



UNITED NATIONS DEVELOPMENT  
PROGRAMME (UNDP)

# **COMPENDIUM OF GOOD EMERGENCY PRACTICES OF THE CIEA III**



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INTRODUCTION

In the economic discourse the concept of emergence appeared very recently, as the concept of «emerging countries/emerging markets» emerged in the 1980s with the expansion of stock markets in developing countries. Thus, emergence is not the result of a theory, but of a doxa put forward by the media, even if works have subsequently tried to conceptualize it. In this framework, it is cited as a break with respect to a previous trajectory supported by economic diversification, innovation, improved legal and regulatory frameworks, and better risk assessment or management. The International Conference on the Emergence of Africa (ICAE) was established in 2015 to accompany the dynamic of emergence of African countries. In this regard, the first edition of the CIEA (CIEA-I), held from 18 to 20 March 2015, provided an opportunity to exchange views on the conditions for the emergence of Africa in the light of the dynamics under way and the lessons learned from the economic and social transformations that have taken place in emerging countries. The second edition of the CIEA (CIEA-II), held from 28 to 30 March 2017, focused on the challenges relating to the implementation of emergence plans in Africa. Following its first edition an emergence model was proposed in line with the aspirations of the African Union's Agenda 2063 and the principles of Agenda 2030. It is centered on:

- (i) a developmentalist State with a clear and shared vision
- (ii) changes in production and consumption patterns,
- (iii) human development. This is a set of structural transformations at the social, economic and environmental levels.

In the pursuit of this objective of social optimum, some countries are on the right track, while others are slow to find adequate policies to succeed in this challenge. It is in this sense that the CIEA aims to be a space for exchanging and sharing good practices.

Following its first two editions, which took place in Abidjan, the third was held on the 17, 18 and 19 January in Dakar at the Abdou Diouf International Conference Centre in Diamniadio. Jointly organized by the Government of the Republic of Senegal and the United Nations Development Programme (UNDP), and in partnership with the World

Bank and the African Development Bank (ADB), the CIEA-III brought together more than 1300 participants from some fifty countries, who discussed and exchanged views on the central theme: «Emergence, Private Sector and Inclusiveness». With a strong focus on the search for practical solutions to the problems and challenges of implementing effective of emergence processes in Africa, this third edition focused the debates specifically on: (i) **Promotion of the private sector as an engine of emergence: development of national champions and private investments and (ii) Inclusiveness as a guarantee of sustainability of emergence dynamics.**

It is within this dynamic that this document is intended to be a synthesis of the good practices of emergence that were identified and discussed at the last edition of the ICAE in Dakar. The objective of this document is to present good practices in order to provide a model for countries that aspire to emergence.

- In this sense, six themes were identified which were the subject of plenary sessions, parallel panels and case studies. They are:
- (i) The development strategy of the chains;
  - (ii) The strategy for the emergence of national champions;
  - (iii) The financing of the economy and attraction of FDIs;
  - (iv) Innovative paths of public-private partnership;
  - (v) Social and territorial inclusiveness.

DESCRIPTION

Description of the good practice (Objectives and interest in the emergence process).

RESULTS

• The impact of the good practice on structural transformation (growth, unemployment, exports)  
• Impact on inclusiveness.

APPROACH

Description of the various stages for implementing the good practice.

CONDITIONS FOR SUCCESS

Identifying the key success factors of the good practice.



The good practices in this document are presented under four headings: description, approach, results and conditions for success.

By promoting and supporting the process of emergence of African countries, the ICAE aims to be a space for sharing good practices tested in different countries. It is for this reason that the document is intended to be a compendium of the various practices discussed at its third edition. The latter are thus documented and deepened in their reviews in order to provide the various actors of emergence in Africa with avenues to define strategies and public policies capable of accelerating the progress towards emergence.

This handbook should then be useful to:

- All the stakeholders of the CIEA-III (State of Senegal, UNDP and the World Bank);
- The various African governments;
- The private sectors of African countries;
- Academics and actors of the African civil society.

Thus the document is structured in three parts:

- Firstly, a brief presentation of the evolution of African economies made over the last few years;
- Secondly, the various good practices collected are presented;
- Thirdly, the selected good practices are analyzed in the light of the recommendations resulting from ICAE III;

# Africa on the trajectory of emergence: between rapid growth and reforms for a more competitive economy

**With a majority of African countries having recorded annual growth rates sometimes above 5% over the last fifteen years, Africa appears to be on a good development trajectory.** With a GDP growth rate of 4.6%, Africa is second in the world behind Asia (7.4%) and ahead of Latin America (2.6%). According to forecasts, such as those of the AUC and the OECD (2019), this growth, after a slight decline in 2018, will recover by 3.9% between 2020 and 2023.

**Economic growth in Africa has been driven by both external and internal factors.** Global demand and moderate increases in commodity prices have driven growth in African economies. However, most of this increase is explained by domestic demand, which contributes 69% of growth annually (AUC/OECD, 2019). Moreover, private consumption alone accounts for more than half of the continent's growth since 2017. It should also be noted that this consumption is increasingly oriented towards processed products, including processed food products, with demand that has grown 1.5 times faster than the world average (AUC/OECD, 2019).

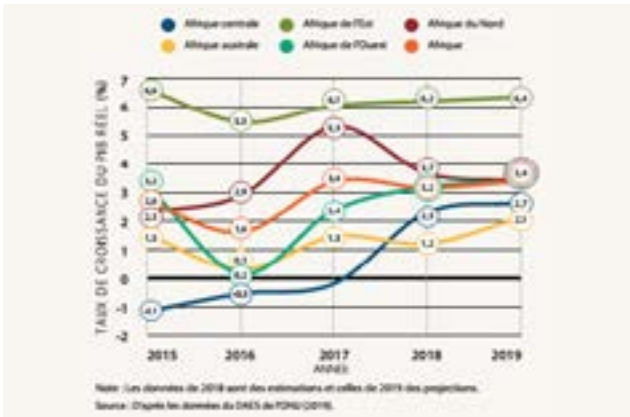
**The growth dynamic of the African continent is not homogeneous across regions.** In 2019, all African regions recorded positive growth. East Africa achieved the highest growth since 2015, although this growth rate declined slightly from 6.6% to 6.4% in 2019. West Africa made a significant leap forward with a growth rate that increased from 0.2% to 3.4% between 2016 and 2018, but remains still far from the process of structural transformation. However in 2018 as well as in 2017, the UEMOA area recorded a growth of 6.6% which is estimated at 6.7% in 2019. By country, the growth rate in 2018 is as follows: Benin (6.7%), Burkina Faso (6.6%), Côte d'Ivoire (7.4%), Guinea-Bissau (3.8%), Mali (4.9%), Niger (6.5%), Senegal (6.7%) and Togo (4.9%). Central Africa, meanwhile, has rebounded following a dark period where it recorded negative growth rates. From -0.2% in 2017, its GDP increased by 2.3% one year later, before settling at 2.7% in 2019. Finally, as regards North Africa, although growth is driven by countries such as Morocco and Egypt, it has recorded a decline in recent years from 5.3% to 3.4% between 2017 and 2019. From the above, it should be noted that the thesis of a growing Africa should not hide the disparities as well as the heterogeneity between the different countries both in the speed and in the sources of growth.

Graph 1: Sources of growth in Africa from 2015 to 2019



Source: OCU/OECD (2019), based on data from UN DESA (2019) and EUI (2018)  
\* Data for 2018 are estimates and data for 2019 are projections

Graph 2: Evolution of growth in the different regions of Africa



Source: OCU/OECD (2019), based on data from UN DESA (2019) and EUI (2018).  
\* Data for 2018 are estimates and data for 2019 are a forecast

This growth can be explained by a series of reforms being undertaken in African countries to improve the business environment. Indeed, one third of the reforms identified in 2019 were undertaken by sub-Saharan African countries. For the third year in a row, sub-Saharan Africa set the world record for reforms, with a total of 107 reforms. Countries such as Rwanda and Mauritius are among the top 50 countries in the world according to the *Doing Business* ranking. Other countries such as Côte d'Ivoire, Kenya, Togo and Rwanda are among the top 10 most reform-minded countries in the world. Africa excels in dimensions such as contract execution, business start-up time and property transfers.

However, despite its performance, the attractiveness of the business environment is hampered by major pitfalls including political stability and corruption.

A map prepared by the Observatory for Sustainable Competitiveness (OSC) shows that a large number of African countries have a level of political stability that is below the average level with a score for this dimension of less than 50. However, it should be noted that the distribution is not homogeneous with a few African countries that stand out from the crowd with scores that rank them among the countries with a very stable socio-political environment in the world. One of the countries that can be cited as an example in this case is Botswana.

