

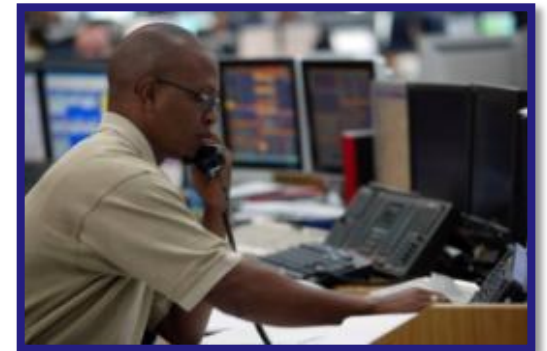
# The Investment Climate Facility for Africa

Making Africa an even better place to do business

**By Hans Jürgen-Bernsen**  
**Africa Ireland Economic Forum**  
**Dublin, September 2011**

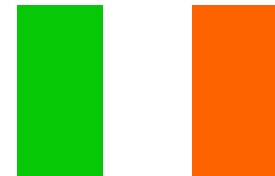
# What is ICF?

- ICF is the only pan-African body, explicitly and exclusively focused on improving the continent's investment climate, based in Africa
- ICF was set up in 2006 with the very clear objective of delivering solutions to help remove the real and perceived obstacles to domestic and foreign investment
- Unique partnership between African governments, private companies and development partners. . Ireland committed a total of € 2 million (EURO) to support the work of ICF.
- Committed to delivering tangible and sustainable change over a seven year time frame
- Structured and governed along private sector principles with flexible, results-oriented approach



# Our Development partners

- African Development Bank
- Germany
- International Finance Corporation
- Ireland
- Netherlands
- South Africa
- United Kingdom



# Our Corporate investors



# Priority Areas

Priority areas where improvement can generate maximum impact on the overall business environment :

- Property rights and contract enforcement
- Business registration and licensing
- Taxation and customs
- Financial markets
- Infrastructure facilitation
- Labour markets
- Competition
- Corruption & crime

# Project selection criteria

- Will it produce significant positive impact on the investment climate within a reasonable period (legal, regulatory, and administrative framework)?
- Does it respond to ICF's strategic themes and comparative strengths? (e.g. gains from high-level political or business leadership; quick wins)
- Are government & local private sector involved? Focal point?
- Are there clearly defined, observable and measurable milestones and results?
- Does it reflect a broad range of interests? (e.g. not a single business, nor a narrow group of stakeholders)
- Does ICF's support complement existing programmes and fill a gap?



# Key highlights: up to September 2011

- Working in partnership with **14** African governments and a number of regional organisations
- Robust project portfolio consisting of:
  - 40 projects in 14 African countries
  - 4 pan-African projects
  - 5 special initiatives
- Tangible improvements delivered through implemented projects
- Two new projects with Ethiopia and Mauritius in the pipeline



# Concept is now proven

ICF projects are delivering tangible improvements to Africa's investment climate

- Reducing the cost of doing business through the simplification of administrative procedures
- Facilitating access to secure channels for credit, thereby facilitating the growth of Africa's SME sector
- Structural and macro stabilisation reforms have unleashed strong economic growth
- Economic growth has exposed capacity constraints; sharing of knowledge and best practices is now a priority for almost all governments.



