FOR A BETTER LIFE
A business environment promoting investment, jobs and wealth creation
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FOREWORD

“I’ve created jobs.”

Kamal Bettar is proud of his success. His garage business, which has been funded through a project supported by the African Development Bank, is now employing several young full-time mechanics.

Kamal’s story is a perfect illustration of how concrete and palpable our governance, economic and financial management projects can be.

It also shows the multiplying effect of our projects, which are designed to create synergies and opportunities.

This book is about the impact of our projects on people, and how they are transforming lives. It is full of illustration, and testimony.

Based on true stories, this book describes some of our efforts to implement inclusive growth projects, a growth that creates opportunities for all.

This book is part of a four-part series, “For a Better Life”, which brings a vibrant and optimistic message on Africa’s prospects. From agriculture to human development, from water and sanitation to governance and financial and economic reforms, these books tell the stories of men and women who were able to take their destiny into their own hands.

These four areas — in which the African Development Bank’s active portfolio stands at about USD 10 billion — play a crucial role in achieving its twin objectives of promoting inclusive growth and supporting the transition to green growth.

Good reading!

Aly Abou-Sabaa
Vice President
Agriculture, Water, Human Development, Governance and Natural Resources
Africa is attracting growing attention from investors. Money is flowing into the continent. Foreign direct investment is increasing at a fast pace; new industrial partnerships are being forged every day. This young continent where human development has in recent years seen considerable progress, brings hope, encouraged by strong and sustained growth.

Yet this growth has not yet translated into shared and equitable wealth, a wealth that benefits all, a wealth that can successfully transform the continent.

Yes, poverty rates remain close to 50% in sub-Saharan Africa. Yes, infrastructure remains largely insufficient. And yes, the private sector – the main source of employment – remains underdeveloped, resulting in high unemployment rates in most African countries.

But it does not take much to meet these challenges. The establishment of a favourable business climate can help unleash the full potential of a country, developing the private sector, creating jobs and wealth for its citizens.

Many examples can be cited of countries taking off after reducing barriers to entrepreneurship, easing access to finance and modernizing the financial sector.

‘For a Better Life: Promoting a business-friendly environment to promote investment and job creation and wealth’ features the initiatives that have taken off in countries such as Morocco, The Gambia and Rwanda in support of private sector development.

We invite you to discover the stories of men and women, young and old, whose lives have been transformed through our work.

Jacob Diko Mukete
Manager, Governance, Economic and Financial Management Department
Morocco
A NEW BOOST FOR THE ECONOMY:
Improved access to financial services

Gambia
SAVING TIME AND SECURING PAYMENTS:
The final step to the monetary union

Rwanda
POVERTY REDUCTION STRATEGY SUPPORT PROGRAM:
“Business environment: Rwanda takes the lead”
Morocco has a young and vibrant population. Young people everywhere are ambitious and look for a better future. One of the ways ahead is to set up a business. But the young and others who want to improve their own and their families’ lives have been hampered by a financial system that all too often requires guarantees.

Whether it’s the budding entrepreneur wanting to expand or the head of a household wanting to buy a home, a lack of collateral or guarantees often blocks such projects.

Now a project aimed at improving access to financial services and strengthening the sector’s governance has gone a long way to helping reduce poverty, boost small business and ease access to social housing (main photo). The African Development Bank and other international institutions provided funding of more than $500 million for the program.
Morocco

A NEW BOOST FOR THE ECONOMY THROUGH IMPROVED ACCESS TO FINANCIAL SERVICES
Casablanca: Mrs. Kamel el-Idriss el-Hassani helps one of her daughters tackle that day’s homework in comfort and at ease.

The el-Hassani family were able to use a $16,000 loan to buy their own home for the first time in 2013.

Before, Mrs. el-Hassani and her family shared a house with her brother-in-law. “Psychologically there has been a great change,” the family says, adding: “We used to be in a small house… and with our girls and their boys growing up there wasn’t enough space for everyone to have their own room. We’re calmer now, our life is more comfortable.”
(Photo above) Pointing the way. A signpost gives directions to the Caisse Centrale de Garantie (CCG), the Central Guarantee Fund, set up by the Financial Sector Development Program to do what its name suggests: act as guarantor for loans which other financial institutions may have been reluctant to grant.

It was the CCG that helped secure the Hosni el-Hassani’s mortgage (previous page). And that of up to 100,000 other households.
Inside one of CCG’s branches (the Central Guarantee Fund).

This public institution has tripled the amount of its commitments in 2013, to the tune of $1.2 billion.

CCG has also expanded its operations and opened new branches in the most rural areas of Morocco in order to better meet the needs of one of the Kingdom’s historic key sectors: agriculture.
Myriad neon-lit signs and other advertisements for banks and their products on a typical high street. Until recently, such institutions would have been unwilling to provide credit to those unable to provide the sort of guarantees that the CCG can now ensure.

