

September 2016 Newsletter  
**ICF IMPROVES THE EASE OF DOING BUSINESS  
IN AFRICA**

**Changing the Investment Climate and the perception of  
doing business in Africa**

Africa has always been a continent with significant investment potential. Since 2007, ICF has been involved in various projects with an aim to improve and change the investment climate in Africa and today, the perception of Africa's investment climate continues to improve. While celebrating the progress made, business leaders continue to call for even more scaled back regulations, further simplification of tax administrations and greater workforce training. It is a welcome challenge that Africa will rise to – supported every step of the way by institutions like ICF.



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**A CEO foreword**

ICF is a story of success shared with African governments, donors and the private sector. ICF has worked hard with all of these stakeholders to change perceptions of Africa and promote a conducive environment that attracts investment and enables the sustainable growth of the continent. These efforts are making it easier for businesses to flourish in Africa.

William Asiko - CEO of ICF Africa



## ICF Completion Event - Video

For the past 9 years, ICF has been working with its key stakeholders to improve the environment in which businesses operate. The ICF Completion Event held on the 31st of August brought together the public and private sectors from 15 African countries to celebrate the success of this work. Watch this video for highlights from the event.



[WATCH VIDEO](#)

## The success story of Burkina Faso

In the latter half of the 2000s, the Government of Burkina Faso decided to reform its business environment by embarking on a comprehensive and transformational mission. Since 2008, ICF has helped Burkina Faso to conduct reforms in the areas of business registration and licensing, land registration, trade facilitation and commercial dispute resolution.



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## Activity Map:

Since its establishment, ICF has built a diverse project portfolio working with 21 African governments. In Burkina Faso the Government collaborated with ICF to enable businesses to start and grow operations seamlessly, raise confidence in its judicial system to boost confidence in contract enforcement, and improve trade facilitation, among other things.



[VIEW MAP ONLINE](#)

# Changing the investment climate and the perception of doing business in Africa

Africa has always been a continent with significant investment potential. When ICF was conceived in 2005 at the G8 Summit in Gleneagles, businesses faced real challenges when it came to operating in Africa, primarily as a result of weak infrastructure and a discouraging investment climate. Since 2007 ICF has been involved in various projects with an aim to improve and change the investment climate in Africa. Our 2016 Completion Report gives an overview of the challenges that were addressed and the successes that were achieved in the past nine years of ICF operations.



In 2005, the pace of reform in Africa was still lagging behind the rest of the world, according to the World Bank's Doing Business report. It occupied the last place in the following year's rankings as well. But in 2007 the tide began to turn. The continent accelerated into third position amongst the world's fastest reformers in the 2007 Doing Business index, with two-thirds of African countries making at least one reform.

Besides the most committed and knowledgeable investors, not many people took notice. Perceptions of Africa's business climate were still dominated by fears of endless red tape, corruption and unstable regulatory environments. Nevertheless, a spark had been lit and ICF began operations in 2007, building on this early progress.

By 2011, the cumulative effect of the quiet progress being made throughout the continent had reached a tipping point. It was "Africa Rising", declared The Economist. Ernst & Young's Africa Attractiveness Survey, coincidentally launched that same year, confirmed The Economist's positive outlook – 68% of respondents expressed their belief that Africa had become a more attractive investment destination since 2008. This figure rose to 86% when only African respondents were taken into account, testimony to the continent's enthusiasm for its own ongoing reform.

Business leaders were also confident in the sustainability of this encouraging transformation, with 75% of those surveyed cheered by Africa's prospects for the next three years. Despite enduring worries over political insecurity and the lack of infrastructure, 43% of investors declared that African expansion was firmly on their agenda, while 19% were looking to consolidate their operations on the continent.

Today, the perception of Africa's investment climate continues to improve. 53% of respondents to the 2015 Africa Attractiveness Survey felt it had improved compared to 2014. While this figure represented a slight dip from the 2014 survey – the commodities downturn and political difficulties in certain countries taking their toll – African economies are now more robust than ever. In fact, Ernst & Young anticipates that 24 sub-Saharan African countries will experience a compound annual growth rate exceeding 5% through to 2030. This level of confidence in Africa's future is unprecedented. The continent has been riding a wave of reform – powered by African governments, the private sector, and supported by institutions like ICF – which has transformed its prospects and strengthened it against the fluctuations of the global economy.

Africa's continued rapid development must not be taken for granted. The wave must not be allowed to crest. The continent's success has led to heightened expectations and increasingly ambitious programs of reform will be needed to meet them. While celebrating the progress made, the business leaders surveyed by Ernst & Young have called for even more scaled back regulations, further simplification of tax administrations and greater workforce training. It is a welcome challenge that Africa will rise to – supported every step of the way by institutions like ICF.

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# ICF Interventions – The success story of Burkina Faso

When the Government of Burkina Faso decided to reform and improve its business environment in the latter half of the 2000s, it embarked on a comprehensive and transformational mission. Three decades of sometimes overreaching and rigid government had left the country with an opaque, confusing and arbitrary bureaucratic system wholly unfavorable to both business and Burkinabés.

Clear examples of these challenges to business were the effort entailed in registering a business, as well as obtaining construction licenses and land titles. The extent of these obstacles to business meant that, in many cases, businesses operated informally and without the required approvals, despite the risks involved.

Beyond enabling business to start and grow operations, the Government of Burkina Faso also sought to raise confidence in its judicial system to boost confidence in contract enforcement. A lack of a specialized judicial framework, legal commercial expertise, and low public awareness of judicial resources meant that the resolution of business disputes was a lengthy and confusing process.

