FASTER TOGETHER:
A ONE-STOP SHOP FOR BUSINESS REGISTRATION IN SENEGAL, 2006–2015

SYNOPSIS

In 2007, Senegal opened a Business Creation Support Office that vastly reduced the time required to register a business from two months to 48 hours. Before the creation of the office, foreign investors as well as local entrepreneurs had to deal with six different government agencies, each of which had its own requirements and procedures. The onerous undertaking discouraged business investment, kept significant revenue sources off government tax rolls, and created fertile ground for corruption. In 2006, President Abdoulaye Wade decided to change the situation. Wade assigned the Agency for Investment Promotion and Major Works, or APIX, the task of making it possible to register a business in just two days. A small team from the agency examined the options and decided that a one-stop shop would best meet Senegal's needs. The model required no legislative changes, and it allowed agencies to retain control over their procedures—while reducing red tape and letting APIX supervise the entire process. APIX leaders worked hard to win the cooperation of institutions and individual agents, and the Business Creation Support Office opened in downtown Dakar in November 2007. The institutions involved in registration sent representatives to work in the office, and APIX staff collected applications, supervised the office, and coordinated gradual improvements in procedures. After the office opened, entrepreneurs could complete the registration process at a single location and be done within 48 hours. By 2016, the office had further reduced the time required to a single day.

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INTRODUCTION

Until Senegal’s Business Creation Support Office (Bureau d’Appui à la Création d’Entreprise, or BCE) opened its doors in 2007, the average time to register a new business had been 58 days, and sometimes “it could be a year or more,” said Mor Talla Kane, executive director of the National Confederation of Senegalese Employers. A
popular expression described the process as “an obstacle course” much like what military recruits face in basic training, Kane said.

To get their enterprises—whether factories or small storefronts—up and running, businesspeople and entrepreneurs in Dakar first had to complete several preliminary steps and then spend days visiting six different government agencies scattered around the congested streets of the capital city. After providing each agency with separate documentation, the entrepreneurs sometimes waited sometimes months for responses.

Although Senegal’s business registration process was only slightly worse than the 54-day average among countries in sub-Saharan Africa,² Senegal’s government wanted to spur economic development by clearing impediments that discouraged international investors. Looking at the time and effort required to register a business was “quite scary,” said Abdou Diaw, who served as BCE coordinator during the office’s first year. “If [investors] come and it takes them 58 days to open a business, I’m afraid they won’t stay.”

The barriers to registration also discouraged local entrepreneurs, who often avoided the cumbersome process and ran their businesses in Senegal’s flourishing informal sector, which was both untaxed and unregulated. In 2003, 92% of the labor force was working in the informal sector, which accounted for about half of the country’s gross domestic product (GDP).³ Besides reducing tax revenues, the informal economy dampened workers’ productivity and pay, and it deprived workers of labor protection.⁴

As in other countries, the time-consuming business registration process created opportunities for corruption. “When it’s long, there is always corruption,” Kane said. Because time is a valuable commodity in business, he said, “people would give money for things to move very quickly.”

Nelly Ndiaye, who helped establish the BCE as director of investor services at the Agency for Investment Promotion and Major Works (APIX), said that lacking personal or political connections, the foreign investors whom Senegal hoped to attract confronted an especially daunting challenge in obtaining quick service.

Although business registration had been a long-standing problem in Senegal, the issue received little attention until the election of Abdoulaye Wade as president in 2000. Wade, a former professor of economics and law and a longtime opposition leader, emphasized private sector development. To facilitate foreign investment and coordinate private participation in major infrastructure projects, Wade created APIX and appointed Aminata Niane, who had advised the government and international donors on private sector development, to lead the new agency.

As a semiautonomous agency, APIX did not have to follow civil service hiring rules, and Niane herself reported directly to the president. After becoming director general of APIX, she positioned the agency to tackle the array of challenges potential investors faced. She hired new staff—often young MBAs, she said—who took a different approach from that of longtime civil servants.

APIX had a broad mandate to improve the country’s business climate and streamline administrative processes. In 2006, Niane got a new assignment from the president: cut business registration time to just two days—and do it quickly.

