



2011 ANNUAL REPORT



CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE
1155 15TH STREET NW, SUITE 700
WASHINGTON, DC 20005
WWW.CIPE.ORG | INFO@CIPE.ORG

DEMOCRATIC GOVERNANCE
COMBATING CORRUPTION
BUSINESS ASSOCIATION DEVELOPMENT
CORPORATE GOVERNANCE

LEGAL AND REGULATORY REFORM
ACCESS TO INFORMATION
WOMEN AND YOUTH
INFORMAL SECTOR AND PROPERTY RIGHTS



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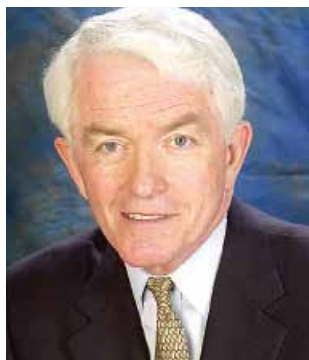
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WELCOME

FROM THE CHAIR AND THE PRESIDENT



Karen Kerrigan
CIPE Chair
President and CEO
Small Business &
Entrepreneurship Council



Thomas J. Donohue
CIPE President
President and CEO
U.S. Chamber of Commerce

The winds of change rippled through the Middle East in 2011, amid demands for democracy, justice, and economic opportunity. It was the year of the Arab Spring, and the seeds of democracy were sown in a region once thought to be immune to change. However, when the revolutionary fervor subsides and the media coverage diminishes, one key question remains – what happens next? As the challenge and complexity of true democratic leadership begins to loom, the work of CIPE and its partners begins. This work is what President Ronald Reagan referred to as “building the infrastructure of democracy” in his landmark presentation before the British Parliament 30 years ago. That speech, which led to CIPE’s founding, encapsulates the idea that democracy depends on more than simple elections . . . or revolutions. Democracy is built around good governance and open markets, and CIPE’s mission – to strengthen democracy around the world through institutional and economic reform – is as relevant today as it was at the time of its founding.

Since 1983, CIPE has teamed with nearly 500 partners in more than 100 countries on 1,300 programs dedicated to strengthening the intersection between democracy and economics. These partners, many of whom are grassroots business organizations, enter a fellowship where lessons

learned in one region may inform challenges in another. For example, in June 2011, CIPE’s “Democracy that Delivers for Women” conference gathered nearly 250 women leaders and development practitioners to share knowledge and best practices on women’s democratic and economic empowerment. U.S. Ambassador-at-Large for Global Women’s Issues Melanne Verwee noted in her keynote remarks that “Political and economic realities are intertwined; progress in one dimension reinforces another.” Other conference speakers included CIPE partners from Egypt, Pakistan, and Bangladesh – where CIPE programs have had important and lasting impact – who shared their experiences with conferees.

2012 also marks the 100th Anniversary of the United States Chamber of Commerce. As a proud affiliate of the Chamber, CIPE has employed many time-tested Chamber training models and with their partners adapted them to unique environments around the globe. In 2011 alone, CIPE has implemented a pioneering National Business Agenda (NBA) in Afghanistan, several provinces of Iraq, and Moldova. In each case, the NBA process mobilizes the local business community to use its skills to effect public policy reform by setting legislative and regulatory priorities and clearly communicating them to policymakers.

Now, in this ever-changing world, there is much to be done. CIPE’s long history and deep knowledge ensures that it will remain well-positioned to help its partners build strong, market-oriented democracies. We are pleased to present CIPE’s programs for 2011 and to report on the good work and proud accomplishments of our many global partners. With the ongoing support of the National Endowment for Democracy, the U.S. Agency for International Development, the U.S. Department of State, the State Department’s Middle East Partnership Initiative, the U.S. Chamber of Commerce, and others, CIPE and its partners have been and will remain at the forefront of building market institutions that provide opportunities for sustainable economic growth and the development of democracy around the world.

HIGHLIGHTS

Throughout 2011, CIPE's partners and programs showcased the crucial role that the private sector plays in economic reform and democratic development. This report highlights our partners, their successes and achievements, and the exceptional nature of their work.

AFRICA

CIPE works with the Institute of Economic Affairs in Ghana and the Kitara Heritage Development Agency in Uganda to strengthen democratic institutions and improve transparency in the extractive industries. Strong civil society oversight of mineral and petroleum extraction will help to reduce opportunities for corruption.

ASIA AND SOUTH ASIA

The Institute for Corporate Directors works to improve corporate governance throughout the Philippines. Their corporate governance scorecard, combined with effective policy advocacy by ICD, has contributed to significant improvements in corporate governance in the Philippines. The 2011 "Corporate Governance Scorecard" showed a 53 percent improvement in corporate governance since the launch of the initiative.

EASTERN EUROPE AND EURASIA

CIPE's effort to stimulate entrepreneurial activity and expand opportunities among youth in Russia's economically depressed North Caucasus region yielded significant results. Young people between 18 and 25 participated in a six-part training program and participated in a business plan competition. Eighteen graduates have received government grants, enabling the young entrepreneurs to develop business start-ups in areas ranging from retail trade and agriculture to consumer services.

LATIN AMERICA AND THE CARIBBEAN

Fundación Paraguaya has strengthened the entrepreneurial knowledge and competencies of nearly 900 public school teachers through a series of educator forums held throughout Paraguay. With an average class size of 30 students, these teachers are now sharing their new skills with nearly 27,000 Paraguayan youth.

MIDDLE EAST AND NORTH AFRICA

As part of its comprehensive, private sector-led effort to fight corruption in Egypt, CIPE supported the Egyptian human rights law firm the United Group to draft and release a proposed law on freedom of information for Egypt. The proposal also included suggested language intended to codify freedom of information in Egypt's new constitution.

GLOBAL PROGRAMS

CIPE published more than 20 Economic Reform Feature Service articles, distributed electronically to over 8,000 readers worldwide and downloaded from CIPE website by more than 2,500 visitors. Feature Service articles are the most frequently used CIPE resource, since they focus on the key areas of interest for CIPE audiences: anti-corruption, entrepreneurship, corporate governance, and democratic governance. Surveyed audiences - including policymakers, business leaders, civic reformers, and academics - overwhelmingly agree that Feature Service articles, along with other CIPE publications, provide them with the information they need on democratic and market reform that it is of high quality and relevant to their work.

CIPE AREAS OF WORK AND OBJECTIVES

CIPE AREAS OF WORK

- n Democratic Governance – CIPE works to create and strengthen institutions of accountability and increase public participation in reform.
- n Combating Corruption – With the private sector leading the way, CIPE seeks to improve governance mechanisms and standards and make a link between cultural norms and the rule of law.
- n Business Association Development – CIPE supports grassroots participation of private sector organizations by providing support and technical assistance.
- n Corporate Governance – CIPE initiates and supports programs to educate private sector leaders and the public on fairness, accountability, responsibility, and transparency.
- n Legal and Regulatory Reform – CIPE encourages the private sector to identify laws and regulations that hinder business activity and make reform recommendations.
- n Access to Information – CIPE works with local partners to achieve greater transparency in government and an unrestricted voice for reformers.
- n Women and Youth – CIPE supports women and youth through entrepreneurship and management programs.
- n Informal Sector and Property Rights – CIPE and its partners support the democratic voice and participation of the informal sector, reforming business registration procedures, and strengthening private property rights.

CIPE OBJECTIVES

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

CIPE BOARD OF DIRECTORS

Karen Kerrigan
CIPE Chair
President & CEO
Small Business & Entrepreneurship Council

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The Robertson Foundation

Grant D. Aldonas
Principal
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Law & Policy
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Harry Clark
Managing Partner
Stanwich Group LLC
Senior Counselor
Brunswick Group

Peter M. Cleveland
Vice President, Legal and Corporate Affairs
Intel Corporation

Lynda de la Viña, Ph.D.
Director of the Center for Global Entrepreneurship
University of Texas at San Antonio

Thomas J. Donohue
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Fredrikson & Byron, PA

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Center for International Private Enterprise

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La Pietra Coalition

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Dean of the Moore School of Business
University of South Carolina

Hon. Mary A. Terrell
Associate Judge
Superior Court of the District of Columbia

Phillip N. Truluck
Executive Vice President & COO
The Heritage Foundation

Rosa Whitaker
President & CEO
The Whitaker Group

2011 STRATEGIC OVERVIEW



CIPE's 2011 programs in Africa have helped to advance political and economic reforms and strengthen democracy. In Kenya, CIPE worked with local partners on national legislation and policy reforms affecting thousands of people working in the informal economy. Through public-private dialogue initiatives in Kenya and Nigeria, the business community has successfully achieved regulatory reforms, addressing key issues affecting the business environment including licensing, taxation, and security. In Ethiopia, advocacy efforts of local chambers of commerce and business associations have led to policy reforms in agri-business and taxation across five regions. In Mauritania, CIPE's capacity-building programs led to the country's first Public-Private Dialogue forum. These reforms across Africa will help provide new jobs, opportunity, and incentives to join the formal economy.

In 2012, CIPE programs in Africa will continue to build the capacity of business associations, civil society, and think tanks to advocate for reform. CIPE will assist private sector associations to engage in policy dialogue, encouraging greater participation in finding solutions to political and economic challenges. Giving a voice to Africa's growing informal sector, business leaders, women, and youth, CIPE will help improve the grassroots participation necessary to develop democratic institutions that can provide services and are accountable to the people. CIPE's work with partners in Africa will continue to bolster existing anti-corruption coalitions to strengthen the rule of law and improve transparency in the democratic process.

