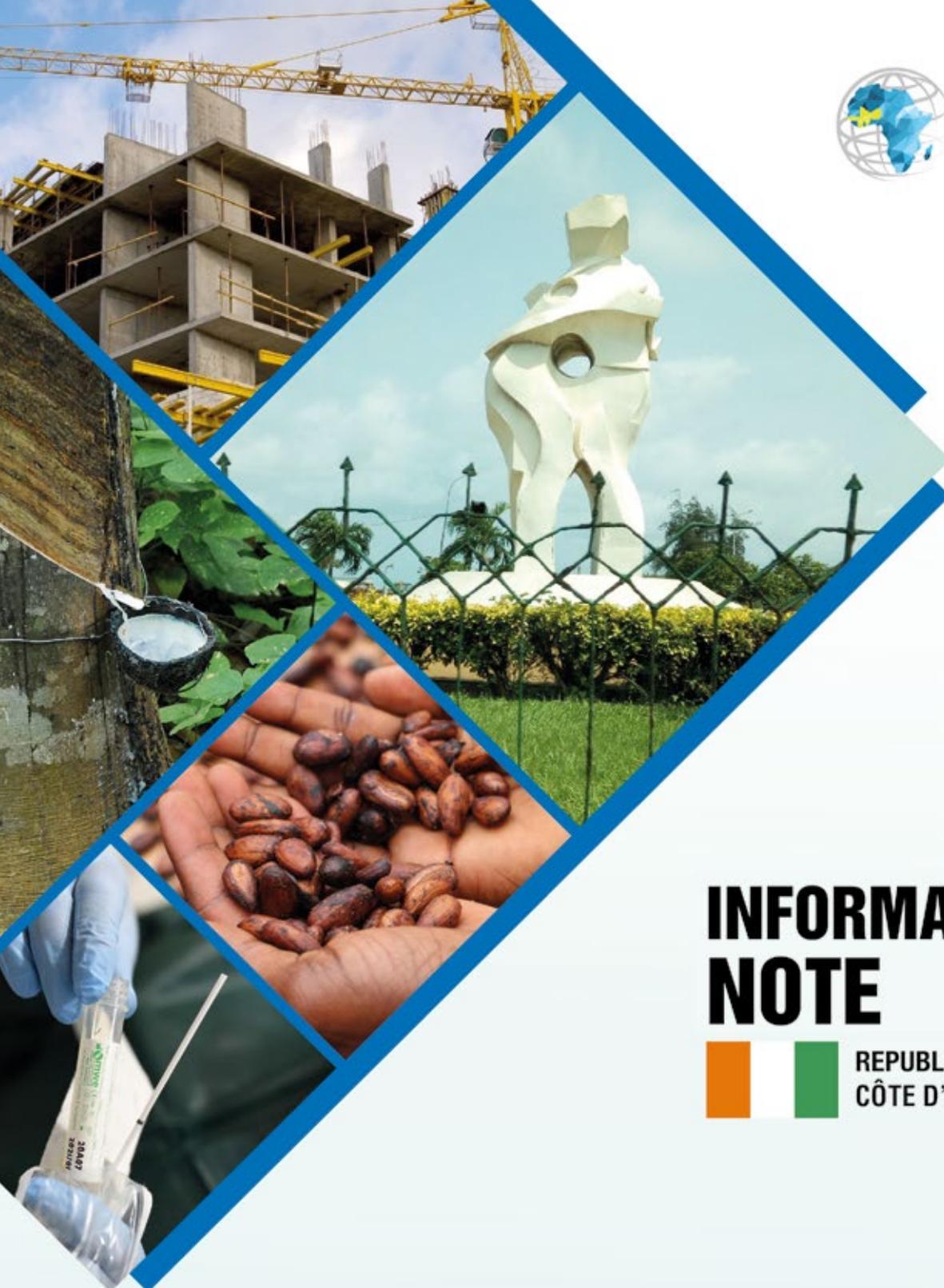




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INFORMATION NOTE



REPUBLIC OF
CÔTE D'IVOIRE

Presentation of Sovereign issuers of West African Monetary Union

September 2020



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FCA	: Finance Credit Alliance
AFD	: French Agency of Development
NAVT	: National Agency for Vocational Training
EPA	: Economic Partnership Agreement
PADFSI	: Professional Association of Decentralized Financial Systems of Côte d'Ivoire
DSA	: Debt Sustainability Analysis
AfDB	: African Development Bank
BCEAO	: Central Bank of West African States
EIB	: European Investment Bank
CIO	: Credit Information Office
IDB	: International Development Bank
EBID	: ECOWAS Bank for Investment and Development
WB	: World Bank
BOAD	: West African Development Bank
BRVM	: Regional Stock Exchange
ACCCI	: African Credit Company of Côte d'Ivoire
C2D	: Debt Reduction and Development Agreement
ECOWAS	: Economic Community of West African States
IPCCI	: Investment Promotion Centre of Côte d'Ivoire
GRFSE	: General Retirement Fund for State Employees
UHC	: University Hospital Center
UHC	: Universal Health Coverage
NEPC	: National Economic Policy Council
NSSF	: National Social Security Fund
NSCPPP	: National Steering Committee for Public-Private Partnerships
MVRC	: Medical and Veterinary Research Centre
DGBF	: Directorate General of Budget and Finance
DGD	: Directorate General of Customs
DGT	: Directorate General of Taxes
DHS	: Demographic and Health Surveys
SDR	: Special Drawing Rights
EDS-MICS	: Demographic and Health Survey - Multiple Indicator Cluster Survey

COSS	: Children Outside the School System
HNS	: Higher National School
ENSEA	: National School of Statistics and Applied Economics
NPI	: National Public Institution
CIFLA	: Capital Investment Fund for Local Authorities
IFAD	: International Fund for Agricultural Development
ECF	: Extended Credit Facility
IFDAR	: International Fund for the Development of Active Retirement
IMF	: International Monetary Fund
SSGCI	: Savings and Support Group in Côte d'Ivoire
FMJWS	: Forecasting Management of Jobs, Workforce and Skills)
SWFFS	: Single Window for Filing Financial Statements
DIH	: Dakar International Hospital
HLIIP	: Highly Labour Intensive Investment Program
FDI	: Foreign Direct Investment
HDI	: Human Development Index
INF	: Inferior
INPHB	: National Polytechnique Institute Houphouët-Boigny
NSO	: National Statistical Office
ISIN	: International Securities Identification Numbers
DSSI	: Debt Service Suspension Initiative
JPY	: Japan Yen
IFA	: Initial Finance Act
ECF	: Extended Credit Facility
EFF-ECF	: Extended Credit Facility-Extended Credit Facility
MEF	: MiNiStry of Economy and Finance
MNETE	: Ministry of National Education and Technical Education
MESR	: Ministry of Education and Scientific Research
MICROCERD-CI	: Micro Credit of Côte d'Ivoire
SDO	: Sustainable Development Objective
OHBLA	: Organization for the Harmonization of Business Law in Africa
MDG	: Millennium Development Goal
WTO	: World Trade Organization
TB	: Treasury Bond
ECL	: ECOWAS Community Levy

SCI	: Debt to Development Project Conversion Program
CSL	: Community Solidarity Levy
FSDP	: Financial Sector Development Plan
PEP	: Parent Education Program
REP	: Regional Economic Programme
GDP	: Gross Domestic Product
PIP	: Public Investment Programme
SME	: Small and Medium Enterprise
SMI	: Small and Medium Industries
NDP	: National Development Plan
NHDP	: National Health Development Programme
NAIP	: National Agricultural Investment Program
UNDP	: United Nations Development Programme
WAAPP	: West Africa Agricultural Productivity Programme
MCP	: Multiannual Convergence Programme
HIPC	: Heavily Indebted Poor Country
PREV	: Forecast
SIP	: Strategic Integration Programme
TFP	: Technical and Financial Partner
TPIP	: Three-Year Public Investment Programme
RIC	: Republic of Côte d'Ivoire
GCPH	: General Census of Population and Housing
NSCU	: Network of Savings and Credit Unions
DFS	: Decentralized Financial System
MTDS	: Medium Term Debt Management Strategy
SSPMBSP	: State Secretariat to the Prime MiNISTer in charge of the Budget and the State Portfolio
IFC	: International Finance Corporation
MIC	: Management and intermediation companies
AIDS	: Acquired Immune Deficiency Syndrome
EONC	: Emergency Obstetrical Neonatal Care
SUHS	: School and University Health Service
SUP	: Superior
STS	: Specialists in Treasury Securities
GER	: Gross Enrolment Rate
TT	: Turnover tax
CET	: Common External Tariff

NER	: National Enrolment Rate
NEER	: National Effective Exchange Rate
WAR	: Weighted Average Rate
AEE	: Actual Effective Exchange Rate
TSFO	: Table of State Financial Operations
TPS	: Tax on the Provision of Services
VAT	: Value Added Tax
UA	: Unit of Account
EU	: European Union
WAEMU	: West African Economic and Monetary Union
TRU	: Training and Research Unit
WAMU	: West African Monetary Union
NUSCCCI	: National Union of Savings and Credit Cooperatives of Côte d'Ivoire
UNICEF	: United Nations International Children's Emergency Fund
USD	: United States Dollar
UT	: UMOA-Titres
CV	: Current Value
HIV	: Human Immunodeficiency Virus
WEO	: World Economic Outlook
XOF	: West African CFA Franc



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ATTESTATION DE L'ÉMETTEUR

Je soussigné, Konan Jacques ASSAHORE, Directeur Général du Trésor et de la Comptabilité Publique, agissant au nom et pour le compte de l'État de Côte d'Ivoire, atteste que les données et informations contenues dans la présente Note d'Information sont conformes à la réalité et n'ai connaissance d'aucune information de nature à en altérer la portée.

L'objectif visé à travers cette Note d'Information est de porter à l'attention des investisseurs sur les titres publics émis par l'État de Côte d'Ivoire, toutes les informations utiles à la prise de décisions d'investissement.

Toutefois, je rappelle que les informations et analyses prospectives présentées dans ce document, sont basées sur des projections établies à partir d'hypothèses qui sont entachées d'incertitudes pouvant entraîner des différences entre les réalisations effectives et les performances économiques attendues.

Cette note d'information publiée sera mise à jour chaque fois que nécessaire, afin de rendre compte :

- de l'évolution de la situation économique de la Côte d'Ivoire ;
- de la disponibilité ou de la mise à jour des données économiques ;
- de quelques changements intervenus.



(Handwritten signature in blue ink)

ASSAHORE KONAN JACQUES
Directeur Général
du Trésor et de
la Comptabilité Publique

Côte d'Ivoire is located in the western part of Africa, in the intertropical zone between the Tropic of Cancer and the equator. It covers an area of 322,462 km² and is more than 500 km from the coast. The country is bordered by the Atlantic Ocean to the south, Burkina Faso and Mali to the north, Ghana to the east and Guinea Conakry and Liberia to the west. While Yamoussoukro was officially designated as the country's political and administrative capital in 1983, Abidjan is the economic, political and administrative centre.

Côte d'Ivoire became independent from France on 7 August 1960. According to the current Constitution, adopted on 30 October 2016, Côte d'Ivoire is a democratic republic based on the separation and balance of the three powers: executive, legislative and judicial.

Côte d'Ivoire is the largest economy in the WAEMU in terms of GDP, according to BCEAO. According to WAEMU population statistics, the country also has the largest population in the zone, estimated at 25.8 million in 2019 (NSO). Côte d'Ivoire is one of the most dynamic countries in Sub-Saharan Africa with a nominal GDP estimated at CFA FRANCS 34,447.0 billion in 2019. Average GDP growth reached 7.1% between 2016 and 2018. In 2019, growth is estimated at 6.9% according to the NSO. Due to the adverse impact of the COVID-19 pandemic on economic activity, activity is expected to slow down in 2020 with a projected GDP growth rate of 3.6%.

In March 2012, the government adopted the National Development Plan (NDP) for the period 2012-2015. The implementation of this plan has been a success in many respects, as evidenced by Côte d'Ivoire's entry and stable position in the group of countries with the highest growth rates in the world, with an average annual real GDP growth rate of 9% over the 2012-2015 period.

Following an in-depth evaluation of the implementation and results of the 2012-2015 NDP, a new NDP for the period 2016-2020 was adopted in December 2015, with the objective of making Côte d'Ivoire an emerging economy by 2020 and halving poverty. This plan makes industry one of the main pillars of the structural transformation of the economy.



Republic of Côte d'Ivoire



Surface

322 462 km²



Population

25 823 071 Hbts



Capital

Yamoussoukro



Political system

Presidential



Currency

CFAF



Official language

French



34 447.0 billions of CFAF

(source : National services, BCEAO)

- ▶ Economy based on **agriculture** and **trade**
- ▶ **First** producer of **cocoa**
- ▶ PIB per capita in current prices in 2019: **1 333 962 CFAF**
- ▶ Growth rate in 2019 : **6.9%**
- ▶ Indebtedness rate in 2019 : **38.6%** of GDP
- ▶ Fiscal deficit, including grants in 2019: **2.3%** of GDP

1.1 Political system

Within the framework of the French Community, Côte d'Ivoire became an Autonomous Territory in December 1958, but the Ivorian constitutional history dates back to 1959 with the "first Ivorian Constitution" adopted on 26 March 1959. It established Côte d'Ivoire as an Autonomous Republic until the country gained independence on 7 August 1960. After the military putsch in 1999 and the establishment of the government of the National Committee of Public Salvation with Mr. Robert Guéï, a third Constitution, approved by referendum on 23 July 2000 will establish the Second Republic. Recently, after a decade of crisis in Côte d'Ivoire, a fourth Constitution was adopted by referendum in 2016. It established the Third Republic.

Côte d'Ivoire is a democratic republic with a presidential regime characterized by the separation of powers within the State: the executive power embodied by the government, the legislative power held by the Parliament and the judicial power represented by the Supreme Court and the Court of Auditors.

1.1.1 Executive Power

The executive power is represented by the President of the Republic, the Vice-President of the Republic and the Government.

The President of the Republic embodies national unity and ensures respect for the Constitution. He shall be elected for a term of five years by direct universal suffrage and may be re-elected only once. He determines and conducts the policy of the nation. He is the head of the Administration and the Armed Forces. He presides over the Councils, Defence and Security Committees.

The President of the Republic appoints the Prime Minister as Head of Government. He may, by decree, delegate some of his powers to the Vice-President of the Republic, the Prime Minister and members of the Government. In the event of the absolute impediment, resignation or death of the President of the

Republic, the Vice-President of the Republic shall automatically become the President of the Republic.

The Vice-President of the Republic shall be elected from the same list as the President of the Republic for a term of five (5) years by direct universal suffrage. He or she shall act on delegation from the President of the Republic. The first and current Vice-President is Daniel Kablan Duncan appointed on 10 January 2017. He is a member of the Democratic Party of Côte d'Ivoire (PDCI) which has formed a coalition with the Rassemblement des républicains (RDR), the party of Mr. Alassane Ouattara.

The Government comprises the Prime Minister, Head of Government, and the Ministers. The Prime Minister leads and coordinates government action. He chairs the Government Council and the preparatory meetings of the Council of Ministers. The current Prime Minister, also appointed on 10 January 2017, is Mr. Amadou Gon Coulibaly. He is a member of the Rassemblement des républicains (RDR), the party of Mr. Alassane Ouattara, which merged with several other political parties to change the RHDP (Rassemblement des Houphouëtistes pour la Démocratie et la Paix) into a new unified party.

1.1.2 Legislative Power

Legislative power is exercised by Parliament, which is composed of the National Assembly and the Senate.

Parliament passes the law and approves the tax. It controls the action of the Government and evaluates public policies. Each year, Parliament meets in two ordinary sessions which begin on the first working day of April and end on the last working day of December. Deputies to the National Assembly are elected by direct universal suffrage for five years.

The organs of the National Assembly are: the Bureau, the Standing Committees and the Conference of Presidents. In addition to these bodies, there are

the parliamentary groups which are groupings of deputies according to their ideologies or political affinities.

The results of the Independent Electoral Commission (IEC) for the last legislative elections of December 2016 give a total number of 255 MPs, including 167 for the RHDP, 76 Independents, 6 from the UDPCI, 3 from the FPI and 3 from the UPCI. This configuration has evolved to give rise to four parliamentary groups: the RHDP (unified), the PDCI, a former member of the RHDP, some of whose elected members remain in the RHDP, the Esperance parliamentary group and the Dialogue parliamentary group.

The Senate ensures the representation of local authorities and Ivorians living outside Côte d'Ivoire. Two thirds of the senators are elected by indirect universal suffrage and one third are appointed by the President of the Republic for a term of five (5) years. As the second chamber of Parliament, the Senate has the same prerogatives as the National Assembly.

Title V of the Constitution governs the relationship between the legislative and executive powers. Thus, within the framework of the control of government action and the evaluation of public policies, the members of the Government may be solicited by the Parliament. The parliament's means of information on Government action are oral or written, through the committee of inquiry and the evaluation mission.

The Court of Audit assists the parliament and the Government in the control of the execution of finance acts and in the areas within its competence. The first elections of the Third Republic reflected a changing political landscape. The current configuration of the National Assembly is dominated by the RHDP following its transformation into a unified political party with 159 seats. The other opposition parties hold a total of 94 seats distributed among the following parliamentary groups: PDCI-RDA (68) and Rassemblement and Vox Populi (26).

1.1.3 Judicial Power

The judiciary is independent and the President of the Republic is the guarantor of that independence. He is assisted by the Supreme Council of the Judiciary.

The Supreme Council of the Judiciary examines issues relating to the independence of the judiciary and the ethics of judges. In accordance with Constitutional Law No. 2020-348 of 19 March 2020 amending Law No. 2016-886 of 8 November 2016 on the Constitution of the Republic of Côte d'Ivoire, the Council also makes proposals for the appointment of Magistrates of the Court of Cassation, the Council of State and the Court of Auditors, the first Presidents of Courts of Appeal and the Presidents of Courts of First Instance. The High Council of the Judiciary is chaired by a person appointed by the President of the Republic from among the senior magistrates in office or retired.

Justice is dispensed by the Court of Cassation, the Council of State, the Court of Auditors, the Courts of Appeal, the courts of first instance, the administrative courts and the regional audit chambers.

The Court of Cassation ensures the application of the law by the courts of the judiciary and the Council of State ensures the application of the law by the courts of the administrative order.

The Council of State is the highest administrative court. It has sovereign power to rule on the decisions rendered in the last resort by the administrative courts and by the specialized administrative courts in matters of administrative litigation. The Council of State hears first and last resort appeals for annulment of acts of central administrative authorities and bodies with national jurisdiction. It also has an advisory function. In this capacity, it may be asked by the President of the Republic for an opinion on all administrative matters.

The President of the Court of Cassation and the President of the Council of State are appointed by the President of the Republic for a term of five (05) years, renewable once from among personalities recognized for their competence and proven expertise in legal matters.

The composition, attributions, organization and functioning of the Court of Cassation and the Council of State shall be determined respectively by an organic law.

The powers of the Supreme Court are vested res-

pectively in the Court of Cassation for judicial litigation and in the Council of State for administrative litigation.

The Court of Audit is the supreme institution of public financial control. It has jurisdictional, control and advisory powers. The Court of Audit ensures the proper use of loans, funds and assets managed by State services and other public entities. It supervises the execution of finance laws and pronounces on the regularity and accuracy of the accounts as well as on the general management of public and semi-public enterprises receiving public financial support.

The Court of Audit is also responsible for assisting the parliament and the Government in the control of the execution of the finance laws and in all the fields within its competence. It may be consulted by the Government, the National Assembly and the Economic and Social Council on economic and financial matters or on the management of State services and public authorities.

The President of the Court of Audit is appointed by the President of the Republic for a term of five (05) years renewable once.

Other courts

The Ivorian constitutional system comprises two special courts: the High Court of Justice and the Constitutional Council.

The High Court of Justice deals with exceptional cases. It has exclusive jurisdiction to judge the President of the Republic, the Vice-President of the Republic and members of the Government, including for acts of high treason committed by the President of the Republic and crimes or offences committed by the Vice-President of the Republic in the exercise of their official duties. It is presided over by the President of the Court of Cassation. The High Court is composed of members elected from among their number, in equal numbers by the National Assembly and the Senate during the first session of the legislature.

The Constitutional Council is impartial and independent. It is the regulatory body that monitors the functioning of the public authorities. The Constitu-

tional Council has jurisdiction over the constitutionality of the law. It is also competent to monitor presidential and parliamentary elections. It comprises the President, former Presidents of the Republic (unless they expressly renounce) and six members appointed for a non-renewable term of six years, three of whom are appointed by the President of the Republic, two by the President of the National Assembly and one by the President of the Senate. Half of the members are renewed once every three years. The President of the Constitutional Council is appointed by the President of the Republic for a non-renewable term of six years.

1.2 Administrative Organization

The administration of the territory is organized into hierarchical administrative districts, consisting of districts, regions, departments, sub-prefectures and villages. There are thirty-three (33) regions divided into fourteen (14) districts and also two (02) autonomous districts (Abidjan and Yamoussoukro).

The district considered as the highest administrative level includes several regions. The region is made up of several departments as an administrative district. The country has one hundred and eight (108) departments. The region constitutes the level of conception, programming, harmonization, support, coordination and control of economic, social and cultural development actions and operations carried out by all the civil administrations of the State. It is administered by the Prefect of the region, representing the Head of State in this district.

The sub-prefecture, administered by a Sub-prefect, is the intermediate administrative district between the department and the village. It is made up of several villages. The Sub-Prefect is placed under the authority of the Prefect and, like the latter, represents the State in this district. He coordinates and controls the activities of the administrative and technical services agents within his territorial jurisdiction. The village, composed of districts, constitutes the first level of administrative authority. It is administered by the village chief designated by the village population according to customary rules or by consensus. The village chief is then appointed by a decree of the Chamber of Kings and Traditional Chiefs.

Moreover, the Orientation Order N0 2011-262 of 28 September 2011 on the general organisation of the territorial administration of the State, makes the region and the commune territorial authorities with legal personality and financial autonomy. Their missions are to organise collective life and the participation of populations in the management of local affairs, to promote and achieve local development, to modernise the rural world, to improve the living environment and to manage the terroirs and the environment.

The financial autonomy of local authorities is not yet effective in Côte d'Ivoire. The Government grants subsidies to the decentralized communities and pays the salaries of civil servants employed by these entities.

1.3 Geographical location

Côte d'Ivoire is a country in West Africa. It is located in the intertropical zone between the Tropic of Cancer and the equator. It covers an area of 322,462 km² and shares its northern borders with Burkina Faso and Mali, the eastern border with Ghana and the western border with Guinea and Liberia. It is bordered in the South by the Gulf of Guinea (Atlantic Ocean) with 520 km of coastline.

The political capital of the country since 1983 is Yamoussoukro, located in the centre of the country.

However, Abidjan, in the south of the country, remains the economic capital and administrative centre.

The climate is hot and humid and the territory has three main climatic zones which are characterized by different volumes of rainfall during the year: the South (2 metres of rain), the West (1.5 metres of rain) and the North of the country (1.2 metres of rain). From North to South, the country has four (4) rivers: the Bandama, Comoé, Sassandra and Cavally. The vegetation is varied and consists of tropical forest in the south, wooded savannah in the centre and grassy savannah in the northern part of the country. This vegetation cover is home to many animal species, including the elephant, an animal whose tusks are the source of the country's name. "Once abundant in both forest and savannah, the elephant has been intensely hunted and poached and survives only in reserves and parks in a few parts of the country.

1.4 Population

According to the latest General Census of Population and Housing (GCPH) of the National Statistical Institute (NSO) in 2014, the population of Côte d'Ivoire was about 22.7 million inhabitants and recorded an annual growth rate of 2.6%. According to the NSO, the population of Côte d'Ivoire was estimated at 25.8 million in 2019 and is expected to reach 26.4 million in 2020.

Table 1. Statistics on the Ivorian population 2015-2020

Category	2015	2016	2017	2018	2019	2020*
Man	12 043 259	12 360 182	12 678 865	12 999 507	13 321 662	13 645 276
Woman	11 291 183	11 590 293	11 892 182	12 196 033	12 501 409	12 808 266
Total Population	23 334 442	23 950 475	24 571 047	25 195 540	25 823 071	26 453 542

Source : National Statistical Institute (*) estimation

If population growth continues, it will more than double by 2050 according to United Nations projections.

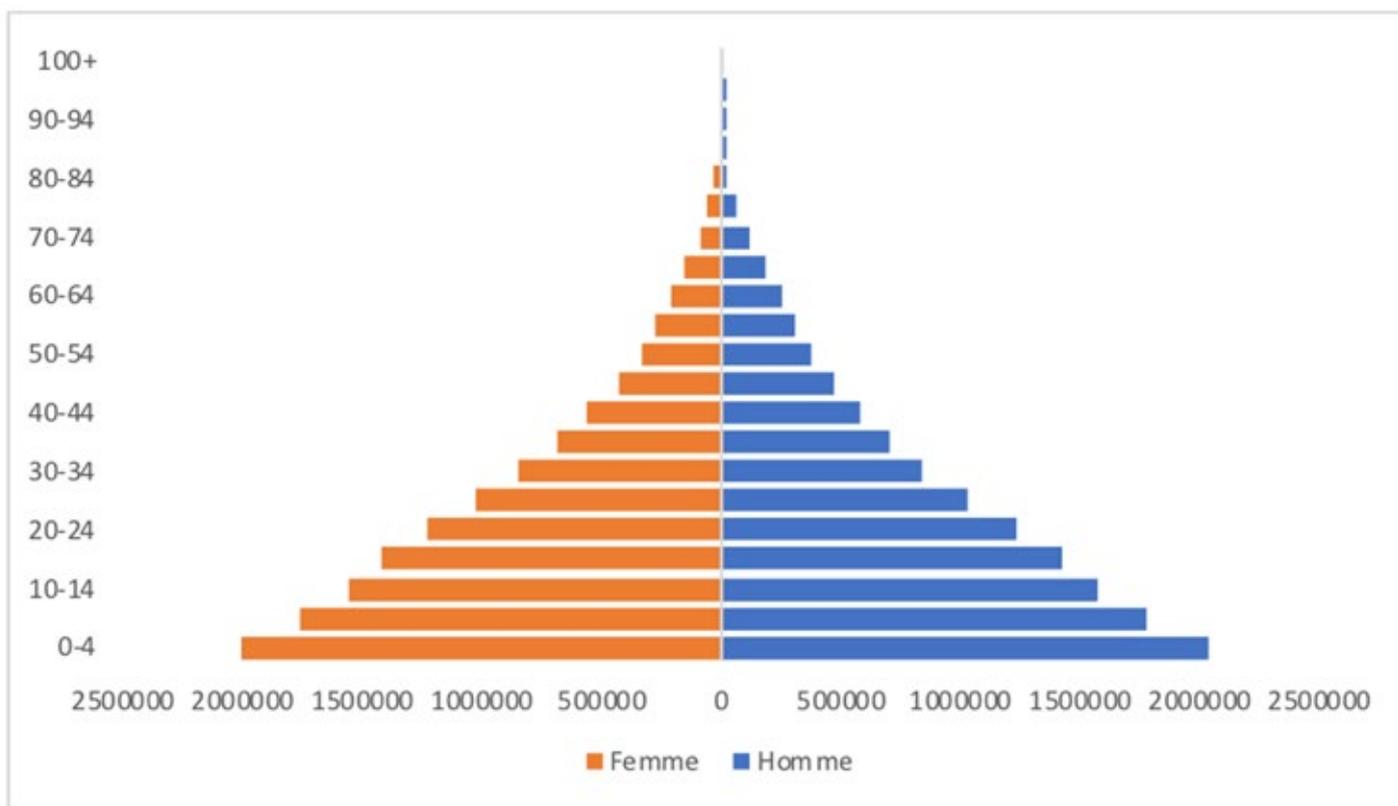
Category	2025	2030	2035	2040	2045	2050
Number	29 590 620	33 337 311	37 411 244	41 796 017	46 463 964	51 375 180
Annual growth	13,0 %	12,6 %	12,2 %	11,7 %	11,2 %	10,6 %

Source : United Nations Department of Economic and Social Affairs

The age pyramid of Côte d'Ivoire has a parasol-like shape with a balanced distribution between men and women. This shape is largely explained by Côte d'Ivoire's high birth rate (33.7 births/1,000 inhabitants)¹. The structure of the population is very young.

