

BUSINESS FOR DEVELOPMENT: IMPLICATIONS FOR EXPORT STRATEGY-MAKERS

CÔTE D'IVOIRE

**IN-COUNTRY BUSINESS ALLIANCES:
ONE OF THE BEST STRATEGIES FOR A SUSTAINABLE ECONOMIC
GROWTH OF SUB-SAHARIAN AFRICAN COUNTRIES**

THE CASE OF A MARKET-LED POVERTY REDUCTION PROGRAM IN CÔTE D'IVOIRE

Contributed by
Guy M'Bengue, CEO APEX-CI
and
Boni Paul, Technical Advisor of the Prime Minister in charge of the Private Sector
Promotion, Industry, Trade, Tourism and Handicraft

INTRODUCTION

For so long, sub-Saharan African countries have been suffering from large scale poverty, despite the incredible value of their natural resources.

Basically, the main reason lies in the fact that poor producers lack the specific know-how that is required for taking advantage of the various market opportunities, at a national and international level.

The situation will not change significantly, unless the proper measures are carried out to tackle that problem.

A group of Ivorian professionals have made up their minds so as to find the relevant solutions. They have concentrated their efforts on the foodstuffs sector, which has already been considered as one of the pillars of their country's economic and social development by the Government and multilateral donors, such as the European Union.

For that sake, they have set up a program entitled "Projet de Commercialisation des Produits Vivriers en Côte d'Ivoire". The areas chosen for the testing stage: the Department of Bongouanou which has already retained the attention of those donors and the District of Abidjan, the largest national market.

I. PRESENTATION OF THE PROGRAMME

1.1 ITS MISSION STATEMENT

The mission of the program is to design, implement and run, at the total satisfaction of the Government and the various stakeholders, a new marketing and distribution system for foodstuffs which is geared to attaining high performances.

1.2 GENERAL OBJECTIVES OF THE PROGRAMME

They can be summarized as following:

- to give higher value to that sector which shall no more be dealt with as an informal one;
- to heavily increase its contribution in the creation of the national wealth;
- to control the growth of the retail selling prices of foodstuffs to the customers;
- to help reduce poverty deeply, by generating substantial incomes to the various stakeholders involved;
- to reinforce the safety of the country as far as food is concerned.

1.3 EXPECTED OUTCOMES FROM THE PROGRAMME

At the end of the program:

- a new marketing and distribution system for foodstuffs is set up and works satisfactorily;
- the foodstuffs business sector operates in the formal framework;
- substantial incomes are generated by this sector;
- the growth of the retail prices to the customers is controlled;
- the safety of the country is well assured as far as food is concerned.

II. ACTIONS SET FORWARD

The program calls for the implementation of the "empowerment" concept which consists of:

- setting up the different players;
- reinforcing their capacities to do business;
- defining the links between them;
- designing their business plans;
- monitoring and assisting the different players of the network;
- providing specific services to the members of the network.

II.1 SETTING UP THE DIFFERENT PLAYERS

- selecting the targeted audiences among poor female producers and sellers;
- organizing producers and sellers by helping them create their cooperatives;
- creating central cooperatives for poor female producers and saleswomen;

II.2 REINFORCING THEIR CAPACITIES TO DO BUSINESS

- helping the various cooperatives establish a Guarantee Fund in a micro finance institution which is the key partner for credit allowances:
 - at the production level, each of the 107 villages of the Department of Bongouanou has contributed for 100,000 CFA,
 - in the District of Abidjan 30 small groups in the various markets contributed to the Guarantee Fund by paying 100,000 CFA each.
- through a national bidding process, recruitment of qualified agents who will have to provide the required technical services to the targeted audiences of the network.