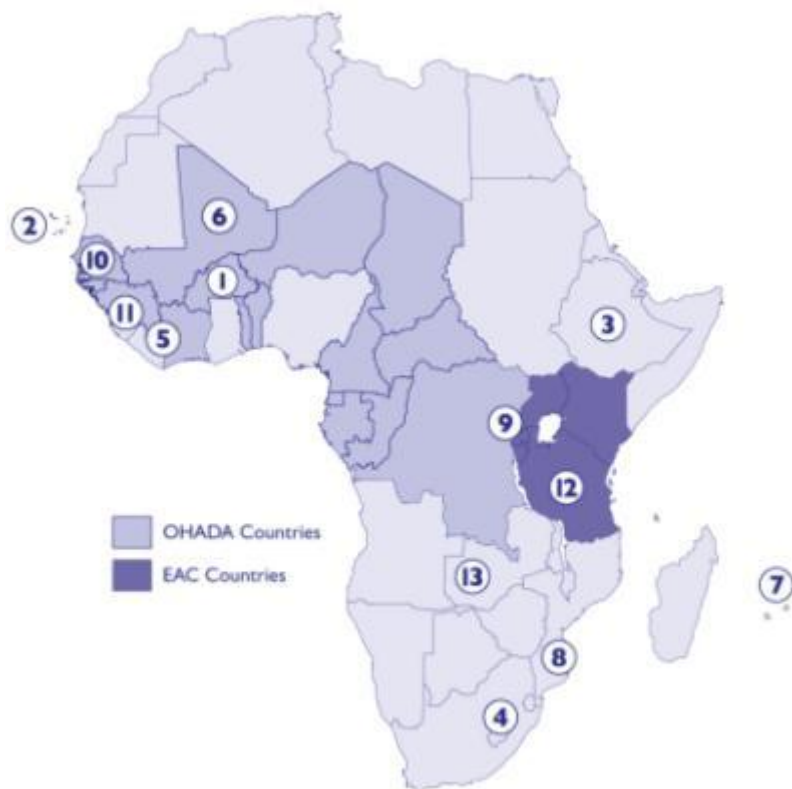
# Delivering Tangible Results - 1

Partner Country	Project	Key Performance Criteria	Before ICF project	After project completion
Burkina Faso	Land Registration	<ul style="list-style-type: none"> <li>Number of procedures</li> <li>Time to process</li> <li>Cost to process</li> </ul>	<ul style="list-style-type: none"> <li>8</li> <li>182 days</li> <li>US\$7,354 for trading sector</li> <li>US\$ 24,477 for industrial sector</li> </ul>	<ul style="list-style-type: none"> <li>6</li> <li>21 days</li> <li>US\$3,677 for trading sector (50% less)</li> <li>US\$8,812 for industrial sector (64% less)</li> </ul>
Burkina Faso	Business Registration	<ul style="list-style-type: none"> <li>Number of procedures</li> <li>Time to process</li> <li>Cost to process</li> </ul>	<ul style="list-style-type: none"> <li>6</li> <li>18 days</li> <li>US\$350</li> </ul>	<ul style="list-style-type: none"> <li>4</li> <li>3 days</li> <li>US\$106</li> </ul>
Burkina Faso	Construction Permits	<ul style="list-style-type: none"> <li>Number of procedures</li> <li>Time to process</li> <li>Cost to process</li> </ul>	<ul style="list-style-type: none"> <li>32</li> <li>226 days</li> <li>US\$2,270</li> </ul>	<ul style="list-style-type: none"> <li>15</li> <li>19 days</li> <li>US\$480</li> </ul>
Lesotho	VAT Registration	<ul style="list-style-type: none"> <li>Number of signatures needed to approve a VAT refund</li> <li>Number of outlets for VAT lodgements</li> <li>Time to process</li> </ul>	<ul style="list-style-type: none"> <li>7</li> <li>3 outlets</li> <li>14 days to register</li> </ul>	<ul style="list-style-type: none"> <li>2</li> <li>24 outlets</li> <li>1 day to register</li> </ul>
Liberia	Computerisation of Customs	<ul style="list-style-type: none"> <li>Number of procedures</li> <li>Time to process</li> </ul>	<ul style="list-style-type: none"> <li>14</li> <li>30 days</li> </ul>	<ul style="list-style-type: none"> <li>9</li> <li>4 days</li> </ul>
Mali	Alternative Dispute Resolution	<ul style="list-style-type: none"> <li>Time from trial to judgment</li> </ul>	<ul style="list-style-type: none"> <li>860 days</li> </ul>	<ul style="list-style-type: none"> <li>180 days</li> </ul>