The international financial turbulence did little to help matters.

Now, according to official figures, 95% of loans in Morocco are honoured and fully repaid on time.
Dexon workshop, Ain Atique, Rabat: Creativity is set loose in this studio workshop for composite materials décor for the housing industry. The easing of banking restrictions is not just for individuals or micro businesses. Dexon set up this 600m² facility near Rabat and employs 110 people.

Dexon was in many ways a victim of its own success. Business was expanding so rapidly it had difficulty filling its order book due to lack of trained staff and machinery.

A recent $300,000 loan, representing one-tenth of annual turnover, enabled it to solve both problems. The manager of the company says he was able to negotiate the loan with guarantees from the Caisse Centrale de Credit, borrowing from banks and the CCG itself at three times less than the normal bank rates. Granting the company credit was a good decision - Dexon has now opened branches in France and Spain.
Near Casablanca: A worker cuts through metal on a building site. Providing housing for social projects provides also considerable numbers of new jobs.

Reforms and guarantees means unlocking the door to more amenable banks, and in the long term unlocking the door to new apartments and houses too.

Two construction workers take a short break on a site near Casablanca.

The number of housing credits backed by state, or public, guarantee rose from 63,000 in 2010 to 82,000 by the end of 2012. Numbers are still rising.
Rabat: The recently-opened ‘Green is better’ salad bar in downtown Rabat, the Kingdom’s capital. A franchise that is rapidly growing, with dozens of outlets across the globe, the Rabat restaurant of the salad empire opened with support from the CCG. Franchisees can add their own touches in the kitchens, such as sandwiches or local favourites. The affordable prices and the bright, clean decor make it a popular lunchtime and take-away destination, especially with younger people.
Brother and sister. Behind the scenes at Rabat’s ‘Green is better’ salad bar-restaurant, which is run by Ibrahim Rahmouni, aged 28, and his sister, Sarah, aged 29. They both graduated with business and marketing degrees with the ambition of starting their own company and opted for a franchise to begin with. They now run two restaurants, but getting started was a mixture of disappointment and frustration, until they received assistance from CCG.

(Right page) Young customers tuck into their salads. The ‘Green’ theme is predominant throughout, whether in the meals themselves or the decor.
Lunchtime is the busiest period at Rabat’s ‘Green is better’ franchise. Here a tray filled with fresh fruit juice is ready to go on sale at the self-service counter.
The happy dozen. Sarah Rahmouni, in the centre, and her brother Ibrahim Rahmouni, fourth from the right, pose with their ten employees.

Ibrahim believes many budding entrepreneurs have been “badly advised”. In other words, have not been told of the support now available through the financial sector development programme.

Sarah Rahmouni, a graduate of the Toulouse Business School in France, says “We returned to Morocco after our studies and…banks were asking for guarantees we really didn’t have”. The solution? “I was told to see the CCG and they were the ones that guaranteed my credit line”.
(Left and above) Agadir: Getting to grips with the engine, two apprentice-employees of the Bettar Garage get down to business.

(Right) Owner-manager Kamal Bettar has struggled to find financing for the expansion he’d like for his garage business.

“Young people have no home equity... I’m here to work for my country, to get things moving. I’ve created jobs. For example this business here in Agadir is doing well and I’d like to open in Marrakesh, Rabat and Casablanca”. With support from the Caisse Centrale de Garantie, he now expects to open at least one new garage.
General manager Hicham Lakrakbi supervises the packaging of tomatoes produced at a facility at Agadir.

Until he was able to secure a loan guaranteed by the CCG to buy more agricultural land, his SAVAT company could not keep up with demand and had to purchase produce from other sellers to resell.
Agadir: The SAVAT plant packages more than 6,000 tons of fruit and vegetables a year and exports as far afield as Russia and Canada.

The plant manager had already taken out a loan from the banks but needed more to expand vegetable production. The Caisse Centrale de Garantie helped by guaranteeing 60% of his credit line that might reach almost $2.5 million.

Now all the produce that’s packaged is grown by the company on 70 hectares of company land by 200 company employees.
The Gambia is undergoing a small monetary revolution. The small West African nation has reached a milestone in radically changing its payment systems and banking infrastructure. Now most financial transactions are faster and safer, whether for big business or for the man in the street. It is all part of a far-reaching $28.17 million project supported by the African Development Bank (AfDB). The wider aim is to improve the West African Monetary Zone region’s financial sector basic infrastructure by upgrading the payment systems of four countries in the zone: The Gambia, Guinea, Sierra Leone, and Liberia.
The Gambia

SAVING TIME AND SECURING PAYMENTS: THE FINAL STEP TO MONETARY UNION
(Below left) Banjul, Central Bank transactions. Paying in and paying out is now much simpler and no longer needs to entail stacks of banknotes. The slower manual system is being phased out, replaced with 21st century computer programmes.

