

Fragility



Source: OECD 2011	Cumulative GDP decline from 2007/8 ceiling to 2009/10 floor
Ireland	-14.6%
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%



Haiti unemployment rate rises from 70% pre-quake to 80% post-quake



Japan's car production fell 60.1% after the March earthquake, a reduction of 439,828 (Source: Japan Car Manufacturers Association)

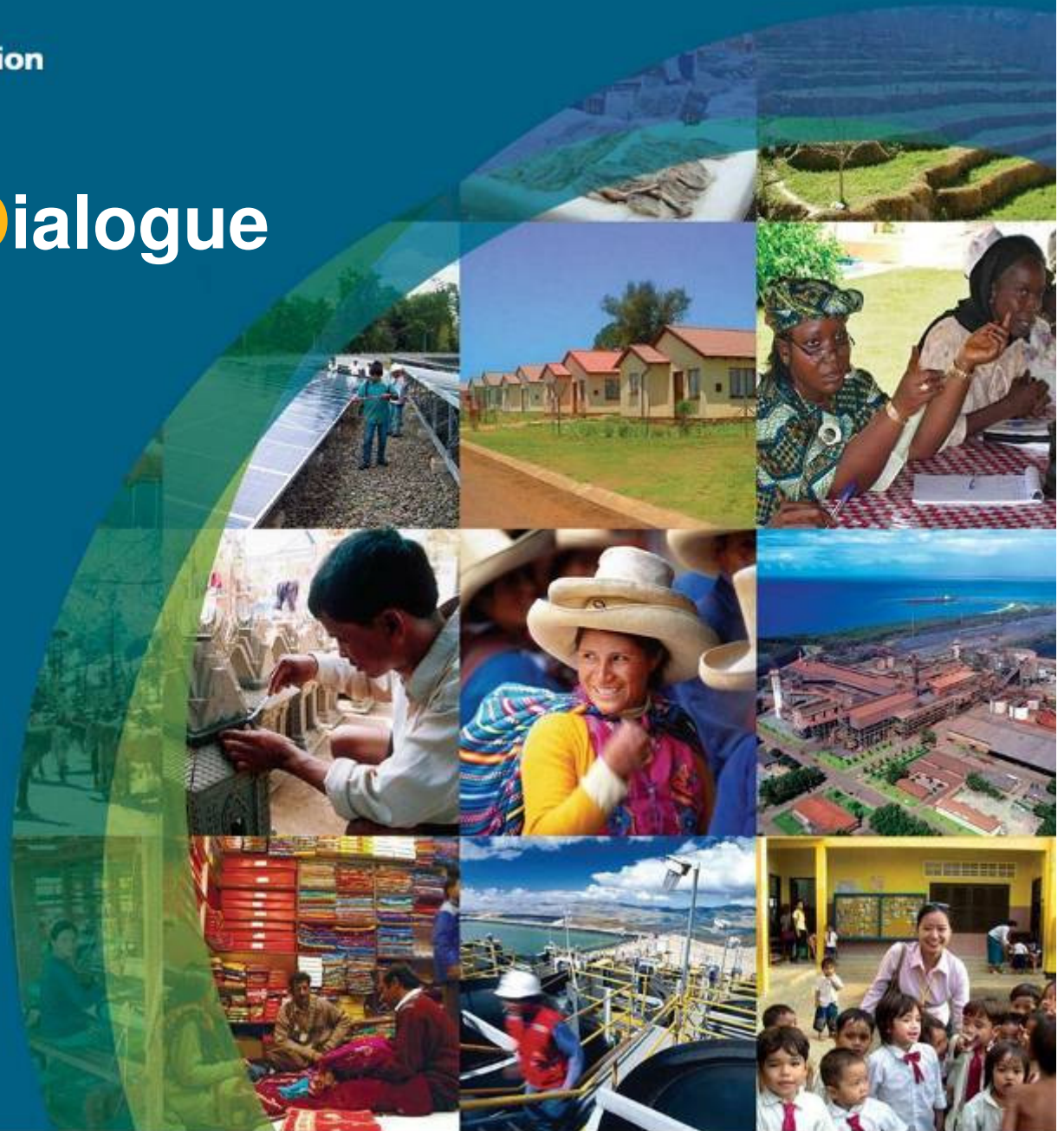


Egypt incurred an estimated \$1.7 billion in economic losses when crowds thronged Tahrir Square.

Public-Private Dialogue

5th PPD Workshop
June 1-2-3 2010
Vienna

Benjamin Herzberg
World Bank Group
Sr. Private Sector Development Specialist
PPD Global Product Specialist





What is it, what does it look like?

What it is

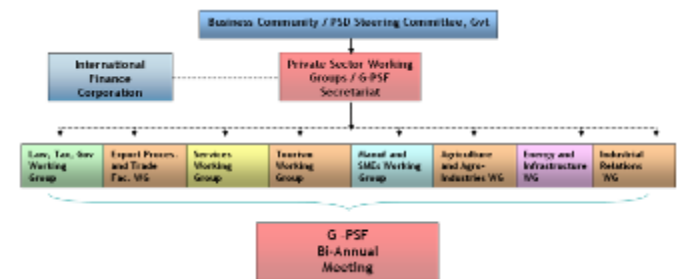
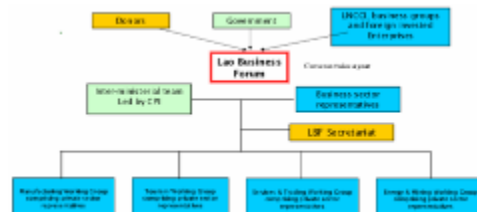
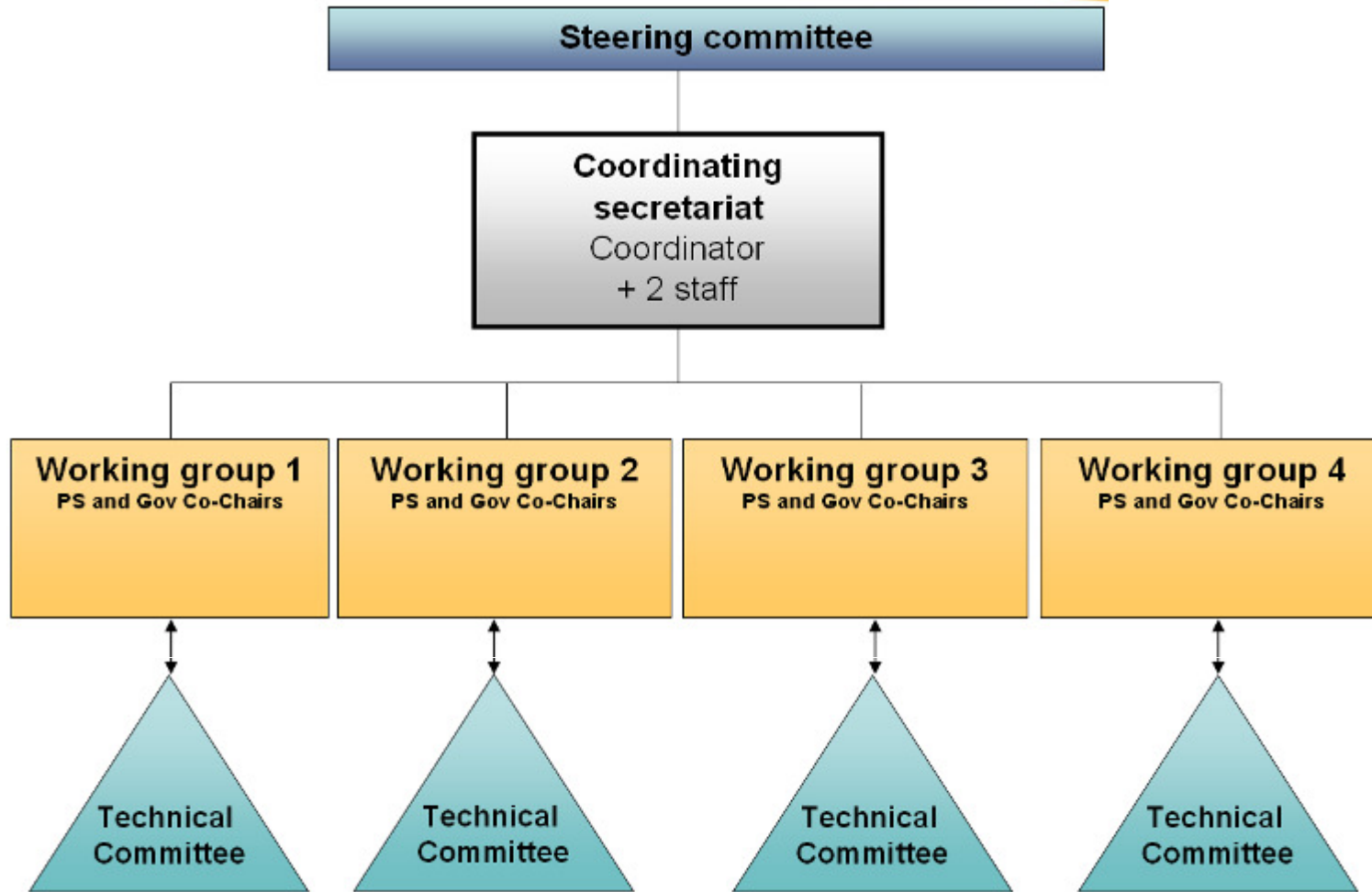
PPDs are structured mechanisms, anchored at the highest practical level, coordinated by a light secretariat, and aimed at facilitating the discovery process by involving a balanced range of public and private sector actors in identifying, filtering, accelerating, implementing, and measuring competitiveness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

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)