**THE CHALLENGE**

In November 2006, when Wade endorsed a public–private working group’s proposal to ease the business registration process, several hurdles stood in the way of achieving the goal of two-day business registration. First, accelerating the registration process required a new level of collaboration among the six agencies involved in the process. Because APIX was a relatively new institution with a mandate that crossed the usual boundaries of government responsibilities, securing cooperation was critical. Some of the managers in older agencies viewed the newcomer as stepping on their toes. Initially, agencies felt that
“that their responsibilities had been given to APIX,” Kane said. Unsurprisingly, he added, the perceived threat to their authority led to what he called “administrative guerrilla warfare” as each agency attempted to protect its turf.

Diaw said APIX’s leadership role in the effort to speed up registration created concerns among the agencies involved because “they are kind of transferring some of their prerogative into APIX, and that’s what they didn’t want. . . . APIX was always seen as the guy who wants to do everything.”

At the institutional level, each of the six agencies and ministries involved in business registration—from the tax authority to the pension fund—had a separate role in the process, and attempts to coordinate or change agencies’ internal procedures were likely to backfire. Staff in each office operated with little regard for what happened in other offices, and agencies strongly valued their autonomy. The institutions were “quite independent, and they wanted to keep their independence,” Diaw said.

A second challenge involved the rank-and-file workers whose cooperation was crucial to deliver improved service. Even if high-level ministers or agency heads agreed to adjust procedures, problems would likely remain among lower-level staff. It would be difficult to get individuals to work more quickly, and streamlining the registration process also reduced opportunities for low-paid staffers to solicit bribes for expedited service. Without financial rewards to induce individuals to work better and faster, it was unlikely that improvements within individual agencies could be sustained.

Moreover, Senegal’s institutional culture complicated efforts to get agents to embrace and implement new standards. The time-consuming and complex business registration process was seen as the normal way of doing things, and many staff were wary of proposed changes to their established ways of working. “It’s just the Senegalese administration. That’s the way they work,” Ndiaye said. “It’s not that they were bad people or that they didn’t know their work, but it’s been like that for years and years.”

Finally, APIX faced special constraints in trying to streamline procedures—for instance, by reducing the number of steps that applicants had

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**Box 1**

**Steps Required to Register a Business**

As of June 2007, to register a new limited liability company (société anonyme à responsabilité limitée) in Senegal, an entrepreneur had to go through the following steps.

1. Deposit the founding capital with a bank
2. Notarize company bylaws and bank deposit of subscribed capital
3. Obtain criminal records
4. Register the company bylaws with the tax authority (bureau de l’enregistrement au service des impôts)
5. Register at the Registry of Commerce, Tribunal of Commerce
6. Publish a notice of the new company in an official journal
7. Register at the Ministry of Economy and Finance to obtain a company identification number
8. File a declaration of commencement of operations at the labor authority (Inspection Régionale du Travail)
9. Get affiliated with the social security fund (Caisse de Sécurité Sociale)
10. Get affiliated with the pension fund (Institut de Prévoyance Retraite)

to go through or the volume of documents they had to submit. Senegal was part of the Organization for the Harmonization of Business Law in Africa (L’Organisation pour l’Harmonisation en Afrique du Droit des Affaires, or OHADA), a 17-country initiative set up in 1993 to standardize business law in the region. The organization sought to make it easier for businesses to operate across member states, but the commitment to harmonized regulations also served to reduce individual countries’ flexibility.

To make significant changes to business laws, all OHADA members had to agree, but other member states had different priorities and reaching a multinational consensus would take excessive time. “Changing the OHADA law was not on the agenda,” Diaw said. The agency’s task force created to conduct the reform had to find alternative solutions.

FRAMING A RESPONSE

Diaw remembered feeling startled when the president assigned APIX to slash business registration time to just two days from 58 in less than a year. “I remember saying, ‘This is just not possible; we should say to the president that this is not possible.’ And then Niane created the task force, put her deputy in charge, and said, ‘The president wanted me to make it possible, and we will make it possible.’”

