Islamic Centrist Party, the Mission Party, the Life Party, the Unified Jordanian Front Party, and the Progressive Arab Baath Party) developed socioeconomic platforms and established socioeconomic departments, and six more parties strengthened the platforms they already had in place as a result of Al-Quds Center workshops.
 - The Islamic Action Front party says, “We benefited from the expertise of economists hired by the Center ...particularly with regards to how to build economic platforms. The trainings/workshops were useful and rich experiences.”
- Eight parties took the initiative, for the first time, to independently hold meetings to present and discuss their economic agendas with CSOs, the private sector, academia, and the public subsequent to Al-Quds Center workshops.
- Al-Quds Center and the Social Security Corporation worked together to draft an amendment to Jordan’s social security law to protect and guarantee women workers’ rights to equal social security benefits, which was then submitted to Parliament.
- Five political parties now regularly hold economic and political training sessions for their members to maintain and share the skills acquired through the workshops hosted by Al-Quds Center.