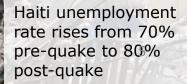


Fragility

Residents gather at the site of a bomb attack in Kirkuk

Exodus of educated, skilled Iraqis Destruction of infrastructure 41% GDP drop in 2003 Dependent on oil and vulnerable to price fluctuations 20% population in the agricultural sector and small farming Private sector mostly SMEs Iraq amongst last in MENA region on Doing Business Weak institutional capacity of state institutions



CECHEZ

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- - Part

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T N MININ

Typhoon Haityan, Philippines, 2013

At least 3,974 people are dead and 1,186 missing An estimated 4 million displaced The cost of rebuilding the Philippines devastated by typhoon Haiyan could reach \$5.8bn Homes, businesses, public facilities and infrastructure were shattered

Photo: NY Daily News, 2013

/ENER

Japan's car production fell 60.1% after the March 201 earthquake, a reduction of 439,828 (Source: Japan Ca Hurricane Sandy, 2012

PUGLIA BY THE SEA

Deadliest hurricane to hit Northeastern U.S. in 40 years Second-costliest in the nation's history: \$50 billion Second after Hurricane Katrina (\$108 billion) More than 8 million customers lost power More than 650,000 U.S. homes damaged or destroyed Global natural disasters in 2012 combined to cause economic losses of \$200 billion

Natural disasters *damage or destroy* productive physical assets like factories, stores, housing, and public infrastructure (the capital stock) and they *interrupt* economic activity 75 percent of the production facilities in Aleppo, Syria's commercial capital, are no longer operating Transport difficulties have hit the agricultural sector farmers have been unable to till their fields or sell their crops. Food is becoming scarce and increasingly expensive

More than 50 percent of the Syrian healthcare system's infrastructure has been destroyed

Of the 75 state-run hospitals, just 30 remain in operation.

- In the embattled city of Homs, just one of 20 hospitals remains open.
- The Al-Kindi Hospital in Aleppo, once the largest and most modern medical facility in the country, is now a pile of ash.

Syrian War

@ picture-alliance/dpa

Egypt's GDP was growing at 5%, but it declined from four percent in the fiscal year 2010/2011 to 2.2 %in 2011/2012

Foreign investment in the country was also hit hard by the unrest, with investments down to just \$375m in 2011 from \$6bn in 2010

Unemployment rate rose to 12.4 %in the last quarter of last 2011, from 8.9 % in the same period a year earlier

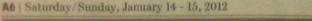
(The Peninsula, 2012)

Egypt incurred an estimated \$1.7 billion in economic losses when crowds thronged Tahrir Square

Dear tourists

Dor't Leave

We'll protect you





Downgrade Hurts Euro Rescue Fund

Loss of France's Triple-A Rating Could Reduce the Amount the Bailout Vehicle Can Deploy to Aid Countries in Distress

BY CHARLES FORELLE

downgrade weakens the ability of the euro zone's bailout fund to help the bloc at a moment when Greece is needy for its support.

The fund, called the European no capital of its own. Instead, it relies on borrowing against the credit of stronger countries to on Thursday opted not to downhelp the weak. That is a problem when the formerly strong move into the reaim of the weak.

Standard & Poor's Ratings Services stripped France of its day and also cut the ratings of

France's downgrade, along Wall Street Journal, January 14, 2012

The downgrades-particularly BRUSSELS-France's ratings if other ratings firms followcould substantially reduce the amount that the bailout fund can At the least, it will make the cue fund's rating, fund's role tougher.

> are still rated triple-A by two firms-Moody's and Fitch, which

Given the split verdict, it wasn't clear on Friday how the rescue fund's backers-euro-zone governments-will decide to pro-

S&P had said in December it would lower the rescue fund's grade to the lowest rating of the six countries that were then triple-A, absent other steps. A top S&P official on Friday said the firm would complete its review

of the rescue fund next week.

Jean-Claude Juncker, president of the council of euro-zone finance ministers, said the eurozone countries would "explore options for maintaining" the res-

The euro zone's crisis has For now, France and Austria been marked by a sharp divide: Money has poured into triple-A havens like Germany and the Netherlands, and fied from nations viewed as weaker. If the rescue fund is viewed as weaker. it could lose its purpose as a vehicle to rapidly access emergency financing.

Olli Rehn, the European Union's economy commissioner, urged countries to speed up the creation of the rescue fund's successor, a new fund that would have its own capital and would rely less on nations' ratings.

will be called upon to provide billions of euros in aid to Greece, which is furiously negotiating a debt restructuring with its creditors. Talks in Athens broke down Friday, but officials held out hope they could be resuscitated. Greece needs substantial help

regardless of whether the restructuring talks are successful. Euro-zone countries have offered to provide €30 billion (\$38 billion) in sweeteners to persuade reluctant creditors to accept restructuring voluntarily; they have also pledged tens of billions more to recapitalize Greek banks that suffer losses. Those sums are supposed to come from the

Even if the talks collapse completely, Greece will need £14.5 Ireland and Greece, depen billion in March to repay a bond on how much Greece need-In the coming weeks and that's coming due, and hill

months, the existing rescue fund more in the following months.

As it is currently structured, the fund is backed by guarantees from the 14 euro-zone countries not being rescued themselves. When it needs to lend cash, the fund goes to market to borrow it. But in order to preserve the fund's own triple-A rating, it pledges that all of its borrowings will be covered by guarantees of only the triple-A countries.

Without France and Austria the sum of triple-A guaran fails from €451 billion to billion, more than three-quar of which comes from Germ (The balance is from the Net lands, Finland and Luxembo

The rescue fund is comm to providing about €200 bi in funds to help rescue Ports tle to fund any aid to other countries that might need help.

The fund has a few options. It could change its policy and accept a lower rating for itself. But that implies higher borrowing costs and narrows the universe of potential investors. The fund sells itself to big central banks and other reserve managers as a high-quality borrower. Second, it could try to brush

Only 4 EU countries left with AAA rating in 2009

In 2013, there are 8 EU countries with AAA rating The Huffington Doct 201

Source:	Cumu
OECD 2011	from
	2009
Ireland	-14.69
Finland	-10.2
Greece	-8.9%
Italy	-7.0%
Germany	-6.6%
Austria	-5.4%
Netherlands	-5.3%
Spain	-4.9%
Belgium	-4.2%
Portugal	-3.9%
France	-3.9%

.

1221

Cumulative GDP decline rom 2007/8 ceiling to 2009/10 floor 14.6%

Public-Private Dialogue

PROMOTING ECONOMIC DEVELOPMENT AND GOOD GOVERNANCE THROUGH PUBLIC-PRIVATE DIALOGUE

Benjamin Herzberg World Bank Institute

Program Lead Private Sector Engagement for Good Governance (PSGG)



WHAT IS IT, WHAT DOES IT LOOK LIKE?

DEFINITION

PPDs are structured mechanisms, anchored at the highest practical level, coordinated by a light secretariat, and aimed at facilitating the discovery process by involving a balanced range of public and private sector actors in identifying, filtering, accelerating, implementing, and measuring actions and reforms that tend to improve issues of matter to the stakeholders.

WHEN TO USE IT

- 1- As a growth discovery mechanism (whether at economy wide or industry level, whether at national or local level)
- 2- As a crisis detection mechanism (to capture early warning signals and take defensive actions)
- 3- As a post-crisis resolution platform (to quickly set up and implement mitigation strategies)

4- As a governance mechanism to ensure inclusion, fairness, transparency and accountability

WHAT DOES IT LOOK LIKE





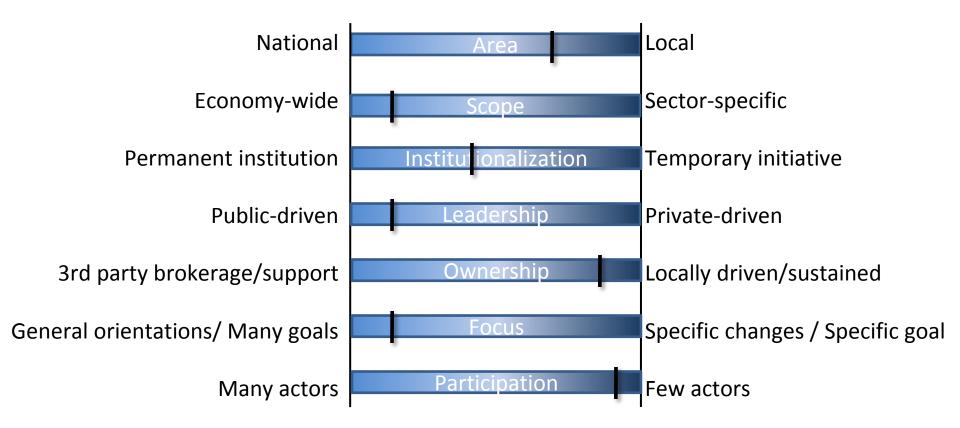




PPD TYPOLOGY

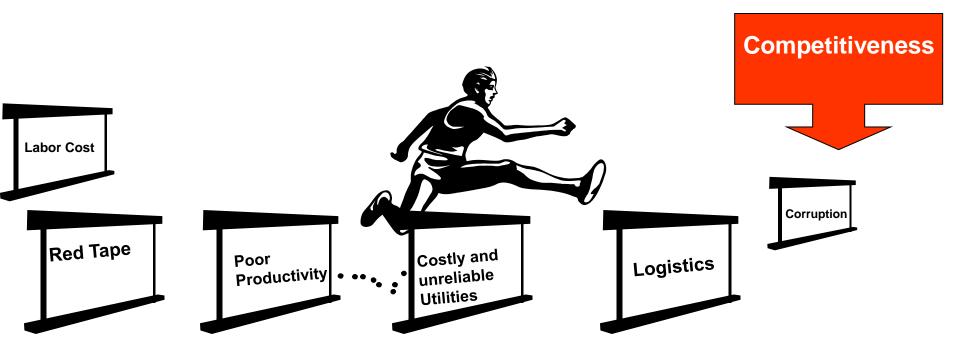


PPD TYPOLOGY

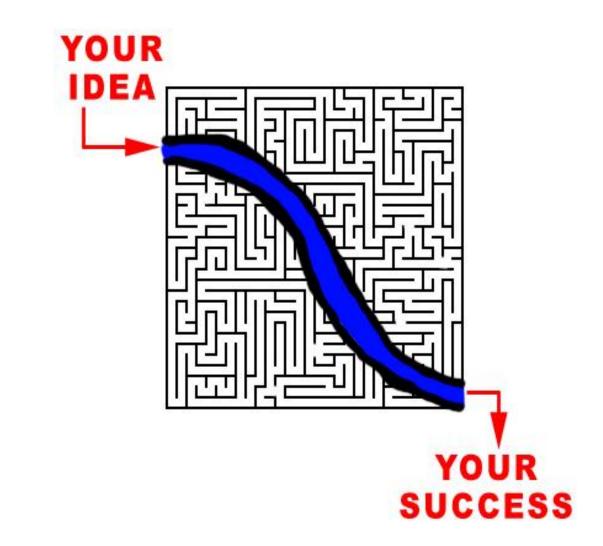


WHAT'S IN IT FOR ME?

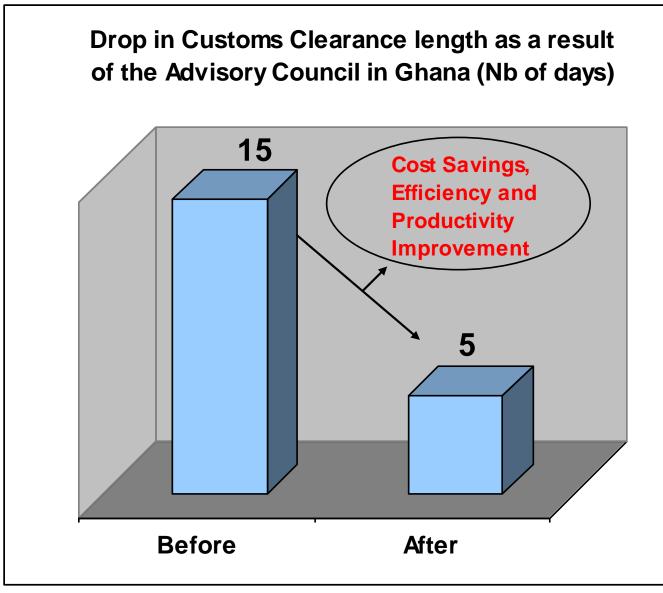
1- GOVERNMENT CAN PRIORITIZE



2- ENTREPRENEURS INCREASE COMPETITIVENESS



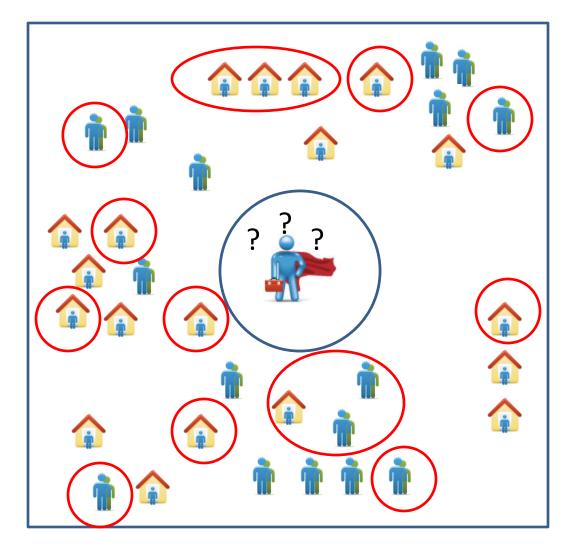
3- REGULATORY PAYOFFS



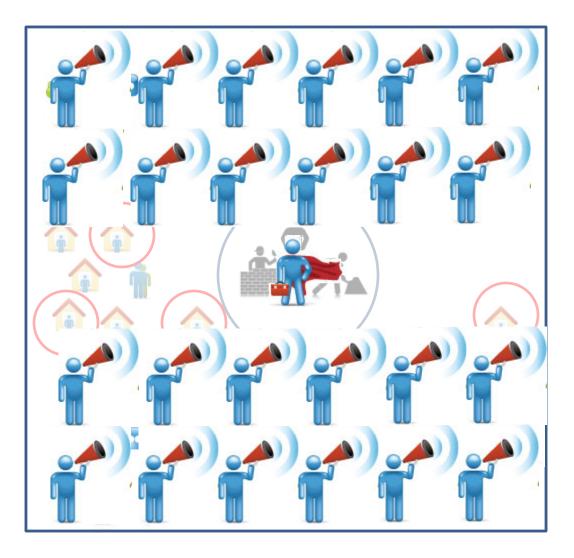
3- REGULATORY PAYOFFS

Country	Benefit	Before	After	
Bosnia (Bulldozer)	Slashed statutory capital requirements when registering a LLC	\$ 6. 500	\$ 1. 300 Increased number of registered companies (doubled in some areas)	
Vietnam (VBF)	Ease labor restrictions for expatriate employees	Decree 105 limited the number of foreign employees to 3% of the total staff, with cap at 50.	Circular 04 excluded management from limitation, and removed cap under special permissions.	
<mark>Turkey</mark> (YOIIK)	Amend law on company registration process	19 steps to register 2 and half month	1 step, 8 procedures to register 1 day process, 9 days total	
Botswana (NACEE)	Setting institutional means for economic empowerment			