The decision to prioritize business registration took place at the sixth meeting of the Presidential Investment Council, which Wade had established in November 2002 as an advisory body on private sector development. Most of the council’s members were current and prospective foreign investors, local entrepreneurs, and representatives of business associations; only 10% came from government institutions such as the ministries of finance and infrastructure. APIX coordinated the meetings and served as the council’s secretariat. In addition to holding a large annual meeting, the council had four working groups, which met weekly to discuss the major categories of constraints.

In 2006, the administrative procedures working group recommended that the government take steps to ease the business registration process. Registration was the “first battle” for companies that wanted to set up business in Senegal, Kane said, and it had been among the problems he and other private sector members of the working group “had been [posing] to the state for a long time.”

In addition, APIX had concerns about the country’s poor showing in the World Bank’s Doing Business rankings: 146th overall out of 175 countries in the 2007 report (published in September 2006). The agency saw business registration as a key area for improvement—and one that could be fixed quickly. At the November 2006 council meeting, the working group presented the idea for discussion and a decision by the president on next steps.

After receiving the assignment from Wade, APIX put together a task force led by then deputy director general Hamath Sall (who died in 2013). The team had to evaluate Senegal’s registration procedures and develop a plan to shorten the process before the next council meeting, when the president expected APIX to report progress.

The APIX team began with a “dissection” of the existing procedure, Niane said. “We broke it down and tried to understand why it was taking so long,” she said. As part of the evaluation, APIX agents walked through each step and observed the sources of the delays.

The task force also scrutinized applicable laws and regulations. Diaw said they considered changing the law to reduce the number of requirements, but because key regulations were set at the international level and would require other countries’ involvement, “we knew that was not the way to go,” he said. Instead, the team decided it would be possible to revamp the process within the existing legal framework.

After a careful look at the requirements, Niane said, “we found that there was no law, no regulation, nothing that could stop us from doing it in 48 hours.” Rather than changing the
requirements, Diaw said, he and his colleagues realized that “maybe we just need to change the way we do things.”

The APIX team began to consider ways they could get the agencies involved in business registration to work faster and better. “We began to look for best practices around the world to see what other countries were doing to make it better or easier,” Ndiaye said. To figure out how to meet the president’s goal, the World Bank’s Doing Business rankings and Facility for Investment Climate Advisory Services reports were key sources of information not only about Senegal’s weaknesses but also about how the top performers operated. In addition, APIX sent agents on study visits to other countries, from Mauritius to Morocco.

APIX also had some experience with speeding up slow processes. Prior to APIX’s establishment, the Ministry of Economy and Finance had a one-stop shop for investors to complete the paperwork necessary to claim tax and customs incentives. However, Niane said, “this could [still] take up to several months, so I proposed to the president to transfer the old one-stop shop” to APIX. APIX took over the one-stop shop for investment incentives in 2001 and had gained five years of experience by the time the agency was assigned to speed up business registration. Although a multiagency process would have to be run differently, the team was familiar with the model and saw another opportunity to apply it.

Based on the dissection, on past experience, and on investigation of international best practices, the APIX team decided the solution was a one-stop shop: a single office where applicants could bring all their paperwork for quick handling by representatives of all the government agencies involved in business registration. Situating the office at APIX’s headquarters in downtown Dakar would enable it to serve the majority of businesses, as the capital accounted for 80% of Senegal’s formal economy.5

Establishing a one-stop shop was the best option because it would eliminate the hassle of visiting multiple agencies, which was the main source of delays, said Angélique Diop, who joined the BCE in 2007 and later became its coordinator. Even with simpler procedures, she added, going from one agency to another would slow the process. Another advantage was that the model could work within the existing regulatory framework. “We are keeping the same conditions, we are keeping the same requirements . . . but we knew it would be easier for an investor to do everything in one place,” Diaw said.

GETTING DOWN TO WORK

After agreeing on the strategy, APIX began the practical task of setting up the one-stop shop. The team built support among the agencies that had to participate, worked out the details of how the new system would work, and laid the groundwork for continuing improvements after the office became operational.

Securing cooperation

The biggest challenge to setting up the BCE involved enlisting commitment from the agencies that participated in the registration process. Many officials were wary of what they perceived as ceding responsibilities to APIX, and the team worked hard to persuade them to join. APIX staff met with the other agencies at multiple levels, hoping to secure buy-in not just from the top but also from those who performed the day-to-day work of registering businesses.

