

years of strengthening democracy through market-oriented reform



2008 ANNUAL REPORT

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE



An Affiliate of the U.S. Chamber of Commerce



The Center for International Private Enterprise (CIPE) strengthens democracy around the globe through private enterprise and market-oriented reform. CIPE is one of the four core institutes of the National Endowment for Democracy and a non-profit affiliate of the U.S. Chamber of Commerce. For 25 years, CIPE has worked with business leaders, policymakers, and journalists to build the civic institutions vital to a democratic society. CIPE's key program areas include anti-corruption, advocacy, business associations, corporate governance, democratic governance, access to information, the informal sector and property rights, and women and youth. CIPE programs are supported by the National Endowment for Democracy, the U.S. Agency for International Development, the Middle East Partnership Initiative, and the U.S. Embassy in Iraq Office for Private Sector Development.

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CHAIRMAN'S AND PRESIDENT'S MESSAGE

The ongoing worldwide economic crisis has brought a renewed interest in the DNA of a free market – transparency, accountability, and fairness. For the past 25 years, CIPE has championed these operating principles of private enterprise and democratic governance.

How markets work – or fail to work – should not be confused with the validity of the market system. The full range of actors in the financial world, from governments and banks to entrepreneurs and legislators, is re-examining the appropriate balance of market regulation and market self-correction: what changes preserve opportunity while maintaining safeguards for market participants?

The answer, of course, is in strengthening economic freedoms and democratic participation in policymaking. Around the world, autocratic governments may see this time of crisis as an opportunity to restrict freedoms, silence voices of democracy, and take back control of markets that have been opened and privatized. In response, we must promote the role of the private sector in countries across the globe, for it is their voice that will best inform governments and citizens and guarantee the creation of relevant solutions to market problems. The business community can play a large part in stabilizing the world economy by instituting good governance practices, committing to transparency, and expanding opportunities for women and young people.

At this time of heightened expectations, CIPE's approach – which focuses on the nexus of democratic and economic reform – is as valid and important as it was when CIPE was established a quarter of a century ago. To have a sustainable economic system and ensure



Gregori Lebedev

CIPE Chairman of the Board,
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Thomas J. Donohue

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opportunities for long-term growth, countries must build market-oriented, democratic institutions. It is the best path forward, and it is absolutely essential that local stakeholders take the leading role in this process.

From its founding, CIPE has partnered with business associations, think tanks, journalists, academics, and a variety of private sector groups in countries where there is both a need and opportunity for market reform. CIPE brings international best practices, lessons learned, unique intellectual resources, and successful methodologies from across the world to its partner network. CIPE's engagement at the local level encourages local ownership and responsibility – ensuring that our work is relevant to those who will ultimately benefit from it. Mindful of today's global economic crisis, it is crucial that we continue to support reformers everywhere so they may raise their voices to make the case for free market democracy.

With the ongoing support of the National Endowment for Democracy, the United States Agency for International Development, the Middle East Partnership Initiative, the U.S. Embassy in Iraq Office for Private Sector Development, the U.S. Chamber of Commerce, and others, CIPE and its partners remain committed to building free market institutions that provide opportunities for sustainable growth and development around the world. On the occasion of CIPE's 25th anniversary, we are pleased to present this celebration of more than two decades of successful partnerships and report on the hard work and accomplishments of our partners throughout the world in 2008.

COME

PARTNER MESSAGE

Twenty-five years ago, I came to Washington, D.C., seeking support for the work of the Institute for Liberty and Democracy (ILD) in Peru, an organization I had recently founded. A colleague in Washington, who was aware of the newly created National Endowment for Democracy (NED) and the mission of its core institute the Center for International Private Enterprise (CIPE), suggested that I contact CIPE as there seemed to be a certain harmony between our goals. When I walked through CIPE's doors and began speaking with CIPE staff, I immediately saw that it was different from the other "development organizations" with which we had been speaking.

Many of these organizations were simply not able to grasp the different nature of what ILD was proposing to address – at that time, ILD was just coming to understand that the informal economy comprised a huge segment of economic activity in Peru. Yet, these entrepreneurs struggled to break out of poverty due to a lack of access to capital and a business environment that did not facilitate new enterprises. CIPE understood why we were working with the informal economy, because even at its founding, CIPE was in touch with the emerging-market perspective, and offered its skills and long-term vision for creating democratic, market-oriented solutions. This value added by CIPE – an approach and staff imbued with the perspectives of history, culture, politics, and of course economics – was invaluable to ILD's growth and success.

Moreover, CIPE worked hard to establish a two-way relationship with ILD. Our mutually beneficial relationship continues today based not on funding, but rather on shared values and goals. This partnership approach is grounded in listening to local stakeholders and understanding the perspectives of both emerging and developed markets. In this position, CIPE acts as an interpreter, facilitating communication between its local partners around the world and governments and international institutions. CIPE is able to share both lessons learned and international best practices with its partners to help them craft innovative programs that address the root causes of poverty and unrepresentative government.

I am honored to be a part of CIPE's 25th anniversary celebration, as I believe that CIPE continues to play an essential role in creating a better world. From my perspective as the co-chair of the independent Commission on Legal Empowerment of the Poor housed in the United Nations, I view CIPE's long-term perspective as key to overcoming the current global economic crisis. As CIPE continues to educate, inspire, and empower citizens around the globe to take

an active role in building their economies and strengthening democratic governance, I am pleased to continue to stand with CIPE as it furthers its mission "to strengthen democracy through private enterprise and market-oriented economies."



Hernando de Soto
President
Institute for Liberty and Democracy

CELEBRATING 25 YEARS OF STRENGTHENING DEMOCRACY THROUGH MARKET-ORIENTED REFORM

After 25 years of strengthening democracy through market-oriented reform, this report celebrates CIPE's partnership approach that has been the foundation for its success. Each regional section features an established CIPE partner and looks to the future of reform by profiling an emerging program set to influence change in the coming years. By engaging citizens, influencing public opinion, and fostering open debate, CIPE and its partners have achieved remarkable success in 2008.

CIPE supported more than 170 programs in 2008. This report highlights some of the exceptional impact of these initiatives.

Africa

For the first time in **Ghana**, political parties strictly adhered to the country's campaign code of conduct. The code helped ensure peaceful elections in 2008.

Asia

Pakistan registered its first two women's chambers of commerce, a concrete step forward after a new law made it possible for women to independently form chambers of commerce and advocate *their* interests before *their* government.

Central and Eastern Europe

Responding to business community advocacy, a new 9 percent flat income tax rate has made **Montenegro** more attractive to investors.

Eurasia

Azerbaijan's new, single-window business registration system has simplified procedures for registering new businesses, resulting in a 30 percent increase in registered businesses in the first six months of 2008.

Latin America and the Caribbean

In response to business community advocacy, **Guatemala's** tax on land transfers and other fixed assets was reduced from 12 percent to 3 percent.

Property rights in coastal areas were strengthened in **Nicaragua** with amendments to the Water Draft Law, crucial to continuing the development of Nicaragua's tourism sector.

Middle East and North Africa

Tunisia's new Finance Law of 2008 has harmonized taxation rules with accounting practices, strengthening transparency across the country.

For the first time, six political parties in **Jordan** developed socioeconomic platforms and established socioeconomic departments to better respond to citizen needs.

Global Programs and Knowledge Management

Advancing understanding of democratic and economic reform and their connections, over 450 users from 93 countries registered with CIPE's new online **development curriculum** in its first quarter of operation.

CIPE MISSION

To strengthen democracy through private enterprise and market-oriented reform.

CIPE OBJECTIVES

- Foster institutions necessary to establish and sustain market-oriented democracies.
- Increase private sector participation in the democratic process.
- Increase support for and understanding of the freedoms, rights, and responsibilities essential to market-oriented democracies among government officials, businesspeople, media, and the public.
- Improve governance through transparency and accountability in the public and private sectors.
- Strengthen freedom of association and private, voluntary business organizations.
- Promote an entrepreneurial culture and understanding of how markets work.
- Expand access to information necessary for sound entrepreneurial and policy decisions.

CIPE PROGRAM THEMES

Democratic Governance and Institutions: The key to building successful market-oriented democracies is democratic governance, which comprises the traditions, institutions, and processes that determine – on a daily basis – how government decisions are made. Engaging civil society in creating these institutions helps countries to embark on a path of stability, growth, and prosperity.

Empowering Private Sector Organizations: To drive democratic reform and protect economic and political freedoms, the private sector must be capable and willing to provide an outside voice in the policymaking process. To become effective advocates for reform, business associations, chambers of commerce, think tanks, and other civil society groups must first build their organizational capacity.

Information and Values: Access to information and a free and independent media are vital for educating citizens on public policy issues, helping them hold government accountable for its actions, and exposing instances of corruption. Independent media is also important in launching awareness campaigns and education programs that engage society in reforms.

Access to Opportunity: Functioning democracies require opportunities between elections for the public – including women and youth – to provide input into the policymaking process. When such engagement reduces excessive regulation and barriers to entry, informal businesses can transition into the formal sector, contributing to job creation, the tax base, and economic growth.

Grassroots Participation: Local participation in the governance process is key to ensuring that reforms take into account the needs of the people. Engaging people at all levels of society in the governance process provides them with means of representation and improves the quality of regulations and public services.

Momentum for democratic and economic reform has been building across Africa for the past 15 years, even as the continent faces the ongoing challenges of severe poverty, health crises, and persistent autocratic regimes. By increasing access to information and encouraging private sector and citizen participation in the democratic process, CIPE has worked with its partners in Africa to foster transparency, peace, and local solutions to regional challenges. The following pages celebrate CIPE's years of partnership with the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture, look forward to the future of reform with the Kenya Association of Manufacturers, and provide regional highlights of the impact CIPE's work has had over the past year.



Participants discuss the importance of organizational accreditation and public policy advocacy at a workshop hosted by CIPE and the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture.

“With CIPE’s help, our association has been able to design more laudable programs for the benefit of the business community in particular, and the economy in general. We hope to continue this relationship as we build a sustainable future for Nigeria.”

I.I. Adaji

Former President, Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture

PARTNERS IN SUCCESS

NIGERIAN ASSOCIATION OF CHAMBERS OF COMMERCE, INDUSTRY, MINES AND AGRICULTURE

Long before Nigeria's transition to democracy, the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) was working with CIPE to advocate for democratic and market-oriented reform. During two decades of partnership with CIPE, NACCIMA built reform coalitions with other Nigerian private sector organizations and developed the capacity of these organizations to advocate for change.

NACCIMA has nearly doubled its 1987 chamber membership from 26 city chambers to the current 49, an increase accompanied by improvements in member participation and commitment. CIPE support to NACCIMA has helped business organizations in Nigeria to serve as the country's vanguard in promoting private enterprise and market-oriented reform. The results of this partnership are remarkable:

- Journalists acquired the skills they needed to bring democratic reform issues to the fore of public debate. The Press Foundation Program for Business Economic Journalists was Nigerian journalists' first opportunity to learn about a market economy versus a partially state-controlled economy operated by the military. These journalists went on to establish the Commerce and Industry Correspondents Association of Nigeria.
- Six state and city chambers of commerce, including the Enugu Chamber of Commerce, Mines, Industry, and Agriculture and the Nigerian-British Chamber of Commerce, were accredited through NACCIMA's accreditation program. Adapted from a U.S. Chamber of Commerce program, the process helps chambers implement standards of excellence in governance, public policy advocacy, and management. These chambers now share best practices with others undergoing the accreditation process.
- The number of agencies required to register imports was reduced from 23 to 6 at the Nigeria-Benin border, and tariffs were lowered from 15 percent to 5 percent on key imports for Nigerian suitcase manufacturers.