What does it look like

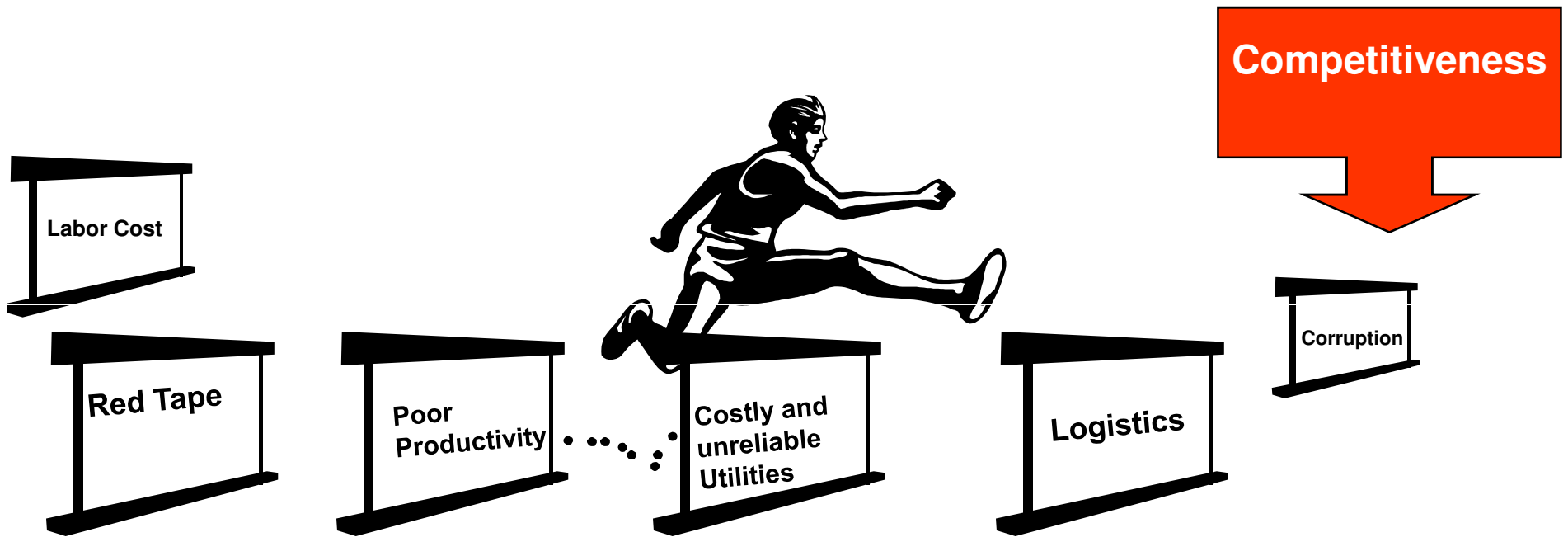




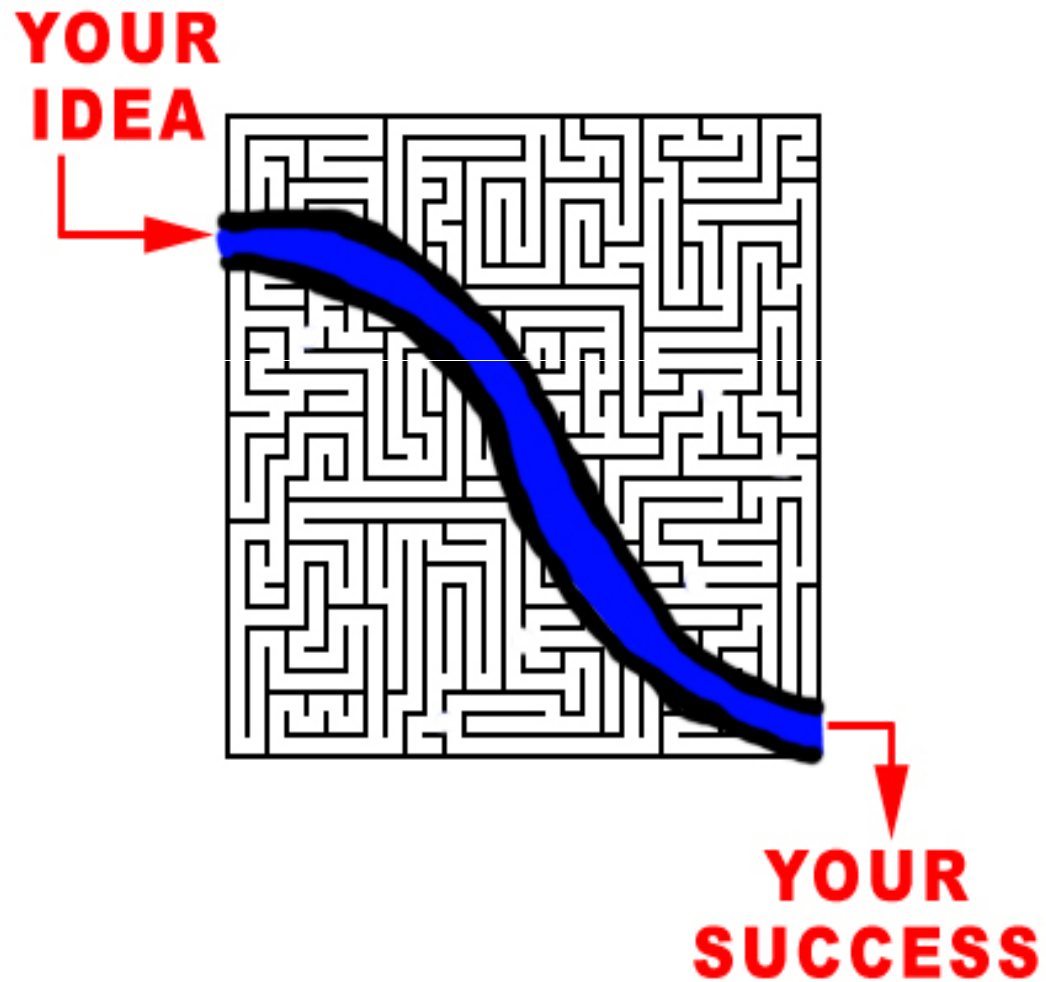


What is in it for me?

1- Government can prioritize



2- Entrepreneurs face reduced red tape

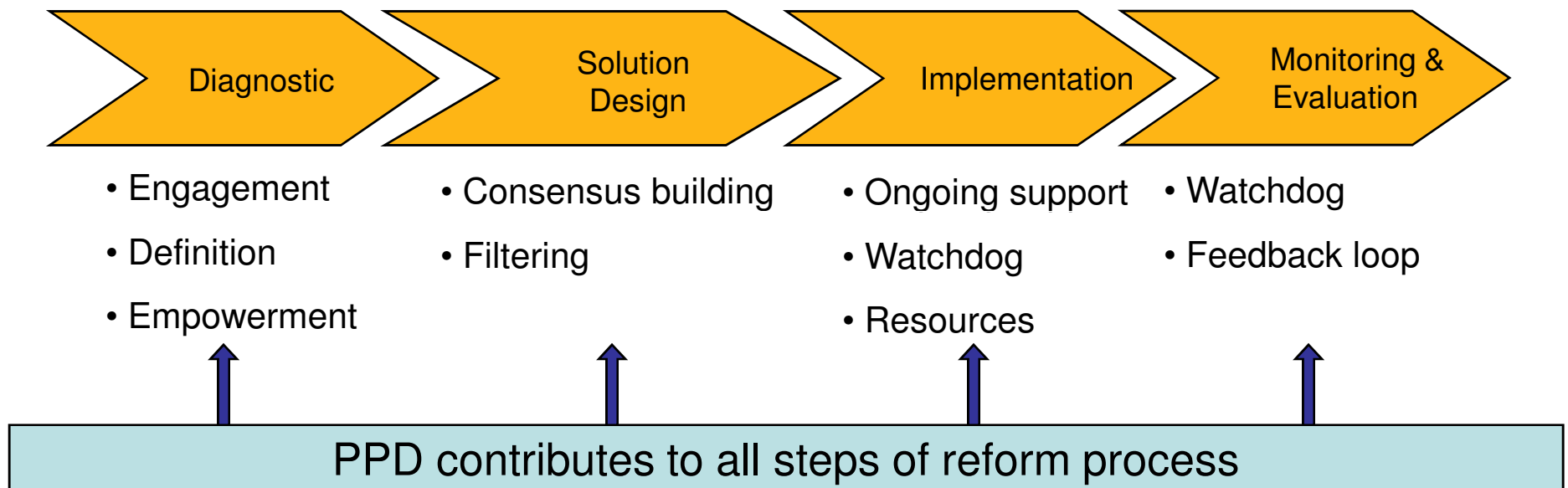


3- All voices get heard in a structured and fair manner



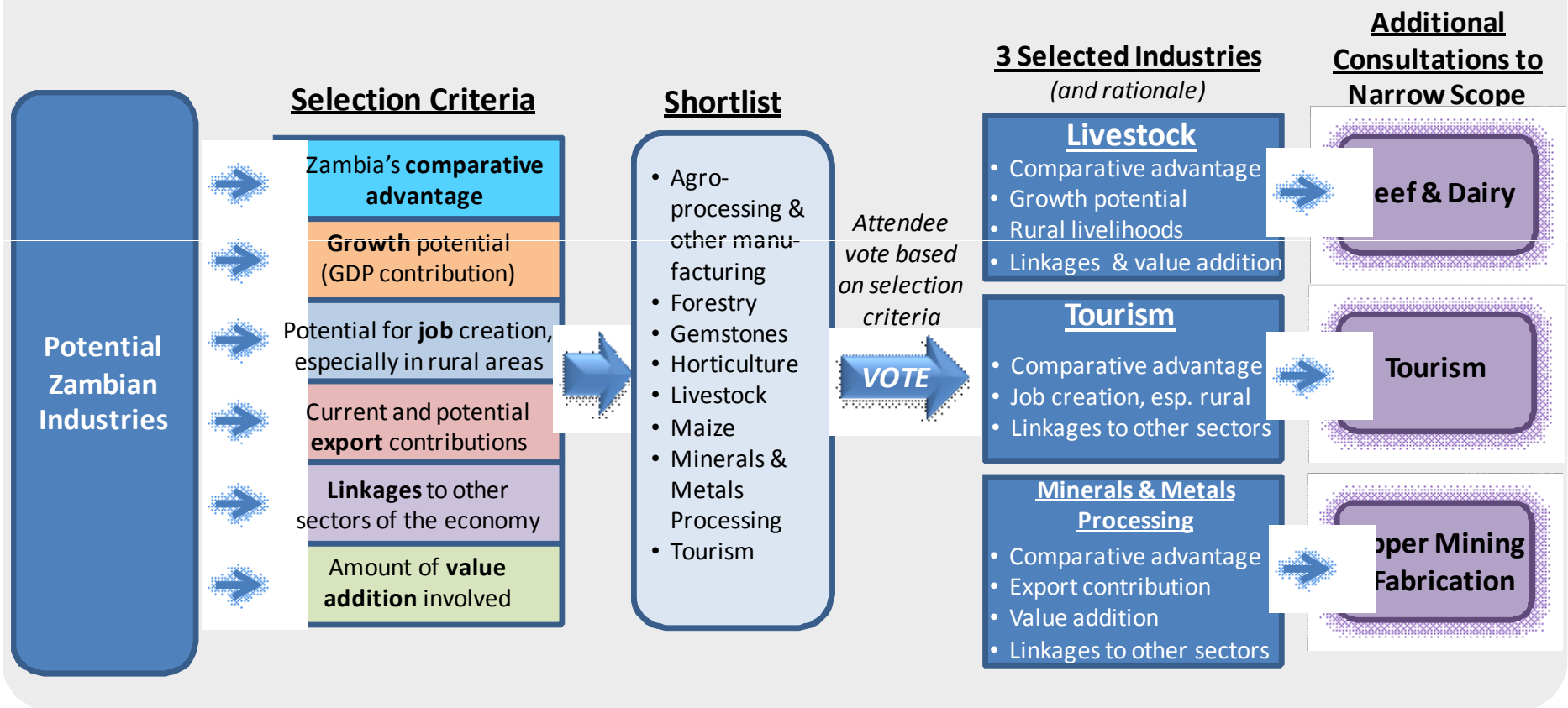
... which increases chances for reform success

