

December 2015 Newsletter:

## **AN EXCELLENT YEAR OF GROWING AFRICA'S INVESTMENT CLIMATE**

### **Looking Back At Some Of ICF's Results In 2015**

ICF completed ten projects spanning several African countries, including Kenya, Sao Tome and Principe, Mauritius and Rwanda. From tax reform to trade facilitation through to the empowerment of SMEs, these projects are as diverse as the countries in which they took place. They highlight just a small part of our scope in improving Africa's investment climate.

**READ**



### **A Note From Our CEO**

As we look back at all that we have been able to achieve in 2015, we at ICF would like to thank all our partners who helped ensure that our diverse projects continued to benefit both governments and the private sector, to the ultimate benefit of Africa's people. We wish you all the best for 2016 and look forward to your ongoing support.



## Sao Tome And Principe Links Up Border Agencies To Speed Up Clearing Of Cargo

The implementation of Sao Tome and Principe's electronic single window portal is making it much easier for businesses to import and export goods into the island. This improvement in trade facilitation is expected to encourage investors, as it is now significantly easier to trade.

[READ](#)



## ICF Infrastructure Development Projects: Practical And Innovative African Solutions

African leaders are working together more and more to drive economic growth and strengthen institutions in order to help the continent's peoples grow and prosper. ICF is working with African governments and the private sector to implement practical solutions in the infrastructure facilitation sector that deliver tangible results.

[READ](#)



## ICF Activity Map: 2015 Footprint

ICF activities in 2015 included taxation and customs projects in Burkina Faso, Cape Verde, Ethiopia, Senegal and Tanzania; trade facilitation projects in Kenya and Sao Tome and Principe; financial markets initiatives in Ethiopia, Seychelles and Tunisia; and business registration and licensing projects in Rwanda, Mauritius and Mozambique.

[VIEW MAP ONLINE](#)



# Looking Back At Some Of ICF's Results In 2015

As this year draws to a close, it is heartening to look back on some of ICF's projects completed during 2015 and reflect on the ways in which these diverse works are continuing to improve the continent's business environment and, in the process, boosting the growth of Africa's private sector.

ICF completed ten projects during 2015. These include trade facilitation projects in Kenya and Sao Tome and Principe; a small enterprises training project in Tanzania; a project to speed up commercial dispute resolution in Rwanda; a project to modernise the Mauritius Judiciary; a capacity development project for the Tunisian Stock Exchange; a tax reform project in Cape Verde; and business registration and licensing projects in Rwanda, Mauritius and Mozambique.



These projects showcase just a small part of ICF's range and scope in facilitating Africa's ongoing economic development. Below we highlight the results achieved by some of these projects.

Trade is a powerful tool for stimulating job creation and economic growth. Efficient cross-border trading processes are an integral part of how a country is ranked globally in terms of its ease of doing business. Trade facilitation looks at how the procedures and controls governing the movement of goods across a country's borders can be improved and, in this way, reduce costs and maximise efficiency.

The island nation of Sao Tome and Principe is reliant on imports for fuel, certain food stuffs and a number of manufactured and consumer goods. In turn, it exports cocoa, coffee and copper. Through the International Trade Facilitation Project, ICF and the Government of Sao Tome and Principe, in partnership with the World Bank, established a single-window system, an electronic portal through which all importers and exporters could process the customs clearance for their goods. The single window has reduced the number of goods clearance procedures from 31 to 3. As a result, the average clearance time for imported goods has gone down from 10 days to 3.

In Tanzania the informal sector is a vibrant economic force despite a number of challenges, including lack of capital and lack of basic business training. ICF worked with the Government of Tanzania and private enterprises on a pilot project to provide business management and entrepreneurial skills training to 500 small enterprises. A total of 1,024 individuals were trained in Mwanza and Dar es Salaam. As a result, 70% of the enterprises now engage in proper record keeping, 35% have registered their enterprises and more are in the process of doing so, 41% have received access to finance and there has been a 156% increase in the number of people they have employed between 2013 and 2015.