With CIPE support, NACCIMA has provided assistance to more than 30 local chambers through programmatic audits, program design consultation, and extensive technical cooperation. As a result of NACCIMA's efforts, chambers across Nigeria have grown in membership and in their ability to advocate for pro-market reforms.

2008 CIPE PROGRAMS AND PARTNERS IN AFRICA

DEMOCRATIC GOVERNANCE AND INSTITUTIONS

- Ghana:** Building the Economic Platforms of Ghana's Political Parties (Partner: Institute of Economic Affairs)
- Liberia:** Fostering Good Governance through an Anti-corruption Toolkit (Partner: Center for Transparency and Accountability in Liberia)
- Liberia:** Strengthening Governance in Business Associations
- Nigeria:** Business Participation in the Legislative Process (Partner: Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture)
- Zambia:** Enhancing Governance in Zambian Cooperatives (Partner: Institute of Directors of Zambia)
- Zambia:** Strengthening Corporate Governance in Small Enterprises (Partner: Institute of Directors of Zambia)

EMPOWERING PRIVATE SECTOR ORGANIZATIONS

- Ethiopia:** Strengthening the Capacity of Business Support Organizations (Partner: Initiative Africa)
- Kenya:** Building Grassroots Institutional Capacity (Partner: Kenya Association of Manufacturers)
- Liberia:** Building the Institutional Capacity of Business Associations in Liberia
- Mauritania:** Empowering Private Sector Organizations
- Nigeria:** Regional Business Agendas

INFORMATION AND VALUES

- Ethiopia:** Voice of the Addis Chamber (Partner: Addis Ababa Chamber of Commerce and Sectoral Associations)
- Ethiopia:** Voice of the Mekelle Chamber (Partner: Mekelle Chamber of Commerce and Sectoral Associations)
- Ghana:** Breaking the Election Deadlock (Partner: Institute for Economic Affairs)
- Kenya:** Building Free Market Understanding (Partner: Inter Region Economic Network)
- Senegal:** Promoting Business Dialogue for Democratic Decision Making (Partner: Conseil National du Patronat)
- Regional:** Strengthening Africa's Network for Reform

PARTNERS IN SUCCESS

KENYA ASSOCIATION OF MANUFACTURERS

CIPE's work with the Kenya Association of Manufacturers (KAM), a representative organization for Kenyan industrialists and manufacturers, led KAM to become an influential, national-level player at a key moment in Kenyan history. Because of CIPE's efforts to strengthen KAM's regional branches, KAM was well positioned to assist in easing the national post-election crisis after December 27, 2007. As one of the few associations with a clear organizational structure and local chapters, it was able to provide leadership, disseminate real-time information, communicate local issues to a national audience, and respond to local needs in the communities hardest hit by the post-election violence. KAM leadership became some of the best-known public faces of private sector engagement during the crisis.

KAM's efforts continued into post-conflict reconstruction as it participated in the national peace negotiations led by former United Nations Secretary General Kofi Annan. KAM was also able to gather information about the impact of the violence outside Nairobi and advocate for the rapid reconstruction of transport lines to facilitate the movement of people and goods. Its access to information about individual community needs informed its national advocacy campaign for power sharing and economic recovery. Specifically:

- KAM helped to mitigate the effect of the violence on business and jobs by changing the media portrayal of the Western province in order to curb investor flight (through the Nyanza/Western branch). KAM met with the provincial commissioner to ensure that property rights were upheld and organized a meeting between the provincial commissioner and KAM members to assess physical damage to local business.
- KAM ensured that those most in need of assistance received help by sharing its assessment of the effects of local violence through its efficient communications system via the Eldoret branch.

KAM has remained engaged with the government in implementing the national peace accord. The capability and willingness of the organization and its leadership to assist at a time of national crisis – on behalf of business as well as society – has secured KAM's place as a strong partner in building representative government in Kenya.



Former UN Secretary General Kofi Annan speaks about private sector recommendations during the Kenya peace negotiations. KAM Chairman Steve Smith, center, stresses the importance of involving the business community in reconstruction efforts.

“KAM appreciate[s] the support provided by CIPE. Through it we have been able to establish our chapter offices to provide needed services and outreach on behalf of members to the districts and regional administrations. Through this support we have reduced the level of alienation or distance members in the chapters felt about the national organization. ”

Betty Maina
Executive Director, Kenya Association of Manufacturers

ETHIOPIA

VOICING THE BUSINESS PERSPECTIVE

In Ethiopia's restrictive media environment, access to independent sources of information is not always available. Radio is instead one of the most important means for providing quality information, and is crucial to maintaining a well-informed electorate. With support from CIPE, the Mekelle Chamber of Commerce and Sectoral Associations (MCCSA) produced the *Voice of the Mekelle Chamber* (VMC) radio program, giving listeners in northern Ethiopia greater access to information and the ability to effectively advocate for needed tax reforms.

Broadcast weekly on one of the only radio stations operating in Ethiopia's northernmost region, the VMC's potential listenership is estimated at more than 2.5 million people. The program has featured information on business laws and regulations, entrepreneurship, and the role of business in a democracy and market economy. The VMC program also aired discussions between government officials and private sector stakeholders on tax issues. Over 800 new members joined MCCSA in 2008 (bringing membership to 2,000), citing the radio program as an effective tool in giving voice to business concerns.



A reporter interviews a small business owner for the *Voice of the Mekelle Chamber* radio program. Capturing the voice of entrepreneurs helps to highlight the need for much-needed tax reforms.

IMPACT ON REFORM

- As a result of MCCSA's advocacy efforts and its radio program, the Mekelle government set new, transparent tax rates.
- Businesspeople have a greater understanding of taxes, customs procedures, and investment, and are now better able to comply with the law, according to a survey of businesspeople who listen to the VMC program. These listeners report that, as a result of the knowledge gained through the program, their dialogue with the government has become more effective.
- The Mekelle government is working to improve the efficiency of the civil service and further improve the tax policy as a result of direct public-private interaction at the 23 monthly sectoral forums hosted by MCCSA.

2008 CIPE PROGRAMS AND PARTNERS IN AFRICA

ACCESS TO OPPORTUNITY

Kenya: Strengthening Kenya's Informal Sector Associations (Partner: National Informal Sector Coalition)

Liberia: Alternative Paths to Prosperity

Senegal: Strengthening the Voice of Small and Medium Enterprise (Partner: Union Nationale des Commerçants et Industriels du Senegal)

GRASSROOTS PARTICIPATION

Ethiopia: Empowering Grassroots Associations

Ethiopia: Promoting Reform and Compliance through a National Business Agenda (Partner: Ethiopian Chamber of Commerce and Sectoral Associations, Addis Ababa Chamber of Commerce and Sectoral Associations)

Ghana: Empowering Farmer-Based Organizations (Partner: Private Enterprise Foundation)

Kenya: Strengthening the Voice of Kenya's Micro and Small-Scale Entrepreneurs (Partner: Kenya Gatsby Trust)

Nigeria: Budget Monitoring and Policy Engagement for Small Business (Partner: National Association of Small Scale Industrialists)

Regional: Fostering Effective Public-Private Dialogue

Regional: Fostering Public-Private Dialogue: Botswana as a Model

GHANA

BREAKING THE ELECTION DEADLOCK

Fifty-two years after setting a model for African independence, Ghana has shown Africa how to hold free, fair, and peaceful elections. CIPE partner the Institute for Economic Affairs (IEA) made significant contributions to this peaceful process by organizing a number of pre-election debates. For the first time in Ghanaian history, all major political parties represented in Parliament took part in two presidential, one vice-presidential, and eight parliamentary debates. The debates were representative and inclusive, taking place in the capital and in underrepresented regional areas, and were widely attended and followed in the media. Participating candidates clearly stated their platforms, which were then made public to encourage discussion and inform debate questions. The open and informative treatment of the campaign issues by candidates inspired citizens to organize their own local parliamentary debates as well. Consequently, the elections were issue-based, rather than personality-based. This example will serve as a model for other countries across Africa.



All four candidates in Ghana's final presidential debate hold hands in a pledge for peace during the electoral process, a promise that they kept.

IMPACT ON REFORM

- Over 10 million people watched the presidential debates on live television and about 8 million listened over the radio. Close to 650 people total were in attendance at the presidential and parliamentary debates – the first time such a large number of citizens were able to participate in this type of representative dialogue.
- For the first time in Ghana, political parties strictly adhered to the country's campaign code of conduct. IEA widely publicized the code, allowing citizens and political candidates to participate in monitoring ethical compliance.
- The local parliamentary debates allowed voters to make more informed decisions, resulting in senior incumbent members of parliament from across the political spectrum losing their seats to candidates who performed better in the debates.
- In a landmark move, all four major presidential candidates made a pledge for peace after the second and final debate in Tamale. Their commitment to this promise was evidenced in peaceful elections and two subsequent run-offs.



IREN's weekly online magazine, *The African Executive*, pictured above, is an accessible, free resource that has helped change perceptions on market-oriented reform across East Africa.

BUILDING FREE MARKET UNDERSTANDING

To improve access to information needed for a strong democratic process, the Inter Region Economic Network (IREN), based in Nairobi, Kenya, publishes a weekly online magazine, *The African Executive: Your Business Partner*. The quality business- and policy-oriented journalism of *The African Executive* provides crucial information for market-oriented advocacy and reform. CIPE support since the early stages of the publication has helped IREN to broaden exposure outside of Kenya to Tanzania and Uganda as well. The success of *The African Executive* has changed perceptions about free markets, economic reform, and the responsibility of the individual versus the government in offering policy solutions for East Africa.

IREN complements the publication with trainings for journalists in development and business issues. IREN's workshops prepare journalists to play a key role in building public understanding of issues that affect democratic and economic development in their countries. IREN is providing a growing forum for African voices to debate African issues.

IMPACT ON REFORM

- *The African Executive* online magazine has significantly increased access to information on democratic and economic reform issues.
 - Online readership reached 1.3 million hits per month, up from about 97,000 hits per month less than three years ago.
 - Since the magazine's launch in 2005, subscriptions have risen from 3,000 to over 25,000.
 - Several newspapers in East Africa reprint *African Executive* articles on a regular basis, reaching a total circulation of more than 904,000 and an estimated total readership of over 4 million people.

- Readers have expressed a true shift in perceptions of democratic reform:
 - "The African Executive has taught me that I should not wait for the government to come with an agenda about my life, but that I should be ready to initiate something in the community that I live in to move it away from dependency." **Joseph Nthome, Small Holder Farmer, Kenya**
 - "In my years reading online publications, none has come close to championing issues on Africa in a practical context like The African Executive. I have made it my preferred source for African matters because of the level of intellectual and feasible content." **Ejike Okpa, Chair, International Trade Committee of the Dallas Black Chamber of Commerce, United States**

ASIA

Following the Asian financial crisis in the late 1990s, the private sector across Asia began to realize that real changes in governance were needed in order to rebuild the region's floundering economies. CIPE's continuing work in Asia to promote private sector representation and sound management practices has attracted increasing attention as reformers have looked for proven methodologies to combat corruption and implement corporate governance best practices. The following pages celebrate CIPE's years of partnership with the Dhaka Chamber of Commerce and Industry, look forward to the future of reform with the Unirule Institute of Economics in China, and provide regional highlights of the impact of CIPE's work over the past year.

“Because of CIPE, the Dhaka Chamber of Commerce and Industry was able to build an advocacy alliance, further economic development in a democratic manner, and empower women entrepreneurs to take part in policymaking.”

Ferdaus Ara Begum
Additional Secretary,
Dhaka Chamber of Commerce and Industry



Dhaka Chamber of Commerce and Industry President Sayeeful Islam opens a trade fair and product exposition for women entrepreneurs.

