



CIPE CENTER FOR
INTERNATIONAL
PRIVATE ENTERPRISE

2009 ANNUAL REPORT



DEMOCRATIC GOVERNANCE | COMBATING CORRUPTION |
BUSINESS ASSOCIATION DEVELOPMENT | CORPORATE GOVERNANCE |
LEGAL AND REGULATORY REFORM | ACCESS TO INFORMATION | WOMEN AND YOUTH |
INFORMAL SECTOR AND PROPERTY RIGHTS

FRONT COVER | From top left: CIPE-supported *Perspectiva* magazine informs debate across Latin America. Next, Hernando de Soto (left), president of CIPE partner the Institute for Liberty and Democracy in Peru, joins Mike McCurry (center), CIPE board advisor and former press secretary to President Clinton, and Larry Diamond (right), senior fellow at Stanford University's Hoover Institution, on a panel at CIPE's "Democracy that Delivers" conference.

Second row from left: Ambassador Caesar Bautista (left), former Philippines Ambassador to the United Kingdom and long-time fellow of CIPE partner the Institute for Solidarity in Asia (ISA), welcomes private sector leaders as new members of the ISA Society of Fellows. Next, CIPE partner the Institute for Development and Social Initiatives is raising awareness in Moldova about private sector reform priorities. Its billboard reads: "Economy without monopolies, freedom without privileges." Lastly, Al-Ahram Foundation Abdel Chairman Moneim Said (left) and Egypt Minister of State for Administrative Development Ahmed Darwish (right) speak at the release of CIPE's small and medium-sized enterprise corruption survey in Cairo.

2009 ANNUAL REPORT

CENTER FOR
INTERNATIONAL
PRIVATE
ENTERPRISE

“STRENGTHENING DEMOCRACY AROUND THE GLOBE THROUGH
PRIVATE ENTERPRISE AND MARKET-ORIENTED REFORM”

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. 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, and the U.S. Department of State, including the Middle East Partnership Initiative and the U.S. Embassy in Iraq Office for Private Sector Development.

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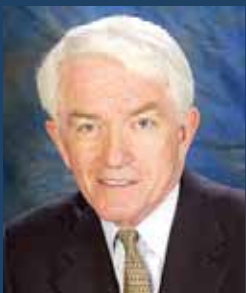
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CIPE STAFF

welcome

FROM THE CHAIRMAN AND PRESIDENT



GREG LEBEDEV
CIPE CHAIRMAN
Senior Advisor
The Robertson
Foundation



THOMAS J. DONOHUE
CIPE PRESIDENT
President & CEO
U.S. Chamber
of Commerce

Since 1983, CIPE has worked with business leaders, policymakers, think tanks, entrepreneurs, and journalists to build the civic institutions vital to a democratic society. CIPE was founded on the idea that economic freedom and political freedom are inextricably intertwined. And, that functioning democracies require opportunities for the public to participate regularly in the policy process, not only during elections. They also require a private sector that is capable and willing to participate in the democratic policy process. And, possibly most important, governments must be transparent, accessible, and accountable to the governed.

Time and again, CIPE has been privileged to partner with organizations at the leading edge of democratic reform. CIPE has worked in all kinds of political and social environments – from post-Communist countries fashioning participatory democracies for the first time to Middle Eastern countries founding and empowering advocacy groups. CIPE's partners affirm again and again the interdependence of a stable and vibrant market economy and a robust democracy.

CIPE has supported or conducted more than 1,100 programs in over 100 countries and the center section of this publication highlights some of CIPE's invaluable partners from its more than two decades of global service. At CIPE's 25th anniversary celebration on Capitol Hill in October, Peruvian

economist Hernando de Soto, founder of CIPE's first partner the Institute for Liberty and Democracy, received an award named for him in celebration of his extraordinary efforts toward economic freedom in Peru and throughout the world. The next day, CIPE's "Democracy that Delivers" conference gathered nearly 300 development experts and economic thought leaders – like Larry Diamond, Ira Millstein, and Dr. Anne-Marie Slaughter – to extend and expand the discussion of the essential linkages between free markets and resilient democracies. CIPE partners from Kenya, the Philippines, and Pakistan brought their unique ground-level perspective to the event, and video of the entire program was streamed live to our partners in Egypt. Speeches and materials from the conference can be found at www.democracythatdelivers.com.

CIPE and its partners have been and remain committed to building free market institutions that provide opportunities for sustainable growth and development around the world. We are pleased to present this report on the work and accomplishments of CIPE and its partners in 2009, and we are grateful for 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's Office for Private Sector Development, the U.S. Chamber of Commerce, and our many friends around the world.

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79 PARTNERS | 154 PROJECTS | 57 COUNTRIES

CIPE HIGHLIGHTS OF 2009

Throughout 2009, CIPE worked across the globe to support reformers fighting for democracy and market economies. This report highlights our partners, their success and achievements, and the exceptional impact of their work.

AFRICA

A new executive order in **Liberia** protects the rights of whistleblowers who disclose information about corruption.

ASIA

In **Bangladesh**, the first-ever Women's National Business Agenda was launched, providing the government with specific recommendations to improve the operating environment for women entrepreneurs.

CENTRAL AND EASTERN EUROPE

A new law on domestic trade in **Montenegro** changed the requirements to obtain a business license and reduced the number of steps in the process from 15 to 1. This lowers barriers to doing business for 80 percent of Montenegrin companies.

EURASIA

In **Russia**, two new national anti-corruption laws establish a procedure that allows independent organizations to review draft laws, closing loopholes for corruption.

LATIN AMERICA AND THE CARIBBEAN

For the first time in **Nicaragua**, the government, private sector, and labor unions reached a consensus on a minimum wage increase. The modest nature of the increase will help save more than 20,000 jobs in the free trade sector, which generates the largest amount of formal employment in the country.

MIDDLE EAST AND NORTH AFRICA

Efforts to improve corporate governance across the Middle East and North Africa resulted in two unprecedented accomplishments: the development of a corporate governance code in the **Palestinian Territories** and the launch of the Center for Corporate Governance in **Tunisia**.

GLOBAL PROGRAMS

CIPE's 2009 **youth essay** competition attracted ideas on entrepreneurship, education, and democratic policymaking from 650 young people in 106 countries including Belarus, Colombia, Eritrea, Pakistan, and Uzbekistan.



impact

DESIGNING PROGRAMS THAT DELIVER DEMOCRATIC, MARKET-ORIENTED REFORM

CIPE's unique approach to designing programs helps to advance its mission of strengthening democracy through private enterprise and market-oriented reform and to engage the private sector and civil society more broadly in revitalizing democratic governance. In each part of the world, CIPE's programs focus on creating opportunities for private sector organizations to engage in policy advocacy and on increasing support for the principles of democratic market systems.

CIPE's programs in 2009 approached governance reform from a variety of directions. Efforts to establish transparency and accountability were most evident in anti-corruption projects, such as in Egypt and Russia, or in corporate governance projects, as in the Philippines. Numerous projects established mechanisms for improved dialogue and input in policymaking, as seen in China, Kenya, Nicaragua, and Paraguay. Working to expand grassroots participation in the policy process, CIPE amplified the effectiveness of a small business federation in Egypt and chambers of commerce for women in Bangladesh and Pakistan.

Although they share a common set of objectives, these projects necessarily take a variety of forms as they continually innovate and adapt to local circumstances. CIPE recognizes that democratic development and effective market reforms must be locally driven. CIPE therefore builds local priorities and knowledge into its regional strategies and individual project designs. Typically, project concepts emerge from local partners who take the initiative in implementing projects while benefiting from CIPE's shared breadth of international experience.

CIPE concentrates on institutional changes that create a supportive environment for democracy and markets and that have the potential to benefit a broad constituency. CIPE board and staff think strategically about how to match regional needs with opportunities for reform. They factor in the

governance and business environment, the state of political and economic freedom, openings to catalyze institutional change, and the capabilities of the private sector. Before being implemented, each project idea is examined to ensure that it is consistent with CIPE's organizational objectives, is a strategic priority for the region in question, and has the possibility to contribute to sustainable reform.

In 2009, the global economic crisis became a driving force behind new ways of looking at democratic reform. Although it has affected all countries around the world, the crisis has been particularly damaging in countries that relied on high commodity prices, short-term economic calculations, populist social policies, and shallow governance structures. The crisis brought to the forefront the issue of democratic resiliency and raised questions among many about the viability of free market democracies in comparison with authoritarian systems that perpetuated their own brand of capitalism. In this context, CIPE pressed for an intensified focus on the quality of institutions that underlie governance and growth.

Institutions of governance strongly condition a country's prospects for both sustainable growth and high-quality democracy. In particular, democratic channels of feedback and accountability aid the flow of information from private sector constituencies to policymakers, thus promoting the development of true market systems. Accountability and open dialogue, democracies – rather than authoritarian regimes – are most likely to arrive at sustainable policies appropriate to local needs. This is the essence of democracy that delivers.

The projects featured in this report illustrate highlights of the overall program that demonstrate distinctive successes as well as CIPE's long-term investment in the ability of the private sector to actively shape civil society, democratic dialogue, and policies for sustainable growth.

CIPE AREAS OF WORK

DEMOCRATIC GOVERNANCE

CIPE works to create and strengthen institutions of accountability and increase public participation in reform.

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.

BUSINESS ASSOCIATION DEVELOPMENT

CIPE supports grassroots participation of private sector organizations by providing support and technical assistance.

CORPORATE GOVERNANCE

CIPE initiates and supports programs to educate private sector leaders and the public on fairness, accountability, responsibility, and transparency.

LEGAL AND REGULATORY REFORM

CIPE encourages the private sector to identify laws and regulations that hinder business activity and make reform recommendations.

ACCESS TO INFORMATION

CIPE works with local partners to achieve greater transparency in government and an unrestricted voice for reformers.

WOMEN AND YOUTH

CIPE supports women and youth through entrepreneurship and management programs.

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

- 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.

AFRICA

2009 AFRICA PARTNERS AND PROJECTS

COTE D'IVOIRE

Strengthening the Voice of the Informal Sector

ETHIOPIA

Empowering Grassroots Associations

Addis Ababa Chamber of Commerce and Sectoral Associations

Voice of the Addis Chamber

Initiative Africa

Strengthening the Capacity of Business Support Organizations

Mekelle Chamber of Commerce and Sectoral Associations

Voice of the Mekelle Chamber

GHANA

Institute for Economic Affairs

Breaking the Election Deadlock
Public-Private Dialogue for West African States

Private Enterprise Foundation

Empowering Farmer-Based Organizations

KENYA

Kenya Association of Manufacturers

Building Local Voices for Reform

Kenya Gatsby Trust

Strengthening the Voice of Kenya's Micro and Small-Scale Entrepreneurs

LIBERIA

Alternative Paths to Prosperity

Center for Transparency and Accountability in Liberia

Fostering Good Governance through an Anti-corruption Toolkit

MAURITANIA

Empowering Private Sector Organizations

NIGERIA

Enhancing the Capacity of Parliamentarians

Regional Business Agendas

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

Business Participation in the Legislative Process

Manufacturers Association of Nigeria

Fostering Private Sector Participation in Policymaking through Tax Reform

ZAMBIA

Institute of Directors of Zambia

Strengthening Corporate Governance in Small Enterprises

ZIMBABWE

Building the Private Sector Voice for Reform

REGIONAL

Expanding Africa's Network for Reform

Fostering Effective Public-Private Dialogue

Strengthening Africa's Network for Reform



Members of the Ye'ewuket Ber Saving and Credit Association in Adama, Ethiopia meet as part of CIPE's business association training programs.

STRATEGIC OVERVIEW

Africa's vibrant private sector has not reached its full potential because it lacks necessary support from the institutions that establish and sustain market-oriented democracies. In 2009, CIPE worked to strengthen institutions and increase private sector participation in the democratic process. In Kenya, CIPE worked with regional business coalitions and the small and micro-enterprise sector to provide policy recommendations to the government. CIPE empowered farmer-based business associations to improve the operating environment for the agricultural sector in Ghana. CIPE worked in Liberia to share the findings of an anti-corruption toolkit with public and private sector stakeholders. These efforts strengthened democratic institutions, encouraged economic growth, and built relationships between the public and private sectors.

KENYA | GUIDING SMALL ENTREPRENEURS THROUGH THE POLICY PROCESS

Over 10 million people work in Kenya's micro- and small and medium-sized enterprise (MSME) sector, yet they lack a strong role in the policymaking process. Internal fragmentation and external disregard have stifled the sector's voice in reform. CIPE partner the Kenya Gatsby Trust (KGT), along with its partners the Kenya Institute for Public Policy Research and Analysis and the Kenya Private Sector Alliance, successfully advocated for significant legislative changes in 2009. Through working groups and high-level ministerial meetings, KGT and its partners provided recommendations for a draft bill to remove economic and legal barriers for MSMEs. Through the draft bill process, KGT focused on coalition-building and facilitating dialogue between sectors, government ministries, and Parliament. These efforts have successfully brought the draft bill to the final stages of review before a parliamentary vote. With the newly founded Micro Small Enterprise Federation, micro and small entrepreneurs had – for the first time – an effective representative organization voicing their concerns in the legislative process.



Kenya Prime Minister Raila Odinga confers with Minister for Finance and Deputy Prime Minister Uhuru Kenyatta (top) and give remarks (bottom) at the Prime Minister's Roundtable – an opportunity for public-private dialogue facilitated by the Kenya Private Sector Alliance and KGT – in Nairobi.