In Tunisia, ICF's innovative Stock Exchange Capacity Building Project has helped to raise stock literacy in the country. ICF worked with the Government of Tunisia to raise the awareness of potential investors on the funding opportunities available through a stock market. As a result of the project, 12 IPOs were listed on the Tunis Stock Exchange (TSE) in 2013, compared to two listings in 2012 and one in 2011. This knowledge is enabling more SMEs to use the stock market as an alternate source of funding.

In addition, the overall training and investor education capacities of the Tunisian Stock Market

Training Institute have been significantly improved, with a consequent positive impact on financial literacy among current and potential investors with the TSE.

Finally, on a judicial note, the Rwanda Alternative Dispute Resolution Project helped to improve contracts enforcement in the country by creating alternative mechanisms for businesses to resolve commercial disputes. The project facilitated the operationalisation of the newly established Kigali International Arbitration Centre. It trained 276 arbitrators, all of whom have become accredited Associate Members of the UK Chartered Institute of Arbitrators. This has made Rwanda the third country in Africa to have the highest number of accredited arbitrators. In addition, the project has trained 31 mediators and 53 adjudicators, 27 of whom are eligible to apply and join the Kuala Lumpur Regional Centre for Arbitration in Malaysia.

Looking back, we can see that 2015 was another great year for ICF. Our interventions and support have continued to bring much needed efficiency to government systems and cost savings to the private sector. In 2016 we look forward to continuing our work with African governments and the private sector in delivering results that have a tangible impact on the investment climate in Africa.

[BACK TO THE TOP](#)

## Sao Tome and Principe links up border agencies to speed up clearing of cargo

From cooking oil to cars, Sao Tome and Principe, a small island state in the Gulf of Guinea, imports a lot of its consumables. Over 90% of these imports go through the Sao Tome port. As part of the goods clearing process, importers have to engage with different government border agencies in order to clear their cargo.

This used to be a lengthy and costly process for both importers and government agencies. Importers had to physically go to each relevant agency to process the clearance of their goods, make payments and obtain clearance certificates that Customs required before it released any goods. Government agencies had to deal with a lot of paperwork, inadequate information, and importers who were impatient with the long delays.

All this has come to an end, thanks to the introduction of a single window system for international trade which has been co-funded by ICF, the Government of Sao Tome and Principe, and the International Finance Corporation.

The single window system is an electronic portal that brings together all 12 government border agencies under one 'electronic roof' and allows them to link up to the Customs Department's computerized customs management system known as ASYCUDA World. This link up enables all the agencies to have access to the same information that Customs uses for the declaration and clearing of imported goods.



*Containers at the port of Sao Tome*

The government agencies involved in the clearing of imported goods include the Sao Tome Port, Airport, Customs, Tax Administration, Department of Trade, Department of Public Health, Department of Livestock, Phytosanitary Department, Transport Department and Fiscal Police.

### Benefits to border agencies

Access to the portal has brought great benefits to all agencies involved, including the Customs Department which has been responsible for implementing the single window system. In the process of rolling out the system, Customs worked with other agencies to streamline procedures, eliminate unnecessary processes and paperwork. “In the past, we had a lot of problems as each border agency had its own system and there was a lot of information mismatch,” said Leopoldina Fernandes, a Customs Systems staff who worked with the different agencies to roll out the single window. “Now that everyone is using the single window to input directly into the ASYCUDA World system, all information mismatch has been eliminated.”

The single window has brought better coordination among border agencies as each is now more aware of what other agencies need, they can access the same information, and they can see which clearances have been provided. This has been very helpful particularly to the Phytosanitary Department.

Armando’s essay, which focused on “How to become a good citizen by paying taxes”, indicated that he clearly understood the link between taxes and the Government’s provision of social services. “Taxes are important because the money that is paid in taxes goes towards helping people with less means than us. It also helps in the building of schools and hospitals in Cape Verde,” he said.