70.4% are under 30 years of age. This particularity characterizes developing countries. Persons aged 65 and over represent 2.9 per cent of the country's total population.

Figure 1: Age Pyramids in 2019



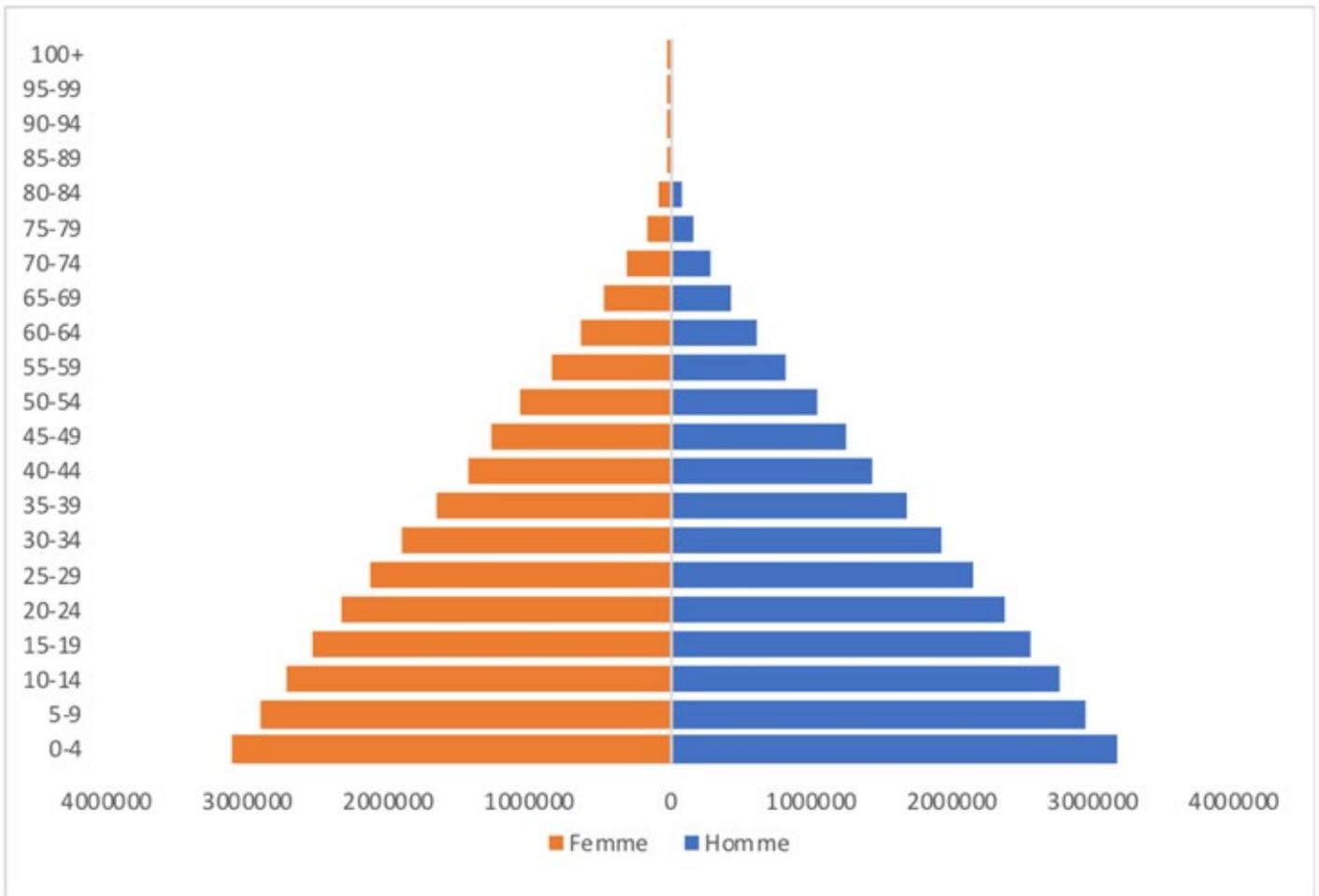
Source : <https://www.populationpyramid.net/fr/côte-divoire/2019/>

The population is 50.5 per cent male and 49.5 per cent female. There are, however, some disparities in the age groups. There are more women than men in the 15-34 age group and in the +80 age group.

Ivorian population in 2050. Young people under 30 years of age are expected to account for 61.8 per cent compared to 70.4 per cent. The population over 60 years of age is estimated at 3.2 million, compared to 1.2 million in 2019.

Projections show a better life expectancy for the

Figure 2: Projected Age Pyramid of Côte d'Ivoire in 2050



Source : <https://www.populationpyramid.net/fr/côte-divoire/2050/>

The population of Côte d'Ivoire lives mainly in forested areas with 17,107,086 inhabitants (75.5%) of the population for a spatial occupation of 48% of the national territory. The population density was 80.08 inhabitants per km² in 2019.¹

from 50.36% to 52.5% between 2014 and 2019 according to NSI estimates. It is expected to reach 53.4 per cent in 2021. The urban population is mainly concentrated in Abidjan, with 4,395,243 inhabitants (about 4 urban out of 10).

Half of the population (13,557,112 or 52.5 per cent) was urban in 2019. The urbanization rate increased

¹ <https://www.populationdata.net>.

Table 3. Statistics on urbanization in Côte d'Ivoire 2014-2021

Côte d'Ivoire	2014	2015	2016	2017	2018	2019	2020	2021
Urban Population	11 444 572	11 830 560	12 262 643	12 678 659	13 126 877	13 557 112	14 020 378	14 464 849
Rural Population	11 278 888	11 503 878	11 687 832	11 892 385	12 068 664	12 265 958	12 433 165	12 622 883
Urban Pourcentage	50,36	50,7	51,2	51,6	52,1	52,5	53	53,4
Pourcentage Rural	49,64	49,3	48,8	48,4	47,9	47,5	47	46,6

Source : NSO

French is the official language of the country. It is taught in schools and used as a working language in public administrations. There are about sixty ethnic groups. The Ivorian population comprises five main ethnic groups: the Mandé group (Dan, Yacouba, Gouro, Malinké) in the North-West and West, the Voltaic group (Sénoufo, Koulango and Lobi) in the North, the Krou group (Wê, Bété, Bakwé, Godié and Dida) in the

South-West and Centre-West, and the Akan group divided between the Lagoons (Ebrié, Adjoukrou, Avikam, Abouré, Nzima,) in the South, Centre (Baoulé) and South-East and East (Attié, Agni, Abron, etc.).

These ethnic groups are distributed throughout the national territory as shown in the graph below.

Figure 3: Ethnic groups in Côte d'Ivoire



Source : www.abidjan.net

Nearly 20 per cent of Ivorians belong to the Baoulé ethnic group, and nearly 18% are Malinke.

The population is also unevenly distributed throughout the country. The district of Abidjan (Abidjan, Bingerville, Anyama and Songon) with 4,707,404 inhabitants is home to one fifth of the total population (20.8 per cent). The least populated regions are those of

the Denguélé district (Kabadougou and Folon) with 288,779 inhabitants (0.4 per cent), including 96,415 inhabitants in the Folon region.

Côte d'Ivoire is a secular country, with several religious denominations, the main ones being Islam (about 37.5% of the population) and Christianity (about 44.1% of the population).

Table 4. Religions in Côte d'Ivoire in 2018

Religion	Number of followers	Percentage of total population
Christianism	10 908 533	44,0%
Islam	9 275 964	38,0%
Chinese Religions	2 523 062	10,0%
Agnosticism and Atheism	1 978 872	8,0%
Others	49 472	0,0%

Source : Pew Research Center. *The Global Religious Landscape*

1.5 Education

1.5.1 Organization of school cycles

The education system consists of two types of education: general education and technical and vocational education and training (TVET). General education is organized into three levels of education: (i) pre-school and primary, (ii) general secondary and (iii) higher. In addition to these systems, other educational alternatives exist such as community education centres and denominational schools.

Higher education, which offers a variety of training courses, is practised in three public universities (Cocody, Abobo-Adjamé and Bouaké), three regional higher education units (Korhogo, Daloa and Man), several public grandes écoles (INPHB, ENS, ENSEA, etc.), 35 private universities and 143 private grandes écoles.

TVET lasts two or three years and offers three pathways. The first, dedicated to CM2, 6^{ème} and 5^{ème} students in the first cycle of general secondary education, is done through vocational training centres and technical centres with, eventually, a certificate of vocational aptitude. The second is offered to 3rd level

students of general secondary education in technical colleges (TC), vocational high schools (VHS) and technical high schools (THS) and prepares for the vocational training certificate, technician's certificate and baccalaureate respectively. The third, at the final level (with or without the baccalaureate), takes place in higher technical education structures which eventually issue a higher technician's certificate.

According to the World Bank, the literacy rate (proportion of people aged 15 and over) has increased from 40.98% in 2012 to 47.65% in 2018. The general illiteracy rate, which was 51 per cent in 2002, rose to 43.8 per cent in 2015 and to 43.1 per cent in 2017 (according to the Ivorian authorities).

1.5.2 EDUCATION TRAINING SECTORAL PLAN (ETSP) 2016-2025

The current education-training policy is contained in the ETSP (2016-2025), which is based on objective 4 of the Sustainable Development Objectives (SDOs) and the country's ambitions as expressed in the National Development Plan (NDP) 2016-2020. Thus, a law relating to the policy of compulsory schooling for children aged 6 to 16 has been passed and remains in force. Various infrastructures dedicated to educa-

tion and training have been built and teaching staff and teaching materials and equipment have been strengthened. (See details in section 3.3).

In 2018, public expenditure on education was estimated at CFA FRANCS 1,246.7 billion, or 4.8% of nominal GDP. The trend is increasing despite a slight decrease between 2016 and 2017.

Table 5. Education expenditure 2012-2018

Category	2012	2013	2014	2015	2016	2017	2018
Education (billions of CFA francs)	601,7	685,6	788,2	926,8	1 179,3	1 085,5	1246,7
Education (% of the nominal GDP)	4,4	4,4	4,5	4,9	5,4	4,6	4,8

Source : MPMBPE

1.5.3 Statistics by cycle

The gross primary school enrolment ratio is increasing, but has decreased slightly to 100.6 per cent

in 2017-2018. The net enrolment ratio is increasing over the whole period 2013-2018 and reaches more than 91 per cent in 2017-2018.

Table 6. School statistics 2013-2018

Indicators	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Gross Enrolment Rate (Preschool)	6,9%	7,4%	8,2%	8,8%	9,0%
Gross Enrolment Rate (primary)	94,7%	95,4%	101,3%	104,6%	100,6%
Net Enrolment Rate (primary)	77,0%	78,9%	87,8%	91,0%	91,1%
Gross Enrolment Rate Girls (primary)	89,6%	92,4%	99,1%	103,1%	99,9%
Pupils per class (primary)	43*	44*	43*	41*	41*
Pupils per teacher (primary)	43*	42*	43*	42*	42*
Total classrooms (primary)	74671	76564	84730	90970	94767
Total pupils (primary)	3176874	3370558	3617219	3772136	3900222
Total teachers (Primary)	74703	80155	85109	88900	93257
Pupils per class (secondary)	59*	58*	57*	60*	58*
Students per teacher (secondary)	27*	29*	30*	30*	32*
Total classrooms (secondary)	22339	25709	28357	29988	36333
Total students (secondary)	1321556	1479005	1621874	1791183	1923763
Total teachers (secondary)	49550	51192	53537	58866	59356

Source : MNETE and author's calculation (*)

Over the period 2013-2018, the number of pupils, teachers and intake capacity will increase at all levels of education. The number of learners per class is relatively stable and high (an average of 42 for primary and 58 for secondary) and the number of teachers has remained low (an average of one teacher for every 32 students in secondary school compared to 42 for primary school). The Gross Enrolment Rate (GER) for girls in primary education has increased from 89.6 per cent in 2013-2014 to 99.9 per cent in 2017-2018. The Net Enrolment Rate (NER) for primary education is estimated at 91% in 2017-2018.

1.6 Health

1.6.1 Architecture of the Ivorian health system

The health system is made up of a modern system whose actors are the public and private sectors and a traditional system practising traditional medicine. The public sector includes three (03) levels of health care centres: (i) the primary level consisting of first contact health establishments (1,964 establishments), (ii) the secondary level consisting of health care establishments supporting the first level (84 ge-

neral hospitals, 17 regional hospital centres and 2 specialized hospital centres) and (iii) the tertiary level consisting of health care establishments supporting the second level (05 University Hospital Centres - CHU, 05 National Specialized Institutes and 04 National Public Institutes).

As for the private sector, it is present in the major urban centres and has made considerable progress in recent years thanks to the opening of numerous private establishments covering the three (03) levels of care: clinics, polyclinics, medical centres and practices.

1.6.2 General statistics on the state of health of the Ivorian population

In recent years, life expectancy at birth has increased. Women have a higher life expectancy at birth than men and mortality indicators are declining. This is the result of the Government's actions under the National Health Development Plan (PNDS). However, the health system is not able to cover the entire national territory and there are still areas where access to care remains limited.

Table 7. General statistics on health status

Indicators	2000	2010	2014	2015	2016	2017	2018
Life expectancy at birth per 1000 (male/female) a	48,1/51,5	51,6/54,4	54,4/56,8	54,9/57,3	55,4/57,8	55,8/58,9	56,2/58,7
Infant mortality per 1000 births	97,5	75,3	66,9	64,8	62,9	61	59,4
Mortality before 5 years per 1000 a	144,8	107,2	93,3	90	91,8	83,6	80,9
Maternal death ratio per 100,000 b	671	717	665	645	na	na	na

Sources :

(a) World Bank, *World Outlook 2018*

(b) WHO, UNICEF, UNFPA and the World Bank, *Trends in Maternal Mortality (1990-2015)*.

1.6.3 Disease prevalence

Malaria is a "major" public health problem in Côte d'Ivoire. The country is among the 19 countries in sub-Saharan Africa and India that account for almost 85% of the total number of malaria cases in the

world. According to the WHO, nearly 3,133 people will have died of malaria in 2018. The incidence of malaria increased between 2014 and 2018, from 315 to 362 cases per 1,000 people at risk, but decreased to 331 cases per 1,000 people at risk in 2018.

In addition to malaria, HIV/AIDS is also a concern. It is the leading cause of death in adult men and the second leading cause of death in women after death due to pregnancy and childbirth. The HIV/AIDS prevalence rate for adults (15-64 years) in 2018 was 2.9 per cent, compared to 3.4 per cent in 2015. This rate has been declining steadily since 2010 but remains high. Similarly, HIV prevalence in the population aged

15-49 decreased between 2014 and 2018, from 3.1 per cent to 2.6 per cent.

Malnutrition is also a public health concern. Chronic malnutrition was estimated at 28.0 per cent (SMART nutrition survey, 2016) and acute malnutrition at 7.1 per cent (DHS, 2011).

Table 8. Selected health indicators

Indicators	2014	2014	2016	2017	2018
Malaria incidence (per 1,000 people at risk)	315,07415	320,035376	354,656096	362,364811	330,59816
HIV prevalence, total (% of population aged 5-49)	3,1	2,9	2,8	2,7	2,6

Source : NHDP (2016-2025)/UNICEF

1.7 Employment

The Government of Côte d'Ivoire regularly initiates employment surveys with the support of technical and financial partners, including the World Bank. The surveys on the employment situation in Côte d'Ivoire, carried out in 2012 and 2013 on a random sample of 11,600 individuals throughout the country, were updated in 2016 to introduce, for the first time, an informal sector component. Some results of this survey, entitled, "National Survey on the Employment Situation and the Informal Sector in 2016" are presented in this section.

1.7.1 Labour force

In 2016, the working-age population represented 62.8 per cent of the total population estimated at 23,950,475, of which 50.5 per cent were men and 49.5 per cent women. The majority (52.8 per cent) reside in urban areas. The population of working age in Côte d'Ivoire is mainly made up of the labour force (58.2%), with about 4 out of 10 individuals classified as not in the labour force (41.8%). This labour force includes those in employment and the unemployed, i.e., currently unemployed persons who are looking for work.

In 2019, the working-age population was nearly 8.5 million, 42 per cent of whom were women. It increased over the period 2013-2018, and projections to 2020 follow a similar trend.

Table 9. Labour Force Statistics

Indicators	2013	2014	2015	2016	2017	2018	2019	2020
Population active	7 361 291	7 510 643	7 663 648	7 806 149	8 015 967	8 234 429	8 409 057a	8 583 684a
Ratio of women (as % of labour force)	39,6	40,09	40,52	40,96	41,2	41,27	41,59a	41,91a
Urban workforce	na	3 965 620	na	na	na	na	na	na
Rural workforce	na	3 545 023	na	na	na	na	na	na

World Bank and OIT

1.7.2 Unemployment

The unemployment rate was estimated at 2.4% in 2019 compared to 2.8% in 2013. In 2019, women are more affected by unemployment than men: 3.1 per cent of women are unemployed compared to 1.9 per cent of men.

Official statistics indicate that, in general, unemployment is more prevalent in urban areas (where it may be around 84.1 per cent compared to only 15.9 per cent in rural areas).

Table 10. Unemployment statistics

Indicators	2013	2014	2015	2016	2017	2018	2019	2020
Unemployment (in % total labour force)	2,8	2,8	2,6	2,6	2,6	2,5*	2,4*	2,3*
Unemployment (% female labour force)	3,7	3,6	3,4	3,3	3,3	3,2*	3,0*	3,0*
Unemployment (in % male labour force)	2,2	2,2	2,1	2,0	2,0	2,0*	1,9*	1,9*

Source: World Bank, World Perspective (*) Estimation

1.7.3 Underemployment

Underemployment² includes employed persons in employment as defined by the ILO. These persons accounted for 14.2% of the employed population in 2016. It is down 4.7% from 2014. Underemployment affects more the rural population (15.9 per cent of the rural population) and women (19.3 per cent of the female population).

over the age of 25 with relatively low educational attainment and residing in urban areas. Self-employment is relatively more prevalent among adult men (36-59 years old) with no education and residing in rural areas.

1.7.4 Formal and informal employment

According to the national survey on the situation of employment and the informal sector in 2016 (NS-SEIS 2016), employment in Côte d'Ivoire is almost entirely informal (93.6 per cent). The share of informal employment is declining for workers with higher education. It rises to 52.8 per cent of employment. Wage employment accounted for less than 25.0% of employment. Employment is dominated by men

The average monthly wage from salaried employment was estimated at CFA FRANCS 88,403. The written contract is not, for the time being, widespread in the paid employment environment as a whole. However, more educated people are increasingly resorting to this type of contract. On average, employees spend just over 10 months of the year in employment, working more than 5 days a week and more than 40 hours a week.

In 2018, almost 49% of jobs were in agriculture, 6.27% of jobs were in industry, and 44.8% in services.

² <https://www.insee.fr/fr/metadonnees/definition/c1935>

Table 11. Employment Statistics

Indicators	2013	2014	2015	2016	2017	2018	2019	2020
Agricultural employment (in % total employment)	50,1	50,4	50,0	48,9	48,3	48,9	48,8	48,7
Employment Industry (in % total employment)	5,6	5,9	5,6	6,3	6,3	6,3	6,3	6,4
Employment Services (in % total employment)	44,1	43,6	44,3	44,8	45,3	44,8	44,8	44,9

Source : World Bank, World Perspective (*) Estimation

1.7.5 Employment Policy

A ministry dedicated to the promotion of youth and youth employment was created in 2015 to implement employment policy in conjunction with the Youth Employment Agency (YEA). This agency develops approaches for different audiences thanks to diversified offers of services and guarantees synergy and interactivity between programmes and initiatives aimed at young people.

The YEA offers services adapted to the needs of young job seekers: (i) placements in enterprises and the hiring assistance programme, (ii) the requalification programme and short and practical training, (iii) entrepreneurship and the financing of economic initiatives, micro-enterprises, income-generating activities (IGAs), (iv) apprenticeships, (v) labour-intensive work and (vi) all other modalities improving the employability of young people.

Specifically, a national directory of youth skills has been put online and strategic frameworks for job creation (national employment policy, employment recovery strategy) have been created and are operational. In addition, the mobilization of CFA FRANCS 48.8 billion for integration programmes for young people has made it possible to reach 59,085 young people in 2015. Also, the "Acting for Youth" programme, which initially targeted 2,100 young people wishing to set up their microenterprises or IGAs, now covers the entire national territory for a target of 7,200 young people. For the year 2018³, 31,273 young people have been trained as part of the project "training, my passport to employment".

1.7.6 Employment Dynamics

During 2017, 95,710 jobs were created in the Ivorian formal sector according to the ministry in charge of employment. This figure is 11% higher than in 2016 but remains below the record of 96,942 jobs recorded in 2015. Some 563,846 new jobs were created in 2017 by the formal economy. Including informal employment, this figure could be around 2 million jobs created between 2011 and 2015.

In 2018, the number of employees in the formal sector increased by 3.4% compared to December 2017, corresponding to a net creation of 33 054 jobs at the end of June 2018. This increase is mainly attributed to the private sector, which recorded 25,983 net jobs, or 79.0% of net creation.

While the economic expansion was followed by an increase in employment in 2015, the jobs created provide relatively low incomes. From 2004 to 2016, the average wage in Côte d'Ivoire remained below the African and global averages. In 2016, for example, the average wage level of \$127 per month is below the African average (\$156) and far from the world average (\$858).

Two thirds of the jobs are paid at an average monthly level of 65,000 CFA FRANCS (99 euros), in self-employment or family employment (micro-enterprises and agricultural farms). Jobs in agricultural, industrial and service farms are paid at an average of 350,000 CFA FRANCS (533 euros) per month. Those in the mining and finance sectors receive on average between 1.6 and over 2.3 million CFA FRANCS (2,400 and 3,500 euros) per month respectively.

³ Employment statistics for the year 2018 are taken from the fourth review of the framework document of the economic and financial programme (2016-2019), published in January 2019.

1.8 Reminder of the main aggregates

1.8.1 Level of development

Côte d'Ivoire's Human Development Index (HDI) values were 0.38, 0.47 and 0.49 in 2015, 2016 and 2017 respectively. Côte d'Ivoire's HDI for 2018 stands at 0.516, placing the country in the "low human development" category and 165th among 189 countries and territories in the UNDP human development ranking. This is progress compared to 2016 and 2015, when the country was ranked 171st and 172nd respectively. This progress takes into account the improvement in the quality of life of the popula-

tion as reflected in life expectancy, good health, access to education and a decent standard of living.

Côte d'Ivoire's Gini index was estimated at 41.5 per cent by the Central Intelligence Agency in 2008. In 2015, the country remained at the same level according to the World Bank. This means that income is not evenly distributed in the country. In 2015, Côte d'Ivoire ranked 53rd in the world out of 160 countries.

GDP per capita, constant 2015, is estimated at CFA FRANCS 1,357,600 in 2019 against CFA FRANCS 1,143,700 in 2015.

Table 12. Real GDP and real GDP per capita

National Economy	2015	2016	2017	2018 Prov.	2019 Est.	2020 Prev.
Real GDP (CFA FRANCS billion)	27 086,2	29 030,7	31 167,3	33 284,6	35 565,4	36 833,5
Real GDP per capita (thousands CFA FRANCS)	1 143,7	1 195,2	1 251,2	1 303,0	1 357,6	1 371,0

Source : MEF / DGE / DEFPS / NSO

1.8.2 Summary table

Tableau 13. Main macroeconomic aggregates (data in billions of CFAF, unless otherwise indicated)

	2015	2016	2017	2018 Prov.	2019 Est.	2020 Prév.
National Economy						
Nominal GDP	27 086,2	28 423,9	29 955,0	32 063,0	34 447,0	36 044,0
Real GDP	27 086,2	29 030,7	31 167,3	33 284,6	35 565,4	36 833,5
Real GDP growth (%)	8,7	7,2	7,4	6,8	6,9	3,6
Investment rate (% of GDP)	23,7	21,5	20,1	22,3	22,9	23,4
Inflation rate (in %)	-	0,7	0,7	1,7	0,8	1,7

Balance of payments						
Exports FOB	6 938,0	6 449,3	6 899,6	6 619,6	6 857,8	6 468,7
Imports FOB	5 064,0	4 631,5	4 940,3	5 255,9	5 521,3	5 108,8
Balance	680,2	638,3	584,7	60,2	102,0	221,0
Current account balance	-119,1	-245,5	-609,2	-1 153,9	- 1 278,2	-1 315,3
Public Finances						
Revenues and donations	3 916,8	4 176,6	4 523,4	4 764,1	5 158,4	5 189,3
Total expenses and net lending	4 469,8	5 014,6	5 521,8	5 708,3	5 943,9	7 044,4
Budgetary balance	-553,00	-838,00	-998,40	-944,20	-785,50	-1 855,10
Public debt						
Domestic debt	3 425,7	4 049,1	4 275,1	3 994,4	4 432,7	4 354,1
External debt	4 489,1	4 974,2	5 770,0	7 613,4	8 867,5	10 206,8
Government debt as % of nominal GDP	29,2%	31,7%	33,5%	36,2%	38,6%	40,4%
Budgetary deficit						
In value	-553,00	-838,00	-998,40	-944,20	-785,50	-1 855,10
In pourcentage of nominal GDP (%)	2,0%	2,9%	3,3%	2,9%	2,3%	5,1%

Source : MEF / DGE / DEFPS / NSO

2.1 Evaluation of Gross Domestic Product

2.1.1 Level of Gross Domestic Product

Côte d'Ivoire recorded a significant increase in its Gross Domestic Product (GDP) which rose from CFA FRANCS 27 086.2 billion in 2015 to CFA FRANCS

34 447.0 billion in 2019, an average annual increase of 6.2% in nominal terms. It is estimated at CFA FRANCS 36,044.0 billion in 2020 taking into account the health crisis of COVID 19 and could reach CFA FRANCS 39,650.0 billion in 2021.

Table 14. Evolution of Côte d'Ivoire's nominal GDP (base 2015)⁴

(In billions of CFA FRANCS)	2 015	2 016	2 017	2 018	2 019	2 020	2 021
				Prov	Est	Prév.	Prév.
Nominal GDP	27 086,2	28 423,9	29 955,0	32 063,0	34 447,0	36 044,0	39 650,0

Source : MEF / DGE / DEFPS / NSO

2.1.2 Real GDP growth

The impact of the National Development Plan (NDP, 2011-2015), the implementation of the NDP (2016-2020) and the structural reforms aimed at transforming the economy have enabled Côte d'Ivoire to maintain economic activity on a strong, stable and sustained growth path of around 7.1% over the period 2015-2019.