Graph 3: Political stability in Africa



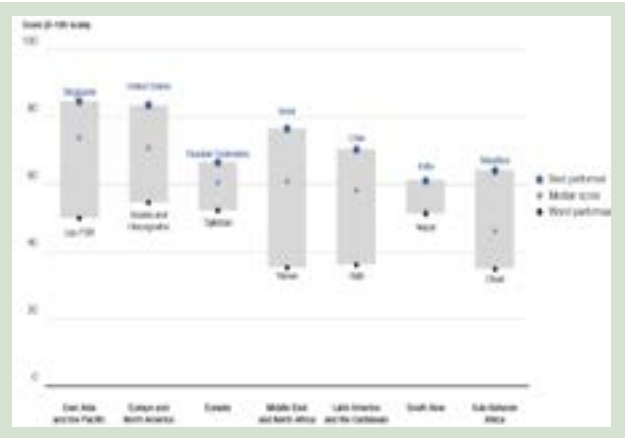
Source: Observatory on Sustainable Competitiveness (OSC)

**Africa which is achieving economic growth is heterogeneous and this growth is driven by consumption.** Despite this growth and the improvement in the business environment, competitiveness is still slow to carry the dynamism of the economy. The 2019 *Global Competitiveness Report* of the World Economic Forum (WEF), shows, on the basis of a global competitiveness index that the sub-Saharan African region records the lowest score. Chad is the worst performer on this competitiveness indicator and is also the last country in the world according to the World Economic Forum. The best performance in terms of competitiveness is achieved by Mauritius.

Countries' evolution is classified by the WEF according to three stages formed by the 12 pillars of their index. These are the first phase, which is the mobilization of factor endowments (1-4); the second, which focuses on productive efficiency (5-10); and the third phase, symbolized by the existence of a private sector that provides increasingly sophisticated products through innovation.

Of the 37 African countries in the WEF database, none of them has reached the ultimate phase characterized by innovation-based competitiveness. 24 remain in the first phase, of which two are in transition to the second phase, which includes only seven countries: Cape Verde, Egypt, Morocco, Namibia, South Africa, Swaziland and Tunisia. Finally, two countries are in transition to phase 3: Seychelles and Mauritius.

Graph 4: Average score by region in 2019



Source : World Economic Forum Analysis (2019)

# Theme 1:

## Strategy for the development of chains





Some countries that have successfully undergone structural transformation have developed strategic chains that have been able to create other economy sectors in the same competitiveness dynamics. The identification of these sectors is therefore a major stake in the development of a country's emergence/development plan. It can be based on a classic scheme on its endowments in resources, especially natural resources, to make the choice of its chains which will be the engines of its growth and its foreign trade. The country can opt for the construction over a long period of time of a chain independently of its endowments in factors of production for the development of this chain.

Beyond identification, a competitive chain must be the result of a whole set of practices relating to the establishment of an ecosystem conducive to its development, to partnership mechanisms with champions in this field and, even exceptionally in the case of Africa, to the exploration of sectors or chains that are on the fringes of classical development policy theories.

Based on the experiences of Côte d'Ivoire, Morocco, Nigeria and Rwanda, this first section will present all its good practices according to the following scheme: description, approach, results and conditions for success.



## GOOD PRACTICE 1 : Targeting of chains

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
Identification of sectors capable of boosting transformation by creating jobs and boosting exports. 	<ul style="list-style-type: none"> <li>Setting up of working groups (public sector, private sector, populations, ...)</li> <li>National audit of the economic sectors.</li> </ul> 	<ul style="list-style-type: none"> <li>Alignment of public policies with clear and specific objectives</li> <li>Creating and strengthening a shared vision.</li> </ul> 	<ul style="list-style-type: none"> <li>Leadership</li> <li>Reliable information system</li> <li>Private sector involvement</li> <li>Ownership by all stakeholders.</li> </ul> 

### Description

Targeting consists in identifying the chains capable of driving a country's structural transformation. These can be identified on the basis of products for which the country has a comparative advantage, taking into account its natural or human endowments. The chosen chains can also result from a proactive policy to build a competitive economy around them by providing the means to achieve this objective.

The coffee, cocoa and cashew nut chain in Côte d'Ivoire is the example of option for targeting a chain on the basis of the country's natural endowments and the implementation of a set of measures to make this chain an engine of structural transformation. In another sense, Morocco, with the development of the automobile and aeronautics industries, has shown that it is possible to opt for the development of a strategic chain based on a proactive policy. By opting for tourism, Rwanda is straddling the two options.

### Approach

The approach consists in setting up a rigorous framework for co-construction between all the economic, political, civil society, research, etc. stakeholders. To this end, it is important to set up **thematic working groups** that must document the national and international environment of eligible sectors. Subsequently, it is necessary to carry out **a national audit of the human, physical and natural assets** of the country in its various identified strategic sectors. This step allows to point out the country's weaknesses, opportunities, threats and constraints. Thus, it allows better preparation for implementation.

The stakeholders involved in the approach are:

- The public sector;
- The private sector;
- The financial sector;
- Academics;
- Civil society;

- Local authorities;
- Development Partners.

### Results

In view of the successful examples in the choice of strategic sectors in Côte d'Ivoire (coffee, cocoa and cashew nuts), Morocco (aeronautics) and Rwanda (tourism), it is possible to analyze the results of this good practice on two points: relevance and ownership.

**Relevance:** the targeting of strategic sectors allows the coherence of public policy actions around clear and precise objectives. Based on a co-constructive approach, the targeting of sectors accentuates their potential for structural transformation.





**Ownership:** The stakeholders are more involved in the implementation because of their participation in the identification of the sectors.

### Conditions for success

Taking into account the experiences of the three countries mentioned above, the good practice «identification of strategic sectors» requires:

- The commitment of a constant **leadership**, driven by a will to accelerate the structural transformation of the country based on strategic sectors.
- The existence of reliable and up-to-date data on the economic structure of the country.**
- The involvement of local and territorial authorities** by giving them the capacity to develop their capacity for national vision.
- Ownership of the project by all the stakeholders.** Indeed, in line with what has been done in Rwanda, it is true that one of the key elements of success is full ownership by all the stakeholders in the company. This also allows for a comprehensive picture of the socio-economic situation and, consequently, for the selection of strategic chains in a broader set.

## GOOD PRACTICE 2: Creation of an ecosystem conducive to the development of chains

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
Creation of an environment and establishment of institutions to promote the development of strategic chains. 	<ul style="list-style-type: none"> <li>Establishment of institutions for monitoring and evaluation;</li> <li>Structures for monitoring quality standards</li> <li>Tax and land incentives</li> <li>Business support policies</li> <li>Promotion and marketing.</li> </ul> 	<ul style="list-style-type: none"> <li>Increase in FDI</li> <li>Job creation</li> <li>Increase in export value.</li> </ul> 	<ul style="list-style-type: none"> <li>Targeting of sectors</li> <li>National Emergence or Development Plan</li> <li>Follow-up of the different actions</li> <li>Involvement of stakeholders</li> <li>Infrastructures.</li> </ul> 

### Description

This is a good practice that requires a strong involvement of public authorities. The aim is to create an enabling business environment and to establish the institutions necessary to remove all the constraints that may hinder the development of strategic chains.

### Approaches

Countries that have adopted this good practice have each, to a certain extent, started by identifying the major constraints that may hinder the implementation of the chain development strategy. This preliminary step in this process follows the good practice on the identification of chains and also requires the inclusion of all stakeholders. More concretely, the approach in this practice consists in:

- Setting up institutions in charge of coordinating and monitoring the various projects** of the chain development strategy (*Rwanda Development Board* (RDB), *Coffee-Cocoa and Cashew-Cotton Council* in Côte d'Ivoire) ;
- Setting up a structure for monitoring the quality standards** of products in the chains and properties ;
- Like the development of the aeronautical industry in Morocco, it is important to set up **tax and land incentives** to support the development of strategic chains;
- Beyond tax and land incentives, the country must also have a set of **mechanisms to support companies**. These may be investment funds or training schools (such as the *Institute of Aeronautical Professions* in Morocco or *Ethiopian Airlines Aviation* in Ethiopia) ;

- Strategic chains aim to boost exports and attract FDIs. To this end, the implementation of this good practice should be reflected through a set of **initiatives for the promotion and marketing of chains**. In Rwanda, for example, the image of President Kagame is used in the «Destination Rwanda» tourism promotion campaign.).

### Results

The creation of an enabling ecosystem for the development of chains allows their full expansion and the acceleration of their contribution to structural transformation.

To this end, more concretely, the development of the sectors should favor three major and fundamental axes for a viable and sustainable emergence process. These are:

- the increase of FDIs** in strategic sectors such as the automotive and aeronautics in Morocco (23% increase in 2018 of FDIs in Morocco, second country behind Egypt in Africa for FDIs destination) ;
- job creation** in strategic chains goes hand in hand with their development. In Morocco, for example, the aeronautics sector has led to the creation of more than 16,000 highly qualified jobs;
- the increase in export turnover** is one of the key results of development policies focused on strategic chains. Thus, in Rwanda, tourism has become the sector that contributes most to the increase in the value of the country's service exports. Morocco's aeronautics sector saw its exports increase by two points to 4% from 2010.

Conditions for success

A successful creation of an enabling ecosystem for the development of the chains requires:

- i. **Targeting promising chains** in an inclusive manner with the participation of all the stakeholders ;
- ii. **the existence of a national development or emergence plan** that supports the development of strategic chains (the industrial acceleration plan in Morocco) ;
- iii. **a close monitoring of the various steps undertaken** within the framework of this good practice ;
- iv. **the involvement of all the socio-economic stakeholders** in the definition of the action plans.

- v. **The existence of quality infrastructure** (highway) and successful supporting sectors (airport, port, electricity, water, telecommunications; etc).