Other benefits that agencies are experiencing include the reduction of paperwork. Agencies are no longer receiving paper documentation from importers as everything is loaded into the system electronically. “We used to be the champions in paper usage,” said Alexandre Guadalupe, Director General of the Port Authority. “Our invoices were issued in triplicates. We used to use ten to eleven reams of paper per week. With the single window, our paper usage for invoices has reduced by 70%. Now we use a maximum of two reams of paper per week, which is helping to reduce our costs.” More importantly, the single window has helped to improve the Port Authority’s relationship with importers. By streamlining procedures, the system has helped to minimize delays in the whole goods clearance process allowing importers to remove their goods from the port quickly so that they do not incur excessive port storage fees.

### Slow start

Initially, most of the border agencies were sceptical about the single window system as they were worried that the system will interfere with the way they work and with their ability to collect proper fees. “We used focal points for each agencies, people who acted as intermediaries between Customs and the agency,” said Daniel Vaz, Project Director for the Customs Single Window. “These focal points were crucial in explaining to the agencies how the single window system worked, taking them step by step through the implementation process and in general removing all their doubts, including those on revenue collection.” The agencies quickly saw the value of better coordination, and especially the centralization of fee collection, as they no longer had to clash with importers over payments.

“We have partnered with the International Bank of Sao Tome (IBST) which has opened a branch at



*A Phytosanitary agent takes a sample of imported cooking oil for testing*

the Customs Office,” said Daniela Vaz. “The single window automatically calculates the necessary fees for each importer which they pay at the bank. Once the various fees are collected they are distributed to the various agencies the next day. All the agencies can see reports on the system and they receive their money on a daily basis.”

### Closing revenue loopholes

The single window system has been of great benefit to the Internal Revenue Directorate. “The Airport, Port and Phytosanitary Department collect consumption tax on our behalf,” said Olinto Costa, Director General of Internal Revenue. “In the past we used to collect this tax from them annually and often we had to audit them to ensure we got the correct amount. With the single window, we get the taxes on a daily basis. We no longer have to do any audits as all the information is available in the system.”

The single window system has also brought an unexpected benefit to the Internal Revenue Directorate. By linking the system to the Internal Revenue’s system for Tax Identification Number, the single window now flags up if an importer has any outstanding taxes which they are then required to pay before they can clear their goods. This has enabled the Internal Revenue to collect a lot of back taxes.

### Peace at the Port Exit

Juliao dos Ramos Pinto is now a much happier man. As the Fiscal Police Commissioner, he is in charge of the paramilitary unit that is responsible for the security and protection of people and goods at Sao Tome’s ports of entry. His unit works with Customs and other border agencies to control the movement of commercial goods and to ensure that they are properly taxed. “The single window system has greatly improved our relationship with importers,” Juliao said. “In the past there was a lot of arguing over fees.” This is because the Fiscal Police were last in the payment chain. Importers interacted with them at the last stage when they presented the Customs Release Order that would allow them to take their goods from the port.



*All importers have to show their Customs Release Order at this Fiscal Police post located at the Sao Tome Port gate before they can remove their goods from the port.*

“At this stage, importers had already paid a whole host of fees and they were not happy when we presented them with yet one more fee. There were times when we had to take importers to court just to collect the fees due to us,” Juliao explained. Charged as part of the security service that the Fiscal Police provide, these fees form a crucial part of their administrative resources. His unit no longer has to collect the fee. The centralized collection of fees now means that by the time importers are interacting with them, they have already paid for their services. “It is much more peaceful here now,” Juliao said.

### Benefit for the country

The Government of Sao Tome and Principe is hoping that the single window system will boost the country’s image as an investment destination. Already, the improved coordination among the border agencies has drastically reduced the time needed to clear import goods through Customs from 10 days to 3.

“The single window system has brought credibility to the goods clearance process, not only for Customs, but for all the other border agencies as well,” said Ilza Amando Vaz, General Director for

---

Customs. “When the private sector have one place to do everything then they are able to make savings in terms of time and costs. We hope that the improvement in trade facilitation will show investors that it is easy to do business in Sao Tome and Principe and encourage them to come and invest.”