The real GDP growth rate is estimated at 6.9% for the year 2019 and is expected to slow down to 3.6% in 2020 due to the health situation linked to the COVID 19 but also to the potential risks linked to the presidential elections in October 2020. Finally, real GDP growth is projected at 8.7% in 2021.

This sustained growth can be explained by the dynamism of the secondary and tertiary sectors, which are undergoing major changes. These sectors are expected to continue to perform well over the period 2020-2021, with average annual growth rates of 8.5% and 7.5% for the secondary and tertiary sectors respectively. Generally speaking, the import-substitution sector has seen its production capacity increase thanks to the recovery in investment and consumption but also to the improvement in the business climate. This dynamic in favour of the secondary sector would be a sign of the start, or even an acceleration, of Côte d'Ivoire's industrialization process. However, the processing of agricultural products is still insufficient, with a processing rate of about 20.0% of gross products, including 30.0% for cocoa and 9.0% for cashew nuts⁵.

⁴ In 2020, Côte d'Ivoire introduced an important reform in the calculation of GDP by changing the base year. The new reference year is 2015. This change led to a revaluation of the level of nominal GDP by nearly 38.2% in 2015 (for the record, nominal GDP in 2015 in the old base was CFA FRANCS 19,595.4 billion).

⁵ PFEF Memorandum (2019)

Table 15. Real GDP growth from 2015 to 2021 (%)

Côte d'Ivoire	2015	2016	2017	2018	2019	2020	2021
	Real	Real	Real	Prov	Est	Proj	Proj
Real GDP	8,7	7,2	7,4	6,8	6,9	3,6	8,7
Primary sector	3,2	-0,4	3,3	5,3	3,6	-2,0	3,2
Secondary sector	12	5,3	15,4	10,7	10,4	5,1	12,0
Tertiary sector	9,9	11,8	5,5	1,2	6,6	5,0	9,9
Non-merchant sector	3,2	15,1	-2,3	32,2	4,4	2,0	3,2
Duties & Taxes	9	1,9	20,3	6,7	8,4	4,0	9,0

Source : MEF / DGE / DEFPS

2.1.3 Breakdown of GDP by structure

As indicated above, the analysis of the evolution of the breakdown of GDP by sector shows some signs of the start, or even acceleration, of the industrialisation process. Indeed, the primary sector was contributing 18.4% in 2015 against 15.7% in 2019. This decline is expected to continue to reach 15.0% in 2021.

As for the secondary sector, its contribution was 19.5% in 2015 and increased slightly by 2.4 points in 2019 compared to 2015. This increase is expected to persist and the expected contribution of this sector by 2021 would be 22.3 per cent according to PSDPD forecasts.

The tertiary sector has a significant weight in the structure of GDP. Its contribution was 46.2 per cent in 2015. Since then, however, it has been fluctuating within a range of 43.0 per cent.

Table 16. Breakdown of GDP by structure (%)

Côte d'Ivoire	2015	2016	2017	2018	2019	2020	2021
	Real	Real	Real	Prov	Est	Proj	Proj
Total GDP	10,0	100,0	100,0	100,0	100,0	100,0	100,0
Primary sector	18,4	19,7	18,7	17,5	15,7	15,0	15,0
Secondary sector	19,5	19,1	20,5	21,9	23,2	22,8	22,3
Tertiary sector	46,2	45,2	44,9	42,5	42,9	43,8	44,6
Non-merchant GDP	8,5	9,1	8,4	11,1	11,0	10,9	10,5
Duties and taxes net of grants	7,4	6,8	7,4	7,1	7,2	7,5	7,6

Source : MEF / DGE / DEFPS

2.2 Details of Gross Domestic Product

2.2.1 GDP by value, sector detail

The distribution of GDP in value according to sectors in 2019 was CFA FRANCS 5,406.4 billion for the primary sector, CFA FRANCS 7,985.4 billion for the secondary sector and CFA FRANCS 14,783.1 billion for the tertiary sector.

The share in value of the primary sector in the GDP was CFA FRANCS 4,973.6 billion in 2015 and should reach, according to the DEFPS⁶ forecasts, CFA FRANCS 5,395.3 billion in 2020 and CFA FRANCS 5,937.5 billion in 2021. Within this sector of activity, export agriculture contributed CFA FRANCS 2,676.8 billion in 2019 against CFA FRANCS 2,982.0 billion in 2019. It is expected to contribute CFA FRANCS 2 545.0 billion in 2020 and CFA FRANCS 2 914.3 billion in 2021.

⁶ Directorate of Economic Forecasting, Policy and Statistics (DEFPS)

As regards food crop and livestock farming, their contribution was CFA FRANCS 1 391.3 billion in 2015 and is estimated at CFA FRANCS 2 409.4 billion in 2019. The other sub-sectors (forestry and fisheries) have modest contributions compared to the agricultural sector as a whole. In 2019, for example,

fishing contributed CFA FRANCS 152.7 billion and forestry CFA FRANCS 167.0 billion. In 2021, according to projections, their share is estimated at CFA FRANCS 167.0 billion and CFA FRANCS 161.0 billion respectively for forestry and fisheries.

Tableau 17. Sectoral distribution of GDP by value in Côte d'Ivoire

(In billions of CFA FRANCS)	2015	2016	2017	2018	2019	2020	2021
	Real	Real	Real	Prov	Est	Prev.	Prev.
Primary sector	4 973,6	5 611,0	5 612,8	5 602,0	5 406,4	5 395,3	5 937,5
Food agriculture, animal breeding	1 391,3	1 899,3	2 244,8	2 334,0	2 409,8	2 529,3	2 695,1
Export agriculture	3 274,6	3 414,8	3 106,0	2 982,0	2 676,8	2 545,0	2 914,3
Forestry	165,0	131,8	131,6	137,0	167,0	167,0	167,0
Fishing	142,7	165,0	130,4	149,0	152,7	153,9	161,1
Secondary sector	5 290,8	5 427,5	6 129,9	7 009,0	7 985,4	8 229,3	8 833,7
Mining extraction	895,2	1 420,0	1 256,4	1 352,0	1 712,4	1 668,5	1 459,4
Food processing industries	1 558,4	1 581,4	1 644,1	1 658,0	1 905,9	2 052,9	2 287,3
Petroleum Products	124,2	-443,7	-248,1	198,0	230,1	162,6	186,2
Energy (gas, water and electricity)	239,4	325,9	740,7	764,0	834,3	742,5	752,2
BTP	1 219,5	1 118,3	1 103,8	1 325,0	1 469,2	1 663,4	2 005,1
Other manufacturing industries	1 254,1	1 425,6	1 633,1	1 712,0	1 833,6	1 939,4	2 143,5
Tertiary sector	12 507,3	12 859,7	13 462,4	13 630,0	14 783,1	15 803,7	17 674,0
Transports	2 729,9	2 796,5	2 023,7	2 230,0	2 438,4	2 606,5	2 929,0
Telecommunication	742,5	1 021,1	1 132,0	1 131,0	1 158,9	1 284,0	1 420,1
Trade	3 797,4	4 271,2	5 071,8	5 531,0	6 019,6	6 422,0	7 124,6
Other services	5 237,6	4 770,9	5 234,9	4 738,0	5 166,2	5 491,1	6 200,3
non-market GDP	233,1	177,5	163,4	169,7	180,6	187,9	199,8
Market GDP	22 771,7	23 898,2	25 205,2	26 241,0	28 174,8	29 428,3	32 445,2
Public administration	2 081,6	2 405,1	2 358,6	3 377,3	3 595,8	3 741,1	3 976,6
Duties and taxes⁷	1 999,8	1 943,1	2 227,9	2 275,0	2 495,7	2 686,7	3 028,4
TOTAL GDP (Base 2015)	27 086,2	28 423,9	29 955,0	32 063,0	34 447,0	36 044,0	39 650,0

Source : MEF / DGE / DPPSE

⁷ Net of grants.

2.2.2 GDP in composition

The secondary sector is experiencing a steady increase in its contribution to GDP in value terms. Indeed, the economic upturn observed in recent years has benefited all sub-sectors. However, we note a preponderance of the sub-sectors of agro-food (CFA FRANCS 1 558.4 billion in 2015 and 1905.9 billion in 2019), mining (CFA FRANCS 895.2 billion in 2015 and CFA FRANCS 1 712.4 billion in 2019), construction (CFA FRANCS 1 219.5 billion in 2015 and 1 469), CFA FRANCS 2 billion in 2019) and a significant increase in the energy sub-sector which increased its contribution from CFA FRANCS 239.4 billion in 2015 to CFA FRANCS 834.3 billion in 2019, i.e. an increase of about 248.5%⁸ compared to its value in 2015. On the other hand, the petroleum products sub-sector has a more modest contribution, around CFA FRANCS 186.2 billion by 2021.

The tertiary sector has made a strong contribution to GDP. Between 2015 and 2019, its share in value increased from CFA FRANCS 12,507.3 billion to CFA FRANCS 14,783.1 billion. According to PSDPSE forecasts, the added value of this sector will increase from CFA FRANCS 15,803.7 billion in 2020 to CFA FRANCS 17,674.0 billion in 2021. The sector remains dominated by trade (CFA FRANCS 3,797.4 billion in 2015 and CFA FRANCS 6,019.6 billion in 2019) and transport (CFA FRANCS 2,729.9 billion in 2015 and CFA FRANCS 2,438.4 billion in 2019). As for the telecommunications sub-sector, it is maintained by exceeding the symbolic bar of CFA FRANCS 1 000 billion since 2016 (CFA FRANCS 742.5 billion in 2015, CFA FRANCS 1021.1 billion in 2016, then CFA FRANCS 1 158.9 billion in 2019 and its share is pro-

jected to CFA FRANCS 1 420.1 billion by 2021).

The evolution of the GDP breakdown by sector of activity shows a transformation of the Ivorian economy in favour of the secondary sector. Indeed, the share of the primary sector in GDP increased between 2015 and 2016 from 18.4 per cent to 19.7 per cent, an average share of 18.0 per cent over the period. Since then, there has been a decline in this share, with 18.7 per cent in 2017, 17.5 per cent in 2018 and 15.7 per cent in 2019. This rate is projected at 15.0% for the years 2020 and 2021. The sector is dominated by export agriculture (49.5% in 2019) and food crop and livestock farming (44.6%).

The secondary sector accounted for 19.5 per cent of GDP in 2015 compared to 19.1 per cent in 2016. Since 2017, its share in GDP has been over 20 per cent, with an average share of 21.8 per cent over the period 2017-2019. Projections show a share of 22.6 per cent over the period 2020-2021. It is characterized by the preponderance of manufacturing industries, including agri-food (23.9%), mining (21.0%), construction (18.4%) and energy (gazealec) for 10.4% in 2019.

Compared with other sectors, the tertiary sector has a significant share in GDP in Côte d'Ivoire. In 2019, it accounted for 42.9% of GDP in value terms. Nevertheless, slight declines were observed between 2016 and 2019, when its share fell from 45.2 per cent to 42.9 per cent. Projections for the years 2020 and 2021 indicate a reversal of this downward trend to remain at 43.8% and 44.6% respectively. The sector remains dominated by trade (40.7% in 2019), other services (34.9%) and transport (16.5%).

Table 18. Share of sectors and sub-sectors in GDP (%)

Côte d'Ivoire	2 015	2 016	2 017	2 018	2 019	2 020	2 021
	Real	Real	Real	Prov	Est	Prev	Prev
Primary sector	18,4	19,7	18,7	17,5	15,7	15,0	15,0
Food agriculture, animal breeding	5,1	6,7	7,5	7,3	7,0	7,0	6,8
Export agriculture	12,1	12,0	10,4	9,3	7,8	7,1	7,4
Forestry	0,6	0,5	0,4	0,4	0,5	0,5	0,4
Fishing	0,5	0,6	0,4	0,5	0,4	0,4	0,4

⁸ This would also correspond to an average increase of 36.6% per year over the sub-period.

Secondary sector	19,5	19,1	20,5	21,9	23,2	22,8	22,3
Mining extraction	3,3	5,0	4,2	4,2	5,0	4,6	3,7
Food processing industries	5,8	5,6	5,5	5,2	5,5	5,7	5,8
Petroleum Products	0,5	1,6	0,8	0,6	0,7	0,5	0,5
Energy (gas, water and electricity)	0,9	1,1	2,5	2,4	2,4	2,1	1,9
BTP	4,5	3,9	3,7	4,1	4,3	4,6	5,1
Other manufacturing industries	4,6	5,0	5,5	5,3	5,3	5,4	5,4
Tertiary sector	46,2	45,2	44,9	42,5	42,9	43,8	44,6
Transports	10,1	9,8	6,8	7,0	7,1	7,2	7,4
Telecommunication	2,7	3,6	3,8	3,5	3,4	3,6	3,6
Trade	14,0	15,0	16,9	17,3	17,5	17,8	18,0
Other services	19,3	16,8	17,5	14,8	15,0	15,2	15,6
Non-market GDP	0,9	0,6	0,5	0,5	0,5	0,5	0,5
Market GDP	84,1	84,1	84,1	81,8	81,8	81,6	81,8
Public administration	7,7	8,5	7,9	10,5	10,4	10,4	10,0
Duties and taxes	7,4	6,8	7,4	7,1	7,2	7,5	7,6
TOTAL GDP	100,0						

Source : MEF / DGE / DEFPS / INSO

2.2.3 GDP in component

Analysis of the evolution of the expenditure components of GDP shows a preponderance of domestic demand over other items. This predominance is mainly due to the weight and dynamics of private consumption, which grew steadily over the period considered. Indeed, it increased from CFA FRANCS 17 816.6 billion in 2015 to CFA FRANCS 23 3861.1 billion in 2019, i.e. 65.8% and 67.9% of GDP in 2015 and 2019 respectively. Private investment, the second largest component of domestic demand, would

represent only 18.8% of GDP in 2019 against 17.9% in 2015, an increase of 0.9 points. According to projections by the DPPSE, its share should increase by 2 points to reach 19.9% in 2021, i.e. an amount of CFA FRANCS 7,906.3 billion.

On the external demand side, the evolution over the period under consideration reflects a trade balance that is structurally in surplus except for the year 2018 when it recorded a deficit of CFA FRANCS 155.0 billion.

Table 19. Expenditure approach of GDP in Côte d'Ivoire

(In billions of CFA FRANCS)	2 015	2 016	2 017	2 018	2 019	2 020	2 021
	Real	Real	Real	Prov	Est	Prev.	Prev.
Internal demand	26 592,8	27 885,2	29 565,8	32 500,0	34 610,7	36 296,9	39 493,9
Final consumption	20 184,5	21 767,8	23 538,2	25 343,0	26 709,6	27 871,9	29 979,7
Private	17 816,6	19 062,6	20 493,2	22 180,9	23 386,1	24 353,6	26 294,6
Public	2 368,0	2 705,1	3 045,0	3 162,1	3 323,5	3 518,2	3 685,1

Total investments	6 408,2	6 117,4	6 027,5	7 157,0	7 901,1	8 425,1	9 514,1
Private	4 840,9	4 594,4	4 399,4	5 630,0	6 464,3	6 960,9	7 906,3
Public	1 567,3	1 523,0	1 628,1	1 527,0	1 436,8	1 464,1	1 607,9
Total external demand	540,5	476,0	389,3	-155,0	491,1	345,2	350,0
Change in stocks	-47,1	62,7	0,0	-282,0	-654,8	-598,1	-193,8
Total GDP	27 086,2	28 423,9	29 955,0	32 063,0	34 447,0	36 044,0	39 650,0

MEF / DGE / DEFPS / NSO

3.1 Recent Achievements and Completion

3.1.1 Presentation of the national development plan

After the political and military events of the 2000s, with their disastrous economic and social consequences, the Ivorian Government has been determined to be proactive by successively adopting two National Development Plans (2012 - 2015 and 2016 - 2020).⁹ The strategy was developed in two stages. The first plan (NDP 2012-2016) was intended to lay the foundations for emergence and the second would seek to speed up progress towards emergence by 2020.

These plans now constitute the new reference framework for its development strategy. They are in line with the long-term vision of the country expressed in the prospective study " Côte d'Ivoire 2040 ": " Côte d'Ivoire, an industrial power, united in its cultural diversity, democratic and open to the world ". This vision rests on four main pillars:

- Côte d'Ivoire, an industrial power;
- Côte d'Ivoire, a nation united in its diversity;
- Côte d'Ivoire, a democratic nation; and
- Côte d'Ivoire, a nation open to the world.

The general objective of the NDP 2016-2020 is to make Côte d'Ivoire an emerging economy by 2020. This emergence should result in a significant reduction of poverty, a dynamic, liberal and open economy. In addition, it enshrines industry as one of the pillars of the transformation of the economy.

For its elaboration, an institutional framework was created by Order n°145/PM of 25 March 2015. The NDP 2016-2020 was carried out according to a participatory approach with the organization of consultations with stakeholders (technical ministries, civil society, faith-based and community organizations, research institutions and development partners) through the thematic working groups set up. The current NDP is therefore the result of a consultation process extended to the entire population.

Moreover, it represents the framework within which the country and its technical and financial partners are committed to take up the challenge of making Côte d'Ivoire an emerging country by 2020.

The NDP 2016-2020 is based on five major pillars resulting from the strategic analysis:

- Strengthening the quality of institutions and governance ;
- Accelerating the development of human capital and social welfare;
- Accelerating the structural transformation of the economy through industrialization;
- The development of infrastructure on the national territory and the preservation of the environment; and
- The strengthening of regional integration and international cooperation.

Within the framework of the elaboration of the NDP 2016-2020, the "emerging elephant" scenario has been retained.¹⁰ This scenario, which is intended to be proactive, is based on the consolidation of political stability and a high level of productive and structuring investments, both public and private, in growth-enhancing sectors and the continuation of wide-ranging structural reforms. These investments should stimulate the development of industry, an essential pillar of the structural transformation of the economy.

To achieve these objectives, the 2016-2020 NDP provided for an overall investment level in the order of CFA FRANCS 30,000 billion, 62.4% of which was for the private sector, including Public-Private Partnerships (PPPs).

⁹ See also the summary of the NDP 2016-2020 elaborated by the Technical Secretariat of the Consultative Group (CG) of the National Development Plan 2016-2022.
¹⁰ Three scenarios for the macroeconomic framework had been developed on the basis of different possible developments in the socio-economic and political environment, both national and regional. The three scenarios were: "the elephant at rest", "the elephant triumph" and "the emerging elephant".

Tableau 20. Investment projections (in billions of CFA FRANCS)

Projections	2015	2016	2017	2018	2019	2020	Distribution
Investment	3 528,1	4 277,2	6 000,3	6 847,3	7 726,8	30 000,0	100,0%
Public	1 502,2	1 643,7	1 950,7	2 286,3	2 843,4	11 284,5	37,6%
Private	2 025,9	2 633,5	3 197,9	4 286,9	4 883,2	18 715,6	62,4%

Source : Technical Secretariat of the Advisory Group

3.1.2 Recent structural reforms linked to the development plan

Over the 2016-2020 sub-period, the Government aimed to maintain the general objective of making Côte d'Ivoire an emerging economy in order to significantly reduce poverty. In this regard, many structural reforms have been implemented.¹¹

As part of the structural transformation of the economy, the Government's actions have made it possible to considerably increase the national capacity to process raw cashew nuts and cocoa, and to continue the construction of shelling and marketing units for local rice. Indeed, the measures implemented increased the cashew processing rate from 6.3 per cent in 2016 to 9.0 per cent in 2018. This rate is expected to increase in 2019 as a result of measures to ensure the supply of agricultural raw materials to businesses. With regard to cocoa processing, the current processing rate is estimated at 30.0% and is expected to increase with the establishment of two chocolate production plants in the economic capital and in the south-west of the country.

In the area of mining and energy, the strategy of intensified exploration and diversification of mining operations has led to the issuance of research and operating permits. With increased exploration, the extension of the Orty gold production mine and the opening of nickel and bauxite production companies, the mining sector is expected to contribute significantly to GDP.

Several actions have been carried out to combat poverty and improve the living conditions of the population, in particular the Government's Social Programme (PSGouv). Launched at the beginning of 2019, this programme aims to speed up the imple-

mentation of the projects set out in the NDP whose social impact is the most marked. These projects aim to improve access to education, health care, electricity, drinking water, social transfers and employment for young people, as well as connectivity, especially in rural areas. Most of the social programme established by the authorities will have to be financed from the budget. Public expenditure on these projects, amounting to almost 1.0% of GDP in 2019 and 1.5% of GDP in 2020, is foreseen in the budget and the focus is on capital expenditure.

The part of the NDP focusing on access to electricity, namely rural electrification and social tariffs for the poorest households, is being implemented by the national electricity distribution company CI-Énergies, in accordance with its mandate, for about 1.0 per cent of GDP over the period 2019-2020.

A universal health care system is being gradually implemented since October 2019, based on new social contributions and initially cautious service coverage. The authorities have committed to assess the financial equilibrium of the system after one year of operation.

Overall, after having focused in recent years on tangible public investment, this shift towards human capital should, over time, improve the population's access to opportunities.

3.2 Future Achievements

Over the sub-period 2020-2022, the Government intends to maintain the general objective of making Côte d'Ivoire an emerging economy in order to significantly reduce poverty. Within this framework, the challenges to be taken up are those of (i) accelerating the structural transformation of the economy by

¹¹ This section draws on the work carried out by the MPMBPE as part of the preparation of the Draft Initial Finance Law for 2020, in particular the Multiannual Budgetary and Economic Programming Document 2020-2022.

encouraging new value chains, (ii) substantially improving the business climate and good governance and (iii) ensuring that economic growth is inclusive with a view to combating poverty and the vulnerability of the population.

Structural transformation of the economy

In order to take better advantage of the cocoa and cashew value chain, of which Côte d'Ivoire is the world's leading producer, the Government intends to increase the processing rates of these products. In doing so, it intends to capitalize on the implementation of programmes to improve the competitiveness of processing companies in these speculations, based on (i) securing supplies to grinders, (ii) reducing the Single Exit Duty (SED) for each differentiated product, and (iii) an investment code conducive to the installation of grinding units.

On this basis, agreements have been signed with about ten companies.¹² To ensure compliance with the specifications, the Government will monitor the commitments made by the companies. In addition, the overall improvement in the business climate, coupled with the availability of dedicated industrial zones, should encourage the arrival of new investors in the cocoa and cashew nut processing sector. By 2022, the objective is to achieve cocoa and cashew processing rates of 50.0% and 25.0% respectively, compared to 30.0% and 9.0% in 2018.

In the field of agriculture and fisheries development, the objective is to strengthen the role of agriculture in the dynamism of the economy. Thus, to increase incomes and improve the living conditions of people in rural areas, on the one hand, and ensure food security, on the other hand, emphasis will be placed on the implementation of the National Agricultural Investment Program (NAIP) 2018-2025 through the following measures and projects:

- The strengthening of agro-pastoral and fisheries production systems ;
- Support to agricultural production and marketing;
- The project for the development and enhancement of the lowlands;

- The land tenure security project, the programme for accelerating and reviving agricultural sectors in Côte d'Ivoire;
- The development of the agricultural commodities exchange;
- The Food Security Programme and support for Youth Entrepreneurship in Agriculture and Agrobusiness (FPYEAA).

Improvement of the business climate and good governance

The Government intends to consolidate the leading role of the private sector in the economy. Capitalizing on its achievements, it intends to accelerate the implementation of the remaining projects on the Doing Business 2018-20 reform agenda. Through this agenda, the Government intends to make Côte d'Ivoire one of the most attractive destinations in terms of investment by remaining in the top 10 reforming countries and to rise to the rank of the 50 best economies in the medium term in terms of business climate.

To this end, it intends to mobilise all the actors and make available the budgetary resources necessary for the completion of the 44 remaining reforms. These have been grouped according to their coherence to form 12 projects within the Doing Business 2018-2020 reform agenda. In addition to these projects, 2 other projects have been initiated to measure the effectiveness and impact of the reforms.

It also intends to strengthen the partnership with the private sector, including within the framework of the G20's "Compact with Africa" initiative, and will pay particular attention to the implementation of the MCC programme, as well as the use of PPPs in the construction of large-scale socio-economic infrastructure, while continuing to monitor contingent liabilities. In addition, the Government will intensify its efforts to accelerate the development of industrial infrastructure and the processing of agricultural products, as well as to support and promote SMEs. Finally, particular attention will be paid to strengthening governance.

¹² See DPBEP (2020-220) and Memorandum of Economic and Financial Policy (MEFP) relating to the sixth review of the FEC and MEDC.

Fostering more inclusive growth

Aware of the need to make growth more inclusive, the authorities have launched a major social programme (the "PSGouv") aimed at providing basic services in rural areas of the country in particular. This programme is mainly financed by the budget and is expected to cost around 1.5 per cent of GDP

in 2019 and 1.8 per cent of GDP in 2020. It brings together those NDP projects that are expected to have the greatest social impact, including those aimed at improving access to education, health care, electricity and drinking water, as well as those that promote social transfers, youth employment and better connectivity, especially in rural areas.

Table 21. Expenditure, State social plan, 2019-2020 (% of GDP)

Social Plan	2019	2020 Proj.
Total social plan	1,5	1,8
Budgetary expenditures	0,9	1,5
Payroll	0,0	0,0
Grants and Transfers	0,1	0,1
Other current expenses	0,1	0,1
Capital expenditure	0,7	1,3
Project donations	0,2	0,0
Project loans	0,0	0,6
Financed from domestic resources	0,5	0,7
Public Power Corporation (CI-Energy)	0,6	0,3

Source : IMF (2019)

The PSGouv should also make it possible to offer internship, skills development, self-employment and job opportunities to nearly 305,000 young people and contribute to reducing the asymmetry of information between job providers and job seekers by reducing the cost of access to information, by bringing job application centres closer to the population and by improving information gathering. In rural areas, the PSGouv will continue to contribute to improving the living conditions of the population through the combined effect of the programmes to repair village pumps, reprofile rural tracks, electrification and connections, in addition to policies to improve the incomes of producers in rural areas.

In addition, the Government has set up a mechanism for monitoring the implementation of the PSGouv with monthly reporting and a review of quarterly reports in the Council of Ministers, with a view to improving the effectiveness of project implementation. In this regard, the implementation of the PS-

Gov in the second half of 2019 and in 2020 should make it possible to electrify all the 1,838 villages of more than 500 inhabitants in Côte d'Ivoire, for which contracts have been finalized for 1,160 of them.

Finally, the authorities are gradually putting in place a universal healthcare system (CMU) to complement their initiatives to share the fruits of growth, reduce poverty and improve the population's living conditions.

Digitisation of the tax and customs administration

Tax administration reforms will need to continue in the medium term in order to strengthen revenue collection capacity and significantly reduce or eliminate tax exemptions (see the annual reports of the Directorate General of Taxes (DGT) on the costs of tax expenditure).

Also, the adoption of a single tax identification number is a central element of this strategy. This unique identifier is systematically issued for new firms in the Abidjan metropolitan area, but it has not yet been implemented for existing firms. Once completed, this reform will allow for the standardised sharing of information between the tax and customs administrations, thus improving the control of taxpayer

declarations. Finally, the overall digitisation of tax and customs administration processes, which has already started, needs to be completed.