Go further :

<http://www.mcinet.gov.ma/fr/content/aeronautique>

<https://www.cavieacci.org/fr/l-industrie-automobile-drive-les-ide-au-maroc/>


[http://www.conseilcafecacao.ci/docs/Intervention\\_du\\_Directeur\\_General\\_Adjoint.pdf](http://www.conseilcafecacao.ci/docs/Intervention_du_Directeur_General_Adjoint.pdf)

<https://tourismregulation.rw/fr/>

GOOD PRACTICE 3:  
Partnering with global champions


DESCRIPTION

Finding partnership mechanisms between large multinational firms and local SMEs.




APPROACH

- Trade agreements with large companies
- Joint-Venture
- SME ecosystem development around a large international firm.




RESULTS

- Increase in FDIs
- Increase in exports
- SMEs Development
- Job creation.



CONDITIONS FOR SUCCESS

- Supportive business environment;
- Incentives;
- Qualified and competent human resources.



Description

This practice involves finding partnership mechanisms between large international firms and local SMEs to promote skills transfer and value chain development. It can also involve agreements linking the country with a major brand in order to stimulate activity in its strategic sectors.

Approach

This good practice has been observed in Rwanda and Morocco. In each of these countries, the approach adopted is specific and depends on the nature of the strategic sector to be promoted.

In Rwanda, within the framework of the tourism sector strategy, the country has signed partnership agreements with a football club of the first league: Arsenal for an amount of more than 36 million euros to attract European tourists. Less than two years after this signature, the Land of a thousand hills signed last December a similar type of contract with PSG, defending champion of the first league, for an amount of 8 to 10 million euros per year. Thus, the slogan «Visit Rwanda» will appear during matches at the Parc des Princes on billboards and the jerseys of the football team will be flocked with this mention. Such a partnership will open up a market for Rwandan tourism to the several million fans of these two football clubs.

In Morocco, in the aeronautics sector, the kingdom has signed a whole series of agreements with the global giants of the sector such as Boeing, Bombardier, EADS, etc. The objective of these agreements is, in addition to creating jobs and stimulating exports, to create ecosystems with the gradual integration of local SMEs in the value chain. For example, the agreement is to eventually allow the creation of more than 8700 jobs, bring in 120 suppliers and increase the sector’s export revenues by more than \$1 billion per year and local integration by more than 30%.

Results

The results of such a practice are illustrated by an increase in exports in Rwanda. This country signed a three-year, \$44.3 million agreement with Arsenal in 2018. This agreement brought in \$88.3 million to the tourism sector in 2018 alone.

For Morocco, between 2013 and 2017, exports from the aeronautics sector achieved an average annual growth of 11.3%. The share of this sector in exports increased from 4.1% to 4.5% in 2017. Since 2014, the number of companies in the sector has increased to 130, with an average annual growth of 10%. This growth has been accompanied by a 55% increase in jobs created.



Conditions for success

In the light of the two experiences, the success of this practice depends on the existence and effectiveness of three factors:

- 1 A favorable business environment;

2 Effective incentives to attract large companies;

3 A well-trained and competent workforce for the transfer of skills:
- i. **An attractive business environment.** There must be legal arrangements that enable companies to save time, particularly by avoiding cumbersome administrative procedures (one-stop shop, taxation, existence of good infrastructures (railways, roads, ports; electricity; water, etc.);

ii. **Effective incentives to attract large companies.** Sufficient incentive mechanisms will have to be established so that large firms consider it advantageous

- to relocate to African countries. These mechanisms may relate to tax benefits, access to land, etc;
- iii. **Qualified and competent human resources.** The education system must produce workers who are operational and competitive. In addition, they must have skills that match the needs of the foreign companies that the country aims to attract.

Go further :

<http://www.mcinet.gov.ma/fr/content/plan-d%E2%80%99acceleration-industrielle>  
<http://www.mcinet.gov.ma/fr/content/aeronautique>  
<https://rdb.rw/tourism-promotion-will-better-the-lives-of-rwandans/>

GOOD PRACTICE 4:  
Valuing and promoting the creative industries

DESCRIPTION

Enable the development of creative industries with high added value and high impact on other cultural activities.

APPROACH

- Identifying high value-added cultural activities
- Organize, regulate, finance and train;
- Structured around a central activity (Cinema in Nigeria).

RESULTS

- Job creation
- Structuring the informal economy.

CONDITIONS FOR SUCCESS

- The existence of actors who grab opportunities and use new technologies to their advantage ;
- Production that is accessible and in line with local and foreign demand.

Description

Structural transformation can be driven by innovative sectors of activity that are different from those of (traditional) manufacturing industry. The idea with this practice is to polarize a whole range of cultural and sporting activities around a high value-added sector of the creative industry.

Approach

The first step in value increasing and promoting the creative industries will be to carry out an inclusive work to identify activities that are of high value-added.

Since the creative industries belong mainly to the informal economy, the second stage will involve organizing, regulating, financing and training the actors in the sector in order to increase their level of productivity.

In order to have a more significant impact on structural transformation, the creative industry must, in a third stage, be structured around a core activity. This core activity should then generate positive externalities on other peripheral activities through spillover effects. It is in this sense that Nollywood will reach its full expansion by having an impact on activities such as music, fashion, urban arts, etc.

Results

The development of the creative industries has a strong impact on inclusiveness. On the one hand, they indeed allow to create many jobs that do not require relatively high qualifications. *Nollywood* in Nigeria is the second largest employment sector after agriculture. On the other hand, given the fact that creative activities are more polarized in the informal economy, structuring this «chimneyless» industry has an impact on the formalization of African economies.

Conditions for success

Two conditions are needed for the creative industries to be a factor of structural transformation:

- i. Actors who seize the opportunities offered by new technologies to be more efficient in their activities ;

ii. Production that is accessible and corresponds to the cultural needs of local and foreign demand (the African Diaspora).

+ \$590 million  
Estimated turnover

50  
Films weekly  
produced



# Theme 2:

## Developing National Champions





The «national champions» are national companies that are leaders in their domestic markets and successful in international markets. They can be more precisely defined as companies:

- (i) Significantly owned by nationals and having their ultimate decision-making center in the country;
- (ii) Which are among the leaders on their domestic market and contribute to pulling up one or more sectors of the national economy;
- (iii) Finally, whose size, scope and operational structure enable them to be conquerors and competitive on international markets.

The definition of «national champions» is not clear-cut and unequivocal. However, national champions do not acquire this status endogenously. Companies become «national champions» by adopting the best ways of doing things and being in terms of management that ensure competitiveness and profitability.

It is within this framework that the good practices that make up this section are structured around a synthesis of the sharing of experiences of the various «national champions» during the CIEA III.

## GOOD PRACTICE 5: Corporate governance in line with global standards

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
<p>The challenge for private sector companies is to find good management practices to aspire to the status of national champions.</p> 	<ul style="list-style-type: none"> <li>• Making good use of public sector support</li> <li>• Get out of the «meddling -interference» vicious circle.</li> <li>• Strategy for attracting top talent</li> <li>• Joint ventures with large companies.</li> </ul> 	<ul style="list-style-type: none"> <li>• Transformation of the company into a national or even world champion</li> <li>• Increase in turnover.</li> </ul> 	<ul style="list-style-type: none"> <li>• The existence of leadership</li> <li>• Concerned and cooperative state.</li> </ul> 

### Description

Companies that aspire to be national champions in their sectors must adopt governance standards that enable them to align themselves with major global companies in the field of management.

### Approach

National champion companies do not emanate from public policy, but rely on it for their expansion and development. It is in this sense that the first step in this practice is the «right use» of public sector support. This is how SANLAM, ETHIOPIAN AIRLINES and OCP have adopted and implemented international standards of governance that have enabled them to capitalize on public support without falling into the state interference.

In the African context, the relationship between the State and the companies that must rely on its support can quickly become part of a vicious circle of «meddling/interference». To be a national champion, this circle will have to be broken and replaced by a supportive relationship. This good practice can be illustrated by the success of Ethiopian Airlines for which the State shareholder decided to pursue a policy of support based on «zero dividend» in order to allow its development.

A company that wants to be internationally competitive must have competent human capital. To do so, the company must adopt as an approach the implementation of a strategy to attract, promote and develop world-class talent.

A final approach to this practice is the establishment of joint venture partnerships with the world's largest companies in their sectors.

### Results

This practice has two results in two areas:





- The transformation of the company into a regional or even world champion** Ethiopian Airlines is the leading airline in Africa in 2018, a position it also held in 2017 in the ranking of the British consulting body Sytrax. As for OCP, it has become the world's leading exporter of phosphate in all its forms, thanks to its internal management, among others,
- The increase in the company's turnover.** As illustrated by OCP, which just by modifying its mode of governance, has seen its turnover increase by more than 200%; the change in the mode of governance has positively impacted the company's revenues.

### Conditions for success

The transformation of a company into a national champion is based on two conditions:

- The existence of an ambitious and consistent leadership (manager).** Whether it was Ethiopian Airlines or OCP, the vision of the manager was decisive in its success. Indeed, it is important that the manager has a vision to establish the company as a leader in its sector or even as an international champion. In order to successfully implement the program that makes his vision a reality, it is necessary for the manager to remain at the head of the company for a significant period of time (for example, Mr. Terrab has remained at the head of OCP since 2006).
- A cooperative State concerned with supporting the expansion of companies in its country.** All companies that have become champions in their fields have benefited from government support. In some cases, such as OCP, economic diplomacy has played an important role in a survey of world markets. In the case of Ethiopian Airlines, the same support can also be found where the Ethiopian state shareholder has maintained a «zero dividend» line vis-à-vis the airline.