PARTNERS IN SUCCESS

DHAKA CHAMBER OF COMMERCE AND INDUSTRY

From 1999 through 2006, CIPE partnered with the Dhaka Chamber of Commerce and Industry (DCCI) to engage the private sector more actively in the policymaking process in Bangladesh. With assistance from CIPE, DCCI developed an advocacy strategy in 1999 that resulted in a number of policy victories and DCCI's establishment as the country's leading chamber of commerce. As one of the key promoters of economic reform and democratic decision-making, DCCI has also been at the forefront of incorporating women entrepreneurs across the country in the mainstream economy. A total of 450 women business leaders have participated in DCCI's training programs since 1999, and hundreds more have participated in product expositions for women entrepreneurs in Bangladesh and internationally.

DCCI's experience shows that with time, investment in organizational capacity, and persistent advocacy, significant reforms can be achieved. DCCI has had a positive impact on policy decisions in Bangladesh; the government has implemented a total of 62 of DCCI's policy recommendations, including:

- The elimination of the value-added tax on some agricultural products, such as rice, milk, and meat.
- A reduction in the corporate income tax for ready-made garment companies to 10 percent.
- A reduction in taxes on machinery for jute and textiles manufacture to 15 percent.
- More efficient customs procedures that allow goods for export to clear customs in a single day rather than the three to seven days it took previously.
- The reduction of interest rates on Bangladesh Bank loans for farmers and agricultural businesses from 16 percent to 8 percent.
- Privatization of 20 industries, including substantial privatizations of jute mills, textile mills, sugar mills, and the paper and pulp industries.

Public policies for procurement, taxation, education, women's business development, trade, privatization, and entrepreneurship have all benefited from DCCI's involvement in policymaking. The advocacy process that evolved from CIPE and DCCI's partnership is still in effect, guiding decision-makers as Bangladesh returns to democratic government.

2008 CIPE PROGRAMS AND PARTNERS IN ASIA

DEMOCRATIC GOVERNANCE AND INSTITUTIONS

Burma: Educating Burmese Entrepreneurs and Civil Society Leaders on Democracy and Market Reforms

China: Local Public Finance Reforms and Private Enterprise Development

China: Making Local Governments More Accountable to the Public (Partner: Unirule Institute of Economics)

China: Promoting Good Corporate Governance and Business Ethics (Partner: China Center for Corporate Governance)

Indonesia: Improving Corporate Governance among Listed Firms (Partner: Indonesian Institute for Corporate Directorship)

Indonesia: Improving the Capacity of Local Parliamentarians (Partner: Institute for the Study and Advancement of Business Ethics)

Indonesia: Strengthening Corporate Governance in Indonesia (Partner: Lembaga Komisaris dan Direktur Indonesia)

Pakistan: Promoting Democratic Values in the Business Community by Strengthening Associations

Philippines: Improving Corporate Governance in Philippine Firms (Partner: Institute of Corporate Directors)

Philippines: Improving Public Governance at the Local Level (Partner: Institute for Solidarity in Asia)

Regional: A Regional Conference on Sustainable Democracy

Regional: Strengthening Corporate Governance in Asia

Regional: Strengthening Corporate Governance in Development Banks (Partner: Association of Development Financing Institutions in Asia and the Pacific)

EMPOWERING PRIVATE SECTOR ORGANIZATIONS

China and Vietnam: Business Association Development

Indonesia: Strengthening Business Association Advocacy

Mongolia: Strengthening Business Advocacy (Partner: Mongolian National Chamber of Commerce and Industry)

Nepal: Advocacy and Associations

Pakistan: Increasing Institutional Capacity and Access to Information

Pakistan: Promoting Democratic Values in the Business Community by Strengthening Associations

CHINA

PARTNERS IN SUCCESS UNIRULE INSTITUTE OF ECONOMICS

In a country not known for public participation in policymaking, China's Unirule Institute of Economics has courageously and innovatively brought the public voice before government decision-makers. Founded in 1993 by five reform-oriented economists, Unirule is now widely acknowledged as China's most influential private economic think tank. Since 1995, support from CIPE has helped Unirule to strengthen its analysis of government economic policy, regulations, and institutions related to property rights. Unirule also offers consulting services to businesses on project feasibility and evaluation, and publishes journals and newspapers on modern economics. Unirule has extensively explored the use of public-private partnerships to improve the quality and efficiency of public services provided by government agencies. A number of government agencies have requested assistance from Unirule to reform their governance systems, including the Tongzhou District and the Zhongguancun Science and Technology Park of Beijing.

Perhaps the most engaging of Unirule's activities are its twice-monthly symposia on crucial reform issues. Topics have included "Civil Society in China," "A Road Map for Democratization in China," and "The Challenges of Land Tenure Policy in Urban Areas." In contrast to the typically small and academically-oriented symposia normally held by Chinese think tanks, Unirule's symposia are open to the public and attract participants from government agencies, the private sector, and the media,



Unirule's survey of public governance has prompted discussion of local governance issues and how to address them.

as well as ordinary citizens. These events have brought policy discussion from behind closed doors and out into the open, allowing private citizens to access policy information and engage policymakers in lively debate. To reach an even wider audience, Unirule posts the proceedings of each symposium in full text on its website, and each posting receives an average of 1,500 hits. The proceedings are also widely circulated on the internet.

Recognizing Unirule's unique and significant contributions to open government in China, the Atlas Economic Research Foundation awarded a 2008 Templeton Freedom Award for Free Market Solutions to Poverty to Unirule for its persistent efforts to promote the privatization of state-owned enterprises and the marketization of public services in China. Unirule is clearly leading the way to significant reforms in China's governance system.

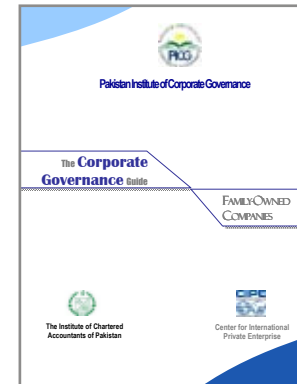
PAKISTAN

ENGAGING CITIZENS IN ECONOMIC POLICY REFORM

Economic and political upheaval throughout Pakistan threw CIPE's work into the spotlight in 2008. CIPE opened its office in Karachi in January 2006 to work with the business community to facilitate democratic and economic change. With an expanding network of partners and through its own programs, CIPE has been raising local capacity and supporting efforts to bring the government and citizens together in working relationships. CIPE's strategy in Pakistan focuses on strengthening the business community through technical assistance and legal reforms to create a competitive environment for chambers and associations and ensure better representation for entrepreneurs. CIPE's work augmented grassroots-driven reform efforts by strengthening chambers and associations, emphasizing corporate governance and corporate citizenship, and developing a corps of reliable and informed economic and business journalists.



CIPE Executive Director John D. Sullivan, above, speaks with CNBC Pakistan about the importance of strong corporate citizenship within the modern business model. *The Corporate Governance Guide: Family-Owned Companies*, pictured above right, was distributed to 250 family businesses across Pakistan.



IMPACT ON REFORM

- Pakistan registered its first two women's chambers of commerce, the Northern Punjab Women's Chamber of Commerce and Industry and the Southern Punjab Women's Chamber of Commerce and Industry, in July and August of 2008. In 2006, CIPE worked to revise Pakistan's Trade Organisations Ordinance to allow women to independently form chambers of commerce.
- Newly implemented banking regulations – based on recommendations from a CIPE Pakistan roundtable – allow commercial banks to engage in microfinance lending to increase access to finance in remote areas of Pakistan. With these changes, the microfinance sector is estimated to grow from the current 1.8 million customers to 3 million by the end of 2010 and to 10 million by 2015.
- The Mardan Chamber of Commerce and Industry established a training and resource center for its members and local college students to provide entrepreneurial, business, and computer skills. Many businesses have adopted new and better methods of accounting and marketing based on the resources the center provides.
- CIPE, the Pakistan Institute of Corporate Governance, and the Institute for Chartered Accountants Pakistan launched Pakistan's first-ever corporate governance guide for family businesses, *The Corporate Governance Guide: Family-Owned Companies*. Copies were distributed to 250 family businesses across Pakistan. A local university, the Shaheed Zulfikar Ali Bhutto Institute of Science and Technology, has included the guide as study reference material for its executive master in business administration course.

2008 CIPE PROGRAMS AND PARTNERS IN ASIA

INFORMATION AND VALUES

- Bangladesh:** Building Capacity in Business Journalism Professionals (Partner: Bangladesh Enterprise Institute)
- China:** A Weekly Policy Reform on Transition (Partner: The Transition Institute)
- China:** Encouraging Progress towards Constitutionalism
- Nepal:** Developing Reporting Skills in Rural Economic Journalists (Partner: Nepal Press Institute)
- Indonesia:** Promoting Business Ethics in Indonesia (Partner: Indonesia Business Links)
- Indonesia:** Managing Ethical Dilemmas and Reducing Corruption (Partner: Indonesia Business Links)
- Sri Lanka:** Building an Informed Parliament: The Legislative Advisory Service; Legislative Advisory Service (Partner: Pathfinder Foundation)

ACCESS TO OPPORTUNITY

- China:** Encouraging the Development of Active Civil Society (Partner: The Institute for Civil Society Development)
- Nepal:** Youth Empowerment for Entrepreneurship and Economic Freedom (Partner: Samridhhi, The Prosperity Foundation)

GRASSROOTS PARTICIPATION

- Bangladesh:** Promoting Women's Entrepreneurship through Advocacy (Partner: Bangladesh Women Chamber of Commerce and Industry)
- China:** Symposia on Key Reform Issues (Partner: Unirule Institute of Economics)

PHILIPPINES



ISA Chair Jesus Estanislao speaks on the shared responsibility of government and citizens in making improvements to local governance institutions.

IMPROVING LOCAL PUBLIC GOVERNANCE IN THE PHILIPPINES

The Institute for Solidarity in Asia (ISA) has worked with CIPE since 2004 to build a broad-based commitment to responsible governance in the Philippines. ISA's public governance system (PGS) – adapted for the Philippines from a model created by the Harvard Business School – is being used by city governments and civil society organizations to create long-term strategic plans for improving governance. The key element of these PGS plans is that they assign responsibilities to citizens as well as government officials. To date, 32 local governments (30 cities and 2 provinces) and 6 national sectoral coalitions (involving 55 organizations) have adopted the PGS as a governance improvement methodology. In 2008, the improvements in governance implemented by ISA's local partners through the PGS process have led to increased revenues and investment attraction, the ability to provide more and better public services, and improvements in citizens' quality of life.

IMPACT ON REFORM

- The cities of San Fernando Pampanga and Marikina have shown an increase in municipal revenues of 29 and 35 percent, respectively, since implementing their PGS plans. The significant revenue increase is traced to higher value-added public services provided by each city government and greater efficiency in the provision of these services. As a result, the cities have greater fiscal independence from the national government.
- After PGS implementation, San Fernando Pampanga was able to increase its spending on education by 92 percent, resulting in an increase in the elementary school graduation rate from 63 percent to 69 percent, and an increase in the number of classrooms from 643 to 701.
- The number of micro, small, and medium-sized enterprises in San Fernando Pampanga has increased from 5,788 to 6,614. Similarly, the city's number of large companies has more than doubled from 44 to 109. Standardized operating procedures, reduced transaction costs and red tape, and more effective delivery of services to businesses and potential investors have all contributed to a more favorable business environment.
- A more friendly investment climate in San Fernando Pampanga resulting from the PGS process attracted approximately \$10.1 million in new investment in 2008 alone.

