



CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

Weekly Update for July 25, 2008

HIGHLIGHTS

CIPE is pleased to announce the release of the Summer 2008 edition of the *Overseas Report* newsletter. This issue highlights CIPE Afghanistan's exciting new economic education program with Afghan MPs; Russian President Medvedev's decree that will eliminate a number of barriers to doing business in Russia, a direct result of CIPE partners' advocacy at the national level; CIPE Pakistan's new voluntary corporate governance guide for family-owned firms, a first in Asia; and the World Bank Institute's new guide and companion web portal for combating corruption. Read these exciting stories and more at www.cipe.org/publications/overseas/pdf/OR_37.pdf

Russia – The Society for the Development of Entrepreneurship Initiatives, one of the members of the Perm Regional Coalition of Business Associations, ran a local cartoon contest to solicit designs for original anti-corruption souvenirs. The contest, designed to raise public awareness of the need for policy reform to fight corruption, was held under the Coalition's "Regional Anti-corruption Business Agenda," part of a project developed and implemented with the support of a CIPE small grant to the Perm Chamber of Commerce and Industry, the lead partner in the Perm coalition. The Perm coalition is one of the 17 regional coalitions formed in 2003 and supported under CIPE's USAID-funded "SME Police Advocacy" project. The winning entry, a coffee mug depicting Russia's traditional hand sign for "you'll get nothing," will be presented to entrepreneurs, local officials, and other participants at the coalition's events.

GLOBAL/KNOWLEDGE MANAGEMENT

A new *Economic Reform Feature Service* article was posted on CIPE's website and sent out by listserv. "Addressing Problems That Tear Families Apart: Why Good Governance Matters for Family Firms," by A. Razak Dawood, Chair of the Pakistani Business Council, makes the case that good governance structures are crucial for the survival of family-owned businesses, as well as the families who run them. Download the article at www.cipe.org/publications/fs/pdf/072408.pdf.

A new video has been added on CIPE's **YouTube** channel at www.youtube.com/cipeforum. CIPE interviewed Igor Munteanu, executive director of the Institute for Development and Social Initiatives (IDSI Viitorul) in Moldova. His organization has been working with CIPE on creating a National Business Agenda (NBA), the first such document to be drafted by the Moldovan private sector. Developing an agenda mobilizes the business community to effect public policy reform by setting legislative and regulatory priorities and clearly communicating them to policymakers. NBAs identify laws and regulations that hinder business activity and offer concrete recommendations and reforms to remove these barriers and improve the business climate. For more information, see CIPE's National Business Agenda Guidebook: www.cipe.org/publications/papers/pdf/NBAGuidebook.pdf

AFRICA

Ghana – While in Accra for CIPE’s first Africa Partners Roundtable, CIPE Africa staff, together with Executive Director John D. Sullivan and board member and CIPE founder Michael Samuels, met with CIPE partners based in Accra. In a meeting with Dr. Osei Boeh-Ocansey and Moses Agyeman of the Private Enterprise Foundation (PEF), PEF discussed the impact it has had on business legislation in the country through reviewing laws and making policy recommendations to government. Bills that have improved through PEF input include the Insolvency Act, Corporate Bodies Act, and Companies Code. CIPE is working with PEF to share its successes with other private sector organizations in Africa. CIPE is currently supporting PEF to strengthen advocacy among farmer-based organizations in northern Ghana.

Nigeria – President of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) Dr I. I. Adaji met with leaders of the Manufacturers Association of Nigeria and the Nigeria Employers Consultative Association to finalize recommendations for the Nigerian Electoral Reforms Committee. The three associations together form the Organized Private Sector (OPS), which advises the Nigerian government on private sector policy priorities and recommendations. The recommendations from OPS include the following: OPS should train and deploy its members to monitor elections and issue independent reports, OPS should mobilize its members to make input in constitution review, OPS should be able to sponsor candidates for elections. CIPE is supporting NACCIMA to publish a monthly legislative alert that informs its members of policy issues to channel member input into advocacy efforts with government officials.

ASIA

Indonesia – Indonesia Business Links conducted a radio program on corporate citizenship in conjunction with SmartFM, and was an interview with the CEO of Gigoko (an IBL Corporate Partner). IBL conducted similar interviews with the DNet and DHL on July 22 and July 24, respectively. The interviews will be broadcast throughout Indonesia.

Philippines – On July 19, the Institute for Solidarity in Asia (ISA) briefed the Mayor of Baguio City on the Governance Pathway and the reforms needed to access the capital market. Baguio is being considered as one of nine cities that can comprise the sixth batch of Public Governance System (PGS) cities whose initiation begins in August 2008.

Philippines – On July 19, the Multi-Sectoral Governance Council of San Fernando Pampanga staged a Solidarity Forum, in which the city’s mayor reported on the City Scorecard. The report was compiled for inclusion in the mayor’s *State of the City* address. This mechanism was introduced in the city in its effort to institutionalize the Public Governance System (PGS).

Philippines – The Institute of Corporate Directors (ICD) held a successful governance retreat for Global Business Power Corporations. The retreat included short lectures and a working session on a scorecard based on International Corporate Governance Network guidelines, hands-on exercises for participants to create and test their own charter statement and corporate strategy map, and a discussion of the governance pyramid.

Philippines – On July 25, ICD held a working session with the monetary board of the Central Bank of the Philippines. The session addressed the results of the 2007 Corporate Governance Scorecard project with respect to banks, the latest guidelines from ICGN and the OECD, and the different stages of the corporate governance improvement pathway.

CENTRAL AND EASTERN EUROPE

Moldova – On July 17, CIPE partner the Institute for Development and Social Initiatives (IDSI) held a meeting of its project Steering Committee to discuss the first draft of the National Business Agenda. The Steering Committee is composed of leaders from business associations such as the National Employers Confederation, the National Producers Association, and the Union of Winemakers.