“APIX held regular meetings with the leaders and staff of the agencies concerned, and it clarified aspects that could be ambiguous,” said Rita Fall, then head of the Administrative Procedures Facilitation Center at APIX, the department that would house the BCE. “APIX and the agencies were constantly collaborating throughout the process, backed by strong political will at the highest level.”

One tactic was to explain the need for a less burdensome business registration process in terms
of the importance of facilitating investment in the economy by both Senegalese and foreign investors. “It was APIX’s job to sensitize those people and to say, ‘Look, if you help this factory to open, it will create a hundred jobs, and a thousand people will eat,’” Ndiaye said.

“We had discussions and consultations with them,” Niane said, and eventually “they all agreed to do it, because they understood . . . it was beneficial for the country.”

It was also critical to present precisely how the one-stop shop would work. A clear understanding of the details helped assuage agencies’ concerns. A critical point was that “we were not interfering with what they were doing technically; we just give them the space to be together,” Niane said.

APIX had to make clear that “we were not trying to take on their prerogatives but were trying to help them move to higher standards and international best practices in business registration,” Fall stressed.

Top-level support played an important role in facilitating cooperation within the government. The Presidential Investment Council, which had set the priority on improved business registration, “was under the authority of the president of the republic,” Kane said, which “would oblige the ministers and the civil servants to be stakeholders and to apply the decisions.”

Niane led the process, Diaw said, but the president and prime minister could lend their support at critical moments. “If necessary, she could get the president to give [agencies] the instruction to move, although she often was able to get the stakeholders on board by herself,” he said.

Marième Lo, a former APIX agent who later joined the French Development Agency, recalled that when there were delays in the implementation of the authorities’ directives—for instance, a directive to send staff to the BCE—APIX could count on support from the president and prime minister to advance the process. Speeding up registration had been identified as a top national priority, Niane said, and “because there was strong political will, they could not be opposed to that. They have to do it.”

Setting up shop

With the agencies on board, the APIX team had to decide how the one-stop shop would operate—from procedures to the physical layout, to staffing.

First, APIX had to establish a process for quickly getting a business application through all of the registration steps. The task force met with all the institutions involved and developed a front-office/back-office system that allowed APIX to supervise the process, Diaw said, and that also assured the agencies that “they’re still independent and will still do things the way they were doing things.”

“The agents working in the front office are in charge of receiving applications and giving information about business creation,” Diop said. The front-office staff comprised APIX workers who were trained in customer service and who checked the completeness of applications to ensure that they would not be rejected because of technical flaws and cause delays.

Files approved by the front office moved to “the specialists, the agents who are seconded,” Diop said. The seconded staff completed their agency procedures just as they would have at their home offices and then handed the applications to the worker representing the next agency. When the office began operations in 2007 four of the six agencies involved in registration—the tax authority, the regional tribunal’s commercial registry, the National Agency of Statistics and Demography, and the directorate of labor—had representatives at the BCE site in APIX’s downtown Dakar office.

The other two—the social security agency and the pension fund—had offices a few minutes away. APIX staffers e-mailed application data to the two agencies, followed up by phone to ensure they had received it, and picked up the approved documents several hours later.
Seemingly simple things like the physical setup of the one-stop shop were important with regard to both speed and transparency. Although APIX separated the process into front- and back-office functions, most activity took place in a single room. Applicants received priority numbers when they entered, and when their number was called, they submitted their documentation to the APIX agents, who checked the applications and passed them to agents of the processing agencies. The seconded agents sat in a row at the back of the room and could easily pass the files from hand to hand. The close working conditions also enabled the agents to answer applicants’ technical questions when necessary. The two agencies whose workers were not physically present in the BCE were just a phone call or short walk away.

By speeding the registration process and putting everything out in the open, the physical setup also discouraged wrongdoing. “Having everything in one place was the best thing to do for the sake of transparency,” Diop said. Bribe solicitation and other forms of corruption became more difficult because the BCE coordinator sat in a glass-walled office adjoining the room, with a full view of all of the agents. In addition, applicants themselves could observe the entire process while waiting to be served.

