



Update on Key Activities Eurasia July – September 2009

OF SPECIAL NOTE

Russia – On July 6-7, CIPE Chairman Gregori Lebedev, Executive Director John D. Sullivan, Regional Director for Eurasia and South Asia Andrew Wilson, and Director for Policy Reform Aleksandr Shkolnikov took part in two events held in conjunction with the Moscow Summit between Presidents Barack Obama and Dmitri Medvedev. CIPE and its partner OPORA (the Union of Business Associations of Russia) convened the Russia-U.S. Joint Working Group on Investment and Institutional Integrity to develop recommendations on improving the business climate in Russia. On July 6, the group met in Moscow to finalize its report; and on July 7, Elena Panfilova, head of Transparency International-Russia and a group member, presented these findings to President Obama at a Civil Society summit. Also on July 7, Lebedev and Sullivan took part in a business-to-business forum attended by both presidents.

NEW PROJECTS

The following projects were approved in September 2009:

- **Ukraine, International Institute of Business**
The Corporate Governance Center at the International Institute of Business (IIB) will work to improve corporate governance among Ukrainian small and medium-sized enterprises (SMEs), and to increase dialogue in Ukraine on corporate governance. CIPE and the IIB will provide Ukrainian entrepreneurs with the knowledge and skills to adapt to a changing regulatory environment for SMEs, and to advocate for improvements in the laws pertaining to corporate governance.
- **Kazakhstan, NGO “Shanyrak”**
CIPE and NGO “Shanyrak” will use a high-profile case of shanty town settlement on the outskirts of Almaty to illustrate problems resulting from informal business activity and weak property rights. CIPE will support the local NGO “Shanyrak” in conducting a study of informal entrepreneurship and advocating legislative changes to improve the legal environment.
- **Kyrgyzstan, Bishkek Business Club**
The Bishkek Business Club (BBC) will work to enhance business community participation in policymaking by strengthening the organizational and advocacy skills of Kyrgyz business associations. CIPE will conduct an association capacity-strengthening seminar with members of the BBC-led business coalition National Alliance of Business Associations. CIPE will work with BBC to establish a stronger reform-oriented national advocacy agenda and advance business participation in policymaking through a public-private dialogue on leading pro-reform legislation.

COUNTRY UPDATES

Belarus – The Minsk Union of Entrepreneurs and Employers played a formative role in organizing a successful opposition to a governmental decree, Resolution #99. The decree would have forced businesses to purchase goods from only manufacturers and authorized dealers, rendering all wholesalers and distributors illegal, while not establishing an alternative for businesses to acquire goods. This decree would have threatened the livelihood of up to 40 percent of Belarus’ small and medium-sized enterprises. Overwhelming opposition from the business community ultimately led to a repeal of the decree.

Kyrgyzstan - On September 9, an advocacy campaign launched by the National Alliance of Business Associations (NABA) resulted in the President of Kyrgyzstan's veto of the Parliament's Law on Tourism. According to NABA, this law was unconstitutional and anti-democratic. The law was adopted by the Jogorku Kenesh (Parliament) in early Spring 2009 behind closed doors, with no public discourse, and without the mandatory Regulatory Impact Analysis with stakeholder involvement.

Kyrgyzstan - The Bishkek Business Club (BBC) and NABA held a roundtable in Osh, Kyrgyzstan for 24 representatives of local human rights non-governmental organizations. CIPE partner Dmitry Lyapin of the Kiev, Ukraine-based Institute for Liberty and Property, traveled to Osh to co-present with BBC and NABA on the business community's best advocacy practices and lessons learned both from local and international experiences. The purpose of this one-day roundtable was to share the business community's successful strategies, and to build bridges between the private sector and the wider civil society in Kyrgyzstan to advocate for democratic reform.