AFRICA 2011 PARTNERS AND PROJECTS

Partner Projects

GHANA

Institute of Economic Affairs
Strengthening the Voice of Ghana's Civil Society in
Policymaking
Private Enterprise Foundation
Empowering Farmer-based Organizations

KENYA

Institute of Economic Affairs
Empowering Civil Society to Advocate for Budget
Reforms
Kenya Association of Manufacturers
Promoting Local Governance Reform
Kenya Gatsby Trust
Strengthening the Voice of Kenya's Micro and Small-
Scale Entrepreneurs
Kenya Private Sector Alliance
Enhancing Private Sector Participation in
Constitutional Implementation

NIGERIA

Enugu Chamber of Commerce, Industry, Mines, and
Agriculture
Creating an Enabling Business Environment through
Public-Private Dialogue
Centre for Entrepreneurship, Skill Acquisition, and
Sustainable Development
Enhancing the Capacity of Parliamentarians, Phase II
Manufacturers Association of Nigeria
Fostering Private Sector Participation in Policymaking
through Tax Reform, Phase II
National Association of Small and Medium
Enterprises
Strengthening the Voice of Micro, Small, and Medium
Enterprises

SENEGAL

Union Nationale des Commerçants et Industriels
Empowering Small and Medium Enterprises for Reform

UGANDA

Kitara Heritage Development Agency
Fostering Grassroots Private Sector Participation in
Uganda's Energy Policy

Capacity-Building and Training Projects

REGIONAL

Expanding Africa's Network for Reform
Fostering Effective Public-Private Dialogue

COTE D'IVOIRE

Strengthening the Voice of the Informal Sector

ETHIOPIA

Empowering Grassroots Associations

LIBERIA

Alternative Paths to Prosperity

NIGERIA

Regional Business Agendas
Strengthening the Voice of Business in the North
Central Zone

ZIMBABWE

Engaging Women Entrepreneurs

AFRICA

FEATURED PROJECTS

ETHIOPIA

Improving Public-Private Dialogue in Ethiopia

Ethiopia is currently experiencing one of the highest economic growth rates in the world, but its challenge will be to sustain economic growth over the long-term to raise the standard of living and create jobs for the country's citizens. To do this effectively, the government is setting up mechanisms to engage the private sector at the national and regional levels. CIPE is working with 47 chambers of commerce and business associations across five regions to strengthen the private sector's voice, which is essential in this process.

In 2011, CIPE provided training programs, technical assistance, and sub-grants to help business associations advocate for policy and regulatory reforms. These business associations continue to build capacity, expand membership, and advocate for reforms that will lead to sustained economic growth.

- n The Ethiopian Employers Federation in Dire Dawa worked with the Revenue and Tax Authority to clarify a complex tax law to their members. As a result, businesses are better able to comply with tax requirements and are working with government to resolve outstanding issues. Through this initiative, tax revenues are up, allowing the government to provide more services.
- n Through CIPE's training programs, 12 business associations improved their governance systems and recruited 5,516 new members, four developed new strategic plans, seven associations improved their financial management, and 11 associations engaged in advocacy activities for the first time.

GHANA

Extractive Industries Present an Opportunity to Improve Democratic Governance

Ghana's recent discovery of offshore oil presents an opportunity for the country to strengthen its democratic institutions and instill them with fairness, accountability, and transparency. As the country begins to bring petroleum-based products to market, these financial resources can be used to foster economic growth and development. CIPE worked with long-time partner the Institute of Economic Affairs (IEA) to help strengthen civil society's role in overseeing and monitoring government actions as Ghana begins building the institutions necessary to take advantage of its new oil wealth.

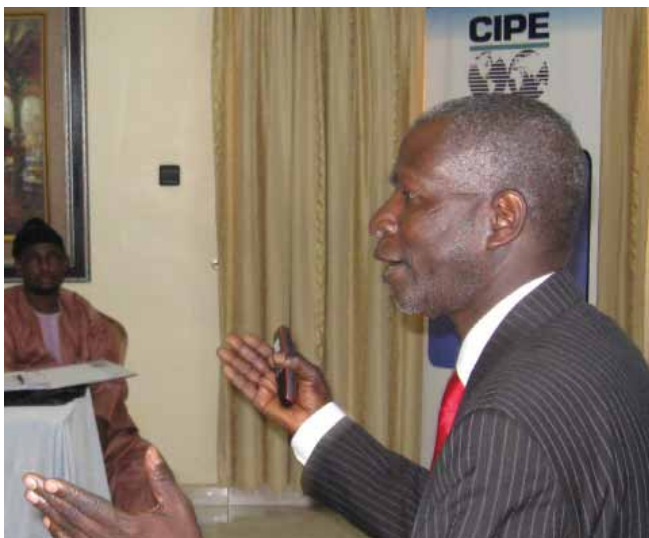
In 2011, CIPE started a new program that will work with the recently-formed Public Interest and Accountability Committee (PIAC) that reports to Parliament and provides oversight of the management of petroleum revenues, providing research and the representative voice of the private sector on national policies and legislation. CIPE and IEA are working to develop a scorecard that will track revenues, monitor expenditures, and analyze contracts. This scorecard will help civil society and government efforts to reduce corruption, and will additionally provide a source for transparent, evidenced-based research on oil revenue.

NIGERIA

Strengthening Democracy through Policy Reform

In order to strengthen democracy, Nigeria's business community must actively advocate for reform and build relationships through public-private dialogue so that policy changes include greater input from civil society. Working with both local legislators and the leaders of the business community, CIPE facilitates communication between the public and private sector on economic issues throughout the North Central Zone. CIPE's work with both business officials and the local state governments has helped the Nigerian business community develop the advocacy skills to maintain government accountability that are essential to foster democratic and market-oriented reforms.

CIPE partnered with the Center for Entrepreneurship, Skill Acquisition and Sustainable Development (CESAD) to help executive branch officials and legislators from the state houses of assembly across all six states of the North Central Zone to draft legislation to promote private sector growth. CIPE is also working with coalitions of business and professional associations in those same six states to strengthen their organizational management and advocacy capacity.




Ezekiel Gomos, Chairman and CEO of CIPE partner the CESAD facilitates a two-day training program for elected members of the Kwara State House of Assembly.

Helping lawmakers and executive branch officials better understand economic policymaking while engaging them in dialogue with business groups and debate creates a new constituency for democracy, improving the climate for entrepreneurship and growth. For the first time, the private sector is engaging with their state-elected officials in dialogue on policy reform.

- n CIPE's partner coalitions in Kwara and Kogi States organized a series of gubernatorial debates in the lead up to Nigeria's elections in April 2011. These were the first debates of their kind to occur in these states. The debates were a direct result of CIPE's training programs, which taught coalition participants about the importance of reaching out to their grassroots members to identify common issues, select a list of priorities, and work together to advocate for policy reform.
- n Rice milling, a major source of employment and livelihood, was hampered by inadequate power and supply in Nasarawa State. A public-private dialogue roundtable, hosted by the Nasarawa State Coalition in 2011, led the State Government to purchase and install transformers in rice milling areas of the capital city, Lafia.
- n The Benue State Coalition hosted a roundtable on taxation involving members of the Benue State House of Assembly to discuss ways to involve the private sector in the policy-making process. This was the first time the private sector in Benue had ever met with the public sector to discuss taxes and other policies that affect business in the state.

2011 STRATEGIC OVERVIEW



CIPE's 2011 strategy in Asia and South Asia focused on grassroots efforts to improve democratic and economic conditions, including strengthening the capacity of business and civil society groups to lead anti-corruption initiatives, advocating for improved public and private sector governance, and promoting democratic reforms. CIPE also worked to bolster private property rights across the region. In South Asia, CIPE focused on cultivating a strong network of individuals and groups dedicated to reform. CIPE's key themes, such as access to information, association governance, women's empowerment, youth entrepreneurship, and the incorporation of informal sector, served as crucial objectives to drive economic development and democratic reform.

Looking forward in 2012, CIPE hopes to further contribute to these successes by fostering democratic and market-oriented institutions. Working with business associations, youth groups and emerging think tanks, CIPE's programs will address corruption, corporate governance, property rights, and other critical issues.

ASIA AND SOUTH ASIA 2011 PARTNERS AND PROJECTS

Partner Projects

BANGLADESH

Bangladesh Women's Chamber of Commerce and Industry
Promoting the Sustainability of Women's Business Advocacy

CHINA

Guizhou Association for Community Construction and Rural Governance
Protecting Rural Land Rights
Institute for Civil Society Development
Improving the Regulatory Environment for Business Associations
The Transition Institutes
Encouraging Free and Open Dialogue on Policy Reform
Unirule Institute of Economics
Improving Local Governance and Organizing Policy Debate Forums
Improving Transparency in Local Governments

INDONESIA

Indonesia Business Links
Promoting Business Ethics and Reducing Corruption
Indonesian Institute of Corporate Directors
Improving Corporate Governance in Publicly Listed Firms

NEPAL

Samriddhi, The Prosperity Foundation
Empowering Youth through Entrepreneurship
Nepal Economic Growth Agenda

PHILIPPINES

Asian Institute of Management
Combating Corruption in the Private Sector
Institute for Corporate Directors
Improving Corporate Governance in Philippine Firms
Institute for Solidarity in Asia
Improving Public Governance in the Philippines

SRI LANKA

Pathfinder Foundation
Economic Reform After the War

THAILAND

Institute of Directors
Private Sector Approaches to Anti-Corruption

Capacity-Building and Training Projects

AFGHANISTAN

Increasing Institutional Capacity and Access to Information

INDONESIA

Strengthening Business Association Advocacy

PAKISTAN

Informing the Democratic Dialogue
Promoting Economic Reform through Business Advocacy

ASIA AND SOUTH ASIA

FEATURED PROJECTS



ISA Chairman Dr. Jesus Estanislao (center) leads a roundtable discussion on the harmonization of the PGS with currently mandated performance systems in the Philippine government.