STRENGTHENING CORPORATE GOVERNANCE IN DEVELOPMENT BANKS

Development finance institutions (DFIs) are often lenders of last resort for the underserved – such as farmers, small businesses, and local community development projects. In this unique position, DFIs can set a positive example for other banks and businesses by implementing good corporate governance at the same time as they become better equipped to conduct development lending. With CIPE's support, the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) has helped DFIs improve their corporate governance standards through its newly developed risk management training packs that were widely distributed to member banks, partners, and other networks. ADFIAP trained 128 participants from 78 institutions and 25 countries – from Papua New Guinea to India – on implementing corporate governance best practices in their respective banks through five capacity-building workshops. ADFIAP's high-profile events and successful promotion of the issue have brought significant attention to corporate governance, spread best practices among DFIs, and expanded ADFIAP's membership to an all-time high of 100 members in 40 countries across the region.

This project won a 2008 Associations Make a Better World Award from the American Society of Association Executives and The Center for Association Leadership. The award has drawn public attention to ADFIAP's work, including a story on ADFIAP's achievements in promoting corporate governance in *The Philippine Star*, a leading English-language daily with a circulation of about 268,000.



ADFIAP's conference in Malaysia helped participants better understand corporate governance implementation.

IMPACT ON REFORM

- Most ADFIAP member banks, including the Export-Import Bank of Thailand, the Development Bank of Thailand, the Development Bank of the Philippines, the Vietnam Development Bank, and the Export-Import Bank of India, have established or enhanced the role of corporate governance compliance officers within their management to assess practices and performance and ensure compliance with international standards.
- The local government of Sabah, Malaysia requested that the Sabah Credit Corporation assist state-owned enterprises in improving their corporate governance and risk-management practices after significant media attention to ADFIAP's conference in Sabah.
- ADFIAP has substantially increased public access to information on corporate governance through its website, www.governance-asia.com. Users have reported that the website is an essential vehicle to share best practices and lessons learned with DFIs in other regions.

CENTRAL EASTERN

PARTNERS IN SUCCESS HUNGARY

When CIPE opened its Budapest office in 1993, Hungary already had a generation of experience in economic reform. Since the 1960s, many forward-looking Hungarians had tried to reform communist economic central planning without compromising the delicate balance of communist political control. With such prohibitive political constraint, however, it could not resolve fundamental issues: a lack of financial discipline, an arbitrary approach to laws, and bureaucratic uncertainty that prevented enterprises and individuals from making long-term economic choices. The welfare state stifled initiative and growth, even as the state lost the ability to finance itself.

After democratic elections in 1990, political and economic reform became more possible in theory, yet political will was still absent. It was in this setting that CIPE began its work, bringing the concepts of political and economic reform together through an institutional approach that opened policy debates and strengthened civil society voices. CIPE supported more than 20 think tanks, academic institutions, regional development centers,

and business associations in this process. CIPE's most important contribution to its partners was conveying the importance of effective political advocacy, by experts as well as ordinary citizens, of policies that strengthen market institutions and advance representative democracy. The open decision-making processes that became standard for many partners during this time created an ongoing mechanism for positive change.

The decade of CIPE's engagement in Hungary was one of active global donor assistance and local momentum for change. Hungary saw outstanding achievements in economic and political transformation, ultimately leading the way to membership in the Organisation for Economic Co-operation and Development, the North Atlantic Treaty Organization, and the European Union. With these achievements, CIPE's Hungarian partners were well positioned to build on their successes to continue strengthening democratic institutions and practices.

CIPE's work in Hungary stands as a testament to successful political advocacy to achieve real reforms that strengthen market and democratic institutions.



With the fall of the Berlin Wall and crumbling communist influence in Central and Eastern Europe, reformers across the region approached the task of building democratic governments and market economies with enthusiasm. To this environment, CIPE contributed valuable lessons learned from its work in other regions to help its partners articulate and advocate a reform agenda. Advocacy continues to be at the center of CIPE programs in the region, as partners consolidate support for representative policymaking and lead reform by example. The following pages celebrate CIPE's partnership history in Hungary, look forward to the future of reform in Moldova with the Institute for Development and Social Initiatives, and provide regional highlights of the impact CIPE's work has had over the past year.

“Among the institutions [that] promoted Hungary’s transition, CIPE has definitely been playing a major role from the very beginning. CIPE managed to find the key areas where important debates and discussions could be held.”

H.E. Attila Chikan
Former Minister of Economy of Hungary



2008 CIPE PROGRAMS AND PARTNERS IN CENTRAL & EASTERN EUROPE

DEMOCRATIC GOVERNANCE AND INSTITUTIONS

- Albania:** Improving Corporate Governance in Albania (Partner: Albanian-American Trade and Development Association)
- Kosovo:** Improving Corporate Governance and Transparency (Partner: Riinvest Institute for Development Research)
- Serbia:** Improving Corporate Governance – Five Years Later (Partner: Center for Liberal-Democratic Studies)

EMPOWERING PRIVATE SECTOR ORGANIZATIONS

- Balkan Regional:** Strengthening Business Support Organizations

GRASSROOTS PARTICIPATION

- Bosnia and Herzegovina:** Improving Democracy through Meaningful Policy Dialogue (Partner: Association for Promoting Transparency in the Bosnia and Herzegovina Economy)
- Moldova:** Building Effective Public-Private Dialogue through a National Business Agenda (Partner: Institute for Development and Social Initiatives – “Viitorul”)
- Montenegro:** Reducing Montenegro’s Informal Economy through a Public-Private Dialogue (Partner: Center for Entrepreneurship and Economic Development)
- Montenegro:** Strengthening Montenegro’s Economy through Public-Private Dialogue (Partner: Center for Entrepreneurship and Economic Development)
- Serbia:** Strengthening the Voice of Small Business (Partner: Serbian Association of Managers)

“CIPE’s international standing and vast knowledge resources helped make our work possible. Through CIPE’s partner network, we were able to learn from other groups across Eastern Europe to create a National Business Agenda.”

Tatiana Lariushin
Senior Economist,
Institute for Development and Social Initiatives



Camelia Bulat, program director of the CIPE Regional Office in Bucharest, Romania, speaks in support of Moldova’s business community at the launch of the country’s first-ever National Business Agenda.

PARTNERS IN SUCCESS INSTITUTE FOR DEVELOPMENT AND SOCIAL INITIATIVES

In a monumental step for the Moldovan business community, a coalition of business associations launched the country’s first-ever National Business Agenda (NBA) in October 2008 with help from CIPE and the Institute for Development and Social Initiatives (IDSI). Throughout 2008, IDSI worked to build a strong coalition capable of leading democratic, public-private dialogue to reform the country’s legal and regulatory framework for a better business environment. The NBA represents the business sector’s unified platform of reform priorities for Moldova’s economic growth over the next five years. Incorporating lessons learned from other CIPE partners in the region, the coalition works to establish broad consensus, takes a proactive approach to advocacy and participation, and consolidates long-term engagement.

IDSI experts have worked with the government to develop national strategies for economic growth and poverty reduction and to create the National Development Plan 2008-2010. IDSI is a regular participant on the Committee for Enterprise Development under the Prime Minister of Moldova, and is one of Moldova’s most-cited sources of information on issues related to business.

- Since 2006, two laws, including a law regulating local public administration and a law on decentralization, were adopted after they were drafted through IDSI’s legislative advisory service, as were two amendments to laws regulating the minimum wage. For the first time, government is working with business leaders to evaluate the potential results of pending legislation.
- IDSI has fostered accountability among members of parliament by holding regular public policy debates on business development. It facilitates briefings and press conferences to make this information publicly available, and posts the proceedings on its website. The public can then check back to see how policymakers have progressed on their promises.

MOLDOVA

KOSOVO

IMPACT ON REFORM

- The Kosovo Trust Agency, which regulates Kosovo's publicly owned enterprises (POEs), adopted Riinvest's Code on Corporate Governance for POEs and committed to increasing transparency and accountability and clearly defining the roles of management.
- The Kosovo Assembly adopted a new law regulating POEs that includes most of the OECD principles on corporate governance – timely legislation as responsibility for overseeing POEs is being transferred from the UN interim administration to the Government of Kosovo.
- For the first time, applicants for positions on POE boards of directors were selected in a public process. The government publicized the open positions on television and in print media, giving opportunity to a wider range of applicants.
- The government has initiated a process to privatize sections of two of Kosovo's largest POEs, the Electricity Corporation of Kosova and the Post and Telecommunications Corporation of Kosova.

LEADING THE WAY TO DEMOCRACY AND GOOD GOVERNANCE

In 2008, CIPE's long-time partner the Riinvest Institute for Development Research worked to advance transparency and corporate governance in Kosovo by encouraging the implementation of the Organisation for Economic Co-operation and Development (OECD) corporate governance standards. Toward this end, Riinvest engaged a broad spectrum of Kosovo's private sector, particularly the banks and insurance companies that constitute some of Kosovo's largest enterprises. Riinvest designed and conducted a training program on implementing the key aspects of corporate governance for more than 80 private sector representatives. With Riinvest's help, the private sector is now leading efforts that demonstrate to citizens and the international community that a newly independent Kosovo can transition successfully to democracy and incorporate the values of transparency and accountability.



Riinvest conference participants provide feedback on the implementation of corporate governance standards within the context of Kosovo's current policy environment.



OPENING A WAY FOR BUSINESS

Having gained recognition from the government for their previous work in removing barriers to business and reducing the informal economy, CIPE partners the Center for Entrepreneurship and Economic Development (CEED) and the Montenegro Business Alliance (MBA) participated in 10 high-level government working groups in 2008 that positively affected 17 laws and 10 regulations. MBA became a full member of the state council in charge of reducing barriers to business, and participates in a cross-ministerial team that promotes entrepreneurial growth. Citing CEED and MBA success in these areas, three municipalities – Bar, Bijelo Polje, and Niksic – have requested direct assistance from MBA in 2009 to help them eliminate the most pressing barriers to business and advocate for reform at the local level. CEED and MBA's successes in the past year have placed them in a strategic position to influence policymaking in the long term through public-private dialogue and, with CIPE support, have established their partnership as a consistent voice of business in Montenegro.

MONTENEGRO



CEED and MBA participated in a number of high-level working groups and were able to positively influence the legislative process in Montenegro.

IMPACT ON REFORM

- A new 9 percent flat income tax rate – as advocated by CEED and MBA in a Ministry of Finance working group – has made Montenegro more attractive to foreign investors.
- Montenegro's new law on construction reduces the number of required permits for obtaining a construction license from 14 to 9 and the number of days required from 30 to 15.
- The new labor law grants firms greater flexibility in hiring and dismissing workers, and provides for direct communication between management and employees regarding salary and other labor issues where it had not previously existed.

REGIONAL

STRENGTHENING BUSINESS SUPPORT ORGANIZATIONS

CIPE's Regional Office based in Bucharest, Romania has strengthened local associations' capacity to participate in policymaking. Through its Regional Institute for Organization Management (RIOM), CIPE has helped business associations in Bosnia and Herzegovina to identify local challenges and address them with unique, locally-appropriate solutions and grassroots advocacy. In Serbia, business organizations that participated in RIOM are now focusing on growing their active membership and creating new services. Nearly half of the Serbian association representatives who participated in the RIOM program have shared these valuable lessons with colleagues and partners. In Romania, CIPE is assisting business organizations to strengthen their voice in public policy advocacy, and the Chamber of Commerce and Industry of Romania is working with RIOM to provide long-term access to training services for its members.

IMPACT ON REFORM

- 15 new services have been created for members of business associations in Bosnia and Herzegovina and Serbia. The services range from access to business information to marketing services for member companies. A total of 5,400 association members have access to these services.
- The Association of Business Women-Eve in Serbia, founded to represent the interests of local women entrepreneurs, established itself as an independent entity. Previously an informal women's group affiliated with the Regional Chamber of Commerce in Valjevo, it is now officially registered and has the stability and legitimacy to engage in effective, ongoing advocacy.



In Serbia, business associations discuss ways to grow membership and implement financially sustainable programming.

