



**International Chamber of Commerce**

*The world business organization*

**Department of Policy and Business Practices**

Ongoing FfD Business Initiatives:

**Status of Private Sector Initiatives to Implement the  
Monterrey Consensus**

**UPDATES - SUMMARY OF PROGRESS SINCE LAST REPORT TO UN FFD  
MEETING IN APRIL 2003**

**PROJECT SUMMARIES**

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**APPENDIX D:** EXPERTS GROUP ON PUBLIC/PRIVATE RISK SHARING IN  
CAPITAL MARKET FINANCING OF DEVELOPING COUNTRY  
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## **APPENDIX B**

### **BUSINESS ENVIRONMENT IMPEDIMENTS TO INVESTMENT**

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In chapter 2 of the Monterrey Consensus, there is a focus on *Mobilizing domestic financial resources for development*. Paragraph 10 speaks about an enabling domestic environment in order to encourage the mobilization of domestic and international capital flows and investment. Paragraph 20, specifically addresses the challenges to creating conditions for private capital flows, particularly FDI.

One of the areas of systemic hindrances to capital formation and investment that needs to be dealt with is that of business environment impediments. These include for example, cumbersome and multiple steps required to obtain the necessary licenses to do business; complex and time-consuming procedures for customs clearance and the problems caused by corruption in business relationships.

Some of the activities ICC is engaged in to address these problems are the Investment Advisory Council (IAC), the Investment Guides and the NEPAD Business Group (NBG).

#### **THE INVESTMENT ADVISORY COUNCIL (IAC) – jointly with UNCTAD**

The Investment Advisory Council (IAC) for Least Developed Countries (LDCs) is a framework for high-level consultations between business and government leaders. The objectives of IAC include: facilitating the interaction between government and corporate representatives; providing governments of LDCs with advice and recommendations that can help increase the level and quality of foreign direct investment.

#### **INVESTMENT GUIDES – in coordination with UNCTAD**

The principal goals of this ongoing project are to assist LDCs in attracting investment by joint surveys and efforts to remove impediments; and providing unbiased information to potential foreign investors. Such guides have been prepared for Uganda, Bangladesh, Ethiopia, Mozambique, Mali, Nepal and Cambodia. Forthcoming guides include revised ones for Uganda, Ethiopia and Mali and a new one for Mauritania. Sponsors include: China, Finland, France, Italy, India, Norway, UNDP Cambodia, UNDP Eritrea. We look for further support to continue this project with some 10 countries requesting new guides

#### **The NEPAD Business Group (NBG)**

ICC put together a number of business organizations around the world to support the NEPAD process by strengthening local business and stimulating business-friendly measures. The NBG encourages African governments to set up business advisory councils for consultations with the private sector. The aim is to: (1) work closely with government to be a real partner prior to introducing legislation, in the implementation of a business-friendly environment and to measure success; (2)



encourage that in each country peer reviews of business are set up to complement peer review by government; (3) work on the concrete actions needed to make regional markets actually happen.

## **APPENDIX D**

### **EXPERTS GROUP ON PUBLIC/PRIVATE RISK SHARING IN CAPITAL MARKET FINANCING OF DEVELOPING COUNTRY INFRASTRUCTURE PROJECTS**

Sponsored by BCUN and the Global Clearinghouse, with Support from the U.N.

During the UN Conference on Financing for Development held in Monterrey, Mexico in March 2002, government officials and representatives of the business community addressed the need to increase access to bond markets for developing-country infrastructure projects through enhanced risk sharing between public and private sector financial organizations. Subsequent to that meeting, an Experts Group has been established with 84 leading experts from across the private and public sectors, and the web site has been developed with content for two expert group problem-solving discussions. Official launch is planned for November 2003. (See [www.infradev.org](http://www.infradev.org))

Members of the Experts Group come from the full range of organizations that are normally involved with capital market project financing:

- Developing country borrowers
- Developing country government agencies
- Project sponsors
- Official multilateral and bilateral financial organizations
- Investment banks
- Financial advisory services specializing in developing country structured financing
- Law firms specializing in developing country structured financing
- Credit rating agencies
- Private companies offering partial credit or risk insurance or contingent liquidity facilities
- Monoline bond insurance companies
- Institutional investors



The Experts Group's discussions focus on how to incrementally improve the process of risk sharing between public and private sector organizations in ways that would provide developing countries better access to bond markets. International bond markets are the primary focus, since this is currently the most important source of long-term private sector funding for developing countries. However, opportunities for increasing the use of domestic bond markets in the developing countries are also being considered.

The Experts Group will record, distill and disseminate the results of their collaborations. A clearinghouse of documents, data and recommendations, accessible via the Internet, is also being established.