PHILIPPINES

Helping Democracy Deliver in the Philippines

While the Philippines has been conducting elections for nearly a century, the past four decades of democracy have been marred by extra-constitutional changes in government, impositions of martial law, attempted military coups, and nationwide civil uprisings. The experience of the Philippines demonstrates that elections are not the sole ingredient for democracy. Instead, democracy requires consistent effort on the part of local and national governments.

Since 2004, CIPE has been working with the Institute for Solidarity in Asia (ISA) to reform and build the capacities of local governments across the Philippines through a reform methodology called the Performance Governance System (PGS). The PGS institutionalizes essential community input in local policymaking processes and makes public agencies more operationally transparent and fiscally accountable, strengthening the incentives of public officials to improve the quality and reliability of public services. Improvements in public governance help strengthen democracy. In 2011, the PGS was applied

to national government agencies. ISA continues to work with local governments across the country to improve local living conditions through better public governance and service delivery.

- n The Civil Service Commission, which adopted ISA's program to improve organizational performance and citizen services, established a "Civil Service Institute" to train government employees on "values orientation, public service ethics and accountability, basic customer service skills, gender sensitivity, and administrative justice."
- n The National Electrification Administration (NEA) joined ISA's program with a stated goal to increase electricity availability. After several years of ISA training and capacity building, the NEA announced that it reached its target: 69 percent of the country has access to electricity. The internal governance system introduced by ISA, coupled with ISA training on financial management, administrative capacity and strategic planning, was a major driver of this achievement.

THAILAND

Taking Center Stage in Thailand's Fight Against Corruption

With the long-term goals of reducing corruption and promoting transparency in the Thai marketplace, CIPE launched a project in 2010 with the Thai Institute of Directors (IOD) to cultivate private sector support for national anti-corruption initiatives. In less than 18 months, CIPE and IOD designed and implemented a collective action strategy for reducing corruption in Thailand, and assembled a still-expanding coalition of companies and business associations committed to that strategy.

In a country where public perceptions of government corruption helped trigger nation-crippling chaos on several occasions in recent years, this collective movement within the Thai business community to target the supply side of corruption is making invaluable contributions to Thailand's democratic development.

- n CIPE and IOD refined international best practices on corporate governance, corporate compliance and internal anti-bribery controls that Thai companies can implement to reduce corruption risks. By late 2011, more than 60 of the largest firms and most influential business associations in Thailand had formally endorsed this collective action program. Signatories publically pledged to uphold these best practices, and committed to sending their directors, senior executives and top compliance staff to IOD-administered training programs.
- n Additionally, CIPE and IOD created a mechanism to verify whether or not these participating companies are actually implementing the standards and commitments of this private sector anti-corruption coalition. IOD will soon conduct compliance inspections, and all participating companies have pledged to allow these compliance inspections.

SOUTH ASIA

BANGLADESH

Building Sustainable Business Advocacy

CIPE began working with the Bangladesh Women's Chamber of Commerce and Industry (BWCCI) in 2005 on a program to support the women entrepreneurs of Bangladesh through advocacy to make the business climate more gender equitable. The organization's advocacy has had a number of key successes, and in 2010, CIPE began a discussion with BWCCI's key leadership about phasing out direct grant support. This helps to fulfill one of CIPE's aims in a country such as Bangladesh – to “graduate” its partners to self-sufficiency, ensuring that lasting institutions are created that can serve the private sector's needs.

To facilitate this process, in 2011 CIPE focused on BWCCI's strategic planning and organizational capacity-building. With the help of CIPE's technical assistance, BWCCI has achieved a milestone in financial sustainability that is rare for chambers and associations in South Asia, and for organizations that serve primarily small-scale women entrepreneurs: BWCCI has built up a significant reserve fund, and is able to fund its day-to-day operations solely with membership dues and service provision, without relying on donor support. As an organization like BWCCI comes to rely on its members rather than on donor support, it becomes more responsive to its members' interests and able to provide more services to those businesses.



BWCCI President Selima Ahmad (left) presents the Women's National Business Agenda to a Bangladesh State Minister of Women's and Cultural Affairs.

ASIA AND SOUTH ASIA

FEATURED PROJECTS

AFGHANISTAN

National Business Agenda for Afghanistan Outlines Priorities for Economic Policy Reform

In Afghanistan, burdensome laws and regulations create additional barriers to doing business, limiting economic growth in an already difficult business environment. To alleviate these challenges, CIPE supported a coalition of 11 leading Afghan business associations to develop and launch a National Business Agenda (NBA) for Afghanistan. To develop the NBA, more than 1,300 business leaders and entrepreneurs participated in a series of regional meetings, sponsored by the coalition, hosted in Afghanistan's five largest cities. The participants identified key policy priorities that the Government of Afghanistan should adopt and implement; these consensus elements were included in the final NBA. The NBA outlines the Afghan business community's policy recommendations for improving the country's business climate, increasing commerce, and generating new businesses and jobs.

Following the launch of the NBA in March 2011, CIPE supported the NBA coalition partners' advocacy efforts to convince government officials to implement these ideas. Their numerous successful efforts in changing administrative procedures, trade and commerce, and the development of industrial parks will help to improve the business climate in Afghanistan

- n The amount of time required to obtain a business license from the Ministry of Commerce and Industry and the Afghanistan Investment Support Agency (AISA) was reduced from one month to one week.



The Second Vice President of the Islamic State of Afghanistan Abdul Karim Khalili addresses participants at the NBA launch event in Kabul.

- n The penalty on late submittals of certain tax records (i.e., "balance statements") was reduced from Afs 500 per day to a total of Afs 10,000 for each tax period.
- n President Hamid Karzai ordered new facilities to be built at major border crossing points in order to control the quality of goods coming into the country and to expedite the processing of those goods at the border.
- n Land has been allocated in Khost and Kunduz provinces for the establishment of industrial parks in these two unstable Afghan provinces. Electricity has been supplied to the SHOOR ANDAM Industrial Park in Kandahar. Mazar-e-Sharif has begun the process of securing adequate electricity supply to the local industrial park by soliciting bids on the construction.
- n AISA granted women special consideration in applying for land distribution at industrial parks.

PAKISTAN

Strengthening the Voice of the Private Sector

When CIPE first launched its Pakistan field office in 2006, the country's chambers and associations were often unwilling to be full participants in the policy process, and to advocate on behalf of their members' interests. To strengthen the voice of Pakistan's private sector, CIPE sought to build its partners' capacities, help them increase membership, strengthen communications skills, and establish links among chambers and associations through regular conferences, seminars and roundtables. These organizations made a crucial transition in 2011, becoming much more vocal in calling for important reforms to improve Pakistan's business climate.

In addition to supporting policy advocacy by the business community, CIPE's programs continue to strengthen the capacity of nascent women's chambers of commerce, increase understanding about the principles of corporate governance among listed firms, family-owned firms, and small and medium-sized enterprises, and improve the quality of economic reporting through programs targeting Pakistani journalists. In addition, CIPE has introduced



A Pakistani chamber leader reviews capacity building materials at a CIPE program.

a pilot youth entrepreneurship program, launched a guidebook on corporate citizenship, and now works with women economic journalists.

- n For the first time, Pakistan's political parties came together in a national dialogue on economic issues to hear the business community's proposals for reform. This effort was organized by the Pakistan Business Council (PBC), which worked with CIPE to craft and launch a National Business Agenda (NBA). In April 2011, PBC gained support for the proposals in the NBA from parliamentarians from across the political spectrum, a major breakthrough in a country where economic policy concerns have rarely been addressed by politicians.
- n At CIPE's annual national conference of the presidents of Pakistan's chambers of commerce, in March 2011, participants issued a joint declaration calling for a range of economic reforms, including energy reforms to increase production and attract investment, which are needed to stimulate growth in Pakistan. As a result, President Asif Ali Zardari formed a taskforce to examine power sector reforms, and in October 2011 the National Assembly of Pakistan passed a law to facilitate investment in the power sector.

NEPAL

Building a New Generation of Entrepreneurs

In order to promote understanding of democratic and market concepts, and entrepreneurship among youth in Nepal, CIPE has worked with Samriddhi, The Prosperity Foundation since 2008. The project involves a series of training sessions for university students, called Arthalayas, where students learn the ideas underpinning a market economy, efficient governance and transparency, and building and running a business. The program also involved the creation of Entrepreneurs' Clubs in universities, where students further the ideas that they have learned during the workshops.

- n To date, more than 20 graduates of the program have successfully launched businesses, and the Entrepreneurs' Clubs are operated by the students and former students independently.
- n In 2011, CIPE began working with Samriddhi to make the transition to work as a policy think tank. The organization made and fulfilled a commitment to maintain the Arthalaya program with local funding. That Arthalaya program is now supported entirely by local private sector donors, augmented by nominal fees paid by the students themselves, and operates independently of CIPE funding. This successful measure shows that Samriddhi has built a valued and respected brand, an especially difficult challenge for a young organization in a developing economy. This work is a key step in CIPE's efforts to build lasting institutions.

This is an important breakthrough, given that the private sector in Nepal is underdeveloped, and businesspeople are unaccustomed to making such donations. Moreover, many of the Arthalaya students are of limited means, and their contributions indicate the extent to which they value the program.

2011 STRATEGIC OVERVIEW

Throughout Eastern Europe and Eurasia in 2011, CIPE helped business organizations develop important advocacy skills and build networks to promote crucial democratic reforms. CIPE continued to partner with several regional coalitions in Russia to enable businesses to resist extortion and create a legislative framework to reduce opportunities for corruption. By working with local think tanks, journalists, and institutes of directors in Eurasia, CIPE focused on increasing citizens' understanding of issues such as rule of law, transparency, and corporate governance and to counter authoritarian trends by empowering the business community to lead economic and political reform efforts. CIPE also developed a core group of local experts in the Balkans and Caucasus to help business organizations improve their ability to participate in the policy process.

