COMPETITIVENESS THROUGH PUBLIC-PRIVATE PARTNERSHIP:
SUCCESES AND LESSONS LEARNED

“AGOA Implementation In Cote d’Ivoire:
“What It Takes To Make It A Success”

A COUNTRY PAPER
CONTRIBUTED BY
THE IVORIAN STRATEGY TEAM
I. Introduction and Background

For more than two decades, countries in Africa like Côte d’Ivoire have been involved in the Schedule of General System of Preferences (GSP) to help boost their exports in developed countries. Today, with the world economy progressing towards more liberalization, most African governments as well as private-sector representatives in Africa are taking seriously opportunity laws, including the African Growth and Opportunity Act, (AGOA) to enter the world market and capture new market shares. Over the last four years, Côte d’Ivoire has been actively involved in the AGOA implementation process, despite the difficult socio-political context marked by successive socio-political troubles, including a military coup in December 1999, several attempted coups, and a rebellion started in September 2002 which has affected the AGOA implementation program, as well as foreign direct investments, business activity and the overall economy. The successful implementation of the AGOA has however been seriously affected, thus showing some limits that need to be addressed after learning the lessons. To better understand and take advantage of these experiences, however, it is important to explain briefly the law and the role of APEX-CI on behalf of the private sector, various actions, and assessing the key elements of the success of the program. Lessons learned after this experience could help go forward. To date, Côte d’Ivoire remains among the 37 African eligible countries to AGOA, and also among the 25 African countries qualified for textile and apparel benefits. Ranked at the sixth place regarding trade with the U.S, Côte d’Ivoire exports several agricultural commodities such as coffee, cacao.¹

II. AGOA Brief Presentation

The African Growth and Opportunity Act (AGOA) is part of the 2000 Act on Trade and Development between the U.S. and Sub-Sahara Africa and the Caribbean countries, it has been promulgated on May 18, 2000 and signed by the President of the United States on October 2000. AGOA institutionalizes a process for strengthen U.S. relations with African countries and provides incentives for African countries to achieve political and economic reform and growth. It offers eligible Sub-Sahara African countries duty free and quota free U.S. market access for substantially all products. It also provides additional security for investors and traders in African countries by guaranteeing GSP benefits through 2015. It establishes the U.S. Sub-Sahara Africa Trade and Economic Cooperation Forum to facilitate regular ministerial level trade and investment policy discussions. AGOA lifts all existing quotas on eligible textile and apparel articles from eligible sub-Saharan African countries. It extends duty –free and quota-free treatment for apparel made in eligible sub-Saharan countries from U.S. yarn and fabric and for knit-to-shape sweaters made in the region from cashmere and some merino wools. It extends duty-free and quota-free U.S. market access for apparel made in eligible sub-Saharan African countries from regional fabric and yarn. Such imports, however, are subject to an annual cap (limit). Since July 2004, with AGOA III, it also provides a special provision in the cap, which allows beneficiary sub-Sahara African countries with an annual GNP of under $1,500 (LDC) to use fabric inputs, regardless of the country of origin until September 2008.

III. Role of APEX-CI

APEX-CI ²s role in the AGOA promotion and the country eligibility, and furthermore in the AGOA implementation, has been necessary given a hostile socio-political environment which was permanent over the last three years, where most priorities from the Ivorian government focused on security, political stability, and peace matters other than market access and business opportunities issues. Within the AGOA framework, APEX-CI has utilized its expertise in leading the private sector to get involved in this important process. Ingredients for its increasing role during the last three years include leadership in the private sector, strategy formulation within the AGOA steering committee, leveraging its negotiation capacity, consensus-making, and general coordination with key local and international

¹ More than 70% of Ivorian exports to the U.S. are represented by coffee and cocoa.
² APEX-CI (Association pour la promotion des exportations de Côte d’Ivoire, 01 BP 3485 Abidjan 01 (Côte d’Ivoire)- tel : (225) 20-315700 ; Fax : (225) 20-217576 ; e-mail : contact@apexci.org Website : www.apexci.org
contacts, as well as several overseas trips and meetings and setting-up of an AGOA focal point within APEX-CI, as an AGOA resource centre in the country.