## GOOD PRACTICE 6: OCP: an example of raw material processing and corporate governance focused on performance and profitability

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
<p>Present OCP as an example of companies that have positioned themselves along the entire value chain of raw material processing.</p> 	<ul style="list-style-type: none"> <li>• Change of status and organization</li> <li>• New business approach ;</li> <li>• Performance-based industrialization strategy.</li> </ul> 	<ul style="list-style-type: none"> <li>• World's largest exporter</li> <li>• Contribution to Moroccan exports (over 20%)</li> <li>• 4.3% of Moroccan GDP</li> <li>• 23 direct jobs.</li> </ul> 	<ul style="list-style-type: none"> <li>• Management of a visionary and revolutionary leadership ;</li> <li>• Support of the State through its economic diplomacy.</li> </ul> 

### Description

OCP is an international champion in the phosphate production and processing chain. It benefits from the diplomatic support and the declared willingness of King Mohammed VI to conquer foreign markets, particularly those of sub-Saharan Africa. However, the success of this company is partly due to the management model that followed the designation of Mostafa Terrab as Chief Executive Officer in 2006, then Chairman and CEO in 2008. Its first flagship measure was to remove the possibility for the Moroccan government to use OCP's financial reserves or cash at will. Beyond this aspect relating to the redefinition of the relationship between the company and its majority shareholder, the Moroccan government, the CEO adopted a type of management that has been decisive in the transformation of OCP and its international influence.

### Approach

The revolution in terms of OCP management under the leadership of Mostafa Terrab can be summarized in three components:

**Change of status and organization:** OCP's new management has focused on several reforms that have brought it into line with global management standards:

- 2008: OCP becomes a state-owned LLC;
- Updating the level of complexity of the production system;
- Identification of opportunities to increase the margin by optimizing the system and looking for a cost model;
- Building trust with respect to local sites;
- The establishment of a commercial pole;

- The creation of a unique industrial pole where mining and chemistry are combined;

**A new commercial approach** aimed expanding the company and conquering emerging country markets:

- Focus on increasing margins, not volumes ;
- Customer-centric approach (customer centric) ;
- Emergence of marketing departments;
- Implementation of monitoring and strategy units;
- Adoption of planning tools for decision making.

**An industrialization strategy based on performance** and which can be broken down into the following points:

- The establishment of the world's largest fertilizer production platform;
- The adoption of new investment policies sustained on the development of production capacities, the renewal of old equipment offered and the installation of pipelines;
- The regeneration and strengthening of human resources;
- The establishment of a research and development Center.

### Résultats

Today the world leader in the production of phosphate, phosphoric acid and fertilizers, OCP has exclusive access to the world's largest phosphate reserves.

OCP is a company involved in every stage of the value chain, from mining to chemical processing, until marketing of phosphate products.



With 28% of phosphate exports in all forms and mining capacities exceeding 32 million tons per year, OCP is the world's leading exporter of phosphate in all its forms. Its contribution to Moroccan exports is estimated at more than 20%.

In addition to being the world leader in the phosphate industry, OCP alone contributes 4.3% to the GDP of the Kingdom of Morocco's. It is also the country's largest employer with more than 23,000 employees.

Conditions for success

- OCP's success is mainly due to two factors :
- **The revolutionary management of a visionary leadership.** A company that aspires to occupy the same place as OCP in its country's economy must adopt a type of effective and inclusive management that allows it to be efficient;

- **The support and the accompaniment of the State through its economic diplomacy** in particular. In order to have access to foreign markets, OCP was able to benefit from an effective implementation of the economic diplomacy of the Moroccan Kingdom.



15 subsidiaries and Joint Venture with industrial and engineering players foreground

145 billion dirhams invested in the Industrial Transformation Program 2008-2025



GOOD PRACTICE 7:  
Defining a corporate vision consistent with a national ambition

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
<p>The company must define a strategy that is consistent with a national vision, more specifically that of the development of strategic chains.</p>	<p>• Define a positioning strategy in the project of development of the chains.</p>	<p>• Sanlam = targeting and policy of empowerment of the Afrikaner community in South Africa • Ethiopian Airlines = pan-Africanist vision of the State of Ethiopia to make Addis Ababa a logistics hub • OCP = Moroccan diplomacy in Sub-Saharan Africa.</p>	<p>• Public-private partnership framework ; • Existence of strategic sectors; • Enabling ecosystem • World-class corporate governance.</p>

Description

The reference to a major clause was a powerful lever to consolidate the ambition of champions such as OCP, Ethiopian Airlines or Sanlam. All these companies have developed a development strategy that is consistent with a pillar of the national development or emergence plan.

Approach

The approach in this practice is simple. It consists in implementing a positioning strategy in one of the development chains targeted by the State. This is how that Ethiopian Airlines has proceeded by implementing a strategy consistent with the policy of the Ethiopian State which had the ambition to make Addis Ababa an air hub on the continent.

This task is all the easier when the majority shareholder is the State, as is the case for OCP. However, the fact remains that good governance ensures that the company does not enter the vicious circle of «meddling-interference».

Results

- This practice has undoubtedly led to the emergence of champions such as Sanlam, Ethiopian Airlines and OCP in the different countries presented at the CIEA III:
- i SANLAM has based its project to exploit a potentially lucrative business niche in the willingness to move forward the interests of the Afrikaner community, and beyond, of South Africa as a whole. This initial mission

has shaped SANLAM's culture and values. Throughout its process of transformation into a continental giant, the company has displayed a characteristic tropism towards targeting and *empowering* this community.

ii The pan-Africanist vision is reflected in the early determination of Ethiopian Airlines to open up intra-continental connecting routes in Africa. In addition to its historic hub in Addis Ababa, the airline has now opened hubs in West Africa (Lomé) and Southern Africa (Lilongwe), and is pursuing an aggressive strategy of continental networking.

iii Morocco has resolved to establish itself in sub-Saharan Africa as a regional economic and diplomatic superpower. The spectacular expansion undertaken by OCP since 2006 under the leadership of its Managing Director Mostafa Terrab is part of this dynamic.

Conditions for success

The success of such a practice depends on the following conditions:

- A reliable and efficient public-private partnership framework ;
- The existence of strategic sectors on which the company's development plan is based;
- An ecosystem favorable to the development of the private sector and which gives the actors a certain number of guarantees against systemic risks ;
- World-class corporate governance.

GOOD PRACTICE 8:  
Defining a strategy to conquer global markets

DESCRIPTION	APPROACH	RESULTTS	CONDITIONS FOR SUCCESS
Domestic firms must have a strategy for conquering global markets. 	<ul style="list-style-type: none"><li>• Position yourself as a leader in African markets</li><li>• Acquisition-merger</li><li>• Develop a research and innovation sector</li><li>• Development of customer-centric marketing services.</li></ul> 	<ul style="list-style-type: none"><li>• Become a leading company in its chain on the continent (Sanlam and Ethiopian Airlines) and worldwide (OCP).</li><li>• Increase in export value.</li></ul> 	<ul style="list-style-type: none"><li>• An ambitious private sector in a formalized economy</li><li>• World-class corporate governance</li><li>• Efficient marketing service.</li></ul> 

Description

The national champions that were presented at the CIEA have in common the fact of having first Africa as a solid base for their extensions and a strategy or ambition to grow and change in scale by conquering world markets.

Approach

In order to scale up and compete with large global companies, companies that aspire to be national champions must first **position themselves as leaders in African markets**. To this end, OCP has positioned itself as a privileged partner for a radical transformation of agriculture in Africa, which has 60% of the world’s arable land. We find the same approach with Ethiopian Airlines, which has made the continent its domestic market and is clearly positioned as a favorite.

Secondly, international markets (European, American and Asian) often require from a company to be large. To this end, the conquest of these markets must be based on the «acquisition-merger» approach. On this point, the South African insurance giant «Sanlam» to mark its presence in Africa in more than 30 countries acquired the Moroccan insurance company Saham in 2018. Similarly, *Ethiopian Airlines* has significantly strengthened its hold in Africa over the last decade, notably through a series of acquisitions and alliances, and the establishment of several hubs on the continent.

In order to conquer the international market and compete with the world’s leading companies, national champions need to focus on **innovation by investing as much as possible in research**. For example, research and development is a component of OCP’s new strategy to such an extent that the company says it is ready to commit 3 to 5% of its turnover in this department, particularly with the opening of Mohammed V University.

The use of the client **centered-marketing** is also a key factor in the conquest of world markets. Ethiopian Airlines, for example, has recruited in 2016 around 30 young Chinese for its 28 weekly flights to China, where 80% of passengers speak Mandarin.

Results

The results of such a practice lead to the status of a leading company in its sector at the local, regional and even global level. OCP, Ethiopian Airlines and Sanlam are illustrations of the result of this practice. The conquest of world markets leads to an increase in exports. OCP, for example, is the leader in the export market for phosphate in all its forms, which accounts for 28% of world exports.