# Delivering Tangible Results - 2

Rwanda	Business Registration	<ul style="list-style-type: none"> <li>Number of procedures</li> <li>Time to process</li> <li>Cost to process</li> </ul>	<ul style="list-style-type: none"> <li>9</li> <li>16 days</li> <li>US\$438</li> </ul>	<ul style="list-style-type: none"> <li>2</li> <li>2 days</li> <li>US\$43</li> </ul>
Rwanda	Property Registration	<ul style="list-style-type: none"> <li>No of procedures</li> <li>Time to process</li> <li>Cost to process</li> </ul>	<ul style="list-style-type: none"> <li>5</li> <li>371 days</li> <li>10% property value</li> </ul>	<ul style="list-style-type: none"> <li>4</li> <li>55 days</li> <li>0.4% property value</li> </ul>
Rwanda	Commercial Court	<ul style="list-style-type: none"> <li>Time to process</li> <li>Cases processed</li> </ul>	<ul style="list-style-type: none"> <li>310 days</li> <li>Backlog of 3,333 cases</li> </ul>	<ul style="list-style-type: none"> <li>210 days</li> <li>Backlog cleared</li> <li>9,376 new cases received by 30 Nov 2010, of which 7,652 have been resolved</li> </ul>
Senegal	Modernisation of Customs Administration (GAINDE Phase 1)	<ul style="list-style-type: none"> <li>Time to process</li> <li>Number of certificates of origin processed annually</li> </ul>	<ul style="list-style-type: none"> <li>2 days</li> <li>853 certificates</li> </ul>	<ul style="list-style-type: none"> <li>7 hours</li> <li>1,983 certificates</li> </ul>
Tanzania	Modernisation of Judiciary	<ul style="list-style-type: none"> <li>Modernised courts</li> <li>Number of personnel trained</li> </ul>	<ul style="list-style-type: none"> <li>0</li> <li>0</li> </ul>	<ul style="list-style-type: none"> <li>4</li> <li>40 Judges, 35 registrars, 35 clerks, 20 court reporters (plus 12 IT personnel recruited)</li> </ul>
Zambia	Modernisation of Judiciary	<ul style="list-style-type: none"> <li>Modernised courts</li> <li>Number of personnel trained</li> </ul>	<ul style="list-style-type: none"> <li>0</li> <li>0</li> </ul>	<ul style="list-style-type: none"> <li>3</li> <li>14 Judges, 38 support staff &amp; registry clerks, 10 court reporters</li> </ul>
EAC (East African Community)	Harmonisation of Customs Law - Business Action for Improving Customs Administration in Africa (BAFICAA)	<ul style="list-style-type: none"> <li>Project created productive dialogue between business, EAC and customs authorities in East Africa</li> <li>Recommendations implemented leading to simplified processes, fast track procedures and computerisation of systems</li> </ul>		