Much of the work of the Group will be conducted via an Internet-based service that is being constructed by the Global Clearinghouse Problem-Solving Forum Service. This will allow detailed technical problem-solving discussions to be carried out on a continuing basis in a manner that facilitates maximum participation of a large group of participants. This enabling technology platform will be made freely available to other FfD expert groups.

**All interested parties should contact Dr. Barbara Samuels II at [barbara.samuels@globalclearinghouse.org](mailto:barbara.samuels@globalclearinghouse.org) (845-868-7639).**



## **APPENDIX F**

### **GOVERNMENT – INVESTOR NETWORKS**

#### **FACILITATING IDENTIFICATION OF INVESTMENT IMPEDIMENTS AND REMEDIES**

Sponsored by Samuels Associates with Support from the Ford Foundation, the Norwegian Government and the Swiss Government

The Global Clearinghouse Initiative has begun to develop Intranet-based Government-Investor Networks to enhance the capacity of governments and business organizations to improve the business-enabling environments of developing countries; and mobilize private sector investment from both domestic and international sources. As a separate customized service for governments, Government-Investor Networks are specifically geared to help developing country governments identify opportunities, impediments, and possible remedies on a cost-effective basis by linking investors with governments on a real-time basis to exchange views and information.

Establishing an Intranet between interested governments and their selection of existing and targeted country investors provides governments with a cost-effective means for directly communicating with both domestic and international investors. Uses of this platform include the following:

- Direct timely explanations from government to investors on country developments, reducing the risk of misunderstandings and potential for financial contagion;
- Direct cost-effective distribution channel for government notices to investors on government policies, investment programs, and opportunities, extending cost-effective government outreach and investment promotion;
- Enhanced government capacity to track investor sentiment and perceptions of investment impediments, and investor views of possible remedies;
- Mechanism for government policy consultation with private sector on ways to enhance business-enabling environments; and
- Facilitation of investor feedback on relative importance of reforms, including adoption of global codes and standards, allowing governments to assess potential benefits and tradeoffs for their particular country.

A basic prototype for the Government- Investor Network has been developed based on investor and country input, with funding from the Norwegian government and the Ford Foundation. The next step will be for pilot countries to assist in the further



definition of the service. The Nicaraguan government is participating in a pilot funded by the Swiss government.

Upon completion of pilot testing and development, the completed technology platform for the Government-Investor Network would be freely available to all developing country governments for use in communication with selected investors. Additional funding is needed for longer-term support of this government service, and for ongoing maintenance costs.

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## **APPENDIX I**

### **THE GLOBAL INFORMATION CLEARINGHOUSE WEB PORTAL FACILITATING INVESTOR ACCESS TO INFORMATION ON DEVELOPING COUNTRIES**

Sponsored by Samuels Associates with Support from the Ford Foundation, the Norwegian Government and the U.N.

The Global Information Clearinghouse Web Portal, with initial support from the Norwegian government and the Ford Foundation, is aimed at improving investor access to information needed by investors to identify opportunities and risks, and execute investment transactions in developing countries. As of September 2003, the web site makes freely available over 20,000 content items covering 160 developing countries in over 100 topic areas from governments, official sector institutions, business, and third party entities. (See [www.globalclearinghouse.org/gch/](http://www.globalclearinghouse.org/gch/))

As an independent information initiative, the web portal is intended to bring together the full range of information and assessments on developing countries generated by the official sector, host governments, and the private sector, employing leading-edge technology interfaces. Examples of content directly available to investors include:

- 1) Direct Reports from Host Country Governments: The Web Portal can act as a central platform for investor outreach of country promotion agencies, and important communications from central banks, ministries of finance, and other host government entities. Governments can easily reach their wide investor base with country information, and updates on economic, financial, and political developments of relevance to investor evaluations of opportunities and risks.
- 2) Direct Access to Official Sector Assessments and Data: Enormous resources are spent by an array of multilateral and bilateral agencies in assessing country opportunities and risks, and evaluating compliance with Global Codes and Standards. The Web Portal can organize these assessments by user needs, enabling cost-effective access.
- 3) Direct Access to other Expert Country Assessments: The evaluations of private sector companies and independent third-party services are also critical to enhancing investor capacity to identify investment opportunities and develop prudent risk management strategies.
- 4) Easy Access to Investment Enabling Services: Investments can be facilitated through providing easy access to information on sources of capital, expertise, risk management services, and possible partners. The Web Portal brings



together host government, donor country, multilateral, and private sector services on a country and topic basis.

By year-end 2003 core information on all developing countries will be available; additional funding is needed for adding further content, technology development, and ongoing maintenance.

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