BRINGING DOWN THE BARRIERS –
CHARTING A DYNAMIC EXPORT DEVELOPMENT AGENDA

World Export Development Forum
Montreux, Switzerland, 8-11 October 2007

Côte d’Ivoire
Background Country Report

BUILDING MARKETS:
REGIONAL INTEGRATION -
RESPONDING TO NECESSITY
Introduction

Today, most countries in Africa are facing serious trade challenges in building-up their export markets within a more and more globalized world. They have small markets but are looking to expand their market shares in traditional, new and larger markets including Europe, North America and even Africa. Their comparative advantages are key, but need to be supplemented by a much larger vision towards greater international trade relations. Over the last two decades, progress has been made on the political aspect of the integration in Africa, and particularly in West Africa, through the implementation of a series of mechanisms including conflict resolution, trade and customs, free flow of goods and services and people. Recent initiatives such as the New Partnership for Africa's Development (NEPAD), rooted from the UN Millennium Development Goals, are involving both government, private sector, and partners in development in fostering more regional integration in order to take advantage of economics of scale, larger art size, and developing partnerships within Africa or with the donors and partners. Private sector through national trade promotion organizations and national chapters of NEPAD Business Groups could play a greater role in helping develop regional market scope and perspective and result in more business in the region.

1. West Africa and regional integration: Major constraints, success stories

West Africa region is composed of sixteen countries: Benin, Burkina-Faso, Cape Verde, Côte d’Ivoire, Ghana, Guinea, Guinea-Bissau, Mauritania, Niger, Nigeria, Liberia, Senegal, Sierra Leone, and Togo. With a market of 200 million of consumers, the region is expected to have its market grow over the next five years. There are two economic zones, one is the West African Economic Union (Union Economique Monétaire Ouest Africaine) with eight countries, using the same currency, with a customs regional scheme and a common regional tax. The WAEMU is a very successful case of a regional integration scheme, which if extended could help the West African region. The second zone, much larger is the Economic West African States (ECOWAS) composed of countries from WAEMU, and other six countries, mostly English speaking countries. Considered as the most appropriate economic regional community (ECR), this zone has the mandate to implement the Lagos Action Plan, and moreover, to implement all trade agreements with other international partners in the world (European Union, China, India, etc…).

1.1 Major constraints identified:

The private sector and governments are facing major constraints and challenges for the promotion and development of regional integration in West Africa. Those constraints include: political instability and increasing conflicts and war, lack of good governance, insufficient infrastructure network (roads, railways, air transportation, etc.), non competitive production costs (electricity, water, and) inefficient transportation system, free movement of goods and services in the region. Other constraints deal with lack of market information, costly trade facilitation services, various sociological, linguistic and cultural barriers, and more important, a wide variety of local currencies which do not favor easy transaction and common monetary policies within the region.

1.2 Challenges for building markets in the region:

One of the major challenges lies in the trade between member countries in West Africa. The intra-trade level is low, and there are business opportunities that are not grasped in the region. Other challenges include the capacity of the private sector to organize itself in the region, there are several national chambers of commerce, professional associations of manufacturers, and small and medium-sized companies, which could be put their forces together and examine any kind of partnership opportunities.

Given the WTO and other trade agreements such as the Economic Partnership Agreement with the European Union, and the African Growth and Opportunity Act (AGOA), national governments and private sector in the region must combine their efforts to design regional strategies to cope with these commercial challenges ahead. The NEPAD has also identified some of the challenges that must be

\[1\] WAEMU is composed of eight countries using the Franc CFA, pegged to the Euro. One euro equals 655.5 Francs CFA
addressed both by the private sector and national governments: poverty reduction, education, health, infrastructure, water and energy resources, good governance, peace and security, market development (within the region and elsewhere), and partnership with international donors.

### 1.3 Success stories:

Over the last three decades, several companies (local and MCN's) operating in the region have demonstrated their capacities to overcome these constraints and address these above challenges. Moreover, regional business associations such as the NEPAD Business groups, created several years ago, have lobbied for more economic integration in the region, particularly in West Africa. For example, NEPAD Business Group-Côte d'Ivoire has promoted the regional economic integration in lobbying in Togo, Burkina Faso, Senegal, and Mali. A West Africa Chapter of NEPAD Business Group is expected, and helps members in dealing with constraints and challenges mentioned above. Business facilitation has been possible today between Nigeria and Côte d'Ivoire, putting together business people, in some specific projects.

With the upcoming EPA with the European Union, the West African private sector is organizing itself with the cooperation of ECOWAS and international donors to get ready to enter this new trade agreement in early 2008 or later. Several meetings have taken place, and there will be a West Africa Business Forum in Accra (Ghana) whereby African business in the region will meet with representatives from governments and administration of the sixteen countries in West Africa to discuss about the strategies of strengthen regional integration, develop the intra-trade flows, and finally examine how to operate with the European Union over the next years.

### 2. NEPAD Business Group-Côte d'Ivoire and its role in the economic integration process in the region

Côte d'Ivoire has always played a key role in the economy of the region, despite the socio-political crisis the country experienced over the last five years, affecting the whole region. Today, with the post-conflict situation, the Ivorian private sector has increased its outreach activities in the region, fostering regional integration for more business opportunities and operations. Several companies (African and/or non African) are operating in Côte d'Ivoire, demonstrating that the region must be considered as a whole.