(Below right) Banjul, Central Bank. Waiting in line for banking services. Gambians will still occasionally have to visit their bank branches of course, but the bulk of business can be done online.
Banjul, Central Bank. Carefully stacked bundles of Gambian Dalasis, the national currency, awaiting transfer to the vaults after processing. The Governor of Gambia’s Central Bank says the modernisation of the payment system infrastructure is “key and a prelude to the establishment of a regional West African Central Bank and the launch of a single currency in the West African Monetary Zone”.
(Below left) Banjul: The traditional way. Thousands of Dalasi bank notes await counting, recounting and processing in the back office of the Central Bank. Carrying or storing large amounts of cash may not be as necessary in future, cutting back on the risk of robbery.

(Right) The modern way. An employee at the Central Bank checks her computer screen as transactions are logged through the Real Time Gross Settlement (RTGS) system. The software can handle virtually all transfers or collection operations instantaneously.
(Above) Banjul. Staff at Gambia’s Central Bank at work on their desktops.

(Right) Banjul, Trust Bank Limited: the heart of the matter. A key matrix inside the Trust Bank controls the RTGS (Real Time Gross Settlement) system that transfers money at the speed of an Internet connection.

All Gambian banks and financial institutions are interlinked and the computer system will soon link them to their international counterparts in neighbouring states.
(Below) Hands-on banking at the Trust Bank Ltd in Banjul. Withdrawals and deposits will, in a few years’ time, be electronic and the same system will allow clients in Nigeria to deal with customers in Gambia at the click of a computer mouse.
(Left) Banjul, Standard Chartered Bank’s Head of Communication, Karalang Jaiteh, confidently says: “Manual transactions go with errors. This project means this will be thing of the past…there is no room for error, any error…”

(Right) The new system means customers can now withdraw cash from any bank’s ATMs, not just their own, as until recently.
Fatou Sinyan Ergan heads up the Banjul Breweries Limited company. Like many business people she’s delighted with the banking reforms. “Our big suppliers like the electricity company, we pay them big, huge amounts. We also consume a lot of gasoil, as well as sugar — sugar is the only local component that we buy locally here. So those bills are huge, and using the Real Time Gross Settlement system facilitates the payment and it’s faster…”

Banjul, Standard Chartered Bank HQ. With the reform in the methods of payment, the Gambia is in the process of joining the five other nations of West Africa who are committed to creating a monetary union, namely Nigeria, Sierra Leone, Guinea, Liberia and Ghana.
‘Banjul Breweries’ production lines at Serekunda, 10 kilometres from the Gambian capital, Banjul. Its business has felt the benefits of reform in the country. Banjul Breweries manufactures soft drinks and beer. The company employs 110 people and operates throughout the country, whether marketing its products or buying raw materials. The company has been around for 40 years but has now undergone sweeping changes.
‘Banjul Breweries’ director, Fatou Sinyan Ergan, says, “We still receive checks from our customers. But nonetheless we also encourage them to do direct bank transfers into our account rather than coming here. So they can save time, they will spend less time at the brewery because they do not have to queue to pay the cashier here. So it’s also a good around time for our customer”.
During the last ten years Rwanda has experienced one of the most exciting and fastest periods of growth and socio-economic progress in its history.

It was the tenth fastest growing economy in the world during the decade from 2000.

At the same time, more than a million people were lifted out of poverty. Population growth stabilised and the country is making great strides towards achieving its Millennium Development Goals and middle-income status.

A development “hat trick” of sustained economic growth (8% average), poverty reduction (12% points) and a reduction in income inequality were achieved after government reforms and finance from international donors, including the African Development Bank with $35 million.
Rwanda

POVERTY REDUCTION STRATEGY SUPPORT PROGRAMME

“Business environment: Rwanda takes the lead”
Fumbwe Region, Central Rwanda: Farmer Theonest Uzabakiriho photographed on the land that he has been finally able to use to leverage a bank loan to “grow my business”, literally. What held him back was the bureaucratic red-tape and time, often several years, it used to take to acquire a land deed. No deed, no loan, said the banks. Now the process has been made both simpler and faster, just one of the reforms introduced by the poverty reduction program.
Fumbwe Region, Central Rwanda: Theonest Uzabakiriho holds the precious land deed as his wife looks on.

He explains: “Now, because I have the land document, I can get a loan; the bank trusts you when you have all the documents. Step by step I can ask for up to 3 million Rwandan Francs. I’m still young so when my business will grow I can increase the amount of the loan.”
In these photos household supplies, dried and canned food as well as beans, millet, wheat and other cereals fill the shelves.