If all these measures are brought together, Côte d'Ivoire could potentially become a trade hub in West Africa, or even in Africa.

4.1. Structural elements

4.1.1 Description of Franc zone

The Franc zone is characterised by four (4) founding principles. These principles were set out in the monetary cooperation agreement between the Member States of the Bank of Central African States' issuing zone and France of 23 November 1972, as well as in the cooperation agreement between the Member States of the West African Monetary Union and France of 4 December 1973.

The 4 main principles of the Franc zone are :

- **A guarantee from the French Treasury for the unlimited convertibility of the Central Bank currency** : currencies issued by issuing institutions in the Franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-areas, an operations account is opened with the French Treasury by each Central Bank of the zone and on which the Central Banks have an unlimited drawing right in case of exhaustion of their foreign currency reserves ;
- A fixed parity with the Euro of 1 Euro for 655.957 CFAF : the parity of the zone's currency with the Euro is fixed and defined for each subzone. The currencies of the zone are convertible between them, at fixed parities, without limitation of amounts. The changeover to the euro resulted in a simple substitution of the peg to the French franc by the peg to the euro, at an equivalent parity, i.e. $655.957 \text{ CFAF} = 1 \text{ euro}$ (the parity being identical for the West and Central African sub-areas)
- **Free and unlimited transfer of reserves** : transfers are, in principle, free within the Zone.
- **Centralisation of reserves**: the States centralise their foreign exchange reserves in their Central Banks, while in return for the unlimited convertibility guaranteed by France, the Central

Banks of the franc zone are required to deposit a share of their net foreign assets (foreign exchange reserves) with the French Treasury in the operations account opened in the name of each of them. Since the reform of September 2005, BCEAO has been required to deposit 50% of its foreign assets on its operations account.

A new monetary agreement was signed in December 2019 by WAEMU member states and France to reform the CFAF. It lays the foundations for the accession of member countries to the ECO, the single currency project of ECOWAS. In order to enable WAEMU economies to prepare for the ECO, the monetary cooperation agreements linking member states of the zone to France have been profoundly revised. Three decisions were taken :

- The change of the name of the currency from CFA Franc to ECO, when the WAEMU countries join the new ECOWAS ECO zone ;
- The end of the centralisation of foreign exchange reserves at the French Treasury, the closure of the operations account and the transfer to BCEAO of the resources available in the account ;
- The withdrawal of all French representatives in the decision-making and management organs of WAMU (BCEAO Board of Directors, Banking Commission and Monetary Policy Committee).

Two key elements of monetary stability have been retained :

- Maintaining the fixed exchange rate against the euro (which ensures the current parity).
- The guarantee of unlimited convertibility of the currency by France.

In May 2020, the bill ratifying the end of the CFA franc was adopted by France in the Council of Minis-

ters. It validates the transformation of the CFA franc, which will become the ECO, by maintaining a fixed parity with the Euro and the end of the centralisation of foreign exchange reserves of West African states with the French Treasury.

4.1.2 Description of BCEAO

WAEMU Treaty Article 41 designates the Central Bank of West African States (BCEAO) as an autonomous specialised institution of the Union. In complete independence, BCEAO contributes to the achievement of the objectives of the Treaty.

Members

The eight (8) Member States of WAEMU are members of BCEAO. They are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

Organs

The organs of the Central Bank are : the Governor, the Monetary Policy Committee, the Board of Directors, the Audit Committee, the National Credit Councils, with one Council in each of the WAMU Member States.

Functioning

The Central Bank, its organs, any member of its organs or its staff may not seek or receive instructions or directives from Community institutions or organs, from the governments of WAEMU Member States, from any other body or from any other person. Community institutions and bodies and the governments of WAEMU member states undertake to respect this principle.

The main objective of the Central Bank's monetary policy is to ensure price stability. Without prejudice to this objective, the Central Bank supports the economic policies of the West African Economic and Monetary Union (WAEMU) with a view to achieving sound and sustainable growth.

Roles

The Central Bank is entrusted with the following fundamental tasks :

- Defining and implementing monetary policy within WAEMU ;
- Ensure the stability of the WAEMU banking and financial system ;
- Promote the smooth functioning and ensure the supervision and security of payment systems in WAMU ;
- Implement WAEMU's exchange rate policy in accordance with the conditions laid down by the Council of Ministers ;
- Manage the official foreign exchange reserves of WAEMU member states.

The Central Bank may carry out, while respecting the monetary balance, specific missions or projects that contribute to improving the monetary policy environment, diversifying and strengthening the WAEMU financial system and technical and professional capacities in the banking and financial sector.

The main objective of the Central Bank's monetary policy is to ensure price stability. To this end, it defines the monetary policy that makes it possible to maintain the external coverage rate of the currency at a satisfactory level and to support the economic activity of the member countries without inflationary pressure¹³.

BCEAO oversees the monetary policy of each member country through the elaboration of money supply and credit targets set on an annual basis. Statutory advances to the national treasuries of member states were suspended in 2001 and abolished as from 2010.

For the management of the common monetary policy, BCEAO relies on market mechanisms and indirect instruments for regulating liquidity, in particular the steering of interest rates and the system of compulsory reserves.

¹³ The Monetary Policy Committee of BCEAO, at its first meeting held on 14 September 2010 in Dakar, defined the operational objective of price stability as an annual inflation rate in the Union within a margin of \pm one percentage point (1%) around 2%, with a horizon of twenty-four (24) months.

4.1.3 Monetary policy

BCEAO benefits from the exclusive privilege to issue money in all member states of the West African Monetary Union. It issues monetary signs, banknotes and coins, which are legal tender and have the power of discharge in all member states of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

The management of the monetary policy of the Member States of the Union by the Central Bank consists of adjusting the overall liquidity of the economy in accordance with the evolution of the economic situation in order to ensure price stability on the one hand and to promote economic growth on the other.

The current money and credit management system relies on market mechanisms and indirect instruments to regulate liquidity, including interest rates and the reserve requirement system.

The functioning of BCEAO is based on :

Open market operations : seven-day and twenty-eight-day refinancing (respectively every week and every month for banks subject to compulsory reserves) allocated at variable rates ; the minimum bid rate considered by BCEAO as its key rate (currently¹⁴ 2.0%). Planned auctions are generally calibrated according to BCEAO's forecasts of liquidity needs over the maturity of the operations ;

Permanent lending windows : refinancing for 1 to 7 days or 90 to 360 days against government securities and credit applications with maturities ranging from 5 to 20 years, at the request of banks (marginal lending window). The rates of these windows are above the key rate of 200 basis points. As of June 2017, recourse to the lending window has been capped at twice the counterparty's own funds.

The minimum interest rate for bidding in open market operations (tenders) and the interest rate applicable on the marginal lending window (repo rate), the levels of which are set by the Monetary Policy Committee, are 2.00% and 4.00% respectively, and constitute the two main key rates of BCEAO.

Money supply in Côte d'Ivoire

In 2019, foreign assets increased by 23% compared to 2018 to reach CFA FRANCS 2 498 billion against CFA FRANCS 20 32 billion a year earlier. This growth is attributable to a 23.5 percent increase in the assets of the central bank combined with a 19.6 percent rise in those of Ivorian commercial banks.

Domestic assets stood at CFA FRANCS 8,947 billion at the end of 2019, an increase of 8%. Monetary statistics in 2019 were marked by an increase in the money supply. This increase is attributable to both deposits and circulation of banknotes and coins by 10.7% and 11.5% respectively in 2019.

Table 22. Composition of Côte d'Ivoire's money supply

Indicateurs	2014	2015	2016	2017	2018	2019	2020 Proj
Foreign Assets	1785	1989	1753	1763	2032	2498	2501
Central bank	1559	1791	1399	1551	1702	2103	2106
In banks	226	198	354	212	330	395	395
Domestic assets	4579	5573	6593	7316	8275	8947	8,994
To the credit of the State	1490	1445	1727	1983	2320	2794	2513
Central bank	591	494	487	450	421	571	601
Commercial Banks	900	951	1240	1534	1899	2220	1909

¹⁴ BCEAO cut its main key rates by 50 basis points. Thus, the minimum interest rate for bidding in liquidity injection tender operations was reduced from 2.50% to 2.00% and the interest rate for the marginal lending window was reduced from 4.50% to 4.00%. This decision came into force on 24 June 2020.

To the credit of the economy	3446	4467	5468	6300	7,009	7438	7766
Others	-358	-339	-601	-967	-1054	-1285	-1285
Money supply (M2)	6364	7562	8346	9079	10307	11442	11493
Currency in circulation	1878	2138	2500	2521	2671	2980	2878
Total Deposits	4424	5333	5844	6553	7634	8455	8608
Percentage change in the monetary base							
Net foreign assets	4,1	3,2	-0,7	0,1	3,0	4,5	0,2
Net domestic assets	12	15,6	10,8	8,7	10,6	6,5	4,6
Credit to the State	3,4	-0,7	3,4	3,1	3,7	4,6	1,8
Central bank	-1	-1,5	-1	-0,4	-0,3	1,4	-0,4
Banks	4,4	0,8	4,4	3,5	4	3,1	-1,4
Credit to the economy	11,2	16	8,5	10	7,8	4,1	6,2
Money supply (M2)	16,1	18,8	10,1	8,8	13,5	11	4,8

Source : BCEAO, IMF

4.2 Banking system and financial markets

As at 31 December 2019, the Ivorian banking system consisted of 31 credit institutions, including 29 banks and 2 financial institutions.

4.2.1 The banking environment

Table 23. Balance sheet aggregate of commercial banks in Côte d'Ivoire

In billions of CFA FRANCS	2014	2015	2016	2017	2018
Treasury and interbank operations	1 152 624	1 318 949	1 325 868	1 387 932	1 379 333
Operations with customers	3 530 988	4 737 838	5 295 978	6 253 300	7 146 333
Securities transactions and others	1 374 605	1 769 967	2 324 89	2 953 179	3 183 304
Fixed assets	580 705	647 895	777 314	491 916	433 951
Shareholders or associates	0	0	0	1 000	1500
TOTAL ASSETS	6 638 922	8 474 649	9 724 058	11 087 328	12 144 421
Treasury Operations	943 690	1 412 069	1 996 701	2 192 284	2 179 845
Operations with customers	4 885 679	6 182 451	6 663 638	7 526 577	8 520 455
Securities transactions and others	248 813	251 972	307 524	479 706	474 373
Provisions for similar shareholders' equity	560 740	628 057	756 095	888 661	969 648
TOTAL DEBTS	6 638 922	8 474 649	9 724 058	11 087 328	12 144 421

Source : BCEAO

The liquid assets of Ivorian banks represented 46% of total deposits at the end of 2018 and the capital ratio reached 9.6%, a level higher than that set by the new Basel II/III regulatory standard: 8.6% for 2018 and 9.5% for 2019.

According to the IMF 2019 report, about one-fifth of Ivorian banks remain relatively illiquid or undercapitalized, including two public banks that accounted for 3.0 per cent of risk-weighted assets. Although still strong, credit to the economy declined from 11.3 per cent (year-on-year) at the end of 2018 to 7.4 per cent in August, reflecting banks' adjustment to stricter regulatory standards and the authorities' increased reliance on domestic bank financing compared to 2018.

Non-performing loans remain high, despite a decline to 9.3% at the end of 2018. Restructuring of state-owned banks continues. Although these banks represent a very small proportion of total assets, their vulnerability may affect confidence in the banking sector as a whole. One state-owned bank is being privatised and two others do not comply with prudential ratios according to the IMF.

The average lending rate was 6.3%. In contrast, credit costs remained constant between 2018 and 2019. These costs increased over the same period in Benin (+45 basis points or bps), Mali (+36 bps), Togo (+36 bps) and Burkina (+11 bps). The average loan rate declined slightly to 4.8% in 2019 from 4.9% in 2018.

Table 24. Debit and loan rates (short, medium and long term)

Loan interest rate	2014	2015	2016	2017	2018	2019
less than or equal to 1 month	6,0	5,8	5,4	5,6	5,6	6,0
more than 1 month and less than or equal to 3 months	4,8	4,6	5,0	5,4	5,8	5,4
more than 3 months and less than or equal to 6 months	6,9	7,2	7,4	6,8	6,5	5,7
more than 6 months and less than or equal to 1 year	8,1	8,2	7,2	7,8	6,5	6,6
more than 1 year and less than or equal to 2 years	8,7	8,3	7,8	7,5	7,5	8,0
more than 2 years and less than or equal to 5 years	9,2	8,5	7,9	7,9	7,4	7,7
over 5 years and under or equal to 10 years	7,3	7,5	7,4	7,4	7,4	7,6
More than 10 years	7,9	6,3	6,4	6,5	5,7	5,8
Total	6,4	6,0	6,1	6,4	6,3	6,3
Loan rate						
less than or equal to 1 month	5,0	5,0	5,2	5,0	5,2	4,1

more than 1 month and less than or equal to 3 months	5,3	5,0	5,5	5,2	5,0	5,0
more than 3 months and less than or equal to 6 months	5,2	4,6	4,8	4,7	4,8	4,6
more than 6 months and less than or equal to 1 year	4,8	4,6	4,7	4,7	4,7	4,7
more than 1 year and less than or equal to 2 years	4,7	4,3	4,6	4,8	4,6	4,5
more than 2 years and less than or equal to 5 years	5,2	5,5	5,2	5,1	5,0	5,2
over 5 years and under or equal to 10 years						
Not determined	5,1	5,9	5,3	5,4	5,3	5,2
Total	5,1	5,0	5,1	5,0	5,0	4,8

Source : BCEAO

Microfinance

In the fourth trimester of 2019, the microfinance sector in Côte d'Ivoire had 48 accredited DFSs. According to the microfinance sector rating for the fourth quarter 2019, the number of members or clients rose from 1,853,784 at September 30, 2019 to 1,888,093 at the end of December 2019, an increase of 1.9%. Outstanding deposits increased from CFA FRANCS 326.8 billion as at 30 September 2019 to CFA FRANCS 349.7 billion at the end of December 2019. As at 31 December 2019, outstanding loans held by all DFSs amounted to CFA FRANCS 341.1 billion against CFA FRANCS 320.7 billion in the previous quarter, an increase of 6.3%.

The sector's loan portfolio at the end of the fourth quarter 2019 remained very deteriorated as in the previous quarter. Indeed, the 90-day portfolio at risk stood at 6.6% at end-December 2019, well above

the regulatory standard of 3% maximum. Shareholders' equity rose 29.7% in the fourth quarter of 2019. It rose from CFA FRANCS 39.6 billion as at 30 September 2019 to CFA FRANCS 41.3 billion as at 31 December 2019. They continue their progression initiated since the end of 2016.

The equity capital is made up of 54.0% of subordinated loans. In the 4th quarter 2019, the level of net assets of the sector stood at CFA FRANCS 502.6 billion against CFA FRANCS 489.6 billion in the previous quarter, representing a 2.7% increase in assets. The activity of the microfinance sector recorded a good momentum during the 4th trimester 2019. This performance was mainly driven by microfinance public limited companies which recorded faster growth. However, the sector faces two major challenges: improving the quality of the credit portfolio and restructuring the two main networks, UNACOOPEC-CI and RCMEC-CI.

Table 25. Key figures of the microfinance sector in Côte d'Ivoire as of December 31, 2019

Number of active DFSs	48 approved DFSs
Customers	1,9 million customers
Outstanding deposits	CFA FRANCS 349,7 billion
Outstanding loans	CFA FRANCS 341,1 billion
Net Assets	CFA FRANCS 502,6 billion
Equity	41,4 billion CFA FRANCS

Source : BCEAO

4.2.2 Financial Markets

The WAEMU financial market is structured around the debt securities market (public and private bonds) and the equity market. The regional public securities market has two (2) components : the auction market and the syndication market.

The public securities auction market is organised and regulated by BCEAO through Agence UMOA-Titres ; while the public securities syndication market, private bonds and shares are regulated by the Regional Council for Public Savings and Financial Markets (**CREPMF**) and organised by the Regional Stock Exchange (BRVM) and the Central Custodian/Settlement Bank (CC/BS).

REGIONAL SECURITIES EXCHANGE : Presentation and roles

The Regional Stock Exchange (BRVM) is a specialised financial institution created on 18 December 1996, in accordance with a decision of the Council of Ministers of the West African Economic and Monetary Union (WAEMU) taken in December 1993.

BRVM is a public limited company with a community public service mission. It is common to the 8 countries of West Africa. BRVM/CC/SB started its activities on 16 September 1998 in Abidjan. Its main missions are the following :

- The organisation of the stock market ;
- The publication of stock exchange transactions ;
- Dissemination of information on the stock exchange ;
- The promotion and development of the market.

Evolution of BRVM bond and equity market

Since 2016, the WAEMU stock market (BRVM) has been experiencing successive declines that accelerate until 2018 and then slow down in 2019. It fell from -3.8% in 2016 to -16.81% in 2017 and -29.14% in 2018. However, the decline slows to -3.4% in 2019.

This underperformance shows that the WAEMU market did not fully withstand the general downward trend that gripped the world's financial markets. BRVM's decline in 2018 is particularly marked. The stocks preferred in 2015, oriented towards the food and beverage as well as agribusiness, consumer, automobile and equipment and banking sectors, have experienced a decline.

The fall in BRVM prices could be explained, on the one hand, by the profit-taking of several large investors who had made significant capital gains on their

investment. The drop also comes from the readjustment (rectification) after four (4) years of intensive market increases (2012 to 2015) and, on the other hand, from the misunderstanding of the different splits made on the market. New investors are speculating and most listed companies have not reacted to the fall in their capitalization.

During the 2019 financial year, BRVM Composite Index rose from 172.2 on 31/12/2018 to 159.2 on 31/12/2019. The market capitalisation of the stock market fell from CFAF 4.845 billion at the end of 2018 to CFAF 4.741 billion at the end of 2019, a drop of 2%.

BRVM also reached the CFAF 236 billion mark in transactions in 2018 and 117.303.543 shares were exchanged for a value of CFAF 174.449.217.023. Concerning the bond compartment, 6.359.442 bonds were traded for a value of CFAF 61.767.647.783 in 2018. The market capitalisation of bonds amounted to CFAF 4.233 billion as at 31 December 2019 against CFAF 3.444 billion the previous year, an increase of 23%. This improvement was driven by the appetite of WAEMU member states to use the regional financial market to support their respective economies.

Table 26. Evolution of BRVM financial market

	2013	2014	2015	2016	2017	2018	2019
BRVM 10 index	246	268	290	262	220	154	149
BRVM composite index	232	258	304	292	243	172	159
Composite market capitalisation (shares and bonds) in billions of CFA francs	6 706	7 459	9 079	10 216	9 806	8 289	8 973
Equity Market	5 634	6 320	7 500	7 706	6 836	4 845	4 741
Bond Market	1 073	1 139	1 579	2 509	2 970	3 444	4 233
Number of listed companies	37	38	39	43	45	45	46

Source : BRVM

Stock market

The number of companies listed on BRVM is 46, including 35 Ivorian companies. The two tables below show the changes in the market capitalisations of the 35 Ivorian companies listed on BRVM. Société Générale of Côte d'Ivoire, Ecobank of Côte d'Ivoire, NSIA Bank Côte d'Ivoire were among the largest capitalisations in 2019. SGBCI and Ecobank CI had a

market capitalization of CFA FRANCS 239.5 billion and CFA FRANCS 219.6 billion respectively as at 31 December 2019. On the other hand, Tractafric Motors and Ecobank CI had the highest market capitalizations in December 2018. The two companies had a market capitalization of CFA FRANCS 1256 billion and CFA FRANCS 233 billion respectively at 31 December 2018.

Table 27. List of listed Ivorian companies

Market capitalization (CFA FRANCS)	2014	2015	2016	2017	2018	2019
AGRICULTURE						
PALM	262 035 406 200	185 511 792 000	85 026 238 000	85 026 238 000	29 372 700 400	28 135 955 120
SUCRIVOIRE	0	0	22 344 000 000	22 344 000 000	18 620 000 000	11 858 000 000
SICOR	3 054 000 000	4 962 000 000	2 370 000 000	2 370 000 000	2 160 000 000	1 644 000 000
SOGB	689 098 696 000	553 007 104 000	90 727 728 000	90 727 728 000	49 360 204 400	55 732 747 200
SAPH	449 181 937 875	293 917 057 500	79 102 025 475	79 102 025 475	94 309 038 450	33 480 986 550
DISTRIBUTION						
SERBAIR ABIDJAN	424 476 800 000	927 520 000 000	21 824 000 000	21 824 000 000	13 094 400 000	13 640 000 000
BERNABE	491 500 800 000	1 191 657 600 000	20 534 400 000	20 534 400 000	15 897 600 000	4 636 800 000
CFAO MOTORS	8 362 151 449 500	16 504 842 900 000	71 641 900 500	71 641 900 500	116 078 016 000	78 896 776 500
TRACTAFRIC MOTORS	1 730 560 000 000	4 147 200 000 000	2 955 264 000 000	2 955 264 000 000	1 269 657 600 000	27 596 800 000
VIVO ENERGY	3 780 000 000 000	4 370 625 000 000	56 700 000 000	56 700 000 000	59 535 000 000	50 400 000 000
TOTAL CÔTE D'IVOIRE	12 592 320 000 000	1 319 045 520 000	56 665 440 000	56 665 440 000	85 312 968 000	107 034 720 000
FINANCES						
BICI CÔTE D'IVOIRE	1 202 500 240 500	1 683 333 670 000	141 500 028 300	141 500 028 300	131 666 693 000	113 333 356 000
BANK OF AFRICA	1 800 000 000 000	2 600 000 000 000	98 000 000 000	98 000 000 000	84 000 000 000	79 900 000 000
ECOBANK CÔTE D'IVOIRE	0	0	1 633 901 808 000	1 633 901 808 000	233 414 544 000	219 651 894 000
NSIA BANQUE	0	0	223 822 200 000	223 822 200 000	139 020 000 000	149 909 900 000
SAFCA CÔTE D'IVOIRE	193 534 241 250	267 951 750 000	88 505 275 000	88 505 275 000	43 034 675 000	2 720 116 250

SOCIETE GENERALE	3 011 399 892 450	4 168 733 184 450	359 333 320 500	359 333 320 500	230 222 214 000	239 555 547 000
SOCIETE IVOIRIENNE DE BANQUE	0	0	850 000 000 000	850 000 000 000	135 000 000 000	141 000 000 000

Source : BRVM

Table 28. Ivorian listed companies (continued)

Market capitalization (CFA FRANCS)	2014	2015	2016	2017	2018	2019
INDUSTRY						
SICABLE CÔTE D'IVOIRE	603 840 000 000	731 120 000 000	6 541 600 000	6 541 600 000	5 860 800 000	3 729 600 000
FILTISAC	416 060 330 000	423 041 681 300	277 843 678 000	277 843 678 000	29 899 928 800	24 328 951 500
NEI-CEDA	51 063 300 000	53 616 465 000	24 255 067 500	24 255 067 500	2 170 190 250	1 787 215 500
NESTLE COTE D'IVOIRE	1 213 872 000 000	1 103 520 000 000	41 933 760 000	41 933 760 000	22 291 104 000	8 717 808 000
CROWN SIEM	579 612 696 000	1 133 406 052 000	349 505 700 000	349 505 700 000	7 556 880 000	3 274 648 000
AIR LIQUIDE	148 478 000 000	174 680 000 000	3 493 600 000	3 493 600 000	4 672 690 000	1 615 790 000
SOLIBRA	329 216 800 000	312 747 729 580	205 760 500 000	205 760 500 000	92 180 704 000	74 073 780 000
SMB CÔTE D'IVOIRE	109 054 848 000	148 108 800 000	59 399 424 000	59 399 424 000	152 006 400 000	19 488 000 000
SITAB CÔTE D'IVOIRE	2 854 665 450 000	2 800 980 000 000	1 292 760 000 000	1 292 760 000 000	32 947 425 000	10 862 775 000
TRITURAF Ste en Liquid	509 600 000	509 600 000	509 600 000	509 600 000	509 600 000	509 600 000
UNILEVER	339 785 800 000	229 585 000 000	78 058 900 000	78 058 900 000	58 222 756 000	22 958 500 000
UNIWAX	830 000 000 000	593 450 000 000	88 602 500 000	88 602 500 000	42 122 500 000	35 793 750 000
PUBLICS SERVICES						
CIE CÔTE D'IVOIRE	4 620 000 000 000	3 919 720 000 000	117 600 000 000	117 600 000 000	80 920 000 000	89 600 000 000
SODE CÔTE D'IVOIRE	821 700 000 000	935 955 000 000	53 190 000 000	53 190 000 000	34 965 000 000	25 200 000 000
TRANSPORT						
BOLLORE	13 551 940 111 500	17 174 609 326 500	271 632 147 000	271 632 147 000	108 870 600 000	81 652 950 000

MOVIS CÔTE D'IVOIRE	5 719 853 125	4 261 687 500	2 678 178 125	2 678 178 125	2 089 062 500	2 001 321 875
AUTRES						
SETAO CÔTE D'IVOIRE	456 960 000 000	708 355 200 000	2 419 200 000	2 419 200 000	2 284 800 000	3 292 800 000

Source : BRVM

Bonds Markets

Côte d'Ivoire uses the market by syndication and in-

stitution to tender. However, in 2018, there were no bond issues by auction. No private issues were observed in 2019 and early 2020.