4- FOR MAJOR PLAYERS, A WAY TO MANAGE RISK



4- FOR MAJOR PLAYERS, A WAY TO MANAGE RISK

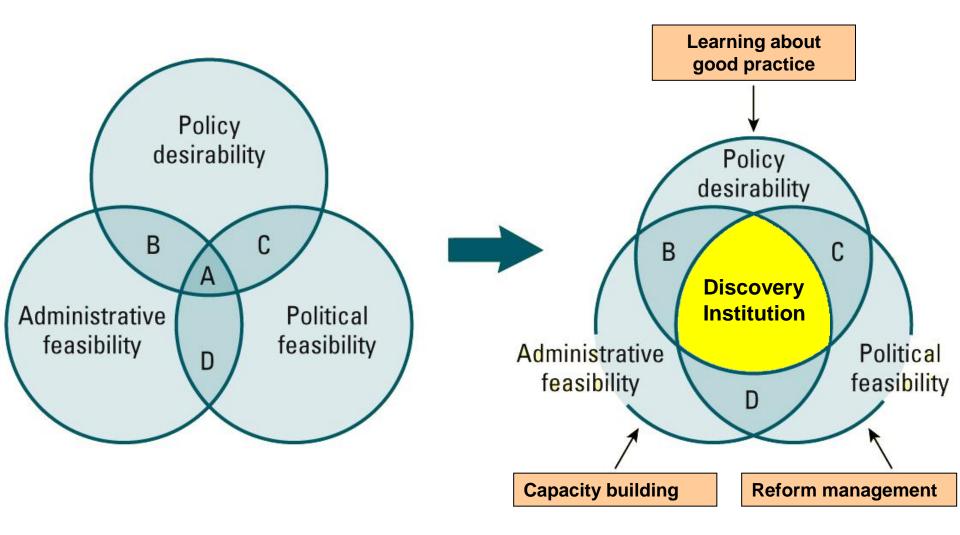


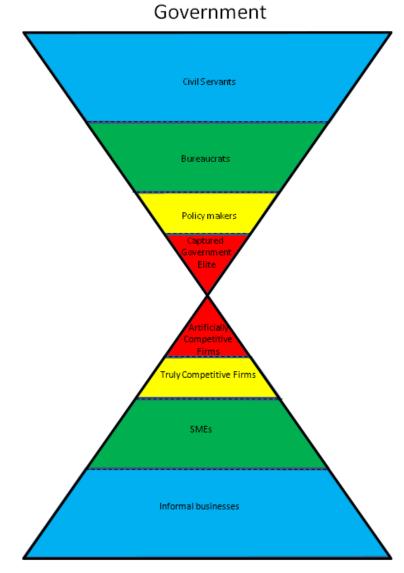
4- FOR MAJOR PLAYERS, A WAY TO MANAGE RISK

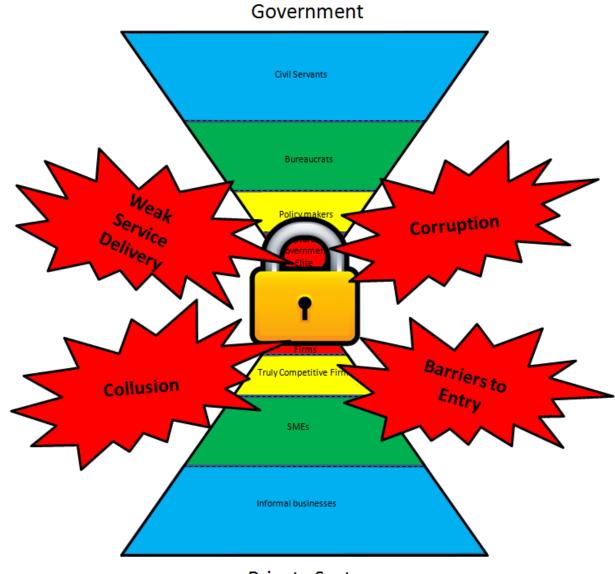
Education Skills Development	<u>FROM</u> Mitigating risk by solving a few issues	→	<u>TO</u> Sponsoring a discovery process for solving the underlying factors to issues faced by stakeholders	Innovations Technology Entrepreneurship
Regulations Taxes Land Trade	Polictics Focus on few public officials and on private sector supply chain		Policies Public-Private Dialogue & Multi-stakeholder engagement	Access to finance

Infrastructure

5- EXPAND THE SPACE FOR VIABLE REFORMS





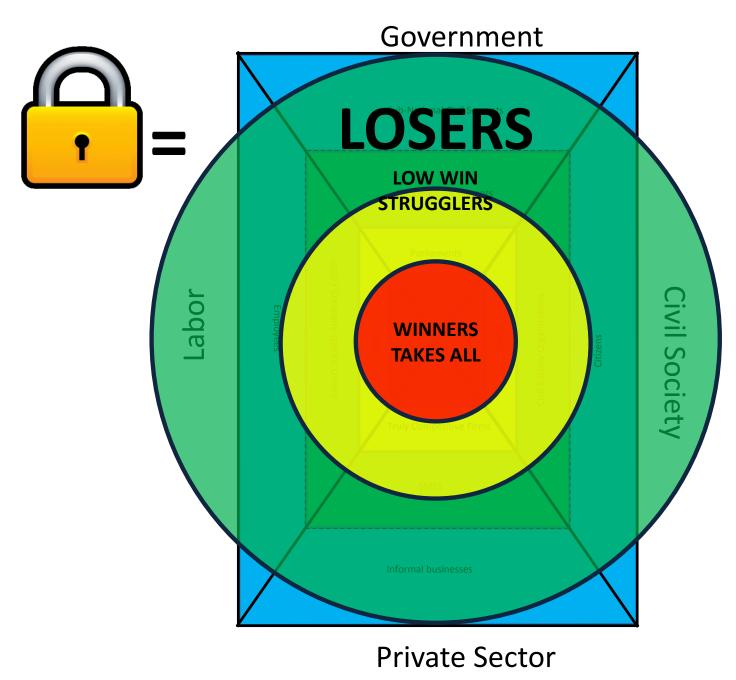


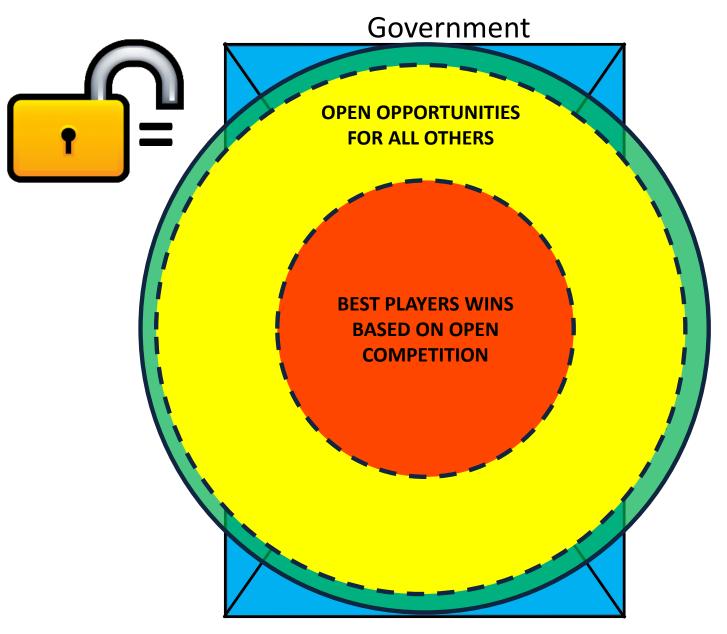
Civil Servants Bureaucrats Policy makers Local / Company-specific Union Captured **Civil Society Organizations** Elite Employees Media Unions Citizens Artificial Competitive Truly Competitive Firms SMEs Informal businesses

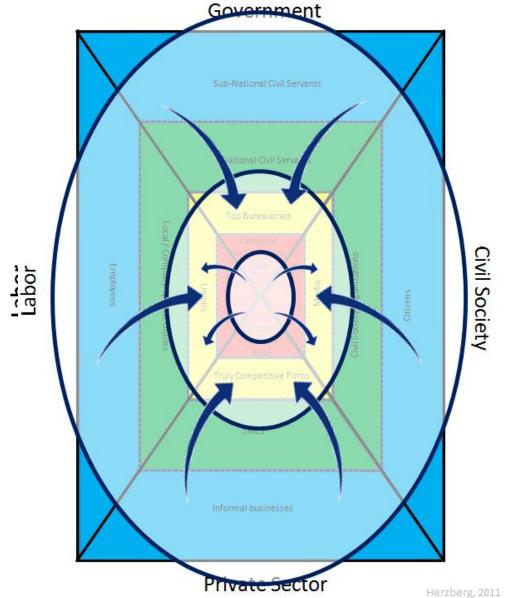
Civil Society

Government

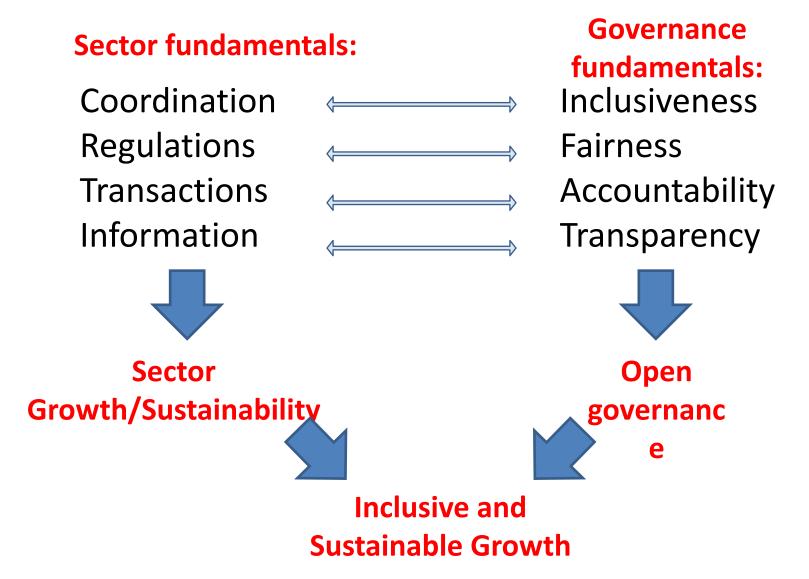
Labor





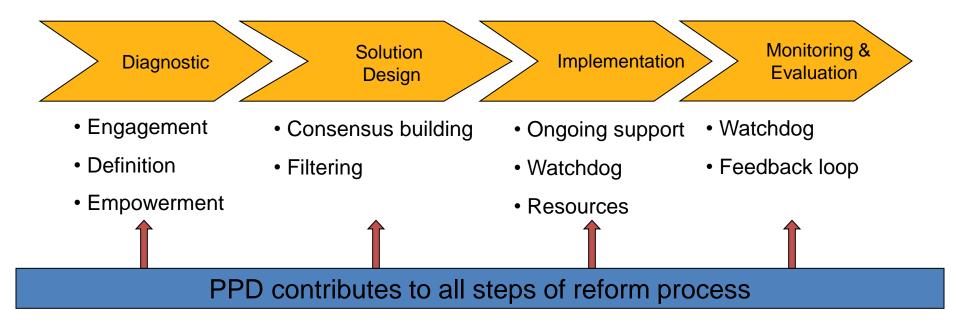


7- LEVERAGE SECTOR IMPROVEMENTS FOR GOVERNANCE GAINS



7- LEVERAGE SECTOR IMPROVEMENTS FOR GOVERNANCE GAINS

Structured dialogue \rightarrow Workable reforms \rightarrow Reforms that work



WHAT IS THE IMPACT OF PPDs?