An example of the kind of SMEs (Small and Medium Enterprises) and micro-businesses that have all been boosted by the support programme, these shop owners have had to prove they are capable of running their business.

A lack of planning and forethought has led to a sizeable number of failed ventures, and authorities are focusing on training and business skills for budding entrepreneurs.
Kigali: At the ‘Chez Theo’ motorcycle repair shop, a technician checks some small parts as a customer looks on. In a country where much rural traffic is on two wheels and where the roads are often unpaved, shops and garages can be a lifeline.
(Left) Repair Shop owner Fredian Nyandwi started her business in 2008. Back then it took the former home maker and mother of nine, five months to register her company. Customers were a little thin on the ground, she recalls, but business has since picked up and she employs two full-time mechanics.

Registering a business today can take less than 24 hours. Rwanda’s businesswomen have been actively encouraged and supported as part of the program.
Kigali: The ‘Chez Theo’ motorcycle repair shop spreads out into the open spaces alongside as mechanics take apart the pieces that need changing and apprentices keep careful watch, hoping to pick up a tip or two.

Setting up business is largely done through the Rwanda Development Board, an innovation that acts as a ‘one-stop shop’ that simplifies the procedure for companies.
Kigali: 30 year-old John Bisangabagabo behind the counter at his ‘New Discover Movies & Studio’

John wisely studied the market before taking the plunge and setting up his video rentals and studio enterprise. He says, “It was to try and see how much I could make a month and if it was feasible to pay income tax, find a location for the shop...After four months, I started the process for the registration of my company. My workers I pay them per month, based on how they are performing, but I don’t have problems with them. I can receive up to 60 customers per day!”
Kigali: In a country where video software is still beyond the financial reach of many, such studios and rental stores as John’s are doing good business. His shop allows the customer to record their own compositions and lyrics, and make their own music videos. As well as choose from the hundreds of movies available for rent.
Kigali: Christine Mbabaz sits amid a medley of colours and drapes in her downtown fashion boutique, which features clothes and accessories the 24 year old has designed, and wears, herself.
Kigali: ‘Your fashion house for unique and stylish designs’ says the sign outside ‘Christine’s Creative Collections’, Christine’s alliteratively-named shop. In the past, registering a company would cost the equivalent of $400, but now…

Christine picks up the story, “After finding a name, I went to the Rwanda Development Board to register there, they told me it’s free, I did not pay anything. It was done online I found different people, the tenants. They were there to help us. It took 20 minutes and everything was done. At the RDB, they gave me a TIN number, a business registration number and I was advised on how to run my business. That’s how it was; I felt really happy and I feel it’s time for me to work now”.

Kigali: Prospective hair-stylists and volunteer customers spend a morning at an intensive hairdressing course, ‘Shair’, that the poverty reduction program has helped support. The course is free, but students have to meet their ‘day to day’ costs, such as meals, transport and accommodation.
Looking good is never going to go out of style, so nor will the demand for good hair-stylists. By removing some of the bureaucratic restrictions, the Rwandan authorities have made their country one of the most dynamic on the African continent.
Kigali: From fashion to IT. A digital media academy helps teach the tools that are now vital in an increasingly shrinking and connected world. Known as the ‘Land of a Thousand Hills’ Rwanda is in the process of rapidly becoming the ‘Land of a Thousand Opportunities’. No less an authority than the World Bank has ranked the country at the top of its ‘Best Business Environment’ nations league table.
Inside RDB, or Rwanda Development Board. The Rwandan Development Board, established with the support of the AfDB, is a high-level national institution with the mandate of spearheading increased investments and promoting trade in Rwanda.

The AfDB has also funded the establishment of 30 business development service centres, to support SME growth and competitiveness. The Rwanda Development Board is currently assisting the operators of these centres to develop business plans to mobilise resources and to guide the provision of business advisory services.
The AfDB supported Rwanda’s reform efforts with a series of general budget support operations. It has provided the Rwandan government with advice and support on macroeconomic management and on important parts of its reform programme, such as improving the climate for the private sector and the financial system, strengthening the management of public finances, and enhancing the government’s capacity to deliver quality services.

(Below) Simplifying regulations, boosting growth: Simplifying business regulations has encouraged investments in construction and real estate development, which have been among the driving forces of Rwanda’s economic expansion. Through its operations, the African Development Bank has contributed an additional $10 million in annual turnover to the Rwandan private sector.

(Below) Strengthening Rwanda’s financial sector.
Rwanda passed a new Payment System Law to improve the flow of finance in the economy, and a number of key components are already in place, such as an Automated Clearing House. The African Development Bank has helped strengthen the financial sector and broaden access to financial services through advice, policy and technical support.
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