In another move to head off corruption, APIX actively publicized that the one-stop shop’s services were free. “On TV, in the papers, when we gave you the documentation, the statement was clear: APIX services were free of charge,” Ndiaye said. “Even Senegalese investors were coming to APIX to have their process facilitated because they knew we were not going to ask for some money and that we would not charge anything more than the regular fees required by the government,”

Recruiting the right staff was critical—and largely out of APIX’s control. APIX sent job descriptions to each agency involved, specifying the level of authorization necessary for the agency’s seconded agents. Then, “the ministry would see, according to its available resources, which officers could be seconded [and] who was competent for this position,” Diop said.

APIX staff could make unofficial suggestions if they knew of a specific person who might be a good fit, Ndiaye said, but “it was the ministry that was doing the selection.” Because some agents sent to the BCE weren’t eligible for their agencies’ performance bonuses, Diaw said, APIX offered the seconded staff standard bonuses so that the position would appeal to the agencies’ best workers. The initiative’s high-level political backing also lent prestige to the positions and served as an incentive for agencies to send skilled representatives.

Because the one-stop shop’s staff came from different agencies and had varying backgrounds, team building was essential. Orientation focused heavily on expectations, shared commitment, and camaraderie, as the seconded agents already knew what their jobs entailed.

As they had with the agency leaders, the heads of the BCE and the Administrative Procedures Facilitation Center stressed the value of the agents’ efforts. Ndiaye said APIX emphasized the impact that their work would have on Senegal’s future, “so they can understand why this process is so important, why we need investors, why we need to create jobs, why we need to have value added to some products, . . . so they can understand they are really helping the country, not helping themselves.”

The business-oriented environment at the one-stop shop also gave workers “a sense of business culture,” Kane said, because everyone at APIX was “talking about business and facilitation.” For workers who were accustomed to government practices, the view of the private sector could be a valuable motivator.

Managing operations

The one-stop shop opened in July 2007, but it took four more months to offer the entire registration process because the tax authority did not send its representative until November. Once
the office was up and running, it was up to the BCE coordinator, an APIX staff member reporting to the head of the Administrative Procedures Facilitation Center (until the BCE became a separate department in 2012) to oversee the operation and ensure it ran smoothly.

Day-to-day problems, including unexpected crowds of applicants, sometimes made it challenging to meet the 48-hour processing deadline set by the president. Problems with computer servers and other technology meant that sometimes back-office agents could not enter applicants’ information into their agencies’ central databases.

Although many of the problems were beyond APIX’s purview, the BCE coordinator tried to work with agencies to help find solutions. When the office was overwhelmed with work, for instance, the coordinator asked agencies to send additional staffers. Backup agents normally filled in when regular agents were unavailable, but they became valuable resources when workloads became heavy. The coordinator also occasionally requested formal meetings with high-level personnel, but those were typically reserved for major initiatives such as the development of an online system.

Although the BCE had no formal schedule for updating the participating agencies, regular communication helped maintain cooperation and trust among the various agencies and people who had a hand in the success of the one-stop shop. “It would be poorly regarded if we did something the officers knew about but not their supervisors, so we avoid doing that,” Diop said. Developing a personal relationship helped Diaw explain APIX’s culture and expectations, and eventually, “[the seconded staff member] was even going back home with the applications to meet the performance standards.”

It also was important to make expectations clear to the back-office agents. “We teach all of them about our procedures, about the time requirements,” Quality Manager Betty Seye said. Seconded agents at the one-stop shop were expected to adhere to APIX’s standards, she said, and even though APIX could not dictate their performance, “we consider them as APIX agents.”

In the worst-case scenario, the BCE coordinator could formally request that the agency replace the person that had been sent, but from the office’s establishment in 2007 to mid-2016, that had never happened. “In general, [we’ve had] competent people, and even though the pace of the work is not the same, they get used to it very quickly,” Diop said.