Table 29. Bond issues (by auction) in Côte d'Ivoire

Sovereign (Adjudication)	2014	2015	2016	2017	2018	2019	2020	
	Treasury of Côte d'Ivoire 6% 2014-2019 70085 Million CFA FRANCS	Treasury of Côte d'Ivoire 5,85% 2015-2022 110 000 Million CFA FRANCS	Treasury of Côte d'Ivoire 5% 2016-2019 62 800 Million CFA FRANCS	Treasury of Côte d'Ivoire 5,6% 2017-2020 15 000 Million CFA FRANCS			Treasury of Côte d'Ivoire 5% 2019-2024 31500 Million CFA FRANCS	OAT 5,75% 2020-2023 29850 million CFA FRANCS
	Treasury of Côte d'Ivoire 5,8% 2014-2019 57,402 Million CFA FRANCS	Treasury of Côte d'Ivoire 5,99% 2015-2025 133 000 Million CFA FRANCS	Treasury of Côte d'Ivoire 5% 2016-2019 82 500 Million CFA FRANCS	Treasury of Côte d'Ivoire 5,7% 2017-2020 14040 Million CFA FRANCS			Treasury of Côte d'Ivoire 3% 2019-2022 16 248 Million CFA FRANCS	OAT 5,75% 2020-2023 37700million CFA FRANCS
	Treasury of Côte d'Ivoire 5,8% 2014-2019 43 200 Million CFA FRANCS	Treasury of Côte d'Ivoire 5,99% 2015-2025 110 000 Million CFA FRANCS	Treasury of Côte d'Ivoire 5,5% CFA FRANCS 54 255 Million	Treasury of Côte d'Ivoire 5,7% 2017-2020 110 000 Million CFA FRANCS			Treasury of Côte d'Ivoire 5% 2019-2022 40,985 Million CFA FRANCS	OAT 5,85% 2020+2025 35700 million CFA francs
	Treasury of Côte d'Ivoire 6,5% 2014-2021 241 767 Million CFA FRANCS		Treasury of Côte d'Ivoire 5,45% 142 000 Million CFA FRANCS				Treasury of Côte d'Ivoire 3% 2019-2022 25 488 Million CFA FRANCS	OAT 5,75% 2020-2023 40000 million CFA FRANCS /// OAT 5,85 11050 million CFA FRANCS

	Treasury of Côte d'Ivoire 6,5% 2014-2021 29256 Million CFA FRANCS		Treasury of Côte d'Ivoire 5,25% 69 200 Million CFA FRANCS		Treasury of Côte d'Ivoire 3% 2019-2022 25,488 Million CFA FRANCSr of Côte d'Ivoire 3% 2019-2022 26,202 Million CFA FRANCS	OAT 5,85 2020-2025 17000 million CFA FRANCS
	Treasury of Côte d'Ivoire 6,5% 2014-2022 124 000 Million CFA FRANCS		Treasury of Côte d'Ivoire 5,7% 40,502 Million CFA FRANCS		Treasury of Côte d'Ivoire 3% 2019-2022 25,488 Million CFA FRANCSr of Côte d'Ivoire 3% 2019-2022 27,500 Million CFA FRANCS	
	Treasury of Côte d'Ivoire 6,5% 2014-2022 61 000 Million CFA FRANCS				Treasury of Côte d'Ivoire 3% 2019-2022 25 488 Million CFA FRANCSr of Côte d'Ivoire 3% 2019-2022 42 873 million CFA FRANCS	

Source : UMOA-Titres

Table 30. Bond issues (syndication and private) in Côte d'Ivoire

	2014	2015	2016	2017	2018	2019	2020
Souverain (Syndication)	TPCI 6,55% 2014 - 2022 61833 million CFA FRANCS	TPCI 5,99 % 2015-2025 133269 Millions CFA FRANCS	TPCI 6,00 % 2016-2028 125474 Millions CFA FRANCS	TPCI 6,25% 2017-2029 120000 Millions CFA FRANCS	TPCI 6,5 2018-2026 164640 Millions CFA FRANCS	TPCI 7% 2019-2026 102481 Millions CFA FRANCS	TPCI 5,90% 2020-2030 80000 millions CFA FRANCS and 5,80% 2020-2027 30000 millions CFA FRANCS
	TPCI 3 % 2014 - 2024 274839 millions CFA FRANCS	TPCI 5,85 % 2015-2022 156993 Millions CFA FRANCS	TPCI 5,90 % 2016-2026 159793 Millions CFA FRANCS	TPCI 5,95% 2017-2024 145 336 Millions CFA FRANCS	TPCI 6% 2018-2026 130 253 Millions CFA FRANCS	TPCI 10% 2019-2029 31533 Millions CFA FRANCS	
		Sukuk Etat de Côte d'Ivoire 5,75 % 2015- 2020 150000 millions CFA FRANCS	TPCI 5,90 % 2016-2026 141981 Millions CFA FRANCS		TPCI 5,95% 2018-2026 112560 Millions CFA FRANCS	TPCI 5% 2019-2026 50320 Millions CFA FRANCS	
			Sukuk Etat de Côte d'Ivoire 5,75% 2016- 2023 160000 Millions CFA FRANCS	TPCI 6% 2017-2025 65616 Millions CFA FRANCS		TPCI 7% 2019-2026 75480 Millions CFA FRANCS	

Entreprise	PETRO IVOIRE 7% 2014-2021 3500 Millions CFA FRANCS	ALIOS FINANCE 6,9 % 2015-2022 6000 Millions CFA FRANCS		ALIOS FINANCE 6,99% 2017- 2024 2200 Millions CFA FRANCS	Alios Finance CI 6,95% 2018-2023 10000 Millions CFA FRANCS		
	COLINA Particip. 6,75 % 2014-2021 7500 Millions CFA FRANCS	MATRANCI 7,25 % 2015- 2019 500 Millions CFA FRANCS			SIB 7,5% 2012-2025 10000 Millions CFA FRANCS		
		DEKELOIL 6,85 % 2016- 2023 5500 Millions CFA FRANCS					

Source : BRVM

4.2.3 Debt Subscription Mechanisms

Any investor based in or outside the WAEMU may invest in public securities issued by auction or syndication. Orders are placed through authorised market participants : an underwriting syndicate or any MIC operating in the Union in the case of issues by syndication, and credit institutions based in the Union or MICs having an account in the books of the Central Bank in the case of issues by auction. Transactions on BRVM share market are carried out through stock exchange intermediaries, in particular MIC.

Organisation of market by auction

The auction market is a segment of the public securities market, on which WAEMU member states issue Treasury bills and bonds following an auction procedure in order to finance their budgets.

Unlike the syndication market, the auction market is

led by the following players :

- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it enacts the applicable provisions, intervenes in the organization of auctions of public securities, acts as Central Custodian / Settlement Bank, clearing, settlement and delivery of transactions between participants with an account in its books, through its electronic platform SAGETIL-UMOA¹⁵;
- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance ;
- Agence UMOA-Titres, a regional structure in charge of issuing and managing public debt securities, materially organises issues and, in this capacity, provides assistance to Member States in mobilising resources on the capital markets and managing their debt ;

¹⁵ Automated Securities and Liquidity Management System of the West African Monetary Union.

- Investors which are credit institutions, IMS and regional financial bodies with a settlement account in the books of the Central Bank¹⁶;
- Specialists in Treasury Securities (STSs) which are credit institutions and IMSs that have obtained the approval of the Ministers in charge of Finance of WAEMU Member States to act in this capacity and thus benefit from the status of privileged partners of one or more Treasuries of Member States on transactions on public debt securities issued on the regional market.¹⁷

Securities issued by auction are traded on the secondary market, following an over-the-counter procedure.

Benin's public debt is co-managed by the Autonomous Amortization Fund (AAF) and the General Directorate of the Treasury and Public Accounting (GDTPA). In accordance with Articles 3 and 6 of Order 5061/MEFPD/DC/SGM/ GDTPA/AAF/SP of 6 October 2015 delimiting the powers and responsibilities of the GDTPA and the AAF in terms of public debt management in Benin, the GDTPA is responsible for, among other things:

- The elaboration of the issuance schedule of government securities ;
- Issuance of government securities (by auction or public offering) on the WAEMU regional financial market ;
- Monitoring the capital market ;
- Relationship management with Treasury Securities Specialists (TSSs) and investors in the regional financial market ;
- Participation in the work related to the formulation of the Medium-Term Debt Strategy (MTDS) and Debt Sustainability Analysis (DSA) ;
- The production of statistics and the preparation of periodic reports and publications related to State securities.

In addition to these allocations of public debt, the Treasury Department has seen its scope of action broaden with the preparation of the Projected Cash Flow Plan appended to the Finance Bill. The activities carried out in 2019 were as follows : preparation and execution of the 2019 management government securities issue schedule, evaluation of outstanding government securities at December 31, 2019, and preparation of the State's Projected Cash Flow Plan, 2020 management.

The public government securities schedule for 2019 was carried out in a context marked from the first few months by unfavourable market conditions for Treasury bonds, while the State's preference remained oriented towards medium- and long-term securities, due in particular to the financing of vast infrastructure projects under the Government's Action Programme, which aims to reduce the deficit in basic infrastructure in order to accelerate economic growth.

The funds raised on the government securities market for the year 2019 are set out in the table below. The State of Benin had completed 109.3% of its government securities issuance programme at December 31, 2019 compared to 100.87% the previous year. More than half of the funds raised, i.e. 63.1%, came from investors on the international market compared with 36.9% from the regional market.

Organisation of markets by syndication and amount of subscriptions

The WAEMU regional financial market is characterised by a mixed organisation. Indeed, it is composed of a public sector consisting of the Regional Council for Public Savings and Financial Markets (CREPMF) and a private sector which includes the central structures of the Regional Stock Exchange (BRVM) and the Central Custodian/Bank of Settlement (CC/BS) on the one hand, and the commercial players on the other.

CREPMF is the WAEMU's regional financial market regulator (FMR). Its missions are, among others, to :

- To ensure the authorisation and control of public offering procedures ;

¹⁶ All other investors wishing to participate will have to go through the approved participants.
¹⁷ The operationalisation of primary dealers in the WAEMU started on 1 March 2016.

- Authorise market management structures and approve commercial operators ;
- Approve the tariffs of commercial operators ;
- Regulating the operation of the market ;
- Ensure the supervision of the regularity of stock exchange operations.
- To ensure the safekeeping and the scriptural circulation of securities ;
- Proceed to the payment in cash, in its capacity as settlement bank, of the balances of stock exchange transactions.

BRVM is organised at a central site based in Abidjan (Côte d'Ivoire) and represented in each member state by a National Stock Exchange Antenna (NSEA). The main responsibilities of BRVM are :

- Authorisation of the scholarship holders to carry out their activity ;
- The management of the market, in particular ensuring the centralization of buy or sell orders, the management of the coast, the dissemination of market information, as well as the promotion and popularization of financial culture within the WAEMU;
- The management of unsettled transactions.

The Central Custodian/Settlement Bank (CC/BS) is a financial institution whose role is to :

- To clear applicants for the position of account keeper ;
- Ensuring the settlement of negotiations and the management of the financial service of securities ;
- Ensure the maintenance of current accounts for securities opened by Management and Intermediation Companies (MIC) in its books ;

When organising issues by syndication, the States entrust the process of placing the securities to an underwriting syndicate, whose members are MICs approved by CREPMF. In addition, the issuer chooses a lead manager from among the syndicate's members to carry out specific tasks in the issuance process.

Since its creation, the main products present on the regional financial market have been equities and bonds. In recent years, several new products such as mortgage refinancing and securitisation (Sukuk Debt Securitisation Fund) have been introduced. Securities issued by syndication are traded on the secondary market on BRVM's electronic trading platform.

4.3 Inflation rate

The table below shows the annual inflation rate in Côte d'Ivoire and the WAEMU. Inflation remains under control despite the Covid-19 pandemic (0.8% in 2019 and 1.2% in 2020), below the WAEMU community ceiling of 3%. In 2016, inflation was 0.7% on average, thanks to the action plan implemented by the government since 2013 against the high cost of living. This plan has considerably reduced commodity prices and consequently lowered inflation. Measures taken include improved market supply supported by an efficient subsistence agricultural sector, thanks to the results of the implementation of the National Agricultural Investment Programme (NAIP) and the government's efforts to ensure a smooth flow of trade.

Table 31. Inflation rates in Côte d'Ivoire and the WAEMU

Inflation (%)	2015	2016	2017	2018	2019	2020
					Est.	Prev.
Côte d'Ivoire	-	0,7	0,7	1,7	0,8	1,2
WAEMU	1	0,3	0,8	1,7	1,9	2

Source : MEF/NSO/BCEAO,IMF

In 2017, inflation averaged 0.7%, thanks to good food crop production and improved distribution channels. Inflation control has also been facilitated by market measures.

In 2018 the inflation rate was 1.7%. In 2016 and 2017, inflation declined to an annual average of 0.7%. Consumer price developments reflected, on the one hand, government actions to contain food price pressures and, on the other hand, the contraction in non-food prices. Government actions included the improvement of the water management system, the distribution of improved seeds and the expansion of the area under cultivation for the production of food crops.

Annual average inflation was +0.8% in December

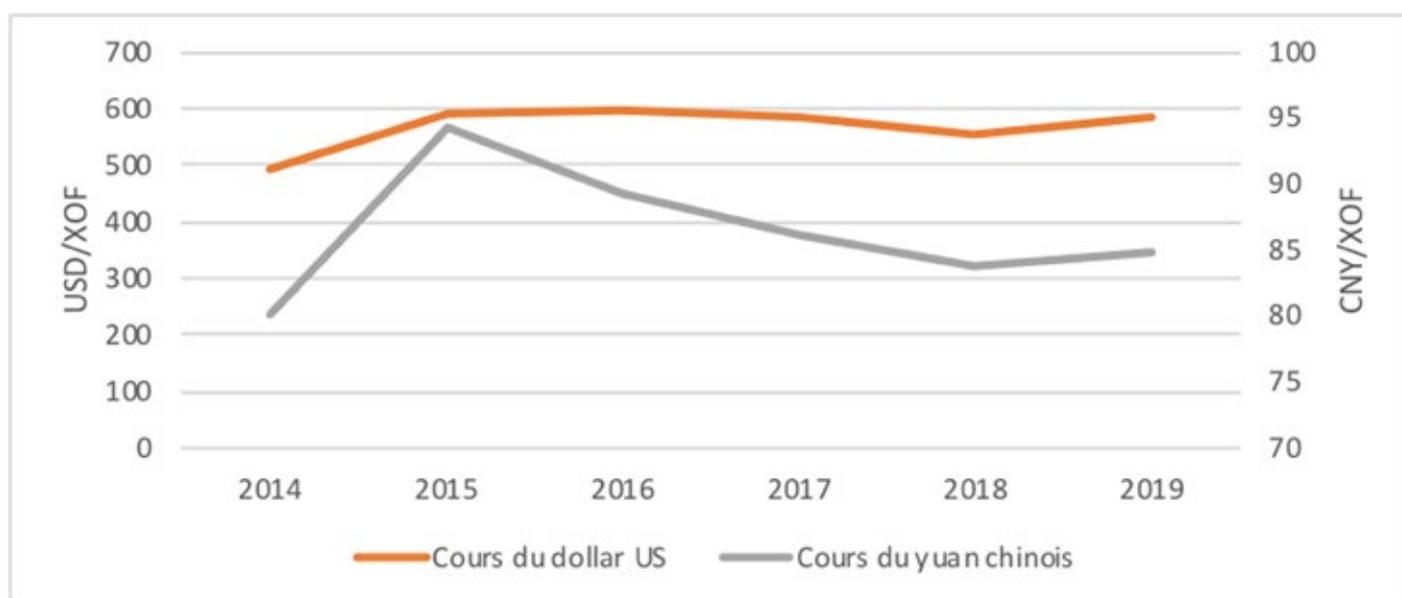
2019. Côte d'Ivoire's inflation rate remains below the EU threshold of 3%.

4.4 Exchange rates

Because of its membership of the WAEMU monetary zone, Côte d'Ivoire applies an unrestricted exchange rate regime to all payments and transfers relating to international transactions.

The exchange rate between the US dollar and the CFA franc increased slightly between 2014 and 2019, from 1 dollar for 542.06 CFA FRANCS in 2014 to 1 dollar for 586 CFA FRANCS in 2019. As for the exchange rate between the Chinese Yuan and the CFA Franc, it increased from 1 CNY for 83.74 CFA FRANCS in 2014 to 1 CNY for 83.87 CFA FRANCS in 2019.

Figure 4: Evolution of the exchange rates of the US dollar and the Chinese Yuan in relation to the CFA FRANCS



Source : BCEAO

4.5 Foreign Reserves

Côte d'Ivoire's reserve assets stood at SDR 310.9 million and remained constant over the period 2015-2019. Côte d'Ivoire's share increased by 100 per cent between 2015 and 2016, but remained constant between 2017 and 2019 (SDR 650.4 million). The re-

serve position is the "reserve tranche", which is the amount of foreign exchange that a member country can obtain from the IMF at short notice. Côte d'Ivoire's reserve position increased from SDR 1.1 million in 2015 to SDR 82.4 million in 2016, SDR 82.6 million in 2017 and SDR 82.8 million in 2018.

Table 32. External reserves of Côte d'Ivoire

(Billions of CFA FRANCS)	2014	2015	2016	2017	2018	2019
Fiduciary Circulation			2273,4	2301	2439,9	2692,3
SDR allocation (in millions of SDRs)						
Allocations	310,9	310,9	310,9	310,9	310,9	310,9
Availabilities	272,6	233,7	175,7	281,9	362,1	82,7
IMF						
Share	325,2	325,2	650,4	650,4	650,4	650,4
Reserve position	1	1,1	82,4	82,6	82,8	84,2

Source : BCEAO/IMF/UN Monthly Statistical Bulletin (May 2020)

5.1 Balance of paiments

The current account balance would be in deficit over the whole period 2015-2021. In particular, it recorded a deficit of CFA FRANCS 1 278.2 billion in 2019 against CFA FRANCS 119.1 billion in 2015. The deficit would reach CFA FRANCS 1 091.0 billion in 2021. This structural decline in the current account balance over the period is explained by the cumulative effect of two dynamics. On the one hand, the contraction of the surplus of the balance of goods and on the other hand, the progression of structural deficits in services and income.

The contraction in the trade surplus is the result of the cumulative effect of the decline in exports over the period as a whole and the rise in imports. The decline in exports is due to fluctuations in the prices of the country's main commodities and the dependence of the production of these goods on often unfavourable weather conditions.

As for the deficit in the balance of income (primary and secondary), we note the preponderance of primary income which would have almost doubled from CFA FRANCS 595.5 billion in 2015 to CFA FRANCS 1,064.4 billion in 2019. It should reach CFA FRANCS 1,188 billion in 2021. The increase in the primary income deficit is mainly linked to the increase in

payments made by the national economy to non-resident workers, particularly in the extractive industry.

As regards the balance of the capital account, it records a positive balance over the whole period but it would evolve in a jagged fashion due to the movement of external financing received by the public administration in the form of project grants received during the year and intended for the financing of investment.

Net direct investment flows resulted in a steadily rising net inflow¹⁸ of foreign capital over the period as a whole, with the exception of the year 2017, when inflows were significantly lower than in 2016. They were CFA FRANCS 283.8 billion in 2015 and are estimated at CFA FRANCS 360.7 billion in 2019. They could reach CFA FRANCS 366.0 billion in 2021.¹⁹

On the other hand, flows under other investments were characterized by a net outflow²⁰ of foreign capital over the period 2015-2017 (CFA FRANCS 463.5 billion in 2017, after CFA FRANCS 756.6 billion in 2015 and CFA FRANCS 587.4 billion in 2016). Since 2018, there has been a reversal of trend with net capital inflows (- 741.9 billion in 2019 against - 203.8 billion in 2018).

¹⁸ Presented from the perspective of BCEAO, the Community institution responsible for preparing the external accounts of WAEMU countries, a negative sign on the financial account reflects a net inflow of foreign capital and a positive sign a net outflow of foreign capital.

¹⁹ IMF estimate (2019)

²⁰ In BCEAO optical presentation, a positive sign in other investment reflects a net outflow of foreign capital and a negative sign, a net inflow of foreign capital.

Table 33. Evolution of the balance of payments of Côte d'Ivoire

	2015	2016	2017	2018	2019	2020	2021
(In billions of CFA FRANCS)	Real.	Real.	Real.	Real.	Est.	Proj.	Proj.
Current account balance	-119,1	-245,5	-609,2	-1 153,9	-1 278,2	-1 315,3	-1 091,0
Balance of trade in goods and services	680,2	638,3	584,7	60,2	102,0	221,0	463,0
Exports of goods FOB :	6 938,0	6 449,3	6 899,6	6 619,6	6 857,8	6 468,7	8 109,0
Of which: Cocoa beans	2 099,7	1 818,4	2 056,9	1 801,7	1 913,9	1 897,9	2 920,0
Including: Petroleum Products	1 120,5	867,8	805,7	951,6	907,0	447,5	1 084,0
Imports of goods FOB	-5 064,0	-4 631,5	-4 940,3	-5 255,9	-5 521,3	-5 108,8	-6 318,0
Including: Petroleum Products	-1 253,8	-871,6	-925,2	-1 317,9	-1 253,6	-639,4	-1 342,0
Primary income balance	-595,5	-637,8	-893,7	-904,9	-1 064,4	-1 163,1	-1 188,0
Secondary income balance	-203,7	-246,1	-300,1	-309,2	-315,9	-373,2	-366,0
Capital Account	156,4	110,9	111,8	84,7	146,2	174,7	140,0
Acquisition and sale of non-financial assets	0,0	0,0	0,0	-3,1	0,0	0,0	0,0
Including: Direct Investments	-283,8	-325,5	-173,6	-264,2	-360,0	-257,4	-452,0
Including: Other investments	756,6	587,4	463,5	-203,8	-741,9	-536,8	-252,0
Capital Transfers	156,4	110,9	111,8	87,8	146,2	174,7	140,0
Statistical errors and omissions	-39,1	-5,8	-2,9	-2,5	16,7	0,0	0,0

Source : BCEAO / MEF / DGE / DEFPS / NSO et IMF (2021)

5.2 Regional Trade

5.2.1 Regional trade policy

West African countries are engaged in numerous trade negotiations at the regional (integration process), bilateral (Interim Economic Partnership Agreement - IEPAi) and multilateral (World Trade Organisation - WTO and regional EPAs) levels.

Good articulation between the various negotiations at regional and international level (CET; EPAs; WTO, AGOA, etc.) is essential to achieve the trade performance objectives of WAEMU member states.

National and regional trade policies in West Africa depend on different spaces. Indeed, the regional negotiating space is articulated around the following elements :

- The finalisation of the Common External Tariff (CET) at ECOWAS level, and thus the constitution of a Customs Union ;
- A space for bilateral negotiations, particular-

ly between the West African region and the union, on the EPA ;

- A multilateral negotiating space, which refers to the rules of the WTO, of which all West African states are members (with the exception of Liberia, which has observer status). It should be noted that each country negotiates individually and that WAEMU and ECOWAS have only ad hoc observer status in the WTO Trade and Development Commission.

With regard specifically to the WAEMU, it has a common commercial policy based in particular on :

- A common market was established on 1 July 1996 for local and unprocessed products (animal, mineral and plant products of the Union) and traditional crafts, and until 1 January 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004 ;
- A customs union set up on 1 January 2000,

based on a CET applicable to all WAEMU member countries, comprising four categories of products, taxed from 0 to 20%, in force until 1 January 2015, the date on which the WAEMU CET was replaced by the ECOWAS CET, which enshrines the enlargement of the customs union to the 15 ECOWAS countries.

- Common rules of origin and competition, harmonisation of VAT and excise duties, harmonisation and mutual recognition of standards, common safeguards and protection measures (degressive protection tax (DPT), cyclical export tax (CET), reference values and anti-dumping duty)

WAEMU also has a regional trade promotion programme, a "Regional Strategy for the Implementation of the WAEMU Aid for Trade Programme" and a "Logical Framework for the Implementation of the WAEMU Aid for Trade Programme".

The overall objective of the Aid for Trade strategy is to help Member States increase their exports of goods. The logical framework provides the basis for a programme that involves international donors, as well as national and regional financial institutions. It identifies five specific objectives corresponding to the categories of Aid for Trade :

- Ensuring ownership and control of trade policies and regulations by experts from Member States and the Commission ;
- To develop intra-regional and international trade of the Member States ;
- Strengthen trade-related infrastructure in the sub-region ;
- Diversify and increase the production capacities of Member States ;
- Make necessary adjustments and take into account other trade-related needs.

The needs and priorities were identified on the basis of the Regional Economic Programme (REP) which constitutes the reference framework for the WAEMU

integration process, as well as existing capacity building programmes in the States.

• **The Common External Tariff**

The rules in force at ECOWAS borders in terms of customs policy are those laid down in the ECOWAS Common External Tariff (CET). The applicable rules of origin are defined by the Trade Liberalisation Scheme (TLS).

The CET aims to harmonise customs duties and taxes with a view to deepening economic integration through the establishment of a Customs Union, providing a platform for building the common trade policy and regional trade negotiations such as the EPA ; boosting regional production and investment capacity, and consolidating the regional market.

The CET is organised around an architecture including :

- (i) A Tariff and Statistical Nomenclature (TNS), i.e. a common customs nomenclature based on the Harmonised System for the Description and Coding of Goods (HS) of the World Customs Organisation (WCO) adopted by the Community ;
- (ii) A schedule of duties and taxes applicable to imported products and which includes : customs duty (CD), statistical fee (SF) and the ECOWAS Community Levy (ECOWAS CL) ;
- (iii) Trade defence measures or additional protective measures, where appropriate, which may generate duties which may affect the final price of products imported into the Community from third countries ;
- (iv) The statistical royalty rate set at 1% applicable equally to all imported products, whether exempt or not ;
- (v) The tax base for the application of the Common External Tariff is ad valorem.

The tariff structure of the CET is presented in the following table :

Table 34.

Category	Description	Rate
0	Essential social goods	0 %
1	Basic raw materials and capital goods	5 %
2	Intermediate products	10 %
3	Final consumer goods	20 %
4	Specific goods for economic development	35 %

The CET has been established in accordance with the requirements of the World Customs Organisation's (WCO) Harmonised System and those of the World Trade Organisation (WTO) relating to Regional Trade Agreements (Article 24 of the GATT).

- **Specific rules applicable to external trade in goods of ECOWAS countries**

Several trade regimes are in force within ECOWAS. The following table presents the existing regimes according to trading partners.

Table 35.

PARTNERS	SPECIFIC REGIMES
European Union (EU)	IEPA, GSP, GSP +, TSA
ECOWAS	CET, TLS
Rest of AFRICA	Bilateral agreements
USA	AGOA
ASIA	Bilateral Agreements
Other industrialised countries	Generalised System of Preferences (GSP)
Rest of the world	Bilateral agreements, GSP

Pending the implementation of the EPA, different tariff regimes apply depending on the status of the countries in the framework of trade between ECOWAS and the union :

- **Côte d'Ivoire and Ghana** ratified interim EPAs in 2016. Côte d'Ivoire's EPA has been in pro-

visional application since 4 September 2016 and Ghana's EPA applies since 15 December 2016. These IEPAs guarantee both countries full access to the European market and provide for the eventual liberalisation of 80% of tariff lines by Côte d'Ivoire and Ghana over a period of 15 years.²¹;

21 Over 11 years (2019-2029) currently for Côte d'Ivoire.

- Under the GSP, **Nigeria** benefits from a reduction of the union customs duties on about 1/3 of tariff lines and total exemption from customs duties on an additional 1/3 of tariff lines.
- **Cape Verde** benefits from the GSP+ which grants exemption from European customs duties on about 2/3 of the tariff lines ;
- **The other 12** countries (including the seven WAEMU countries outside Côte d'Ivoire), because of their LDC status, benefit from the Everything But Arms GSP, which gives them access to the European market for all their exports to the union without duties or quotas.