[BACK TO THE TOP](#)

---

## ICF Infrastructure Development Projects: Practical and Innovative African Solutions

African leaders are working together more and more to drive economic growth and strengthen institutions in order to help the continent’s peoples grow and prosper. With an understanding that collaboration is crucial in encouraging Africa’s continued economic expansion, ICF is working with African governments and the private sector to implement practical solutions in the infrastructure facilitation sector that deliver tangible results.



Infrastructure development and regulatory transformation both play an important role in enhancing and improving business prospects at the macro- and micro-economic levels. ICF plays a vital role in enabling countries to set up an environment that enables them to tap into resources they need to develop their infrastructure.

Some of ICF's key infrastructure projects, both current and recent, include an energy and power project in Rwanda which has helped the country to diversify its sources of grid energy; an innovative transport project in Sierra Leone; a project on assisting with service delivery requirements in South Africa, and projects to stimulate the development of the public-private partnership sector in Seychelles and Cape Verde.

Improvements in infrastructure are critical in lowering production and transport costs, and this in turn helps to boost a country’s trade prospects. In this vein, the Sierra Leone Airport Transfer Project was instrumental in assisting passengers to travel between the country’s capital, Freetown, which is situated almost 200km from Freetown International Airport. ICF worked with the Government of Sierra Leone and the private sector to provide safe, reliable and efficient airport transfer services for passengers and goods between the capital city and the airport, and to reduce the time and costs for the transfers – a crucial step to help the country improve its business environment.

On the energy front, ICF worked in Rwanda to help the country improve its electricity supply capacity, which is crucial for the encouragement of new business and the survival of existing ones. ICF partnered with the Governments of Rwanda and the Netherlands, as well as the World Bank, to strengthen the Rwandan Government’s ability to bid, contract and negotiate with the private sector on power generation projects. As a result of the Rwanda Energy and Power Sector project, over 300 Rwandans have been trained in the energy sector, a Lake Kivu monitoring system has been established to explore the extraction of methane gas for electricity supply, and a national grid code has been developed. In 2014 the US-based energy company, Symbion Power, was granted a contract by the Rwandan Government to construct and

---

operate a 50 megawatt gas power station at Lake Kivu.

In South Africa, ICF partnered with the South African Government, Anglo American and the Development Bank of Southern Africa to build the capacities of five municipalities and enable them to improve the provision of basic services in their areas. The aim of the South Africa Municipal Capacity Building Project is to make the municipalities more attractive for business investment and to help improve job creation and the local economy.

Seychelles has emerging infrastructure development needs with a particular emphasis on energy, water and transport requirements. ICF is working with the Government of Seychelles and the Africa Development Bank to develop a comprehensive legal, regulatory and operational framework for Public-Private Partnerships (PPPs) which would provide clear rules for prospective investors.

The aim of the Seychelles Public-Private Partnership Regulatory Framework Project is to increase Government capacity to leverage resources for infrastructure development, create space for private sector participation in public service delivery, and stimulate further private sector development.

[BACK TO THE TOP](#)



---

## In Next Month's Edition...

### ICF 2016 Portfolio

Our influence across Africa is growing with the ever-increasing demand for our services. In next month's issue, we give you an overview of how we operate and showcase some of our prominent focus areas with particular examples.

[BACK TO INDEX PAGE](#)

# ICF Funding and Support

ICF provides a unique partnership between the private sector, African governments and development organisations to deliver a better investment climate for Africa. We continue to seek additional funds to enable us to increase the scope and impact of our work.

## Development Partners

ICF receives support from the following governments:



Germany



Ireland



Netherlands



South Africa



United Kingdom

And also from:



**AFRICAN DEVELOPMENT  
BANK GROUP**  
Building today, a better  
Africa tomorrow



## Corporate Partners

ICF also receives support from the following companies:



[BACK TO INDEX PAGE](#)