In 2012, CIPE will partner with business organizations and think tanks to promote economic reform, strengthen the business environment, and fight corruption in Eastern Europe and Eurasia. CIPE will work with regional partners to strengthen the advocacy skills and organizational capacities of local business support organizations, improve the quality of information on market-based democratic institutions, build stronger consensus among civil society groups, promote democratic ideals and entrepreneurship among youth, and strengthen corporate governance.

EASTERN EUROPE AND EURASIA 2011 PARTNERS AND PROJECTS

Partner Projects

ALBANIA

Albanian Center for Economic Research
Building an Effective Public-Private Dialogue

KOSOVO

RIINVEST – Institute for Development Research
Strengthening Public Procurement and Governance

MOLDOVA

Institute for Development and Social Initiatives
Advocating for the National Business Agenda
Strengthening Moldova's Reform Network

SERBIA

Serbian Association of Managers
Strengthening the Voice of Business

ARMENIA

The Association for Foreign Investment and Cooperation
Strengthening the Network of Business Associations

AZERBAIJAN

Entrepreneurship Development Foundation
Building Dialogue on Economic Reform

KAZAKHSTAN

Shanyrak
Reducing the Informal Sector and Strengthening Property Rights

KYRGYZSTAN

Bishkek Business Club
Business Leadership for Constitutional and Economic Reform
Strengthening Coalition-led Business Advocacy
Kyrgyz Stock Exchange Press Club
Strengthening Understanding of Market Concepts

RUSSIA

Vladikavkaz Institute of Management
Developing the Entrepreneurial and Leadership Skills of Youth in the North Caucasus

TURKMENISTAN

Union of Economists
Recreating the Middle Class
Fostering Entrepreneurship

UKRAINE

International Institute of Business
Improving Governance in the Small and Medium-sized Enterprise Sector

Capacity-Building and Training Projects

REGIONAL

Improving Access to Information
Strengthening Business Support Organizations
Strengthening Understanding of Market Concepts

ALBANIA

Strengthening Business Support Organizations

RUSSIA

Strengthening Property Market Institutions
Promoting Entrepreneurship in the North Caucasus
Small and Medium-Sized Enterprise Policy Advocacy

UKRAINE

Fighting Corruption in Ukraine, Phase One: Building the Capacity of Business Associations
Building Business Association Capacity

EASTERN EUROPE AND EURASIA

FEATURED PROJECTS



Members of the Moldovan NBA network gathered in Moldova to exchange ideas on policy reform priorities, outlined in the third NBA (2012-2013).

MOLDOVA

The Private Sector Takes the Lead on Economic Reform

Moldova's National Business Agenda Network, comprised of more than 30 business associations and chambers of commerce from across the country, positioned itself as a key stakeholder in the policymaking process during 2011. With CIPE's support, the Institute for Development and Social Initiatives worked to establish a coordinating council within the Network, designating leaders to act as spokespeople on behalf of the various sector-based associations in dialogue with local and national government. As a result of this well-organized advocacy, the Network was able to press for tax and customs reform priorities during the development of 2012 fiscal budgetary policy and Moldova's National Development Strategy 2020.

- n The Moldovan State Tax Service and the International Monetary Fund included the Network's coordinating council at their inaugural conference to explore the private sector's perspective on tax reform priorities for the next five years. This type of inclusive and open public consultation with the private sector is unprecedented in Moldova, especially after the eight-year rule of the communist party, which ended in 2009.
- n The Cabinet of Ministries approved a draft law on state inspection of business entities on December 6, 2011. Three key NBA recommendations were included in the draft law: clear definition of agencies

in charge of state inspections; elimination of ad-hoc inspections; and reduction of the inspection process from two months to five days. The Ministry of Economy will submit the draft law to parliament in early 2012.

RUSSIA

Fighting Corruption through an Innovative Methodology

In Russia, contradictions between federal, regional, and local laws allow corruption to creep into public transactions. In addition, these poorly drafted or inconsistent laws are subject to bureaucratic discretion that creates other opportunities for corruption. Since 2002, CIPE's "Small and Medium-Sized Enterprise (SME) Policy Advocacy" project funded by the U.S. Agency for International Development created significant momentum for regional coalitions of business associations seeking to fight corruption in Russia.

The project, grounded in CIPE's programmatic emphasis on preventing corruption by improving legislation and institutions, supported 17 regional coalitions in advocating for clear and consistent laws. The 17 coalitions consist of 225 organizations, which represent more than 20,000 firms throughout Russia.

The Saratov Chamber of Commerce and Industry (CCI) was one of CIPE's strongest partners among

the coalitions. Its legal team developed an innovative approach to anti-corruption work that focused on examining the corruption potential of draft laws and regulations. The approach, known as the Saratov Methodology, was ultimately used by all 17 regional coalitions.

By identifying problematic legislation and advocating for reform, coalitions have succeeded in advocacy efforts to simplify permitting processes, to increase transparency in the leasing of government land, and to curtail the onerous number of fire and health inspections of SMEs. Coalitions are committed to continuing this approach beyond the scope of the project, as a number of them reported at the project's final Moscow conference in September 2011.

- n Chambers of commerce and industry are using the Saratov Methodology to examine the corruption potential of proposed laws and regulations under a Russian law that gives qualified chambers the right to take part in the formal legislative review process.
- n The Russian Chamber of Commerce and Industry (RCCI) and the Russian Ministry of Justice are using expertise developed by CIPE under the SME Policy Advocacy project to identify gaps between official regulations and the application of laws that impact SMEs. This new national program calls for a formal review process of laws that apply to customs, government procurement, and police work.



Ukrainian Center for Independent Political Research Program Director Maksim Latsyba, Novorossiysk Chamber of Commerce and Industry Vice President Yulia Rostovikova, Director of the Fortetsiya coalition of entrepreneurs Oksana Prodan, Legal Advisor Vitaliy Misyats, Podil presented at a CIPE-sponsored conference on SME issues.

UKRAINE

Building Networks to Combat Authoritarianism

Building business networks is a crucial step in creating a bulwark against creeping authoritarianism and protecting democratic rights. In Ukraine, persistent corruption cuts across all regions, all sectors of the economy, and all levels of government administration. This corruption hinders economic growth and stifles the entrepreneurial culture. In order to combat this trend, CIPE is working to help strengthen the business associations and coalitions best positioned to defend the rights and interests of business owners and entrepreneurs.

In 2011, 32 business association leaders from across Ukraine completed a 12-day seminar series that featured topics including new legislation affecting associations, budgeting, financial management, communications and advocacy. Twenty-two seminar participants formed coalitions in the Sumy, Vinnitsa, Donetsk and Crimean regions. In total, these new coalitions represent approximately 14,000 Ukrainian businesses. The All-Ukrainian Coalition, consisting of 22 regional and national business associations, was formed in early 2011 with guidance and technical assistance from CIPE on organizational matters, including defining a mission statement and developing a strategic plan.

- n The Sumy Coalition of business associations took collective action in December 2011 to demand that Ukraine's national prosecutor launch an investigation of the Sumy mayor's recent imposition of overly burdensome and arbitrary requirements on local businesses.
- n The Crimean Coalition launched an advocacy effort in late 2011 to increase state support for small and medium-sized enterprise development in the region. Following this effort, the 2012 budget for such support was increased from 2 million hryvnia (\$250,000) to 7 million hryvnia (\$875,000).

Shining a Spotlight on Women's Empowerment

CIPE's international conference, Democracy that Delivers for Women, gathered more than 250 participants in Washington, DC in June 2011 to reinforce the essential truth that women's empowerment is crucial to the development of participatory democracies and inclusive economies. Opening the event, U.S. Ambassador-at-Large for Global Women's Issues Melanne Verveer emphasized the important linkages between women's political and economic participation. "Political and economic realities are intertwined," she said. "Progress in one dimension reinforces progress in the other."

Women leaders, development practitioners, academics, government representatives, and CIPE partners brought a wealth of experience and a wide range of knowledge that informed and expanded the discussion on best approaches to women's empowerment in political, economic, and civic spheres in countries around the world. Smaller focused conversation groups offered participants the opportunity to explore key issues such as women in post-conflict environments, women's business associations, corporate citizenship benefiting women, the importance of education, and the role of women in democratic transitions in the Middle East. In the interactive "Action Room," participants learned more about CIPE's work with women and shared their own ideas on women's empowerment.

Articles and videos posted online have continued to



Ambassador Melanne Verveer delivers the keynote address on global women's issues.



Audience members respond to comments from a panel on women, the economy, and entrepreneurship.

Democracy that Delivers for Women

ny

team a lot – especially on making proposals on how the state of women in society can be made better” — Joshua Wera, Kenya

catalyze discussion and spread ideas on successful strategies and approaches. Conference sessions have been viewed more than 1,000 times on YouTube, and nearly 60,000 people have accessed resources on the conference website, www.democracythatdelivers.com.

Democracy that Delivers for Women connected CIPE partners and the broader international community of reformers who work to strengthen democracy by improving women’s political and economic participation. It showcased how the goal of empowering women can be translated from ideas into action and how systemic change is possible through institutional reforms driven by grassroots efforts of entrepreneurial women and women’s associations. The relationships built and knowledge shared by the attendees has informed program and strategy development for CIPE and all the participants. The impact has been further multiplied through the conference materials available online and will continue to do so well into the future, helping build democracies that deliver for women around the world.

Video presentations and other materials are available on the conference website at www.democracythatdelivers.com.