KGT's efforts to advocate on behalf of the MSME sector resulted in a number of accomplishments:

- An MSME draft bill that includes:
 - A provision requiring MSMEs to receive 25 percent of government procurement contracts, amending the current Ministry of Finance Public Procurement Act.
 - The creation of a tribunal to handle all legal disputes in the MSME sector, significantly reducing the time it takes resolve legal issues.
 - The National Council for Micro and Small Enterprises – a government department dedicated to the MSME sector – was established to monitor legislation implementation, provide resources, and promote and recommend policies to the government.
- The Micro Small Enterprise Federation was founded, representing 15 MSME umbrella associations and over 800 small business associations.
- Over 2,700 copies of the draft bill were distributed to small businesses and relevant stakeholders, helping small businesses understand their rights.

GHANA | LEADING FARMER-BASED BUSINESS REFORM

Given that food security has increased the need for improved agricultural productivity in Ghana, agricultural business associations can play a crucial role in fostering a supportive business environment for farmers. Ghana's small farmers constitute a significant portion of the economy, yet their involvement in economic policymaking has been limited. In 2009, CIPE worked with the Private Enterprise Foundation (PEF) to support farmer-based business associations' advocacy efforts and to gain greater visibility in the public policy arena. With the help of PEF's expertise, these associations have improved their advocacy skills and strengthened dialogue with local government officials.

PEF's work with farmer-based associations brought about the following:

- The Banbebu Farmers Association's advocacy efforts resulted in a new fertilizer depot for their area, reducing travel time to purchase fertilizer – which for some farmers meant a trip of almost six miles on foot. Increased access to fertilizer and decreased time spent on obtaining fertilizer has provided 1,000 farmers with the opportunity to improve their agricultural productivity.
- As a result of the Kpene Suglo Farmers Association's advocacy efforts, Ghana's Millennium Development Authority has granted a contract to begin work on the restoration of the road leading to the Kpene Suglo community. Improved transportation increases farmers' access to goods and markets.



Members of the Dohinayili Tiwumti Women Rice Processors in Tamale, Ghana – an organization in northern Ghana that benefited from PEF's support – met with CIPE to discuss their action plans and progress after participation in advocacy training workshops.



Thomas Doe Nah of CENTAL shares the findings of the Liberia Local Governance Toolkit with a group of university students from all 16 of Liberia's counties. The students discussed ways in which the toolkit and its findings could be used in each of their respective communities.

LIBERIA | COMBATING CORRUPTION THROUGH GOOD LOCAL GOVERNANCE

Twenty years of civil war in Liberia devoured the basic institutions of the country, entrenched corrupt practices, and left behind public mistrust of the government. Following an analysis of the anti-corruption and good governance safeguards at the sub-national level in 2008, the Center for Transparency and Accountability in Liberia (CENTAL) worked throughout 2009 to publicize its findings and recommendations through public awareness and advocacy campaigns. This information – the Liberia Local Governance Toolkit – was shared with citizens and public officials through local and regional student clubs, radio talk shows, participatory town meetings, and CENTAL's new corruption watch website (www.liberialocalgovernance.org). CENTAL also worked diligently to present the toolkit findings to government officials, providing a fact-based foundation for anti-corruption strategies. The toolkit has armed both ordinary citizens and high-ranking officials with the information necessary to fight for positive policy change and combat corruption in their communities.



Liberian Ambassador to the United States Nathaniel Barnes relates the Liberia Local Governance Toolkit to local priorities at CIPE and Global Integrity's toolkit launch event at the Brookings Institution in Washington, DC.

CENTAL's work to engage the public and government officials resulted in:

- Liberia President Ellen Johnson-Sirleaf issued Executive Order Number 22 to protect the rights of whistleblowers who expose corrupt actions. President Johnson-Sirleaf's order was based on a draft whistleblower protection bill developed in a CENTAL working group.
- After CENTAL's discussion with high-ranking ministers, the Ministry of Internal Affairs held a series of workshops on making county-level public procurement more transparent and improving compliance with the Public Procurement and Concession Act.
- More than 10 radio talk shows hosted national debates about the results of the toolkit – with about 50 Liberian citizens calling in to discuss the issues. During one talk show, the Deputy Minister of Commerce Dr. Frederick Norkeh expressed his support for the toolkit findings. As a result of his endorsement, the Ministry of Commerce has reactivated its website, posting information on acquiring business licenses, a summary of its activities, and telephone hotline numbers.



Business association leaders discuss policy priorities as part of the regional business agenda established by KAM's chapter in Mombasa.

PARTNER SPOTLIGHT

KENYA | KENYA ASSOCIATION OF MANUFACTURERS

The Kenya Association of Manufacturers' (KAM) work with regional business coalitions throughout Kenya has strengthened grassroots political participation. Through the development and launch of Regional Business Agendas (RBAs), 40 business coalitions presented their policy priorities on corruption, government regulation, infrastructure, and security to their local governments.

In 2009, CIPE worked with KAM and its local chapters in Eldoret, Kisumu, Mombasa, and Nakuru to support each chapter in creating an RBA, building a unifying voice of business. Each of the four chapters identified RBA priorities for the private sector in their communities and built a coalition of business associations to lead advocacy initiatives. RBA recommendations ranged from improving transportation infrastructure to streamlining business permit regulations and land taxation. The government in each region was engaged and responsive to the coalitions' recommendations, which focused on improved transportation and municipal services in key business districts. Many of the proposals have been adopted and now await implementation.

As a representative organization for Kenyan industrialists and manufacturers, KAM has spent several intensive years strengthening its regional branches and organizational structure. KAM has continued to grow the capacity of its local branches to influence economic and social policies for private sector development at the provincial and national level. Through the RBA advocacy process, KAM's regional chapters have demonstrated how coalition-building can be an effective tool to develop and champion joint business agendas with the government.

FUTURE OF REFORM

In 2010, CIPE will continue to empower the private sector to engage in the democratic process through business agendas and business associations. CIPE will target both regional programs that reach out to reformers across Africa and select country-level initiatives where the opportunity for impact is greatest. CIPE will continue to emphasize its programming in Ethiopia, Ghana, Kenya, and Nigeria, and maintain a strong presence in other countries facing democratic challenges. By giving a voice to representative organizations of Africa's growing informal sector and those of women and youth, CIPE will improve grassroots, sub-national, and regional participation in the promotion of democratic and economic reform.

ASIA

2009 ASIA PARTNERS AND PROJECTS

CHINA

Encouraging the Development of an Active Civil Society
Encouraging Free and Open Dialogue on Policy Reform
Improving Public Governance at the Local Level

BANGLADESH

Bangladesh Women Chamber of Commerce and Industry
Promoting Women Entrepreneurship through Advocacy

BURMA

Educating Burmese Entrepreneurs and Civil Society on
Democracy and Market Reforms

INDONESIA

Strengthening Business Association Advocacy

Indonesia Business Links

Managing Ethical Dilemmas and Reducing Corruption
Promoting Business Ethics and Reducing Corruption

Indonesian Institute of Corporate Directors

Improving Corporate Governance

MONGOLIA

Mongolian National Chamber of Commerce and Industry
Strengthening Business Advocacy

NEPAL

Advocacy and Associations

Nepal Press Institute

Developing Economic Reporting Skills in Rural Journalists

Samridhhi, The Prosperity Foundation

Youth Empowerment for Entrepreneurship
and Economic Freedom
Youth Empowerment through Entrepreneurship

SRI LANKA

Pathfinder Foundation

Legislative Advisory Service

PAKISTAN

Agreement for Holding Corporate Governance Workshops

Improving Corporate Governance in Family-Owned Firms

Informing the Democratic Dialogue

Promoting Democratic Values in the Business Community
by Strengthening Associations

PHILIPPINES

Strengthening Business Association Advocacy

Institute for Corporate Directors

Improving Corporate Governance in Philippine Firms

Institute for Solidarity in Asia

Improving Public Governance at the Local Level

VIETNAM

Business Association Development

REGIONAL

Strengthening Corporate Governance in Asia

A Regional Conference on Sustainable Democracy



More than 150 women business leaders attended the “Women Leadership Conference” in Lahore, Pakistan, sharing experiences on their leadership roles as democratic activists in civil society.

STRATEGIC OVERVIEW

In 2009, CIPE faced a broad variety of challenges in Asia, with some countries showing encouraging signs of democratic consolidation and others demonstrating the fragility of their democratic institutions. One of CIPE’s key efforts was a program with local partners in China to provide a safe space for public discussion on democratic and economic policy reform. Additionally, CIPE Pakistan partnered with a wide variety of chambers of commerce, business associations, and civil society groups to strengthen advocacy skills through workshops and capacity building. CIPE promoted awareness of issues related to corruption and public governance in Indonesia and the Philippines. In Bangladesh, Burma, Mongolia, Nepal, and Sri Lanka, CIPE focused on strengthening the ability of business and civil sector groups to make their voices heard in the policymaking process through effective advocacy strategies.

PAKISTAN | LEADING PRIVATE SECTOR REFORM

CIPE Pakistan's work in 2009 focused on strengthening chambers and associations, emphasizing the importance of corporate governance, and developing a corps of reliable and informed economic and business journalists. Through a growing network of partners and programs, CIPE Pakistan has been building local capacity and supporting efforts to bring the government and the business community together in working relationships. By helping the business community improve institutional operations and advocate for legal reforms, CIPE Pakistan has helped to create a more competitive environment for chambers of commerce and business associations. In 2009, CIPE Pakistan hosted more than 40 events on association development, corporate governance, economic journalism, and women's economic participation.



Sheherbano Burki of Nur Concepts (top) leads a session on characteristics of leadership at the "Women's Leadership Conference." Another participant reads the Pakistan activities report, which documents CIPE Pakistan's work with business associations, women entrepreneurs, youth, economic journalists, and corporate directors.

CIPE Pakistan's work to augment grassroots-driven reform efforts brought about these accomplishments:

- A key tax exemption for venture capital firms that fund information technology (IT) businesses was extended an additional six years – through 2014. This exemption is expected to incentivize a total of \$2.8 billion in financing for the IT sector between 2008 and 2014.
- Regulatory changes allowed for the registration of 11 new venture capital and private equity companies, five of which are foreign. Capital investment through private equity firms is projected to increase more than \$2 billion by the end of 2011, even in the face of the global recession.
- CIPE's previous participation in reforming the Trade Organisations Ordinance led to the first opportunity for women in Pakistan to form independent chambers of commerce. Three new women's chambers of commerce officially registered in 2009 in addition to the two that registered in 2008.
- The Islamabad Chamber of Commerce and Industry members altered its board composition to require that 25 percent of elected board members are under the age of 30. The move towards younger leadership reflects CIPE Pakistan's efforts to highlight the importance of engaging young leaders for future growth.



Ambassador Caesar Bautista (left), former Philippine Ambassador to the United Kingdom and long-time ISA fellow, welcomes private sector leaders as new members of the ISA Society of Fellows.

ISA's efforts to implement the PGS resulted in these changes:

- For the first time, seven national public agencies enrolled in the PGS and three are ready to begin.
- The implementation of the PGS in the city of San Fernando resulted in:
 - With the city government as a more viable business partner, the total value of public projects funded through public-private partnerships has increased from 19 million Philippine pesos (PHP) to nearly 150 million PHP. This increase boosted the city's locally generated revenue and contributed to the doubling of city spending on elementary education.
 - The length of time required to register a business fell from two weeks in 2005 to two hours in 2009.
- In rural Calbayog, property tax collection rose from the city's historical average of 10 percent of total property value to nearly 70 percent in 2009.

PHILIPPINES | IMPROVING PUBLIC GOVERNANCE AT THE LOCAL LEVEL

International organizations often note that the Philippines suffer from some of the worst corrupt practices in the world. Corruption at the local government level is especially disruptive to smaller firms and community groups, even though it may attract fewer headlines than national government scandals. The Institute for Solidarity in Asia's (ISA) performance governance system (PGS) is an effective transparency and accountability tool for more than 40 local governments across the Philippines. When a city adopts the system, officials work through broad-based community consultation to design specific public policy goals, an action plan to accomplish them, and performance metrics by which to measure progress. As a sign of improved democratic participation, community groups and business associations are now an established part of the local policymaking process. This, in turn, strengthens the incentives of public officials to improve transparency, foster economic growth, and improve the quality and reliability of public services. In 2009, CIPE supported ISA's work to implement the PGS in municipal-level governments and to expand the system to national public agencies.



BWCCI members from Dhaka and around Bangladesh work together to set the agenda for an upcoming meeting of the WNBA coalition.

BANGLADESH | EMPOWERING WOMEN ENTREPRENEURS

Women entrepreneurs in Bangladesh suffer from many barriers to entry when starting a business: cultural and social taboos, regulatory obstacles, and a lack of institutional capacity to advocate effectively for change. Without a voice in the democratic process, they are often excluded from reform efforts. In 2009, the Bangladesh Women Chamber of Commerce and Industry (BWCCI) grew as a strong advocate for women entrepreneurs – membership increased more than 17 percent, adding 300 members for a total of 2,000. BWCCI also worked to give women across the country a voice by launching the Women’s National Business Agenda (WNBA) and advocating for the specific policy priorities it identifies. The WNBA, developed by a BWCCI-led coalition, focuses specifically on social, capacity-based, and fiscal barriers to women entering the marketplace. Altogether, the WNBA offers more than 20 specific suggestions on democratic and economic reforms that will create a women-friendly business environment in Bangladesh.