Structured dialogue → Workable reforms → Reforms that work

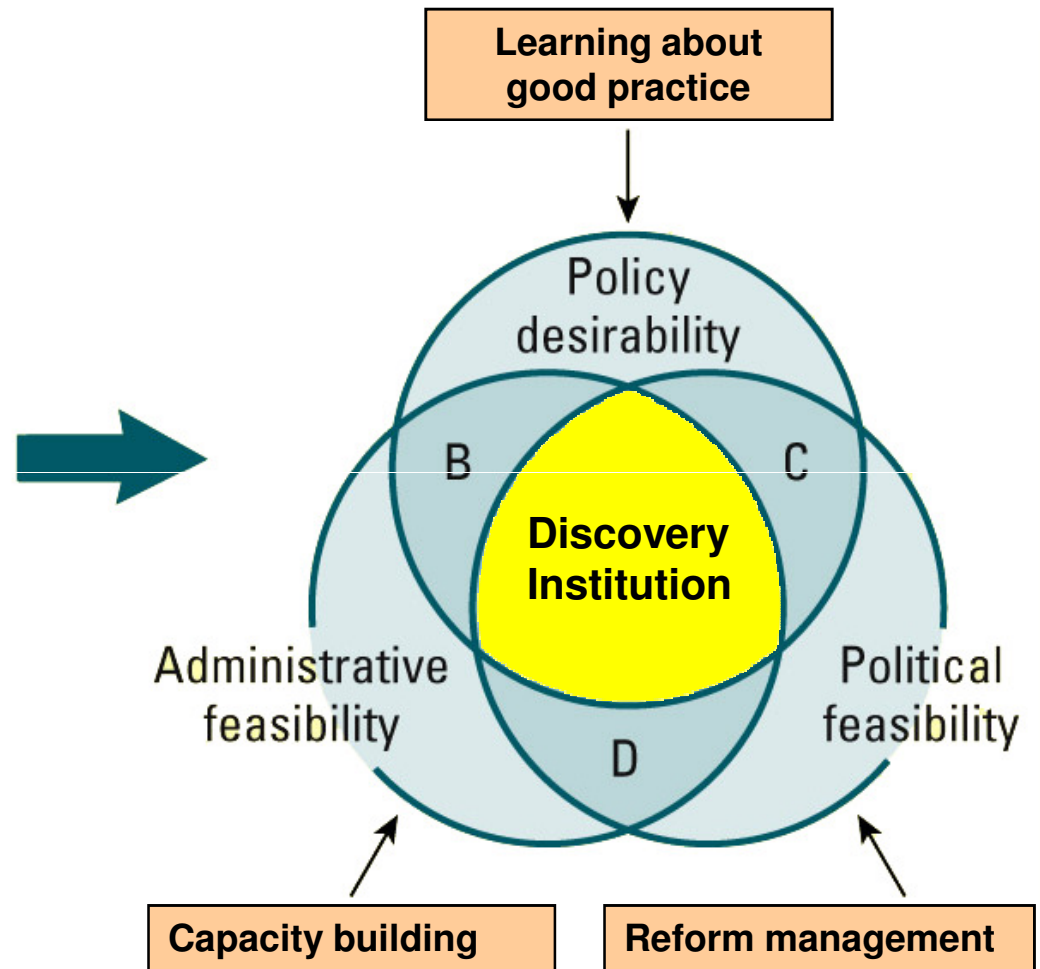
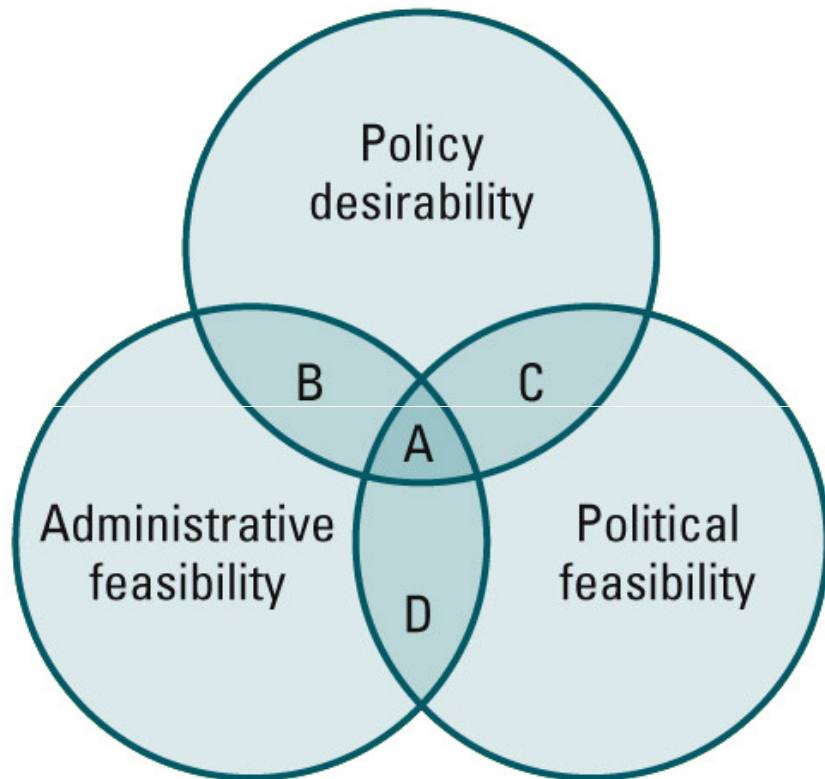


Zambia process for industrial policies

Stakeholder Attendance: Private Sector, Government, Organised Labour, Civil Society, Donors



4- Population benefits from more good policies



Source: WDR05.



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 PPDs

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

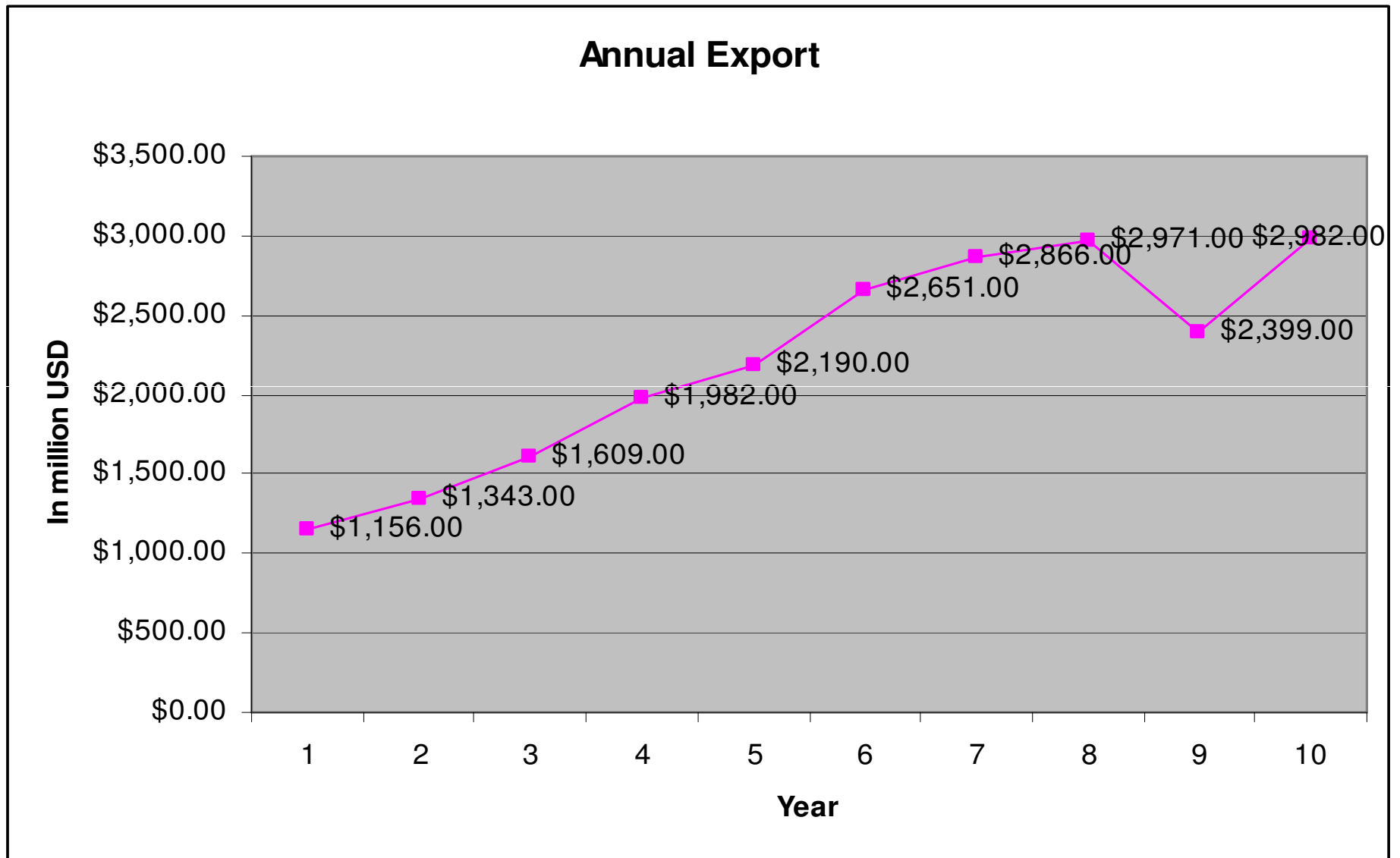
Aceh	2008
Albania	2008
Bangladesh	2007
Belarus	2007
Cambodia	1999
Chad	2008
Cameroun	2008
CAR	2007
Ethiopia	2008
Laos	2005
Liberia	2007
Nepal	2008
Pakistan	2008
Sierra Leone	2007
Romania	2006
Senegal	2002
North Sudan	2007
South Sudan	2007
Tanzania	2002
Timor Leste	2008
Tonga	2005
Uganda	2004
Vanuatu	2008
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 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