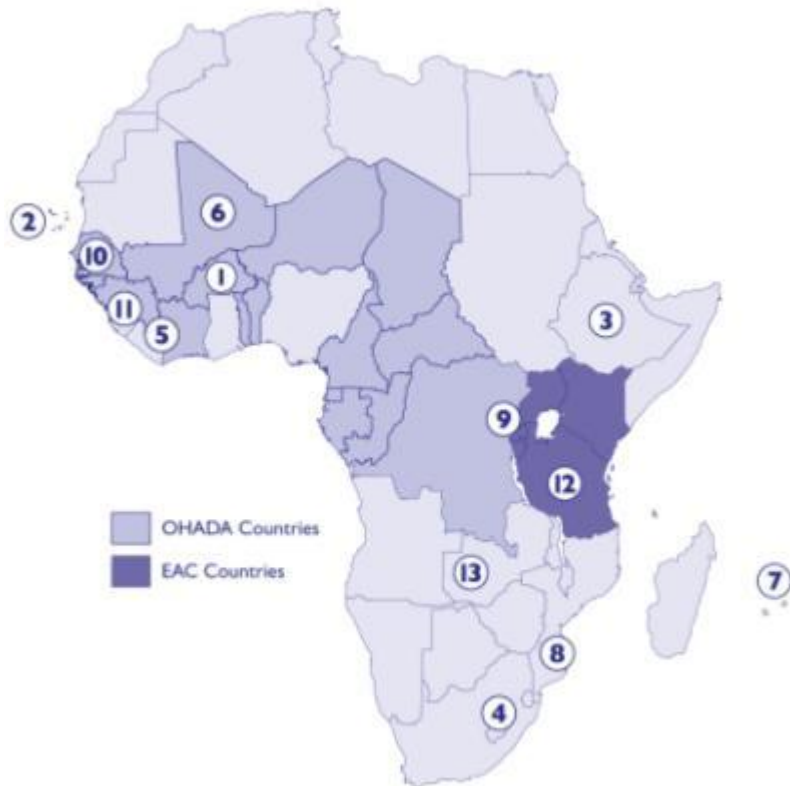
# ICF projects – September 2011



## ➤ 14 COUNTRIES & 40 PROJECTS

- 1. Burkina Faso:** Business Registration & Construction Licence; Land Registration System; Commercial Courts
- 2. Cape Verde:** Business Life Cycle Services
- 3. Ethiopia:** Tax Administration
- 4. Lesotho:** VAT Administration
- 5. Liberia:** Business Registration; Computerisation of Customs Department
- 6. Mali:** Alternative Dispute Resolution; Tax Dispute Resolution
- 7. Mauritius:** Modernisation of Judiciary
- 8. Mozambique:** Business Registration & Licensing
- 9. Rwanda:** Energy and Power Sector; Rwanda Investment Climate Project to Improve Judiciary, Land & Business Registration; Tax Administration
- 10. Senegal:** GAINDE Paperless Trade Phase I; GAINDE Paperless Trade Phase II; Modernisation of Customs Authority; Tax Administration
- 11. Sierra Leone:** Airport Transfer; Fast Track Commercial Court in Freetown; Land Registration System; Registry General
- 12. Tanzania:** Modernisation of Judiciary; National Land Bank for Investments; Modernisation of Customs Administration; Movement and Security of Goods and Services
- 13. Togo:** Alternative Dispute Resolution
- 14. Zambia:** Modernisation of Judiciary Phase I; Modernisation of Judiciary Phase II; Tax Administration

# ICF pan-African projects & special initiatives – September 2011



## ➤ **4 PAN-AFRICAN PROJECTS**

1. **East African Community:**
  - ✓ Anti-Counterfeiting and Piracy Policy & Legislation;
  - ✓ Harmonisation of Commercial Laws
2. **BAFICAA:** Business Action for Improving Customs Administration in Africa
3. **OHADA:** Harmonisation of Business Laws

## ➤ **5 SPECIAL INITIATIVES**

1. **Pan Africa Journalist Training**
2. **Financial Sector Task Force**
3. **Power Sector Task Force**
4. **Modernisation of Domestic Taxes Administration** (Lesotho, Rwanda, Tanzania, Zambia)
5. **Capacity Building - Mentoring**

# Moving forwards: continued focused approach

**1**

Continue to deliver tangible results through existing project activity to increase appetite for improvements even further

**2**

Broaden geographical footprint (with particular focus on Francophone markets)

**3**

Continue to deliver progress against priority themes (with particular focus on Competition & Labour Markets)

**4**

Increase investor confidence through delivery of improvements and targeted communications activity

# Engaging the Private Sector

Enabling the business environment will attract, retain and reward domestic and international investment.. Africa currently offers 'the highest return on direct investment in the world and growth rates of the past decade demonstrate the enormous potentials

Providing funding and resources to ICF is an opportunity for the private sector to engage in actions that will promote security for their assets, contract enforcement, access to fair and transparent judiciary system and access to a modern public service system with less red tapes and barriers

ICF's long-term success depends upon ongoing financial support from development partners and the private sector. We will all benefit from a more prosperous and economically stable Africa – and it is worth stressing that the financial and economic returns of an improved investment climate will far exceed the cost of ICF.

How can we cooperate to make Africa a better place  
to do business?

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