BWCCI President Selima Ahmad (left) presents the mayor of Rajshahi, Bangladesh with a copy of the WNBA.

BWCCI’s efforts to affect policy change at both the local and national level resulted in the following:

- The first-ever Women’s National Business Agenda in Bangladesh was launched, offering recommendations to improve the operating environment for women entrepreneurs.
- Bangladesh President Zillur Rahman and Minister of Industry Dilip Barua committed to establishing an economic zone with regulatory incentives for business development, modernizing the Bangladesh Small and Cottage Industries Corporation product design education center, and founding a special bank to provide loans at a 2 percent interest rate for women-owned small and medium-sized enterprises – all to reduce the barriers to women entering the market.





A student participant at an Arthalaya workshop. She and her peers practiced running their own businesses and shared ideas about market economic principles, entrepreneurship, and advocacy.

NEPAL | SUPPORTING TOMORROW'S LEADERS

The future success of economic and democratic freedom in Nepal depends on a strong and vibrant youth voice for reform and active participation from young people in the private sector. Samriddhi, The Prosperity Foundation is helping university-aged students develop their knowledge of democratic and economic reform. Through five workshops for 120 young people in 2009, Samriddhi introduced concepts of economic freedom and free market principles, advocacy, and civic leadership. The workshops, or “Arthalayas,” also helped the participants understand the path toward creating and running their own businesses. Students heard from local entrepreneurs and business leaders and simulated running their own businesses. Samriddhi’s work to educate young people about market economies, efficient governance, transparency, and running a business is helping them discover and define the roles that they can play to further economic and democratic growth in Nepal.

Samriddhi’s work with youth in Nepal has resulted in a number of accomplishments:

- Pre- and post-workshop assessments of all participants showed a 35 percent increase in knowledge and a 13 percent positive change of opinion about market economies, advocacy, and entrepreneurship after the Arthalayas.
- Based on his new-found knowledge and skills, a graduate of the first Arthalaya and a sub-editor for the business magazine *The Boss* successfully proposed a completely new focus for one upcoming issue of the magazine: entrepreneurship promotion.



An interview and discussion on IBL's radio program, *Fighting Corruption is the Solution for the Country*.

PARTNER SPOTLIGHT

INDONESIA | INDONESIA BUSINESS LINKS

Much of Indonesia's post-independence history has been defined by large-scale corruption at the highest levels of government and collusion between political elites and industrial conglomerates. This reliance on fraud and unethical business practices has impeded democratic consolidation and sustainable economic growth. CIPE partner Indonesia Business Links (IBL) – a leading independent, non-partisan think tank – has been tackling some of the many problems associated with corruption in Indonesia by promoting awareness of corporate governance concepts and ethical business practices. To push back against the culture of corruption in Indonesia, IBL conducts increasingly popular training workshops on business ethics and management for companies in more than 15 cities across Indonesia.

Although the majority of IBL's training efforts have been directed at small and medium-sized enterprises, 2009 was an important year of expansion to some of the largest corporations in the country. IBL held a series of workshops on business ethics and anti-corruption with the senior management of the largest state-owned energy company in Indonesia, Pertamina, as well as with the senior management of Pertamina's network of suppliers and vendors. Participants learned about corporate social responsibility and business ethics, with a particular focus on procurement and facilitation payments. Pertamina has subsequently incorporated IBL's training programs into its new corporate compliance program, "Pertamina Clean." Other large companies, such as the water services company Palyja, have reached out to IBL to request training programs for their management and employers. By reducing the likelihood that businesses and citizens will rely on fraud and informal practices, IBL is contributing to the democratic consolidation underway in Indonesia.

FUTURE OF REFORM

In 2010, CIPE will continue to raise awareness of the effects of corruption and the necessity of public and corporate governance reforms in Indonesia, the Philippines, and Thailand. CIPE's upcoming focus in Bangladesh, Mongolia, Nepal, Sri Lanka, and Vietnam will strengthen business and civil sector organizations' capacity to advocate effectively in the policymaking process. Additional regional priorities will include opening political space in closed political systems; facilitating open and honest dialogue among citizens, firms and civil society groups; and encouraging broader economic participation from disempowered groups like women and youth.

CENTRAL AND EASTERN EUROPE

2009 CENTRAL AND EASTERN EUROPE PARTNERS AND PROJECTS

KOSOVO

Riinvest Institute for Development Research
Improving Corporate Governance and Transparency

MOLDOVA

Institute for Development and Social Initiatives
Advocacy for the National Business Agenda
Building Effective Public-Private Dialogue through a National Business Agenda

MONTENEGRO

Center for Entrepreneurship and Economic Development
Strengthening Montenegro's Economy through Public-Private Dialogue

SERBIA

Center for Liberal-Democratic Studies
Improving Corporate Governance: Five Years Later

Serbian Association of Managers
Strengthening the Voice of Small Business

REGIONAL

Training of Trainers in the Balkans-Caucasus



From left, Serbian Association of Managers (SAM) President Slobodan Vucicevic, Serbia Prime Minister Mirko Cvetkovic, and Center for Liberal-Democratic Studies President Boris Begovic at a CIPE-supported SAM roundtable, "Illiquidity – Actual Problem or a Good Excuse?"

STRATEGIC OVERVIEW

CIPE's work in 2009 helped Central and Eastern European countries improve their democratic and economic record in pursuit of EU integration. CIPE support helped the business community focus on key issues for economic reform in Serbia, including improved region-wide integration. In Kosovo, CIPE partners brought good governance and transparency into the policy agenda and launched the re-organization and privatization of key state-owned enterprises. CIPE helped the business sector in Montenegro work with the government on a longer term strategy for the country's economic development. In Moldova, CIPE supported a coalition of business associations and chambers in leading a constructive public-private dialogue to improve the business climate.



Riinvest President Muhamet Mustafa (right) gives an interview to Voice of America in Washington, DC on the state of reforms in Kosovo and Riinvest's role in moving the reform process forward.

KOSOVO | PRIORITIZING GOOD GOVERNANCE

By providing and publicizing credible information, the Riinvest Institute for Development Research ensures that corporate governance and transparency remain key items on Kosovo's policy agenda as the national government assumes responsibility over the newly independent country's political and economic institutions. In 2009, Riinvest provided key analysis of governance practices among Kosovo's banks and insurance companies through a study that measured these practices against the Organisation for Economic Co-operation and Development's Principles of Corporate Governance. As a key resource for public and private leaders, the analysis sheds light on financial sector regulation and how to improve the implementation of corporate governance principles. In addition, Riinvest has provided training sessions on the analysis for bank and insurance managers, heightening awareness and commitment to improving corporate governance and transparency.

Riinvest's recommendations resulted in the following:

- The Publicly Owned Enterprises (POEs) Policy and Monitoring Unit was established to monitor implementation of all POEs' codes of ethics, ownership policies, remuneration, board member responsibilities, and board statutes.
- Two new draft laws that establish key corporate governance standards for banks and deposit insurance have been drafted by the government and are moving through the legislative process. As an active partner in the draft process, Riinvest successfully provided key recommendations for both laws – such as ensuring minority shareholder rights in internal governance processes and decision-making.



From left to right, Miroslav Prokopijevi from the Center for Free Market in Belgrade, Serbia; Petar Ivanovic, vice president of the MBA; Jovan Lukovac of the Ilirka Asset Management in Ljubljana, Slovenia; Nikola Fabric, chief economist of the Montenegro Central Bank; and Ante Babic of the Center for International Development in Zagreb, Croatia meet at a CEED, MBA, and Union of Economists of Montenegro event, "Crisis and Development."

MONTENEGRO | SPEARHEADING THE WAY TO ECONOMIC GROWTH

In the face of the global financial crisis, the Center for Entrepreneurship and Economic Development (CEED) and the Montenegro Business Alliance (MBA) are helping the business community focus on increasing the competitiveness of domestic companies and attracting foreign investment. Their advocacy work has positioned MBA as a leading advocate for the private sector in Montenegro. MBA now includes 518 member organizations, representing 22 percent of the country's labor force and 43 percent of Montenegrin gross domestic product. In 2009, CEED and MBA launched the National Development Agenda (NDA), which prioritizes private sector recommendations concerning Montenegro's economic development over the next three years. Working to refine and strengthen the agenda, CEED and MBA met with over 400 government and business leaders at the local, national, and regional levels for direct and transparent discussions on the direction of Montenegro's business and economic policy. In total, MBA and CEED held 14 public events in 2009 to discuss and promote the NDA. MBA and CEED have demonstrated to the government that partnership with the business community is an effective tool for enhancing economic development and overcoming the challenges of the global economic crisis.

CEED and MBA advocated for and achieved amendments to 15 Montenegrin laws and 7 regulations, removing barriers to business. Highlights include the following:

- The law on concessions, which establishes the rights of companies to use natural resources, was amended to reduce the number of procedures required to claim concession rights and to increase the concession period from 30 years to 60 years with a renewal option for 30 years.
- A new law on domestic trade changed the requirements to obtain a business license. The number of steps in the process were reduced from 15 to 1. This lowers barriers to doing business for 80 percent of Montenegrin companies.
- The personal income tax rate was reduced from 15 to 12 percent, decreasing the total burden on net wages from 72 to 63 percent and lessening the impact of the financial crisis on available funds for business, especially for small and medium-sized enterprises.

MOLDOVA | RESPONDING TO CRISIS WITH PRIVATE SECTOR PRIORITIES

At the forefront of private sector leadership, the Institute for Development and Social Initiatives (IDSI) has helped guide the Moldovan business community in maintaining momentum towards greater participation and transparency in the policymaking process. In 2009, IDSI conducted an intensive advocacy campaign based on the previously developed National Business Agenda (NBA), uniting a coalition of 32 business associations representing key economic sectors. As part of the advocacy process, the coalition worked with the business community to gather up-to-date information and ensure that the agenda reflected the most pertinent policy issues. Issues and recommendations from the NBA were presented to high-ranking government officials including the Acting President and the Ministers of Economy and Finance. As the global economic crisis began to have an effect on the Moldovan economy, the coalition responded quickly by presenting 14 of the most urgent policy measures in the NBA to the Moldovan Government. The ongoing efforts of the coalition support the development of a better business environment, enhancing transparency in the policymaking process by creating more open and robust lines of communication between the government and the business community.

IDSI's advocacy work based on the NBA brought about these results:

- The Moldovan Government adopted all 14 of the coalition's recommendations to address the global financial crisis. These measures, which reduce administrative barriers to doing business, constitute one-third of the government's economic stabilization plan.
- The NBA was used by three reformist parties during the April 2009 election campaign as the source for their economic platforms.
- IDSI's publication the *Business Monitor* – an increasingly key resource for the Moldovan business community – almost doubled its subscribers from 80 organizations to 147 in six months.



"For private sector interests to be truly supported by the letter and the spirit of the law, legislative processes must be administered by people who understand, who have lived, or who are living through this kind of activity... There is a need for the business representatives to participate in governance."

- VLAD FILAT (left)
PRIME MINISTER OF MOLDOVA

Leaders of the three main opposition political parties in Moldova, Vlad Filat (left), Liberal-Democratic Party (current Prime Minister); Oazu Nantoi (center), Democratic Party; and Mariana Ambros (right), Liberal Party discuss the business community's priorities ahead of the April 2009 parliamentary elections.

PARTNER SPOTLIGHT

SERBIA | SERBIAN ASSOCIATION OF MANAGERS

Through training workshops and roundtables in 2009, the Serbian Association of Managers (SAM) developed and expanded both its internal and external strategies and activities. Its rapid growth has pushed SAM to address – with technical support from CIPE – questions of identity and organizational management. SAM has grown by over 50 percent since 2008, reaching 230 members in 2009. The growth and evolution of the organization has positioned SAM as a crucial voice in business policy discussions. In 2009, SAM participated in the Ministry of Economy Business Council and SAM leadership was invited by the Minister of Economy to represent Serbia’s private sector in an official government delegation to Slovenia and Croatia. SAM President Slobodan Vucicevic represented the business community at a meeting with the Prime Minister and the Governor of the National Bank on volatile fluctuations of national currency.

Over the past three years, SAM has grown from a small group of managers striving to improve the business environment in Serbia to the leading business association at the forefront of dialogue with the government. SAM is Serbia’s only domestic business association directly engaged with high-level government officials. Using its increased size and visibility, SAM has developed a positive image as a strong advocate for the business community. It has also positioned itself as a skilled partner in public policy dialogue, providing a model for good association governance and advocacy for other fledging Serbian business associations.

From left, SAM board member and Hypo Alpe Adria Bank President Vladimir Cupic, SAM President Slobodan Vucicevic, Serbia Prime Minister Mirko Cvetkovic, Center for Liberal-Democratic Studies President Boris Begovic, and the Governor of the National Bank of Serbia Radovan Jelasic listen to audience feedback at a CIPE-supported SAM roundtable, “Illiquidity – Actual Problem or a Good Excuse?”



FUTURE OF REFORM

In 2010, CIPE will work to enhance the role of business communities as strong advocates for pro-business reform across the region. CIPE and its partners in Moldova will focus on strengthening the capacity of business associations to advocate for priorities in the National Business Agenda. In Serbia, CIPE will strengthen the business community’s advocacy capacity to engage in a productive policy dialogue to improve the business environment. CIPE programs in Kosovo will improve the quality of governance, accountability, and transparency in the public and private sectors by engaging with think tanks and business associations. In Albania, CIPE will re-engage the business community to strengthen its capacity for leadership and advocacy for pro-business policy reform.