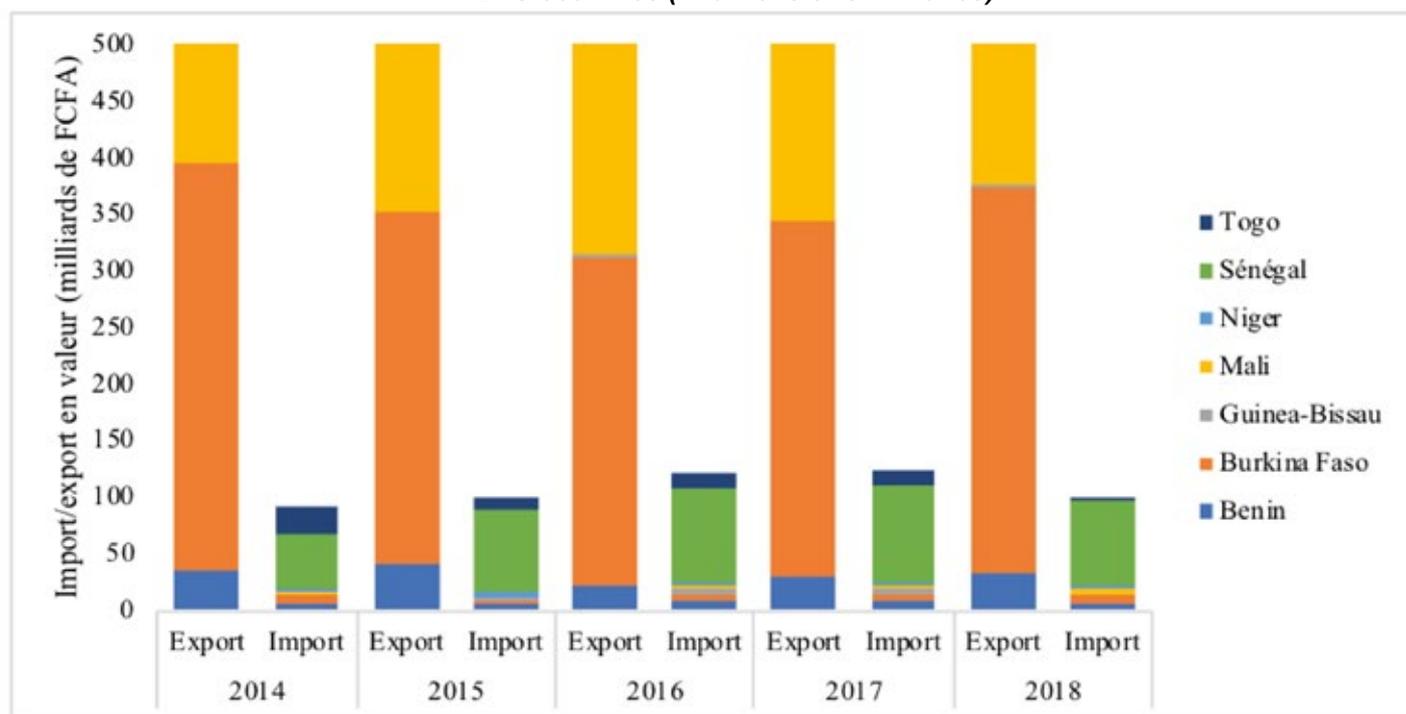
turally surplus trade balance. Over this period, Côte d'Ivoire exported an average of CFA FRANCS 833.2 billion against an average value of CFA FRANCS 107.1 billion for imports. The main export destinations in the WAEMU are Burkina Faso (CFA FRANCS 323.9 billion on average) and Mali (CFA FRANCS 264.8 billion).

Côte d'Ivoire's imports from other WAEMU countries increased from CFA FRANCS 92.3 billion in 2014, to CFA FRANCS 123.2 billion in 2017 and CFA FRANCS 98.9 billion in 2018, i.e. an average value of CFA FRANCS 107.1 billion over the 2014-2018 period. The main suppliers for imports within WAEMU are Senegal (CFA FRANCS 72.9 billion on average) and Togo (CFA FRANCS 13.0 billion).

5.2.2 Regional trade by value

The evolution of Côte d'Ivoire's regional trade within the WAEMU between 2014 and 2018 shows a struc-

Figure 5. Geographical breakdown of exports and imports between Côte d'Ivoire and other WAEMU countries (in billions of CFA francs)



Source : BCEAO

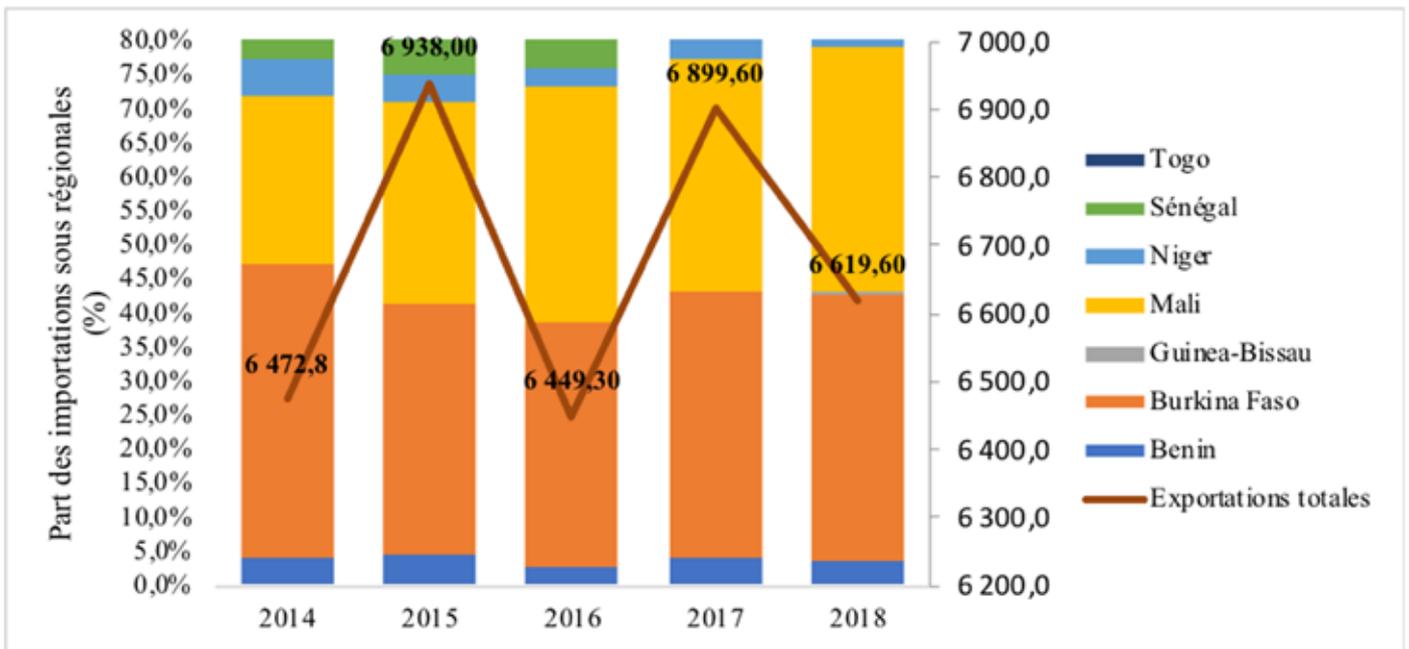
5.2.3 Regional exchanges by partner

The evolution of exports in the WAEMU over the 2014-2018 period is contrasted. First an increase between 2014 and 2015, then a decrease between 2016 and 2017 and finally a rise in 2018. WAEMU's main export customers are Burkina Faso (38.9%²²),

Mali (31.8%), Togo (12.2%), Senegal (8.4%), followed by Niger (4.8%), Benin (3.8%) and Guinea-Bissau (0.1%). In particular for Togo, exports to this country continue to decline from 15.0 per cent of total exports in the subregion in 2016 to 7.3 per cent in 2018.

²² The percentage figures represent the average share over the period 2014-2018.

Figure 6. Share of each WAEMU country in Côte d'Ivoire's exports

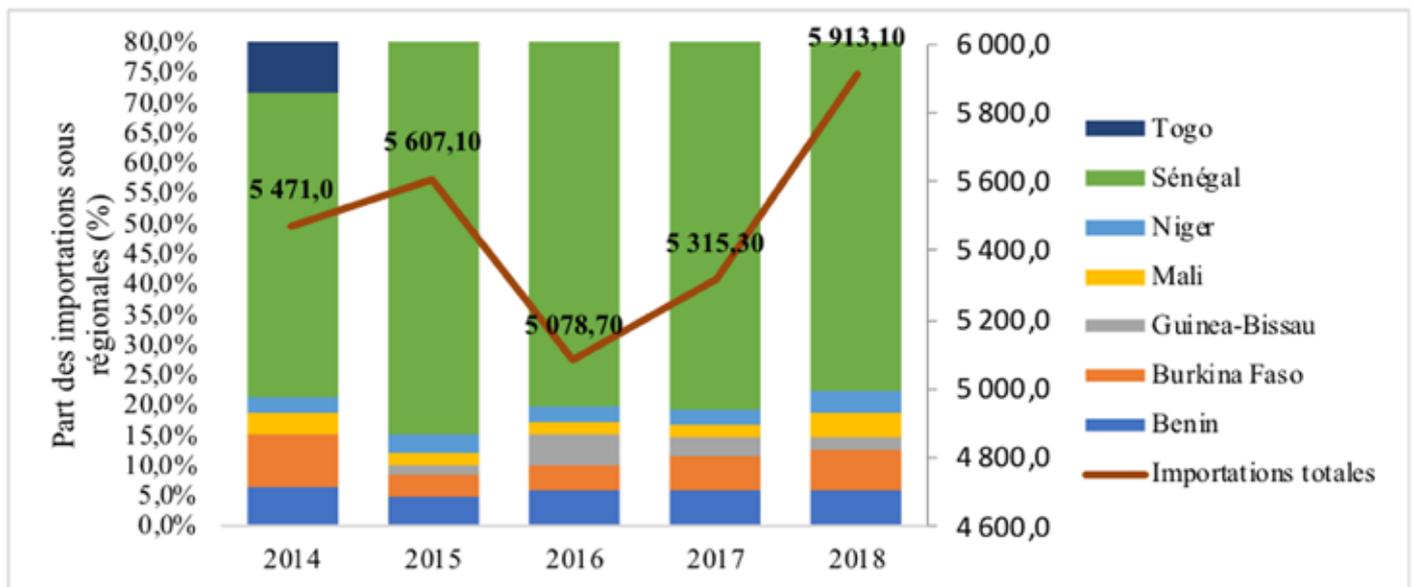


Source : BCEAO

Imports from other WAEMU countries have an upward phase between 2014 and 2017, but a decline is observed in 2018. The main suppliers from WAEMU are Senegal (67.6%) and Togo (12.6%), followed by Benin (6.0%), Burkina Faso (5.7%), Mali

(2.7%) and Guinea-Bissau (2.4%). As for Ivorian exports to Togo, the same effect is observed in the opposite direction, i.e. a decrease in the share of Togolese imports from 28.0 per cent in 2014 to 2.3 per cent in 2018.

Figure 7. Share of each WAEMU country in Côte d'Ivoire's imports



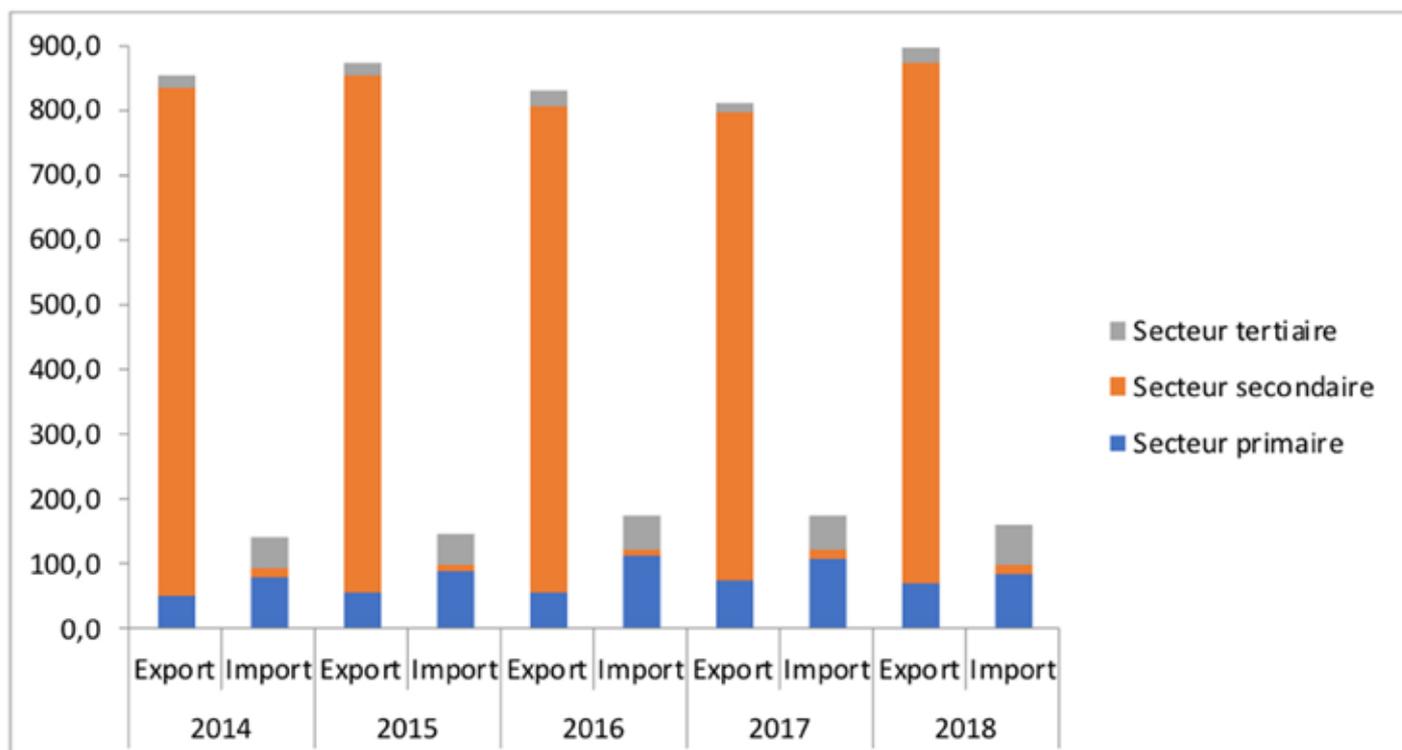
Source : BCEAO

5.2.4 Regional exchanges by type

Regional trade²³ by type of product from Côte d'Ivoire over the 2014-2018 period is dominated by exports by the secondary sector and imports by the primary sector. Trade in the services sector reveals a structurally loss-making intraregional services balance.

Indeed, data for 2018 reveal that Côte d'Ivoire exported more secondary sector products (notably petroleum products for CFA FRANCS 281 billion, plastics for CFA FRANCS 58.5 billion and palm oil for CFA FRANCS 68.8 billion) than primary sector products. On the other hand, it imported more food products at the regional level, notably fish for CFA FRANCS 49.7 billion in 2018.

Figure 8. Regional trade by sector



Source: BCEAO AND WAEMU

5.3 International Trade

5.3.1 Commercial policy

In view of its economic potential, particularly for exports, Côte d'Ivoire has continued its policy of encouraging domestic production for export. Thus, the primary goal of Ivorian trade policy is to increase market access for Ivorian products and services, particularly those incorporating greater local value added, so as to provide employment for Ivorians not only in agriculture, which is already highly export-oriented, but also in the agro-industrial processing and service industries.²⁴

With this in mind, Côte d'Ivoire adopted a document in 2015 specifying its National Export Strategy (NES). The NES specifically aims to diversify Ivorian

exports towards higher value-added products and new markets, and to bring production processes up to international standards. Another objective is to consolidate Côte d'Ivoire's position as a regional competitiveness hub within WAEMU and ECOWAS.

As far as trade policy is concerned, Côte d'Ivoire opted very early on for a liberal economy open to the whole world. To this end, it joined the GATT on 31 December 1963 and the WTO on 1 January 1995. It is also a member of several regional and international organizations (WAEMU), ECOWAS, ACP, etc.). Within these frameworks, it has signed trade agreements and arrangements.

Within the WTO, it has not signed any plurilateral agreements and none of the protocols and agreements concluded under the WTO until the adop-

²³ The data used for services relate only to tourism flows, the main component of receipts in trade in services (WAEMU), (UEMOA, 2018).

²⁴ This section draws heavily on the Report on the Trade Policy Review of WAEMU Countries (WTO, 2017).

tion in November 2014 of the new Trade Facilitation Agreement, which it ratified in December 2015. It has not been directly involved in any WTO dispute. With regard to trade negotiations and participation in the various WTO committees, Côte d'Ivoire in principle coordinates its positions with those of other WAEMU and ECOWAS member countries. In this context, Côte d'Ivoire is in favour of abolishing export subsidies on products that lead to the destruction of competing production structures in Côte d'Ivoire.

With regard to its relationship with the European Union (EU), the main destination for its international trade, the Cotonou Agreement continues to provide the general framework for economic cooperation between Côte d'Ivoire and the European Union. In replacement of some of its trade provisions, Côte d'Ivoire signed a "stepping stone Economic Partnership Agreement (EPA)" with the European Union in Abidjan on 26 November 2008, notified to the WTO on 11 December 2008. This interim arrangement, which entered into force in August 2016, allows Côte d'Ivoire to continue to have duty-free access for its products to EU markets.

Côte d'Ivoire has concluded other agreements and some 40 bilateral trade agreements.²⁵ These agree-

ments, tacitly renewed when they expire, do not include preferential trade clauses. It is a member of the International Rubber Agreement, the International Coffee Agreement and the International Cocoa Agreement. It is also a member of the Common Fund for Commodities Agreement, the Inter-African Coffee Organization, the Alliance of Cocoa Producing Countries, the African Timber Organization, the International Grains Agreement, the International Sugar Agreement and AGOA.²⁶

5.3.2 International trade by value and by destination

The evolution of trade by zone, over the 2014-2018 period, shows a continuation of the trends observed previously: continued exports to Europe and a breakthrough in Asia. Indeed, over the period, exports to Europe increased from CFA FRANCS 2,629.0 billion in 2014 to CFA FRANCS 2,773.2 billion in 2018, i.e. an annual increase of 1.3%. Exports to Asia rose from CFA FRANCS 909.1 billion to CFA FRANCS 1,303.4 billion, an increase of 9.4%, driven by exports to China which increased by 8.7% per annum over the same period. Nevertheless, in terms of market share, Africa occupies second place after Europe (44.7%) with an average share of 26.1% over the period, ahead of Asia (15.5%) and America (11.9%).

Table 36. Breakdown of exports by country

In billions of CFA FRANCS	2014	2015	2016	2017	2018
EXPORTS					
Europe	2 629,0	3 311,5	3 038,9	3 119	2 773,2
European Union	2 301,4	2 885,3	2 644,8	2 731,2	2 429,4
Euro Zone	2 084,5	2 620,2	2 384,5	2 437,2	2 172,5
France	432,5	377,1	371,0	406,1	380,2
Germany	270,8	426,2	324,4	358,4	417,3
Italy	185,1	169,2	174,9	155,0	134,5
Netherlands	641,6	843,6	745,0	874,2	748,0
Belgium	281,2	455,9	393,7	348,9	238,5

²⁵ See Report on the Trade Policy Review of WAEMU Countries (WTO, 2017).

²⁶ Since October 2011, Côte d'Ivoire has been eligible for the African Growth and Opportunity Act (AGOA) program. This is a trade law of the US Federal Government, which promotes access to the US market for products from some 40 African countries, including Côte d'Ivoire.

Others EU countries	216,9	265,1	260,4	294,0	256,9
United Kingdom	114,5	171,3	192,6	203,8	156,3
Others from Europe	327,5	426,2	394,0	387,8	343,8
Switzerland	202,4	271,8	192,6	203,8	156,3
Africa	2 037,0	1 903,7	1 623,0	1 561,4	1 537,6
Burkina	359,2	313,2	291,7	312,5	343,1
Mali	206,2	253,2	276,4	272,4	315,3
Senegal	74,6	69,4	71,8	68,0	65,1
Togo	115,3	142,7	120,8	66,7	65,1
Nigeria	369,7	279,7	113,9	85,9	106,8
Ghana	231,4	272,7	258,8	260,0	161,4
South Africa	161,6	189,1	190,2	227,3	191,3
America	805,4	746,9	830,0	923,7	639,7
USA	538,6	568,4	569,0	569,1	598,0
Canada	176,1	67,7	141,1	117,9	145,1
Asia	909,1	846,1	874,2	1 200,8	1 303,4
China	70,8	56,2	43,4	66,1	98,7
India	262,9	292,9	220,3	19,8	288,8
Other countries	92,3	70,7	53,0	68,0	98,7
TOTAL EXPORT	6 472,8	6 878,9	6 419,1	6 872,9	6 352,6

Source : BCEAO

In terms of imports, Europe is still in first place, providing 35.2 per cent of Côte d'Ivoire's supplies, of which 31.4 per cent are from the European Union.

Asia occupies second place with an average share of 31.4 per cent, followed by Africa (24.2 per cent) and America (7.4 per cent).

Table 37. Breakdown of imports by country

IMPORTS	2014	2015	2016	2017	2018
Europe	1 749,5	1 932,9	1 845,3	2 050,5	2 042,5
European Union	1 605,2	1 764,6	1 657,0	1 785,9	1 760,0
France	679,2	671,7	648,9	632,4	624,3
Germany	173,0	142,6	159,8	182,2	172,7
Italy	119,4	224,9	120,1	121,8	130,6
Netherlands	162,1	161,3	130,1	179,8	212,8
Other EU countries	185,5	212,8	202,7	203,1	211,1
United Kingdom	108,5	143,2	123,0	91,7	115,5
Africa	1 672,0	1 328,5	1 083,0	1 151,2	1 391,3
Nigéria	1 203,0	854,4	579,8	622,3	839,9
South Africa	68,4	61,5	66,9	61,9	67,1
Marocco	83,3	121,8	106,1	103,1	85,2
Amérique	442,8	430,9	365,9	334,3	471,2
USA	220,3	247,2	185,9	215,6	192,6
Asie	1 451,4	1 702,3	1 750,9	1 738,6	1 951,8
China	486,8	726,0	826,9	762,5	911,9
Japon	96,4	124,6	118,7	122,1	117,5
India	270,2	216,3	229,2	261,9	268,9
Thailand	118,9	135,9	156,3	153,9	140,9
Other countries	155,9	212,5	33,6	40,7	56,3
TOTAL IMPORTS	5 471,6	5 607,1	5 078,7	5 315,3	5 913,1

Source : BCEAO

5.3.3 International trade by value and by product

Over the period 2014-2018, Côte d'Ivoire's exports are dominated by seven products. These are cocoa beans (27.9 per cent), processed cocoa (12.7 per cent), petroleum products (10.7 per cent), cashew nuts (7.5 per cent), non-monetary gold (6.7 per cent), rubber (5.5 per cent) and crude oil (5.3 per cent). Between 2014 and 2018, they accounted for an average share of 76.2% of export earnings. Over the same period, exports had a constant trend closely linked to the volatility of cocoa prices on the world market.

With regard to the breakdown by product, the preponderance of eight products in Ivorian imports over the 2014-2018 period can be noted. These products are crude oil (14.9 per cent), mechanical machinery (8.4 per cent), refined petroleum products (7.0 per cent), semi-milled rice (5.6 per cent), iron, cast iron and steel products (5.4 per cent), fish (5.2 per cent), other consumer goods (4.6 per cent) and plastics (4.6 per cent). These products account for an average share of 55.6%.

Table 38. International trade by product

In billions of CFA FRANCS	2014	2015	2016	2017	2018
EXPORTS					
Cocoa beans	1 505,9	2 099,7	1 818,4	2 056,9	1 801,7
Cashew nuts	391,8	427,4	469,5	606,5	585,7
Caoutchouc	302,7	298,8	329,5	489,7	419,9
Crude Oil	322,5	322,2	345,5	363,2	392,3
No-monetary gold	347,6	447,0	484,8	489,9	444,1
Processed Cocoa	782,7	931,1	922,0	847,7	730,6
Petroleum Products	1 221,6	798,3	522,3	442,5	559,2
TOTAL	4 874,8	5 324,5	4 892,0	5 296,4	4 933,5
% of Total Exports	75,3%	77,4%	76,1%	77,1%	75,3%
TOTAL EXPORTS	6 472,6	6 879,0	6 427,1	6 872,9	6 552,6
IMPORTS					
Fishes	231,1	264,8	261,7	320,2	334,6
Semi-milled rice	216,4	289,0	307,2	327,2	383,2
Petroleum Products	383,7	356,4	264,4	453,2	458,1
Plastics	209,0	265,1	235,4	275,9	256,1
Other consumer goods	309,0	221,1	242,9	266,6	214,3
Crude Oil	1 292,6	879,5	607,2	471,9	859,8
Iron, Cast Iron and Steel	269,4	389,1	252,3	255,1	324,2
Mechanical machines	406,7	515,9	454,3	456,9	468,2
TOTAL	3 317,9	3 180,9	2 625,4	2 827,0	3 298,5
% of Total Imports	60,6%	56,7%	51,7%	53,2%	55,8%
TOTAL IMPORTS	5 471,7	5 607,1	5 078,6	5 315,4	5 913,1

Source : BCEAO

5.4 Foreign Direct Investment

5.4.1 FDI by country of origin

According to BCEAO estimates (2019)²⁷, foreign direct investment (FDI) flows would be CFA FRANCS 360.0 billion in 2019 (1.0% of GDP, base 2015), against CFA FRANCS 264.2 billion in 2018 (0.6%), CFA FRANCS 173.6 billion in 2017 and CFA FRANCS 283.8 billion in 2015 (1.0%). Traditionally, they have come mainly from Europe (56.8%), with France leading the way (48.8% over the period), followed by the United Kingdom, the Netherlands, and other European Union countries. But the source of FDI is increasingly expanding to other countries, particularly those in Asia (China and Singapore) and some African countries (Togo and Morocco).

In terms of FDI attractiveness policy, investments are governed by provisions from several sources, the main one being the Investment Code of 2018²⁸, which repealed the Investment Code of 2012.²⁹ The new Code is thus in line with the objective of transparency and investment attractiveness. However, the old Code remains applicable to companies benefiting from previous rights. Specific texts govern the two types of free zones. The Mining Code and the Petroleum Code govern investment in each of the areas concerned. Provisions of the CGI and the Customs Code also govern advantages or privileges granted to investors. Finally, agreements are also signed between the State and large investors, generally individual investors.

Table 39. Share of FDI by country of origin

Côte d'Ivoire Value (in billions of CFA FRANCS)	2014		2015		2016		2017		2018	
	Valeur	%								
Europe	125,1	57,7%	153,4	52,5%	221,8	64,8%	266,0	47,0%	195,7	56,8%
European Union	117,0	53,9%	154,2	52,8%	173,1	50,5%	192,2	34,0%	182,1	52,8%
France	89,2	41,1%	58,5	20,0%	63,8	18,6%	126,5	22,3%	109,8	31,9%
Netherlands	12,1	5,6%	20,4	7,0%	19,5	5,7%	12,9	2,3%	23,8	6,9%
Other EU countries	7,7	3,6%	12,7	4,3%	40,1	11,7%	-32,2	-5,7%	55,4	16,1%
United Kingdom	7,8	3,6%	13,3	4,6%	37,5	10,9%	-31,2	-5,5%	57,7	16,7%
Other from Europe	8,1	3,7%	12,7	4,3%	48,6	14,2%	73,8	13,0%	13,7	4,0%
Switzerland	6,9	3,2%	13,3	4,6%	13,0	3,8%	34,2	6,0%	12,5	3,6%
Africa	64,4	29,7%	59,2	20,3%	69,5	20,3%	136,5	24,1%	100,4	29,1%
Togo	12,1	5,6%	11,5	3,9%	8,1	2,4%	9,3	1,6%	20,6	6,0%
Marocco	1,4	0,6%	32,1	11,0%	12,3	3,6%	96,2	17,0%	23,0	6,7%
Amérique	5,7	2,6%	70,4	24,1%	-2,9	-0,8%	152,2	26,9%	39,5	11,5%
USA	1,4	0,6%	11,2	3,8%	1,7	0,5%	64,8	11,4%	12,7	3,7%
Canada	0,0	0,0%	35,8	12,3%	3,7	1,1%	96,6	17,1%	17,1	5,0%
Asia	16,9	7,8%	9,0	3,1%	39,1	11,4%	-3,7	-0,7%	45,5	13,2%
China	-0,3	-0,1%	-0,7	-0,2%	3,2	0,9%	16,3	2,9%	2,9	0,8%
Singapour	7,9	3,6%	2,9	1,0%	19,2	5,6%	13,6	2,4%	18,4	5,3%
TOTAL FDI	216,9		292,0		342,5		566,1		344,6	

Source : BCEAO

²⁷ BCEAO (2019), "Balance of Payments and International Investment Position, Côte d'Ivoire 2018".