Conditions for success

- This practice is based on two pillars that determine its success:
- i. **An ambitious private sector in a formalized economy.** The private sector needs to be made up of strong and dynamic companies that are fairly efficient in their sectors of activity. In the first place, these companies must evolve within the framework of an economy that is largely formal.
  - ii. **World-class corporate governance.** Sanlam, OCP and Ethiopian Airlines and so many other large African companies that compete in the world, have put the emphasis on quality management in order to be competitive and to compete with European, American or Asian companies.
  - iii. **A high-performing Marketing Management.** In order to conquer global markets, strategic marketing is an important pillar on which the company will have to rely. To this end, it is essential, as is the case with OCP, to have a high-performance marketing department in charge of marketing.





Theme 3:  
FDIs Attractiveness and  
Investment Acceleration

Sustainable economic growth depends on the flow of private investment in competitive sectors and/or chains. Therefore, in several African countries, it is time for private investment to take over from public investment in order to achieve inclusive growth and a dynamic of sustainable emergence. However, it must be noted that one of the major obstacles to private investment is private sector financing. Moreover, the industrialization of African economies being an emergency for its emergence, it is imperative to attract foreign direct investments (FDIs). Thus, the practices that will be presented in this section will deal in turn with the issues of financing as well as the modalities of attracting FDIs through.

- i. Sovereign wealth funds;
- ii. The construction of industrial parks;
- iii. The construction of risk level indices in Africa.



## GOOD PRACTICE 9: Setting up strategic funds

DESCRIPTION	APPROACH	RESULTTS	CONDITIONS FOR SUCCESS
<p>Setting up funds to support the financing of strategic projects in the targeted chains.</p> 	<ul style="list-style-type: none"> <li>Developing platforms to attract FDIs</li> <li>Drainage of money from insurance companies and pension funds</li> <li>Providing guarantees to local businesses</li> <li>Financing of projects relating to strategic chains.</li> </ul> 	<ul style="list-style-type: none"> <li>Senegal: Fonsis (Pharmaceuticals 25% of fund financing; agriculture 21% and health 17%)</li> <li>Nigeria: NSIA (reorganization of 11 factories and creation of 50,000 jobs).</li> </ul> 	<ul style="list-style-type: none"> <li>Transparence ;</li> <li>Stable resource allocation</li> <li>Independence.</li> </ul> 

### Description

Through this practice, the idea is to set up funds that will be in a position of strategic investors for State projects and private sector support in the financing of the chains identified as factors of structural transformation. The FONSIS of Senegal and the NSIA of Nigeria were the two funds presented during the CIEA III to illustrate this practice.

### Approach

To implement this practice, the two funds have deployed different types of actions:

- Develop platforms to attract foreign direct investment (FDIs);
- To find the necessary capital, the funds must set up mechanisms to drain money from insurance companies and pension funds into the real economy;
- Provide guarantees to local companies for raising funds at sustainable costs;
- Finance as a priority the projects relating to the development of the sectors and/or strategic sectors defined in the national development/emergence plan.

### Results

The establishment of strategic funds has led to similar concrete results in both Senegal and Nigeria:

- In Senegal, the FONSIS allowed the financing of activities in a sector with great development potential:** the pharmaceutical sector which accounts for 25% of its investments; agriculture and livestock farming (21%); health (17%) and infrastructure (2%).

The fund has also allowed the financing of a solar power plant that will support the country's energy policy. As a sector, energy represents 24% of its investments. In addition, FONSIS has financed a good number of SMEs, particularly in the agricultural sector, representing a total of 12% of its investments.





- In Nigeria, the NSIA has enabled the development of agriculture, renewable energy, health and infrastructure.** In the field of Agriculture, for example, the NSIA by reorganizing 11 fertilizer blending plants in 2017 enabled them to deliver 6 million bags of fertilizer at 30% below market price, create 50,000 jobs and save the government an amount that it would have eventually paid in the form of a subsidy; that is 50 billion naira. (According to d'Uche Orji, Managing Director of NSIA in Bloomberg) .

### Conditions for success

The investment fund, whatever its objective, mainly needs two conditions:

- Transparency.** This relates to the regular publication of the fund's activity report as well as of all the documents that provide information on the financing and the various investments it makes.
- Allocation of substantial and stable financial resources.** A fund will need to have sufficient resources to operate on a self-sustaining basis while it grows its initial investments.
- Independence.** A sovereign wealth fund needs to be independent in order to allocate its resources optimally and protect itself against corruption.

## GOOD PRACTICE 10: Building Industrial Parks

DESCRIPTION	APPROACH	RESULTTS	CONDITIONS FOR SUCCESS
<p>Building industrial parks in order to attract FDIs.</p> 	<ul style="list-style-type: none"> <li>Establishment of institutions for the promotion of the industrial park</li> <li>Building parks in strategic areas</li> <li>Development of activities with a high social impact</li> <li>Development of partnerships between large companies and local SMEs.</li> </ul> 	<ul style="list-style-type: none"> <li>Job creation</li> <li>Acceleration of growth</li> <li>Increase in exports</li> <li>Increase in the volume of FDIs.</li> </ul> 	<ul style="list-style-type: none"> <li>Incentives</li> <li>Existence of a business plan.</li> </ul> 

### Description

Africa's industrialization strategy is increasingly based on the development of industrial parks. Countries such as Morocco, Egypt, Tunisia and Ethiopia are examples in this field with thousands of hectares developed. Moreover, industrial parks allow attracting FDIs. It is thus a good practice to build industrial parks and it is in this sense that the Chinese initiative «Made In Africa» was presented through its actions in Africa and Senegal in particular.

### Approaches

In this practice, the approach is relatively within easy reach and naturally focuses on:

- The establishment of institutions for the promotion** of industrial parks (Direction générale du pôle urbain de Diamniadio du Lac Rose (DGPU) in Senegal and the corporation for the development of industrial parks (PIDC) in Ethiopia);
- The construction of industrial parks in areas** where they are likely to promote territorial development ;
- The development of industrial activities with a high social impact** in industrial parks ;
- The development of partnerships** between foreign and local companies for the transfer of technology and skills.

### Results

The construction of industrial parks has multiple impacts on the structural transformation of the environment in terms of:

- Job creation** (for example, the integrated industrial park of Diamniadio (P2ID) in Senegal aims to create 15,000 direct jobs and 8,000 indirect jobs. In Ethiopia the EIZ, the country's first industrial zone, has generated 10,000 jobs;
- Accelerating growth** in Senegal, the P2ID should increase Senegal's GDP by CFA F 139 billion per year from 2018 onwards. In Ethiopia, growth between 2008 and 2018, industrial parks increased GDP by 10%;
- Increase in exports** (From 2018 onwards, the P2ID will increase exports by more than 192MDS of FCFA);
- Finally, the industrial parks should **increase the volume of FDIs** to the country. Ethiopia, for example, thanks to its industrial park development policy, has become the second most attractive country for FDI in Africa after South Africa. In 2016, the country experienced a 46% increase in the flow of its FDIs while those from the African continent remained at 3%.

### Conditions for success

In order for an industrial park to produce the expected results, the following two conditions must be met:

- Existence of a package of incentives (fiscal, customs, labor code...) and a legal framework to attract enough FDIs;
- Development of the business plan to maximize the profitability of the industrial park.

## GOOD PRACTICE 11:

### Measures to «de-risk Africa». Setting up an index.

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
<p>Construct indicators that bring the measurement of risk closer to the real situation in Africa. The example of «Africa Bond Index».</p>	<p>Establishing a credible index by partnering with major index providers such as Standard and Power.</p>	<ul style="list-style-type: none"><li>• Giving a more objective picture of Africa</li><li>• Increasing investment</li><li>• Providing more opportunities for investors.</li></ul>	<ul style="list-style-type: none"><li>• Infrastructures for the development of research</li><li>• Reliable and available data</li><li>• Putting a note in national currency.</li></ul>

#### Description

The African continent, despite its young population and increasing urbanization, does not attract enough investment because of the perceived level of risk. Wars, terrorist threats, corruption, dictatorial political regimes are all problems that worsen the perception of the level of risk. In this perspective, in order to attract FDI, it is imperative to provide more real information on the level of risk in Africa. It is within this framework that a good practice would be the development of indices that are as close as possible to the economic-political reality of the continent. The «Africa Bond Index» of the AttijariWafa bank is a concrete expression of this good practice.

#### Approach

The impact of an index on donor decision making depends on the credibility of the institutions that puts it in place. In the context of African countries, as a first step in building credible indices, it would be advantageous to partner with the major index providers in global financial markets. For example, the AGR Research Department has partnered with Standard and Power (S&P), the world's leading index provider, to develop the Africa Bond Index.

#### Results

In view of the objectives of the Africa Bond Index, this practice can lead to the following results:

- i. Give a more objective risk situation in Africa;
- ii. Increase investment in Africa;
- iii. Offer business opportunities to investors in Africa.

#### Conditions for success

This practice partly requires:

- i. **Infrastructures for the development of research and innovation.** There must be universities and research centers that bring together and attract the best talents in finance, economics, statistics, etc;
- ii. **The existence of reliable and accessible statistical data.** To build an index, the country must ensure that it has a statistical apparatus that can produce data and make it available;
- iii. **Sovereign risk: putting a rating in national currency.** To guard against foreign currency fluctuations, ratings must be expressed in national currency.