With the end of communist control in 1991, citizens across Eurasia courageously stepped forward to start the process of building open, democratic societies. CIPE's work in the region commenced with bringing much-needed expertise, strategic vision, and encouragement to these reformers. CIPE partners have been valiant in this effort, often in the face of lingering state control and democratic backsliding. The following pages celebrate CIPE's years of partnership with the Bishkek Business Club in Kyrgyzstan, look forward into the future of reform in Russia with the Saratov Chamber of Commerce and Industry, and provide regional highlights of the impact CIPE's work has had over the past year.

“CIPE made it possible for us to learn from the important and diverse experience of business associations around the world. Some of these examples inspired us to implement national campaigns for protecting entrepreneurs and strengthening the protection of private property.”

Uluk Kydyrbaev
Executive Director,
Bishkek Business Club



Chairman of the Board of Chamber Tax Consultants Tatyana Kim, left, and other NABA members bring business concerns before Kyrgyzstan's Minister of Economic Development and Trade.

PARTNERS IN SUCCESS

BISHKEK BUSINESS CLUB

The Bishkek Business Club (BBC) was founded in 2001 as an informal group of a dozen like-minded, reform-oriented business leaders known for their independence and integrity. With CIPE support, BBC has developed into Kyrgyzstan's leading advocate for market-based, democratic reform. It is widely recognized by the business community, civil society, government authorities, and the media as an authoritative voice for transparent, accountable governance. BBC is establishing crucial channels for public-private dialogue by securing membership in working groups under key federal agencies dealing with business formalization, energy security, and property rights.

The National Alliance of Business Associations (NABA), a nationwide coalition of business associations established under the leadership of BBC, has the potential to engage the business community in the policymaking process on a large scale and to further strengthen business participation in policymaking. Membership in NABA more than doubled in 2008, and it currently represents over 1,500 employers and more than 60,000 employees in three regions across Kyrgyzstan. The coalition is poised to continue BBC's successful advocacy, which includes policy victories such as:

- The Government of Kyrgyzstan instituted a 10-month moratorium on inspections of small and medium-sized enterprises and a subsequent permanent reduction in these inspections, which are often opportunities for officials to solicit bribes. While inspections have decreased by 64 percent, the payment of fines has increased by 50 percent, indicating that inspectors are being more transparent about their activities.
- Tax procedures for business have significantly improved:
 - The value-added tax was lowered from 20 percent to 10 percent.
 - There is now a “presumption of innocence” for taxpayers, putting the burden of proving a violation on the inspection official.
- The government instituted a 46 percent reduction in the number of procedures required for an entrepreneur to pass goods through customs, and launched a new electronic customs declaration process.

2008 CIPE PROGRAMS AND PARTNERS IN EURASIA

DEMOCRATIC GOVERNANCE AND INSTITUTIONS

Ukraine: Political Party Training for Economic Reform (Partner: Ukrainian Center for Independent Political Research)

EMPOWERING PRIVATE SECTOR ORGANIZATIONS

- Belarus:** Fostering the Business Community-Civil Society Alliance (Partner: Analytical Center “Strategy”)
- Russia:** Building Capacities and Professional Skills of Business Associations
- Russia:** Creating the International Institute for Organizational Management in Russia
- Russia:** Building the Voice of Business
- Ukraine:** Strengthening Advocacy Skills of Ukrainian Business Associations (Partner: Institute for Competitive Society)
- Caucasus Regional:** Strengthening Business Support in Armenia and Azerbaijan

INFORMATION AND VALUES

- Georgia:** Improving the Business Climate and Information Flow (Partners: Association of Young Economists of Georgia, New Economic School of Georgia)
- Kyrgyzstan:** Building Economic Journalism in Kyrgyzstan (Partner: Institute for Public Policy)
- Ukraine:** Increasing SME Access to Information on Economic Policy (Partner: Ukrainian Center for International Integration)
- Central Asia Regional:** Strengthening Corporate Governance through Education and Dialogue (Partners: The Kazakh Institute of Directors, Kyrgyz Stock Exchange Press Club)
- Eurasia Regional:** Improving Access to Information

GRASSROOTS PARTICIPATION

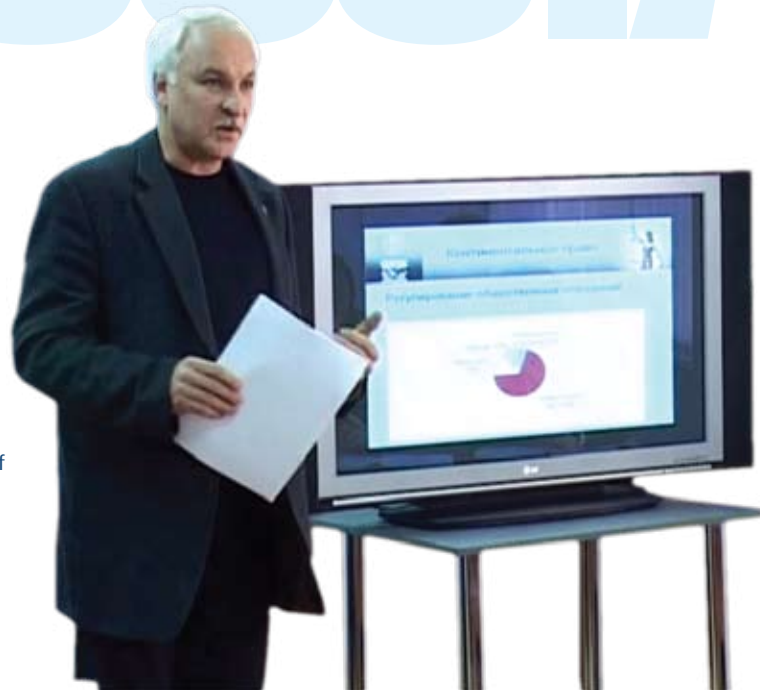
- Armenia:** Building Private Sector Capacity for Policy Reform (Partner: Association for Foreign Investment and Cooperation)
- Azerbaijan:** Improving the Business Climate (Partner: Entrepreneurship Development Foundation)
- Belarus:** Business Advocacy in Belarus (Partner: Analytical Center “Strategy”)
- Kyrgyzstan:** Building a National Business Agenda in Kyrgyzstan (Partner: Bishkek Business Club)
- Kyrgyzstan:** Civic Advocacy for Reform
- Kyrgyzstan:** Strengthening Private Sector Advocacy (Partner: Bishkek Business Club)
- Russia:** Russia Small and Medium-Sized Enterprise Advocacy Program
- Turkmenistan:** Re-creating the Middle Class (Partner: Union of Economists of Turkmenistan)

RUSSIA

PARTNERS IN SUCCESS THE SARATOV CHAMBER OF COMMERCE AND INDUSTRY

With support from CIPE, the Saratov Chamber of Commerce and Industry has been successfully promoting transparency in Russia by working to eliminate the legal inconsistencies, loopholes, and contradictions that can generate opportunity for corruption. With its 2008 “No Right to Break the Law: Experts Against Corruption” program, the Saratov chamber used pre-determined legal criteria to conduct extensive analysis of 300 regional laws and normative acts for potential problems, including the duplication of functions, administrative interpretations, and legal omissions. It found that over 35 percent of these laws have deficiencies that have the potential to generate corruption. The Saratov chamber submitted recommendations for changes to more than 40 of these laws and acts and is awaiting approval of these recommendations from the Saratov regional government’s Anti-corruption Committee and the regional Prosecutor’s Office. Representing more than 2,100 firms as the head of the Saratov regional business coalition, the Saratov chamber is having a positive and wide-reaching influence across the region.

The Saratov chamber has shared its methodology with more than 350 students, lawyers, and local officials through a series of seminars in 24 of the region’s municipalities. After distributing the findings of its analysis through an aggressive information campaign, the Saratov chamber was invited to present its findings and methodology to the leadership of the Russian Chamber of Commerce and Industry (RCCI). RCCI has now recommended to all 83 of its comprising chambers that they study the Saratov chamber’s anti-corruption activities and follow its example.



Sergei Leonov, director of the legal department of the Saratov Chamber of Commerce and Industry, teaches a seminar on identifying potential sources of corruption in regional laws.



EDF works to create a better business environment in Azerbaijan by building consensus for reform. Above, EDF presents the National Business Agenda to a group of civil society leaders.

BRINGING THE VOICE OF SMALL BUSINESS TO POLICYMAKING

While Azerbaijan received the top ranking in the World Bank's *Doing Business 2009* report for improvements in business regulations, small and medium-sized enterprises still face significant challenges. To bring their voices into the policymaking process in 2008, the Entrepreneurship Development Foundation (EDF) and two other local partners, the Baku Political Research and Advocacy Center and the Public Finance Monitoring Center, surveyed 1,000 enterprises to identify specific barriers to conducting business. With CIPE support, EDF and its partners built a coalition of business associations across Azerbaijan to advocate for the elimination of barriers to growth. Using the findings of the survey, the coalition outlined its vision for policy reform in a National Business Agenda (NBA). Capitalizing on a unique opportunity, EDF and its partners presented the NBA to Azerbaijan's presidential candidates prior to the elections in October 2008, setting the foundation for a continuing, constructive dialogue with the new government.

AZERBAIJAN

IMPACT ON REFORM

- A presidential decree in January 2008 instituted a new, single-window business registration system. The new system and accompanying reforms have simplified procedures for registering new businesses, reducing the average amount of time needed to register a business from 30 to 16 days.
- As a result of the new single-window registration system, the number of registered enterprises increased by 30 percent in the first six months of 2008.
- For the first time, Azerbaijan's small business community has defined and advocated a unified set of reform priorities, the National Business Agenda. The agenda proposes specific policy reform recommendations in 14 areas – including the tax system and inspections. For the first time, more than 1,000 businesses had the opportunity to voice their needs to the government without fear of retribution.

BELARUS

CONSOLIDATING THE VOICE OF BUSINESS

The Belarusian business community has come together in an unprecedented show of consensus to advocate for business through the National Business Platform (NBP). The newly established and steadily growing Confederation of Entrepreneurship – a non-governmental organization comprising business associations from across Belarus – has been instrumental in uniting the business community around the NBP and advocating for the reform of laws and regulations to protect and support the private sector.

The confederation has built a strong public-private dialogue between business and government by participating in crucial working groups with 12 government agencies such as the Ministry of Finance, the Ministry of Industry, and the Ministry of Economy. Through its membership in these groups, the confederation has given small business a new voice and a positive influence on draft legislation that directly affects the private sector, including laws on inspections, price formation, credit, and taxes. Led by partners the Minsk Union of Entrepreneurs and Employers, the Institute for Privatization and Management, and Analytical Center “Strategy,” the confederation’s NBP project has improved the business environment and instilled confidence in grassroots-led processes within civil society.