#### 2.1 Historical background:

NEPAD Business Group-Côte d'Ivoire (NBG-CI) has with the ambition to help implement NEPAD programs through the Ivorian private sector’s involvement. Membership includes key companies in all sectors, civil society members, and key government agencies involved in regional integration issues. M. Guy M’Bengue, CEO of APEX-CI (Association pour la promotion des exportations de Côte d’Ivoire) has been elected Chairman of the Board of Directors on August 31, 2006, with the statutes and regulations of the institution adopted by the founding members. On September 11, 2006, the NBG-CI officially launched its activities under the High patronage of the President of Côte d’Ivoire and the sponsoring of the Prime Minister, and the auspices of NEPAD Business Group –Africa Chairman Bamanga Tukur. The launching program was subdivided into two sessions. In the morning session, two NEPAD Business Group workshops were held, on the following topics: “NEPAD programs and implication for Côte d’Ivoire”, and “Experiences of NEPAD Business Group in Africa and recommendations for Côte d’Ivoire”. In the afternoon session, the official launch did take place with the presence of NEPAD Business Group Chairman Bamanga Tukur, Nigeria NEPAD Business Group Chairman Goodie Oon Ibru, NEPAD officials, and Nigeria and South Africa private sector representatives and several panelists from several countries.

For more than five years, Côte d'Ivoire has experienced a severe socio-political crisis. As a key economic player in Sub-Sahara Africa, the country has maintained its position with a strong private sector. With the mandate given to APEX-CI CEO Guy M’Bengue, Côte d’Ivoire plans to launch its NEPAD Business Group on Tuesday July 25, 2006 in Abidjan. On May 30, 2006, the Business group was formed with a strong commitment from several key stakeholders in the private sector. Lobbying actions have been undertaken with African Ambassadors, the private sector and donors’ agencies. A courtesy overseas visit is planned to Nigeria to meet with NEPAD Business Group-Continental officials as well as NEPAD-BG officials from Nigeria.
Given the socio-political crisis experienced by the country, the Ivorian private sector has played a key role in securing jobs and revenues over the last six years. Our institution has been deeply involved in policy dialogue, fostering the partnership between the private sector and public sector, and developing the principles of corporate and public governance. In the view of the post-crisis process, the Ivorian private sector is eager to identify specific programs and projects in order to implement NEPAD in Côte d’Ivoire.

2.2 Key Objectives:

- Provide a framework for leading business organizations in Côte d’Ivoire to engage and work with the Ivorian government to develop a strategy for nurturing public-private partnership in NEPAD
- Engage private businesses in other countries – in and outside Africa – in effective partnership towards joint-venture projects and joint execution of designed NEPAD projects
- Identify capacity gaps on the part of the Ivorian private sector on the implementation of NEPAD programme and establish mechanisms for bridging such gaps. In this regard, the challenges of operating in any part of Africa should be brought to the Ivorian government attention as well as strategies for overcoming such
- Provide effective backing to the international economic of the country under the framework of NEPAD and advise the Ivorian government on the best position to take for the benefit of the Ivorian economy in international trade talks such as those involving the World Trade Organization and ACP-EU, ECOWAS amongst others
- Make pertinent contribution towards the implementation of African Peer Review Mechanism in Côte d’Ivoire particularly in the areas of economic and corporate governance
- Promote and develop regional trade and related capacity building through appropriate mechanisms
- Promote cooperation with NBG’s in other African countries

2.3 Action Plan and major achievements:

The action plan includes seven clusters, which are developed below:

2.3.1 Sensitization, communication and information

This part of the program is to sensitize the host government and administration and the private sector on challenges of the NEPAD ownership, in order to benefit from business opportunities derived from the partnership with other African partners or from a partnership between Africans and the rest of the world. Actions undertaken

2.3.2 Capacity building program

At the institutional level: ministries involved in the NEPAD programs and issues have been targeted for a better ownership or NEPAD programs and projects. At the private sector level, along with the ownership, workshops and seminars on NEPAD have been organized, on February 7, 2007 on the role of the African Development Bank in the implementation process of NEPAD in the continent. NBG-CI Members participated in NEPAD and ECA outreach programs and NEPAD Business Group chapters, for example in Nigeria.

2.3.3 Support to promotion activities of NEPAD and NEPAD Business Group projects

The NBG-CI has organized a one-week outreach mission at the end of April 2007 to the African Development Bank with a delegation of twenty business and public administration officials to inquire
about regional projects funded by the financial institution. These activities are under the umbrella of best practices mission on NEPAD implementation.

Other clusters include project financing, and NEPAD Business Group's institutional capacity building. As far as the last cluster, development of Business Group branding in the region, the NEPAD Business Group-Côte d'Ivoire has promoted the implantation of national chapters in Francophone Sub-Sahara Africa.

2.3.4 Creating an attractive business environment

The NEPAD Business Group-Côte d'Ivoire has been selected as a focal point for the UN Global Compact program. This program promotes the ownership of the ten principles linked to human rights, labor standards, environment, and fight against corruption. In the context of post conflict experienced by the country, the ownership of these principles by the private sector will give a strong signal to national and international investors. NEPAD Business Group-Côte d'Ivoire has got the mandate to promote Global Compact brands in other African Francophone countries.

The NEPAD Business Group-Côte d'Ivoire is a key tool in the process of economic regional integration in West Africa.