Even without the authority to formally evaluate all of the office’s staff, APIX carefully monitored the performance of the BCE as a whole. The agency’s quality management department tracked two key indicators to ensure
the BCE was operating as it should: first, the time required to process an application and second, the percentage of applications rejected due to errors. The targets were originally 48 hours for the first (later reduced to 24) and 5% for the second. Using the database that BCE staff worked with to enter applications, which recorded how long each step took, the quality department tracked each indicator and produced a weekly report. If all was going smoothly, the reports were simply sent to the APIX management team ahead of the team’s weekly coordination meetings.

If one of the indicators exceeded the set limit, however, the monitoring system created an alert for further action. If an indicator was over its limit by 5% or less, the BCE coordinator and director of investment received an orange-level alert to quickly correct the problem, Seye said, “and if the problem is not resolved as quickly as possible, we reach the critical level.” If an indicator exceeded its limit by more than 5% or a problem had not been addressed, APIX’s director general or deputy director general took charge.

Such alerts signaled the need for immediate action, typically by the BCE coordinator or head of the Administrative Procedures Facilitation Center. If a problem remained unresolved by the time of the weekly coordination meeting, the other members of the management team would step in; otherwise, the BCE coordinator reported on how she had solved the problem. As of January 2016, “we haven’t reached the critical level with the BCE,” Seye said, but the office had had orange-level alerts—for instance, in 2015, when there was a nationwide outage of a computer server used to issue business identification numbers.

The BCE also gradually expanded its use of technology to speed registration. The original system had been largely manual and required agents to pass paper files back and forth. Over time, however, the BCE developed a digital platform that enabled agents to access shared application data rather than having to enter the same information into their agencies’ databases separately. The platform served as a precursor to an online registration system that the BCE introduced in 2015.

The new online system allowed an applicant for a société anonyme or société anonyme à responsabilité limitée (the equivalents of a corporation or limited liability company, respectively) to submit the application and supporting documents online—without ever visiting the BCE. Because most people who applied to create these types of companies filed their applications through notaries, who typically drew up articles of association in addition to certifying documents’ authenticity, APIX initially rolled out the system through the notaries. As of early 2016, Diop said, “this is in place only for notaries . . . but we aspire to be able, in the long term, to allow people to
create their businesses online from home.” The BCE’s online system was introduced several years after the office opened, Diop said, because “it was really necessary to master the physical process in order to then be able to move to the online platform.” However, the online system was not yet available for sole proprietorships or group enterprises, which made up the majority of registrations, and most of the BCE’s clients continued to visit the office to file their applications.

The BCE also contributed to APIX’s other reforms. Because its agents and those of the Administrative Procedures Facilitation Center were the main points of contact with investors, their experiences sometimes informed larger-scale reform ideas, but these were coordinated by APIX’s separate Business Environment Directorate. For instance, in 2014 and 2015—after changes to OHADA allowed member states to reduce capital requirements at the national level—the directorate helped pass reductions in the amount of capital required to start a business.

OVERCOMING OBSTACLES

Even though the establishment of the one-stop shop dramatically reduced the time required to register a business in Senegal, APIX was unable to reduce the time-consuming and expensive role of notaries in the business registration process.

Unlike notaries public in common-law countries such as the United States, in Francophone West Africa notaries performed services that went far beyond simple certification of a document’s authenticity. In Senegal and other civil-law countries, “it’s just like going to a lawyer,” Ndiaye said. To register a société anonyme or société anonyme à responsabilité limitée, a notary typically drew up articles of association and handled the deposit of start-up capital in addition to providing a “declaration of conformity,” without which the articles were not valid. Once those preliminary steps were complete, the notary proceeded to the BCE to drop off the application. The preliminary steps took several days and cost approximately 200,000 to 400,000 West African CFA francs (about US$408 to US$816 in 2007).

APIX focused its efforts primarily on government-run procedures, which accounted for most of the months-long registration process. But as the agency examined ways to improve the system, revamping of the role of notaries was on the list. Niane wanted to try again, even though similar efforts had failed in the past. “The idea came maybe 20 years ago,” she said, but the Senegalese government had never succeeded in reducing the notaries’ legally mandated role.

APIX quickly encountered the same challenge, as the idea ran into strong opposition. “They have strong bargaining power,” Niane said, and “the political will was not sufficient to break the monopoly of the notaries.”