EVIDENCE OF DEVELOPMENT EFFECTIVENESS

2005:

Independent evaluation of 5 Investors Advisory Councils in Africa

2007:

Independent evaluation of 3 Business Forums in Mekong **2009**:

Independent evaluation of 30 WBG-sponsored PPD

2011:

Impact assessment of 4 IC country programs (Rwanda, Liberia, Sierra Leone, Burkina Faso)

2012:

IFC internal evaluation of IC programs and their development effectiveness

2012:

impact of IC programs in Fragile and Conflict Affected States

Over 400 reforms achieved in over 50 distinct areas Economic impact (private sector savings) Conservative estimate: \$500 millions Cost effectiveness Start-up investment of 100k-200k







Aceh 2008 Albania 2008 2007 Bangladesh Belarus 2007 Cambodia 1999 Chad 2008 Cameroun 2008 CAR 2007 Ethiopia 2008 Laos 2005 2007 Liberia 2008 Nepal Pakistan 2008 Sierra Leone 2007 2006 Romania 2002 Senegal North Sudan 2007 South Sudan 2007 Tanzania 2002 Timor Leste 2008 Tonga 2005 2004 Uganda 2008 Vanuatu Vietnam 1997 Zambia 2007 Benin N/A Ghana 2002 Mali 2004

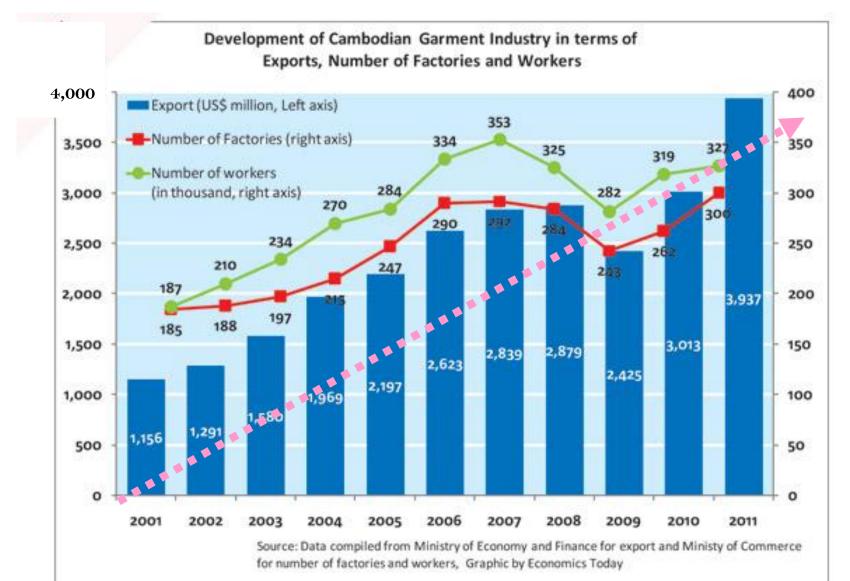
COMPETITIVENESS PAYOFFS - CAMBODIA GARMENT

- Two reductions of Export Management Fee has saved GMAC members USD 2,2 millions (2008)
- Reduction of bureaucracy and documentation required for import-export procedures;



- Certificate of Origin now issued within 48 hrs, with reduced cost and documentation (2 GMAC staff are positioned at MoC to assist factories in C/O applications);
- Introduction of the ASYCUDA system which has automated export documentation, saving time and money;
- Export procedures made transparent and communicated
- Reduced the employers' contribution to the National Social Security Fund from 1.8% to 0.8%
- New Union Law established
- Decade-long Night Shift dispute resolved (night rate from 200% to 130%)

CAMBODIA'S GARMENT EXPORTS RESULTS



GROWTH IMPACT IN MADAGASCAR

- Local economic development analysis and sector selection through PPD in 3 sub-regions
- Mining, tourism, ICT, agribusiness, garments
- Collaborative actions on cross-cutting issues (investment climate, finance, promotion, MSME) and location-specific issues (infrastructure, utilities)
- New Investment Law adopted
- > 1200 new loans to MSMEs (>\$30 mn)
- > 9000 new direct jobs
- > 3600 new firms registered
- > 2000 workers trained





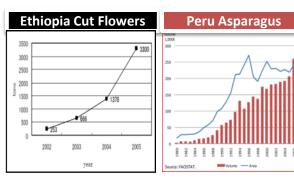


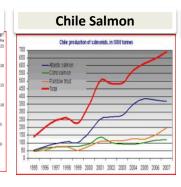
PPD IMPACT ON ROAD REPAIR IN NOSY BE & FORT DAUPHIN

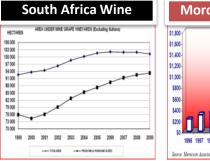


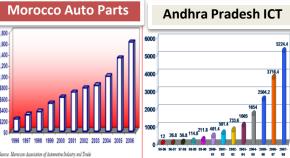
Source: Uy, 2011 (Madagascar Growth Pole project, FPD Africa, World Bank Group)

SECTOR GROWTH THROUGH PPD

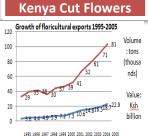


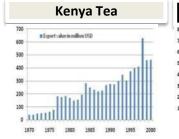


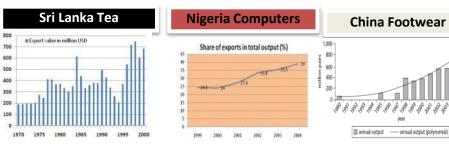


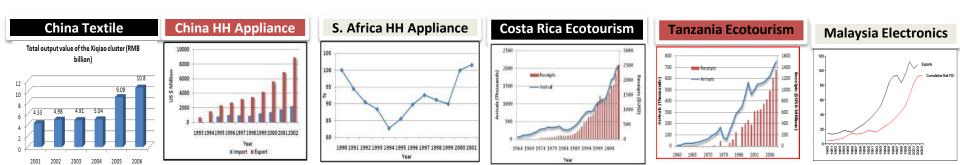












SECTOR GROWTH THROUGH PPD

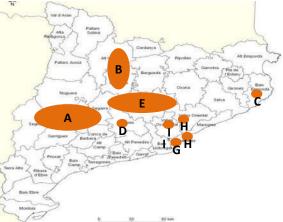


www.publicprivatedialogue.org

Comparison of 2 sectors in 5 countries (Egypt, Lebanon, Malta, Spain and Turkey) Comparison of 10 different PPD case studies in one region of Spain - Catalonia





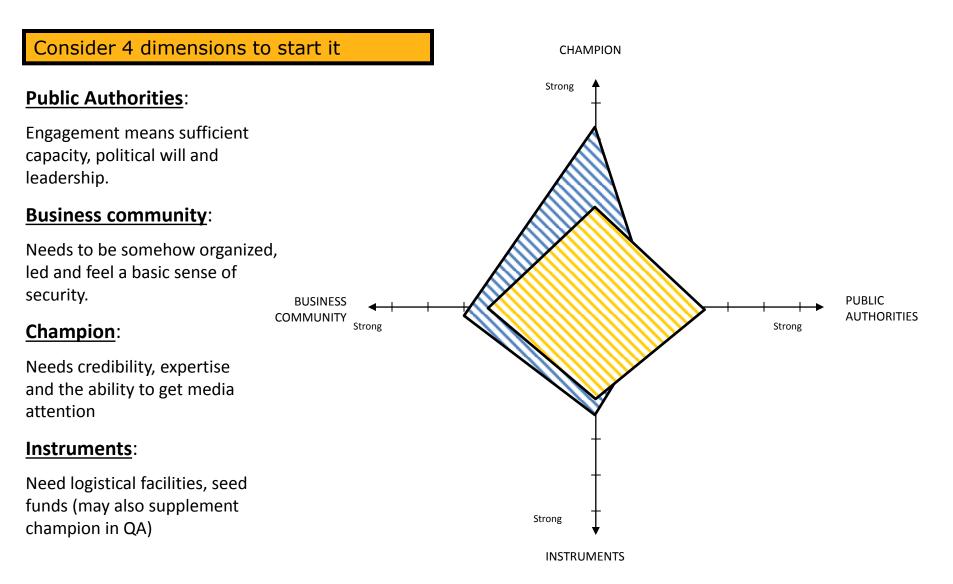


Public-Private Dialogue for Sector Competitiveness and Local Economic Development: Lessons from the Mediterranean Region

> A report produced by The Cluster Competitiveness Group, S.A. for the Public-Private Dialogue program of the investment Climate Department of the World Bank Group, and funded through the Catalonia (COPCA) / IFC Technical Assistance Trust Fund

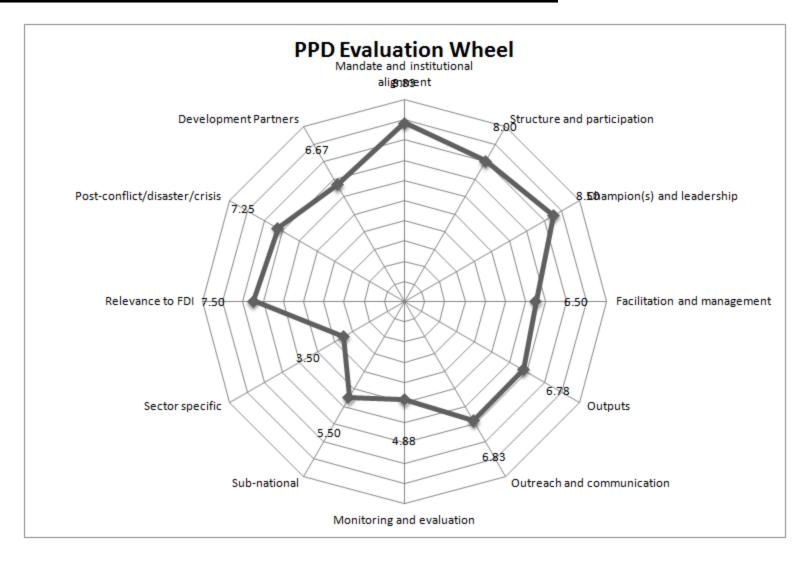
HOW TO IMPLEMENT PPDs?

PREREQUISITES



IMPLEMENTATION

Consider 12 dimensions to sustain it over the long run



IMPLEMENTATION FRAMEWORK: 12 KEY PROCESSES

- 1. Mandate and Institutional Alignment
- 2. Structure and participation
- 3. Champions
- 4. Facilitator
- 5. Outputs
- 6. Outreach and communications
- 7. Monitoring and evaluation
- 8. Sub national relevance
- 9. Sector-specificity
- 10. Relevance to FDI
- 11. Post-conflict/disaster, crisis response
- 12. Development partners

A number of options to choose from

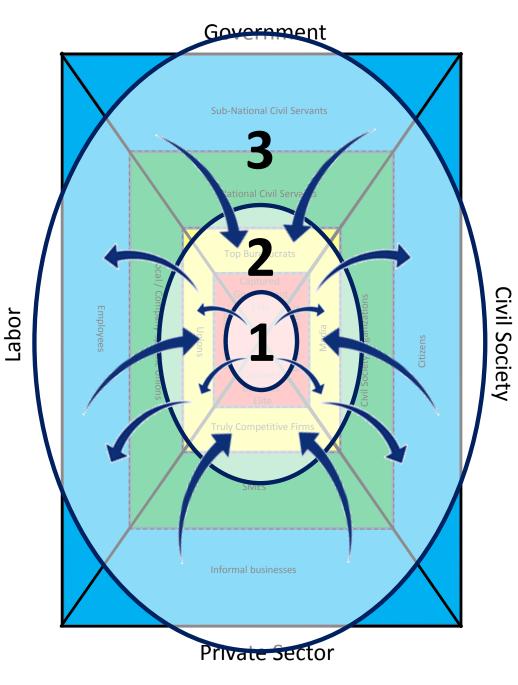
A number of good and bad practice to learn from

