

# IFC and New Zealand

## Reducing Poverty Together



### PARTNERSHIP OVERVIEW

New Zealand has been a member of IFC since 1961. IFC and New Zealand partner to help build stronger private sectors in the developing world through technical and advisory assistance with the aim of reducing poverty through private sector growth. IFC's main counterpart in the delivery of this work is New Zealand's Agency for International Development.



#### FOR MORE INFORMATION:

Small and Medium  
Enterprise Department  
International Finance Corporation  
2121 Pennsylvania Avenue, NW  
Washington, DC 20433  
USA

Phone: + 1 202 473 1400  
<http://www.ifc.org>

NZAID  
195 Lambton Quay  
Private Bag 18-901  
Wellington,  
New Zealand

Phone: +64 4 439 8200  
<http://www.nzaid.govt.nz/>

New Zealand partners with IFC in East Asia and the Pacific, supporting IFC's efforts to strengthen the private sector, and in particular small and medium-sized companies, in the region. New Zealand is particularly involved in improving the business environment for small and medium-sized enterprises by increasing access to finance and stimulating private sector investment through targeted programs in the Pacific. It also cooperates with IFC in the Mekong region, where it supports efforts to develop the small to medium enterprise sector in Vietnam, Cambodia, and Lao PDR.

New Zealand also supports IFC's Technical Assistance Trust Fund, which provides funding for short-term, targeted expert interventions aimed at private sector development as well as supporting IFC's advisory work with governments in the developing world, helping them attract and retain foreign direct investment and thus maximize poverty reduction. Promoting business initiatives that deliver environmental and social benefits, demonstrating their commercial viability and encouraging their replication in the private sector of developing countries, is an additional area on which IFC and New Zealand cooperate.

## RECENT HIGHLIGHTS

### Helping Vietnam's Garment Industry Compete in International Markets

New Zealand partners with IFC in helping establish a more vibrant private sector in the Mekong region and was one of IFC's key partners in helping the Vietnamese garment industry become more competitive. It is Vietnam's second largest industry, employing more than two million people, most of them poorer women who support extended families. Upgrading the skills of garment factory supervisors and managers became a critical issue in January 2005 when the longstanding MultiFiber Arrangement ended, and developing countries, including Vietnam, ceased to have preferential access to the United States market. New Zealand lent its support to the establishment of the International Garment and Textile Training Center in Vietnam, dedicated to improving managerial capacity in production management; marketing and merchandising; human resources management; and compliance with international corporate social responsibility standards. The center was incorporated as a joint venture in 2005 by 13 Ho Chi Minh City garment manufacturers who are members of the garment, textile, embroidery and knitting association, with assistance from IFC's facility in the Mekong region. Current and ongoing assistance offered by IFC and its partners, including New Zealand, focuses on defining objectives for the center, legally incorporating it, developing a business plan, helping to identify industry training needs, developing appropriate curricula, building a trainer network of local and international trainers, and training trainers. IFC and partners will continue to advise IGTC in these areas, as well as in marketing, operational systems and management capacity building.

### Fiji's Ambitious Investment Approvals Reform

New Zealand is one of IFC's partners in its advisory work with governments in developing countries. In Fiji, IFC and its partners developed an innovative, multi-year programmatic approach to the implementation of reforms to address the main regulatory constraints facing business. The program responds to recommendations issued by the Fiji Cabinet, and aims to reduce unnecessary bureaucracy and make the investment approval process more transparent, simpler, faster, and more efficient. The program incorporates the provision of hands-on, practical assistance to the 18 government agencies involved in implementing reforms to their investment approval procedure, including the placement of a full-time regulatory reform specialist within Fiji's Ministry of Commerce, Business Development and Investment (MCBDI) and streamlined access to supporting resources provided by IFC and its partners. Key objectives included incorporating an improved change management process, improving communication between the government and the private sector, implementing monitoring and self-assessment processes, and providing specialist advice. A mid-point review of the program confirmed that there were immediate and positive impacts on reform implementation, including a decline in number of days required to start a business, speedier processing time for registering foreign investment, and cutting the time for work permitting by two-thirds.