# Theme 4:

## Innovative Public-Private Partnership Paths

Public-private partnership is a pillar of a country's economic growth today. It is a «win-win» game for both sectors. So it is important for both sectors to be in a permanent dialogue and to find innovative ways to work together. To this end, it is urgent to strengthen the weight of the private sector in investments. Moreover, given the importance of the effects of States' economic policy on the activities of private sector companies (which can in some situations have a crowding out effect), it is necessary to include the private sector in the formulation and evaluation of public policies.

Therefore, this section looks back at various experiences shared at CIEA III that can be considered as «good practices». These are two experiences, one of which sup-ports an inclusive practice with the partic-ipation of the private sector in the estab-lishment of development programmes. The other experience describes a type of partnership involving the financing of ma-jor government projects.



## GOOD PRACTICE 12: LAB Approach to the Big Fast Result (BFR) Method

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
Collaborative approach for the co-construction and co-financing of strategic projects between the State and the private sector.	Using the 8 steps of the BFR method.	In Senegal: identification of 26 private projects for an investment of CFAF 90 billion and 4154 jobs expected over the period 2019-2023.	Following the six secrets of the BFR method.

### Description

The LAB (laboratory) approach is a component of the Malaysian BFR (Big Fast Results) method. It is a collaborative approach between the State and the private sector for the co-construction and co-financing of high-impact projects, all in a transparent approach with increased accountability of the private sector.

### Approach

The LAB approach lasting approximately six weeks involves an organization between the government and the private sector to define the implementation modalities of projects selected within the framework of a public-private partnership. As part of a more global methodology that is the BFR comprising 8 steps, we will define each of them.

1. Strategic direction: Determination of the strategic direction required by the country or the sector.
2. Laboratories: setting out in detail what needs to be done, including the use of the Malaysian Lab method.
3. Open Days: sharing the results of planning at the Labs with relevant stakeholders and seeking their feedback.
4. Roadmap: Explain to stakeholders the different stages of the projects,
5. Key performance indicator targets: Define key performance indicators for monitoring and follow-up.
6. Implementation: implementation involving problem solving on the ground.
7. Audit: External validation or audit of the results achieved.
8. Annual reports: Report on the status of the various projects completed as well as those in progress.

### Results

In Senegal, the LAB approach applied for the «creation of the agropole Suds» in the South has led to the identification of 26 private projects for an investment of 90 billion FCFA and 4154 jobs expected over the period 2019-2023.

### Conditions for success

The conditions for the success of the BFR method are based on six secrets which are given by Pemandu.

1. Defining ambitious objectives : Setting impossible objectives forces creativity and the proposal of ready-made solutions for their achievement;
2. Defining key performance and result indicators: It is essential to be focused and to have the objectives in mind. The projects and the recommendations defined to reach the targets must be translated into clear and measurable results;
3. Discipline: This is the backbone of any successful transformation. All parties involved must first agree on what constitutes success and then on how to measure it. An action plan must be detailed in specified activities and deliverables with rigorous monitoring to identify problem areas requiring intervention in time;
4. Leadership situation: The style of leadership will need to adapt to the different stages of team development throughout the transformation path, where a more directive style will be more applicable at the beginning and evolve towards a more empowering style;
5. A winning coalition: a collaborative process through negotiation or discussion is needed to resolve the issues at stake, ensuring that all parties remain aligned;
6. Divine intervention: It is an honest acceptance of what is controllable on the one hand and the awareness that there are exogenous factors on the other. Therefore, it is important to maintain values.

### Go further:

<http://bfrinstitute.com/>  
<http://documents.worldbank.org/curated/en/318041492513503891/pdf/114270-WP-PUBLIC-13-4-2017-13-0-58-WorldBankReportPemanduFAFULLWeb.pdf>  
[https://www.youtube.com/channel/UCVe\\_WtB1J2SKojE6A2XhHWQ](https://www.youtube.com/channel/UCVe_WtB1J2SKojE6A2XhHWQ)

## GOOD PRACTICE 13: Financing of the Diamniadio urban pole

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
Cofinancing between the State and the private sector for the implementation of major projects such as the development of an urban pole (Senegal).	Emergence phase: 60% state funding Development phase: private sector financing Ongoing development phase: private sector financing.	In Senegal: the urban pole of Diamniadio 80% of the financing is supported by the private sector against only 20% for the public sector.	Developed and titled land Commitment by the State to rent out privately built homes Private sector involvement and buy-in Incentives.

### Description

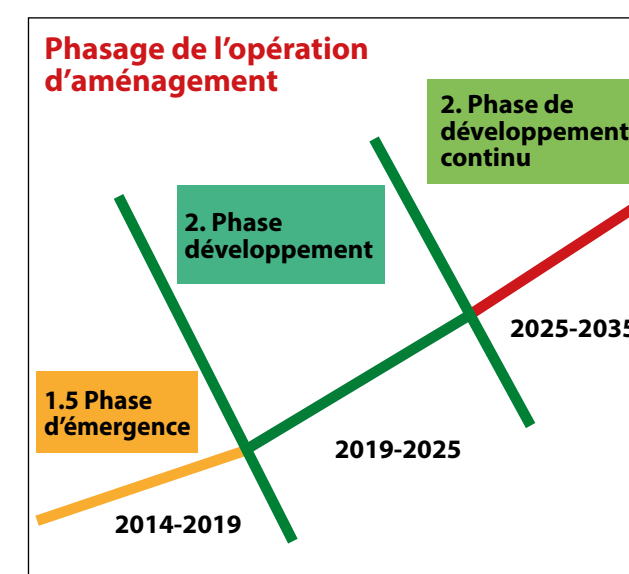
Some large-scale projects can be carried out within a public-private partnership framework. Senegal, as part of its “Plan Sénégal Emergent” (PSE), has a large-scale structuring project for the development of Diamniadio (30 km from Dakar). To carry out this project, the financing has been co-financed by the State and the private sector through its various phases. The Diamniadio urban centre is a job pool, a coherent set of infrastructure, equipment and housing in a geographical area of 1644 ha. This area is divided into 4 districts in which the principle of functional and social diversity applies.

### Approach

The approach adopted in this practice was consistent with the three phases defining the project:

- The emergence phase;
- The development phase;
- The continuous development phase.

In the first phase, most of the investments, i.e. 60%, are made by the State. These investments relate to the construction of roads and various networks and structural infrastructure. Following this phase, the other two phases are mainly supported by the private sector.



Source : DGPU

### Results

In all, this practice can lead to a division of financial efforts for achieving large-scale projects between the State and the private sector. Thus, for the Diamniadio urban pole, 80% of the financing is supported by the private sector against 20% only by the public sector.

### Conditions for success

The co-financing of major projects by the public and private sectors can lead to conclusive results only under the following conditions:

- i. Establishment by the State of managed, equipped and titled land. One of the major constraints to investment in Africa is access to land. Within the framework of a public-private partnership project such as the Diamniadio urban pole, this measure has been decisive in encouraging the private sector to take part in the project.
- ii. **Commitment by the State to rent privately constructed buildings for a certain period of time before owning them.** This condition is necessary for this type of project, which mobilizes many construction companies. Thus this commitment of the State allows them to mobilize enough resources and to be sure of a long-term return on investment.

- iii. **Private sector involvement and buy-in** For a successful public-private partnership in the financing of a project of this nature, the private sector must be strongly constituted around an employers' association which federates all the large companies. Moreover, in the vision and the development of the project, the private sector must be involved and fully adhere to it
- iv. **Incentives measures.** In addition to the incentives relating to land tenure, the State will have to set up a whole set of incentive mechanisms for the participation and adhesion of the private sector in the establishment of an urban pole, such as that of Diamniadio.

## Theme 5:

### Social Inclusiveness

Beyond their corporate social responsibility actions, companies can play a more decisive role in reducing poverty and inequality by using their resources and competences to address development challenges. This business model, different from social entrepreneurship, seeks to align economic performance and social impact by promoting the inclusion of people at the bottom of the economic pyramid in their value chain as consumers, producers, workers or entrepreneurs. These enterprises foster the emergence of inclusive markets (markets of goods and services, labour and capital) that promote access to goods and services and economic opportunities for those at the bottom of the economic pyramid. Thus, in order to have an optimal contribution from the private sector to inclusiveness, enterprises must engage in innovation models that have the potential for long-term sustainability on the one hand and multilateral collaboration with the State, civil society and citizens on the other hand.



## GOOD PRACTICE 14:

### Integrating rural producers into the value chain of chains

DESCRIPTION	DÉMARCHE	RÉSULTATS	CONDITIONS DE RÉUSSITE
<p>C'est un modèle de business inclusif qui porte sur l'intégration des producteurs ruraux dans la chaîne de valeur.</p>	<ul style="list-style-type: none"><li>• Setting up social infrastructures</li><li>• Strengthening the capacity of producers</li><li>• Sustainable collaboration and partnership with rural producers.</li></ul>	<ul style="list-style-type: none"><li>• In Senegal: the Laiterie du Berger dairy works with more than 800 rural households from whom the company buys milk before transforming it into yoghurt to be sold in urban areas.</li></ul>	<ul style="list-style-type: none"><li>• Access to financing</li><li>• Favourable tax system</li><li>• Public-private partnership</li><li>• training centre.</li></ul>

#### Description

This practice aims to create businesses that reconcile the product of producers in rural areas with market dynamics in urban areas. It is an inclusive business model focused on integrating rural producers, who are most often excluded from urban markets, into the value chain.