A number of decisions to implement

TEN PRACTICAL IMPLEMENTATION TIPS TO GET RESULTS

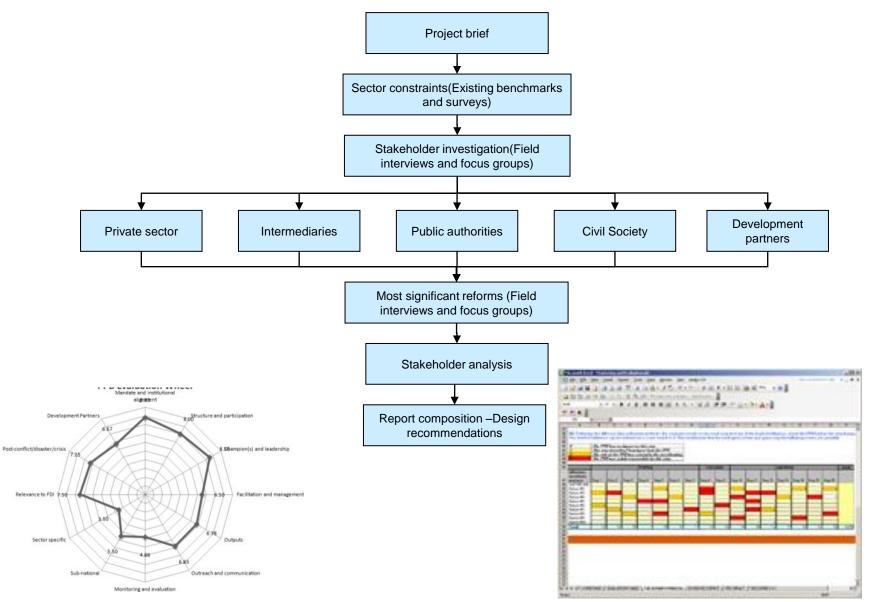






-2-PLAN A PHASED AND INCLUSIVE APPROACH

ASESSEMENT



Source: PPD Handbook

CONSULTATIONS

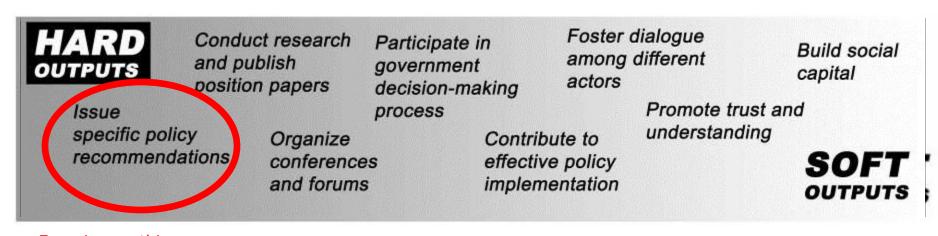
REACHING OUT TO CONSTITUANTS

- Ensure all constituents are represented
- Reduce Information Asymmetries
- Engagement Process:
- <u>Entry</u>: surveys and polling to better prioritize themes, give voice and feed in process
- During: information disclosure, dissemination campaigns and feedback loop on process and content of dialogue process, while reforms are designed, discussed and reviewed, and eventually implemented through the dialogue process, using offline and online media
- <u>Exit</u>: feedback campaigns to assist stakeholders in monitoring implementation and hold accountable those who are intended to substantively contribute to the reform



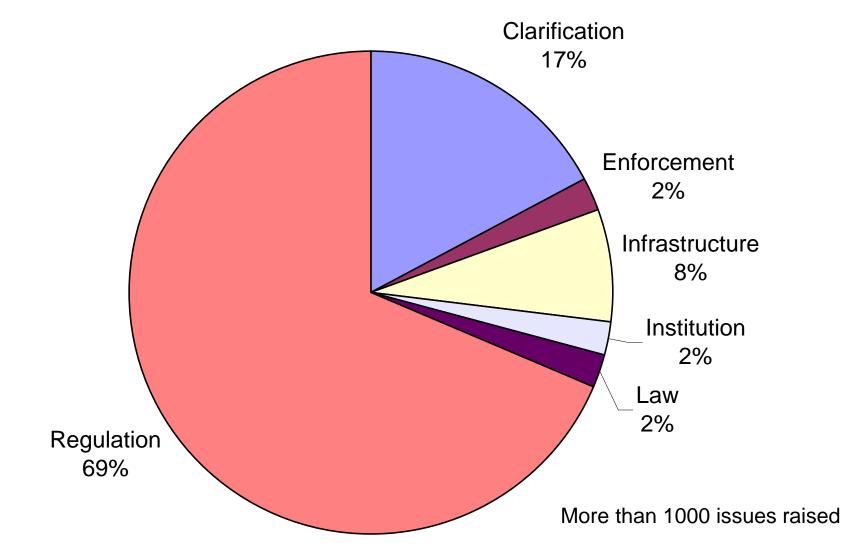
-3-STRONG FOCUS ON TARGETED, MEASURABLE REFROMS

SEVERAL TYPES OF OUTPUTS



Focusing on this will bring the others

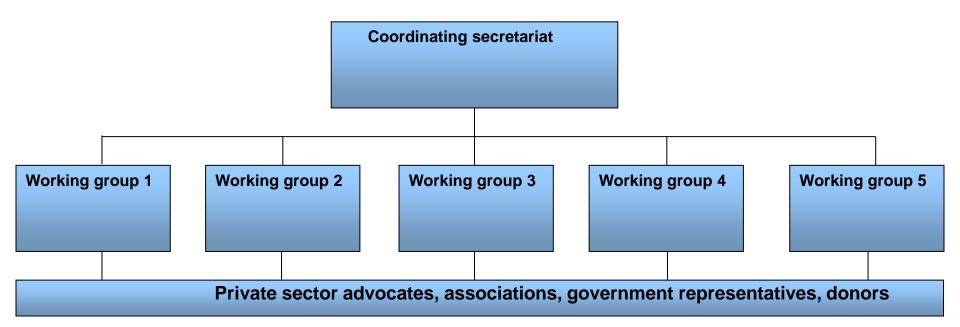
BREAKDOWN PER TYPE OF REFORMS, MEKONG 2006



Source: FULL REPORT - PPD Impact Assessment - Vietnam Cambodia Laos http://publicprivatedialogue.com/monitoring_and_evaluation/

-4-SIMPLE, EXPLICIT ORGANIZATION

Public-Private Mandate

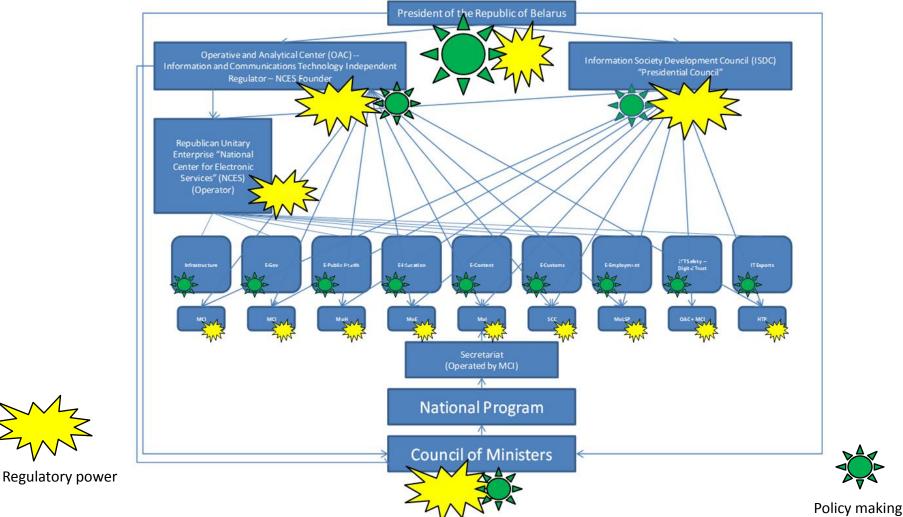


INSTITUTIONAL ALIGNMENT

Possible host	Strengths	Weaknesses
President's / Prime Minister's Office	Top-level political backing and a remit that stretches across different government departments and agencies.	Risk of creating "turf war" antagonism with other government agencies. Risk of political over-reliance on the individual figure of the president or prime minister of the day. Risks being seen by private sector as a government mouthpiece rather than a genuinely neutral space for dialogue.
Ministry of Finance or Trade	Likely to offer the most direct access to relevant decision-makers.	Risks narrowness of view on activities that impinge on other departments or agencies. Risks being seen by private sector as a government mouthpiece rather than a genuinely neutral space for dialogue.
Investment promotion agency or similar agency	Offers possibility of secretariat being hosted in an agency which already has a track record of promoting business climate improvements.	Vulnerable to weaknesses in agency such as ineffectiveness, narrowness of remit or negative perceptions on the part of some important stakeholders.
Chamber of Commerce or other BMO	Can ensure that a wide range of member businesses are aware of and have easy access to the secretariat, and build the capacity of the Chamber or BMO in other respects.	If there are several Chamber/BMOs, to locate the secretariat in one risks alienating the other. Risk of being seen by government as more of a private sector mouthpiece than neutral space for dialogue.
International organization	Likely to have surest access to international best practice, trained personnel and funding. Can be perceived as a neutral, honest broker.	Risk of fostering dependence on external donors rather than local ownership of the dialogue process. Can be unhelpful for public image when donors and viewed negatively.
New and independent institution	Best chance of being perceived by all stakeholders as a disinterested, neutral facilitator.	Need to start from scratch with no existing institutional strengths to take advantage of.

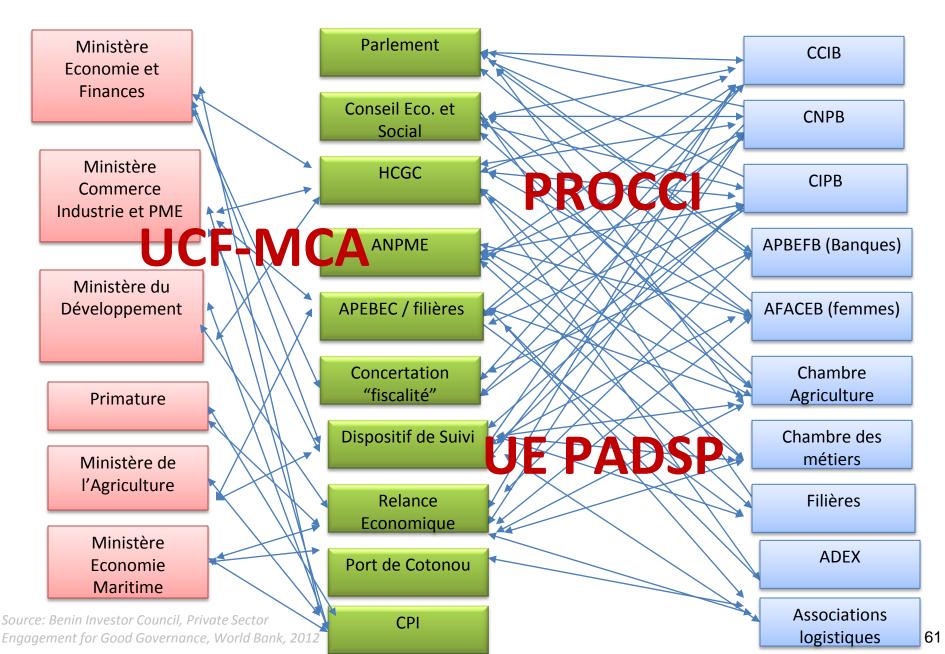
BELARUS INSTITUTIONAL SUPPORT FOR ICT SECTOR DEVELOPMENT

Overlap in coordination and abundance of bodies with policy-making decision power can scare investors away, as it creates lack of predictability and uncertainty

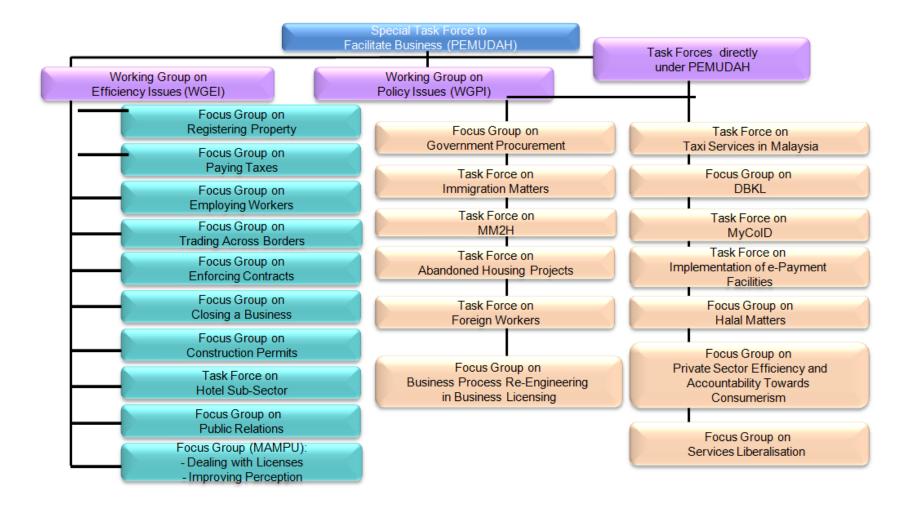


Source: Belarus ICT Governance Environment Assessment Report, Private Sector Engagement for Good Governance, World Bank, 2012

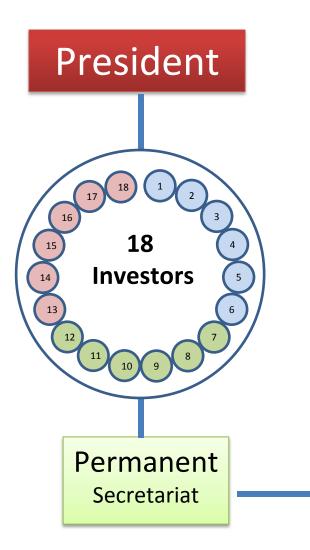
INSTITUTIONAL COORDINATION (OR NOT)