EURASIA

2009 EURASIA PARTNERS AND PROJECTS

ARMENIA

Association for Foreign Investment and Cooperation

Building Private Sector Capacity for Reform

AZERBAIJAN

Entrepreneurship Development Foundation

Implementing the National Business Agenda through an Advocacy Campaign
Improving the Business Environment

BELARUS

Analytical Center "Strategy,"
Institute for Privatization Management, and Minsk Union of Entrepreneurs and Employers
Business Advocacy in Belarus

GEORGIA

Association of Young Economists of Georgia and New Economic School of Georgia

Improving the Business Climate and Information Flow

KAZAKHSTAN

Shanyrak

Reducing the Informal Sector and Strengthening Property Rights

KYRGYZSTAN

Civic Advocacy for Reform and Stabilization

Bishkek Business Club

Strengthening Coalition-Led Business Advocacy
Strengthening Private Sector Advocacy

RUSSIA

Building Capacities and Professional Skills of Business Associations

Building Public Dialogue on Administrative Barriers to Business Development

Building the Voice of Business in Russia

Establishing a Bilateral Working Group on Corruption

Small and Medium-Sized Enterprise Policy Advocacy

Vladikavkaz Institute of Management

Developing the Entrepreneurial and Leadership Skills of Youth in the North Caucasus



Corina Dragomirescu of the Advocacy Academy in Timisoara, Romania speaks at a CIPE conference, "20 Years After the Fall of the Berlin Wall: Lessons Learned and the Future of Reform" held in Kyiv, Ukraine. The conference provided current and former CIPE partners and reformers from Eastern Europe and Eurasia an opportunity to share experiences about challenges and successes in their countries since the fall of the Berlin Wall.

STRATEGIC OVERVIEW

In 2009, CIPE worked across Eurasia to address widespread corruption and achieve a stronger voice for entrepreneurs in the policy process. In Russia, CIPE monitored the implementation of proposed reforms, increasing the role of business in the policy process and encouraging business efforts to fight corruption. CIPE's focus in Ukraine moved from modest policy successes to more effective advocacy for business-friendly policies. In Central Asia, CIPE sought to counter declines in the rule of law, access to information, and protection of property rights, and to combat increasing authoritarianism by strengthening outreach to the business community and civil society. This outreach helped to increase support for reform. In Belarus, CIPE helped to strengthen its partners' understanding of democratic values, including property rights, transparency, and public participation in fighting corruption. Lastly, in the Caucasus, CIPE focused on strengthening the business community's capacity for advocacy to promote further democratic and economic development.



Elena Panfilova, director of Transparency International Russia and a member of the CIPE-supported Russia-U.S. Joint Working Group on Investment and Institutional Integrity, offers remarks on the working group's report on good governance and anti-corruption in Russia to U.S. President Barack Obama. (Photo courtesy of the Eurasia Foundation.)

RUSSIA | SUPPORTING ADVOCACY FOR SMALL AND MEDIUM-SIZED ENTERPRISES

CIPE's extensive work with regional coalitions of business associations in Russia has improved dialogue with the government and helped to protect thousands of small and medium-sized enterprises (SMEs) from the hardships of operating in an environment rife with corruption. In 2009, 10 regional coalitions received support from CIPE to conduct 103 regional advocacy campaigns and submit 160 regional policy recommendations that have led to the adoption of 11 regional legislative changes. The coalitions worked with CIPE partners at the federal level – OPORA (the Union of Business Associations of Russia) and the Russian Federation Chamber of Commerce and Industry – to conduct 77 advocacy campaigns leading to two national legislative changes in 2009. CIPE's federal-level partners also participated in developing the Russia-U.S. Joint Working Group on Investment and Institutional Integrity report that was presented at an official event held in conjunction with the July 2009 summit between Presidents Medvedev and Obama.

CIPE WORKS IN 17 REGIONS WITH OVER 200 ORGANIZATIONS THAT REPRESENT NEARLY 19,000 FIRMS AND EMPLOY AN ESTIMATED 2 MILLION RUSSIANS.

Among the coalitions' notable accomplishments are the following:

- With the passage of two key national anti-corruption laws, there is now an established procedure for independent organizations – such as chambers of commerce, business associations, and think tanks – to become officially accredited to review draft laws for their potential to generate corruption and to submit proposed legislative changes.
- The Primorsk coalition's efforts to stop corrupt practices in the sale of government-owned real estate led to a suspension in the privatization of over 750 buildings until privatization statutory acts can be improved. These corrupt practices had previously led to the bankruptcy of more than 2,000 firms.
- The Krasnodar coalition successfully advocated for the abolishment of a mayoral decree in Sochi to dismantle 400 temporary retail locations, employing 1,150 individuals. The coalition's work was able to save 320 of the sales outlets and 800 jobs.
- The Volgograd coalition successfully advocated for laws to reduce an increase on land rental rates, the income tax on advertising for small and medium-sized enterprises by 80 percent, and the cost of advertising on municipal buildings by 25 percent.
- Over 1,000 firms in Astrakhan won the option to buy the premises they rent from the government (the right to continue renting is also guaranteed). This is a result of the Astrakhan coalition's advocacy efforts to change local implementation of federal rules on privatization of municipal property rented by SMEs.



Dalil Batyrov of Jer Azygy, a Kyrgyz agricultural business association and a member of NABA, expresses his views at a monthly NABA meeting.

KYRGYZSTAN | BUILDING CONSENSUS FOR CHANGE

The Bishkek Business Club (BBC) demonstrates that transparent and democratic processes are critical to establishing legitimate governance. As a group of reform-oriented business leaders known for their independence and integrity, BBC has become Kyrgyzstan's leading advocate for market-based, democratic reform. In 2009, the advocacy work of BBC and the National Alliance of Business Associations (NABA) – a coalition of business associations BBC helped to establish – has successfully pushed back anti-business legislation, gathered grassroots momentum for reform, and garnered wide-reaching media attention. This past year has also seen the unprecedented inclusion of BBC and NABA members in working groups with key federal agencies on business formalization, energy security, and property rights. Under BBC's leadership, NABA grew from 19 to 27 business associations in 2009 and currently represents over 2,000 companies and 80,000 individual entrepreneurs. These members have created 400,000 jobs and represent over \$2 billion in domestic investment.

Highlights of BBC and NABA's work as a powerful coalition for reform include:

- Presidential Decree Number 434 was adopted with more than 65 percent of NABA's recommendations included. The decree strengthens private property protection through changes to the criminal code, civil code, and the laws on joint stock companies and on bankruptcy,
- For the first time, the term "raiding" – the illegal seizure of private property through legal means – was included in Kyrgyz legislation. By updating existing legislation, the government is recognizing this destructive process and taking action to protect property from raiding.
- 42 percent of patent-based small enterprises were saved by the repeal of a 2008 law, Regulation Number 733. This reversal also overturned a ruling that would have increased the cost of obtaining a patent by 5 to 7 times.

2009 EURASIA PARTNERS AND PROJECTS

(continued from page 24)

UKRAINE

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

Property and Freedom Institute
Strengthening Business Associations' Capacity as a Watchdog over International Commitments

Ukrainian Center for Independent Political Research
Political Party Training for Economic Reform

TURKMENISTAN

Union of Economists
Re-creating the Middle Class

REGIONAL

Improving Access to Information
Information and Values

Strengthening Business Support
Organizations in Armenia and Azerbaijan

Twenty Years After the Fall of the Berlin Wall: Lessons Learned and the Future of Reform

Kyrgyz Stock Exchange Press Club and Kazakhstan Institute of Directors
Strengthening Corporate Governance through Education and Dialogue



Entrepreneurs vote to take a stand against Resolution #991 at an urgent CEB meeting. Their subsequent demands to the government resulted in the abolishment of the law, saving 30,000 small and medium-sized enterprises in Belarus from elimination.

BELARUS | SUPPORTING A UNIFIED PRIVATE SECTOR

Under the Confederation of Entrepreneurship of Belarus (CEB), the Belarusian business community fought to protect entrepreneurship and advocate for economic prosperity through the National Business Platform (NBP). CEB, which grew to 34 member organizations by the end of 2009, represents a network of over 6,500 businesses – 8 percent of all small and medium-sized enterprises (SMEs) in Belarus. Its key priorities include addressing barriers to market reform and democratization, providing a forum for discussion, and increasing awareness of market-based and democratic principles. CEB works with local associations in all six Belarusian regions to raise awareness about the benefits of entrepreneurship. These advocacy successes have led to an established dialogue between public and private stakeholders through NBP working groups that monitor the adoption, implementation, and impact of NBP-based policy recommendations. CEB's ability to mobilize its constituency on short notice and to transform the business community's concerns into measurable action demonstrates how far this organization has come.

CEB's advocacy efforts resulted in the following:

- Resolution #991, which would have eliminated over 30,000 SMEs (40 percent of all Belarusian SMEs) and caused 100,000 individual entrepreneurs to lose their jobs, was overturned. In addition, the resolution would have fostered corruption by forcing businesses to purchase directly from manufacturers, eliminating all intermediaries in trade.
- With the simplification of the single tax system, tax filing times were reduced by 15 percent and filing expenses by 7 to 10 percent. This simplification reduces opportunities for corruption and stabilizes the business operating environment. Consequently, 35 percent more individual entrepreneurs and 20 percent more SMEs have started using the single tax system.
- 20 to 25 percent more entrepreneurs are using loans to start businesses and increase their business activities. This increase was brought about by the simplification of mortgage requirements and the establishment of a new Government Fund for Entrepreneurship Support, providing a \$50 million fund for SME loans.



Armenian business association representatives meet to discuss small and medium-sized enterprise advocacy issues and association membership.

ARMENIA AND AZERBAIJAN | IMPROVING BUSINESS ASSOCIATIONS

The CIPE Regional Office in Romania supports business associations in Armenia and Azerbaijan to sharpen their advocacy skills and engage in successful and productive dialogue with their governments. As part of a series of training seminars for the Caucasus region that began at the end of 2008 in Azerbaijan, CIPE provided tools and information to 27 association executives in Armenia for effective involvement in grassroots public policy advocacy. The 2008 and 2009 events prepared business organizations in Azerbaijan and Armenia to better represent their members in advocating for pro-business reforms in their respective countries. With their improved skills, these organizations were actively involved in advocacy initiatives in 2009 and helped to improve the business environment. They also provided guidance for other groups to undertake professional advocacy and democratic dialogue with their governments. Their efforts represent an important step in bolstering business sector participation in policymaking in Armenia and Azerbaijan.

Highlights of CIPE's training efforts with business associations in Armenia and Azerbaijan include:

- The members of the Business Advocacy Network – comprising 16 member organizations that participated in the CIPE training program in Armenia – formalized their network. Similarly, seven organizations that participated in the Azerbaijan training program created the Alliance of Business Associations, dedicated to promoting the country's National Business Agenda.
- The Armenian Association of Freight Forwarders, a member of the Business Advocacy Network, successfully reduced its freighters' tax burden by advocating to change Armenian transportation regulations to allow freight companies to pay tax on their services rather than on the goods they ship.

PARTNER SPOTLIGHT

RUSSIA | NORTH OSSETIA CHAMBER OF COMMERCE AND INDUSTRY

Formed in 1993 with just 31 members, the North Ossetia Chamber of Commerce and Industry (North Ossetia CCI) is the leading chamber in its region. It now represents more than 150 member firms in industries ranging from agriculture to metallurgy. Over 70 percent of its member companies are small and medium-sized enterprises. In 2009 alone, nearly a dozen new firms joined, exceeding the average annual increase in membership. The North Ossetia CCI takes part in a variety of efforts to improve the local business climate and lower administrative barriers, and shares its expertise by advising its members on legal and financial issues, trade and business opportunities, product certification, and marketing. The North Ossetia CCI also maintains a strong relationship with local authorities, engages in advocacy on behalf of its members, and issues expert opinions on draft laws and reforms to support entrepreneurship.

The North Ossetia CCI achieved a number of key goals in 2009, including the development of a variety of tools and services: a local loan guarantee fund, a micro-lending agency for small firms, and a business entity to help new entrepreneurs access inexpensive office space, basic equipment, and expertise. These initiatives and resources – made available by an effective partnership with the government – have provided an important boost to local small businesses. The North Ossetia CCI also helped develop a regional strategy for entrepreneurship development for 2009-2012, advocated for more transparent procurement procedures for regional bids, and hosted a popular festival promoting social advertising.

To begin building capacity among business associations across the North Caucasus, CIPE and the North Ossetia CCI also organized a seminar for the leaders of organizations from seven regions. As a result of the seminar, participants signed a memorandum creating the North Caucasus Coalition of Business Associations, comprising 16 organizations and representing nearly 2,000 firms in a wide variety of sectors.



CIPE Russia Head of Representative Office Alexander Raevsky awards Mariam Khadzhieva, vice president of the Chamber of Commerce and Industry of the Chechen Republic, a certificate upon completing a four-day CIPE training and capacity-building program for business associations.

FUTURE OF REFORM

In 2010, CIPE will strengthen its existing initiatives in Eurasia, while building and expanding on its future goals and strategies. In Russia, CIPE will continue to emphasize moving regional anti-corruption models to the federal level and monitoring the implementation of federal anti-corruption laws while expanding its presence in the North Caucasus. In Ukraine, CIPE will launch a major initiative to build the capacity of business associations to combat corruption. In Central Asia, CIPE will work on strengthening the capacity of business associations to attract new members, build a strong and united voice, and advance reform in a hostile environment. In Belarus, CIPE will continue to assist its partners in building both public-private dialogue on legislative reform and grassroots support for democratic and market-oriented reform. In the Caucasus, CIPE will seek to strengthen coalitions of business associations to advance pro-reform policymaking.