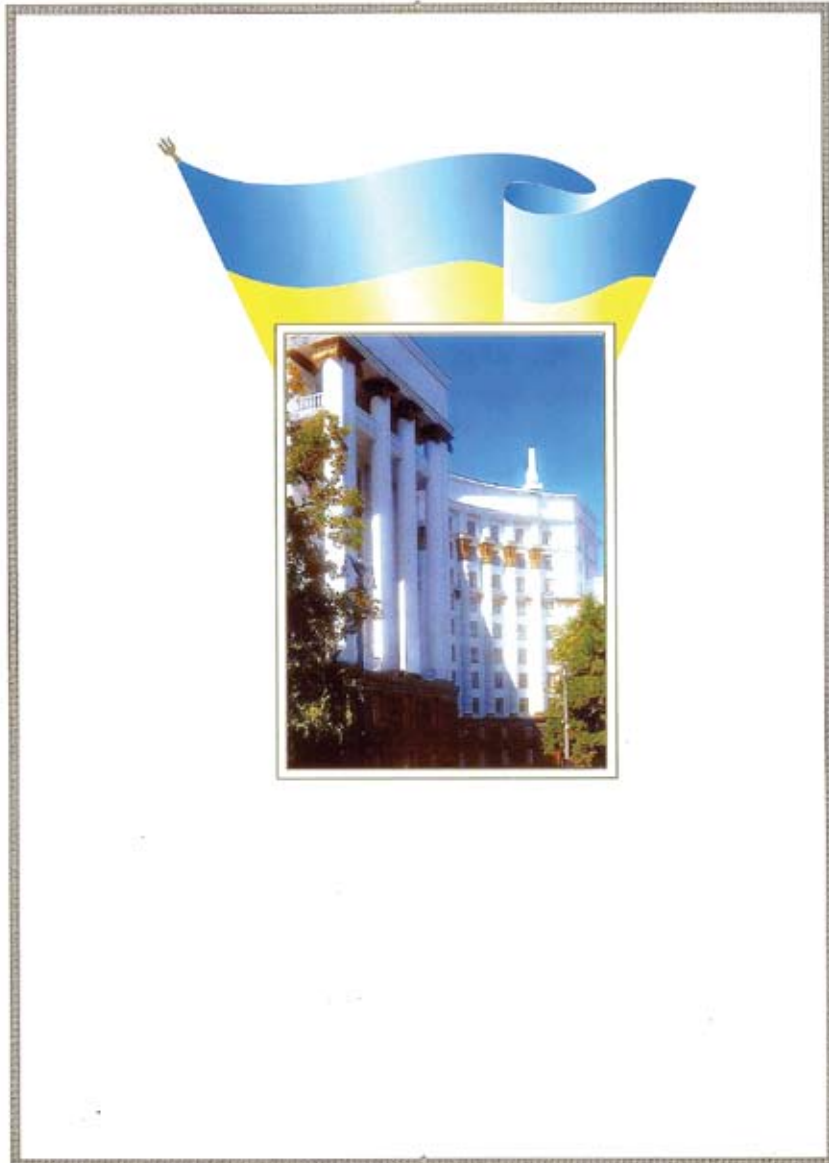


Nearly half of the private sector’s recommendations in the Belarusian National Business Platform, pictured above, were fully or partially adopted by the government. Helping to build unprecedented consensus with this document, the Confederation of Entrepreneurship has already met with great success.

IMPACT ON REFORM

- Nearly half of the business community’s recommendations in the NBP were either fully or partially adopted by the government, including recommendations on tax changes, inspections, transparency, and price liberalization.
- An anti-business resolution that would have forced more than 80 percent of Belarusian small and medium-sized importers out of business was stopped before it was adopted.
- Business leaders across Belarus, even in the most remote regions, have consolidated their support of the NBP as a result of a national grassroots informational campaign that has reached 15,000 entrepreneurs, business owners, and civil society leaders.

In 2008, Ukraine joined the World Trade Organization (WTO), a huge victory for CIPE partner the Ukrainian Center for International Integration (UCII). UCII conducted an extensive campaign to educate the public, the private sector, greater civil society, and the government about the benefits and necessity of joining the WTO. The government officially recognized UCII, below, for its efforts, which were essential in bringing about this integration.



CIPE commenced its work in Latin America and the Caribbean by launching its first partnership in 1984, just as countries across the region began to emerge from dictatorship and the debt crisis. Since that time, there have been huge advances in the democratic representation of marginalized groups, business formalization, and the protection of property rights, yet many of the issues CIPE addressed in its first years are still challenges today. The following pages celebrate a CIPE partner that has led Peru's progress in these areas, the Institute for Liberty and Democracy, look to the future of reform with Instituto Invertir (also in Peru), and provide regional highlights of the impact CIPE's work has had over the past year.

PARTNERS IN SUCCESS

INSTITUTE FOR LIBERTY AND DEMOCRACY

CIPE's first partnership, and one of its most successful, was with the Institute for Liberty and Democracy (ILD) in Peru. Beginning in 1984, CIPE helped ILD design an innovative economic reform agenda and an advocacy campaign based on increased citizen participation in decision-making. ILD used "289 days" – the time required to legally create a small business – as its slogan in order to convey the scope of the administrative barriers and legal discrimination experienced by small-scale entrepreneurs. This groundbreaking approach made it possible for ILD to help defeat the Shining Path terrorist movement in Peru. The Shining Path's own newspaper, *El Diario*, declared that the ILD's methods hindered recruitment efforts and weakened popular support for the terrorist cause. Over the past two decades, 35 heads of state have requested ILD services, and currently, ILD has 20 projects underway to move countries around the world toward inclusive modern market economies under the rule of law. Now an internationally respected think tank, ILD has seen its ideas integrated into the work of the United Nations through the Commission on Legal Empowerment of the Poor and many other international institutions.

- As a result of ILD's efforts in Peru, 300,000 small enterprises were integrated into Peru's formal economy, accounting for 560,000 legal jobs and contributing an added \$300 million in tax revenues each year.
- The time needed to legally register a business in Peru was cut from about 300 days to less than one day by ILD's establishment of a Unified Business Registry.
- The cost to register a business in Peru was lowered from \$1,200 to \$174, and registered businesses saved \$692.5 million in cutting through red tape.
- The macroeconomic policies and 200 other reforms initiated by ILD raised Peru's growth rate to nearly 14 percent by 1994 and brought down inflation from 7,605 percent in 1990 to 10 percent in 1995.

(Figures are International Monetary Fund and ILD estimates. USAID provided principal funding for ILD's programs. CIPE supported ILD's advocacy initiatives with funding from the National Endowment for Democracy.)

AMERICA AND THE CARIBBEAN

“In 1984 the Center for International Private Enterprise and the National Endowment for Democracy offered early support to pioneering reforms



As a result of ILD's years of hard work, home owners, like the woman above, received official titles to their property, integrating them into the formal economy and institutionalizing the value of their holdings.

in Peru. Recognizing the link between participation in economic society and democratic society, NED and CIPE buttressed the Institute for Liberty and Democracy's efforts to give the poor legal title to their property and the tools to release the wealth locked up in those assets. Economic reform begat political stability as the hope of a better future presented the people of Peru with a credible alternative to the Communist insurgency and undercut popular support of the Shining Path terrorist movement. CIPE and NED have stood with us for 20 years, and their continuing support today allows us to share our successes with other countries in transition.”

Hernando de Soto
President, Institute for Liberty and Democracy

2008 CIPE PROGRAMS AND PARTNERS IN LATIN AMERICA & THE CARIBBEAN

DEMOCRATIC GOVERNANCE AND INSTITUTIONS

- Argentina:** Improving Corporate Governance Standards in Argentina; Furthering Good Corporate Governance Practices (Partner: Center for Financial Stability)
- Brazil:** Improving Corporate Governance in Brazilian Family Businesses (Partner: Brazilian Institute of Corporate Governance)
- Chile:** Building the Center for Corporate Governance (Partner: Foundation of Studies of the Faculty of Economics and Business Administration of the Pontificia Catholic University of Chile)
- Colombia:** Strengthening Corporate Governance in Public and Private Companies (Partner: Confecámaras)
- Mexico:** Strengthening Corporate Governance in Mexico (Partner: Center for Excellence in Corporate Governance)
- Regional:** Promoting Good Corporate Governance Culture in Colombia, Ecuador, and Venezuela (Partner: Confecámaras)

EMPOWERING PRIVATE SECTOR ORGANIZATIONS

- Haiti:** Strengthening Private Sector Associations in Haiti
- Paraguay:** Private Sector Economic Forum: Building a Reform Agenda in Paraguay (Partner: Foundation for Development in Democracy)

ACCESS TO OPPORTUNITY

- Guatemala:** Building Consensus to Reduce the Informal Sector in Guatemala (Partner: National Economic Research Center)
- Regional:** Leadership Development to Promote Democracy in Latin America

GRASSROOTS PARTICIPATION

- Nicaragua:** Promoting Democracy through a National Business Agenda (Partner: Superior Council for Private Enterprise)
- Peru:** Advocating for Economic Reform in Peru (Partner: Confederation of Private Businesses and Institutions)

PARTNERS IN SUCCESS INSTITUTO INVERTIR

PERU

At just a year old, Instituto Invertir has already seen significant success encouraging entrepreneurship in Peru in a democratic context. Invertir teaches business development and the economics of business success through its training programs for small and medium-sized enterprises and youth. Among Invertir's most noteworthy programs is the LíderAcción leadership and entrepreneurship education program for university students from areas outside the capital, a group that is crucial to advancing democracy in Peru. Recent polls show that 86 percent of young people – who comprise nearly a third of the country's population – are disenchanted with democracy, particularly those in rural areas who have been left outside of the country's economic success.

The LíderAcción program was designed by Invertir, the Peruvian University of Applied Sciences (UPC), and CIPE as a response to this lack of confidence in democracy and the free market. In three interactive, hands-on trainings in Lima, LíderAcción helped 200 students from rural Peru learn how to assume a leadership position in their communities and foster Peru's democratic development and economic growth. Working in groups, students developed 47 business plans for community development projects with the guidance of UPC business school faculty. At the end of the program, three winners received the funds necessary to start their business, and they have already begun to implement their plans.

- Three new businesses are being established by the winners of the LíderAcción competition: an ecotourism company, a company that is producing marmalades from native Peruvian fruits, and a private retirement home.
- A LíderAcción alumni network is supporting program alumni as they assume a leadership role in their communities and implement their business plans.
- A number of Peruvian companies, including Interbank, Backus, TEPSA, Gloria, Southern Copper, and RPP News, have committed support to the graduating students and the LíderAcción program.

LíderAcción opens a window of opportunity for these young people to lead efforts to foster private enterprise and democracy in Peru.

Students from San Martín province won the LíderAcción business plan competition with a proposal for an ecotourism company.



BOLIVIA

FINDING REPRESENTATIVE POLICY ALTERNATIVES

While Bolivia is endowed with immense natural riches, it has not been able to successfully manage this wealth to ease the poverty of ordinary Bolivians. This mismanagement is compounded by the socialist political climate, government inefficiency, and corruption. With CIPE support, Fundación Milenio, a Bolivian think tank, launched an intensive awareness campaign to promote policy alternatives and demonstrate that natural resources must be properly managed if the wealth they generate is to benefit citizens.

Working in a challenging political context, Milenio was one of the few independent voices to call for such reform. In cooperation with the media, three leading Bolivian economists, and former Bolivian Vice President Victor Hugo Cárdenas, Milenio was able to foster objective discussion at the national level, leading the government to change its methodology for the distribution of natural resource revenues. Now, a significant part of resource wealth goes straight to citizens instead of supporting a large government bureaucracy.



IMPACT ON REFORM

- Milenio's advocacy campaign pushed the government to reform the state pension program, which is funded by the revenues from natural resources. The pension program, Renta Dignidad, has been expanded to allow all Bolivians over the age of 60 (representing roughly 5 percent of Bolivian citizens) direct access to these revenues. The new system distributes nearly \$200 million a year, more than twice the resources distributed annually through the previous system.
- Milenio reached approximately 80,000 people with its special report on Bolivia's pension system, through the country's most widely-read magazine, *Oh!* The report helped change public perceptions of the pension program, which was previously considered a waste of money, to show how pensions could stimulate local economic growth when distributed efficiently to individuals.

BUILDING SOUND ENVIRONMENTAL, BUSINESS POLICY

Using its National Business Agenda as an advocacy platform, the Superior Council of Private Enterprise (COSEP) strengthened private sector dialogue with the Government of Nicaragua. These efforts resulted in the creation of several public-private working groups, comprising 10 private sector leaders and 10 government representatives dedicated to reviewing pending legislation for its potential effect on the energy sector and business environment. COSEP developed and presented three legislative initiatives to the National Assembly: the Biofuels Law, the Mutual Guarantees Law, and the Law on Leasing. With COSEP's direction, these new laws will have a positive influence on business as well as the energy sector.