MALAYSIA

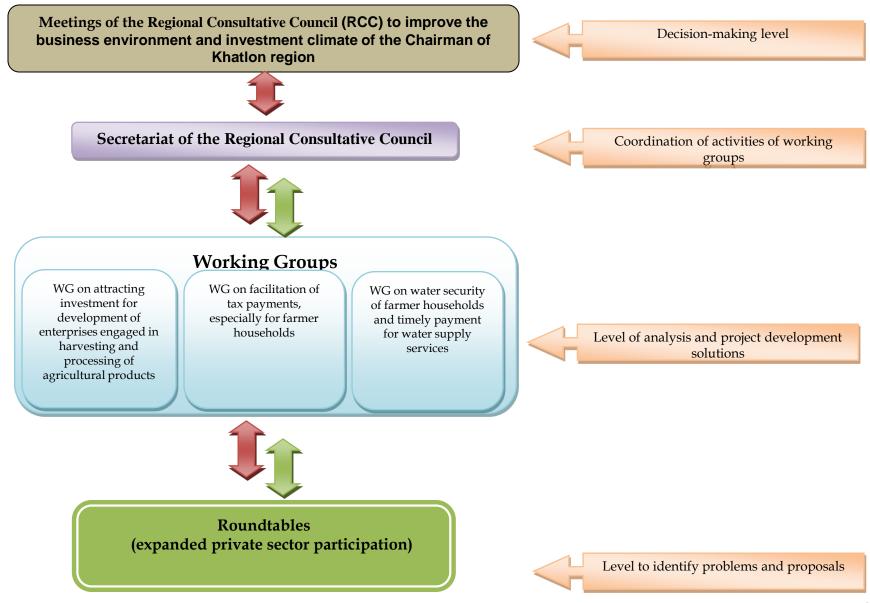


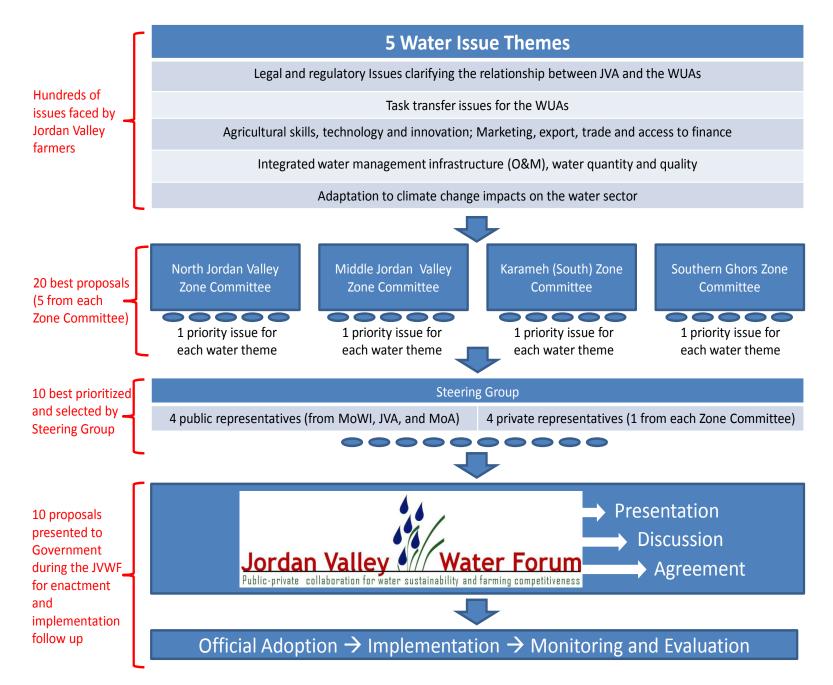
PRESIDENTIAL INVESTOR COUNCIL



Implementation Workgroup Administrative coordination Technicians Regular meetings and reporting Reporting to Head of Permanent Secretariat

TAJIKISTAN KHATLON REGIONAL CONSULTATIVE COUNCIL (RCC)





-5-A TEMPLATED, OPEN AND DISCIPLINED WAY TO COLLECT AND VET REFORM PROPOSALS

République Centrafricaine

Améliorer le climat des affaires par le dialogue public-privé

Formulaire de proposition de réforme ou d'action

Idée proposée par Agence ONG Entreprise Privée Etat Internationale >100 salariés Gouvernement Chambre de commerce SFI □ 50-100 salariés Parlement Association Autre 20-50 salariés Autorité locale □ Autre Agence 5-20 salariés indépendante 0<5 □ Autre salariés

Proposant (optionnel) :

Proposition filtrée et validée par (nom du groupe de travail) :

Proposition numéro: Titre de la proposition:

La situation actuelle méritant l'attention :

Raison pour lesquelles cette situation représente un frein au développent économique :

Solution(s) préconisée(s):

Actions à mettre en œuvre dans le cadre des solutions préconisées:

HARVESTING PROPOSALS IN A DISCIPLINED MANNER

	NBF Working Group	Public Sector	Private	Interest	Devt.
		Authority	Business	Group	Partner
	usiness Environment, LaborRelation and Industrial Security	Parlament	>100	FNCO	UPC World Ban
	xport Promotion and Trade Facilitation		20-50		
	fradructure	Regional		NCC	
FI	Inancial Monetary and Insurance Affairs	Local	5-20	PWEAN	USAID
	ndustrial Investment Promotion	Commission	_ <	Other	GTZ
	/omen Entrepreneurs	Other	Foneign		Norad
T	ouriem		Local		UNDP
ssu	e Number/Title Issue No.: Title of Iss	ue			
Con	tact information of submitter (optional):				
Spe	cific target of the proposal				
	Indicator which the reform will improve	Projects	ed impact th	at the reform v	will have
	(current, projected)	figuration of a	mention / inf	fratructure develo	an ment / akilla
		diam'r a chwara a chw		inancing / job cr	and and a start of
				interesting / job in	and any carry
Provi	jected cost of the proposal				
	Cost to propose	-	Cost to -	public sector	
	(current, projected)		(current	t, projected)	
-					
Proi	jected benefit of the proposal				
-	Benefit to private sector	1	Benefit to	public sector	
_	(private sector savings, other)		(hacel rev	renues, other)	
_					
Cos	t/Benefit ratio the proposal				
Imp	lementation feasibility				
Imp	lementation feasibility Projected enactment date of the proposal	Projected date	at which in	plementation	of the propos
Imp		Projected date			of the propos
Imp		Projected date		plementation ly completed	of the proposi
Imp		Projected date			of the propos
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	Projected enactment date of the proposal		will be fu		of the propos
Doe	Projected enactment date of the proposal		will be fu		of the propos
Doe	Projected enactment date of the proposal		will be fu		of the propos
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Doe	Projected enactment date of the proposal	entation criteria (1	will be fu yes/no)	lly completed	
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Submitter:

Working Group	Public Sector Authority	Private Business	Interest Group	Academia	
Infrastructure	Ministry	# Employees	HTP		
Access to Finance	Parliament	> 1000	InfoPark	BNTU	
Innovation and R&D	Regional	100-1000	BUEE-BSPN	BSUIR	
Regulatory Environment and Taxes	Local	50-100	RCE	Private	
Skills Development	Agency	20-50	MCAEE	Other	
Branding and Communication	Other	5 - 20	BCCI		
Other		< 5	UEBR		
			RSU-BSIA		
		Foreign	Other		
		Local			

Issue Number/Title	Issue No.: Title of Issue						
Contact information of							
Specific target of the pr	roposal						
Indicator which the	e reform will improve	Projected impact that the reform will have					
(current, projected)		(investment generation / infrastructure development / skills					
		development / access to financing / job creation / etc.;)					
Projected cost of the pr							
•	rivate sector	Cost to public sector					
(current	, projected)	(current, projected)					
Projected benefit of the	e proposal						
	private sector	Benefit to public sector					
(private sector savir	ngs, investment, other)	(fiscal revenues, employment creation, other)					
Cost/Benefit ratio the p	proposal						
	t the 1:4 cost benefit ratio	(yes/no)					
(If no, explain why)							

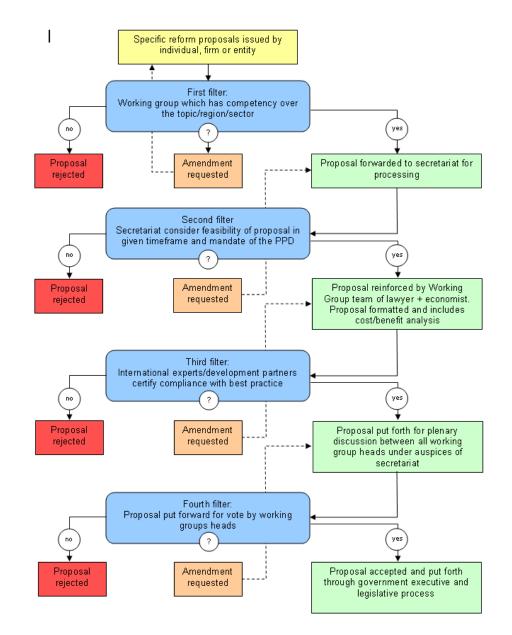
Issue Number/Title	Issue No.: Title of Issue	
Contact information of s	submitter (optional):	
Implementation feasibi	lity	
Projected enactmer	it date of the proposal	Projected date at which implementation of the proposal will be fully completed
Does the proposal meet	t the 6 month implementa	ition criteria (yes/no)
(If no, explain why)		
How does the proposal	align with development o	bjectives as spelled out in national plans?

Is	sue Number/Title	Issue No.: Title of Iss	ue						
Со	Contact information of submitter (optional):								
	What is the current situation which this proposal aims to solve? Why is the current situation a problem?								
(Q	(Quantify problems as much as possible)								
W	hat is the proposed so	olution?							
W	hat steps would be re	quired for this solutio	n to happen?						
#	Action Item		Responsible body	Designated person					
	If the solution requires new or modified procedure/law/text, include current and proposed text below								
Cu	Current text(s):								
Pro	Proposed text(s):								

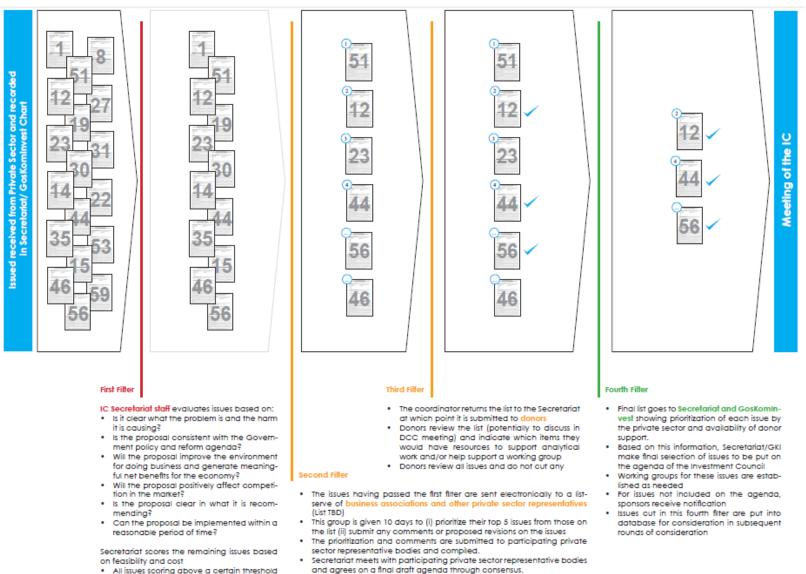
TRACKING SYSTEM FOR ACCOUNTABILITY

						IMPLEM	ENTATION	STATUS						
Issue No.	Name of working group	issue name	Primary instituion responsible for follow-up	Presented to the working group for consideratio n	accepted by working group for	working group and presented to		Reform enacted	agency internalizes	Reform implemente d as verified by constituents	Closed		Benefit realized to public sector	Comments on progress
1												\$-	\$-	
2												\$-	\$-	
3												\$-	\$-	
4												\$-	\$-	
5												\$ -	\$-	
6												\$-	\$-	
7												\$-	\$-	
8												\$-	\$-	
9												\$-	\$-	

FILTERING PROCESS TO ENSURE TRANSPARENCY AND FAIRNESS



FILTERING PROCESS TO ENSURE TRANSPARENCY AND FAIRNESS



- Any issue which doesn't appear on the top 5 prioritization list of at least 2 associations is cut and the sponsor is notified
 - Issues that are cut from the second filter will be stored in the database for review in subsequen

are passed to second filter

standard letter

· Issues scoring below this threshold are re-

moved and the sponsors notified with a



ROADBLOCK SUBMISSION FORM

Summaria

Private	Business	Government Agancy	Local Independent Agancy	International Agency	Buildozer
□ > 100	employees*	D PRSP	II FIPA	D SEED	DW.B.
3 50-100	employees*	C Entity*	E RDA*	DOF	DE.C.
□ 20-50	employees*	Canton*	X Business Association*	CI CHF	D US AID
□ 5-20	employees*	D Municip."	E Association*	I UNDP	□ .M.F.
$\Box < 5$	employees*	D Other*	C Other*	C Other*	DOHR

Reviewed and revised by: Buildozer Committee Working Group

Roadblock title	R 01 Harmonization of LLC Minimum Capital Requirement
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issue at stake:

Limited Liability Company (LLC) is the most popular form of business in Bosnia. One or more physical or legal persons can form a limited liability company by a founding act

- . In the Federation, the minimum statutory capital requirement is 2000 KM for a single proprietor and 10,000 KM if for an establishment with multiple partners.
- In R.S., the minimum statutory capital requirement is 5000 KM for all LLCs.
- In the Broke District, the minimum statutory capital requirement is 5000 KW for all LLCs.

The statutory capital is divided between the founders, who each have a minimum share. This minimum share defines the maximum number of people that can start a company.

- In the Federation, the minimum share is 2000 KM (meaning that founders of a company are limited to 5 persons)
- In R.S. the minimum share is 500 KW (meaning that founders of a company are limited to 10. persons).
- In the Broko District, the minimum share is 100 KM (meaning that founders of a company are limited to 50 persons).

Why is this a roadblock?

Unfair advantage in FBiH for single proprietors, unfair advantage in RS/Broko for multiple partners;

It may entire entrepreneurs to locate in the entity that presents the most advantage to them.

Harmonized fees are one step further towards a single economic space. Foreign investors generally refuse to deal with 3 different regulations for the same country.