HERNANDO DE SOTO AWARD FOR DEMOCRACY



From left, CIPE Executive Director John D. Sullivan, CIPE Chairman Greg Lebedev, ILD President and award recipient Hernando de Soto, Senator Lugar, and Representative Mack at the “Hernando de Soto Award for Democracy” reception.

SECRETARY MADELEINE ALBRIGHT:

“[De Soto] established an important new way of thinking about how property rights and access to capital create opportunity where none previously existed. In doing so, [he has] had a profound and positive impact on the lives of millions.”

SENATOR RICHARD LUGAR:

“[De Soto] has done so much to promote the principles of property rights, entrepreneurship, and market economics. His innovative work has changed fundamental terms of reference regarding how best to reduce poverty and build healthy societies.”

CONGRESSMAN CONNIE MACK IV:

“[De Soto] understands that a democracy that is market-oriented has the best chance for success.”

CIPE presented the inaugural “Hernando de Soto Award for Democracy” in October 2009 to celebrate individuals and institutions who have profoundly contributed to democratic and economic freedom around the world. The award was named in honor of its first recipient and the president of the Institute for Liberty and Democracy – CIPE’s first partner – renowned Peruvian economist Hernando de Soto.

De Soto personifies CIPE’s proven belief that strong markets require high-quality governance and vice versa, and that open participation in both markets and government are a foundation of democratic governance. His work empowering and building the capacity of the poor to advocate for their own property rights has been a powerful catalyst for democratic, market-oriented reform around the world.

At the Capitol Hill award ceremony in October 2009, Indiana Senator Richard Lugar, ranking member of the Senate Foreign Relations Committee, and Florida Representative Connie Mack IV, ranking member of the Western Hemisphere Subcommittee of the House Committee on Foreign Affairs, both offered remarks in honor of De Soto and assisted in the award presentation. Former U.S. Secretary of State Madeleine Albright provided a personal letter of commendation that was read at the event. The “Hernando de Soto Award for Democracy” will be awarded periodically on the basis of overwhelming merit and demonstrable impact.



CIPE Executive Director John D. Sullivan (left) congratulates Hernando de Soto upon receiving his award.

25-YEAR IMPACT EVALUATION

Drawing on a wealth of experience gained through 1,100 programs in over 100 countries, CIPE continues to refine its approach to strengthening democracy. CIPE undertook a 25-year evaluation to review accomplishments and lessons of the past ten years – building on the lessons of the comprehensive 15-year evaluation – to reflect a quarter century of progress. This internal review of all programs completed in 1999-2008 calibrated the impact of CIPE's efforts and contributed to the understanding of what drives reform. The *25-Year Impact Evaluation* presents an opportunity to incorporate this program knowledge into CIPE's strategy for coming years.

The 25- and 15-year evaluations are available at www.cipe.org/programs/evaluations.

The 25-year evaluation identified 111 projects that rated high- or exceptional-impact according to CIPE's standardized evaluation criteria. For CIPE, high-impact means that changes linked to the project were observed in areas such as passage of significant policy recommendations, new mechanisms for stakeholder participation in decision-making, strengthening of private sector organizations as advocates for reform, new channels for information dissemination, or support among decision-makers for market economics and democratic systems.

FINDINGS FROM THE 25-YEAR EVALUATION

IMPACT RATING	EXCEPTIONAL	HIGH	MEDIUM	LOW
Projects Closed 1999-2008 (510 projects)	7 1%	104 20%	344 68%	55 11%

Key findings included strong performances among local partnerships, especially with local business associations, and among anti-corruption projects. The Eurasia region led in high-impact projects, which reformed taxation, improved transparency, strengthened chambers of commerce, and improved the business environment for small and medium-sized enterprises. CIPE also recorded a notable number of high- or exceptional- impact projects in countries like Afghanistan, Bangladesh, Kenya, the Philippines, and Serbia. The full report contains other findings as well as important lessons and recommendations for future programming.

Some of the most exceptional CIPE projects in this study were:

- A local governance initiative in more than 40 Philippine cities and provinces that spurred public revenue increases and investment in education.
- A business radio program in Mekelle, Ethiopia, that prompted the formation of a task force to ensure transparency in tax rates.
- A National Business Platform in Belarus that successfully advocated for simplified licensing and the removal of government control over private businesses.

25 years

democracy



Above, participants at the “Democracy that Delivers” conference listen to presentations on the connection between democracy and high-quality growth.

DEMOCRACY that DELIVERS

The last decade has brought about a significant change in democratic development. There is a growing recognition that free and fair elections are not enough to ensure that new democracies will flourish. Building democratic governance – the mechanisms that help democracies function throughout the election process, and between election cycles – is key to ensuring the survival of fragile democracies.

The recent global economic crisis and democratic reversals have demonstrated that it is not sufficient to focus on elections or economic growth alone. Democracies must provide good governance and public services, and they also must provide tangible economic benefits – jobs, the creation of wealth, the eradication of poverty – to citizens at all levels of society, especially the poor. This is democracy that delivers.

This belief has been a core value for CIPE since its founding. CIPE gathered key partners and leaders in Washington, DC in October 2009 for “Democracy that Delivers: Improving the Quality of Democratic Governance and Economic Growth,” a conference to further the meaning of democracy as it relates to inclusive and sustainable economic growth. CIPE partners, board members, and leading experts spoke throughout the day to an audience of nearly 300. The conference was also broadcast live, attracting several hundred viewers in Cairo, Egypt.

“Democracy that Delivers” provided a forum to reframe the development debate, focusing on what has driven CIPE’s first two-and-a-half decades of success. Building democracies that deliver is a strategy that is likely to redefine future development and democracy programs over CIPE’s next 25 years.

The Ewing Marion Kauffman Foundation provided funding for this conference.

Hernando de Soto (left), president of CIPE partner Institute for Liberty and Democracy in Peru, joins Mike McCurry (center), CIPE board advisor and former press secretary to President Clinton, and Larry Diamond (right), senior fellow at Stanford University’s Hoover Institution.





"Those same conditions that allow for the creativity and entrepreneurship that make markets work are also the same mechanisms that build a vibrant civil society and the mechanisms of accountability that make democratic institutions work."

- DR. ANNE-MARIE SLAUGHTER,
DIRECTOR OF POLICY PLANNING, U.S. DEPARTMENT OF STATE



"The failure of democratic governance may be the most intractable of systemic conditions because bad governments – be they repressive, corrupt, or ineffective – can negatively impact almost every aspect of society."

- GREG LEBEDEV, CIPE CHAIRMAN



"Let me give you an example of what market capitalism can do...[The Philippines] liberalized the telecom industry and now we are the texting capital of the world. This is what democracy means, this is what open competitive markets mean, this is what entrepreneurship means."

- JESUS ESTANISLAO,
CHAIRPERSON OF CIPE PARTNERS THE INSTITUTE FOR SOLIDARITY IN ASIA
AND THE INSTITUTE OF CORPORATE DIRECTORS AND
FORMER PHILIPPINE FINANCE MINISTER

www.democracythatdelivers.com

25 years

LATIN AMERICA AND THE CARIBBEAN

2009 LATIN AMERICA AND THE CARIBBEAN PARTNERS AND PROJECTS

ARGENTINA

Center for Financial Stability
Furthering Good Corporate Governance Practices

Center for the Implementation of Public Policies Promoting Equity and Growth
Strengthening Institutions and Advocacy for Fiscal Reform

BOLIVIA

Milenio Foundation
Energizing Development in Bolivia
Promoting Economic Freedom and Citizenship

COLOMBIA

Confecámaras
Strengthening Corporate Governance in Public and Private Companies

Fedesarrollo
Advisory to Key Judicial and Political Actors on Economic Reform Initiatives

CUBA

Promoting Reform in Cuba

ECUADOR

Ecuadorian Institute for Political Economy
Building Public Support for a Market Economy

Corporation Alianza Equidad
Developing New Leaders in Ecuador

JAMAICA

Developing a Reform Agenda in Jamaica

MEXICO

Center for Excellence in Corporate Governance
Strengthening Corporate Governance in Mexico

NICARAGUA

Superior Council for Private Enterprise
Promoting Democracy through a National Business Agenda

PANAMA

National Council of Private Enterprise
Promoting a Public-Private Partnership in Panama

PARAGUAY

Foundation for Development in Democracy
Private Sector Economic Forum: Building a Reform Agenda in Paraguay



Paraguay President Fernando Lugo addresses participants at the Foundation for Development in Democracy's Second Private Sector Forum.

STRATEGIC OVERVIEW

CIPE's notable achievements in 2009 addressed some of the current challenges in Latin America and the Caribbean: increasing political polarization, anti-democratic agendas, a large informal sector, and poor governance in the private and public sectors. In Mexico, CIPE educated journalists and company directors on the benefits of good corporate governance. In Nicaragua, CIPE supported efforts to maintain successful policy dialogue through a National Business Agenda. In Paraguay, a CIPE-supported business forum brought the government into the discussion of private sector priorities for the first time. Efforts across the region to engage with think tanks and to distribute market-oriented information improved the quality of dialogue and debate. CIPE's work in 2009 to support reform agendas met with success across the region, even in countries where governments are pursuing anti-market agendas.

REGIONAL | DEBATING REFORM IN LATIN AMERICA

Recent opinion polls throughout Latin America show increased support for democracy when it is linked to strong economic performance. CIPE and the Political Science Institute (ICP) publish a quarterly Spanish-language magazine, *Perspectiva*, and maintain the corresponding website (www.revistaperspectiva.com), to clearly demonstrate this link between democracy and free markets. *Perspectiva* is distributed in print and electronically by a network of 11 local think tanks in Latin America and the United States to audiences ranging from the business community to legislators and from youth to journalists. In 2009, ICP published four editions of *Perspectiva*, addressing the current financial crisis, foreign policy in the region, alternative energy sources, and freedom of expression. Throughout the year, ICP and its regional partners hosted dozens of events to launch, publicize, and distribute the magazine. This year's redesign of the *Perspectiva* website has expanded its reach through a new blog, which has drawn an increasing number of readers and contributors.



Perspectiva informs readers across Latin America and the Caribbean on market economic principles and democratic and economic policy reform.

The following are highlights of *Perspectiva's* growth:

- 24,000 print copies of *Perspectiva* (6,000 copies per edition) were distributed to media representatives, politicians, legislators, students, academics, lawyers, and businesspeople.
- Over 4,000 hard copies and 10,000 electronic copies of *Perspectiva* were distributed in Cuba to promote dialogue and help civil society members learn from the reform process in other Latin American countries. Using these materials, 20 reading circle groups met regularly over the course of the year to analyze and discuss the topics in the magazine.
- 5,000 subscribers received an electronic bulletin every two weeks highlighting top articles in the latest edition of *Perspectiva*, latest blog posts, and upcoming events.
- Over 250 posts were made to the *Perspectiva* blog, with the monthly total steadily increasing throughout the year. The blog itself averages more than 300 unique visits per day from people located in nearly 60 different countries.

2009 LATIN AMERICA AND THE CARIBBEAN PARTNERS AND PROJECTS

PERU

Institute for Liberty and Democracy
Strengthening Free Market and Democratic Practices in the Peruvian Amazon

Instituto Invertir
Promoting Leadership and Democratic Values among Youth

VENEZUELA

Center for the Dissemination of Economic Knowledge
Promoting Democratic Dialogue through a Legislative and Economic Analysis Program

Venezuelan Confederation of Industries
Strengthening Democratic Values in Venezuelan Companies
Enhancing Democratic Practices in Venezuelan Companies

REGIONAL

Leadership Development to Promote Democracy in Latin America

Political Science Institute
Perspectiva Magazine: Promoting Reform in Latin America



Inter-American Development Bank Representative to Nicaragua Mirna Liévano (left), COSEP President José Adán Aguerrí (center), and Nicaraguan Chamber of Commerce President Ernesto Porta Balladares (right) meet to discuss private sector priorities.

NICARAGUA | LEADING DIALOGUE AND ADVOCACY

The Superior Council for Private Enterprise (COSEP) is using its National Business Agenda (NBA) – a valuable tool to spur and strengthen dialogue between the public and private sectors – to articulate private sector priorities and drive legislative momentum. Throughout 2009, COSEP’s leaders held regular meetings with Nicaragua President Daniel Ortega, his economic advisor Bayardo Arce, and various ministers. COSEP worked with private sector representatives and government officials to review pending legislation for its potential effect on the energy sector and business environment. As a key actor in the efforts for market-oriented reform, COSEP has maintained its leadership role to ensure that effective implementation of new legislation has a positive influence on the development of small and medium-sized enterprises, job creation, and new investments in the renewable energy sector.

COSEP’s NBA advocacy work brought about the following reforms:

- For the first time, the government, the private sector, and labor unions were able to reach a consensus on a minimum wage increase. The modest nature of the increase will help save more than 20,000 jobs in the free trade sector, which generates the largest amount of formal employment in the country.
- Licenses for producing television, radio, and cable shows have been extended and strengthened, limiting the government’s ability to revoke licenses of those who are critical of the current administration.
- COSEP representatives have been included in a number of national commissions and boards of directors of organizations such as the Central Bank, the Small and Medium-Sized Enterprise National Council, Bank of Production, and the Superintendent of Banks. Their presence ensures a stable and effective voice for the private sector within the government.

