



## CLINTON GLOBAL INITIATIVE

### 2006 Commitment Announcement

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<b>Focus Area:</b>	Poverty
<b>Project:</b>	Working Group on Entrepreneurship
<b>Commitment By:</b>	Commission on Legal Empowerment of the Poor
<b>Commitment Entity:</b>	Non-profit
<b>Partner:</b>	
<b>First-Year Costs:</b>	\$60,000 (2006), \$170,000 (2007)
<b>Estimated Total Value:</b>	\$315,000
<b>Commitment Duration:</b>	21 months: October 2006 – June 2008

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**Objective:** To generate specific recommendations for policies and reforms that will liberate developing countries' entrepreneurs who are trapped in the informal economy. These entrepreneurs, whether they manage micro-, small or medium-sized businesses, cannot access the legal business protections, opportunities or capital that entrepreneurs in the developed world take for granted. By creating practical reform recommendations and advocating for the implementation of these reforms, we seek to empower entrepreneurs to legally establish, expand and operate businesses.

**Commitment:** The Commission on Legal Empowerment of the Poor will launch a Working Group (WG) on "Entrepreneurship – Expanding Opportunities for Legally Establishing and Operating Businesses in Developing Countries" in October 2006. The WG is chaired by Commission member Medhat Hassanein, and will be managed by a group of practitioners and experts who will draw on the experience of businesses in Latin America, Asia, the Middle East and Africa, both directly and through local partners.

The WG will identify specific impediments faced by entrepreneurs managing micro-, small and medium-sized enterprises in the informal economy, specifically to legal business entry, operation, expansion and exit. The WG will produce a practical set of recommendations that would increase entrepreneurs' access to credit and investment, conflict resolution, limited liability, contracts, and information systems. By directly involving both business owners and local government administrators, the WG will ground its recommendations in real practices. WG recommendations will have a significant impact on policymakers, given the influence wielded by the high-level members of the Commission, and their commitment to advocating for reform. Members include Gordon Brown, Mary Robinson, Fernando Henrique Cardoso, Ernesto Zedillo and Benjamin Mkapa.

**Background:** Most of the world's three billion poor live their lives outside the rule of law, without the basic legal protection that recognizes their homes, assets and hard work. If they are micro entrepreneurs, or own an informal business, they cannot access the legal business protections that entrepreneurs in the developed world take for granted – they are locked out of economic opportunity in their own countries and in the global marketplace.

The Commission on Legal Empowerment of the Poor is the first global initiative to focus specifically on the link between exclusion, poverty and the law. Co-chaired by former U.S. Secretary of State

Madeleine Albright and Peruvian economist Hernando de Soto, the Commission is made up of global policymakers with recognized experience in planning and implementing complex reform processes; between 2006 June 2008 it will produce practical recommendations for policies and reforms that can reduce the size of the informal economy in developing countries, and advocate for the implementation of those reforms.

The Commission's work plan is implemented through two initiatives:

- Working Groups that bring together practitioners and experts in property rights, entrepreneurship, access to justice, and labor rights
- National and regional consultations; the 2006 agenda includes consultation processes and conferences in Tanzania, Uganda, Kenya, Ethiopia, Indonesia, Pakistan, India, and Brazil. 2007 will include South Africa, Mexico and Central America.

Both initiatives will be supported by the networks represented in the Commission's board of advisors: The World Bank and the regional development banks, grassroots networks (Slum Dwellers International, Huairou Commission) and the private sector (Citigroup, CEMEX).

#### **Point of Contact:**

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#### **Time Line**

**Anticipated Launch:** October 2006

- October 2006: First meeting of WG members
- January 2007: WG presents its initial report at Commission meeting
- January – May 2007: WG conducts desk and field research in collaboration with local partners in developing countries
- March 2007: Second meeting of WG members
- June 2007: WG presents initial findings and recommendations at Commission meeting
- June – December 2007: WG members refine recommendations with feedback from the field
- October – November 2007: Third meeting of WG members
- January 2008: WG presents reform recommendations at final Commission meeting
- January – June 2008: In cooperation with Commission members, WG members support the implementation of reform recommendations in five self-selected countries.

**Geographic Scope:** South and East Asia, Middle East, Africa, Latin America. The WG will be represented in activities in South Africa, Tanzania, Uganda, Kenya, Ethiopia, Indonesia, Pakistan, India, Bangladesh, Brazil and Mexico.

**Areas of Open Partnership and Collaboration:** The Commission on Legal Empowerment of the Poor is seeking private-sector and other partners to contribute expertise and experience to the WG on Entrepreneurship. Companies with a presence in developing countries are especially encouraged to make commitments. They will be invited to help shape the WG's initial research proposal, and to identify local partners that can share a practical understanding of the legal challenges and disincentives for entrepreneurs. In addition, law firms or legal experts, and foundations with relevant experts are also encouraged to make commitments. The Commission also seeks direct funding, in-kind support and partnership arrangements.