Nosy Be Pont cassé

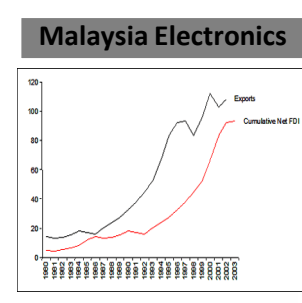
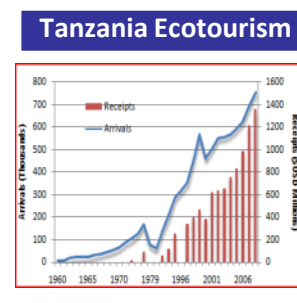
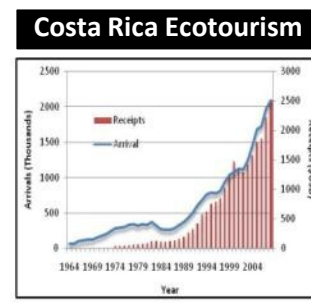
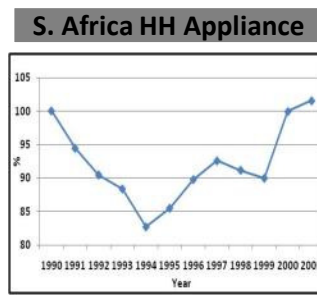
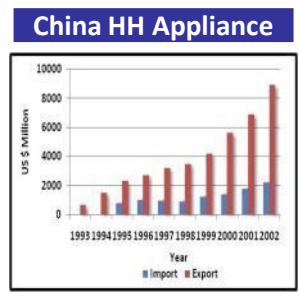
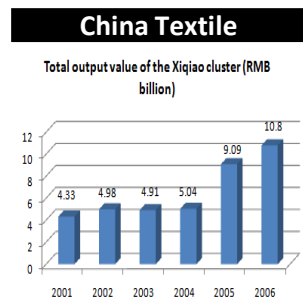
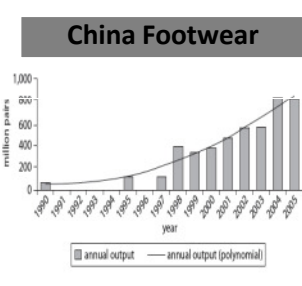
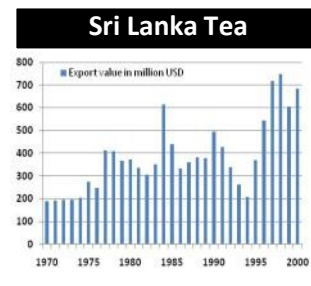
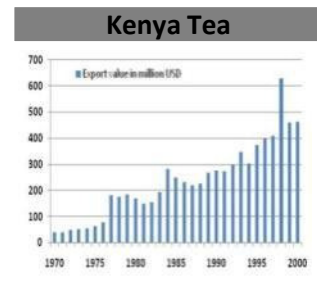
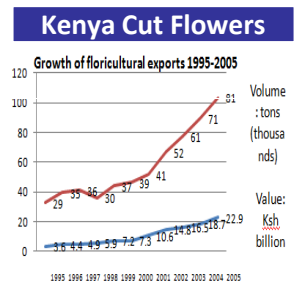
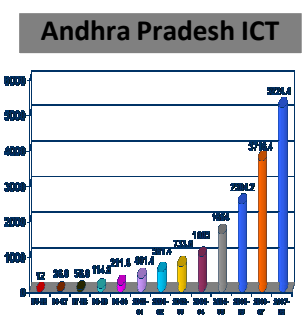
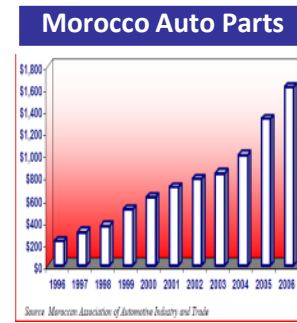
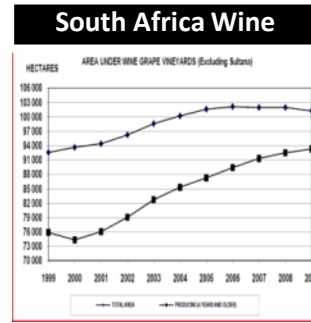
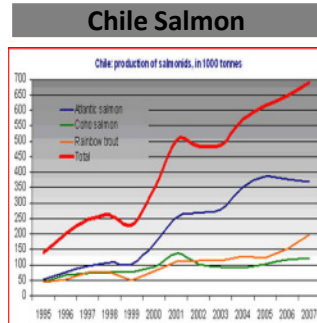
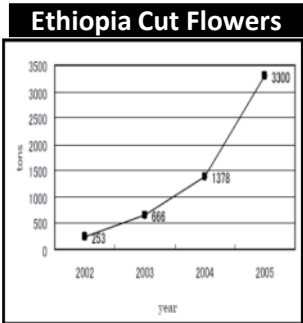


*RIP 118 : Soanierana –
Ranomafana*



*Rue Camille Valentin
Nosy Be*

Sector growth through PPD





How to implement PPDs?

Prerequisites

Consider 4 dimensions to start it

Public Authorities:

Engagement means sufficient capacity, political will and leadership.

Business community:

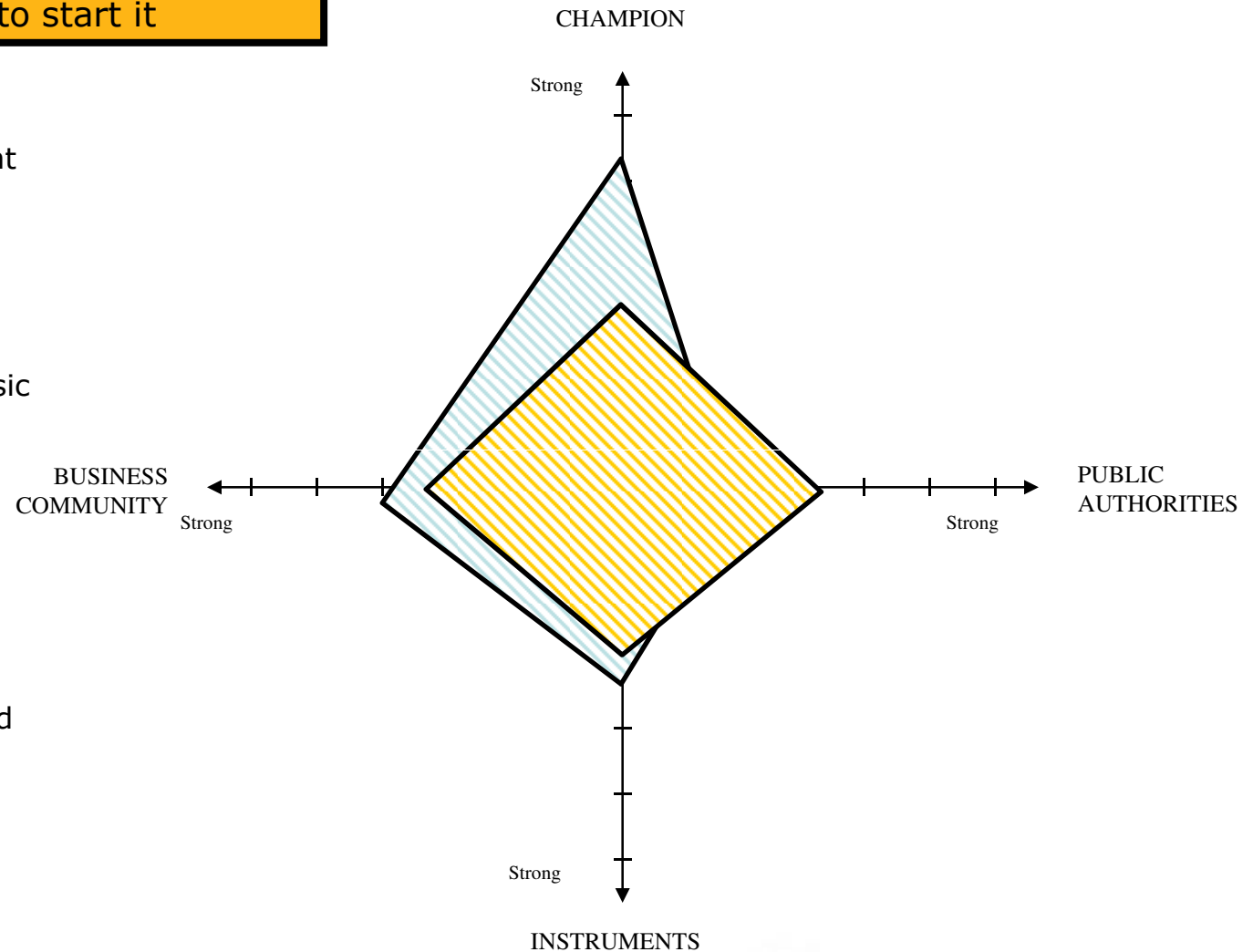
Needs to be somehow organized, led and feel a basic sense of security.

Champion:

Needs credibility, expertise and the ability to get media attention

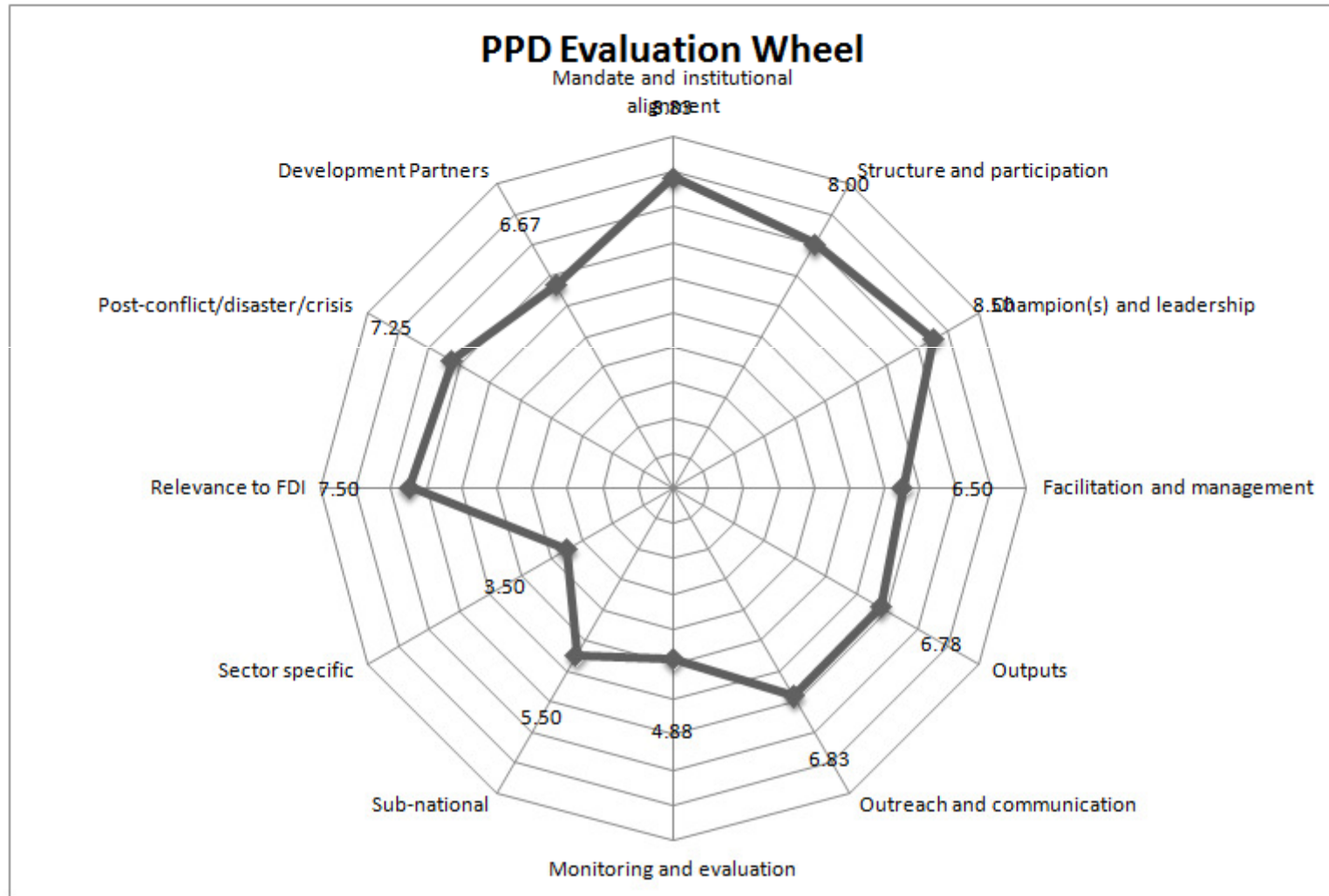
Instruments:

Need logistical facilities, seed funds (may also supplement champion in QA)



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 tips to get results

How to get results ?