Page 1 of 4

Single capital for both entities will facilitate the registration of a company in multiple entities.

It is too expensive. Lowering the investment will result in more people starting businesses. Additionally, lowering the cost of the minimum stake (share amount or price) will result in enabling small business to start with more partners (e.g. a small group could reach the proposed threshold of 2000 KM by having some individuals bring contributions as small as 100 KM to start the business).

Buildozing solution:

Make the minimal statutory capital requirement 2000 KM in all cases (single proprietor or multiple) partners) and in all instances, and lower the minimum share price to 100 KM.

Action item:

Modily Art 314 in the Law on Business Companies (Federation) Art 331 in the Law on Enterprises (R.S.), and Art. 343 in the Law on Enterprises (Broko). (see Annex)

FEDERATION OF BOSNIA AND HERZEGOVINA

Law on Business Companies

(Official Gazette of the Federation of Bosnia and Herzegovina, No. 23/99, 45/00 and 2/02)

Current Text:

Article 314

- (1) Statutory capital of limited liability company with several founders shall be no lass than 10,000 (tan thousand) KM, and if there is only one founder 2,000 (two thousand) KM. unless otherwise provided by other laws.
- 123 Value of an individual share may not be less than 2,000 (two thousand) KM.
- (3) Contributions in money may not in total be less than the amount provided by paragraph 1. of this article.
- (4) Contributions in items and rights shall be in total be invested in company until the day of submission of application for entry of company establishment into the court register, so that the company may permanently and freely dispose of them.
- (5) Until the day of submission of application for entry of company establishment into the court registry at least half of the contribution in money shall be paid in, and it shall be no less than the amount provided by paragraph 1 of this article.

Suggested Text:

Article 314

- 111 Statutory capital of a limited liability company with one or several founders shall be no less than 2.600 (two thousand) KM, unless otherwise provided by other laws.
- Value of an individual share may not be less than 100 (one hundred) KM. 121
- Contributions in money may not in total be less than the amount provided by paragraph 1. (3) of this article.
- (4) Contributions in items and rights shall be in total be invested in company until the day of submission of application for entry of company establishment into the court register, so that the company may permanently and freely dispose of them.

Face 2 of 4

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MERLIKS BARRAS

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Law or Description (Official Description of the Body District No. 1101, 1203)

lates for: All the page

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CLEAR SELECTION CRITERIAS

Forum	Propositions collectees par les GT	Propositions pre- selectionees par les GT	Propositions finalisees par les GT et presentees au secretariat	Propositions correspondan tes aux criteres de fesabilite	Propositions correspondan tes aux standards internationnau x	Propositions votees en séance pleniere	Proposition s retenues pour plus tard
Groupe de travail 1	40	16	6	4	3	2	1
Groupe de travail 2	40	16	6	4	3	2	1
Groupe de travail 3	40	16	6	4	3	2	1
Groupe de travail 4	40	16	6	4	3	2	1
Total	160	64	24	16	12	8	4
Ratio	→ 100%	40%	15%	10%	7.5%	5%	

NBF ADVOCACY EFFECTIVENESS

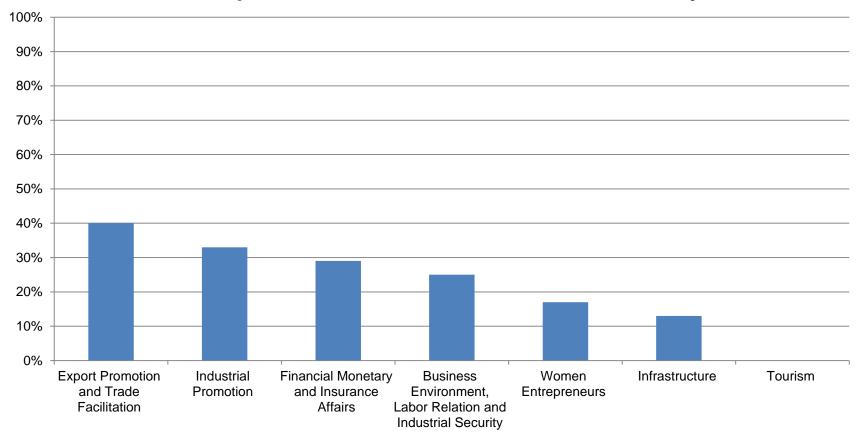
Nepal Business Forum Making Business Easier and Faster	Total Issues	Achieved	Pending Issues
Export Promotion and Trade	10	4	6
Facilitation	100%	40%	60%
Infractructura	8	1	7
Infrastructure	100%	13%	88%
Financial Monetary and Insurance	14	4	10
Affairs	100%	29%	71%
Business Environment, Labor	12	3	9
Relation and Industrial Security	100%	25%	75%
Industrial Promotion	18	6	12
industrial Promotion	100%	33%	67%
Woman Entrancours	12	2	10
Women Entrepreneurs	100%	17%	83%
	?	?	?
Tourism			

Source: Howard 2012, extracted from Nepal Business Forum Record

NBF ADVOCACY EFFECTIVENESS = 22%

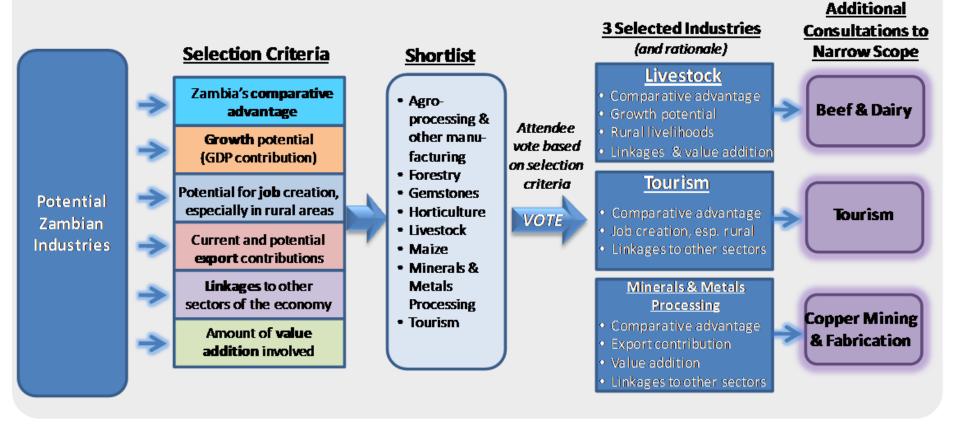


Ratio of Implemented to Recommended Reforms by WG



ZAMBIA PROCESS FOR INDUSTRIAL POLICIES

<u>Stakeholder Attendance</u>: Private Sector, Government, Organised Labour, Civil Society, Donors



-6-STRONG CONVINCING POWER



Bosnia Bulldozer initiative, "50 reforms in 150 days"







Source: PPD Handbook





From the Protocols for Prosperity... To the Prosperity Garden (Bosnia)





Cambodia SME credit reform – TV shows on location (SMEs) + Experts

Better Business Initiative Partnering to improve the economic environment

Nigeria PPD



Georgia legal and judicial reform

STMENT OF PUBLIC FUNDS

enacted? c, Federation Finance Minister Dragan Vrankic



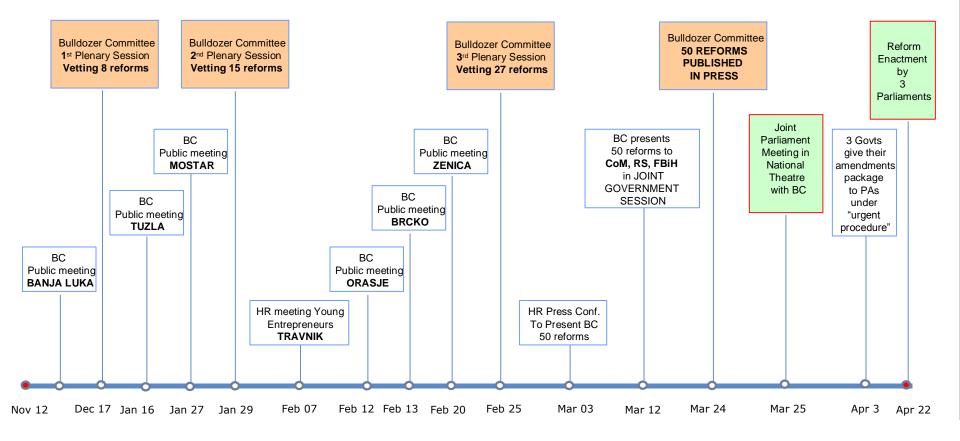
Accountability gets specific in Bosnia (corporate governance reform)

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 BBBF Requests for your comments and Feedback 	Recommendation Implemen	tation Status			
Neniter outcome of BBBF					
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CA strasses monitoring of BBBF recommendations	0 52	61		128	TOTAL 240
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recommendations	APPROVED (113)	DECISION PEN	IDING (128)	
 Solving fuel problem pot possible without adjusting gas price: CA 	About the BODF				
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Infrastructure Working Group					
Overview Member Becommendation	(2	Key BBBF activiti		
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Macroeconomic Policy	rather emphasize result- decisions and putput. It	oviented	environment		
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-7-GOOD PLANNING



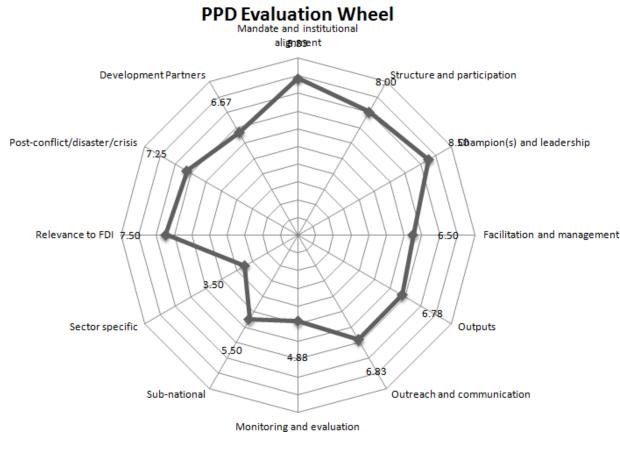
			PPD A	ction Matrix	(
Process Point	Activity	Action		Action Number	Start	Finish	Pe	eople	Budget	Indica	ator				
Mandate	Decree	Rewrite decree #312 to re representation of PS	flect fair	1	April	1-Jun-08	WB + Coun	cil of Ministers	0	New Decree 1	Issued				
	legal Mandate	Have a legal mandate writt competent legal entity	en by	2	1-May	1-Jun-08	Legal consu	ıltant	\$2,000	Finalized lega	al mandate				
Structure & Participation		Already in place										-			
Champions	Identify TOR Contact	Identify champions Develop TOR Contact Champions	Coun	3 trv:	Apr	Jun-08	Coordinator		0	Champions Id	lentified				
Facilator	Assignment secretariat	Assign 2 Champions for e Assign duties as needed	Name	e of initi			Council		omboi	2012					
	Secretariat	Follow up on MOFNE staff assignment to the PPD	ACUO	n Plan t	Imerral	ne	July 20								
	Forms	Establish a single compert of web based guidelines fi production of quality secre output		Proces	s Point		Activity	PP Action		ion Matrix ion Number Start		Finish	People	Budget	Indicator
		Monitor output	Output	<u>t</u>											
	PS	Maintain a pool of key bus figures who have expertis needs of the PS to allow t of good practice and futur		ach & Com oring & Ev		on									
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			Sector	Specific											
				onship to I											
				mitigation											
			Develo	pment Pa	rtners										

	tx change \$:	 500
	Total	US \$
Charges du Personnel		
Salaires	80,400,000	\$ 160,800
Frais Transport/Carburant	5,160,000	\$ 10,320
Frais de téléphone/communication	2,100,000	\$ 4,200
Sécurité sociale	12,381,600	\$ 24,763
S/Total charges du personnel	100,041,600	\$ 200,083
Dépenses de Fonctionnement		
Administratif	2,400,000	\$ 4,800
Bureautique	4,200,000	\$ 8,400
Marketing/Communication	3,600,000	\$ 7,200
Entretien equipements	1,800,000	\$ 3,600
Etudes et Recherches	15,000,000	\$ 30,000
Réunions Forum	8,300,000	\$ 16,600
Frais deplacement	3,500,000	\$ 7,000
5% Imprévus	1,940,000	\$ 3,880
S/Total fonctionnement	40,740,000	\$ 81,480
ΤΟΤΑUX	140,781,600	\$ 281,563