#### Approach

Operationalization involves the establishment of a circular economy where the company buys its inputs from rural producers (e.g. milk), processes them and then sells them on urban markets

For this purpose, it is necessary to:

- Set up social and road infrastructures that enable such companies to reduce their costs and thus better perform this mediating role between poor producers and urban markets.
- Strengthen the capacity of producers (training). Rural producers should be trained to enable them to build their capacity (capabilities to do). This may concern hygiene standards or the use of more efficient production methods.
- Establish a sustainable collaboration and partnership with rural producers. There must be a relationship between rural producers and inclusive enterprises

that is based on win-win cooperation mechanisms to ensure that rural producers have a stable source of income that they can use for other purposes, such as access to credit.

#### Results

Inclusive business fosters social inclusion, as it enables rural households living generally in Africa, below the poverty line to have a source of income by finding outlets for their products. For example, the Berger dairy in Senegal, after a few years of operation, buys milk from more than 800 rural families.

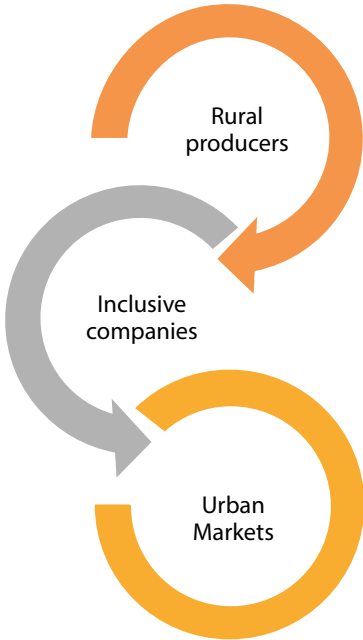
#### Conditions for success

This business model is based on the existence of:

- An access to financing for such businesses. Inclusive enterprises must have access to special financing to participate fully in effective inclusive growth.
- A tax system that encourages the emergence of inclusive enterprises. The success of inclusive business is accompanied by tax measures that promote the development of inclusive enterprises.
- A public-private partnership based on innovative mechanisms. In addition to fiscal incentives, the State

should rely on the private sector to achieve its poverty reduction objectives through partnerships for capacity building and distribution of opportunities to the population. Directing public-private partnership towards this objective is an innovative mechanism that should be further exploited in Africa.

Graph: Inclusive Business Model of la laiterie du Berger, Senegal



GOOD PRACTICE 15:  
Producing for low-income consumers

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
Produce in such a way as to enable poor households to have access to the product at a price commensurate with their capacities.	<ul style="list-style-type: none"><li>• Innovating in the production of goods and services for the poor</li><li>• Produce and sell at an affordable market price.</li></ul>	<ul style="list-style-type: none"><li>• Social inclusion (example: with M-Psa in Kenya 71% of the population has access to the financial system).).</li></ul>	<ul style="list-style-type: none"><li>• Access to financing</li><li>• Favourable tax system</li><li>• Public-private partnership</li><li>• training centre.</li></ul>

Description

Poor households may be excluded from the market precisely because of their low level of income. An inclusive practice driven by the private or public sector would be to provide goods and services to the poor at a price they can afford.

Approach

The approach, as in the previous practice, is to encourage the emergence of enterprises that seek to meet the needs of the most impoverished people. Two procedures can be used in this case then:

The approach, as in the previous practice, is to encourage the emergence of enterprises that seek to meet the needs of the most impoverished people. Two procedures can be used in this case then;

- i. Innovate in the production of goods and services dedicated to low-income people (e.g. M-PSA in Kenya) ; (the dosing system);
- ii. Producing goods and services and providing them at a price accessible to the poor, notably with the help of the State (Pharmacare, South Africa, etc.).

Results

The result of this practice can be summed up as a broadening of social inclusion. The poor have access to products that they could not have access to in a traditional market such as financial services. M-Psa in Kenya, for example, has enabled 71% of the population to access the financial system.

Conditions for success :

As with any inclusive business model, the conditions for success are the same as those mentioned for the previous good practice (see above Good Practice 14) :

- i. **Access to finance for such companies;**
- ii. **An appropriate tax system for the development of inclusive companies;**
- iii. **A public-private partnership based on innovative mechanisms;**
- iv. **An inclusive business training center.**

GOOD PRACTICE 16:  
Work-linked training: «study-apprenticeship»

DESCRIPTION	APPROACH	RESULTS	CONDITIONS FOR SUCCESS
Establishment of a vocational training programme with the private sector using the «study-apprenticeship» method.	<ul style="list-style-type: none"><li>• Selection of private institutions to provide training</li><li>• Part-time work in a company</li><li>• Payment from private institutions (second instalment) after integration of young people.</li></ul>	<ul style="list-style-type: none"><li>• Integration into the labour market</li><li>• Access to Credit</li><li>• Reduction in social transfers</li><li>• Social effects on the population</li><li>• Formalization of the informal economy.</li></ul>	<ul style="list-style-type: none"><li>• Private sector involvement and buy-in</li><li>• Compliance with the State's commitments to private institutions.</li></ul>

Description

It is a training model that gives individuals a better chance to access employment. It revolves around the need of skills of the private sector. Colombia, through its *Youth in Action* programme, has presented itself as an example of good practice in this area. This programme focuses on the establishment of vocational training for young people working in the informal economy. For three months of classroom instruction, this Colombian program emphasizes skills and is completed with three months of on-the-job training.

Approach

This method of development and capacity building has the particularity of being part of a PPP model. Indeed, the training is provided by selected private institutions, which are encouraged to provide courses on the skills in demand on the local labor market. Providers do not receive the first tranche until a significant part of the training is completed, and the last tranche depends on the placement of young people.

This method has the advantage of encouraging companies or training providers to inquire at first about the needs of the private sector. A posteriori, it also offers a measure of the relevance of training through the capacity of the labor market to absorb new graduates.

Results

Based on the experience of the Colombian model, this practice can have the following results:

- i. **Evaluations indicate better integration into the labor market.** Evaluations indicate a better integration into the labor market of beneficiaries of work-linked training with a shorter duration of unemployment after training;

- ii. Programme beneficiaries in the case of Colombia have better **access to credit** if they choose the entrepreneurship option;
- iii. **A reduction in subsequent social transfers and subsidies** for young people who have completed the programme;
- iv. **Social effects on the population.** Work-linked training has social effects, in the case of Colombia, resulting in an increase in the employability of young people, a reduction in violence and aggression in the streets, etc.;
- v. **Formalization of the informal economy.** Work-linked training also targeted young people who were engaged in activities in the informal economy. Thus, following their training, these young people are found in most of the formal economy by being recruited into a company or by setting up their own businesses, which they formalize.

Conditions for success

The success of a program of this nature depends on two essential conditions:

- i. **Private sector involvement and buy-in.** In the case of Colombia, the private sector is twice involved in this programme. As a trainer first; and then as an employer. Therefore, the private sector must be at the heart of the project, since it is also the private sector that declares its needs, which will be integrated into the programmes;
- ii. **Commitment by the State to pay private institutions after graduates' integration.** The success or sustainability of this type of programme depends on the how the State is credible for trainers. For this reason, it is essential for the State encourage trainers by honoring its commitments to the private institutions responsible for providing training to companies;



# Theme 6:

## Territorial Inclusivity

Exclusion and geographical disparities lead to an actual production lower than the potential production, as opportunities and factor endowments in one part of the country are untapped. The emergence of a country must be full and, to this end, it must be accompanied by a territorial development strategy that controls high urbanization and carries out a fair management of its different regions. In this sense, it is necessary to take into account the heterogeneity of the territories, certainly in terms of infrastructure needs, but also according to their competitiveness in certain economic activities. This spatial inclusion approach is all the more relevant for the sustainability of the emergence process as it enables the exploitation of the potential of each region and the enhancement of territorial equity, particularly between urban and rural areas.

GOOD PRACTICE 17:  
Strategic urban planning with the private sector

DESCRIPTION

Elaboration of an urban planning strategy with the private sector based on shared experience in Singapore.

APPROACH

- Development of participatory and inclusive planning
- Compliance with the principle of transparency
- The building of «garden cities».

RESULTS

- Development of green spaces (9707 ha)
- Park building (330 parks)
- 70% of households own the homes they occupy.

CONDITIONS FOR SUCCESS

- Synergie au niveau de l'Etat qui est au service d'une économie compétitive
- Partenariat public-privé innovant.

Description

The practice is based on the sharing of Singapore experience. It revolves around a strategy to develop an urban planning system with the private sector to provide an adequate living environment.

Approach

- The operationalization of this practice is based on three points:
- i. First, the **development of inclusive and participatory planning** supported by strong institutions;
  - ii. Second, planning and policy-making **based on the principle of transparency**, making the State accountable ;
  - iii. Third, **the establishment of “Garden Cities”**.

Results

- In terms of territorial inclusiveness, this planning practice has resulted in Singapore in:
- i. The area of parks and green spaces increased from 879 ha in 1975 to 9,707 ha in March 2014, and the number of parks increased from 13 to 330 in the same period;
  - ii. 70% of households own their homes (Singapore).