-1-

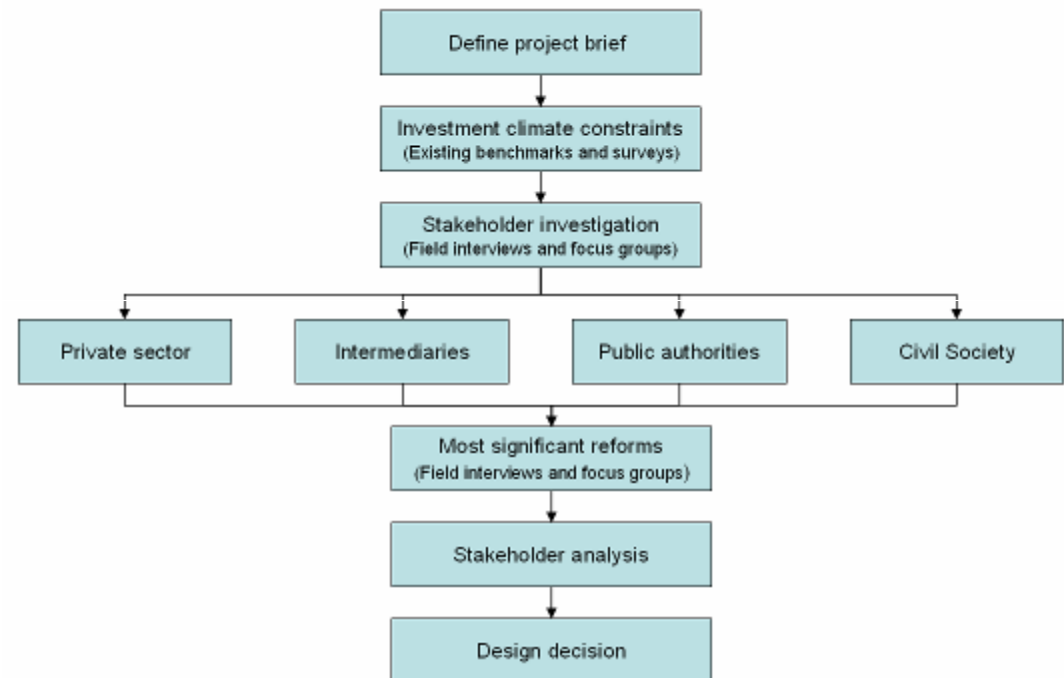
A lot of work

Huge coordination and mediation business



How to get results ?

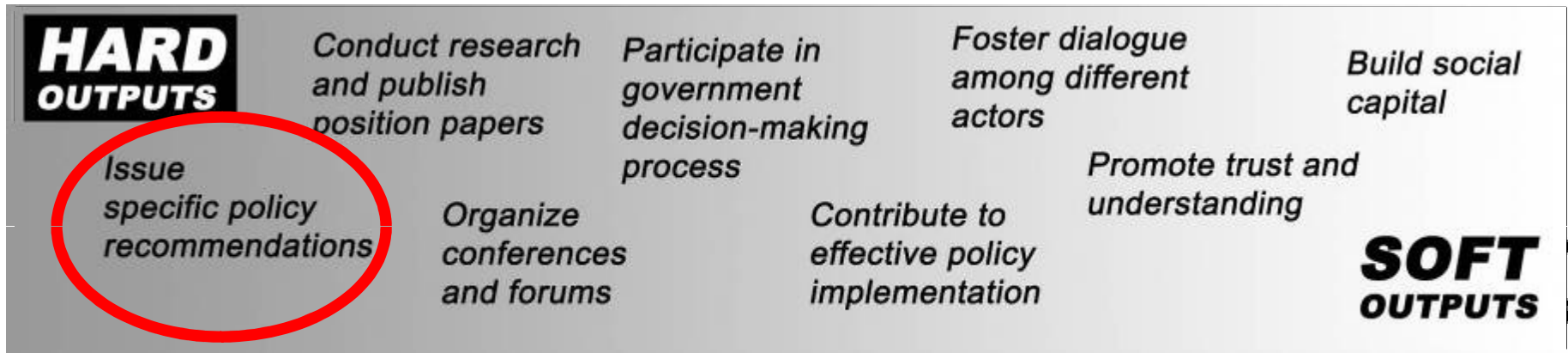
-2- Design consultations for PPD



-3-

**Strong focus on
targeted,
measurable
refroms**

Several types of outputs

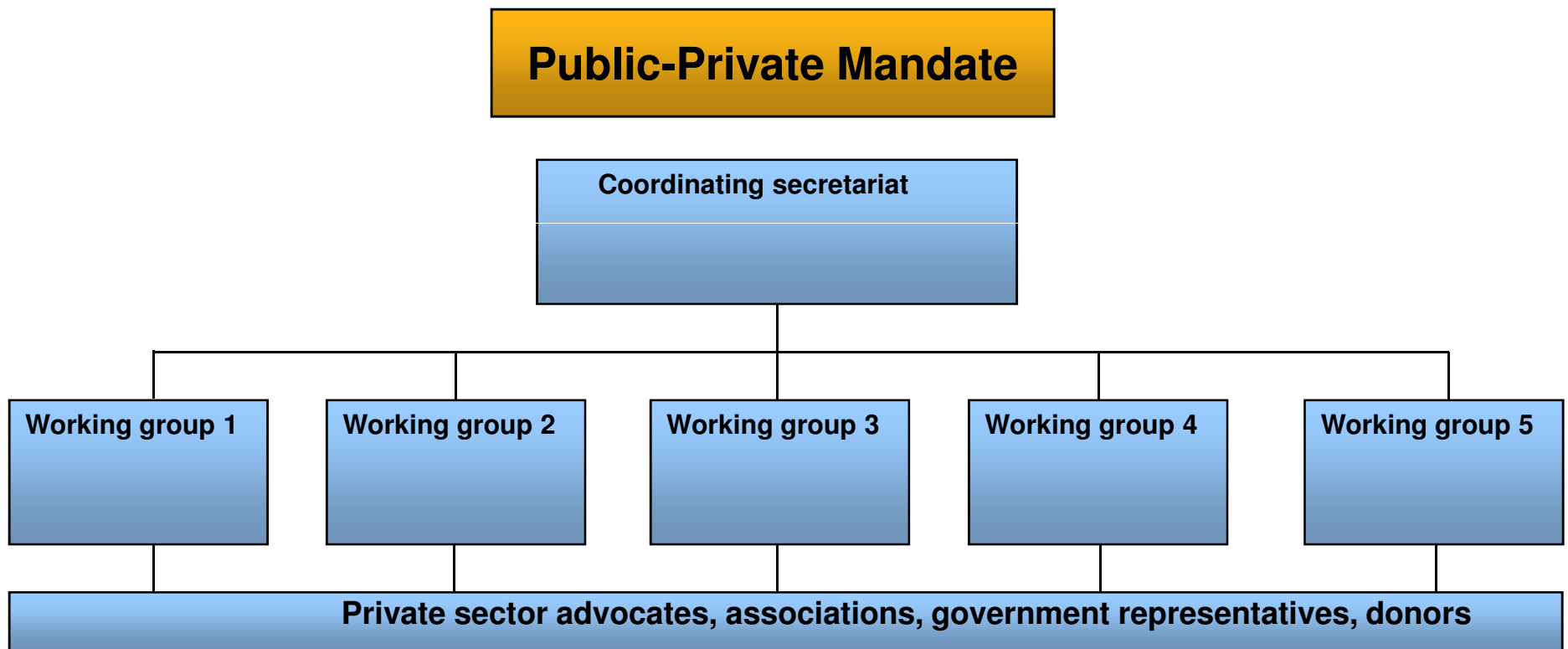


Focusing on this will bring the others

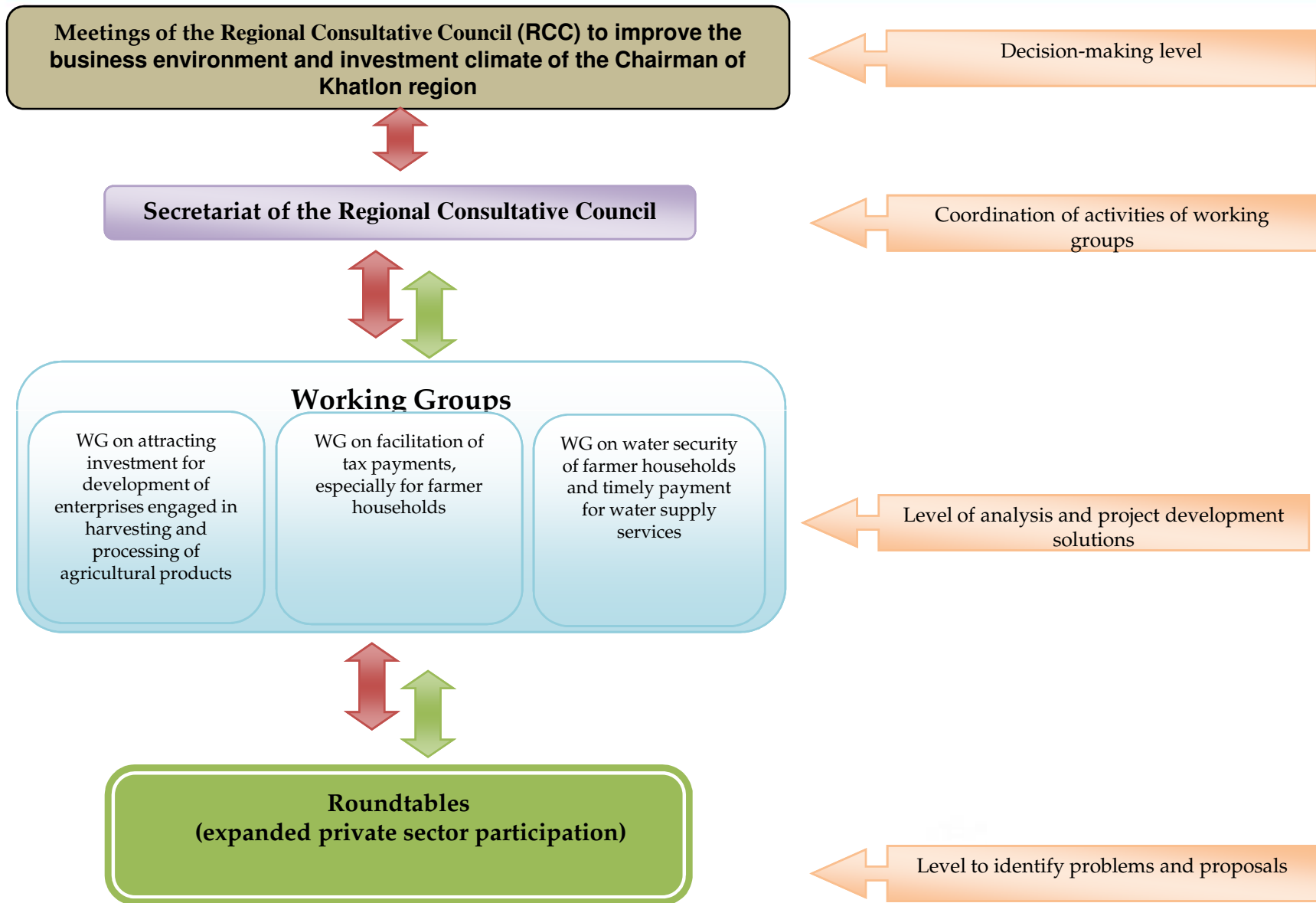
How to get results ?