CIPE Board member Ambassador Richard Holwill (far right) moderates a panel on women’s economic empowerment.



Participants visit the Action Room to learn more about CIPE resources.

Shining a Spotlight on Women's Empowerment



CIPE Board member Barbara Barrett discusses women's empowerment with CIPE Chair Karen Kerrigan and Ambassador Melanne Vermeer (left to right).



Selima Ahmad, president of the Bangladesh Women's Chamber of Commerce and Industry, asks a question during a panel on donor approaches.



CIPE Board member Sandra Taylor (center) listens to a presentation.



Assilah Al Harthy from Group 6, LLC in Oman discusses women's leadership issues.

Democracy that Delivers for Women

IOW

that women must have freedom to express themselves.

Women can do as men do.” — Ratna, Indonesia



USAID’s Shari Berenbach (left) and U.S. Department of State’s Shelly Porges (center) spoke on working with women.

SPONSORS



SUPPORTERS



MEDIA SPONSORS



2011 STRATEGIC OVERVIEW

While many Latin American and Caribbean countries have experienced positive democratic trends in the past few years, other countries have dismantled democratic institutions and left a challenging legacy to economic and political development in the entire region. In 2011, CIPE confronted these challenges by working with local partners in countries where democratic and market-oriented principles are under attack to promote economic public policy debate and civic education. Where democratic institutions are more developed, CIPE advanced its work with partners to promote good corporate governance practices. In countries that do not boast strongly developed entrepreneurial and democratic cultures, CIPE developed programs to foster leadership, entrepreneurship, and a better understanding of democracy and market economy among youth. Regionally, CIPE has continued to promote access to information and discussions on important policy reform issues.

In 2012, CIPE will work to enhance and deepen the reach of existing programs that focus on economic and democratic reform. In particular, CIPE will continue to focus on bolstering the private sector's engagement in the democratic process and improving the quality of policy debate in countries facing important presidential elections, including Mexico and Venezuela.

LATIN AMERICA AND THE CARIBBEAN 2011 PARTNERS AND PROJECTS

Partner Projects

ARGENTINA

Center for Financial Stability
Improving Transparency in Public Pension Fund Management
Center for the Implementation of Public Policies
Promoting Equity and Growth
Agenda for the President 2011-2015

BOLIVIA

Confederation of Private Businesspeople of Bolivia
Strengthening the Voice of Business in Bolivia
Fundacion Milenio
Promoting Dialogue on Alternative Policies
Promoting Economic Freedom and Citizenship

COLOMBIA

Colombian Confederation of Chambers of Commerce
Creating Incentives for Corporate Governance Standards
Fedesarrollo
Promoting a Reform Agenda

ECUADOR

Corporation for Development Studies
Encouraging Dialogue on Alternative Economic Policies

PARAGUAY

Foundation for Development in Democracy
Building a Strategic Public-Private Partnership
Paraguayan Foundation for Cooperation and Development
Strengthening Democracy through Entrepreneurship Education

PERU

Instituto Invertir
EmprendeAhora: Democracy, Entrepreneurship and Youth Leadership
Promoting Leadership and Democratic Values Among Youth

VENEZUELA

Center for the Dissemination of Economic Knowledge
Enhancing Democratic Dialogue through Legislative and Economic Analysis

LATIN AMERICA AND THE CARIBBEAN

FEATURED PROJECTS

ARGENTINA

Encouraging Presidential Debates in Argentina

Argentina has never before held a presidential debate. Recognized in many democracies as a helpful process of letting voters know where candidates stand on policy issues, presidential debates in Argentina were traditionally seen by candidates as a sign of weakness. Rather than policy, candidates focus on personalities and vague goals, such as “reduce poverty” or “improve education.”

In the run-up to Argentina’s general election in October 2011, CIPE worked with the Center for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC) to promote substantive discussion of key policy challenges that will need to be addressed by the next president and build momentum for democratic debate of government economic policies in the future.

More than 1,200 politicians, public officials, businessmen, diplomats, and journalists attended the program’s launch, which was featured in 30 articles in national newspapers, 12 provincial newspapers, 5 radio stations and two television shows. CIPPEC’s advocacy campaign was covered in the media 167 times over the course of the project. These media mentions significantly raised visibility for this

initiative as the media is a major actor in setting the political agenda and is the main instrument to present issues to the general public.

- Three of the top five presidential candidates backed CIPPEC’s campaign presidential debates: Raúl Alfonsín, Hermes Binner, and Eduardo Duhalde. Prior to the election, Congressmen Gerardo Milman and Francisco De Narváez worked with CIPPEC to introduce legislation mandating presidential debates for the future. The legislation is awaiting action, but is tangible support for debates in the next election.
- Upon her reelection, IPPEC delivered 15 Memos for the President to President Cristina Fernández de Kirchner on education, health, social protection, social security, justice, transparency, security, fiscal policy, monetary policy, global integration, transportation, energy, sustainable development, institutional presidency, and electoral processes. Several of the proposals included in the memos have been adopted by politicians, including a reduction to energy subsidies; a federal national health law; and an increase in training for teachers. CIPPEC will continue its advocacy through subsequent public discussions with high-level administration officials and by releasing a book of its proposals entitled “100 Ideas for Argentine Development.”



CIPPEC Executive Director Fernando Straface (right) presents and discusses CIPPEC’s Agenda for the President, a series of policy memos that identify issues that CIPPEC believes should be the President’s priorities after Argentina’s elections.

PERU

Addressing the Causes of Social Unrest in the Peruvian Amazon

Since 2009, more than 215 uprisings by indigenous Peruvian communities have occurred due to the government's decision to exclude them from the consultation process of passing legislation, affecting their lands and natural resources without prior consultation. This has caused historically low levels of trust between indigenous populations and the government in Peru. Long-time CIPE partner the Institute for Liberty and Democracy (ILD) has focused on identifying obstacles to the rule of law in the Amazon region and to promote the integration of the Peruvian indigenous communities into the democratic system and the market economy.

These uprisings not only hinder the excellent economic growth rates of the country, but also threaten the rule of law and democracy in Peru. Building on a program that it conducted with CIPE in 2010, ILD laid out a set of reform proposals to include the indigenous people of the Peruvian Amazon into the mainstream economy. These proposals centered on the need for better participation and consultation of indigenous peoples in the decision-making process, such as a popular initiative law that recognizes the right of indigenous peoples to be consulted beforehand with regard to legislative or administrative measures and development plans, programs, and projects that could affect their rights; and a streamlined mechanism to assist community members to access public services.

its economic impact, in order to improve Venezuelan civil society's ability to develop effective strategies and advocacy techniques. CEDICE further strengthened its role as a credible resource on the legal and economic impact of national regulation.

- n CEDICE's analyses provide fundamental tools for Venezuelan legislators, helping many of them formulate clear and concrete ideas that can be presented to the legislature on key concepts, including freedom, entrepreneurship, and democratic dialogue. One legislator said, "Perhaps we don't all have the same ideological vision. . .but I believe that it is important in a country where there is so much misinformation, where every day it is more difficult to obtain objective analysis. I believe CEDICE's work and support is important to legislators, and also to citizens."
- n CEDICE is referenced in the media more than any other civil society organization in Venezuela, according to a 2011 report by the Venezuelan-based Medianálisis, a research center dedicated to analyzing Venezuelan media in support of the country's democratic development.
- n At least two primary election candidates for the 2012 presidential elections employed some of CEDICE's policy proposals for use in their platforms.



Alicia Sepúlveda speaks at a Cost-Benefit Analysis workshop in Maracaibo, Venezuela. CEDICE focused on training people in conducting cost-benefit analyses themselves.

VENEZUELA

Strengthening the Role of the Private Sector through Public-Private Dialogue

In Venezuela, the public and private sectors rarely debate on economic policy, and the public receives even less substantive information about the costs and benefits of proposed policies. In 2011, CIPE and the Center for the Dissemination of Economic Knowledge (CEDICE) worked together to encourage public-private democratic dialogue on major legislation and

In the Global Go to Think Tank Rankings, released by the University of Pennsylvania's Think Tanks and Civil Societies Program, CEDICE was ranked ninth for Best Think Tanks in Central and South America and at #17 in the world for impact on public policy. With CIPE support, CEDICE continues to gain credibility and influence in Venezuela and around the world.

2011 STRATEGIC OVERVIEW

2011 witnessed the most profound and far-reaching changes in the Middle East and North Africa (MENA) in decades. At the heart of reform movements across the region were demands for greater economic opportunity and an end to corruption and cronyism. Because democratic institutions and a market economy offer the greatest potential for achieving these goals, CIPE supported local partners to advocate for reform and articulate a positive vision for the future. Following Egypt's January 25 Revolution, CIPE supported two Egyptian policy roundtables in late February and early March that convened 600 participants, including representatives of the Supreme Council of the Armed Forces, to seek consensus on a vision for a new country. In Tunisia, CIPE helped its long-time partner to build its capacity to convey information about political and market-oriented reform and supported the development of roadmaps for future advocacy and reform efforts.

CIPE's work in 2012 in the MENA region will focus on establishing the fundamental institutions of democracy as well as those of a market economy based on the rule of law. Together these will afford broad-based opportunity for political and economic participation and prosperity for the majority of citizens in the region. CIPE will help build the capacity of civil society to participate effectively in policymaking, work to lower barriers to formal economic participation, and support the rule of law through building coalitions to fight corruption. Finally, CIPE will support reform-oriented groups and individuals in advocating for a market-oriented democracy as the only system capable of delivering opportunity and prosperity to the region.