In addition, the notary system had legal standing. Notaries were required for business registration not just by Senegalese law but at the international level. “Under the OHADA Uniform Act, applicants have to go through the notary to register a business, unless member states decide otherwise; and in Senegal, the involvement of a notary is required to create a company,” probationer notary Bassirou Diallo said. As had been the case with other legal changes APIX had considered, changing international regulations governing the role of notaries would have demanded action from other OHADA member countries, which did not appear feasible at the time.

Rather than ousting the notaries from the system or diminishing their role, APIX leaders considered stationing a notary at the BCE to facilitate the process. However, that idea did not fit the notary system the way it did the governmental elements of the process. “We could not find a way to have one notary at APIX collecting the money from all the investors,” Ndiaye said. “It’s private, [so] you cannot do it that way.”

Furthermore, Ndiaye added, notaries specialized by region, and each had an individual jurisdiction, which made it difficult to find one notary to cover all of the BCE’s applications.
In the end, APIX’s efforts gained little traction. Diallo said, “When the BCE was established, some people thought going to a notary was not a necessary part of the process, but that was not the case.”

As of early 2016, the notary system remained in place.

ASSESSING RESULTS

Niane and her team at APIX had a simple goal: to reduce the time required to register a business from several months to a few days. By the time the BCE was fully staffed and operational in November 2007, it had accomplished its goal—and in a very short time. The registration process at the BCE took 48 hours in November 2007, and by 2016, just 24 hours.

According to the World Bank’s *Doing Business* reports, the total time required to create a business in Senegal fell from 58 days in the 2007 report to 6 in 2009: 2 days to register at the BCE, plus another 4 for preliminary steps such as hiring a notary to draft and certify documents. (The *Doing Business* reports for a given year use data from the previous one. Because 2008 was the BCE’s first full year in operation, the 2009 report was the first to reflect the new registration process.)

Senegal’s *Doing Business* rankings also improved as a result of the establishment of the BCE. The Senegalese government considered the rankings—which compared countries around the world on the basis of time, complexity, and cost of procedures like registering a business or paying taxes—to be an important signal to investors. Senegal’s ranking for business registration jumped to 95th from 159th between the 2008 and 2009 reports. Driven in large part by improvement in the registration process, as well as by reforms to customs procedures, Senegal’s overall ranking improved to 149th from 168th, and the 2009 report named Senegal as one of the world’s top 10 reformers. In the years since, Senegal continued to make progress on ease of doing business as assessed by the World Bank’s *Doing Business* team.1

APIX reported increasing numbers of businesses registered at the BCE. In 2008, its first full year in operation, the one-stop shop registered just 361 new businesses, but by 2015, the number had soared to 11,159.7 The BCE also represented a greater share of new business registrations over time. Applicants did not have to use the BCE to register their businesses, but after several years, most did. Comparing the number of SARLs (the equivalent of a limited liability company in Senegal) registered at the BCE with the total number of newly established limited liability companies reported by the World Bank, the BCE handled just 12% of new SARL registrations in 2008, but steadily increased its share to 67% by 2014.8

The BCE also served as a model for several other African countries. Diop said the BCE frequently received visitors from other countries who wished to observe its operations, and the office sent staff to help other countries set up their own one-stop shops—for instance, to Côte d’Ivoire. APIX also provided broader assistance in attracting investment. “We helped, for example, the governments of Mali, Burkina Faso, Comoros, [and others] to have their own investment promotion agencies,” Ndiaye said.

The BCE was only one small part of the overall business environment, however. Although registering a business had become much faster and easier, the costs of registration remained high—at 63.7% of income per capita in 2015.9 Beyond business registration, many of the administrative processes involved in doing business in Senegal remained time-consuming and inconvenient. Although Senegal had made progress on its overall *Doing Business* ranking since the BCE opened, its 2016 ranking of 153rd was still near the bottom, dragged down by areas like paying taxes where it was among the worst performers.