IMPACT ON REFORM

- COSEP's advocacy efforts helped to reform the Energy Stability Law and the General Environmental Law, which ensure that Nicaraguans have consistent access to affordable electricity, facilitate private sector investment in renewable energy projects, and stabilize long-term energy costs.
- Amendments to Nicaragua's Water Draft Law now include a clause protecting the right to acquire private property in coastal areas. These amendments are crucial to continuing the development of Nicaragua's tourism sector.
- Two new laws, the Leasing Finance Law and the Invoice Exchange Law, have made it easier for small and medium-sized enterprises to acquire equipment and access credit.
- COSEP's advocacy has helped prevent the approval of at least four anti-market laws, including the Food Security Law, Government Purchasing Law, Social Housing Law, and the Coastal Law, each of which would have seriously hampered private property rights, market function, and business practices in hiring employees.



COSEP was highlighted in the CIPE publication, *El regreso de la izquierda y el futuro de las reformas en América Latina* (The Return of the Left and the Future of Reform in Latin America), for its work on a National Business Agenda and advocacy and policy reform in Nicaragua. Pictured above are President of Nicaragua Daniel Ortega, left, and President of Brazil Luiz Inácio Lula da Silva, speaking at a CIPE-sponsored investment forum for the two countries.

ENGAGING RURAL ENTREPRENEURS IN POLICY REFORM

Throughout 2008, CIPE worked with the National Economic Research Center (CIEN) to address obstacles to doing business for formal and informal entrepreneurs in Guatemala's countryside by developing numerous local business agendas and implementing an aggressive public awareness campaign. Rural entrepreneurs encounter a more challenging business environment in the absence or weakness of state institutions outside the capital. Moreover, the traditional consultative relationship between the national government and large business associations leaves out small-scale rural entrepreneurs. CIEN helped rural entrepreneurs to organize and bring their recommendations for reform to political leaders in seven jurisdictions across Guatemala. Issues addressed included minimum wage, tax collection, business formalization, and establishing local business associations. With CIEN's help, these rural entrepreneurs were able to engage in the legislative process and present their needs in national-level debate.

GUATEMALA

IMPACT ON REFORM

- Guatemala's Real Estate Guarantees Law (Ley de Garantías Mobiliarias), now gives thousands of small businesses access to credit by allowing them to use all their non-fixed assets (in addition to land and buildings) as collateral.
- Guatemala's tax on land transfers and other fixed assets dropped from 12 percent to 3 percent as a result of CIEN's legislative recommendations.
- CIEN's policy recommendations helped defeat proposed legislation that would have complicated the income tax system and significantly raised taxes for business.

2008 CIPE PROGRAMS AND PARTNERS IN LATIN AMERICA & THE CARIBBEAN

INFORMATION AND VALUES

Argentina: Strengthening Institutions and Advocacy for Fiscal Reform (Partner: Center for the Implementation of Public Policies Promoting Equity and Growth)

Bolivia: Economic Forum on Constitutional Reforms (Partner: Research Center for Economic and Social Studies)

Bolivia: Energizing Development in Bolivia (Partner: Fundación Milenio)

Colombia: Advisory to Key Political and Judicial Actors on Economic Reform Initiatives; Economic Advisory to Congress and the Judiciary (Partner: Fedesarrollo)

Cuba: Promoting Reform in Cuba

Ecuador: Building Public Support for a Market Economy (Partner: Ecuadorian Institute for Political Economy)

Ecuador: Developing New Leaders in Ecuador (Partner: Alianza Equidad)

Ecuador: Leadership Development to Combat Corruption in Ecuador (Partner: Foundation for Development Alternatives)

Jamaica: Developing a Reform Agenda in Jamaica

Peru: Promoting Leadership and Democratic Values among Youth (Partner: Instituto Invertir)

Venezuela: Educational Program for Community Leaders in Venezuela (Partner: Liderazgo y Vision)

Venezuela: Strengthening Democratic Values in Venezuelan Companies (Partner: Venezuelan Confederation of Industries)

Regional: *Perspectiva* Magazine: Promoting Reform; *Perspectiva* Magazine: Promoting Reform in Latin America (Partner: Political Science Institute)

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.

GLOBAL PARTNERSHIP & KNOWLEDGE MANAGEMENT

Since CIPE's inception 25 years ago, it has shared thoughtful analyses of democratic and market reform issues, successful methodologies, and lessons learned with its partner network and beyond. CIPE's business model, which focuses on the nexus of political and economic transformation and puts primary importance on engaging local stakeholders in building sound institutions, is as relevant today as it was 25 years ago. The following pages celebrate CIPE's years of partnership with the OECD Development Centre, look forward to the future of global reform efforts with the World Bank Institute, and provide highlights from CIPE's global and knowledge management successes over the past year.

PARTNERS IN SUCCESS OECD DEVELOPMENT CENTRE

As part of the Organisation for Economic Co-operation and Development (OECD), the Development Centre works to forge stronger relationships between the OECD and non-member countries. CIPE has worked with the OECD Development Centre on a number of initiatives to promote good private and public governance around the world.

CIPE's most important contribution to the OECD's work was in bringing emerging-market perspectives – gained through years of work with local stakeholders in developing countries – to the review of the OECD Principles of Corporate Governance. When the original principles were created in the late 1990s, they were a ground-breaking achievement in the advancement of corporate governance around the world. Practitioners quickly realized, however, the limitation of the principles written with little input from emerging economies. During the review process, CIPE brought together its partners who worked on corporate governance issues in countries as diverse as Kenya, the Philippines, and Russia.

The revised set of corporate governance principles has been embraced around the world as a starting point for good governance reform. In Lebanon, for example, the Lebanese Transparency Association used the principles as the basis for its Code of Corporate Governance – a huge step in helping Lebanese companies become globally competitive (see page 36). Most importantly, with input from emerging economies, the revised principles proved to be much more applicable to the realities of doing business in developing countries.

PROGRAMS BUDGET ENT

"The greatest value of the OECD Development Centre's work with CIPE relates to something that lies at the heart of the mission of both our organizations: the engagement of reformers and experts from developing countries and emerging economies in shaping international standards and principles. This engagement makes such principles truly relevant in a global context."

Javier Santiso
Director, OECD Development Centre

Javier Santiso, director of the OECD Development Centre, speaks at a CIPE event in 2006 on the need for reforms in Latin America to address inequality and poverty.

2008 CIPE GLOBAL PROGRAMS AND PARTNERS

DEMOCRATIC GOVERNANCE AND INSTITUTIONS

Building a Better Working Environment through Voluntary Business Initiatives (Partner: Social Accountability International)

Developing Private Sector Tools to Combat Corruption (Partner: Transparency International)

Political Dynamics of Economic Reform

Promoting Transparency in Public Procurement (Partner: Transparency International)

Rebuilding Democratic and Market Institutions in Post-Conflict Environments

EMPOWERING PRIVATE SECTOR ORGANIZATIONS

Association and Chamber Executive Development

INFORMATION AND VALUES

Forum on Economic Freedom 2008

Knowledge Management

University Course on International Development

ACCESS TO OPPORTUNITY

Empowering Women through Democratic Activism and Economic Success (Partner: World Movement for Democracy)

Supporting Young Leaders (Partner: AmCham Kyrgyzstan, Bishkek Business Club, the Center for Policy Priorities Junior Achievement Nepal, and eight local chambers of commerce)

GRASSROOTS PARTICIPATION

World Chambers Congress 2007 (Partner: World Chambers Federation)

PARTNERS IN SUCCESS WORLD BANK INSTITUTE

Over the past few years, CIPE has been working with the Business, Competitiveness, and Development Program of the World Bank Institute (WBI) to support the private sector fight against corruption. As the capacity development arm of the World Bank, WBI helps countries share and apply global best practices and local knowledge to meet development challenges. The Business, Competitiveness, and Development Program works directly with the private and public sectors and their key stakeholders to integrate social and environmental responsibility, good governance, accountability, and engagement with the poor as vital components of corporate strategy. WBI promotes business contributions to development and national economic competitiveness.

In 2008, WBI responded to a common call from many countries for stronger business ethics and governance with its recently launched *Fighting Corruption through Collective Action* guide. The

guide assists decision-makers from the private and public sector in implementing ethical leadership practices and collective anti-corruption measures through knowledge-sharing of reform solutions and best practices. Developed by WBI with contributions from CIPE and other stakeholders such as Transparency International and the United Nations Global Compact, the guide is available at its companion web portal, www.fightingcorruption.org.

Also in 2008, together with CIPE and the Regional Center for Organization Management (based out of Bucharest, Romania), WBI fostered opportunities for business associations from the information and communications technology (ICT) sector in Romania and Ukraine to share best practices in policy advocacy. The association dialogue resulted in a toolkit on experiences in advocacy and public private dialogue from within the Romanian ICT sector and a series of workshops on policy advocacy for business association managers in Bosnia and Herzegovina.

Demand for successful private sector programs against corruption remains high. By replicating the successes of companies and business associations in combating bribery and extortion, CIPE and WBI intend to meet that demand in the coming years.



President and CEO of Transparency International – USA Nancy Boswell and CIPE Executive Director John D. Sullivan discuss WBI’s new guide and web portal, “Fighting Corruption Through Collective Action – Resources for Business” at the guide’s launch in June 2008.



CIPE DEVELOPMENT INSTITUTE

In mid-December 2008, CIPE launched the CIPE Development Institute – a new online platform that advances young people’s understanding of the role of democratic governance and the market economy in development. This resource is available at www.developmentinstitute.org and is a joint effort with CIPE partners and distinguished global scholars such as Nobel Prize-winning economist Douglass North, Hernando de Soto, and Larry Diamond.

The institute reaches undergraduate students and professors in developing countries by providing them with self-study and classroom materials on political and economic reform and case studies from around the world. The online platform features interactive, multimedia presentations from international speakers, accessible lesson plans and readings, and an open forum on development issues. Given that few university curricula in developing countries address development issues from the perspective of building sustainable democratic and market institutions, this resource is a valuable and practical educational tool.


- The Riinvest University in Kosovo has committed to integrating the Development Institute resources into its regular curriculum. Universities in countries as diverse as Afghanistan, Kyrgyzstan, and South Africa have also expressed interest in using the materials as part of their regular course work.
- Over 450 users from 93 countries registered with the Development Institute in its first quarter of operation.
 - “[The institute has] so many different voices and different accents from different corners of the world, yet completely harmonized by a common perspective on international development.” **Dr. Boris Begovic, President of the Center for Liberal-Democratic Studies and Professor of Economics at the University of Belgrade, Serbia**
 - “[I] believe it is an important contribution to the world community particularly being freely accessible. It will be my pleasure to study all and commend to others when opportunities arise.” **Dr. Y.R.K. Reddy, Chairman of the Academy of Corporate Governance in Hyderabad, India**

SHARING KNOWLEDGE OF EFFECTIVE PROGRAM APPROACHES

Through knowledge management, democratic market reform strategies and lessons from across the world are being integrated into CIPE's programs and beyond to improve program effectiveness and generate new initiatives. Partners have looked to CIPE for ideas and models in their work, and several have directly transferred this knowledge into their program design. CIPE's knowledge management resources are used by business associations, think tanks, consultants, embassies, companies, and social entrepreneurs.

In 2008, the knowledge management program expanded outreach and shared new types of knowledge with *The CIPE Guide to Program Development*, which captured CIPE's own best practices for nurturing locally driven reforms. In addition, a series of reform toolkits shared valuable "how-to" recommendations on combating corruption, promoting corporate governance, and establishing legislative advisories. An online community of practice was launched to facilitate cross-regional sharing of knowledge among advocates for women's entrepreneurship at www.reformsnetwork.org/women.