IV. AGOA Implementation program in Côte d’Ivoire (2002-2004)

As an export promotion agency, with an international market exposure, APEX-CI has taken the leadership in promoting the country’s eligibility on behalf of the Ivorian private sector. APEX-CI membership, which includes several textile and garment manufacturers as well as agro-industrial companies were also involved in the AGOA implementation process over the last two years.

1. Communication and outreach programs
   This section of the program is geared to educate the Ivorian government, administration and the private sector on AGOA issues and challenges for African countries. It has also focused on networking with key African administration and private sector officials in Sub-Saharan Africa involved in AGOA programs as well as with the U.S administration and private sector operating in Côte d’Ivoire and in the U.S.

2. Trade Policy advocacy programs
   This part of the program has covered local advocacy and lobby abroad such as restoration of the country’s image after the crisis in September 2002, reconstruction program for the government, visa application for textile benefits, AGOA benchmarks, child labor issues related to the cocoa industry, and renewal of AGOA eligibility status of Côte d’Ivoire for 2003 and 2004.

3. AGOA capacity building programs
   The section of the program is designed to help both the Ivorian administration and the private sector in strengthening its capacities. In this view, APEX-CI has put together a program to train administration officials chosen to work in an AGOA visa office to handle the textile provisions regarding the export of textile products and garment manufactured in the country using the expertise from Mauritius administration officials; developed business relationships with several companies including consultants, lobbyists to assist its membership for a large market exposure in the U.S. The organization has provided an educational program designed for textile and fashion designers resulted in an upgrade of participant’s awareness of AGOA challenges in the industry and the availability of a study report produced by a consultant.

4. AGOA trade missions
   Over the last two years, APEX-CI has organized and led a series of AGOA missions throughout Africa (West, Central, Southern Africa, as well as in the U.S. to meet potential business partners and other AGOA contacts in the region.

V. Key Factors for success in AGOA implementation

APEX-CI’s leadership in the AGOA implementation program in Côte d’Ivoire has resulted in various success stories, although investment projects and visible outcomes are not sufficiently shown. Part of this lies in the tough socio-political context and continued negative effects of a military rebellion since September 19, 2002.

1. Understand the AGOA environment and being in the AGOA playing field
   One of the key factors for a success in the AGOA implementation is the degree of understanding the AGOA environment and how one becomes a player in the playing field. After the AGOA eligibility obtained on May 16, 2002, the most important part of the work was ahead. It was very crucial at this moment to understand the AGOA environment and enter in the playing field. Approximately twenty African countries were declared eligible, and AGOA key players in Washington, D.C. organized a series of AGOA seminars to educate both private sector and government officials on AGOA challenges and benefits. Even before May 2002, APEX-CI made an intense lobby in
Monterey, Mexico during the WTO negotiations, where as a guest speaker, APEX-CI CEO took the opportunity to talk about the need for Côte d'Ivoire to be reinserted in the group of AGOA eligible countries in front of senior US government officials. In April 2002, APEX-CI in anticipating of the partnership between US firms and Ivorian firms, a delegation of private sector officials attended the Eximbank annual meeting and workshop in the U.S., followed by a series of outreach programs within the country towards the private sector and the Ivorian administration to focus on major AGOA challenges, particularly in the textile and garment industry. This educational process helped the private sector and the government understands that AGOA was a real opportunity law the country needs to take advantage of. In 2002 and 2003, APEX-CI was very active in participating in several outreach programs, AGOA forum and exhibitions in Sub-Sahara Africa, and in the U.S. resulting in a large exposure of the organization in the AGOA environment. This exposure helped APEX-CI identify targeted sectors with export potential on the U.S. market, including processing of key agricultural commodities, textile, garment, and clothing industry; handicraft, and ethnic consumer goods. On the regional scene, APEX-CI has taken the lead in initiating an AGOA network in West Africa, including countries like Senegal, Mali, Niger, and Guinea. Although this network has not resulted in visible results, the regional network has been designed to mobilize AGOA expertise and experience in the sub-region and take advantage of capacity building programs available for the region.