MIDDLE EAST AND NORTH AFRICA 2011 PROJECTS AND PARTNERS

Partner Projects

EGYPT

Federation of Economic Development Associations
Empowering Small Business to Participate in Policy Reform

JORDAN

Al-Quds Center for Political Studies
Engagement of Political Parties in Economic Reform
Young Entrepreneurs Association
Advocacy for Small and Medium-sized Policy Reform

LEBANON

Development for People and Nature Association
Expanding Entrepreneurship Education to the National Level

Lebanese Transparency Association
Building Capacity for Corporate Governance Implementation

PALESTINIAN TERRITORIES

Business Women Forum
Advancing Advocacy Capacity for Palestinian Businesswomen
Center for Private Sector Development
Expanding Corporate Governance Culture throughout the Palestinian Private Sector
Israel-Palestine Center for Research & Information
Advocacy Capacity for Palestinian Commercial Code Reform
Palestine Governance Institute
Expanding Corporate Governance Culture throughout the Palestinian Private Sector

TUNISIA

Institut Arabe des Chefs d'Entreprise
Economic Platform Development for Political Parties and Capacity Building for Private Sector Political Development
Reinforcing Good Governance in Limited Liability Companies

TURKEY

Corporate Governance Association of Turkey
Expanding Awareness of Corporate Governance

YEMEN

Democracy School
Empowering Youth to Combat Corruption
Human Rights Information and Training Center
Combating Corruption
Political Development Forum
Economic Platform Building
Youth Leadership Development Foundation
Supporting Entrepreneurship and Civic Engagement

Capacity-Building and Training Projects

REGIONAL

Advancing Democratic Reforms by Enhancing Online Outreach
Advancing Democratic Reforms by Improving Access to Information
Building the Case for Corporate Governance

ALGERIA

Empowering Grassroots Private Sector Organizations

EGYPT

Combating Corruption and Promoting Transparency
Democratic Governance and Responsible Citizenship
Enhancing Grassroots Participation in Reform

IRAQ

Building Constituencies for Reform

MOROCCO

Empowering Grassroots Private Sector Organizations

MIDDLE EAST AND NORTH AFRICA

FEATURED PROJECTS

EGYPT

Supporting Egypt's Transition to Democracy

Active in Egypt since 1993, CIPE continues to support private sector efforts to exercise new freedoms, rights, and responsibilities and to encourage greater opportunity for political and economic participation in the reform process. During a historic transition time, and at the request of partners and other stakeholder groups during and after the January 25 revolution, CIPE supported two policy roundtables in late February and early March 2011, led by Egypt's leading independent daily newspaper, Al Masry Al Youm, and CIPE partner the Federation of Economic Development Associations (FEDA). More than 600 representatives of business associations, political parties, youth and other opposition movements, think tanks, media, academia, and government ministries, as well as representatives of the Supreme Council of the Armed Forces (SCAF) and its constitutional committee, participated in the two events. Additionally, as part of a comprehensive, private sector-led effort to fight corruption in Egypt, CIPE supported the Egyptian human rights law firm the United Group to draft and release a proposed law on freedom of information for Egypt. The proposal also included suggested language

intended to codify freedom of information in Egypt's new constitution.

Longtime CIPE partner FEDA has been highly effective during the transition in mobilizing its members and advocating for the interests of Egypt's small and medium-sized enterprises. At the height of the revolution, on February 4, 2011, FEDA leadership released a public statement from Tahrir Square denouncing the regime's corruption and violence and calling for immediate democratic and economic reform.

- n The CIPE-supported roundtables were the first post-revolution opportunities for the full spectrum of political and civic groups to express their concerns and recommendations for the transition process and engage in dialogue about Egypt's future.
- n To address the challenge that an estimated five million Egyptian street vendors are not part of the formal economy, FEDA submitted a draft law to the SCAF that is intended to effectively regulate vending while at the same time making licensed, legal vending accessible to the average Egyptian. FEDA recognizing the importance of addressing the plight of street vendors as early as 2008, long before the Arab Spring drew world attention to the issue. FEDA obtained key endorsements in this process, including the Association of Street Vendors (ASV) and two important labor unions: the General Union of Egyptian Workers and the Trade Syndicate.



Street vendors from Beni Suef, Egypt offer feedback on a draft law governing street vendors at a meeting held by CIPE partner FEDA in May 2011. With significant input from the vendors themselves, FEDA has drafted the law in hopes of bringing these informal entrepreneurs into the formal economy.

IRAQ

Supporting Private Sector Voices for Regulatory Reform

Iraq's burgeoning democracy is home to many civic organizations that are, for the most part, still developing. As they engage in democratic dialogue with policymakers, they often struggle to effectively advocate on behalf of their constituents. Further, Iraq's policymakers are unaccustomed to engaging with civil society in the decision making process. As Iraq bolsters its transition to democracy, CIPE supports private sector voices throughout the country

in expanding opportunities for political and economic participation.

In Anbar Province, with the support of the U.S. Department of State, CIPE worked to strengthen capacity for public-private dialogue. Through the Business Agenda program, CIPE helped build the capacity of Anbar's private sector to articulate the issues that hinder investment within the province and to advocate for reform. CIPE also helped to enhance the capacity of Anbar's Provincial Investment Commission (PIC) to attract investment at the local level.

To further strengthen the voice of civil society in the Kurdish region, CIPE supported the Kurdistan Economic Development Organization (KEDO) in drafting and advocating for the passage of a new small and medium-sized enterprise (SME) law. This law is intended to enhance entrepreneurship and SME growth in the region. The development of the draft law created an opportunity to strengthen democratic dialogue with policy makers while improving market-oriented reform.

- n Following CIPE-facilitated meetings between the Anbar PIC and business association representatives in October 2010 and January 2011, the PIC sponsored the creation of the Anbar Investor Association and a one-stop shop to reduce bureaucratic obstacles for foreign and domestic investors. In 2011, the PIC issued 20 licenses for \$2 billion in investment. The Iraqi Vice President and 340 companies attended the second annual Anbar investment conference, held in October 2011 in Istanbul, to promote new investment opportunities.
- n In June 2011, the Kurdish regional government passed an SME law that incorporated portions of a law originally drafted by CIPE partner KEDO. Since the law's passage, approximately \$21 million was made available in capital loans for young entrepreneurs. Of that, approximately \$9.5 million has been loaned to 1,217 individuals for small and medium-sized business development, focusing on start-up businesses.

TUNISIA

Positioning the Private Sector in a New Democracy

Since Tunisia's Arab Spring, longtime CIPE partner L'Institut arabe des chefs d'entreprises (IACE) has brought Tunisia's business leaders and others together to discuss how to build strong democratic institutions, improve the economy and increase the number of jobs, particularly for young people. IACE also trained private sector leaders on how to interact with the media so that they could better communicate Tunisia's economic challenges to the public.


During the election campaign period in October 2011, IACE brought together citizens, ministers and party candidates from across the political spectrum to discuss job creation and other vital issues policymakers faced. IACE continued to build relationships and consensus on reform priorities during its annual conference in December.

With new staff in place and initial activities underway, IACE is now shifting to a more strategic and long-term approach. CIPE will continue to support IACE in its efforts to respond to Tunisia's needs and build democratic institutions, providing training and tools for advocacy, and connecting IACE with CIPE partners that have undergone their own transitions to democracy.



More than 200 experts, policymakers, and private sector leaders gathered in November 2011 for IACE's annual conference, which highlights IACE as a springboard for advocacy to improve Tunisia's business environment.

2011 STRATEGIC OVERVIEW



CIPE's Global and Knowledge Management programs are designed to develop cross-cutting themes and projects, capture lessons learned, share information across departments and among partners, and develop new areas of expertise to shape worldwide debates on the interdependence of democracy and market-oriented reform. Global and Knowledge Management programs serve as a crucial resource for CIPE partners and staff while gathering and disseminating valuable institutional knowledge. Global programs and resources bolster CIPE's overall activities while expanding international outreach and understanding on reform issues. These programs focus on a number of CIPE's key themes, including anti-corruption, corporate governance, business association development, access to information, women's empowerment, and youth engagement. In 2011, CIPE's Global programs focused on governance issues for business associations and chambers of commerce, property market reforms, economic platforms for political parties, corporate citizenship in development financing institutions, opportunities for youth, information sharing, and women's political and economic empowerment.

In 2012, CIPE Global programs will focus on building institutional environments that encourage entrepreneurship, especially for marginalized groups such as women and youth. Further work on property market issues and the informal sector will help address the areas where such market-oriented institutions are lacking or weak. Finally, Global programs will place greater emphasis on building and strengthening relationships among CIPE's partners, formalizing an international network to bring a stronger private sector voice into the global democracy community.

GLOBAL 2011 PROJECTS

CIPE Projects

Advancing the Role of Women in Politics,
Economics, and Civil Society

Engaging Young Leaders in Democracy

American Chamber of Commerce in the Kyrgyz
Republic and Pakistan Software Houses Association
for IT and IT-Enabled Services (P@SHA)

Forum on Economic Freedom

Social Accountability International
United Nations Global Compact
Russian Institute of Directors

Forum on Economic Freedom Network

Improving Democratic Governance on the
Local Level

Global Integrity

Institutionalizing Responsible Corporate Citizenship
in Development Banks

Association of Development Financing Institutions
in Asia and the Pacific
World Federation of Development Financing
Institutions

Knowledge Management

A Model Course on Economic Journalism
Development Policy Institute

Political Dynamics of Economic Reform

Samriddhi, The Prosperity Foundation

Promoting Transparency in Public Procurement

Proética

Transparency International Indonesia

Transparency International-USA

Transparencia Mexicana

Towards Transparency

Strengthening Property Market Institutions for
Small Businesses

The Association for Foreign Investment and
Cooperation

Institute of Economic Affairs (Kenya)

Institute for Solidarity in Asia

International Real Property Foundation

Saratov Chamber of Commerce and Industry

Unirule Institute of Economics

Supporting Women's Organizations through
Responsible Corporate Citizenship

Supporting Youth Entrepreneurship and Leadership

Supporting Young Leaders, Phase II

Bishkek Business Club

World Chambers Congress 2010

World Chambers Federation

GLOBAL PROGRAMS & KNOWLEDGE MANAGEMENT

FEATURED PROJECTS

GLOBAL

Inaugural Global Editorial Cartoon Competition Engages with the World

One of CIPE's roles is to give people a voice, highlighting the importance and utility of effective communications in reform. In 2011, CIPE sought to recognize creativity in advancing democracy around the globe through its inaugural Global Editorial Cartoon Competition. In a world where images transcend language barriers, one powerful cartoon can communicate what a thousand words often cannot. The competition invited expert and amateur cartoonists, students, and professionals from any country to submit original cartoons in three categories: Democracy, Corruption, and Gender Equality. The success of the Global Editorial Cartoon Competition reinforces CIPE's conviction that the freedom of expression is essential for democratic accountability.