²⁸ Decree n°2018-646 of 1 August 2018 on the Investment Code.

²⁹ Decree No. 2012-487 of 7 June 2012 on the Investment Code

In 2018, the main sectors of activity that were net beneficiaries of these inflows were manufacturing (30.1% of capital inflows), the financial sector (31.5%) and mining and quarrying (23.2%), respectively. They were followed by wholesale and retail trade (6.1%), construction (5.0%) and hotels and restaurants (3.7%).

5.5 Regional Integration

5.5.1 WAEMU convergence criteria

The WAEMU convergence criteria are made up of five criteria, three (3) of which are first-tier (budget balance over nominal GDP, average inflation rate and total public debt stock in relation to nominal GDP) and two (2) of which are second-tier (wage bill in relation to tax revenue and tax pressure).

Over the period 2016-2019, two first-tier criteria have been met. The average annual inflation rate remained structurally in line with the WAEMU community norm (less than or equal to 3%).

As regards total public debt stock³⁰, it stood at 36.2% of GDP in 2018, after 33.5% in 2017, in line with the Community norm (below 70%). In 2019, the ratio is projected at 38.6%³¹. According to the Ivorian authorities, the implementation of the debt strategy should keep this ratio well below the EU threshold of 70% over the period 2020-2021. Thus, it would rise from 40.4% in 2020 to 45.3% in 2021, taking into account the impact of COVID-19 according to the forecasts of the national services.

In contrast, the budget deficit stood at 2.9%, 3.3% and 2.9% of nominal GDP in 2016, 2017 and 2018 respectively. In 2019, it is expected to be 2.3% in line with the WAEMU community norm. On the other hand, this ratio is expected to be 5.1% in 2020 in line with the adverse effects of the COVID-19 pandemic before dropping to 3.0% in 2021.

Under the second-tier criteria, none of them should be met by 2021 despite a continuous improvement in performance (the ratio of the wage bill to tax revenue would be reduced to 35.5% in 2021 against 45.1% in 2015).

Table 40. WAEMU Convergence Criteria

Côte d'Ivoire	Norme	2015	2016	2017	2018	2019	2020	2021
First rank								
Budget balance /nominal GDP	≤ -3%	-2,0	-2,9	-3,3	-2,9	-2,3	-5,1	-3,0
Average annual inflation rate	≤ 3%	1,2	0,7	0,4	0,6	0,8	3,0	3,0
Total public debt outstanding as a percentage of nominal GDP	≤ 70%	29,2	31,7	33,5	36,2	38,6	40,4	45,3
Second rang								
Payroll/Tax revenue	≤ 35%	45,1	41,3	41,5	41,8	40,5	41,9	35,5
Tax pressure	≥ 20%	10,9	11,9	12,2	12,1	12,2	11,7	16,7

Source : WAEMU Commission, June 2020

5.5.2 State of affairs of regional integration

Trade relations with the African continent have taken place within the framework of economic integration zones. These integration zones facilitate the movement of people and goods. Côte d'Ivoire is a member of two integration institutions: the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States

(ECOWAS).

WAEMU brings together the eight West African countries that have the CFA FRANCS as their common currency. ECOWAS, which is larger than WAEMU, is made up of fifteen West African countries. However, WAEMU is at a more advanced stage of integration than ECOWAS. Indeed, WAEMU is a customs union with the existence and application of a Common Ex-

³⁰ Excluding the Debt Reduction and Development Agreement (C2D).

³¹ MPMBFE.

ternal Tariff (CET) since 2000. At the ECOWAS level, work on the establishment of a CET has been finalized and its application has been effective since January 2015.

Regional integration is a priority for the Ivorian authorities, who have made it a strategic priority in the 2016-2020 NDP³². Aware of what is at stake, they have planned the following actions:

- Strengthening the institutional and regulatory framework for managing regional integration;
- Strengthening the country's contribution to economic and monetary integration in Africa;

- Strengthening its participation in joint mechanisms for the prevention and management of conflicts and humanitarian crises;

Increased implementation of the national components of common sectoral policies through the creation of economic development poles, the interconnection of States' community infrastructures (energy, mines, roads, motorways, telecommunications, gas, etc.), the development of community sustainable development programmes (agriculture, environment, etc.) and cross-border cooperation and development programmes (following the example of the Special Economic Zone between Côte d'Ivoire, Burkina Faso and Mali).

32 Axis 5 Strengthening regional integration and international cooperation.

6.1 Business Climate

From 122nd place in 2018, the country has moved up 12 places to rank 110th in the world in 2020 (Doing Business 2020 Ranking).

Table 41. Indicators measured by the Doing business report

Indicator	Content	Metric	
Company creation	Procedures, time limits, costs and minimum capital contribution required to set up a limited liability company	Procedures (Number)	4
		Deadline (days)	6
		Cost (% 0 of per capita income (HPI))	2.7
Building permits	Procedures, deadlines and costs involved in carrying out all the formalities required to build a warehouse and quality control and safety devices in the system for obtaining a building permit	Deadline (days)	163
			5,9
		Construction Quality Control Index (0-15)	10

Electricity connection	Procedures, deadlines and costs for connection to the electricity grid, reliability of electricity supply and tariff transparency	Deadlines (days)	53
		Cost (%RHP)	2,1941
		Reliability of electricity supply and tariff transparency (0-8)	5
Property registration	Procedures, timelines and costs of land title transfer, and quality of the land administration system	Deadline (jours)	
		Cost (% value of property)	
		Earth Quality Index (0-30)	
Cross-border trade	Timelines and costs associated with exporting the product of comparative advantage and importing auto parts	Export cost (USD)	547
		Export deadline	26

Obtaining loans	Personal Property Pledging Laws and Credit Reporting System	Legal Rights Index (0-12)	
		Credit Information Quality Index (0-8)	
		Coverage of the public credit register (% of adults)	
		Private register coverage (% of adults)	
Investor protection	Rights of minority shareholders in related party transactions and in corporate governance	Disclosure Index information (0-10)	
		Index of the responsibility at the top (0-10)	
		Ease of use index for lawsuits by shareholders (0-10)	

Payment of taxes and duties	Payments, deadlines and total to be paid for a company that fully applies post-tax return legislation and procedures	Payment (number per year)	
		Deadline (hours per fiscal year)	
		Tax rates (% of profits)	
Contract enforcement	Delays and costs of settling a commercial dispute and quality of legal proceedings	Deadline (days)	
		Cost (% of claim)	
		Index relating to the quality of legal proceedings (0-18)	
Insolvency settlement	Delays, costs, outcomes and recovery rates in insolvency cases and the soundness of legislation in this area	Recovery rate (Hundredths of a U.S. dollar)	
		Period (years)	
		Index on the strength of the legal framework for insolvency (0-160)	

Source : Doing Business report 2020

According to the Doing Business 2020 report, Côte d'Ivoire has facilitated the payment of taxes by implementing an electronic payment system and introducing an online case management system to process value added tax cash refunds. Côte d'Ivoire facilitated contract enforcement by publishing reports on the performance of commercial courts and the status of cases.

The authorities intend to continue improving the business climate to support private sector-led growth. Over the past eight years, Côte d'Ivoire has made steady progress in reforming its business climate, as evidenced by its notable improvement in the World Bank's Doing Business ranking since 2012.

The digitization of tax and business services, reforms to strengthen contract enforcement, simplification of business procedures, clean-up of the energy sector and investment in transport have all contributed to these improvements.

The authorities are also laying the groundwork for projects to be implemented under the Compact with Africa.³³ Nevertheless, strong political will is still needed to maintain this momentum, particularly in the areas of governance, access to finance, logistics, digital connectivity and human capital.

Côte d'Ivoire is ranked 22nd out of 54 African countries in the Mo Ibrahim Index of African Governance (IIAG) for the year 2018. For the subcategory, Security and Rule of Law, Côte d'Ivoire is the only country to have recorded the greatest improvement in this area over the last ten years with a score of 59.4 (+15.4).

6.2 Financial Governance

The Economic and Financial Programme 2016-2019 supports the National Development Plan "NDP 2016-2020" which aims to make Côte d'Ivoire an emerging country and substantially reduce the poverty rate. It is structured around the following points:

- Consolidation of the soundness of the macroeconomic framework and the State's budgetary room for manoeuvre, particularly through increased tax revenue, rationalization of public

expenditure and control of public debt;

- Strengthening the consolidation and management of public finances, including the management of public enterprises;
- Strengthening of the business climate and development of the private sector;
- Further consolidation and development of the financial sector;
- Strengthening the statistical system.

6.3 Financial rating

Fitch Ratings' rating for Côte d'Ivoire in 2019 is maintained at B+ despite COVID-19. The revision of the rating from stable in 2015 to positive in 2019 reflects the resilience and stability of the economy, while the authorities' adherence to fiscal prudence has allowed general government debt to stabilize well below the current median "B" level over the medium term.

The government has made significant progress in strengthening public finances, business environment reforms and better regulation have led to a marked improvement in Côte d'Ivoire's ranking on the World Bank's governance indicators.

On 12 June 2020, following Ivory Coast's accession to the bilateral debt suspension initiative (ISSD), Moody's put the country's rating "under review for downgrading". This is not a downgrade, but a change of perspective. According to Moody's, in line with its rating approach, the review period will provide an opportunity to understand the importance of the statement in the ISSD term sheet that private sector creditors will be required to participate in the initiative on comparable terms. The review will assess whether Côte d'Ivoire's participation in this initiative will be effectively implemented without private sector involvement, in which case the rating will likely be confirmed at the current level. Côte d'Ivoire has officially declared that it will not participate in the private ISSD, and will therefore soon return to a stable outlook.

³³ Launched in 2017 by German Chancellor Angela Merkel, the Compact with Africa initiative aims to promote trade and encourage German companies to invest on the African continent

Table 42. Evolution of the sovereign rating of Côte d'Ivoire

Date	Agency	Rating	Perspectives
12 June 2020	Moody's	Ba3	Under review for degradation
12 November 2019	Moody's	B+	Positive
18 December 2015	Fitch Ratings	B+	Stable
05 November 2015	Moody's	Ba3	Stable
11 July 11 2014	Fitch Ratings	B	Positive
08 July 2014	Moody's	B1	Positive

Source : Trading economics

7.1 Budget

7.1.1 Expenditures and revenues

The implementation of the government finance situation from 2015 to 2018 took place in a context of consolidation of the economic and socio-political progress recorded since 2012. It was also in line with the objectives of the economic and financial programs supported by the resources of technical financial partners, notably the Extended Credit Facility (ECF) and the Extended Credit Facility Mechanism (ECFM) concluded with the IMF.³⁴

In this context, budget execution over the period 2015-2019 shows a continued improvement in revenue mobilization and a sustained increase in net expenditure and net lending due to the growing needs of the population. The evolution of the main items is presented below.

In terms of resources, Côte d'Ivoire's revenue and grants increased by an average of 6.8% per annum between 2015 and 2018, rising from CFA FRANCS 3,916.8 billion in 2015 to CFA FRANCS 4,764.1 billion in 2018. In 2019, resources are estimated at CFA FRANCS 5,158.4 billion, an increase of 8.3% over 2018. They are projected at CFA FRANCS 5,189.3

billion in 2020. The expected decline in 2020 would be linked to the taking into account of the health shock of COVID 19 on the Ivorian economy.

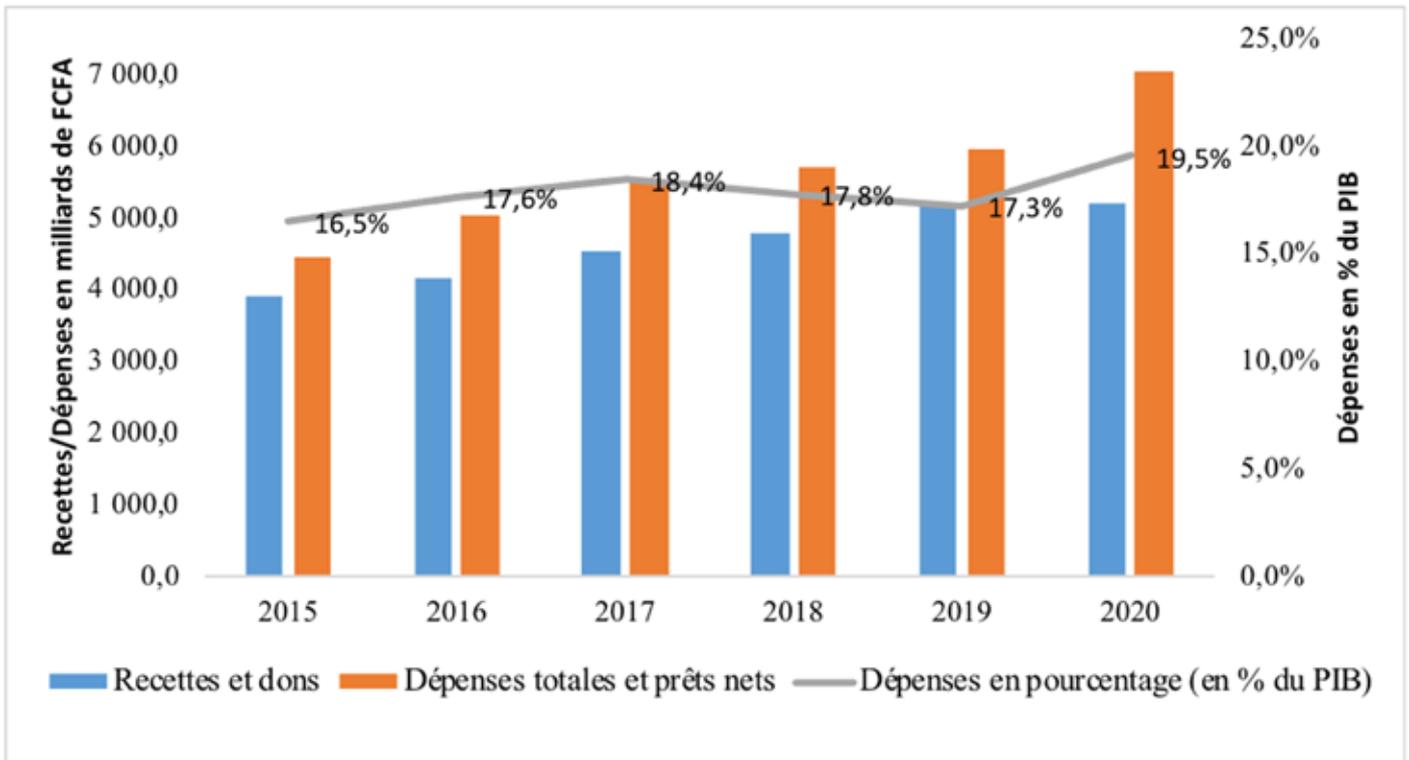
On the side of expenditure and net lending, the dynamics are contrasted. The level of expenditure was CFA FRANCS 5,521.8 billion in 2017 against CFA FRANCS 4,469.8 billion in 2015, an increase of CFA FRANCS 1,052.0 billion in absolute terms. This represents an average of 11.2 per cent per annum over the 2015-2017 sub-period against a moderate increase of 4.1 per cent over the 2018-2019 period. Net expenditures and loans would be estimated at CFA FRANCS 6,574.2 billion in 2020. This amount should increase to CFA FRANCS 7,044.4 billion in 2020³⁵, taking into account expenditure on the fight against COVID-19.

A comparison of resources (revenue and grants) and expenditure (including net lending) in Côte d'Ivoire shows a structural budget deficit. This deficit, which averaged CFA FRANCS 833.4 billion between 2014 and 2018, stood at CFA FRANCS 785.5 billion in 2019 and is expected to reach CFA FRANCS 1855.0 billion in 2020 (i.e. -5.1% of nominal GDP, calculated with the new base year 2015).

³⁴ On 6 December 2019, the Executive Board of the International Monetary Fund (IMF) completed the sixth review of the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements for Côte d'Ivoire and approved the request to extend IMF support until the end of 2020 and to increase the country's access to SDR 843.972 million (approximately US\$1,163.6 million, or 129.8 per cent of Côte d'Ivoire's quota). The completion of the sixth review allows for the immediate disbursement of SDR 96.784 million (approximately US\$ 133.4 million), bringing total disbursements under the agreements to SDR 650.4 million (approximately US\$ 896.7 million).

³⁵ Including expenditures related to the management of the Coronavirus (Response Plan and Economic Support Plan) for a total estimated amount of CFA FRANCS 445.5 billion in March 2020.

Figure 9. Evolution of budgetary expenditure and revenue in Côte d'Ivoire



Source : IMF / DGE / DEFPS

- **Detailed presentation of expenditure and revenue**

The evolution of expenditure and revenue over the period 2015-2020 is presented in the table below (in the Table of State Financial Operations perspective, TSFO). The main resource items are tax revenues (direct and indirect taxes), other revenues from earmarked taxes (e.g. VAT on electricity, etc.), nontax revenues (notably social security contributions) and donations.

Tax revenues occupy a preponderant share of total revenues and grants, with an average share of 81.1% over the period 2015-2019. This is followed by nontax revenues and donations at 13.1% and

5.6% respectively. The increase in resources observed between 2015-2018 would be entirely due to the increase in tax revenues (9.6%). On the other hand, the increase observed in 2019 would be the result of tax revenue (8.3%), non-tax revenue (6.7%) and grants (11.7%).

As for expenditure, it is dominated mainly by personnel expenditure (28.1%) and capital expenditure (27.0%). This is followed by operating expenditure (18.8%), subsidies and transfers (7.5%), domestic and external debt charges (7.6%) and social benefits (5.2%)³⁶. In particular, for the sub-period under consideration, capital expenditure was financed 64.6 per cent from internal resources and 35.4 per cent from external resources, including project grants.

³⁶ Units shown represent the average over the 2015-2019 sub-period.

Table 43. Table of the State's financial operations, 2015-2020

Côte d'Ivoire In billions of CFA francs	2015	2016	2017	2018	2019	2020
	Real	Real	Real	Real	Real	Est
Revenues and donations	3 916,8	4 176,6	4 523,4	4 764,1	5 158,4	5 189,3
Tax revenues	3 634,6	3 884,2	4 257,3	4 517,9	4 883,5	4 848,6
Tax revenues³⁷	2 954,9	3 352,6	3 660,8	3 882,4	4 205,4	4 220,0
Direct taxes	788,4	851,9	948,3	1 093,9	1 139,7	1 300,0
Of which oil and gas taxes	72,0	55,0	64,1	87,3	100,6	64,2
Indirect taxes	2 166,5	2 345,8	2 509,8	2 557,2	2 832,6	2 788,1
Other allocated tax revenues (DGI, DGD)	0,0	154,9	202,7	231,2	233,1	239,3
Non-tax revenues	679,8	531,6	596,5	635,6	678,1	628,6
Social security contributions	383,5	443,3	455,7	479,2	509,6	525,0
Other nontax revenues	296,2	88,3	140,7	156,4	168,5	103,6
Of which dividends	17,7	10,5	15,8	23,7	28,0	19,
Farm Recovery Program	0,0	38,9	0,0	0,0	0,0	0,0
Donations	282,2	253,5	266,1	246,2	274,9	340,7
Project grants	128,6	105,9	115,2	87,4	107,4	171,4
Program grants	153,6	147,6	150,9	158,7	167,5	169,3
Total expenditure and net lending³⁸	4 469,8	5 014,6	5 521,8	5 708,3	5 943,9	7 044,4
Primary expenditure³⁹	4 159,1	4 633,5	5 138,3	5 273,2	5 422,9	6 331,3
Current Expenditures	2 777,2	2 890,4	3 317,9	3 424,5	3 628,9	3 738,3
Staff	1 331,6	1 400,8	1 512,3	1 621,9	1 703,0	1 770,2
Social benefits	255,4	260,7	263,7	296,3	331,3	346,1
Grants and other transfers	414,7	385,8	430,1	403,7	431,1	362,1
Operating Expenditures	767,1	836,4	1 105,0	1 095,8	1 151,7	1 251,1
Targeted social spending	8,5	6,8	6,7	6,7	11,7	8,8
Expenses related to "Other Restricted Revenues"	0,0	138,4	202,7	231,2	233,1	239,3
Capital Expenditures	26,0	66,9	46,0	37,6	7,0	30,2
Security Expenses	108,7	129,4	44,9	32,6	54,3	113,1
Exceptional Expenses⁴⁰	13,2	20,9	4,0	0,9	0,0	541,4
Interest due	297,5	360,1	379,5	434,2	520,9	713,1
On domestic debt	145,3	183,2	203,6	206,1	221,7	261,7
On external debt	152,2	177,0	175,8	228,0	299,3	451,3
Capital expenditure	1 247,3	1 408,4	1 526,8	1 547,3	1 499,3	1 668,9
On domestic resources	783,7	1 031,4	873,7	871,2	952,5	803,3
From external resources	456,3	354,4	599,6	656,1	521,9	865,6

³⁷ Including assigned revenue and parafiscal charges.

³⁸ Including expenditure related to assigned taxes.

³⁹ Excluding interest and toxic waste but including net lending.

⁴⁰ Expenditure related to toxic waste management/EBOLA and expenditure related to Coronavirus management for the year 2020 (Response Plan and Economic Support Plan).

Net lending (lending - recoveries)	-0,2	0,0	0,0	0,0	0,0	0,0
Base primary balance⁴¹	-68,1	-394,9	-281,4	-99,2	-17,5	617,0
(In % of GDP)	-0,3%	-1,4%	-0,9%	-0,3%	-0,1%	-1,7%
Overall balance	-553,0	-837,9	-998,3	-944,2	-785,5	-1 855,0
Nominal GDP (in billions of CFA Francs)	27 086,2	28 423,9	29 955,0	32 063,0	34 447,0	36 044,0

Source : MEF / DGE/ DPPSE

7.1.2 General presentation of the budget by nature

Budgetary expenditure for the year 2019 amounted to CFA FRANCS 7 334.2 billion against CFA FRANCS 6 447.6 billion in 2017 and CFA FRANCS 6 756.4 billion in 2018. They are projected at CFA FRANCS 8,061.0 billion in 2020. The breakdown of expenditure by economic nature makes it possible to identify the following major items: public debt servicing (do-

mestic and external), ordinary expenditure, capital expenditure and other expenditure of the Treasury's Special Accounts. Thus, over the period 2017-2020, the structure of budget expenditure shows that ordinary expenditure (40.5%) is the highest, with a preponderance of personnel expenditure of 58.6%. This is followed by capital expenditure (28.8%), debt servicing expenditure (24.2%) and other expenditure on the Treasury's Special Accounts (7.1%).

Table 44. Major budget items by economic nature

Côte d'Ivoire (In billions of CFA francs)	2017		2018		2019		2020	
			Budget voted		Budget voted		Budget voted	
	Amount	%	Amount	%	Amount	%	Amount	%
Public debt	1 459,7	22,6%	1 547,3	22,9%	1 821,5	24,8%	2 137,1	26,5%
Domestic debt	884,2	13,7%	919,0	13,6%	1 062,4	14,5%	1 267,7	15,7%
External debt	575,5	8,9%	628,3	9,3%	759,1	10,4%	869,4	10,8%
Ordinary expenditure	2 691,0	41,7%	2 737,9	40,5%	2 877,6	39,2%	3 063,9	38,0%
Subscription	90,6	1,4%	97,9	1,4%	104,1	1,4%	110,2	1,4%
Staff	1 512,2	23,5%	1 635,4	24,2%	1 720,8	23,5%	1 770,1	22,0%
Other operating expenses	1 088,2	16,9%	1 004,6	14,9%	1 052,7	14,4%	1 183,6	14,7%
Capital expenditure	1 865,9	28,9%	1 997,2	29,6%	2 095,1	28,6%	2 281,7	28,3%
From internal resources (Treasury)	940,3	14,6%	1 081,1	16,0%	1 154,9	15,7%	1 113,5	13,8%
On external resources	925,6	14,4%	916,1	13,6%	940,2	12,8%	1 168,2	14,5%
Project loans	681,3	10,6%	755,8	11,2%	780,4	10,6%	977,8	12,1%
Project grants	244,3	3,8%	160,3	2,4%	159,8	2,2%	190,4	2,4%

⁴¹ Income (without grants) minus expenditure (without interest and investments financed from external resources)

Other Special Treasury Account Expenditures	431,0	6,7%	474,0	7,0%	540,0	7,4%	578,3	7,2%
TOTAL BUDGETARY EXPENDITURE	6 447,6	100,0%	6 756,4	100,0%	7 334,2	100,0%	8 061,0	100,0%

Source : SSPMBSP / DGBF

7.1.3 General presentation of the budget by function

Over the 2017-2019 sub-period, the sectoral allocation of budget expenditure (functional approach), excluding public debt, shows a predominance of allocations to education (24.6%), general government services (22.8%), economic infrastructure (21.5%), followed by economic affairs (7.4%), health (6.8%), and defence (6.4%).

The rest of the sectors have a share of less than 5.0%. This policy of allocating expenditure, mainly to growth-enhancing sectors, is in line with the Government's commitment to maintain strong and sustained growth and to make it inclusive through a major government social programme.

Table 45. Evolution of budgetary expenditure excluding public debt by major function in Côte d'Ivoire (2018-2021)

Value (in billions CFA FRANCS)	Budget		Budget		Budget		Budget project	
	2017		2018		2019		2020	
	Vale	%	Vale	%	Vale	%	Vale	%
General Government Services	1 163,30	24,6	1 093,00	21	1 266,00	23	1 182,50	20
Defence	327,6	6,9	336,6	6,5	334,4	6,1	360,7	6,1
Public order and security	210	4,4	234,7	4,5	256,8	4,7	256,5	4,3
Economic Affairs	332,8	7	403	7,7	417,2	7,6	447,6	7,6
Protection of the environment	72,1	1,5	79,4	1,5	133,7	2,4	214,5	3,6
Community facilities (Economic infrastructures)	925,3	19,6	1 217,50	23,4	1 190,50	21,6	1 308,50	22,1
Health	329,8	7	345,2	6,6	372,4	6,8	388,7	6,6
Entertainment, culture and worship	143,5	3	162,5	3,1	136,5	2,5	199,4	3,4
Education	1 176,20	24,9	1 283,90	24,6	1 341,30	24,3	1 473,50	24,9
Social protection	52,1	1,1	53,2	1	64,2	1,2	79,4	1,3
TOTAL	4 732,70	100	5 209,00	100	5513,00	100	5 911,30	100
Public debt	1 973,40		1 547,30		1 821,40		2 137,10	
TOTAL (including public debt)	6 706,10		6 756,30		7334,40		8 048,40	

Source : SSPMBSP / DGBF

The table below gives an indication of the detailed distribution of social expenditure (education and health) for the years 2018 and 2019. For the education sector, staff costs, subsidies to private schools and capital expenditure are the most important items in the allocations. In view of the dynamics observed between 2018 and 2019, the Ivorian authorities' assumed choice would be in favour of investment expenditure, whose share in education expenditure

has increased from 10.2 per cent to 11.3 per cent. Indeed, the efforts made in the area of educational infrastructure are aimed at continuing the reform of national education to make operational the measure of compulsory schooling for children aged 6 to 16 years and at implementing programmes aimed at ensuring the availability of quality, well-educated, well-trained and productive human resources.