Russia - On July 9, in Astrakhan, Sergei Leonov, director of the legal department of the Saratov Chamber of Commerce and Industry (CCI), led a seminar for legal specialists at the Astrakhan CCI to teach a methodology for analyzing laws for their potential to generate corruption. In the course of the seminar, Leonov also provided information on a new initiative of the Saratov CCI: a method to analyze the effectiveness of regional-level implementation of federal laws related to business and corruption.

Russia - On July 31, the Saratov CCI was officially accredited by the Saratov Region branch of the Russian Ministry of Justice to carry out anti-corruption expert analysis of draft legislation. This procedure will allow outside experts to evaluate the potential of draft laws to generate opportunities for corruption and then propose changes to these laws. CIPE partners, including the Saratov CCI, have been at the forefront of developing, and advocating for the official recognition of such a system for expert review.

Turkmenistan - On August 15, the national Mejlis (Parliament) adopted the Law on Government Support of small and medium-sized enterprises (SMEs) incorporating the majority of recommendations proposed by CIPE's partner the Union of Economists (UoE). The new law is expected to raise substantially the private sector's share of GDP, from the current estimate of 30-40 percent to a potential 70 percent by 2020. The law removes a series of bureaucratic barriers to SMEs and includes provisions to facilitate credit, speed business registration, and reduce the frequency of inspections. UoE expects that tens of thousands of jobs will be created as a result of this law in Turkmenistan, where unemployment may be as high as 70 percent according to the UNDP.

Ukraine - On July 1, the Property and Freedom Institute (PFI) held a roundtable in Kyiv, called "Ukraine's Implementation of its WTO Obligations: One Year after Joining." Organized together with the Parliamentary Committee on Industrial and Regulatory Policy and Entrepreneurship, the event brought together over 80 representatives of business associations; local experts on trade policy and WTO rules; members of Parliament; and government officials. The discussion focused on the obligation to join the Agreement on Government Procurement, and necessary changes to laws on technical regulations and food safety.

Ukraine - PFI prepared a brochure on "Implementation of Ukraine's WTO Obligations," on the basis of the July 1 roundtable. The brochure includes roundtable transcripts and participants' recommendations to Parliament, the Cabinet of Ministers, and the business community, and an analysis of Ukraine's various WTO obligations, with implementation status and timeline.

UPCOMING EVENTS

October 19-22, Vladikavkaz, Russia - Training program on association management, communications, and advocacy for heads of chambers and associations from the North Caucasus region (CIPE Russia).

October 23, Moscow, Russia - Roundtable on company anti-corruption compliance (CIPE Russia and the Russian Institute of Directors).

October 23, Kharkiv, Ukraine - Advocacy training program for business associations on implementation of Ukraine's WTO commitments, (Property and Freedom Institute).

October 26-27, Lviv, Ukraine - National Endowment for Democracy conference marking the 20th anniversary of fall of Berlin Wall (CIPE, INDEM (Russia), Property and Freedom Institute and the Lithuanian Free Market Institute will run a panel discussion on economic reforms)

October 26-31, St. Petersburg, Russia – Management and communications training seminar for association leaders (International Institute for Organization Management).

November 10-12, Novorossiysk, Russia – Seminar for associations from Krasnodar and Volgograd on internal communications for membership development (Novorossiysk Chamber of Commerce and Industry).

November 16-18, Kyiv, Ukraine – CIPE Regional Conference marking 20th anniversary of fall of Berlin Wall; two-day conference followed by a training workshop for Ukrainian business associations on business-led anticorruption strategies.

November 20, Donetsk, Ukraine – Advocacy training program for business associations on implementation of Ukraine’s WTO commitments (Property and Freedom Institute).

November 24-26, Bishkek, Kyrgyzstan – Three-day seminar on improving the advocacy skills and strengthening the financial stability of business associations (Bishkek Business Association).

November 26-27, Saratov, Russia - Seminar for associations on internal communications for membership development (Novorossiysk Chamber of Commerce and Industry).

For more information, please contact

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