MEXICO | PROMOTING TRANSPARENCY IN THE BUSINESS COMMUNITY

The Center for Excellence in Corporate Governance (CECG) is working to address one of the key challenges to enriching democratic institutions in Mexico: improving how the private sector functions. A private sector with improved capabilities can be a better advocate for needed reforms, generating greater public trust in private enterprise and free markets. CECG's work in 2009 focused on strengthening corporate governance structures and improving journalists' understanding of corporate governance. CECG trained and educated journalists, individual companies, and company directors on understanding and improving corporate governance practices.

Carlos Pantoja, an expert from Deloitte on governance, risk, and compliance, explains the importance of transparency and disclosure, at a CECG event on corporate governance.



CECG's *Guía Práctica para la Institucionalización de la Empresa* (Practical Guide for Institutionalizing Companies) informs Mexican businesses on how to access public financial markets through implementation of corporate governance best practices.

Highlights of CECG's accomplishments include:

- CECG has become a partner of the Mexican Stock Exchange and is the official corporate governance trainer for the exchange.
- The first-ever course on corporate governance practices and implementation in companies graduated 33 directors and top executives in 2009.
- Nearly 1,000 copies of the *Guía Práctica para la Institucionalización de la Empresa* (Practical Guide for Institutionalizing Companies) were distributed to financial institutions, universities, CECG member companies, and journalists, providing practical advice on corporate governance structures that allow companies to perform more efficiently, expand their operations, and generate new levels of business and economic growth for Mexico.
- As one of the 16 companies that received CECG's 20 hour in-house corporate governance training program, Truper – the largest tool company in Mexico with 2,000 workers at its main plant and 3,500 distribution partners – implemented several new corporate governance standards.



CIPE think tank partners from Latin America gather at Fedesarrollo headquarters in Colombia to discuss project management, challenges, and share experiences.

COLOMBIA | STRENGTHENING THE LEGISLATIVE ROLE IN REFORM

The Foundation for Higher Education and Development (Fedesarrollo) has advised two generations of prominent policymakers in Colombia, many of whom have been affiliated with the institution at different times in their careers. In recent years, CIPE and Fedesarrollo have worked to spark a democratic policy debate on much-needed reforms in Colombia, focusing on strengthening the role of Congress in the policymaking process. As most legislation is heavily influenced by the executive branch, Fedesarrollo has worked with legislators to help them play a more active role in drafting and analyzing legislation. In 2009, Fedesarrollo provided crucial policy analysis to numerous legislators and assisted in revising key draft bills, helping to shape pro-market public policy reforms. CIPE and Fedesarrollo hosted a training program for 23 participants from 11 think tank partners throughout Latin America to share their experiences and models for conducting a legislative advisory program. Fedesarrollo's expertise has made it a strong advocate for reform in Colombia and throughout the region.

Fedesarrollo's efforts resulted in:

- Congress strengthened the role of the Superintendent of Industry and Commerce to oversee anti-corruption laws and serve as an autonomous body to enforce the law and ensure transparency.
- The Ministry of Finance included a Fedesarrollo recommendation in a revised draft of a natural resource management bill that ensures financial stability for regions dependent on natural resources. The revised bill is currently awaiting approval by Congress.



Carmen Cosp, director and general manager of cleaning supply company IRIS S.A., participates in the discussion at DENDE's Second Private Sector Forum.

PARTNER SPOTLIGHT

PARAGUAY | THE FOUNDATION FOR DEVELOPMENT IN DEMOCRACY

An open dialogue between the private sector and the government is crucial for building a business environment that allows Paraguay to successfully participate in the world economy. In 2009, the Foundation for Development in Democracy (DENDE) organized the Second Private Sector Forum, "Change: A Responsibility For Us All." Attendees numbered over 700 – up from 300 the previous year – and included many high-level government officials. The event also received extensive media coverage, reaching a potential audience of over 200,000 readers. The forum was a landmark achievement in opening dialogue between the private sector and the government in Paraguay; it marks the first occasion that Paraguay President Fernando Lugo sat down with the private sector to listen to their views on reform.

The forum was a significant opportunity for the private sector to present its views on how best to support democracy and development in Paraguay. It was also a chance to build on the 2008 event, where private sector organizations began working on a National Business Agenda. As a result of the forum, the private sector issued a joint declaration to the government emphasizing 11 key areas of reform, such as strengthening the rule of law and stronger and more transparent government institutions. This is the first time the private sector has begun working together to present its views to the government on how best to support democracy and development in Paraguay.

DENDE designs and promotes public policies that support Paraguay in achieving sustainable economic development based on liberty and democracy. DENDE, a non-profit institution chartered in 2004 by 67 private sector leaders, has trained business executives and conducted numerous economic studies. Now a leader in building consensus for a national development plan among the business community, DENDE is helping the business community better understand its role in a democratic society.

This project was funded by the U.S. Agency for International Development.

FUTURE OF REFORM

In 2010, CIPE will focus on building and supporting entrepreneurial cultures and increasing participation by civil society groups in policymaking. CIPE's programs will aim to create solutions for resolving high levels of informality in the region that keep the majority of citizens from fully participating in the democratic process. CIPE will also place a priority on promoting good corporate governance and democratic processes in both the private and public sectors, helping to build sound institutions that can help improve conditions for all citizens.

MIDDLE EAST AND NORTH AFRICA

2009 MIDDLE EAST AND NORTH AFRICA PARTNERS AND PROJECTS

AFGHANISTAN

Increasing Institutional Capacity and Access to Information

Institutionalizing the National Business Agenda

ALGERIA

Empowering Grassroots Private Sector Associations

Strengthening the Voice of Business

Cercle d'Action et de Réflexion autour de l'Entreprise

Promoting Good Governance Practices in Algerian Businesses

EGYPT

Combating Corruption and Promoting Transparency

Empowering Egyptian Citizens to Engage in Public Policy and Fight Corruption

Egyptian Junior Business Association

Upgrading the National Business Agenda

Federation of Economic Development Associations

Empowering Small Business to Participate in Policy Reform

Grassroots Empowerment and Participation in Policy Formulation

IRAQ

Building Capacity of Provincial Investment Commissions in Iraq

Building Constituencies for Reform

JORDAN

Al Quds Center for Political Studies

Engagement of Political Parties in Economic Reform

Young Entrepreneurs Association

Public Advocacy

LEBANON

Development for People and Nature Association

Fostering Free Enterprise in Youth

Lebanese Transparency Association

Building Capacity for Corporate Governance Implementation

Building Capacity to Prevent Corruption

Furtherance of Corporate Governance Codes in Lebanon

MOROCCO

Empowering Grassroots Private Sector Organizations



Ghada Abdel Hafez, an investigative reporter at the *Al Masry Al Youm* newspaper, speaks at a CIPE Egypt conference on economic and investigative journalism.

STRATEGIC OVERVIEW

The countries of the Middle East and North Africa suffer from weak civil, political, and economic institutions. A culture of dependence on the state has led to tepid political opposition, fragmented civil society, and the lack of a culture of entrepreneurship. Governance has been characterized by the rule of the powerful rather than by the rule of law, resulting in rampant corruption, a lack of transparency, and a dearth of information available to the public. Throughout 2009, CIPE engaged business associations, reformers inside and outside of the government, broadcast and print media, think tanks, and other reform-oriented non-governmental organizations. CIPE helped to launch the first corporate governance center and raised awareness about corporate governance issues in Tunisia. CIPE's work in Egypt engaged economic journalists and brought attention to the plight of informal sector entrepreneurs and the widespread problem of corruption. In Afghanistan, CIPE worked with men and women members of parliament and educated high school students on economic principles.



At the launch of the Tunisian Center for Corporate Governance, participants listen to presentations by the Governor of the Tunisian Central Bank Taoufik Bacchar and CIPE board member John Stout.

TUNISIA | IMPROVING GOVERNANCE THROUGH ADVOCACY AND INFORMATION

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. For the past four years, CIPE has partnered with L'Institut Arabe des Chefs d'Entreprises (IACE) to develop private sector support for implementing corporate governance practices. 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.

IACE's work has produced tangible changes:

- The first-ever Center for Corporate Governance in North Africa opened as a central hub for expertise, education, and awareness-raising on corporate governance principles.
- The Ministry of Finance introduced six amendments to the 2009 Tunisian Commercial Code based on recommendations from the *Corporate Governance Guidelines* developed by IACE in 2008. Under these amendments, the ministry provides more protection for minority shareholders and requires greater financial transparency from firms.
- Over 500 businessmen, journalists, and academics requested hard copies of the guidelines from IACE, up from 200 requests in 2008. An additional 50 individuals requested the *Corporate Governance Index*, which helps companies recognize areas for improving their governance practices, and over 200 requested an *Annual Report Guide* that provides a framework for transparency and accountability in company reporting.

2009 MIDDLE EAST AND NORTH AFRICA PARTNERS AND PROJECTS

PALESTINIAN TERRITORIES

Building Advocacy Capacity for Palestinian Commercial Code Reform

Business Women Forum

Enabling Women Entrepreneurs in Civil Society

Building Advocacy Capacity for Palestinian Women Entrepreneurs

Center for Private Sector Development

Establishing Governance Codes and Standards for the Palestinian Private Sector

Expanding Corporate Governance Culture throughout the Palestinian Private Sector

TUNISIA

L'Institut Arabe des Chefs d'Entreprises

Reinforcing Good Governance in the Private Sector

TURKEY

Corporate Governance Association of Turkey

Establishing Governance Guidelines for Business

YEMEN

Changing Perceptions on Corruption

Media Women Forum

Improving Access to Information and Analysis on Reform

Political Development Forum

Economic Platform Building

Yemen Polling Center

Creating Polling Competencies

REGIONAL

Advancing Democratic Reforms by Enhancing Online Outreach

Building the Case for Corporate Governance

Improving Access to Information to Advance Reforms

Improving the Quality of and Access to Information

Fostering Cultures of Good Governance in Bahrain, Tunisia, and Yemen

Foundations for Sustainable Growth

Promoting Good Governance in Associations

Union of Arab Banks

Supporting Practitioners of Good Governance in the Financial Sector



CIPE Executive Director John D. Sullivan (left), Chairman of Al-Ahram Foundation Abdel Moneim Said (center), and Egypt Minister of State for Administrative Development Dr. Ahmed Darwish (right) speak at the release of CIPE's small and medium-sized enterprise corruption survey in Cairo.

EGYPT | COMBATING CORRUPTION AND PROMOTING TRANSPARENCY

Entrenched corruption in Egypt has had a long-term, corrosive effect on the economy and society. Working to raise awareness of corruption and its consequences, CIPE and its partners are engaged in a comprehensive program of survey research, training programs, and technical assistance. In 2009, CIPE worked with the Egyptian Junior Business Association, the Federation of Economic Development Associations, Ahram Center for Political and Strategic Studies (ACPSS), and *Al Masry Al Youm* newspaper to increase the quality of information and awareness about corruption and its negative impact, build the capacity of local organizations for anti-corruption reform, and encourage ethical business practices. These anti-corruption efforts are guided by an advisory council of over 30 prominent Egyptian experts from the above-listed organizations, as well as other business associations, civil society organizations, multi-national corporations, political parties, and media outlets. CIPE's anti-corruption work is driven and guided by Egyptians, making it unique among anti-corruption programs, which are usually driven from the outside in.

CIPE Egypt's achievements in combating corruption include:

- An unprecedented survey on corruption yielded important insight into where corruption occurs and which types of transactions incur the most bribes. The survey helps reformers know where to focus their efforts. CIPE and ACPSS' work to survey 800 small and medium-sized enterprises resulted in:
 - Extraordinary public and media attention was paid to the issue of corruption through numerous television interviews with advisory council members and more than 50 print articles. Previously, publicly discussing corruption or even acknowledging its existence was taboo in Egypt.
 - Minister of State for Administrative Development Dr. Ahmed Darwish acknowledged corruption as a serious problem facing the civil service in Egypt, and announced his intention to fight it at the survey launch.
- The quality of information about corruption's negative impact was improved through an anti-corruption toolkit for Egyptian journalists and a first-ever training workshop for 58 journalists. Journalists now have the skills to report on corrupt practices and relationships.

PALESTINIAN TERRITORIES | LAUNCHING THE FIRST PALESTINIAN CORPORATE GOVERNANCE CODE

The creation of the first-ever Palestinian corporate governance code – launched by the Palestinian National Governance Committee and the Palestinian Corporate Governance Technical Task Force – demonstrates effective cooperation between the public and private sectors. Developed by CIPE partner the Center for Private Sector Development (CPSD) and the Palestinian Capital Market Authority, the code helps to improve economic opportunities and facilitate a better investment climate. The code has also raised awareness across multiple sectors about the importance of good governance. The development of the code, and its harmonization with the corporate governance code for Palestinian banks, marked an unprecedented multi-stakeholder effort toward good governance standards. These types of partnerships, rooted firmly in local ownership, will help guide the transition towards modern public and private governance and pave the way for two long overdue objectives for the Palestinian Territories: stronger democratic institutions and a more favorable investment climate.