2. Create a favorable institutional framework
Another key factor for a success is to the ability to help create a favourable institutional framework in one’s country. In fact, APEX-CI has constantly lobbied with the Ivorian government to be involved in the AGOA implementation program. the creation of an AGOA committee, the assistance in working on the application process of the country for the customs visa application regarding the AGOA textile provisions.

3. Build a national viable export strategy for the quest of U.S. market
A third key factor for a success is the capacity of building a national export strategy with national experts from the government, private sector involved in international trade, lobby and export promotion. We have established sector priorities, (textile, garment, agro-industry, handicrafts), and also developed a good understanding of the priority markets. Other issues such as export processing zoning, price competitiveness, investment incentives, and lobby at the international scene have been identified and taken care of.

4. Design a roadmap and proceed on it
Another key factor for a success is how to design a roadmap in the AGOA implementing process.

The process must take into account the following four components: the original time framework (2002-2008), which has been extended to 2015, resulting in more visibility for both local government and private sector decision makers, the priority sectors to focus on, the set of objectives: short, medium, and long term; and at last the number of companies capable of being involved in the process.

5. Involve the private sector at the early stage
This key factor for success is the most important one, because the key players are companies that will export to the U.S. market. The private sector must be involved at the early stage and must be associated to the national export strategy process. In Côte d’Ivoire, the private sector was far ahead in the AGOA implementation; it initiated, took the lead and currently is monitoring the AGOA implementation process.

6. **Maintain a monitoring system**

The monitoring system is very instrumental for the renewal of the country’s eligibility, for instance, the follow-up of AGOA benchmarks that were recommended to Côte d’Ivoire in 2003. This system helped APEX-CI to apprehend and initiate some lobbying actions in relation with child labour and certification issues on the cocoa sector.

VI. **Lessons learned**

Lessons learned from this experience and others in the region could be resumed as follows:

- Necessity to learn the rules of the game and know the key players in the AGOA network
- Establish sector priorities and focus on one or two high priority sectors
- Develop a good understanding of the priority markets
- Understand and embrace the need of foreign capital and expertise
- Identify high potential investors and buyers in the priority sectors
- Design and implement a competitive set of incentives to attract foreign investments in target sectors
- Stay informed of competitive incentive packages offered in the region and around the world.
- Identify and implement the infrastructure and policy reform required by foreign investors
- Solve the logistics challenges
- Dramatically reduce corruption and favour a more friendly business and investment climate
- Work on the criteria to apply for the Millennium Account Challenge for more investments and funding on behalf of the country
- Encourage U.S. and foreign textile manufacturers to invest in Africa, where competitive
- Establish a service to provide information on viable African trading companies
- Establish a “one-stop shop” to reduce bureaucracy and streamline the business formation process.
- Consider joint-government/private enterprise training facilities
- Maintain lobbying actions both locally and internationally for AGOA monitoring
- Involve the whole business community in the AGOA implementation program
- Lobby for partnership and foreign direct investment in the country
- Be responsible to the US administration and government

VII. **Conclusion**

After two years of AGOA implementation actions, Côte d’Ivoire has not fully benefited yet from AGOA despite positive trade statistics, which indicated that 2003 exports under AGOA and its GSP provisions were valued at $88 million in 2003, roughly 18 percent of total exports to the U.S.\(^4\) The relative political stability in the country which is witnessed now, after almost five years of political disturbance could result in more positive outcomes. The AGOA extension period up to 2015 will provide more visibility and help explore new areas of interest from both the US and Ivorian private sector, particularly in terms of foreign direct investments, business opportunities, and partnership. Several pending projects are underway: textile and garment plants, follow-up of AGOA benchmarks, launching of an AGOA Resource Center in collaboration with the West African Trade Hub (W.A.T.H.); capacity building programs for new companies, edition and publication of French versions of AGOA guides to disseminate the opportunity law dispositions to general public, private sector and government officials, defining more priorities into the national export strategy. The year ahead could result in more investments and partnership arrangements with US firms in developing business opportunities for AGOA. Côte d’Ivoire, could then take fully advantage of AGOA benefits after its learning experience and the strengthening of capacity building both for the Ivorian administration and private sector.

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\(^5\) The AGOA Resource Center in cooperation with West Africa Trade Hub (WATH) based in Accra (Ghana)