- CIPE Reform Toolkits were used in training and advocacy programs in Iraq, Mongolia, Romania, Sri Lanka, Tanzania, and Yemen. The toolkits have received over 14,000 hits online.
- Survey results from partners and other CIPE knowledge management users revealed that these resources are being used by chambers of commerce, think tanks, consultants, embassies, companies, and social entrepreneurs. Respondents indicated that knowledge management resources are valuable in: "daily work," "program implementation," and "youth empowerment in professional schools," and that they are "critical... in making decisions on which course of action to take."
- *Strategies for Policy Reform* has been accessed online more than 31,000 times, making it one of CIPE's most popular publications at: www.cipe.org/strategies.
- CIPE case studies and toolkits were featured in the World Bank Institute's "Business Fighting Corruption" resource center for businesses, international organizations, and non-governmental organizations.



The CIPE Guide to Program Development

Strategic Planning for Emerging Markets • CIPE Staff Edition
Center for International Private Enterprise

The CIPE Guide to Program Development, pictured above, is a new resource for CIPE staff to learn about CIPE's best practices for program development and supporting local reform. A special edition for partners is set for release in 2009.

FORUM ON ECONOMIC FREEDOM

In order for democratic and market-oriented reforms to take root around the world, public officials, the private sector, civil society organizations, and ordinary citizens *must* have access to a free flow of information. Apart from accurate news and analysis of current events, local reformers also need success stories, theoretical pieces, international experiences, and regionally specific resources to inform their work. In 2008, CIPE's Forum on Economic Freedom continued to foster and deepen this crucial information flow by providing various electronic and print tools to help reformers share ideas and best practices. Whether through *Economic Reform Feature Service* articles, the CIPE website, case studies, policy papers, roundtables, or the CIPE Development Blog, Forum is capturing and sharing knowledge on the links between political and economic reform.

- CIPE is reaching more people than ever through its website; traffic on the CIPE website grew by nearly 30 percent in 2008.
- CIPE launched a new effort on association social responsibility with private sector workshops in Colombia, Indonesia, Montenegro, and the Philippines. These developing-country voices are crucial in the creation of a set of international association social responsibility principles, to be completed in 2009.
- CIPE, along with the World Bank Institute, Transparency International, the UN Global Compact, Siemens, Grant Thornton, and other companies and non-governmental organizations, helped launch a new collective action portal to combat corruption, www.fightingcorruption.org.



With the support of CIPE's Forum on Economic Freedom, the CIPE Development Blog has become well known for its ability to connect current events with broader themes, CIPE programs, and partner experiences.



Sadia Basir, a young entrepreneur who participated in CIPE's youth conference, speaks on CNBC Pakistan about the challenges young people face in starting their own businesses.

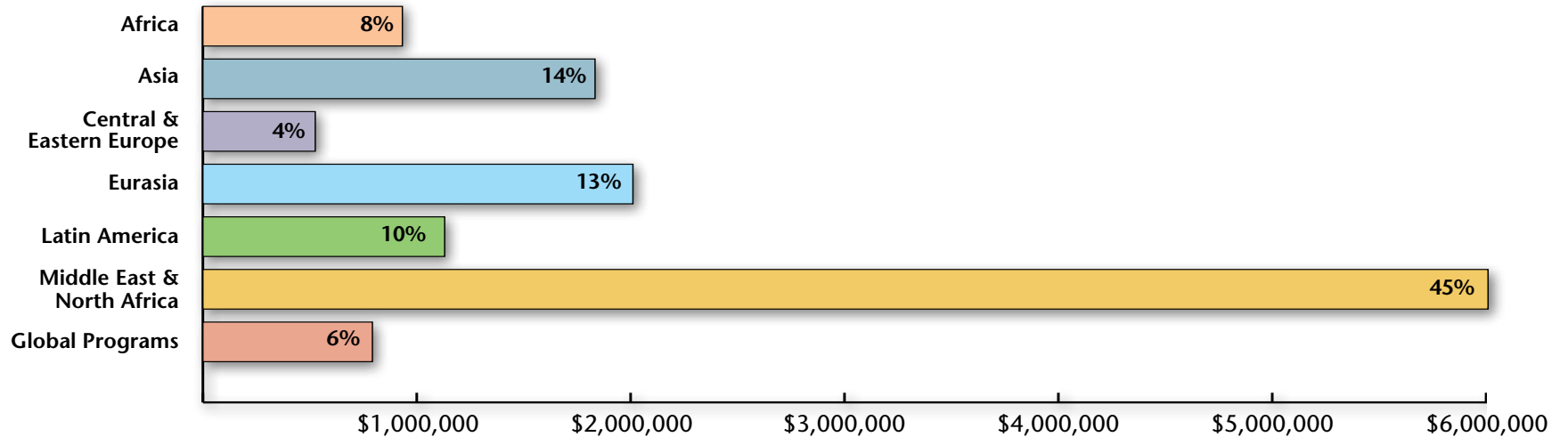
YOUTH INFLUENCE POLICYMAKING IN PAKISTAN

In June 2008, young people from across Pakistan gathered in Islamabad to make policy recommendations for the draft of the National Youth Policy of Pakistan. The conference, organized by CIPE, the Islamabad Chamber of Commerce and Industry, and Pakistan's Ministry of Youth Affairs, was an opportunity for 130 young participants to voice their concerns directly to the Secretary for Youth Affairs Ashfaq Mahmood. Participants developed more than 50 recommendations and presented these to Secretary Mahmood. Examples of how the 2009 National Youth Policy reflects the recommendations of the conference include:

- Large public and private organizations and companies are required to provide internship opportunities to young graduates, and universities must provide on-campus job opportunities to at least 5 percent of their full-time student population;
- Universities are encouraged to establish career offices for graduates; and
- Incentives to universities and corporations encourage the establishment of business incubator offices for young graduates to hone their business plans.

FINANCIAL

FUNDS BY REGION



CIPE'S PARTNERSHIP PROGRAMS

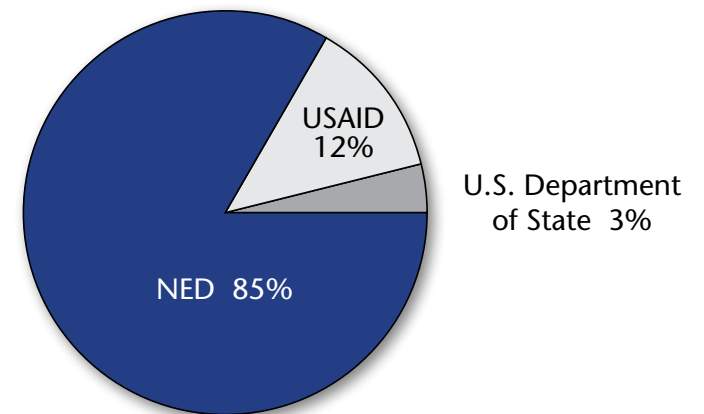
CIPE's partnership programs provide management assistance, practical experience, and financial support to business groups and think tanks to strengthen their expertise while accomplishing key development goals.

The four-step grants management program includes:

- 1) needs assessment and agenda setting;
- 2) development of a business plan (program of work);
- 3) progress monitoring; and
- 4) comprehensive evaluation and follow-up.

CIPE's staff of regional and technical experts provide ongoing guidance and technical assistance.

SOURCES OF FUNDS



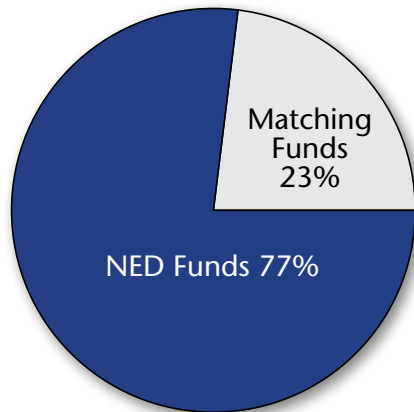
SUMMARY

CIPE partnership grants are used to advance policy advocacy, business services, educational programs, and other development goals. Most grants include communication and advocacy components to build policymakers' support for reform. Grants range from full-scale programs with national business associations and think tanks to integrated small grants that reach grassroots organizations throughout a country.

MATCHING FUNDS

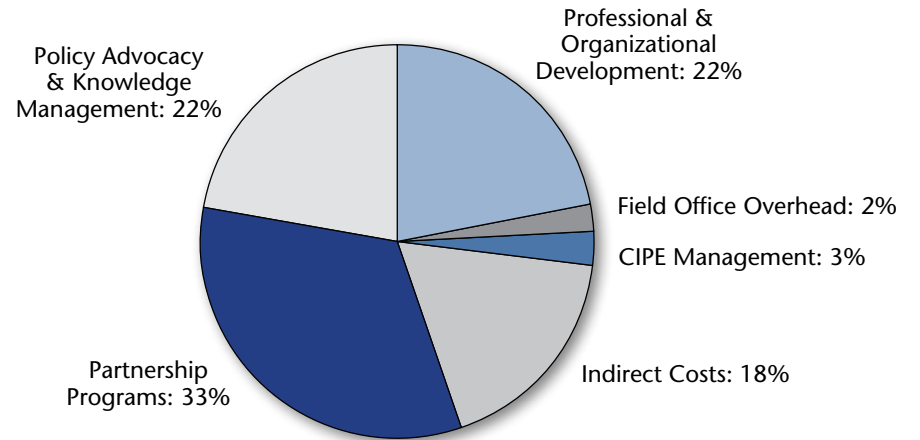
Nearly all partnership projects funded through CIPE include matching funds to facilitate the program's implementation. This allows CIPE to leverage the funds provided by the National Endowment for Democracy (NED) with funds from the private sector to maximize efforts to strengthen democracy and market-driven reform.

MATCHING FUNDS FOR NED PARTNERSHIP GRANTS



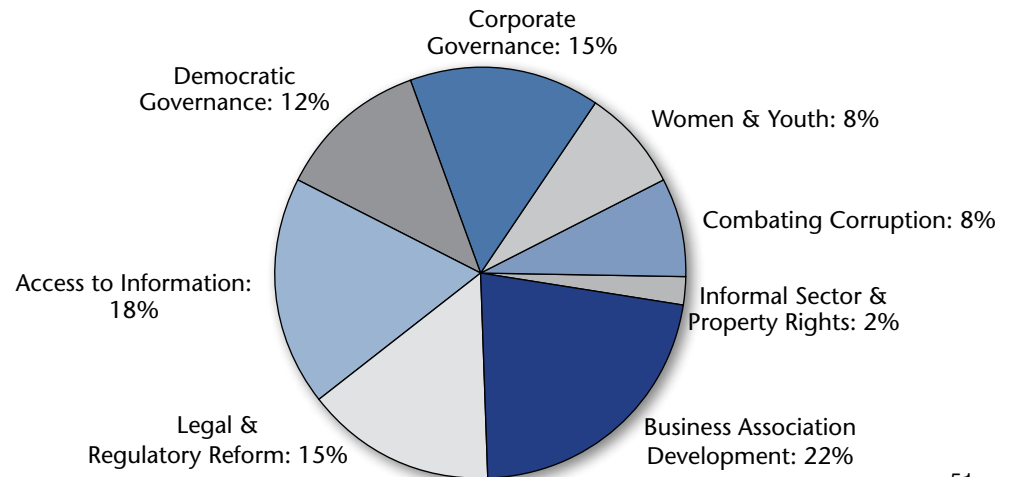
USES OF FUNDS

as percent of 2008 cash flow (\$16.6 million)



PROGRAM THEMES

as percent of 2008 program costs (\$13.2 million)



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