II.3 DEFINING LINKS BETWEEN THEM

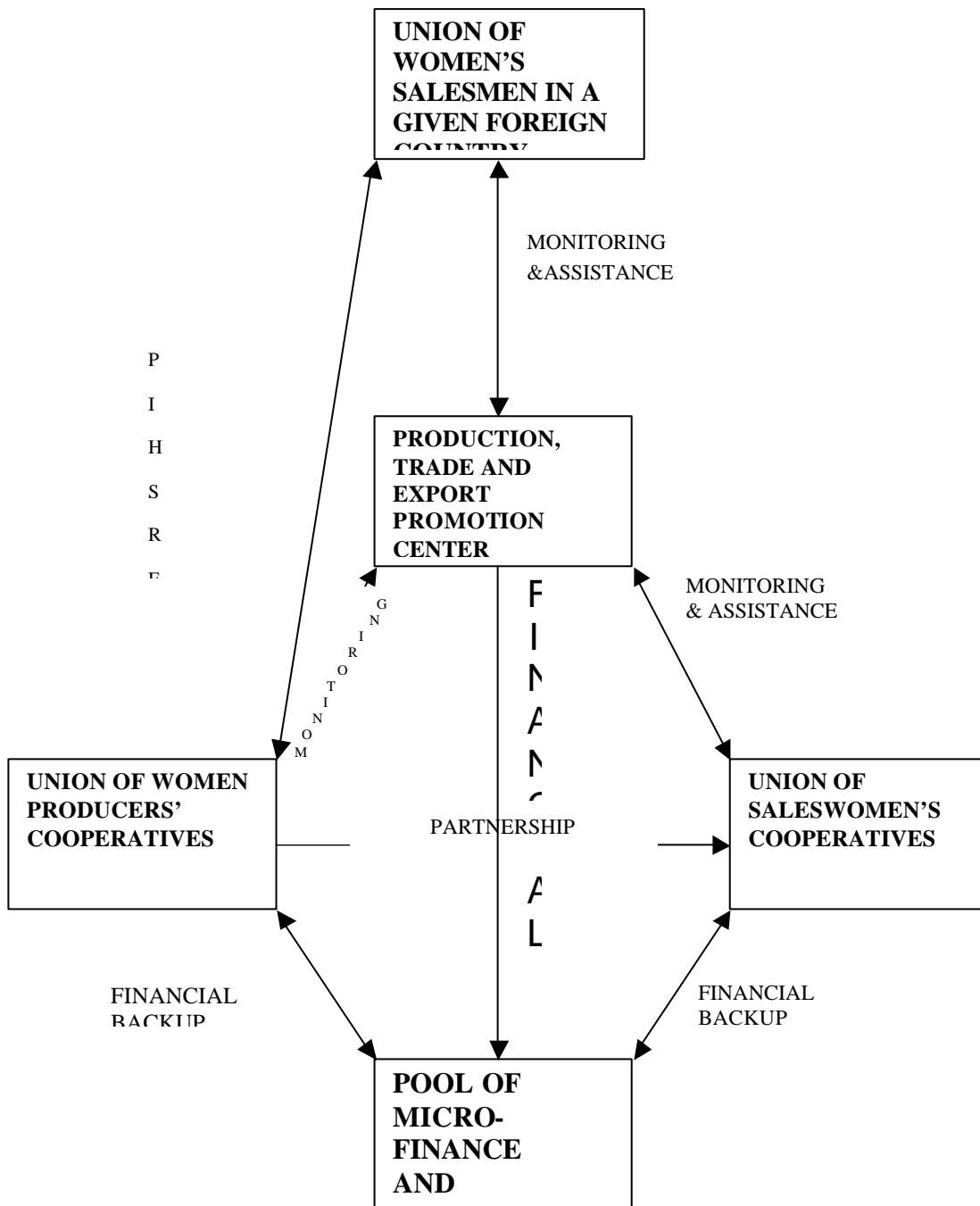
- getting official recognition for the cooperatives in villages, urban markets and at a central level;
- gathering all the stakeholders in an association called "Association Nationale pour la Valorisation du Vivrier en Côte d'Ivoire" (ANAVI-CI) to which is attached a technical office called " Centre de Promotion de la Production, du Commerce et des Exportations du Vivrier en Côte d'Ivoire" (CEPROCEV-CI) ;
- establish a partnership contract linking the two central cooperatives;
- having all the stakeholders sign a partnership contract with "ANAVI-CI" and a pool of micro finance institutions and insurance companies.

II.4 DESIGNING THEIR BUSINESS PLANS

- setting up the business plans of the various cooperatives and CEPROCEV-CI;
- having the pool of micro finance institutions and insurance companies grant credit to the various cooperatives and CEPROCEV-CI.

II.5 MONITORING AND ASSISTING THE PLAYERS OF THE NETWORK

- establishing operational linkages between the various units and all the markets through CEPROCEV-CI;
- developing business transactions between the central cooperatives and the pool of the micro finance institutions and insurance companies, thanks to CEPROCEV-CI;
- CEPROCEV-CI offers the following services:
 - management of the partnership contracts, the price setting mechanism, credit follow up and recovery;
 - market information and intelligence;
 - regulation of free competition;
 - lobbying and networking;
 - sales development;
 - feasibility studies;
 - quality control;
 - packaging;
 - exports promotion;
 - assistance for participation in trade fairs and exhibits;
 - establishment of financial statements, budgeting and a cost sharing system;
 - training;
 - follow up of insurance policies and products;
 - etc..
- the relationships existing between the different partners can be described as following:



III.5 SPECIFIC SERVICES PROVIDED TO THE MEMBERS OF THE NETWORK

- CEPROCEV-CI will work towards improving the quality of the services provided to each member of the network by:
 - making sure that each party fulfill its commitments correctly;
 - initiating counter-season production,
 - finding new sourcing for saleswomen,
 - negotiating new sales contracts for women producers,
 - investing in relevant equipments.

- CEPROCEV-CI will: create new distribution networks elsewhere in the country; select the proper products for exports and open exports networks in the neighboring countries in the near future and later on in Europe and the USA; put emphasis on gender and environmental issues; strengthen managerial and marketing skills of its own staff and those of the other members of the network; concentrate on new technological communication networks and tools; work towards creating a micro finance institution in the long run.

CONCLUSION

Thanks to those in-country business alliances, poverty will be drastically reduced. As a matter of fact, the program will help achieve the following results:

- high incomes for the poor people and the other stakeholders;
- high employment opportunities;
- better control over retail price increases.

However, our main weakness lies in the lack of the financing sources needed for backing up this market-led poverty reduction program.

We draw the attention of the various public and private institutions so that they join us to help the poor people on West Africa.