- n CIPE received nearly 1,000 cartoons from 73 countries around the world. A panel of distinguished judges, including Pulitzer Prize winning political cartoonist Pat Oliphant, selected 10 finalists in each category. More than 3,000 people voted online to choose the first, second, and third place winners in each category.
- n Winning cartoons drawn by nine different artists came from Indonesia, Tajikistan, Romania, Israel, Pakistan, India, Afghanistan, and Colombia.
- n For a full list of finalists and winners, visit www.cipe.org/cartoon

As one winner said, "These themes have relevance to the situation in today's world, especially in Indonesia. I believe cartoon art can be a medium to convey opinions freely and critically."



Finalists in the categories of Gender Equality, Corruption, and Democracy (top to bottom).

GLOBAL

Strengthening Property Market Institutions

Property rights are one of the most fundamental institutions of a market economy and a key element of democratic governance. The understanding of property rights often remains limited to property titles, without deeper appreciation of the underlying and interconnected institutions that make such rights meaningful and allow property markets to function. Those institutions include property rights laws and enforcement, access to credit, efficiency of governance, rational dispute resolution, financial transparency, and appropriate regulations. In 2011, CIPE sought to engage small entrepreneurs in strengthening property market institutions that enhance their rights. CIPE used the International Property Markets Scorecard – a tool previously developed together with the International Real Property Foundation – to evaluate the institutional gaps affecting property rights and markets in countries around the world.

- n CIPE used the International Property Markets Scorecard to highlight barriers that small businesses face in urban property markets in Armenia, China, Kenya, the Philippines, and Russia.
- n Country reports in which CIPE and local partners captured key findings and reform recommendations will be used in the subsequent advocacy efforts by CIPE partners in those countries to improve the rights of small entrepreneurs in property-related transactions.
- n In Armenia, one of the policy recommendations has already been implemented by the government. As of January 1, 2012, businesses no longer need a notary verification of property leases and payment for the state registration of leasing contracts became a fixed amount. Many small entrepreneurs rent their premises and these changes represent a significant improvement in the ease and affordability of business property rental.



The cover from the Armenia Property Markets Scorecard.

GLOBAL PROGRAMS & KNOWLEDGE MANAGEMENT

GLOBAL

Good Governance for Business Associations

To facilitate good governance within private sector organizations around the world, CIPE and the World Chambers Federation (WCF), part of the International Chamber of Commerce, developed Governance Principles for Business Associations and Chambers of Commerce. These principles are applicable to business associations, chambers of commerce, and federations of associations operating on the international, national, regional, and local levels.

Good governance is essential to creating business associations that are mission-driven, independent, able to grow a broad membership base, can be responsible financial stewards, provide membership services, and effectively represent their members' interests in the public policy process. Developing democratic mechanisms for leadership selection, ensuring transparent and responsible decision-making procedures, and separating governance and management functions within associations are the key elements of good governance.

- n With the input of more than 60 WCF chamber members from across the world, the principles are truly global in scope and application. Contributions were received from economies as diverse as Australia, Bosnia & Herzegovina, Canada, Cyprus, Ghana, India, Israel, Jordan, Lebanon, South Africa, Sweden, the United Kingdom, Turkey, and Uruguay.
- n CIPE translated the principles into Russian, Arabic, and Farsi. They have been distributed primarily through CIPE field offices and to partners and used in various association training sessions. CIPE's Egypt office used the Arabic translation as a basis for dialogue on good governance with 30 business associations; this dialogue led to a Governance Guide for Egyptian Associations in Arabic and English. CIPE's Ukraine office used the Russian translation to engage with 80 business associations and coalition leaders on small and medium-sized enterprise issues.

KNOWLEDGE MANAGEMENT

Gathering Best Practices from Around the World

CIPE launched its Leading Practices Contest in 2011 to reward innovation and create a demonstration effect for good practices among its international network of private sector reformers. The contest has gathered tips, lessons, and examples that can be applied in other projects around the world. CIPE received 32 entries from 19 countries, which were judged by a distinguished panel who rated the submissions on three criteria: innovation, effectiveness, and usefulness for other reformers.

- n Peru's Instituto Invertir took first place with its *EmprendeAhora* entrepreneurship education program for university students. The program works to address the negative image of the private sector and entrepreneurship among youth from low-income families in the Peruvian countryside. *EmprendeAhora* has trained more than 500 students who have gone on to create 40 new businesses to date. Daniel Córdova, Director of Instituto Invertir, states that "The program has not only provided its participants valuable knowledge on democracy, market economy and entrepreneurship, but has also empowered them to be catalysts of change and leaders in their communities, including finding innovative ways to transmit lessons learned to other youth from their regions."
- n Second-place winner Fedesarrollo organized presidential debates for Colombia's 2010 election. Numerous debate topics became priorities of newly-elected President Juan Manuel Santos' administration and several recommendations from its policy papers have been passed into law.
- n Third-place winner the Kyrgyz Stock Exchange Press Club adopted an innovative approach to training economic journalists. It combined training sessions with press conferences to allow journalists to simultaneously acquire economic education and access to information.

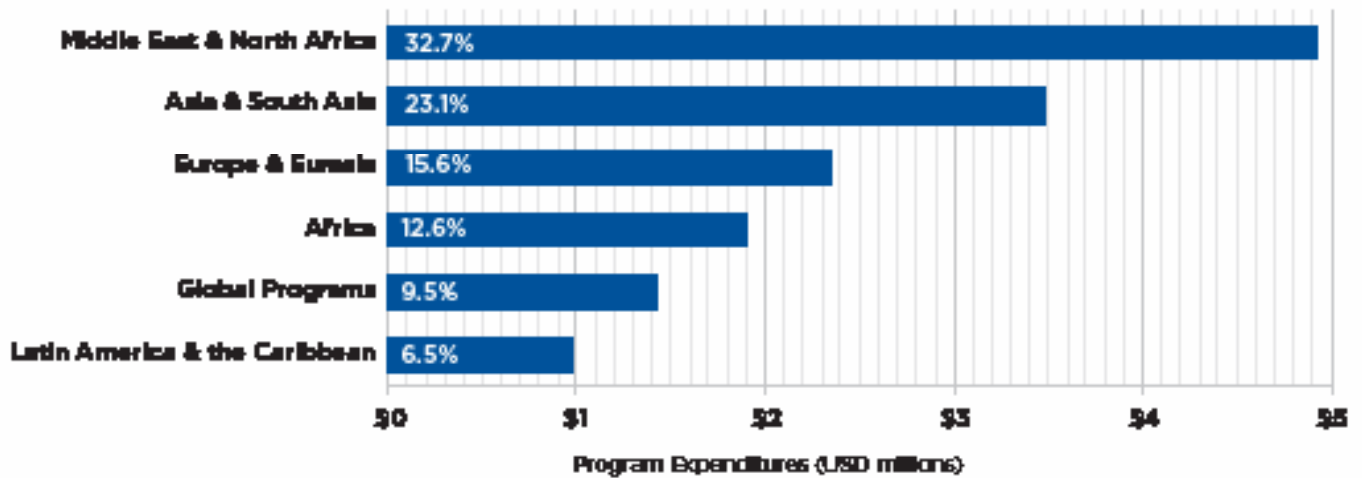
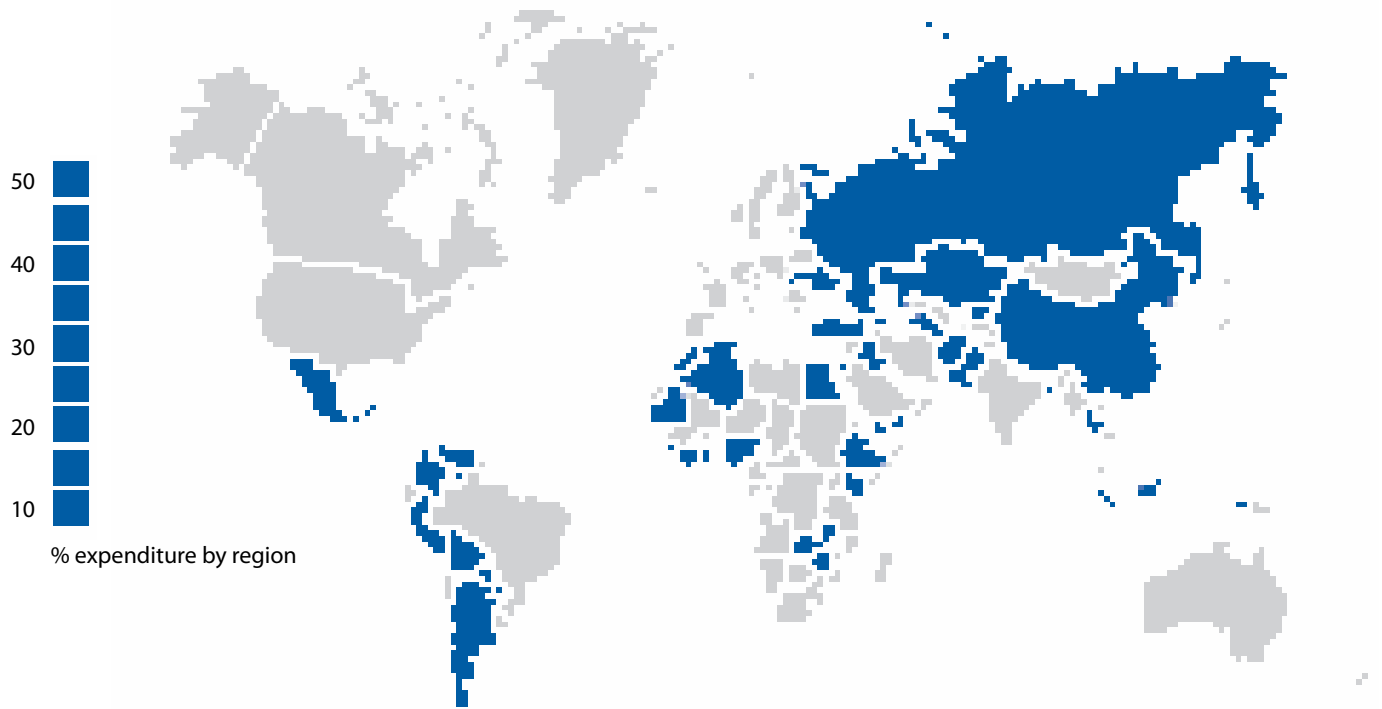
CIPE is sharing these and a collection of other leading practices to promote international benchmarking and the replication of effective ideas in democratic and market reform: <http://leading-practices.cipe.wikispaces.net>