Charges du Personnel									
(Mensuel)		Secrétaire Permanent	Economiste	Analyste	Operations / M&E	Asst. Admin	Resp. Com.	Coursier Chauffeur	Total
Salaires		2,000,000	1,500,000	1,000,000	800,000	500,000	800,000	100,000	6,700,000
Frais Transport/Carburant		100,000	80,000	80,000	80,000	25,000	50,000	15,000	430,000
Erais Tel. Cel		50,000	30,000	30,000	30,000	10,000	20,000	5,000	175,000
Sécurité sociale	15.4%	308,000	231,000	154,000	123,200	77,000	123,200	15,400	1,031,800
Total Mensuel/Staff		2,458,000	1,841,000	1,264,000	1,033,200	612,000	993,200	135,400	8,336,800
Total Mensuel Tout Staff		XOF 8,336,800	\$16,674						

penses de	Fonctionnement	Unite	Prix unitaire	Sutotal	Total	Total S
(Mensuel)						
Administra						
	Audit (est. 2,5 million CFA/an)	1	200,000	200,000		
					200,000	\$ 400
Bureautiqu	ę					
	Equinitures de bureau, printing	1	250,000	250,000		
	Connection d'internet	1	50,000	50,000		
	Erais telephone fixe, fax	1	50,000	50,000		
					350,000	\$ 700
marketing/	Communication Publications, website, etc		000 000	200.000		
			200,000			
	Evenementiels, rencontres	1	100,000	100,000	000 000	
					300,000	\$ 600
Entretien e	quipements					
	Batiments	1	100,000	100,000 50,000		
	Divers	1	50,000	50,000		\$ 300
	1				150,000	\$ 300
Etudes et R	echerches	1	1,250,000	1,250,000	1,250,000	0.000
					1,250,000	\$ 2,500
Réunions F		1	200.000	200.000		
	Groupes Techniques	0.25	300,000	200,000		
	Bureau (Trimestrie) Forum Annuel + lancement (est. 2.5 millions/an)					
	Forum Annuel + lancement (est. 2,5 millions/an)	0.17	2,500,000	416,667	CO4 007	\$ 1,383
Frais depla					091,007	\$ 1,303
crais depla		0.00	2.000.000	400.007		
	Transport, coursier Frais de mission (hotel/restaurant)	0.08	1.500.000	166,667 125,000		
	riais de mission (notemestaurant)	0.00	1,500,000	125,000	291.667	\$ 583
					231,00/	ə 583
Soustotal					3,233,333	\$ 6,467
5% Imprévi	JS	5%			161,667	\$ 323
TAL des o	perations par mois				3,395,000	\$ 6,790

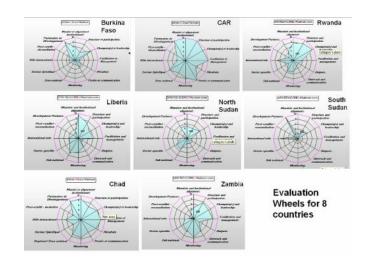
-8-MONITORING PROCESS AND EVALUATING IMPACTS



TOOLS AND TECHNIQUES FOR MONITORING + EVALUATION







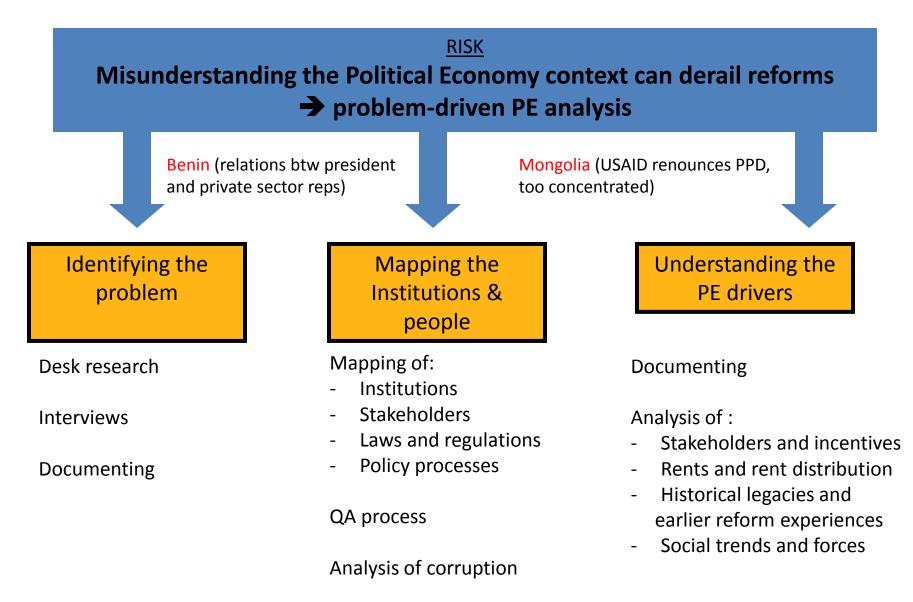
SUMMARY TABLE	SCORE	Weight
Mandate and institutional alignment	7.00	1
Structure and participation	5.00	1
Champion(s) and leadership	5.25	1
Facilitation and management	5.63	1
Outputs	7.33	1
Outreach and communication	5.92	1
Monitoring and evaluation	4.17	1
Sub-national	3.50	1
Sector specific	6.00	1
Relevance to FDI	8.00	1
Post-conflict/disaster/crisis	5.50	1
Development Partners	4.67	1
Average score:	5.66	

-9-UNDERSTAND THE RISKS

PPDS ARE RISKY BUSINESS

1- Political Economy, Institutional misalignments (e.g. Uganda NF, Benin) Political economy analysis, embrace institutions, use/train technical staff 2 - Reinforcing vested interest (e.g. Mongolia, Belarus) Be open and transparent – Publicize quality control – Broad based 3 - Over and under representation (e.g. Tanzania, 18%, Benin 6/6/6) Strengthening BMOS – Equal representation – Periodic review 4 - One man shows (e.g. Botswana) Foster bottom-up support – Secure written commitment – Prepare transition 5 - Sustainability issues (e.g. Bolivia, Cameroon, Liberia) Clear agenda and proposals – Manage expectations – Live and let die 6 - Political risks (e.g. Bosnia, Bangladesh) Depoliticize through outreach – Woo parliamentarians – Go local

1A - RISKS AND STRATEGIES: POLITICAL ECONOMY CONTEXT



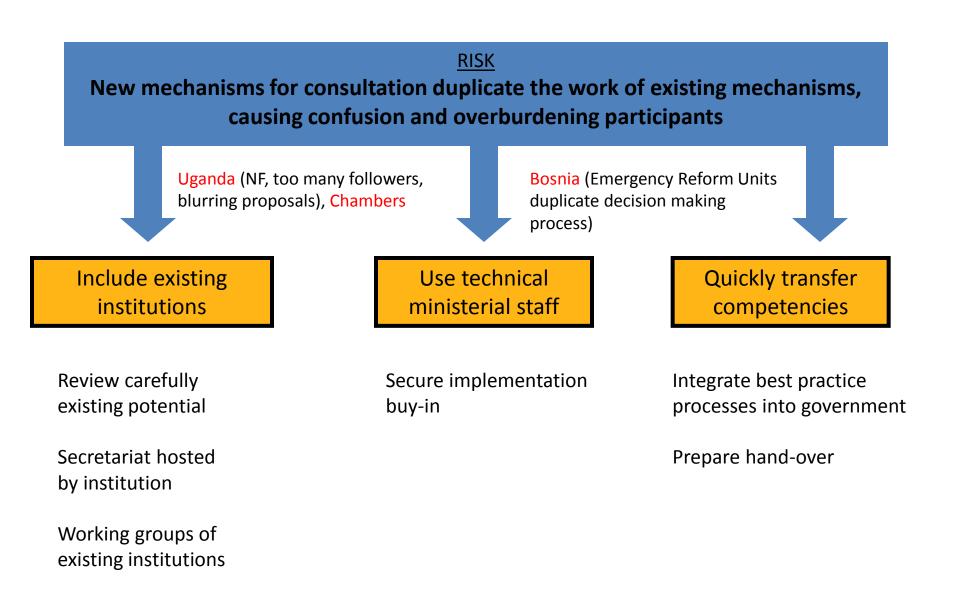
1A - RISKS AND STRATEGIES: POLITICAL ECONOMY CONTEXT

TOOLS FOR POLITICAL ECONOMY ANALYSIS

- Macro-level analysis:
 - Country level social analysis, power analysis, drivers of change, stakeholder analysis matrices, political mapping, network analysis, etc
- Meso-level
 - Micro-political mapping, force-field analysis, organizational mapping
- Micro-level
 - Informal interviews, observations, focus groups, questionnaires, household economy approach, consumer assessment

(Tools for institutional, political and social analysis of policy reform, a sourcebook for practitioners. World Bank, 2007)

1B - RISKS AND STRATEGIES: INSTITUTIONAL MISALIGNMENT

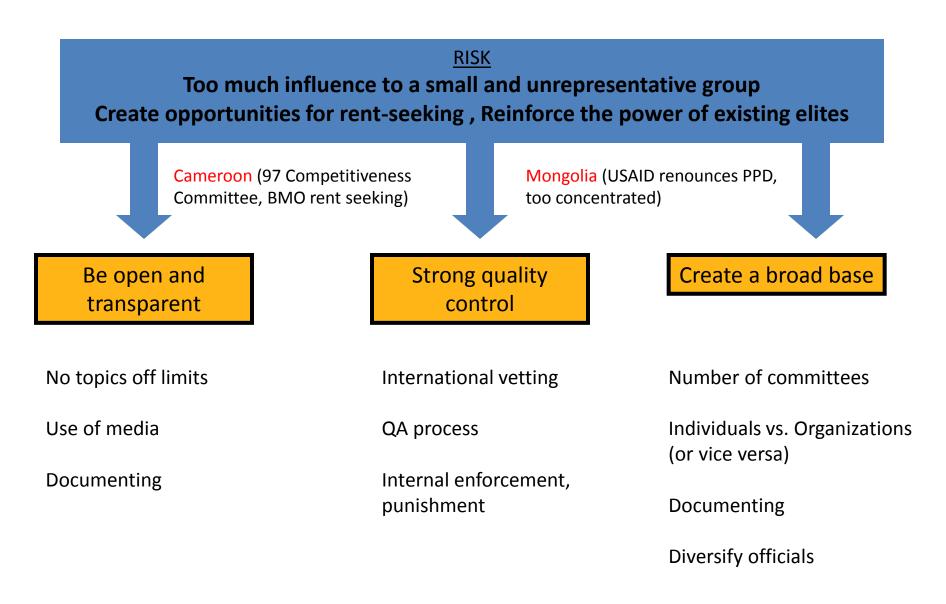


1B - RISKS AND STRATEGIES: INSTITUTIONAL MISALIGNMENT

MANDATE OF THE PPD: LEGAL STATUS

- Little effect if written into law or not BUT NEED transparent structure, rules and agendas
- Government decrees, ministerial orders, MoU's and the like can work equally well.
- When the council members or its support appendages involve temporary government employment and/or resource management legal statutes become necessary.

2 - RISKS AND STRATEGIES: REINFORCING VESTED INTERESTS



2 - RISKS AND STRATEGIES: REINFORCING VESTED INTERESTS

TYPES OF PRIVATE REPRESENTATION

Delegation by a stakeholder group

- Pros: Legitimacy of representation
- Cons: Difficult to remove "T-Shirt" for the "greater national good" unless there is a culture (inherent or instilled) of compromise and consensus seeking

- Personal capacity

- Pros: can at least take T-shirt partially or entirely off
- Cons: political legitimacy of recommendations; potential personal conflicts of interest.

- Quality required, mitigation:

- Recognized for their wisdom and expertise in the agenda areas of the PPD
- Presence of one or more "champions" of the cause of the PPD's mandate
- Codes of Conduct for participants
- Disclosure of interests in councils where representatives operate in a personal capacity

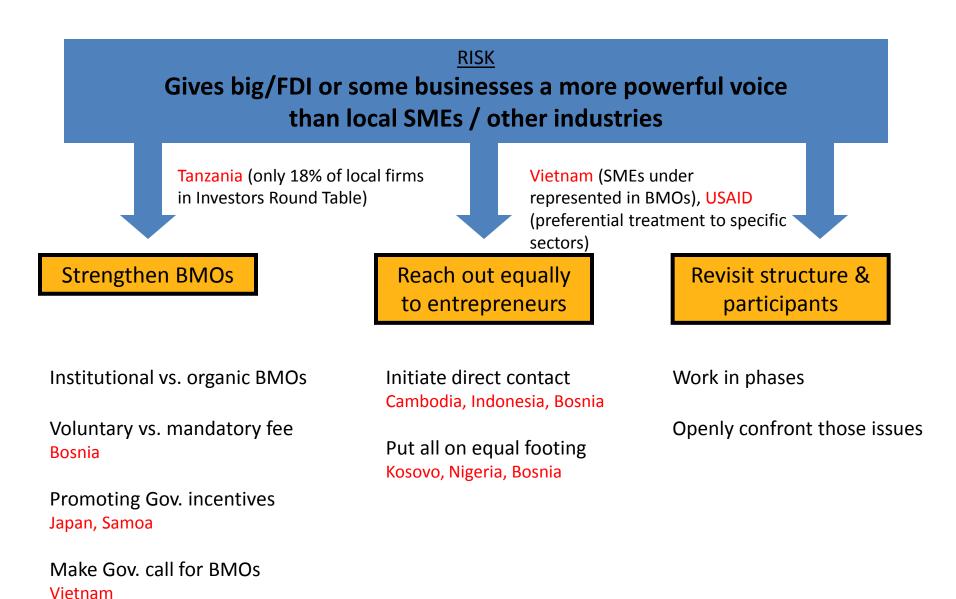
2 - RISKS AND STRATEGIES: REINFORCING VESTED INTERESTS

PARTICIPATION: WHO NOMINATES PS PLAYERS?