-4-

Simple, **explicit** organization



Work format of the Regional Consultative Council (RCC) to improve the business environment and investment climate of the Chairman of Khatlon region



How to get results ?

-5-
**A unique,
transparent and
disciplined way
to collect reform
proposals**

Forum des Affaires République Centrafricaine

Améliorer le climat des affaires par le dialogue public-privé

Formulaire de proposition de réforme ou d'action

Idée proposée par :

Entreprise Privée	Etat	ONG	Agence Internationale
<input type="checkbox"/> >100 salariés	<input type="checkbox"/> Gouvernement	<input type="checkbox"/> Chambre de commerce	<input type="checkbox"/> SFI
<input type="checkbox"/> 50-100 salariés	<input type="checkbox"/> Parlement	<input type="checkbox"/> Association	<input type="checkbox"/> Autre
<input type="checkbox"/> 20-50 salariés	<input type="checkbox"/> Autorité locale	<input type="checkbox"/> Autre	
<input type="checkbox"/> 5-20 salariés	<input type="checkbox"/> Agence indépendante		
<input type="checkbox"/> < 5 salariés	<input type="checkbox"/> Autre		

Proposant (optionnel) : _____

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

Proposition numéro:	Titre de la proposition:

La situation actuelle méritant l'attention :

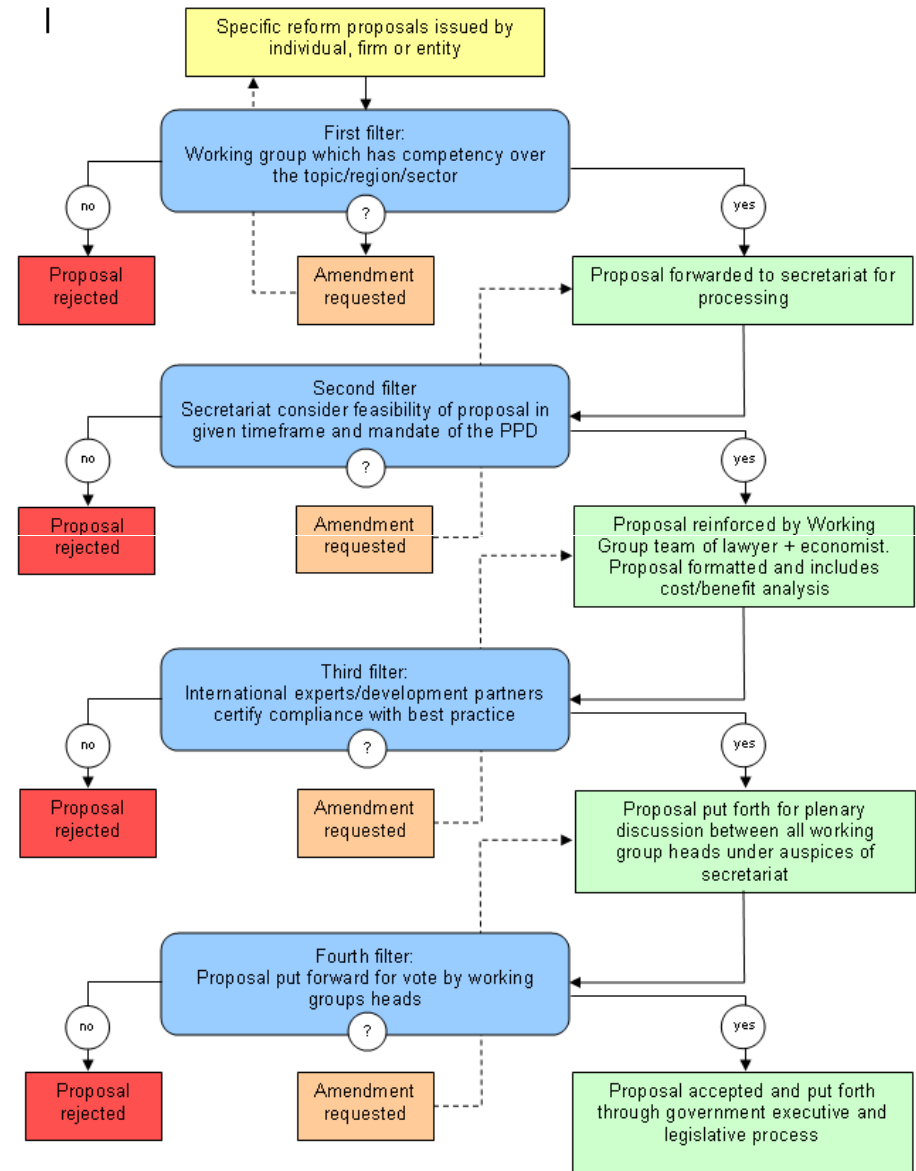
Raison pour lesquelles cette situation représente un frein au développement économique :

Solution(s) préconisée(s) :

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

How to get results ?

-6-
A filtering process that ensures quality of proposed reforms



How to get results ?



BULLDOZER EFFORT ROADBLOCK SUBMISSION FORM

Submitted by:

Private Business	Government Agency	Local Independent Agency	International Agency	Bulldozer committee
<input type="checkbox"/> > 100 employees*	<input type="checkbox"/> PRSP	<input type="checkbox"/> FIPA	<input type="checkbox"/> SEED	<input type="checkbox"/> W.B.
<input type="checkbox"/> 50-100 employees*	<input type="checkbox"/> Entity*	<input type="checkbox"/> ROW*	<input type="checkbox"/> QIF	<input type="checkbox"/> E.C.
<input type="checkbox"/> 20-50 employees*	<input type="checkbox"/> Canton*	<input checked="" type="checkbox"/> Business Association*	<input type="checkbox"/> CHF	<input type="checkbox"/> JS AID
<input type="checkbox"/> 5-20 employees*	<input type="checkbox"/> Munici* ¹	<input type="checkbox"/> Association*	<input type="checkbox"/> UNDP	<input type="checkbox"/> I.M.F.
<input type="checkbox"/> < 5 employees*	<input type="checkbox"/> Other*	<input type="checkbox"/> Other*	<input type="checkbox"/> Other*	<input type="checkbox"/> O.H.R.

Submitter: TALDI (Tuzla Agency for Local Development Initiatives)
Dr. Mevlida Kurasko-Majic, Direktor

Reviewed and revised by: Bulldozer Committee Working Group

Roadblock title: **R 01 Harmonization of LLC Minimum Capital Requirement**

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 Brčko District, the minimum statutory capital requirement is 5000 KM 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 KM (meaning that founders of a company are limited to 10 persons).
- In the Brčko 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/Brčko for multiple partners.

It may entice 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).

Bulldozing 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:

Modify 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 (Brčko), (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 20/2)

Current Text:

- Article 314**
- (1) Statutory capital of limited liability company with several founders shall be no less than 10,000 (ten thousand) KM, and if there is only one founder 2,000 (two thousand) KM, unless otherwise provided by other laws.
 - (2) 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**
- (1) Statutory capital of a limited liability company with one or several founders shall be no less than 2,000 (two thousand) KM, unless otherwise provided by other laws.
 - (2) Value of an individual share may not be less than 100 (one hundred) 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.

Page 2 of 4

- (2) Until the day of submission or application for entry of company establishment into the court register 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.

OFFICIAL GAZETTE

Law on Enterprises
(Official Gazette of the Republic of Serbia, No. 34/99, 83/02)

Current Text:

Article 47

- (1) Statutory capital of a limited liability company may not be less than 1,000 (one thousand) KM.
- (2) A minimum share of a particular member may not be less than 200 (two hundred) KM, unless otherwise provided by other laws.

Additionally, from provisions of paragraph 2. of this article, if members of a limited liability company do not wish to purchase preferred shares in accordance with those regulations, a share, whose amount of a particular member may be less than 200 KM.

Suggested Text:

Article 47

- (1) Statutory capital of a limited liability company may not be less than 2,000 (two thousand) KM.
 - (2) A minimum share of a particular member may not be less than 100 (one hundred) KM.
- Additionally, from provisions of paragraph 2. of this article, if members of a limited liability company do not wish to purchase preferred shares in accordance with those regulations, a share, whose amount of a particular member may be less than 100 KM.

OFFICIAL GAZETTE

Law on Enterprises
(Official Gazette of the Republic of Serbia, No. 11/01, 14/02)

Current Text:

Article 211

- (1) The capital shall consist of at least 100 (one hundred) KM, and each founding share amounting to at least 10 (ten) KM. The total amount of capital shall be the total amount of members' founding shares that be paid prior to the entry in the register.

Page 3 of 4

- (1) The capital shall consist of at least 100 (one hundred) KM, and each founding share amounting to at least 10 (ten) KM. The total amount of capital shall be the total amount of members' founding shares that be paid prior to the entry in the register.
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Suggested Text:

Article 211

- (1) The capital shall consist of at least 2,000 (two thousand) KM, and each founding share amounting to at least 200 (two hundred) KM. The total amount of capital shall be the total amount of members' founding shares that be paid prior to the entry in the register.
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Page 4 of 4

How to get results ?

