

Tools for Transparency and Good Governance: “Corporate Governance & Access to Information”

Tuesday, May 26th, 2009

Phoenicia Intercontinental Hotel

On May 26th 2009, the Lebanese Transparency Association (LTA), in cooperation with the International Finance Corporation (IFC), the Center for International Private Enterprise (CIPE) and the American Bar Association (ABA), held a conference on the “Tools for Transparency and Good Governance: Corporate Governance & Access to Information.” The focus of this day-long session was to build a working relationship between the private sector and the access to information draft law initiative being done by the National Network for the Right to Access Information.

The panelists were organized into three sessions. The first session consisted of opening remarks setting the background and importance of Access to Information (A2I) in the Lebanese context, while the second was an interactive session with presentations from practitioners from the field and representatives from the private sector. The final panel focused on practical applications of A2I and addressed potential obstacles in implementing the draft law.

I. Opening Remarks

Panelists: Mr. Fadi Saab, *Secretary General, LTA*, Mr. Gerard Zovighian, *Vice-President, LTA; Chairman, LCGTF*, Dr. Aleksandr Shkolnikov, *Senior Program Officer, Center for International Private Enterprise (CIPE)*, Mr. Tom Jacobs, *Lebanon Country Officer, International Finance Corporation (IFC)*, Dr. Fadi Khalaf, *President, Beirut Stock Exchange*, H.E. Dr. Mohamad Chatah, *Minister of Finance – Lebanon*

Access to Information was introduced as a crucial element in all efforts to reduce corruption and enhance transparency and accountability. It establishes trust between citizens and governments and entails openness in conducting public affairs. Increased levels of transparency and accountability can lead to increased confidence in the business sector.

Corporate Governance and A2I can help democratic progress; but an environment for the laws and a capacity to implement them still trail behind the progress made on the draft law. As H.E. Dr. Mohamad Chatah pointed, there is a “non-acceptance” within Lebanese society that corruption exists. He asserted that “collectively we are less likely to fail” but “individuals cannot translate gains as a national benefit.”

The panel agreed that there is a need for information on laws and decrees to be easily available. A2I would be useful for bringing Lebanon up to speed with international markets and locally through creating a culture of citizens’ awareness.

II. Interactive Session and Presentations

Roundtable: *Building Private Sector Support for Corporate Governance and Access to Information* – Mr. Camille Menassa, *President RDCL*, Mr. Rafic Zantout, *President, Lebanese Economic forum*, Me. Farid el Khoury, *Law Office of Farid H. El Khoury, Board member of the Beirut Bar Association*, Dr. Fadi Khalaf, *President, Beirut Stock Exchange*, Dr. Mowafak El Yaffi, *Association of Certified Accountants Auditors*
Presentations: CG Reference Guidebook for FOEs: Mr. Badri El Meouchi, *Executive Director, LTA*, Importance of A2I: Ms. Gaelle Kibranian, *Program’s Director, LTA; on behalf of the National Network for the Right of Access to Information*

This session kicked off with roundtable discussions where panelists asserted that better measures on A2I will make for a stronger investment climate. With experienced members from local unions and associations the importance of disseminating information to investors was stressed as a priority. It was suggested that making government information available by official gazette and online is not enough, as it would require an initiative that most are unwilling to take. A suggestion was put forward to invest more in media outlets to get companies to begin to understand how they can use government information to their advantage.

During the questions and answer session comments were made that the law needed to be adopted first before we are able to expect the culture of disinformation to improve. Without proper legislation in place, it would be difficult to expect the public sector to provide credible information, as it has a reputation of being corrupt. Additional comments proposed to unify the glossary of language specific to “good governance.” This definition should clearly state the importance of A2I.

The benefits of A2I were outlined suggesting that the generation of key information and data would make business more profitable. The availability of quality Government information would help businesses to plan their strategies and minimize their risks in a more predictable manner. Legal provisions would also enhance investor confidence, providing investment security and regulatory discipline. The private sector would also gain from the reductions of barriers of entry into the market, serving to increase fair competition over governmental bids and contracts.

Finally, the roundtable participants were asked how they could help the lobbying efforts of the Network. Dr. Mowafak El Yaff encouraged organizing different conferences, but importantly, suggested to make them accessible to the public (not only for leading representatives of the private sector). Dr. Fadi Khalaf said that the Beirut Stock Exchange investors can apply pressure on stakeholders to pass and apply the laws. Mr. Camille Menassa asserted it was not enough to invite companies to come a conference such as this one, and that a concerted effort was needed to try to visit companies and organize more target specific seminars. Me. Farid el Khoury said he was proud to be a part of lobbying efforts and supported any further projects, as would the Beirut Bar Association which he represents. Finally, Dr. Mowafak El Yaffi said he would help lobby for A2I legislation with banks and insurance companies that he is contact with.

To conclude, the private sector representatives sitting at the roundtable, as well as participants in the audience, were supportive of the Network’s activities, and these private sector actors have also expressed their willingness to help the Network in the Lobbying process.

III. Practical Application

Panelists: Moderated by Me. Aline Matta, *Program Director - Lebanon, American Bar Association (ABA) Rule of Law Initiative*. **Speakers:** HE. Jihad Azour, *Vice President and Senior Advisor, Booz & Co, A2I as a Tool for Transparency in the Public Sector*; Dr. Kamal Shehadi, *LTA board member, Chairman of TRA, Improving Regulation through Transparency: TRA's Consultation and A2I*; Nassib Ghobril, *LTA board member, Head of Research at Byblos Bank, Access to Finance & Governance and A2I in Lebanon*; Me. Mohamed Alem, *Managing Partner, Alem and Associates, CG Guidelines for Listed Companies*:

The final panel included a diverse group of speakers who have had experience trying to implement A2I measures within the private sector. It was emphasized that transparency and A2I legislation are tools - and not the final end result to achieving good governance. Some obstacles toward using this tool were pointed out during this session and include:

- a. Credibility – government information still lacks credibility as popular distrust has yet to be remedied.
- b. Accessibility – with a large portion of the society without internet access and high levels of illiteracy in some regions of Lebanon, information would need to be made available not just for elite circles, but the public at large.
- c. Regularity – government information would need to be provided regularly for the private sector to be able to benefit from it.
- d. Institutional Capacity – the government would need to build the capacity of civil servants to ensure quality control and consistency in providing information to both the private and public sector.
- e. Political Intervention – With information continuing to be monopolized by the political elite, it continues to be used as a political weapon. A2I would need to become completely independent from political influence and the law would need to specify that any available information is completely segmented from any political power.

Me. Aline Matta brought the conference to a close by thanking the panelists and reminding the attendees to continue their efforts to advance A2I legislation within their respective institutions. She pointed to the work of the Network and confirmed that focus group findings overwhelmingly stated that past initiatives to combat corruption were political and asserted that this should not be the case in this initiative. The Network believes that through the implementation of a new A2I law a significant step towards combating corruption will be taken and the overall environment for businesses within the private sector will improve.