Appointed by stakeholder groups

- Pros: political legitimacy
- Cons: risk of highly politicized or incompetent nomination.
- Nominated by stakeholder groups and approved/appointed by government
 - Pros: some wiggle room for government to suggest an alternative if nominee is a disruptive character.
 - Cons: changing a nomination is politically tricky
- Selected and appointed by government
 - Pros: allows exercise of political leadership and statesmanship.
 - Cons: risk of political gamesmanship

3 - RISKS AND STRATEGIES: OVER AND UNDER REPRESENTATION



3 - RISKS AND STRATEGIES: OVER AND UNDER REPRESENTATION

WORKING WITH ASSOCIATIONS

• National Associations

- Pros: dense membership and resources for informed technical work.
- Cons: Can be "captured" by large firm(s) and/or prone to act as lobby:
 - Council is bypassed for bilateral lobbying (Colombia solution);
 - Self-interested bargaining in council overtakes national interest
- Mitigation strategy:
 - Culture of problem solving in the context of mutual interdependence and national interest
 - Political leadership, facts and methodologies of dialogue
 - Weighting voting in association can make positions more representative.

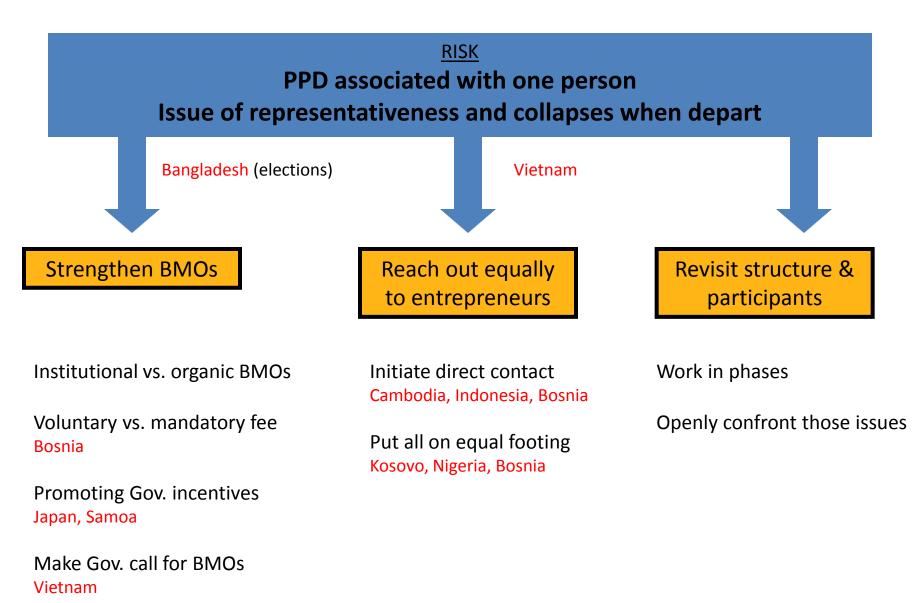
• Individuals that are representative of a constituency

- Advantage of less mediated opinions
- Disadvantage is difficulties in communication with constituents and access to technical support for problem solving

weak technical capacities

– Public programs of capacity building of associations (e.g., Spain)

4 - RISKS AND STRATEGIES: ONE MAN SHOW



4 - RISKS AND STRATEGIES: ONE MAN SHOW

SIZE OF THE PPD

Number of participants in plenary

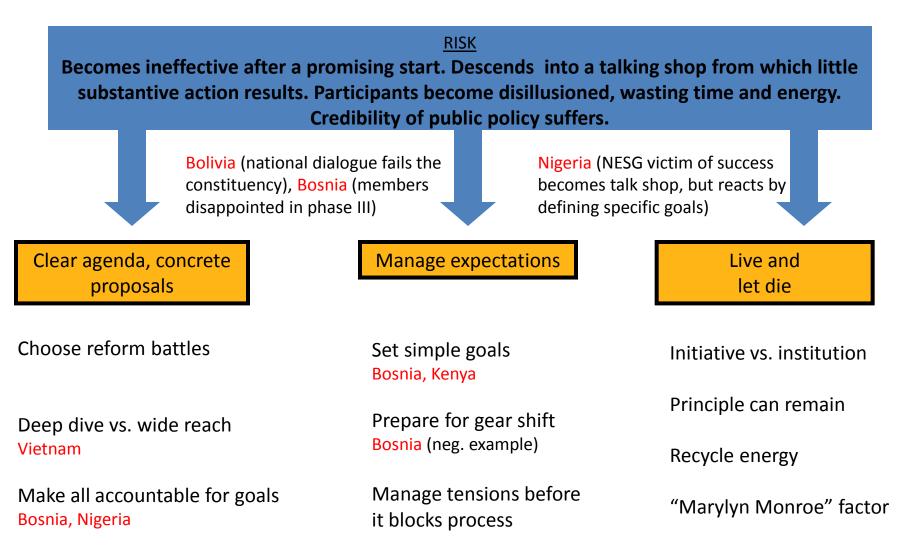
- Larger number favors representation, information gathering and reduces risk of rent seeking by any one party.
- Smaller number permits dialogue and joined up problem solving but could become captured by a group interest.
- Balanced representation promotes checks and balances, but if more the 20 should flash "red lights" due to functional implications.

Remuneration

- Cover travel and administrative costs
- Honorarium/salaries not recommended



5 - RISKS AND STRATEGIES: SUSTAINABILITY ISSUES



-10-AS YOU ENTER, THINK ABOUT EXIT

PERCEPTIONS

We have been supporting this PPD for 5 years, it's about time we get out of it. Especially that with the upcoming elections, things are getting political.

Senior Donor Agency Representative

Dialogue has been working, why do they want to stop the sponsoring it when they're just starting to get results?

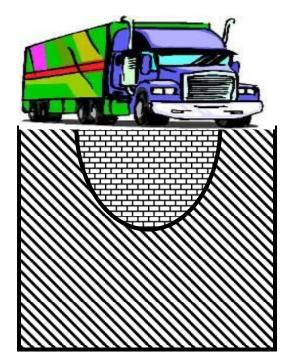
Private Sector Representative

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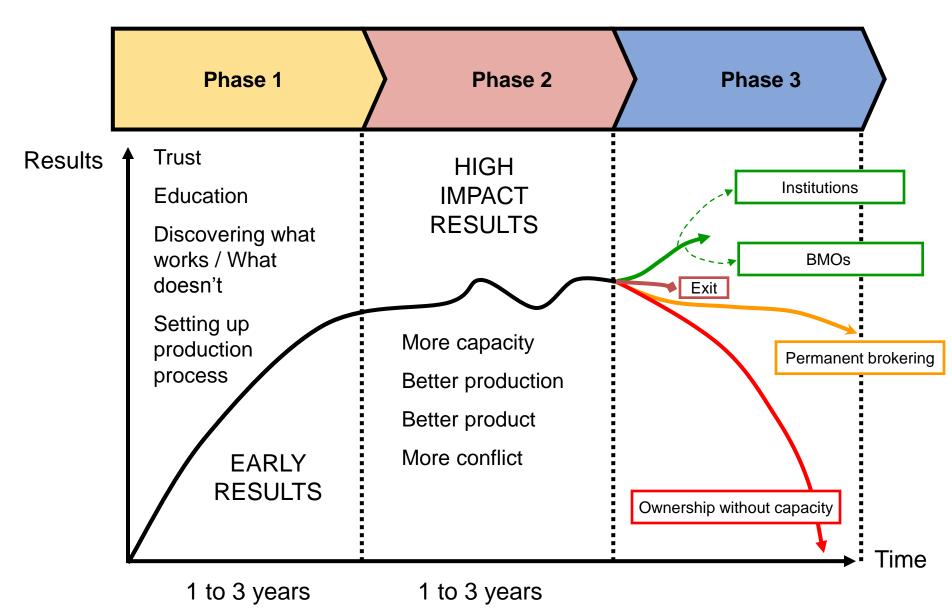
INITIATIVE OR INSTITUTION?

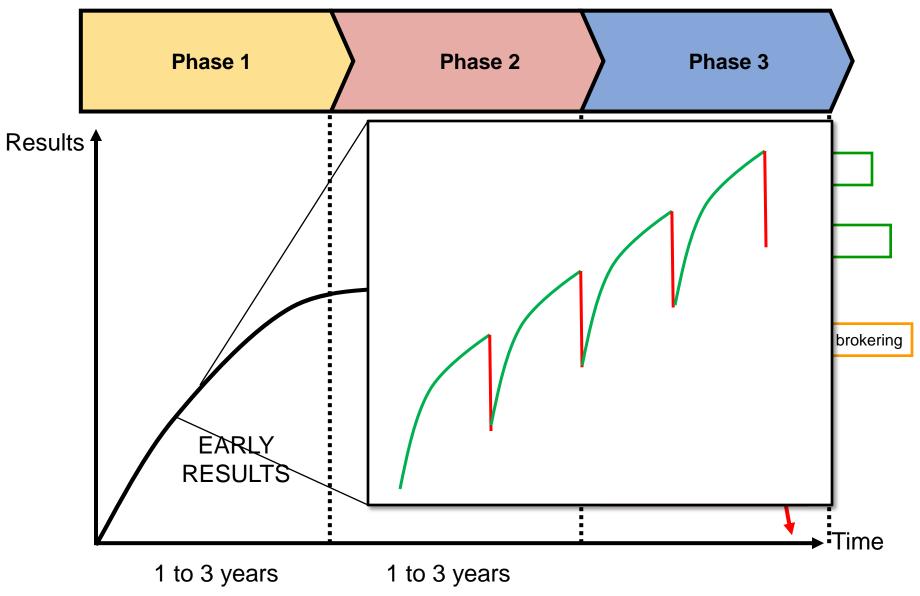
Public authorities



Private sector

LIFE AND DEATH OF A PPD MECHANISM



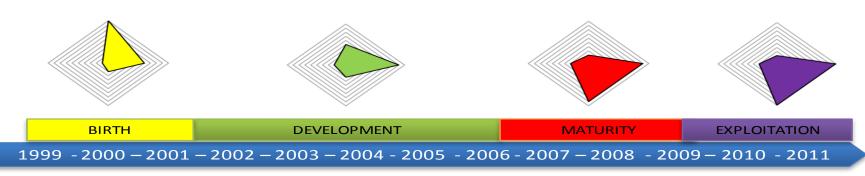


AVOIDING THE EXPLOITATION PHASE

Mould makers in Vallès

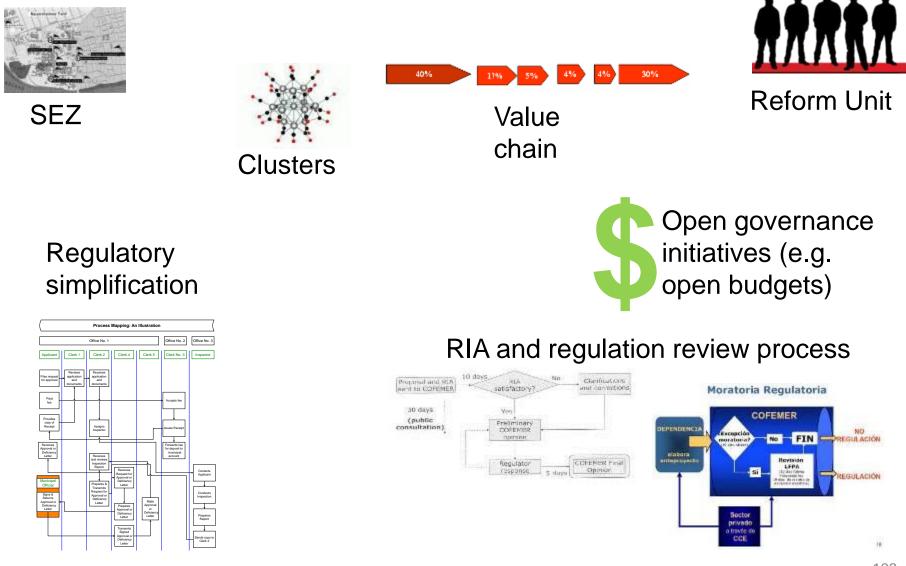


ASCAMM Technology Center (Mould Makers Association)



The Public and Private Ownership in the Evolution of the Local PPD

LINKING THE PPD TO OTHER REFORMS PROCESSES



HOW TO SHARE EXPERIENCES, GET GOOD PRACTICE MATERIAL, TOOLS?

www.publicprivatedialogue.org

COMMUNITY OF PRACTICE



Workshops

2006 PPD Workshop
(Paris, 30 countries represented)
2007 PPD Workshop
(Douala, 7 countries represented)
2008 PPD Workshop
(Dakar, 8 countries represented)
2009 PPD Workshop
(Vienna, 20 countries represented)

2010 PPD Workshop (Vienna, 23 countries represented)

2011 PPD Workshop

(Vienna, 20 countries represented)

Donor partnerships

OECD

(on implementation guidelines)
DFID
(co-funding of KM and projects)
GTZ
(co-implementation of PPD projects)
EBRD
(co-implementation of PPD projects)
USAID
(our PPD training to their PSD staff)

Catalonia ACC10 (research partnership)

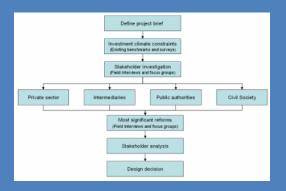
TOOLS

Implementation guidelines

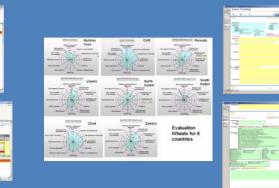
ublic-Private Dialogu

The PPD Handbook

Diagnostic tool



M&E Tools for PPD secretariats



http://www.facebook.com/publicprivatedialogue



THANK YOU!

Benjamin Herzberg World Bank Institute bherzberg@worldbank.org Fragility

agility