-7-

A lot of work (again)

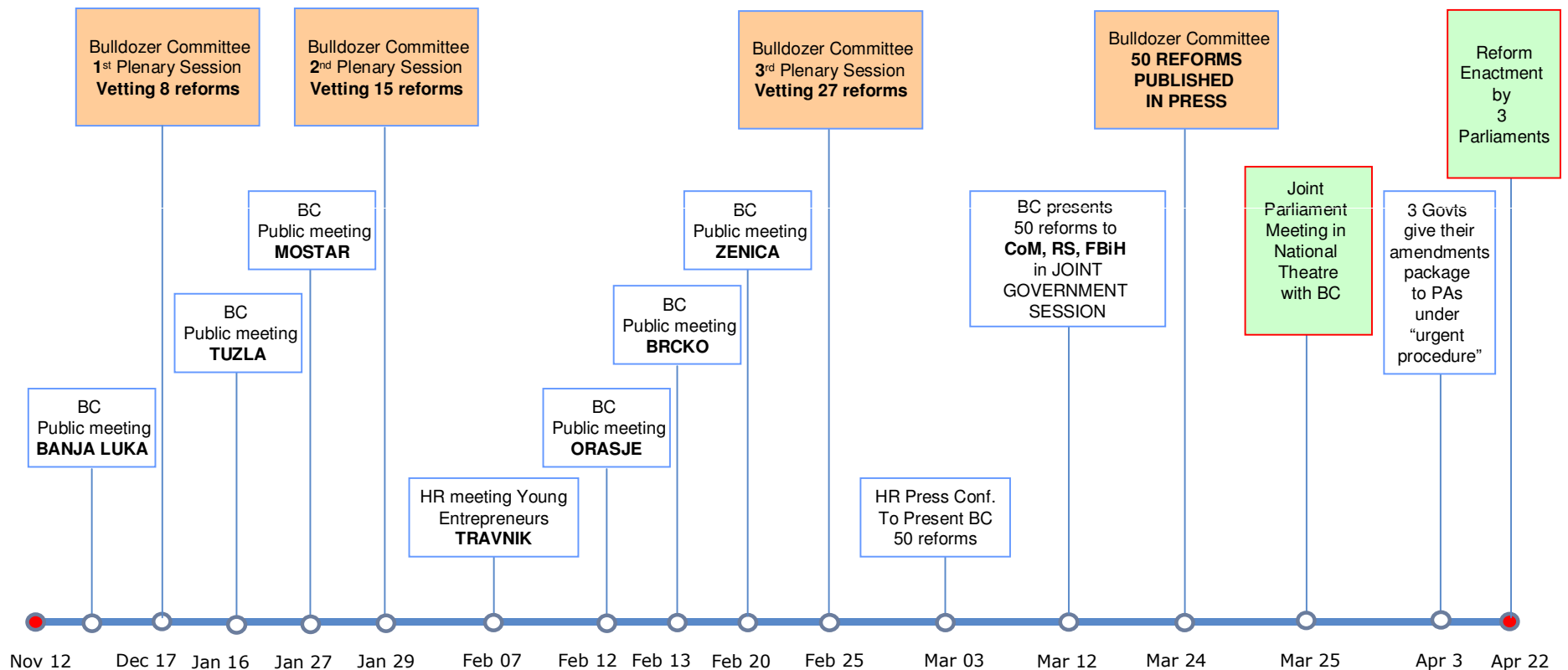
Simple criterias to ensure quick processing and transparency of process

Forum	Propositions collectees par les GT	Propositions pre-selectionees par les GT	Propositions finalisees par les GT et presentees au secretariat	Propositions correspondant aux criteres de fesabilite	Propositions correspondant aux standards internationnau x	Propositions votees en séance pleniere	Propositions 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
<u>Total</u>	160	64	24	16	12	8	4
<u>Ratio</u>	→ 100%	40%	15%	10%	7.5%	5%	

How to get results ?

-8-

Good **planning**



How to get results ?

-9-

Strong **convincing** power



Bosnia Bulldozer initiative, "50 reforms in 150 days"




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



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



Georgia legal and judicial reform



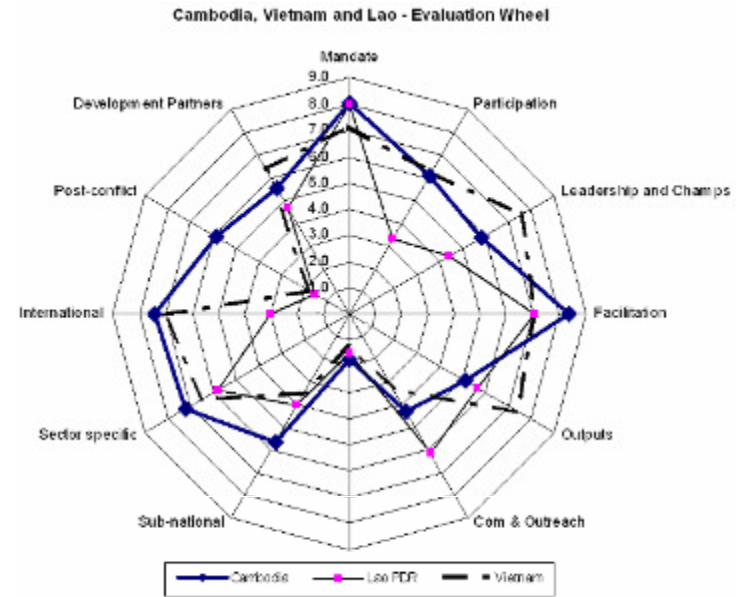
Accountability gets specific in Bosnia (Private government reform)

How to get results ?



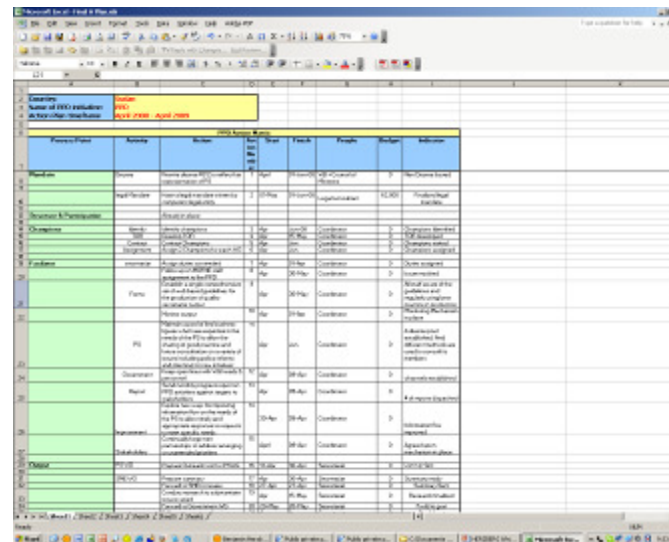
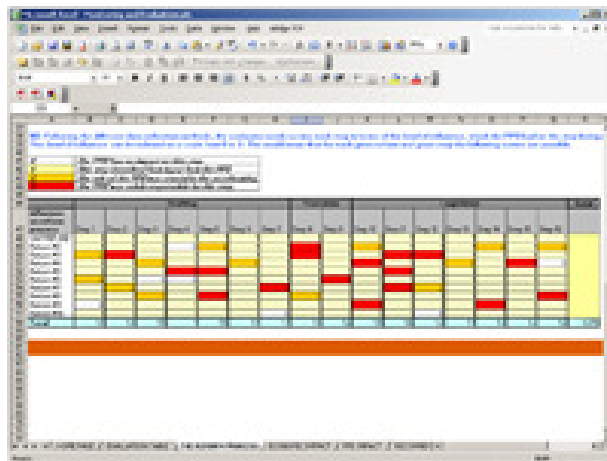
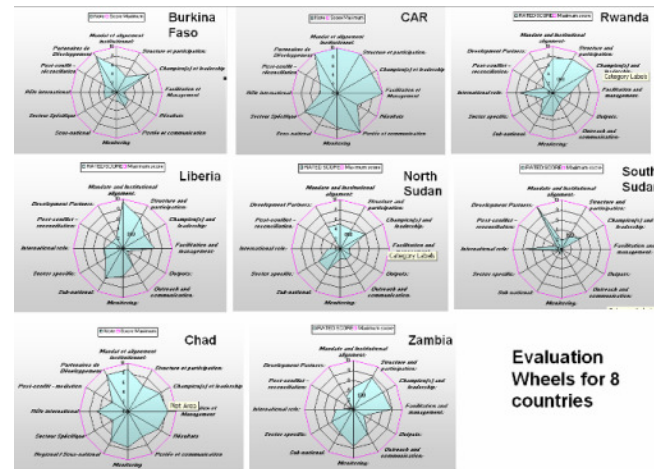
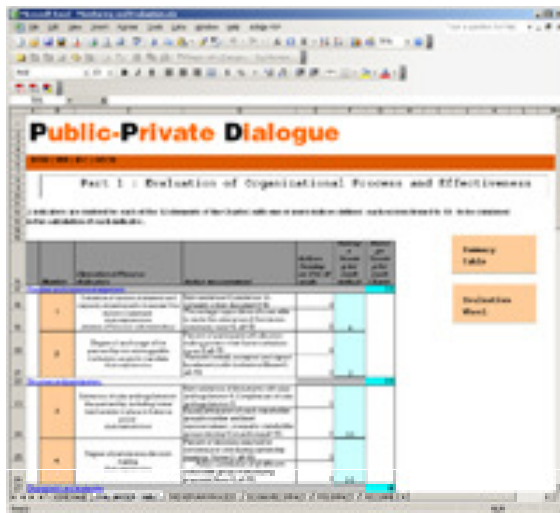
How to get results ?

-10- Monitoring process and **evaluating** impacts



Issue	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	Average
1.0	-	-	1.0	2.0	1.0	2.0	2.0	3.0	-	-	2.0	2.0	1.0	1.5
2.0	-	-	1.0	1.0	1.0	-	-	-	-	-	-	2.0	-	0.5
3.0	-	-	1.0	2.0	2.0	2.0	1.0	3.0	1.0	2.0	-	-	1.0	1.4
4.0	-	1.0	1.0	1.0	1.0	2.0	1.0	2.0	2.0	-	-	1.0	-	0.9
5.0	-	1.0	1.0	2.0	2.0	3.0	2.0	2.0	-	1.0	-	2.0	-	1.2
6.0	-	-	-	2.0	1.0	2.0	-	3.0	-	2.0	-	3.0	-	1.1
Average	-	0.3	0.8	1.7	1.3	2.2	1.5	2.6	0.6	1.0	0.4	2.0	0.3	1.1

Tools and techniques for monitoring + evaluation



How to start and exit PPD?

PPDs are risky business but risk is manageable

Reinforcing vested interest (e.g. Mongolia)

➔ Be open and transparent – Publicize quality control – Broad based

Over and under representation (e.g. Tanzania, 18%)

➔ Strengthening BMOS – Equal representation – Periodic review

Sustainability issues (e.g. Bolivia)

➔ Clear agenda and proposals – Manage expectations – Live and let die

One man shows (e.g. Botswana)

➔ Foster bottom-up support – Secure written commitment – Prepare transition

Political risks (e.g. Bosnia)

➔ Depoliticize through outreach – Woo parliamentarians – Go local

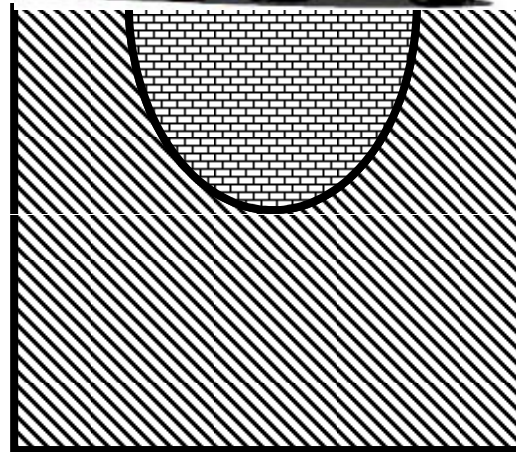
Institutional misalignments (e.g. Uganda NF)

➔ embrace institutions – Use technical ministerial staff – Transfer competencies

Initiative or institution?