Conditions for success

- Singapore’s success in strategic planning is based on two main conditions :
- i. **A synergy at the State level, which serves a competitive economy that creates jobs;**
  - ii. **An innovative public-private partnership.** Strategic urbanization cannot take place without the participation of the private sector, which is indispensable in areas such as architecture and public works.

Go further:

<http://eresources.nlb.gov.sg/history/events/a7fac49f-9c96-4030-8709-ce160c58d15c>

GOOD PRACTICE 18:  
Emergency Community Development Programme (PUDC) in Senegal

DESCRIPTION

Put in place a programme aimed at improving access to social services for the population, particularly in rural areas, in order to reduce poverty.

APPROACH

- Identifying the needs of rural households
- Analysis of the correspondence between the poverty map and the needs expressed by the poor
- Benchmarking on turnaround times
- Develop a programme with 4 components and implementation (UNDP).

RESULTS

- New model of partnership between the State and international partners
- New strategic approaches to implementing emergency programmes
- An improvement in the quantity and quality of the provision of basic social services.

CONDITIONS FOR SUCCESS

- Respect for the different actions in the implementation of the emergency programme.

Description

One of the PES’ objectives is to improve the access of population to social services, particularly in rural areas, in order to reduce rural poverty and inequalities between urban and rural areas. It is within this framework that the Government of Senegal, through the support of UNDP, has implemented the Emergency Community Development Programme (PUDC) in rural areas.

Approach

The political context of Senegal at the time of the conception of the PUDC was marked by Act 3 of decentralization, which advocates full communalization, placing local authorities at the heart of the territorialization of public policies.

The process began with the identification of the needs expressed by rural populations. These needs mainly concerned the construction of production and rural dirt roads, rural electrification, the creation of health centers, rural hydraulics and the provision of processing equipment for women.

An analysis of the correlation between the poverty map and that of the needs expressed by the population was then carried out. This work made it possible to target departments and villages, taking into account the criteria defined, the main ones of which are the size of the population and the poverty situation. This targeting led to the choice of the PUDC’s focus areas.

To assess the technical feasibility of the achievements planned by the PUDC, an important benchmarking work on the turnaround times was carried out during the formulation of the Programme. In this perspective, the issue of infrastructure turnaround times was a central issue.

The critical review of needs, targeting and benchmarking made it possible, among other things, to develop a programme with 4 components. These are «Development of basic socio-economic infrastructure and equipment», «Productivity of rural populations and agricultural and live-stock production», «Institutional capacity building at central and local levels» and “Development of a geo-referenced, monitoring and evaluation information system». These components are designed in an integrated approach to address several development issues and respond to the SDGs and aspirations of the populations.

Finally, the execution of the programme was entrusted to UNDP, which made use of its special procedures deemed relevant, effective, rapid, simplified and pragmatic in an emergency context. These special procedures made it possible to reduce the turnaround time, while ensuring quality and transparency through quality control and securitization of the overall execution of the programme.



## Results

The experience of the implementation of the PUDC illustrates an innovative and bold approach that highlights the partnership between UNDP and the Government of Senegal, focusing on mechanisms for mobilizing public funds and cost-sharing.

This partnership model has made it possible to achieve unprecedented results in terms of achievements in a short period of time on the ground with multiplier effects on the socio-economic dimensions.

These results were achieved within the time limits set, thanks to simpler, effective and efficient procedures and on the basis of the needs expressed by the population and validated by the ministerial services.

With this partnership, a new planning, intervention and resource mobilization strategy, i.e. an innovative business model for development, was developed. This highlights the determinants that can lead to better strategic management of emergency programs, capa-

city building, modernization of the way local authorities operate, and improvement of the supply in the quantity and quality of basic social services.

## Conditions for success:

The success of the PUDC can be credited to a set of actions that can be set up as conditions for the success of such an inclusion programme:

- The commitment and support of the highest authorities in the country;
- The choice of programme priorities;
- The targeting of beneficiaries;
- The involvement and support of populations;
- Detailed planning;
- The integrated approach of several sectors;
- Support to the program by the Prime Minister's Office;
- The involvement of the sectoral ministries;
- The choice of UNDP for direct execution;
- Compliance by the various actors with the agreements and conventions signed;
- An effective monitoring system;
- An effective communication strategy.

## CIEA III recommendations in the light of the best in Africa

The CIEA III concluded with a set of recommendations addressed to the different actors, i.e. the State, the private sector and the technical and financial partners. Before analyzing these recommendations in the light of the best practices collected on the continent and in some emerging countries, let us present them as they are explained in the CIEA III report.

**The recommendations were made to States and the private sector, in particular.** As far as the States are concerned, they are invited to:

- i. Create the conditions for political, institutional and security stability and to build a shared long-term vision that transcends political mandates;
- ii. Maintain efforts concerning the reform of the business environment, infrastructure construction to support production and connect to markets, as well as training, in order to ensure the employability of young people;
- iii. Pay particular attention to tax reforms, with a view to improving domestic resource mobilization;
- iv. Foster the emergence of national and regional champions, and develop intra-African trade by facilitating access to wider markets.

With respect to the private sector, it was recommended to:

- i. Be part of a long-term dynamic and exploit the opportunities offered by innovative public-private partnerships;
- ii. Play its role in the process of adding value to African products through the transformation of natural resources and the use of innovation;
- iii. Enhance the importance of its role in the implementation of initiatives promoting the development of labor productivity and territorial inclusion.

These recommendations have been formulated with the ultimate objective of putting African countries on an emergence trajectory in a sustainable manner. Some countries have started their progress towards emergence more firmly, while others are still lagging behind. The latter can learn from the good practices, some of which have been presented in this document.

Thus the first set of recommendations is addressed to the State. The emphasis having been placed on improving the business environment, it appears from the example of Rwanda, in particular, that this is an urgent measure

to propel the private sector in African countries. To achieve this objective, Rwanda's experience shows that it is necessary to put in place a series of reforms that aim, over a period of 10 years at most, to be in the top 50 of the Doing Business ranking. The reforms to be undertaken should concretely seek to curb corruption. Rwanda, Mauritius and Botswana owe the good quality of their business environments to a successful strategy to fight corruption.

Improving the business environment can also be part of a more specific perspective for developing a sector. Indeed, the various good practices presented in this document show that no sector or industry would be able to develop without the implementation of fiscal, land, legal, etc. measures that encourage private investment. Therefore, it should be clarified following the recommendations of CIEA III that reforms should be undertaken consistently with a policy or plan for the development of any sector of the economy.

This recommendation is also valid for the development of infrastructure. Indeed, as for the tourism sector in Rwanda or aviation in Ethiopia, the States should focus more on infrastructure investments for the development of certain sectors. From the various examples presented it's noted that there is no successful emergence or development plan without first having quality infrastructure enabling companies to carry out their activities in an environment that ensures competitiveness. In addition to make its investments, the State can rely on the private sector thanks to a partnership with the latter.

There is no doubt that the State must make every effort to promote national champions. The latter are necessary for the economic growth of the country and its competitiveness, but also to promote the development of the private sector. The example of Morocco has shown that economic diplomacy can be a relevant tool to accompany certain companies to step in global markets and conquer market shares. However, they must first succeed in being successful in their domestic markets. To this end, governance is important, as we have seen with the cases of Ethiopian Airlines and OCP. Without a management whose primary objective is profitability and visionary leadership, these two companies would not be champions in their sector.

The recommendations of the CIEA III did not sufficiently address the issue of companies' sector development strategies or industrialization plans. The example of Rwanda for tourism and Morocco for aeronautics generally shows that the private sector's development is based more on a strategy aiming to promote sectors capable of boosting exports. The economy will gain in competitiveness with a strategy declined in dimensions and seeking to promote sectors for which the country considers having a comparative advantage and be able to trade successfully at the international level. Morocco's industrialization plan is a perfect illustration of the relevance of this approach. Moreover, a good strategy for the development of a sector should at best take into account both the upstream and downstream areas of the sector and take actions in line with their development. It is this integrated policy that explains the success of Rwanda's tourism strategy.

Finally, the example of Nigeria teaches a major lesson on the sectors that African economies should consider in their development plans. In this sense, culture is too often overlooked and could be an important lever for structural transformation. At this level also, what is decisive is to find the product or sector for which the country could be competitive because of its comparative advantage.

The recommendations made for the private sector are not sufficiently focused on how it should reorganize itself in terms of change of management approach. Companies cannot benefit from an enabling business environment or any other State support unless they are able to reform themselves by carrying out the transformations necessary to be more efficient. As a result, leadership becomes a critical element for such an achievement. The lessons to be learned from the experience of OCP and Ethiopian Airlines show that leaders should have a strong knowledge of their companies. Moreover, like countries, companies need to develop long-term planning. This planning should be in line or fit into the macro vision of the country.

Following the review of good practices, it is clear that the recommendations of the CIEA III have not sufficiently addressed the issue of inclusiveness. With regard to social and territorial inclusion practices, the recommendations to the State should also be broadened to include the introduction of tax measures and the promotion of inclusive business to reduce poverty and more contribute to empower poor populations. Private sector participation in inclusiveness is just as effective for territorial equity as it is for building human capital. To this end, the recommendations should be broadened towards a public-private partnership that would aim at reducing poverty and inequality.