EURASIA

Kazakhstan – The Kazakhstan Forum of Entrepreneurs held a well-attended press conference in the capital city of Astana on July 24 to present its findings in a recent business survey, which indicated that 67 percent of tax inspectors do not provide proper identification, impose a fine on the businesses on the spot (64 percent) and blatantly extort bribes (58 percent). The forum's Executive Director Munavara Paltasheva also revealed that, according to the forum's assessments, that the "single window" principle is not implemented outside the city of Almaty. The story was covered on Interfax-Kazakhstan www.interfax.kz/?lang=eng&int_id=10&function=view&news_id=1992.

LATIN AMERICA AND THE CARIBBEAN

Colombia – CIPE partner Confecámaras held its first training program for consultants in corporate governance. Nearly 50 professionals from six cities throughout Colombia attended the training session, which focused on corporate social responsibility.

Colombia – CIPE partners the Political Science Institute (ICP) and Fedesarrollo held their second joint legislative debate on the topic of financial reform in Colombia. The main speaker at the event was Guillermo Perry of Fedesarrollo, and *Perspectiva* magazine was distributed to the 40 people in attendance.

Ecuador – Joffre Campaña was a guest on the Ecuadorian Institute of Political Economy (IEEP)'s weekly radio program, *Contrapunto Liberal*, discussing the recently released Constitution written by the Constitutional Assembly.

Nicaragua – COSEP's board of directors met with representatives from Nicaragua's microfinance association (ASOMIF) to discuss the impact of President Ortega's call for producers to stop repaying their loans from microfinance institutions. ASOMIF's representatives explained that a 70 percent reduction of microcredits in the agriculture sector would have a serious impact on food prices and the economy. COSEP issued a press release in support of ASOMIF, asking the government to stop its negative campaign against microfinance institutions, urging the two sides to work together in drafting new legislation.

Nicaragua – Eduardo Montealegre, candidate for Mayor of Managua, was the featured guest on COSEP’s radio program. Mr. Montealegre explained how the issuance of government bonds helped protect the savings many Nicaraguans had lost in banks that had gone bankrupt.

Washington, D.C. – Martin A. Friedl, CIPE program officer for Latin America and the Caribbean, spoke about the state of entrepreneurship and market reforms in the region at a conference on “The Entrepreneurial Spirit in Latin America and its Enemies” in Washington, D.C. The Spanish-language event was organized by the The Fund for American Studies and the Hispanic American Center for Economic Research (HACER). Other speakers at the event were Neri Salinas, founder of Foundation El Bosque and former representative of Loreto, Peru, and Eneas Biglione, Executive Director of HACER. About 15 people attended the event.

MIDDLE EAST/NORTH AFRICA

Iraq – CIPE and the United States Institute of Peace (USIP) co-sponsored a training program on “Monitoring and Evaluation” from July 20-24 in Arbil. Over 28 participants, including CIPE and USIP partners, attended the event. A total of eight CIPE partners, including executive directors and board directors of think tanks and business associations from across Iraq, participated. During the training, participants attended intensive theoretical and interactive sessions and were exposed to project monitoring and evaluation, association governance, and reporting.

Palestinian Territories – As part of the program “Shaping the Israeli-Palestinian Private Sector Dialogue,” the Israel/Palestine Center for Research and Information (IPCRI) is making significant progress in completing their business guides, which will identify obstacles to inter-territory commerce and provide a political foundation for advocacy. Extensive research for the movement and access sections of the guide was conducted over the last few weeks, and several meetings with officials in the Civil Administration and the Ministry of Defense were held. Moreover, in preparation for the Israeli-Palestinian Business Development Forum’s (the precursor to IPCRI’s greater goal of establishing a bilateral Israeli-Palestinian chamber of commerce) upcoming seminar, IPCRI has interviewed and engaged a number of cross-boundary businesses who have expressed enthusiasm about the prospect of a bilateral chamber of commerce.

Palestinian Territories – As part of the program “Promoting Transparency, Accountability, and Business Ethics in the Palestinian Private Sector,” the Center for Private Sector Development (CPSD) held a workshop in Ramallah on modernizing governance in commercial banks as part of its “Transparency and Accountability” educational and advocacy series. A primary focus of the workshop was on lending policies, particularly on how to move away from the commonplace collateral-based lending policies that result in very low credit-to-deposits ratios (around 25 percent, nearly one third of what is common in neighboring countries). The consequence is that the bulk of deposits into local banks (around \$6 billion) is being siphoned off for investment abroad.

SOUTH ASIA

Afghanistan – CIPE staff met with Sediq Ahmad Usmani, Chairman of the National Assembly’s Finance and Budget committee. Mr. Usmani expressed his appreciation for CIPE’s economics training program for parliamentarians. Continued support to specific economics-related committees was discussed.

Pakistan – Pakistan’s Director General for Trade Organizations issued the first license to the Southern Punjab Women Chamber of Commerce and Industry. CIPE has been working extensively to support women’s groups in working with the government. Over the next year, CIPE plans to work extensively with women chambers of commerce throughout Pakistan to build their capacity to serve their members.

Pakistan – CIPE Pakistan’s Project Advisory Committee met to discuss CIPE’s work over the last quarter and strategic and security issues concerning CIPE programs. The committee also took steps towards selecting organizations to be awarded small grants, based on a previously issued request for applications. Grants will be used to chambers of commerce and business associations to develop new capacities and increase value to members.

The CIPE calendar is online at www.cipe.org/calendar.

Have questions about CIPE events? Contact Caroline Scullin by e-mail (cscullin@cipe.org) or phone (202-721-9200)