Palestinian Prime Minister Salam Fayyad speaks at the launch of the first Palestinian corporate governance code in the Palestinian Territories

CPSD's corporate governance work includes these significant achievements:

- The first-ever Palestinian Corporate Governance Code was launched after an extensive process gathering buy-in and support from across the private sector and public entities.
- Palestinian Prime Minister Salam Fayyad, who participated and spoke at the launch event, strongly endorsed the code, noting that it is "a major contribution to transparency efforts in [the Palestinian Territories]." His remarks and presence at the event represented significant high-profile reinforcement that helped to publicize the code and its potential.
- The code development and launch represented an unprecedented large-scale cooperative effort between public and private sector groups. Experts from the Capital Market Authority, the Ministry of Economy, the Palestinian Monetary Authority, the Palestine Securities Exchange, and the law school at the Arab American University all worked together to develop the code. Similarly, representatives from the Ministries of Economy and Finance, the Legislative Council, the Financial and Administrative Oversight Bureau, and the Supreme Judicial Council and the Private Sector Institutions Coordination Council all provided input in the draft process, resulting in support from across the public and private sectors.



Dr. Sami Al Araji (far left), chairman of the National Investment Commission, and Tami Saab Mosheraf (second from left), deputy chairman of the Salah ad Din PIC, meet with commissioners from the Salah ad Din PIC at a workshop in Jordan, "Marketing Your Province in the Global Investment Arena."

IRAQ | DEVELOPING A FAVORABLE INVESTMENT ENVIRONMENT

Iraq's tenuous security situation, the lack of a transparent business environment, and the bureaucratic complexity of local and regional business development have stymied foreign investment and internal private sector growth. In late 2007 through 2008, the Iraqi Government established 18 Provincial Investment Commissions (PICs) for each of Iraq's provinces to bring in much-needed capital and improve the local business environment in each province. Throughout 2009, CIPE worked with PIC commissioners from across Iraq to equip them with the necessary tools to attract and facilitate provincial-level investment. CIPE taught organizational management, business environment analysis, provincial investment strategy development, marketing, and investment management. With their new knowledge, PIC members developed sophisticated websites, new marketing products, and attended international conventions on investment in Iraq. In addition, these courses and skills demonstrated how PIC commissioners could achieve investment promotion while adhering to their newly defined legal responsibilities and roles in relation to the National Investment Commission. CIPE's work with the PIC commissioners improved their ability to identify new investment opportunities and grant new licenses, sparking the growth of business and capital investment in their regions.

Interviews with 12 PIC representatives indicated the following improvements:

- 7 of the 12 interviewees indicated that CIPE's marketing training course directly enhanced their ability to attract new potential investors. Three PICs have upgraded their websites and improved the quality of information available, helping to attract new proposals from investors in Canada, Germany, Italy, Jordan, Lebanon, Oman, Turkey, and the United Arab Emirates.
- Six PIC representatives reported that they had successfully granted investment licenses to foreign companies in their provinces, a task that became easier as a result of the training program.



Students eagerly participate in a lesson on entrepreneurship as part of the *Tashabos* program.

AFGHANISTAN | SUPPORTING REFORM ACROSS THE SPECTRUM

To address some of Afghanistan's most crucial development challenges, CIPE is working to build a thriving entrepreneurial culture and encourage a broader debate on democratic and economic policy issues. In 2009, CIPE Afghanistan worked with legislators, business associations, and high school students and teachers to promote democratic and free market reforms. Through seminars on governance and economics for both men and women parliamentarians, CIPE worked to increase Afghan lawmakers' capacity to engage in the legislative process. CIPE also worked with business associations to provide membership support assistance and workshops on advocacy, public relations, finance, budgeting, and staff development. CIPE continued to build its successful *Tashabos* high school entrepreneurship course, teaching basic market, business, and entrepreneurship principles to both girls and boys. CIPE's broad stakeholder engagement in Afghanistan has helped to build the capacity for economic and political participation at many levels of society.

A small group discusses and trades ideas at a CIPE workshop for business association trainers.



Highlights of CIPE Afghanistan's work include:

- CIPE conducted 23 workshops for a total of 76 National Assembly members on market economics, property rights, privatization, entrepreneurship, corruption, budgeting, taxation, trade, and the informal economy.
- The *Tashabos* high school entrepreneurship program was expanded to include 23,000 students in 44 schools in Bamyan, Kabul, Nangahar, and Parwan provinces, up from 9,518 students in 24 schools in 2008.
- 653 *Tashabos* students started their own small businesses, 78 students helped improve a family business, and 48 restarted a former business. These businesses provide a total of 2,954 jobs.

FUTURE OF REFORM

In 2010, CIPE’s Middle East and North Africa focus will remain on building the capacity of grassroots and other business associations to serve as the voice of the private sector by participating in the policymaking process. CIPE will support democratic governance, rule of law, and the spread of democratic values through programs on anti-corruption, corporate citizenship, and corporate governance. Strengthening civic and entrepreneurial culture will help to empower groups that are traditionally overlooked, especially women and youth. CIPE will support reform organizations and individuals through expanded access to Arabic- and French-language information on democratic and free market reform.



FEDA Chairman Foaud Thabet (center) listens attentively at a FEDA conference on the informal economy and Egypt’s street vendors.

PARTNER SPOTLIGHT

EGYPT | FEDERATION OF ECONOMIC DEVELOPMENT ASSOCIATIONS

One of the few truly grassroots business associations in the Middle East and North Africa region, the Federation of Economic Development Associations (FEDA) effectively mobilizes its members and serves as their voice for policy reform. In 2009, FEDA built on its previous advocacy successes in eliminating outdated Ministry of Industry and Trade decrees unfavorable to small and medium-sized enterprises (SMEs) by securing the elimination of an additional 422 decrees. The repeal of these regulations has yielded tremendous cost savings for Egyptian SMEs and represents a success for grassroots participation in policymaking in Egypt, influencing what had traditionally been a closed-door process.

FEDA also worked to bring attention to the plight of informal street vendors through research, awareness-raising, and policy advocacy. FEDA is striving to reform legislation and bring street vendors into the formal economy, providing them full legal status and the ability to be registered, regulated, and taxed. Street vendors would also have access to social services and protection from abusive officials – as well as obtain financial services such as credit. If enacted, these efforts could protect and enfranchise up to 5 million vendors in Egypt.

Since its founding in 2001, FEDA has become a country-wide umbrella organization of over 100 local business associations and civic organizations, which together encompass a membership of 30,000 SMEs throughout Egypt. Unlike the country’s large-scale enterprises, these businesses have very different interests and are without the resources to articulate their needs. Through FEDA, these SMEs have found a voice.

GLOBAL PROGRAMS AND KNOWLEDGE MANAGEMENT

GLOBAL PROGRAMS AND KNOWLEDGE MANAGEMENT 2009 PARTNERS AND PROJECTS

PARTNERS

International Real Property Foundation
Kauffman Foundation
Proetica
Social Accountability International
Transparency International-USA
Transparencia Mexicana
Transparency International-Vietnam
The World Bank Institute
World Citizen Consulting

PROJECTS

CIPE 25-Year Evaluation
Developing Private Sector Tools to Combat Corruption
Empowering Women through Democratic Activism and Economic Success
Forum on Economic Freedom
Improving the Quality of Democracy and Economic Growth
Knowledge Management
A Model Course on Economic Journalism
Political Dynamics of Economic Reform
Promoting Transparency in Public Procurement
University Course on International Development
Supporting Young Leaders
World Chambers Congress 2009



Ira Millstein, senior associate dean for corporate governance at the Yale School of Management, gives remarks at CIPE's 25th anniversary conference, "Democracy that Delivers" celebrating its approach to development. For highlights of the event, see the center spread on page 32.

STRATEGIC OVERVIEW

CIPE's Global and Knowledge Management programs are designed to develop cross-cutting themes and projects that provide new insights, capture lessons learned from CIPE's work, share information across regional departments and among CIPE partners, and develop new areas of expertise to shape worldwide debates on the interdependence of democracy and market reform. Global and Knowledge Management act as a crucial resource for CIPE partners and staff and help to steer the larger CIPE approach while gathering 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 variety of areas, including anti-corruption, corporate governance, business association development, access to information, and women and youth. In 2009, CIPE's Global programs gave careful consideration to the impact of the global financial crisis on countries' economic and political systems, focusing on reinforcing the importance and success of democracies and the viability of market economies.

YOUTH ESSAY COMPETITION | ENGAGING YOUNG LEADERS IN THE DEBATE

For progress and reform to take hold, young people must feel engaged and empowered to advance democratic and market-oriented reforms in their countries. In many places, youth are prohibited from expressing their views and opinions and from making constructive contributions. The most common venues for expression are often reserved for already-established and traditional interests. Without access to these venues, youth often resort to other options to express their opinions and influence policy – from strikes to street protests. Through its international youth essay competition, CIPE provides young people with the opportunity to address their countries' problems in a constructive manner and share their ideas with a global audience.

CIPE's 2009 youth essay competition attracted ideas from over 650 young people – nearly a 50 percent increase from 2008 – from 106 countries including Belarus, Colombia, Eritrea, Pakistan, and Uzbekistan. Participants submitted essays on one of three themes: entrepreneurship and leadership, educational reform and employment, and citizenship in a democratic society. Participants ranged from ages 18 to 30 with an average age of 23. The largest number of submissions – 30 percent – came from Africa.

To determine winners, CIPE created a three-round judging system featuring committees of leaders from international partner organizations and CIPE senior staff. Special consideration was given to essays from participants outside of North America and Western Europe. After reviewing all the submitted essays, nine winners – a first, second, and third place essay from each of the three categories – were selected and announced. CIPE published winning essays as *Economic Reform Feature Service* articles distributed to nearly 4,000 recipients; these essays were also posted on the website with a brief biography of the writer. CIPE helped to advance the winners' ideas in their home countries by distributing press releases to local media outlets.



CIPE's Youth Essay Contest engages young reformers around the world.

CIPE DEVELOPMENT INSTITUTE | PROVIDING A WORLD-CLASS EDUCATION

Open source content is the new frontier in both education and international development. Technological advances are fueling a boom in academic materials available online. Students and professors around the world can now gain access to a truly global wealth of resources. As the amount and quality of materials increase, CIPE has worked to address crucial gaps in the body of freely accessible information. Only a few quality and easily accessible resources approach development from the perspective of building the democratic and market-oriented institutions that are key to providing youth with the opportunities to advance beyond the classroom. The CIPE Development Institute (www.developmentinstitute.org) offers students and faculty – as well as government and business professionals and non-governmental organizations – an accessible website featuring video presentations, lesson plans, and recommended readings from world-renowned experts. Throughout 2009, the institute gained hundreds of new users and continues to grow, attracting new audiences worldwide.

Below are highlights of the CIPE Development Institute's progress:

- University professors and CIPE partners in countries such as Kosovo, Nepal, Nigeria, and Peru use the institute's resources in their classrooms.
- CIPE produced and distributed 300 copies of the CIPE Development Institute DVD – which includes all available content on the site – in Africa and Nepal, engaging users with limited or no Internet connectivity.
- More than 1,000 online users from 130 countries registered with the institute in 2009. One-third of registrants are from the Middle East and North Africa. Current users represent countries from Algeria to Colombia and from India to Romania.
- The number of unique daily visits to the institute's website has been steadily increasing and currently averages about 400.
- Key materials were translated into Arabic, Chinese, French, Spanish, and Russian and are available on the CIPE Development Institute website.



The CIPE Development Institute is an online resource on democracy and market-oriented reform for students, teachers, and reformers across the globe.



From left, Hariadi Saptadji, executive director of the Indonesian Chamber of Commerce and Industry, Shaban Khalid, vice president of the Islamabad Chamber of Commerce and Industry, and Ahmed Ugas, secretary general of the Somali Chamber of Commerce and Industry, share their experiences at a CIPE Knowledge Management partner workshop following the World Chambers Congress in Kuala Lumpur, Malaysia.

KNOWLEDGE MANAGEMENT | LAUNCHING INFORMATION INTO ACTION

Knowledge management leverages the ability of reform leaders to effectively campaign for improved governance. For CIPE, knowledge management entails tapping the expertise and experience of partners and staff and comparing program successes and failures to develop concrete strategies. This information amplifies CIPE's impact, fosters organizational learning, and offers practical guidance. Partners and reformers around the world have used CIPE's Knowledge Management guides, toolkits, and online forums as central resources for their efforts. From Ghana to Mongolia, think tanks, educators, and business support organizations have used these resources as effective tools in their work, benefitting from their lessons.

In 2009, CIPE released the *CIPE Guide to Governance Reform* (www.cipe.org/governance_reform), which succinctly captures CIPE's essential program practices and techniques. This guidebook, available in English, French, and Russian, is a crucial resource for partners and peer organizations on how to design a reform agenda. For example, CIPE partner Samridhi, The Prosperity Foundation used information from the guide for its handbook on youth entrepreneurship in Nepal.

Continuing to innovate, CIPE launched an online discussion forum for youth entrepreneurship, the Community of Young Entrepreneurs, which currently has 350 subscribers and features contributions from a range of youth leaders and advocates (www.reformsnetwork.org/youth). Together with the Community of Women Entrepreneurs (www.reformsnetwork.org/women), these two forums foster international peer-to-peer exchange of ideas, experiences, and best practices to advance political and economic empowerment.

CIPE also released a REFORM Toolkit on "Reducing Economic Informality by Opening Access to Opportunity," which makes the case for tearing down barriers to participation in the formal economy, creating opportunities for the poor, and establishing the rule of law. Its policy solutions are illustrated by examples taken directly from CIPE programs. The toolkit has been distributed to partners and translated into Arabic for CIPE's work in Egypt addressing the challenges of informal street vending.

ChamberL.I.N.K.S. participants speak about their experiences at a CIPE event. From left, Ludmila Romanova of Russia, Bereket Teka of Ethiopia, and Temur Rahkimov of Tajikistan.