FINANCIAL DATA

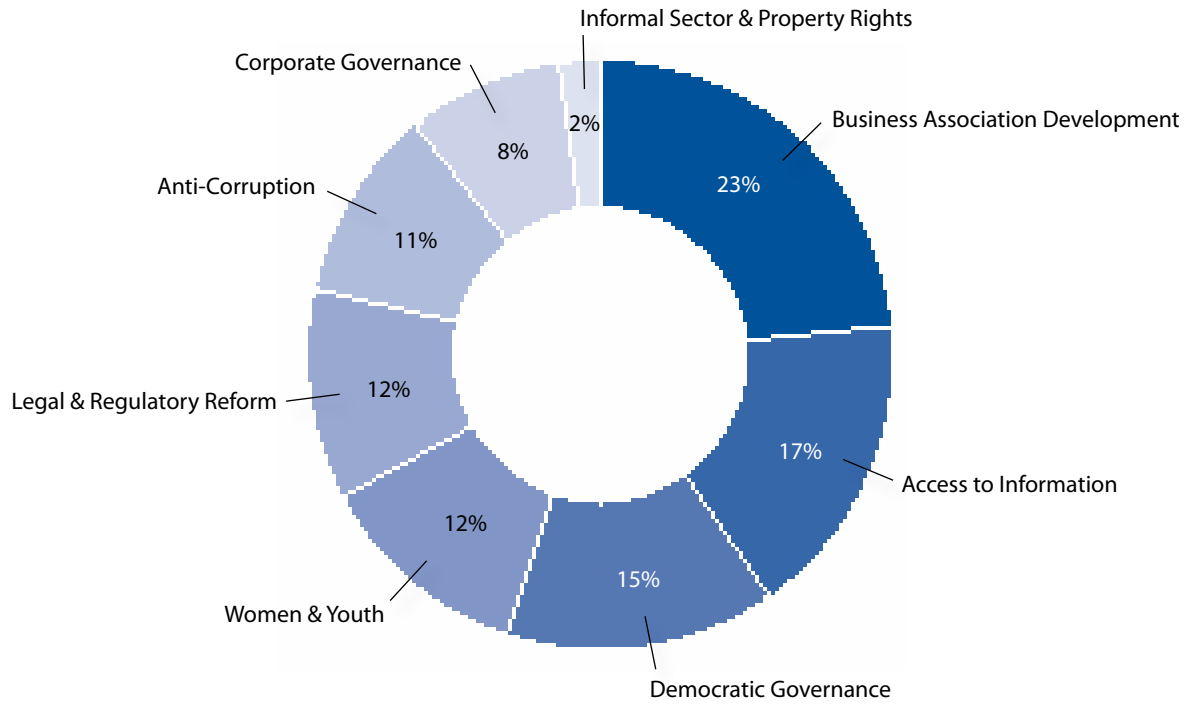
\$15,068,231

program expenditures
fiscal year 2011

PROGRAM EXPENDITURES BY REGION



PROGRAM EXPENDITURES BY THEME



USE OF FUNDS



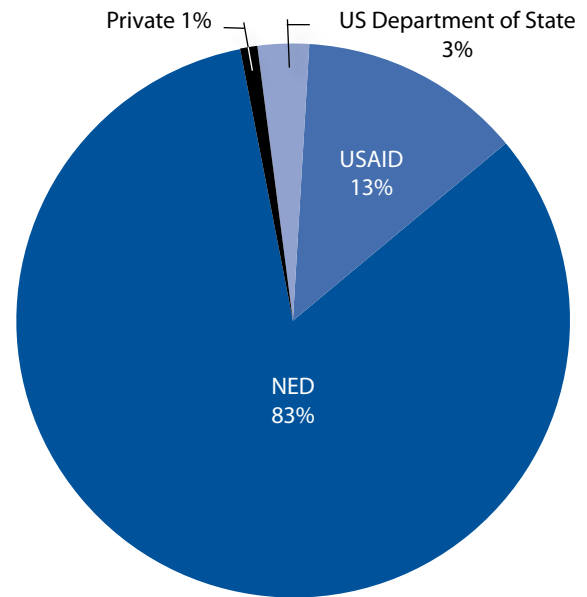
- n CIPE Management (2%)
- n Field Office Overhead (2%)
- n Indirect Costs
- n Professional & Organizational Development
Training and technical assistance to enhance the capacity of private sector organizations and impart skills related to advocacy and CIPE program themes.
- n Policy Advocacy & Knowledge Management
Through diverse media and forums, CIPE fosters understanding of the ideas and principles of democratic, market-oriented reform.
- n Partnership Programs
Responding to proposals from local organizations, CIPE provides management assistance, practical experience, and financial support in the form of grants to strengthen expertise while accomplishing key development goals.

\$18,987,856

income & expenditures fiscal year 2011

FUNDING SOURCES

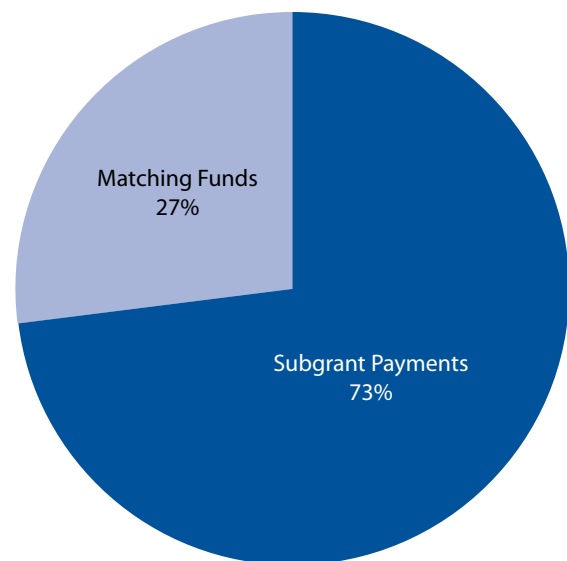
CIPE receives funds from the National Endowment for Democracy (NED), the U.S. Agency for International Development (USAID) and the U.S. Department of State to develop, implement, and evaluate programs in partnership with local organizations, think tanks, and business organizations. CIPE provides management assistance, practical experience, and financial support to these types of organizations to strengthen their expertise while accomplishing key development goals. CIPE's staff of regional and technical experts provides ongoing guidance and technical assistance



MATCHING FUNDS FOR NED PARTNERSHIP GRANTS

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 partner organizations to maximize efforts to strengthen democracy and market-driven reform.

CIPE's grants to partners are used to advance policy advocacy, business services, educational programs, and other development goals. Most grants include communications 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. For a complete list of partners and projects, please visit our website at www.cipe.org.



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KNOWLEDGE MANAGEMENT

Kim Bettcher, Ph. D., Senior Knowledge Manager
Frank Stroker, Research Assistant

PROGRAM COORDINATION UNIT

Oksana Yoon, Senior Program Officer
Kristen Sutara, Executive Assistant

CONGRESSIONAL AND GOVERNMENT RELATIONS

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GRANTS

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Shaza Elmahdi, Grants Assistant

EVALUATION

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FINANCE

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Abdelaziz Ali, Regional Finance Officer
Viktoria Shalaginova, Regional Finance Officer
Claris Tetu-Atagwe, Finance Assistant

HUMAN RESOURCES

Tamara Noel, Human Resources Manager

ADMINISTRATION

Syldeline D. Bunting-Graden, Executive Assistant
Paulette Houston, Executive Assistant
Rita Williams, Office Coordinator

The Center for International Private Enterprise (CIPE) strengthens democracy around the world through private enterprise and market-oriented reform. CIPE is one of the four core institutes of the National Endowment for Democracy and an affiliate of the U.S. Chamber of Commerce. Since 1983, 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 U.S. Department of State, and the Middle East Partnership Initiative.



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U.S. CHAMBER OF COMMERCE



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