In November 2008, the Government of Burkina Faso invited ICF to collaborate on their first joint project.

ICF interventions:

The cooperation has since flourished and three projects have been successfully completed, and the partnership continues to this day.

Facilitating business operations:

One-Stop-Shops for business registration and licensing known as Centres de Formalités des Entreprises (CEFORE), and similar One-Stop-Shops for construction permits known as Centres de Formalités des Actes de Construire (CEFAC) were established that have been very successful in reducing costs and delays. The Business Registration and Construction License project cost USD 1,240,000 with ICF contributing USD 550,000 and the Government of Burkina Faso funded the remaining USD 315,000.

**“Having a construction permit was simply not what was done. It wasn’t enforced and nobody applied for one.”**

— Arsène Bacya, Project Manager, G2 Conception, an architecture and urban planning firm



A public official in the Burkinabé Companies House helping a soon-to-be business owner incorporate his company

## Indicators

### Duration (Days)

		Before	After
	Days to incorporate a company	<b>18</b>	<b>2</b>
	Days, number of procedures and cost to obtain a construction permit	<b>226</b>   32 procedures USD 2,270	<b>15</b>   15 procedures USD 152
	Days and number of procedures to complete a land transfer transaction	<b>186</b>   8 procedures	<b>16</b>   5 procedures

### Facilitating land transactions:

In November 2008, ICF signed an agreement with the Government of Burkina Faso for the Land Registration System project which aimed to improve the management of land registration and property transactions.

As a result, a One-Stop-Shop housing an electronic database was established which streamlined procedures and helped to reduce processing times. The digitized land registry is also helping to prevent boundary disputes.



Days and number of procedures  
to complete a land transfer  
transaction

**186 DAYS**  
**8 PROCEDURES**

**16 DAYS**  
**5 PROCEDURES**

### Establishing commercial courts:

On the judicial front, two commercial courts were constructed under the Establishment of Commercial Courts project which are now fully operational. A streamlined and modern legal framework has been introduced, while judges and magistrates in Ouagadougou and Bobo-Dioulasso have been trained in business law. Specifically, 6 judges were trained in specialist commercial litigation. This has prompted the Ministry of Justice to provide 4 more judges with specializations training as the private sector demand for these services has increased. The total project cost was USD 4,065,610, USD 2,246,260 of which were funded by ICF and the remaining USD 1,819,350 were covered by the Government of Burkina Faso.

On a psychological level, by raising form and quality, the specialization of judges quite simply raises the spirit of professionalism." Julien Lalogo, Cabinet Maître Lalogo, a Ouagadougou law firm.

**"We do notice that people and companies come to us there's much more demand. Before there was a certain hesitation to get wrapped up in legal proceedings. But now they come because they know their dispute will be resolved."**

— Safieta Koanda Dera,  
President of the Commercial  
Tribunal of Ouagadougou



"We do notice that people and companies come to us far more, there's much more demand. Before there was a certain hesitation to get wrapped up in legal proceedings. But now they come because they know their dispute will be resolved." Safieta Koanda Dera, President of the Commercial Tribunal of Ouagadougou.

ICF's engagements in Burkina Faso have been wide-ranging and well-received, leading to a long-lasting cooperation with government actors, as evidenced by their gratitude for ICF.

In May 2016, ICF's own Hubert Hourizene received the honor of being named a Knight of the National Order of Burkina Faso, on behalf of ICF, for his services in contributing to the development of the country. Improving information-sharing among government institutions:

The Interconnection Business, Lands and Construction Service (IBLCS) aims to integrate government's business, land and construction permit systems for better efficiency, so that intra-government information sharing is improved. The program, known as Système Intégré des Guichets Uniques (SIGU), allows interconnectivity between all relevant government software (four programs are now integrated in SIGU as depicted below) to access the same information instantly.



Two magistrates in the Commercial Tribunal of Ouagadougou

This is an ongoing project which is expected to cost a total of USD 4,400,000, to which ICF will contribute USD 3,100,000 and the government has committed USD 1,300,000.

Facilitating custom procedures:

The Facilitation of Custom Procedures projects aims to tackle the bureaucratic and cumbersome processes involved in the clearing of goods at Customs. The project has established a single window for Customs known as Système de liaison virtuelle pour les opérations d'importation et d'exportation (SYLVIE). SYLVIE is expected to improve the facilitation of international trade to and from Burkina Faso.

This is an ongoing project which has a cost estimate of USD 4,450,000, with ICF and the Government of Burkina Faso committing USD 2,500,000 and USD 1,082,000 respectively.

After ICF:

Encouragingly, and reflecting ICF's catalytic role in spurring reform, the Government of Burkina Faso has taken several steps to enable business independently of ICF. In April 2016, the Ministry of Commerce, Industry and Handicraft lowered the minimum share capital required to incorporate a company by 95%, earning it a 75-place jump in the Streamlining business incorporation ranking in the World Bank's Doing Business Index 2016.



*Customs officers attending an introductory session on the use and benefits of SYLVIE.*

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# In Next Month's Issue: Successful completion of investment climate reforms

ICF's journey to deliver over 70 projects over the past nine years of operation yielded various successes for many African countries. As Africa continues to be among one of the world's fastest growing regions, this outlook is strengthened by a deep-rooted commitment to reform. In next month's edition we will focus on the successful closure of the last few ongoing projects and their contributions to improving the investment climate in Africa.

## 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:



And also from:



### Corporate Partners

ICF also receives support from the following companies:



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