REFLECTIONS

When Senegal’s Agency for Investment Promotion and Major Works (APIX) set out in
2006 to speed up business registration, the agency’s director general at the time, Aminata Niane, found that the key source of delays was not the process itself. “It was just the political will and the willingness of the administration,” she said. Finding ways to secure and maintain cooperation among the stakeholder institutions was critical to the success of the Business Creation Support Office (Bureau d’Appui à la Création d’Entreprise, or BCE).

An emphasis on team building and office culture helped APIX work around the challenge—an approach made feasible by bringing a small team together. The BCE’s limited scope made it easier to change how agents worked, said Nelly Ndiaye, former director of investor services at APIX. “If you decide to change the mentality of all the people working in the administration, maybe in a hundred years you would not change it,” she said, but the BCE allowed APIX to focus its efforts on the select group of civil servants who worked at the one-stop shop.

Established in 2000, the agency had tried from the beginning to set itself apart from traditional practices. “We were really perceived like a different type of administration,” Ndiaye said, and APIX’s management style made it easier to implement new ideas. Unlike at most agencies, she said, “you don’t have to go and talk to the minister to get his decision to do this and that. If it’s feasible, you can do it.”

APIX sought to hire different kinds of people and develop a more-business-oriented culture. Its establishment essentially helped investors circumvent the cumbersome requirements imposed by the existing system and institutions—although in the case of the BCE, the underlying processes remained intact.

Although APIX’s distinct style and broad mandate created tensions with some institutions, strong leadership and political backing helped the agency deliver on its goals. Niane’s determination to meet the president’s goal of 48-hour registration as quickly as possible “made me realize what Nelson Mandela was saying: it always looks impossible until it’s done,” former BCE coordinator Abdou Diaw said. “I was the one who was saying, ‘This is impossible; we can’t do it,’ but we did it.”

Support from then president Abdoulaye Wade was also critical, said Mor Talla Kane, executive director of the National Confederation of Senegalese Employers. “He gave APIX the force it had,” Kane said, because without strong presidential support, “one couldn’t have been sure that APIX would succeed in its mission.”

A new focus on public–private consultation helped build momentum for APIX’s reforms. In the past “the private sector and the state had always been in conflict,” Kane said, but as Senegal’s economy liberalized, “the private sector and the administration had to work side by side to look at problems and find solutions.” The dialogue created through the Presidential Investment Council helped identify priorities and mobilize the political will necessary to address long-standing problems.

Creating a one-stop shop was relatively straightforward, which contributed to its appeal when APIX first began its work and later, when one-stop shops were created in other countries that sought to replicate the BCE. It was essential for APIX and other investment promotion agencies to draw on global best practices, Ndiaye said, rather than trying to “reinvent the wheel.” But though learning from other countries was valuable, context also played an important role. APIX was careful to ensure that the one-stop shop would fit Senegal’s regulations and address the country’s specific bottlenecks.

Establishing the BCE was part of a broader effort to attract foreign investors to Senegal. Investment in sub-Saharan Africa was booming during the period. In 2015, foreign direct investment in the region reached US$60 billion—five times its 2000 level. Without natural resources to draw investors in, the Senegalese government sought to make the country more appealing by improving the business climate. From 2000 to 2005, foreign direct investment as a
percentage of gross national product was significantly lower in Senegal than the regional average, whereas after 2005, foreign direct investment made up a similar percentage of gross domestic product in Senegal as in other developing countries in sub-Saharan Africa. Administrative changes like the BCE were parts of the improving picture, although many other factors also contributed.

The BCE was not a large-scale reform, but the model proved an effective starting point.

References


6 Due to changes in the Doing Business methodology, the rankings are not comparable before and after the 2014 report. However, Senegal’s distance to frontier score, which represents the gap between a country’s performance and the best practice in the dataset and is comparable across all reports, demonstrated continued improvement. From 2009 to 2016, Senegal’s distance to frontier score for business registration improved from 68.14 to 85.94 (100 being the best). Its overall distance to frontier score improved more modestly, from 41.89 in 2010 (the first year overall scores were available) to 48.57 in 2016.

7 Yearly BCE registration data provided by Angélique Diop.


9 World Bank, “World Development Indicators: Cost of business start-up procedures (% of GNI per capita).”


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