CHAMBERL.I.N.K.S | ENCOURAGING CROSS-CULTURAL LEARNING

The ChamberL.I.N.K.S. (Leaders, Innovators, and Knowledge Sharing) program provides an opportunity for talented young international professionals from chambers of commerce and business associations to gain valuable leadership skills by observing, shadowing, and engaging with staff and members of host chambers in the United States. In 2009, six young professionals from Ethiopia, Jamaica, Kyrgyzstan, Russia, and Tajikistan spent time in local chambers of commerce in California, Colorado, Missouri, New Mexico, and Texas – learning about the organizations’ keys to success.

Candidate applications for the program were reviewed and chosen by CIPE senior regional program staff based on merit and regional distribution. The local U.S. host chambers were selected on the strength of their youth leadership programs, and on their ability to complement each participant’s skill set and personal objectives for the program. Participants spent six weeks with their host chambers and finished their trips with a visit to Washington, DC to meet with CIPE staff, U.S. Chamber of Commerce staff, and members of Congress and their staffs.

Since returning home, participants have introduced new initiatives – inspired by their work at local chambers in the United States – to improve the operations of their organizations, becoming stronger advocates for business in their communities. A new breakfast reception

Royce Britton, export business development officer at the Jamaica Exporters’ Association, learns from his ChamberL.I.N.K.S. experience at a trade expo in Colorado Springs, Colorado.

program at the Kaluga Chamber of Commerce and Industry in Russia now highlights membership services and provides a place for members to interact regularly. Similarly, the Bishkek Business Club in Kyrgyzstan is working to implement a new computer system to improve member relations and simplify office procedures. Participants have also maintained connections with their host chambers and other alumni through Facebook and LinkedIn.

A chamber equipped with a well-trained staff, advocating on behalf of its membership, has a positive impact on other members of the private sector and on the environment for doing business. By building their professional skills and acting as a conduit for new ideas, these young professionals are able to bring home innovative ideas and techniques to help their chambers increase their role as advocates for the private sector.





FORUM ON ECONOMIC FREEDOM | FACILITATING THE EXCHANGE OF IDEAS

Access to information is crucial to improving transparency and accountability in the public and private sector alike. Democracy and free markets both rely on decentralized decision-making structures that demand a free flow of information. CIPE strives constantly to reach out to partners, reformers, and colleague organizations, encouraging an open information exchange about democratic and market-oriented principles both within and between countries. This openness increases understanding of the links between political and economic freedom and facilitates knowledge sharing. Since 1995, CIPE has maintained www.cipe.org to share crucial information, including success stories, theoretical pieces, and regional resources.



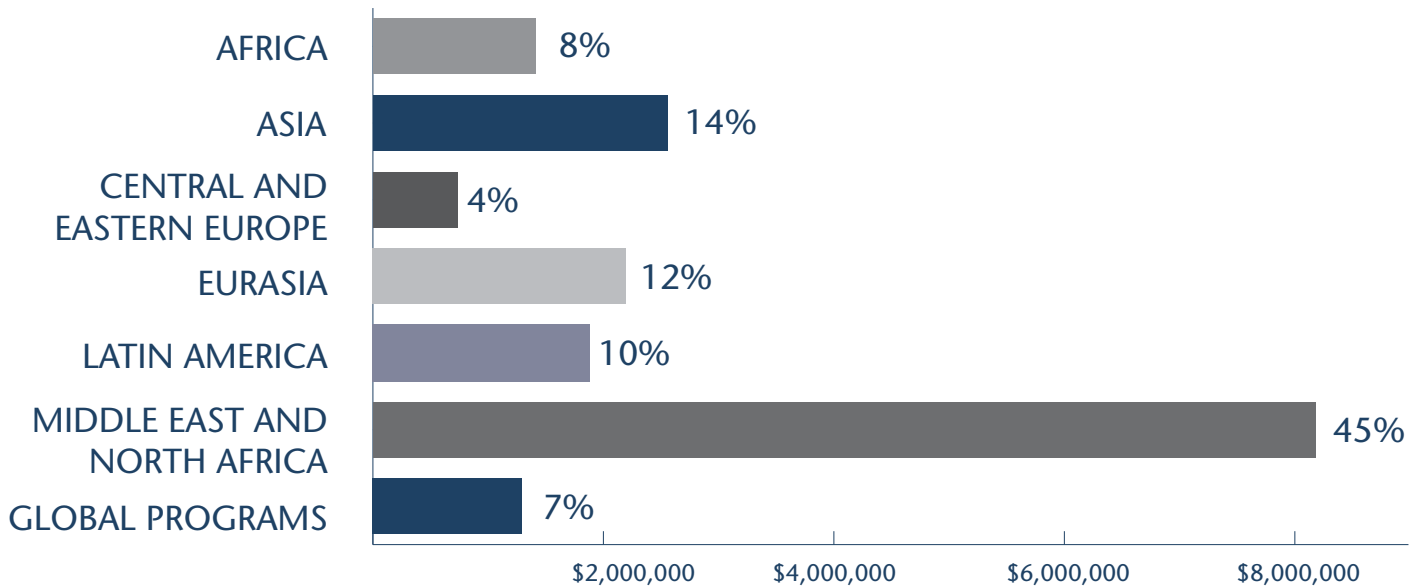
CIPE's online and print resources provide information on democratic institutions and market-oriented principles to reformers around the world.

Below are some of CIPE's achievements in improving access to information:

- The *Economic Reform Feature Service* article series, featuring key areas of CIPE work and contributions by CIPE staff, partners, and other development practitioners, were distributed to nearly 4,000 recipients twice per month and published to the CIPE website.
- With a growing number of posts, the CIPE Development Blog (www.cipe.org/blog) provides a forum for discussion of CIPE's work in light of current events. Nearly 1,000 people read CIPE Development Blog content on a daily basis.
- CIPE and Social Accountability International jointly published a set of three case studies on corporate citizenship, *From Words to Action: A Business Case for Implementing Workplace Standards*. The case studies demonstrate how corporate citizenship works, showcase the benefits of social responsibility, and highlight ways in which commitments can be translated into action.

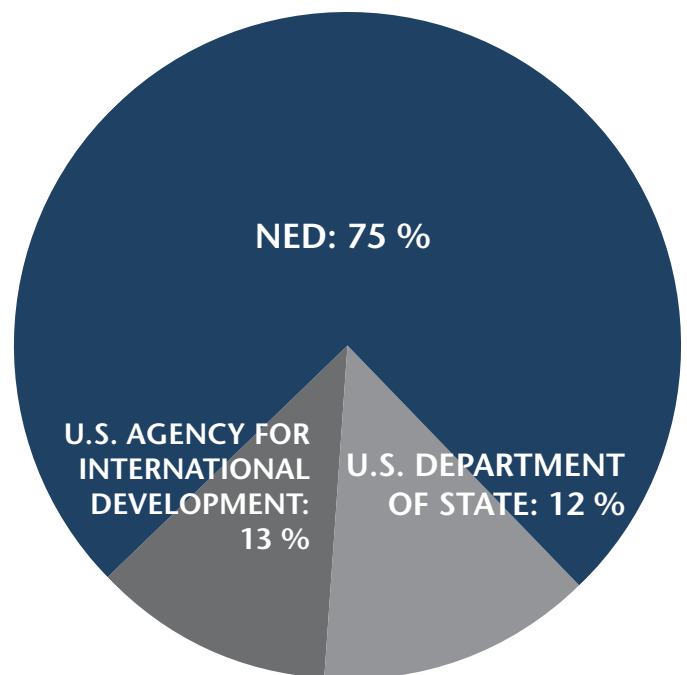
FINANCIAL SUMMARY

FUNDS BY REGION



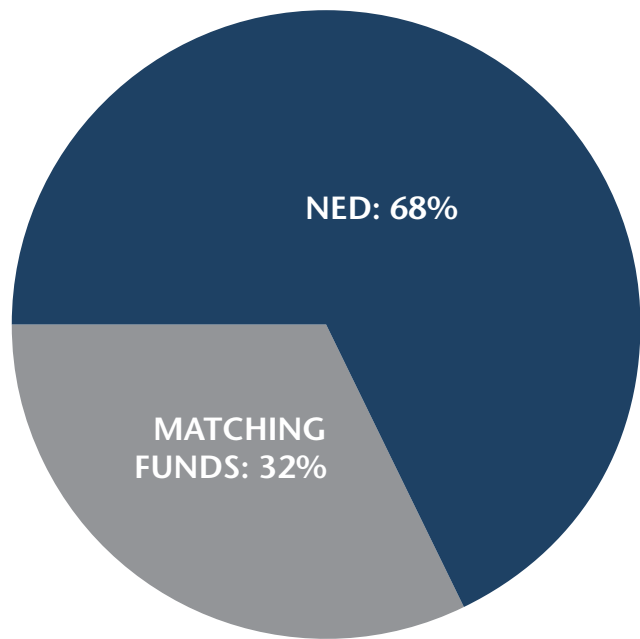
FUNDING SOURCES

CIPE receives funds from the National Endowment for Democracy, the U.S. Agency for International Development, 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 staff of regional and technical experts provides ongoing guidance and technical assistance.



MATCHING FUNDS FOR NED PARTNERSHIP GRANTS

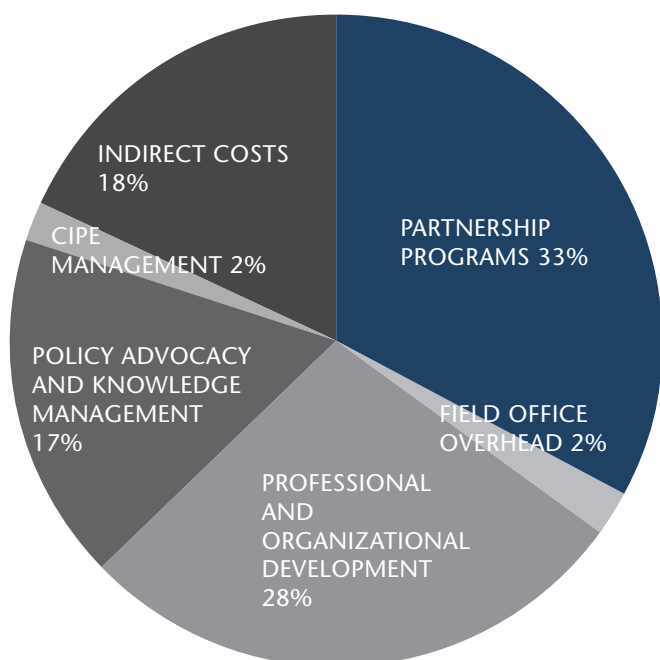
Nearly all partnership projects funded through CIPE include matching funds to facilitate the program's implementation. This allows CIPE to leverage the funds provided by the National Endowment for Democracy (NED) with funds from partner organizations to maximize efforts to strengthen democracy and market-driven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



CIPE's grants to partners are used to advance policy advocacy, business services, educational programs, and other development goals. Most grants include 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.

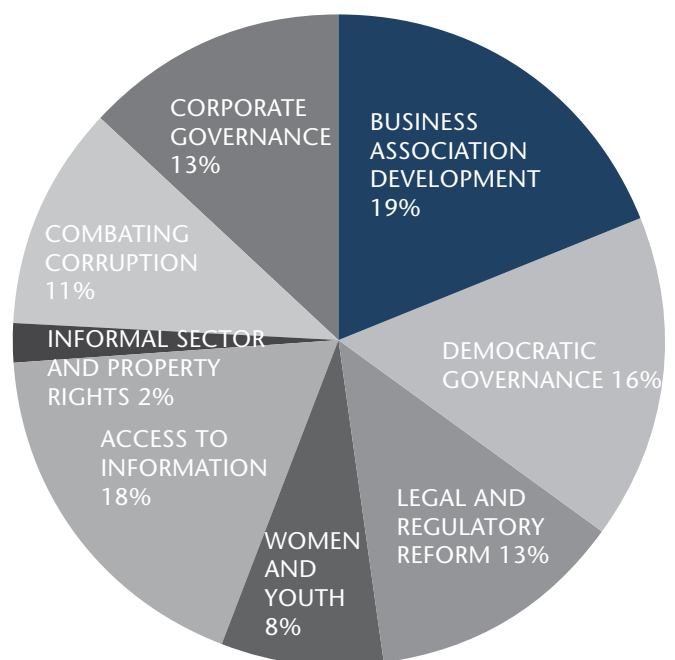
USES OF FUNDS

as percentage of 2009 cash flow (\$18.0 million)



PROGRAM THEMES

as percentage of 2009 program costs (\$14.4 million)



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BACK COVER | From top left: CIPE partner the Center for Excellence in Corporate Governance in Mexico published the *Guía Práctica para la Institucionalización de la Empresa* (Practical Guide for Institutionalizing Companies) to help Mexican businesses access public financial markets through implementation of corporate governance best practices. Next, members of the Ye'ewuket Ber Saving and Credit Association in Adama, Ethiopia meet as part of CIPE's business association training programs. Lastly, Paraguay President Fernando Lugo addresses participants at the Foundation for Development in Democracy's Second Private Sector Forum.

Second row from left, Dr. Anne-Marie Slaughter, director of policy planning at the U.S. Department of State, delivers closing remarks at CIPE's "Democracy that Delivers" conference. Next, a CIPE-supported *Perspectiva* magazine event where reformers from across Latin America engage in debate and discussion. Lastly, students eagerly participate in a lesson on entrepreneurship as part of the *Tashabos* high school entrepreneurship program.



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