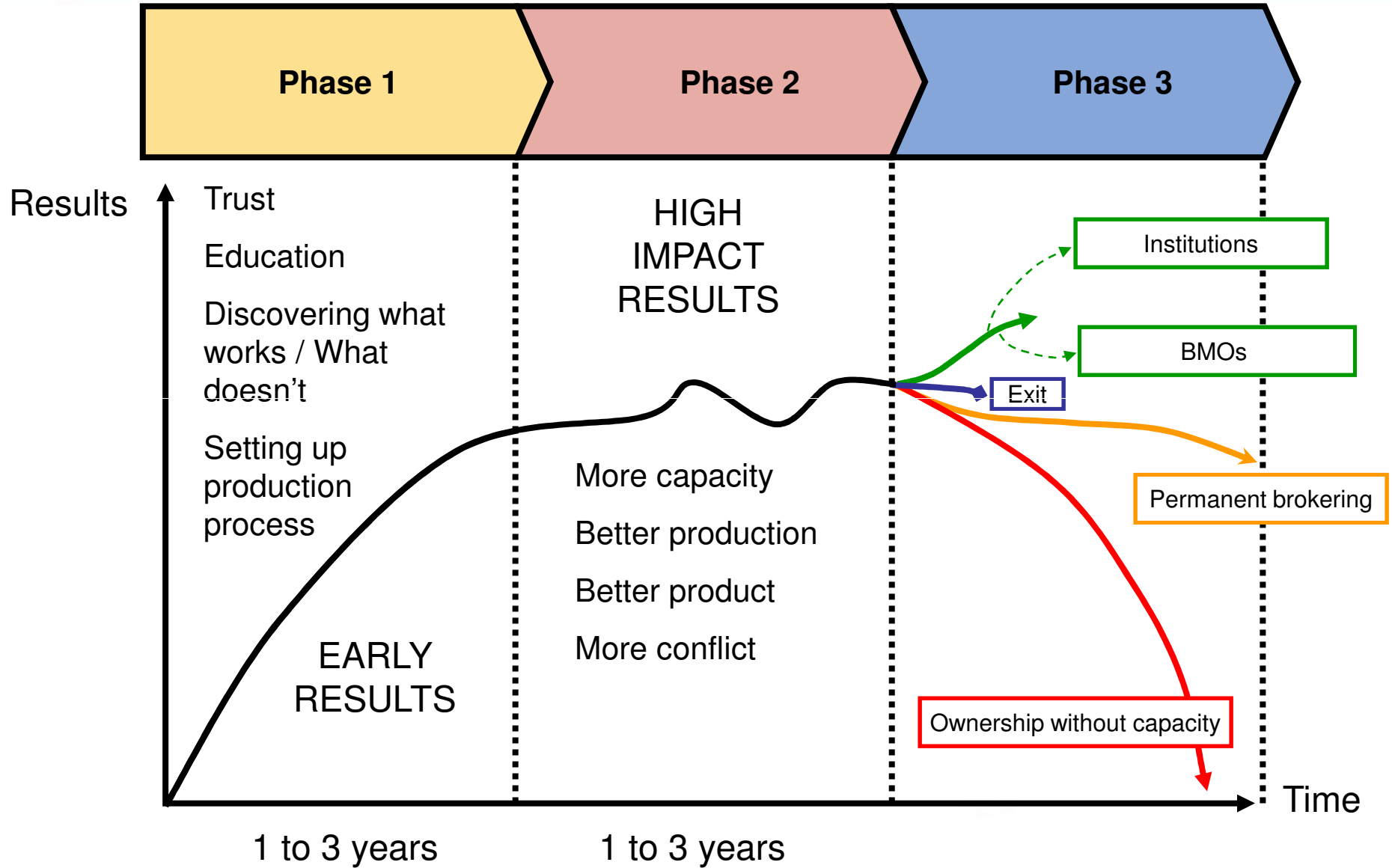


Public authorities



Private sector

Life and death of a PPD mechanism



Linking the PPD to other reforms processes



SEZ



Clusters

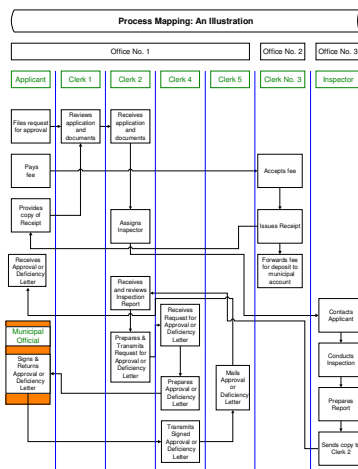


Value chain

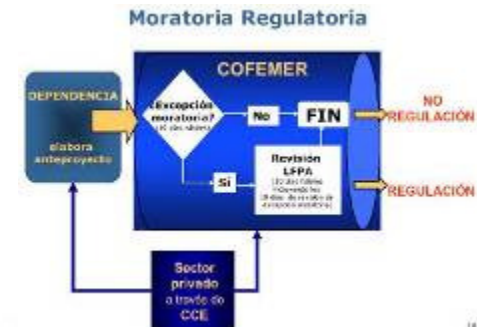
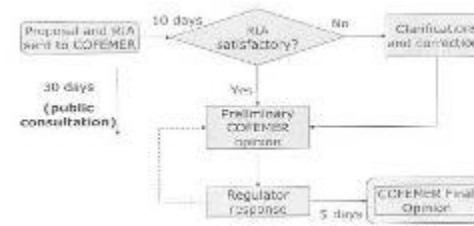



Reform Unit

Regulatory simplification



RIA and regulation review process





**How to share
experiences, get
good practice
material, tools?**

Community of practice

KM Website

- Charter of good practice
- Lessons learned papers
- Interactive PPD handbook
- 50 case studies
- Operational documents
- Templates
- M&e Tools
- Workshop materials



Workshops

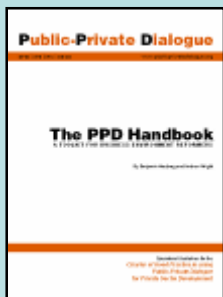
- 2006 PPD Workshop** (Paris, 30 countries represented)
- 2007 PPD Workshop** (Douala, 7 countries represented)
- 2008 PPD Workshop** (Dakar, 8 countries represented)
- 2009 PPD Workshop** (Vienna, 20 countries represented)
- 2010 PPD Workshop** (Vienna, 23 countries represented)
- 2011 PPD Workshop** (Vienna, 20 countries represented)

Donor partnerships

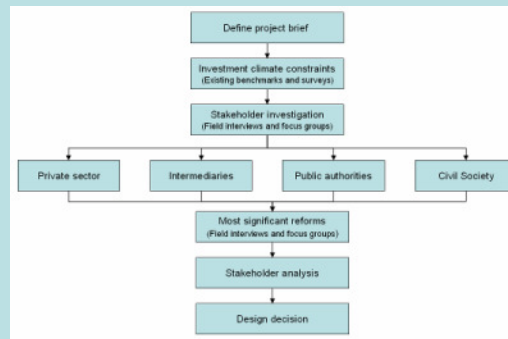
- OECD** (on implementation guidelines)
- DFID** (co-funding of KM and projects)
- GTZ** (co-implementation of PPD projects)
- EBRD** (co-implementation of PPD projects)
- USAID** (our PPD training to their PSD staff)
- Catalonia ACC10** (research partnership)

Tools

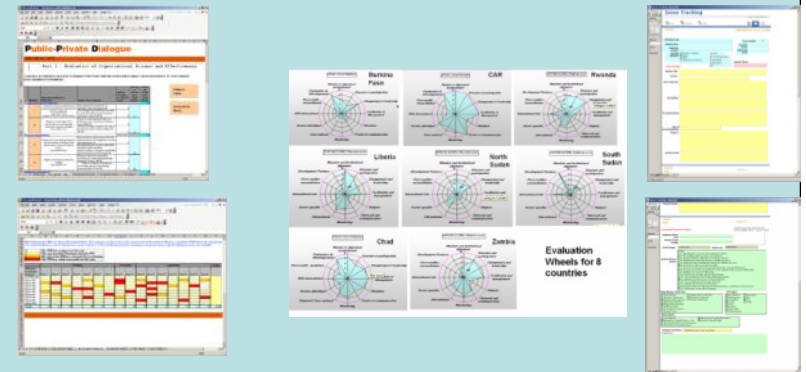
Implementation guidelines



Diagnostic tool



M&E Tools for PPD secretariats



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Public-Private Dialogue Like

Wall Info PPD Resources Photos Discussions Reviews >>

Filters

 **Public-Private Dialogue** Sixteen contributions have already been uploaded to the 2010 PPD Workshop page (<http://www.publicprivatedialogue.org/workshop%202010/>). We are looking forward to engaging on PPD hot topics with the 80 participants in Vienna this week.

Workshop Papers and Presentations - Public Private Dialogue
www.publicprivatedialogue.org
The fifth international Workshop on Public-Private Dialogue will be held on the 1st, 2nd and 3rd of June 2010, in Vienna, Austria. The 2010 workshop intends to take stock of recent developments in PPD ...

13 hours ago · Comment · Like

Anela Duman likes this.

 **Public-Private Dialogue** PPD in the Media - "Viet Nam is doing its utmost to overcome deficiencies in human resources, infrastructure and cumbersome administrative procedures to create a more favourable environment for investors" said Minister of Planning and Investment Vo Hong Phuc when addressing the Vietnam Business Forum, a World Bank Grou...

See More

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 **Public-Private Dialogue** Want to hear about Vietnam, Sierra Leone, Malawi or other interesting public-private dialogue initiatives? Just check <http://www.publicprivatedialogue.org/workshop%202010/> where we started to post case studies that will be discussed at the PPD Workshop in Vienna in... 6 days from now.

Workshop Papers and Presentations - Public Private Dialogue
www.publicprivatedialogue.org
The fifth international Workshop on Public-Private Dialogue will be held on the 1st, 2nd and 3rd of June 2010, in Vienna, Austria. The 2010 workshop intends to take stock of recent developments in PPD ...

Thursday at 8:03am · Comment · Like

 **Public-Private Dialogue** 8 days to the 2010 PPD Workshop.

The 2010 PPD Workshop page has been uploaded on <http://www.publicprivatedialogue.org/> where you can see the concept note and detailed program for the workshop. The following 25 countries will be represented: Austria, Bangladesh, Bosnia and Herzegovina, Burkina Faso, Cameroon, Croatia, E...

See More

 **Public Private Dialogue: a resource for stakeholders interested in using PPD for private sector deve**
www.publicprivatedialogue.org
This website is about how governments, businesses and donors can use public private dialogue (PPD) to promote private sector development and poverty reduction. New! PPD is now on Facebook. Join the Facebook ...

May 21 at 3:58pm · Comment · Like

Cecile Fruman likes this.

 **Tabu Olulo** Hey, we asked how we could be part of this and no one responded. is it to late?

The Public-Private Dialogue club on Facebook is where those interested in building or maintaining PPD mechanisms to improve the business climate (e.g. business forums) meet and hang-out for discussing new trends and exchanging questions and ideas.

121 People Like This

 Erman Rahman  John Speakman  Cecile Fruman

 Deborah Isser  Ana Trbovich  Daniel De La Morena

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 **April 2009 4th International PPD Workshop**
Created about 8 months ago

1 fan photo See All





Thank you!

Benjamin Herzberg
World Bank Group
bherzberg@worldbank.org

Fragility

agility