Table 46. Detailed breakdown of social expenditure (Education and health)

Côte d'Ivoire (In billions of CFA FRANCS)	2018		2019	
	Amount	%	Amount	%
EDUCATION EXPENDITURE	1 246,8	100,0%	1 299,3	100,0%
Current Expenditures	1 099,2	88,2%	1 128,2	86,8%
Central Administration	855,8	68,6%	891,2	68,6%
Staff	831,4	66,7%	866,8	66,7%
Subscription	11,2	0,9%	12,2	0,9%
Other Central Administrations	13,2	1,1%	12,2	0,9%
Educational structures (excluding staff)	243,4	19,5%	237,0	18,2%
Grants to private schools	128,1	10,3%	129,1	9,9%
School Kits	14,0	1,1%	12,0	0,9%
Scholarships	25,6	2,1%	27,1	2,1%
Transfers to National Public Establishments	31,9	2,6%	29,5	2,3%
Public Schools	43,8	3,5%	39,3	3,0%
Capital expenditure	127,1	10,2%	146,5	11,3%
Construction and equipment ⁴²	127,1	10,2%	146,5	11,3%
Special Accounts	20,5	1,6%	24,6	1,9%
HEALTH EXPENSES	354,5	100,0%	382,5	100,0%
Current Expenditures	237,6	67,0%	253,8	66,4%
Central Administration	196,5	55,4%	211,5	55,3%
Staff	161,8	45,6%	175,0	45,8%
Subscription	8,4	2,4%	10,1	2,6%
Other Central Administrations	26,3	7,4%	26,4	6,9%
Sanitary structures (excluding staff)	41,1	11,6%	42,3	11,1%
Primary and secondary level	9,9	2,8%	11,4	3,0%
Tertiary level	13,0	3,7%	14,3	3,7%
Quaternary level	15,5	4,4%	15,1	3,9%
Other Central Administrations	2,7	0,8%	1,5	0,4%

⁴² Including educational kits and school canteens.

Capital expenditure	116,1	32,8%	127,6	33,4%
Central Administration	0,2	0,1%	0,2	0,1%
Construction and equipment ⁴³	115,9	32,7%	127,4	33,3%
Special Accounts	0,8	0,2%	1,1	0,3%
TOTAL SOCIAL SPENDING	1 601,3		1 681,8	

Source : SSPMBSP / DGBF

7.2 Tax policies

7.2.1 General budget revenue broken down by source

Budget revenue consists of tax and non-tax revenue. However, it is tax revenues that constitute the main source of income for the State. They have increased significantly over the period 2017-2019. Indeed, they rose from CFA FRANCS 3 077.8 billion in 2017 to CFA FRANCS 3 669.1 billion in 2019 and are expected to reach CFA FRANCS 3 940.8 billion in 2020. In the State budget, door taxation (taxes

on imports and exports) is predominant, but also domestic taxes (VAT, taxes on profits and taxes on income and wages).

Overall, over the period 2017-2019, door-to-door taxation, which remains significant in the state budget, will see its share decline to the detriment of domestic taxation, dropping from 46.7% in 2017 and 42.9% in 2019, a drop of 3.8 points. This trend, if it continues, is a positive development that would bring the tax system in line with the policies of structural transformation in favour of industrialisation.

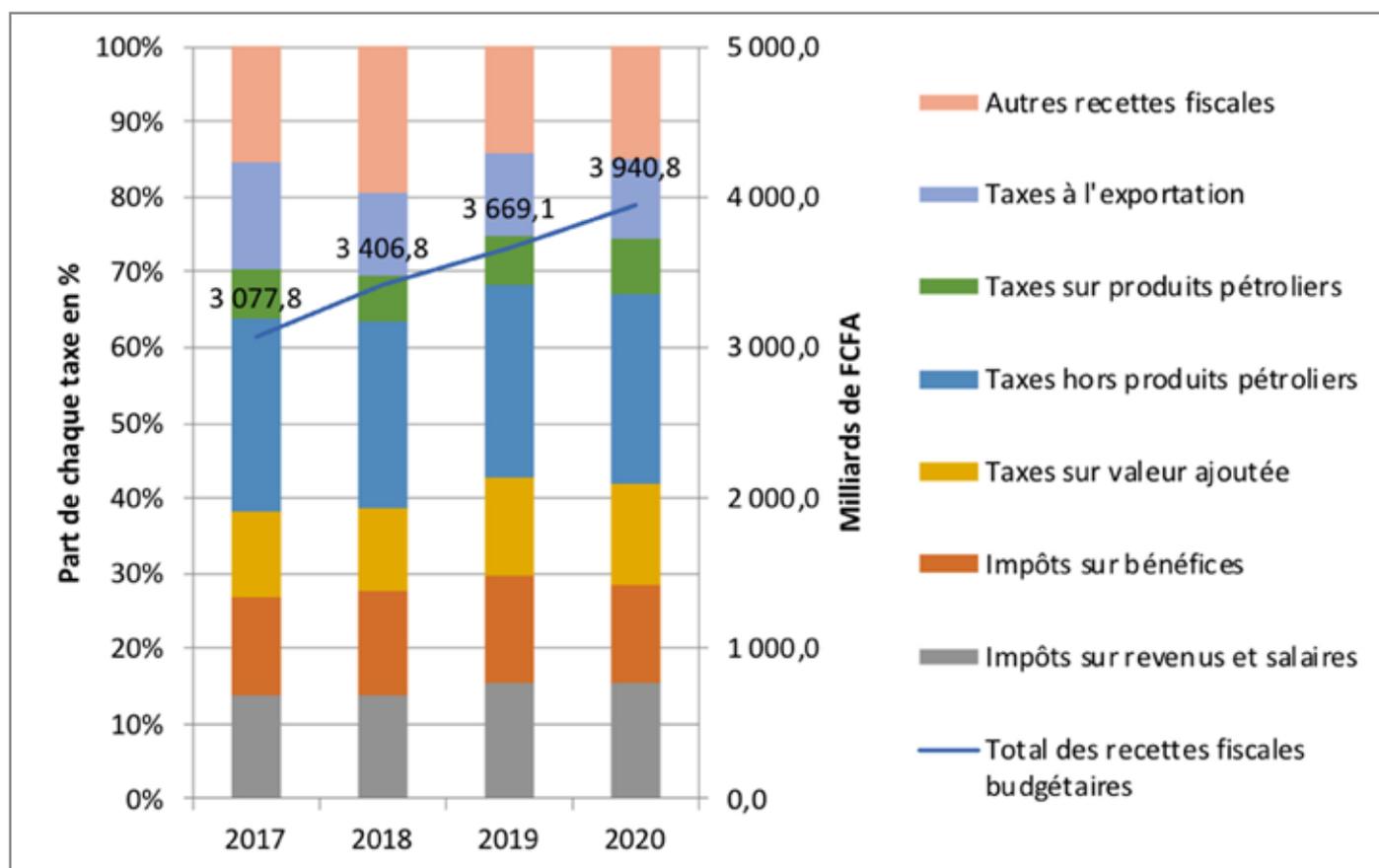
Table 47. General budget revenue by type of tax

Côte d'Ivoire (In billion of CFA FRANCS)	2017		2018		2019		2020	
	Value	%	Value	%	Value	%	Value	%
Total Tax revenues	3 077,8	100,0%	3 406,8	100,0%	3 669,1	100,0%	3 940,8	100,0%
Income Taxes	393,9	12,8%	462,4	13,6%	520,4	14,2%	509,3	12,9%
Income and wage taxes	430,5	14,0%	475,9	14,0%	565,3	15,4%	605,6	15,4%
Value Added Taxes	347,0	11,3%	384,3	11,3%	484,4	13,2%	533,9	13,5%
Taxes excluding petroleum products	789,2	25,6%	844,1	24,8%	942,2	25,7%	993,6	25,2%
Taxes on petroleum products	202,8	6,6%	201,3	5,9%	229,4	6,3%	289,6	7,3%
Export taxes	445,6	14,5%	380,8	11,2%	402,1	11,0%	419,2	10,6%
Other tax revenues	468,8	15,2%	658,0	19,3%	525,3	14,3%	589,6	15,0%

Source : LFI 2020

⁴³ Including educational kits and school canteens

Figure 10. General budget revenue by source



Source : SSPMBSP (Annex 2, DPBEP, 2020-2020)

7.2.2 General government revenues such as health, unemployment and pensions

Social security agencies participate in the mobilization of State financial resources from non-tax revenue (73.4 per cent of non-tax revenue and 1.5 per

cent of GDP on average over the period 2015-2019). According to public accounts, in terms of social security contributions, CFA FRANCS 509.6 billion was mobilized in 2019 against CFA FRANCS 383.5 billion in 2015.

Table 48. Evolution of social security contributions in the Ivorian TOFE

	2015	2016	2017	2018	2019	2020
(In billions of CFA FRANCS)	Real	Real	Real	Real	Real	Proj
Non-tax revenues	679,8	531,6	596,5	635,6	678,1	628,6
Social security contribution	383,5	443,3	455,7	479,2	509,6	525,0
% of Total Non-Tax Revenue	56,4%	83,4%	76,4%	75,4%	75,2%	83,5%
% of GDP	1,4%	1,6%	1,5%	1,5%	1,5%	1,5%
Nominal GDP (Basis 2015)	27086,2	28423,9	29955,0	32063,0	34 447,0	36 044,0

Source : MEF / DGE / DEFPS

In Côte d'Ivoire, social security is provided by three (03) social welfare institutions⁴⁴: the General Retirement Fund for State Employees (GRFSE), the National Social Welfare Fund (NSWF) and the National

Health Insurance Fund (IPS-NHIF), the youngest of the three institutions.

The Institution of Providence Social Welfare-General

⁴⁴ Source : MPMBFE

Retirement Fund for State Employees (GRFSE) was created by the decree n°2012-367 of April 18, 2012 as modified by the Order n°2017-107 and the decree n°2017-108 of February 15, 2017. Its purpose is to manage, for the benefit of beneficiaries, compulsory pension schemes, supplementary or special, compulsory or voluntary pension schemes, the collection of contributions and the management of funds collected under the various schemes. It collects contributions and subsidies levied on State personnel and structures in order to ensure the regular financing of retirement pensions, but also to offer its beneficiaries various benefits authorized by the management of contribution surpluses.

The National Social Security Fund (NSWF) was established by Decree No. 2000-487 of 12 July 2000 to manage the compulsory social security scheme for the private sector and similar institutions. It also operates in the field of health and social action. As such, a programme contract with the State of Côte d'Ivoire, revised every three (03) years, sets the orientations and objectives of the institution based on the requirements of clients and in accordance with legal

and regulatory requirements.

Finally, the commitment made by the State of Côte d'Ivoire to guarantee equal access to health care to the population residing on the national territory was given concrete form by the passing of Law No. 2014-131 of 24 March 2014 establishing Universal Health Coverage (UHC⁴⁵) and the creation of the Social Welfare Institution called the National Health Insurance Fund, abbreviated to SWI-NHIF, by Decree No. 2014-395 of 25 June 2014. The latter is in charge of managing and servicing the benefits and collecting contributions relating to the introduction of Universal Health Coverage (UHC).

The resources of these allocation funds are mainly made up of workers' contributions, calculated on a capped gross salary. The table below presents the financial situation of the GRFSE and the NSWF over the period 2016-2021. In particular, over the sub-period 2016-2019, the two structures (GRFSE and NSWF) collected CFA FRANCS 495.8 billion in social security contributions and achieved an average net result of CFA FRANCS 130.0 billion.

Table 49. Evolution of resources of social security institutions in Côte d'Ivoire, 2016-2021

(In billions of CFA FRANCS)	2016	2017	2018	2019	2020	2021
	Réal	Réal	Prov	Est.	Proj	Proj
IPS-CGRAE						
Products	200,3	214,1	379,2	229,9	237,5	245,4
Revenues (C contributions)	193,8	210,2	219,1	226,8	234,4	242,3
Other products	5,1	1,7	157,8	1,1	1,1	1,1
Financial products	1,4	2,2	2,3	2,0	2,0	2,0
Charges	161,2	159,9	315,2	207,3	218,6	230,7
Expenses (P Benefits)	134,4	130,7	141,3	177,8	188,4	199,7
Operating load	26,8	29,2	173,9	29,5	30,2	31,0
Technical balance (C-P)	59,4	79,5	77,8	49,0	46,0	42,6
Net Income	39,1	54,2	64,0	22,6	18,9	14,7
IPS-CNPS						
Products	269	298,0	317,5	338,9	361,6	386,0

⁴⁵ Universal health coverage was instituted by Law No. 2014-131 of March 24, 2014. Since September 2015, CMU has been compulsory for all people residing in Côte d'Ivoire.

Technical income (contributions and surcharges for late payment C)	251,1	278,8	291,5	311,9	333,7	357,1
Other products	11,4	12,8	18,7	19,3	19,8	20,4
Financial products	6,9	6,4	7,3	7,7	8,1	8,5
Charges	192,3	216,8	231,8	242,7	254,3	266,5
Technical expenses (social benefits P)	127,8	136,1	141,2	146,8	152,7	158,8
Operating load	37,3	44,0	36,6	40,3	44,3	48,7
Other expenses	27,2	36,7	54,0	55,6	57,3	59,0
Technical balance (C-P)	123,3	142,7	150,3	165,1	181,0	198,3
Net Income	77,1	81,2	85,7	96,2	107,3	119,5
Total Contribution	444,9	489,0	510,6	538,7	568,1	599,4
Total Surplus	116,2	135,4	149,7	118,8	126,2	134,2

Source : MPMBPE

7.2.3 Presentation of new tax measures recently passed or under discussion and in the process of being passed

The Ivorian tax system has undergone several changes in recent years. Reforms have been carried out on the basis of strategic choices linked in particular to the objectives of macroeconomic stability, structural transformation of the economy and growth, but also in the context of the transposition of certain Community provisions, in particular those of the WAEMU, and compliance with commitments made to development partners (European Union, International Monetary Fund, World Bank, etc.).

Thus, the measures contained in the Fiscal Annex 2019 are of five types:

- Business support measures ;
- Measures to strengthen the State's resources;
- Measures of a social nature;
- Measures to rationalize and modernize the tax system;
- Technical measures.

Specifically, as part of the measures to support businesses in the 2019 management, it has been proposed to reduce the rate of the levy from 2.5% to

1.5% for rubber and pineapple products, over the period from 2019 to 2021 (Article 3 of the 2019 tax schedule). The purpose of this amendment was to help these products overcome the difficulties resulting from fluctuations in world prices, while encouraging them to relaunch their investments. The budgetary cost of this measure is estimated at CFA FRANCS 40.8 million.

As part of the measures to strengthen State resources, the rate of excise duty on tobacco has been adjusted (Article 10). This adjustment is part of the gradual implementation of Directive n°01/2017/CM/WAEMU of 27 December 2017 on excise duties applicable to tobacco. To this end, it has been proposed to increase the current rate of 36%⁴⁶ by one percentage point to 37% as of the entry into force of the 2019 tax annex. This rate had been reduced in 2018 from 38% to 36%. The expected budgetary gain from this measure was estimated at CFA FRANCS 900 million.

As part of the rationalization of the tax system, one measure concerned the adjustment of the personal income tax rate (Article 8). Thus, it was proposed to raise the rate of tax on industrial and commercial profits and tax on non-commercial profits applicable to personal profits to 25% as against 20% previously.

⁴⁶ The decree n°2018-145 of February 14, 2018 relating to the development of the tax schedule had reduced from 38% to 36%, the single rate of excise duty applicable to tobacco.

This change follows the proposal to suspend the general personal income tax return. The expected budgetary gain is estimated at CFA FRANCS 2.2 billion.

As part of the modernization of the tax system, the 2005 tax schedule introduced the standardized invoice to ensure traceability and better organization of commercial transactions. Annex 2019 goes further by instituting electronic invoicing (Article 15) through the transmission of all information related to commercial transactions carried out using electronic payment terminals (TIPE) linked to a central server located within the Directorate General of Taxes (DGT). The objective of the electronic tax declaration is also to ensure the transition from the standard invoice to an electronic declaration system. The expected revenue from this measure is estimated at CFA FRANCS 3.0 billion.

7.3 Finance bill

The year 2020 is a special year in the history of public finance management in Côte d'Ivoire. Indeed, it marks the changeover to programme budget mode,

thus materializing the effective implementation of the second generation of public finance management reforms initiated by WAEMU.

Unlike the traditional method of means-based budgeting, this reform favours a medium-term programmatic budgeting approach, associated with results objectives with a reference framework for their evaluation. It is according to this new approach that the draft 2020 budget has been drawn up.

In the Initial Finance Bill (IFB) 2020, the draft budget balances resources and charges at CFA FRANCS 8061.0 billion with an increase of CFA FRANCS 726.7 billion in absolute terms and 9.9% in relative terms compared to the 2019 budget which was CFA FRANCS 7,334.3 billion. It should be financed essentially by domestic resources to the tune of CFA FRANCS 6,401.7 billion (79.4%).

The draft budget for 2020 is composed of budgetary revenue and expenditure, cash revenue and expenditure, and revenue and expenditure from the Special Treasury Accounts.⁴⁷

Table 50. Framework for balancing the draft Budget 2020

LIBELLE	AMOUNT	LIBELLE	AMOUNT
GENERAL BUDGET			
Budgetary revenue (I)	4 379,5	Budgetary expenditures (II)	5 807,1
Tax revenues	3 940,8	Ordinary expenditure	3 706,8
Non Tax revenues	79,0	Financial burden of the public debt	643,0
Grants	359,7	Staff	1 770,1
Program grants	169,3	Procurement of goods and services	747,9
Project grants	190,4	Current transfers	545,8
		Capital Expenditures	2 100,3
		On Treasury funding	932,1
		On external funding	1 168,2
Central government budget balance (I-II)	-1 427,6		
Basic budget balance⁴⁸	-619,2		
Treasury revenue (III)	2 921,8	Treasury expenditure (IV)	1 494,1

⁴⁷ See Article 1 of the Draft Initial Finance Law (IFL) on the State Budget for the year 2020.

⁴⁸ Basic budget balance as defined in the convergence, stability, growth and solidarity pact among WAEMU member states.

Proceeds from disposal of assets	126,3	Repayments of domestic loans	1 015,1
Proceeds from the repayment of on-lent loans	1,5	Repayment of external loans	479,0
Proceeds from short-, medium- and long-term loans	2 794,0		
Domestic money and capital market borrowing	1 494,4		
Project loans	977,8		
Loans Programs	321,8		
Treasury balance (III)-(IV)	1 427,7		
Total resources of the General Budget (I)+(III)	7 301,3	Total expenditure of the General Budget (II)+(IV)	7 301,3
SPECIAL TREASURY ACCOUNTS (STC)			
Revenue from Special Assignment Accounts	759,7	Expenditure from Special Assignment Accounts	759,7
Revenues from Loan Back Accounts	1,5	Transfer of revenue from on-lending to treasury resources	1,5
Total receipts from Special Treasury Accounts (V)	761,2	Total Special Treasury Account Expenditures (VI)	761,2
Correction for double counting of revenue (VII)	-1,5	Correction for double counting of revenue (VIII)	-1,5
TOTAL STATE BUDGET RESOURCES (I)+(III)+(VII)+(VIII)	8 061,0	TOTAL STATE BUDGET EXPENDITURE (II)+(IV)+(VI)+(VII)	8 061,0

Source : SSPMBSP / DGBE

Budgetary revenue is programmed at CFA FRANCS 3 940.8 billion against CFA FRANCS 4 066.4 billion in 2019, an increase of CFA FRANCS 313.1 billion in absolute terms and 7.7% in relative terms. Budgetary expenditure amounted to CFA FRANCS 5,802.2 billion in 2020 against CFA FRANCS 5,317.4 billion in 2019, i.e. an increase of CFA FRANCS 489.8 billion. The balance of budgetary revenue and expenditure is in deficit of CFA FRANCS 1 427.7 billion, which should be financed by the surplus balance of cash resources. In fact, cash resources forecasts amount to CFA FRANCS 2 921.8 billion against CFA FRANCS 1 494.1 billion for cash expenditures, i.e. a surplus balance of CFA FRANCS 1 427.7 billion equivalent to the expected financing of the budget balance.

Within the framework of the implementation of the draft budget for 2020, a series of tax reforms are planned, including measures to support businesses, strengthen the State's resources, rationalize the tax system and technical measures.

For your information, two tax measures will be developed. These are tax measures in favour of the pharmaceutical industry (Article 4) and the abolition of the flat-rate minimum tax (Article 7) of the BIA 2020.

With regard to the pharmaceutical industry, Côte d'Ivoire currently has only five (5) units of this type, which cover less than 10% of his needs. Thus, in order to facilitate the installation of pharmaceutical production units, the fiscal annex 2020 proposes to exempt from customs duties and VAT, equipment, materials and tools with their necessary spare parts, in case of investments for the production of medicines. The benefit of this measure does not exclude the application of the more favourable provisions of the Investment Code.

As part of the measures to support enterprises, the current tax system provides for a flat-rate minimum tax (FMT) on profits to be paid by enterprises that have a loss in a given financial year or whose tax on profits is lower than the FMT. However, this tax is considered uneconomic by the private sector, insofar as it has to be paid by companies even though they make little or no profit. This is likely to increase their costs and accentuate the difficulties they are experiencing. This concern of the sector is being studied with a view to reforming the FMT. Pending the conclusions of these studies, the Fiscal Annex 2020 proposes to suspend the obligation to pay this tax until 31 December 2020.

Côte d'Ivoire has emerged from its political and military crisis of 2002-2011. If it is to achieve emerging economy status, continued improvements in the country's social cohesion and stability are needed. After four years of implementation of the 2012-2015 NDP, peace has returned, social cohesion has been strengthened and the economy has grown strongly since 2012, with an average real GDP growth rate of 9.2 per cent from 2012 to 2015 according to the country's authorities.

The significant progress towards stabilization of the security and socio-political situation in the country led the United Nations Security Council in April 2014 to partially lift the weapons embargo on Côte d'Ivoire and definitively end the sanctions imposed in 2005 on diamond imports from Côte d'Ivoire. The UN Security Council completely lifted the arms embargo imposed on Côte d'Ivoire in April 2016. On 30 June 2017, UNOCI definitively completed its mandate and withdrew from Côte d'Ivoire.

8.1 Political and security risks

8.1.1 Election-related risks

Significant political progress has been made since 2011. The peaceful organisation of the referendum in favour of constitutional reform and of the presidential, legislative, senatorial and municipal elections thus reflects the return of stability. More recently, actions in favour of national reconciliation have been welcomed with the presidential pardon granted to several prisoners, including some opposition leaders. However, the erosion of the ruling coalition until 2018 and the pressure for reform of the Independent Electoral Commission (IEC) are concerns that the Government should address in order to strengthen social stability and consolidate democracy.

The forthcoming presidential elections in October 2020 and the expected succession of President Ouattara after the end of his second term will also need to be competently managed to avoid any negative impact on the current positive economic and political trajectory. Failure to effectively restore sus-

tainable cohesion and reconciliation through more inclusive growth, poverty reduction and stronger institutions, or to maintain political stability, may undermine the country's ability to realize its full economic potential, which may negatively affect Côte d'Ivoire's ability to meet its obligations, attract private and foreign sector investment and may in turn lead to lower than expected economic growth under the 2016-2020 NDP.

8.1.2 Internal Security Risks

The Government's progress in stabilizing the security and socio-political situation led the United Nations Security Council in April 2014 to partially lift the arms embargo and end the sanctions imposed in 2005 on diamond exports. In the pursuit of internal security efforts (disarmament, demobilization and reintegration of ex-combatants), the fight against trafficking in small arms and light weapons remains a concern.

The post-electoral crisis of 2011 and the subregional instability linked to the presence of armed groups in Mali, Burkina Faso and Nigeria have facilitated the proliferation and illicit circulation of these weapons. In order to contain this security threat, the Ivorian authorities have set up the National Commission to Combat the Illicit Proliferation and Circulation of SALW (ComNat-CI), with the support of ECOSAP, UNDP and the Small Arms Survey. In addition, sporadic violence and mutinies by ex-combatants demanding payments have been recorded and remain detrimental to internal stability, even though the Government is making efforts under the military programming law.

Defence and security have been a priority for President Ouattara's government since he came to power in 2011. The 2019 budget allocated CFA FRANCS 620.4 billion to defence and security expenditure, compared to CFA FRANCS 584.8 billion in 2018, including CFA FRANCS 263.4 billion for the armed forces, CFA FRANCS 76.0 billion for the gendarmerie and CFA FRANCS 175.7 billion for the police, as part of the implementation of the Military Planning Law and the Internal Security Planning

Law promulgated on 13 January 2016. The country remains very alert to other threats, including crises in some neighbouring countries such as Mali and recurrent national or regional terrorist attacks (including in Burkina Faso in March 2018 and September 2019).

8.2 Social risks

Demonstrations by ex-combatants and socio-professional groups demanding payments or salary advances are major risks.

Aware of this situation, the government has initiated measures to increase salaries in 2014 and to pay ex-combatants' salaries and wages in 2017 without compromising the proper implementation of the economic and financial programme. With a view to preventing socio-professional unrest, the Government has taken measures to consolidate social peace and national cohesion. These include the signing of a memorandum of understanding for a social truce, the Government's commitment to improve the living and working conditions of civil servants through various measures, including the payment of the stock of arrears of advances to civil servants estimated at CFA FRANCS 249.6 billion from 2018. 70 per cent of the amount is expected to be paid between 2018 and 2022 and 30 per cent, payable over the period 2023-2025.

8.3 Macroeconomic risks

8.3.1 Trends in international commodity prices

The heavy dependence on exportable agricultural products makes the Ivorian economy vulnerable to fluctuations in world agricultural commodity prices and climatic conditions. Revenues from coffee, cocoa, oil and gas products account for 27% of budget tax revenues (SEPMBPE). The average prices of the main export products⁴⁹, calculated on the basis of data for the last six months (November 2019 - April 2020), are as follows: US\$1,375/tonne of cashew nuts (CIF), 2.2 euro/kg of cocoa beans, 1.4 euro/kg of robusta coffee, 1.41 euro/kg of rubber and 540.0 euro/metric tonne of palm oil.

A downward fluctuation in the prices of these raw materials linked to the evolution of world demand and climatic conditions constitutes a major risk for the achievement of government revenues. In recent years, in order to reduce its dependence on the agricultural sector, Côte d'Ivoire has continued to develop the non-agricultural sectors of its economy by promoting trade, construction, telecommunications, financial services, mining, oil and gas and manufacturing activities.

The economic impact of COVID-19 is expected to be significant in Côte d'Ivoire. As an open economy, the country is affected by the effects of trade disruptions, particularly with China and the European Union. Falling commodity prices and trade would affect export revenues and tariffs.

8.3.2 Trends in external demand for agricultural products from Côte d'Ivoire

Weak domestic demand for agricultural exports and their heavy dependence on external markets expose the national economy to declines in export earnings and cyclical contractions in the level of economic activity. With a view to reducing the economy's heavy dependence on agricultural prices and external demand, the Government has begun to exploit other agricultural products (rice, palm oil, cashew nuts, minerals, increased electricity production) with a view to diversifying export earnings. It also intends to accelerate the industrial processing of these agricultural raw materials and gradually reduce the share of the primary sector in GDP.

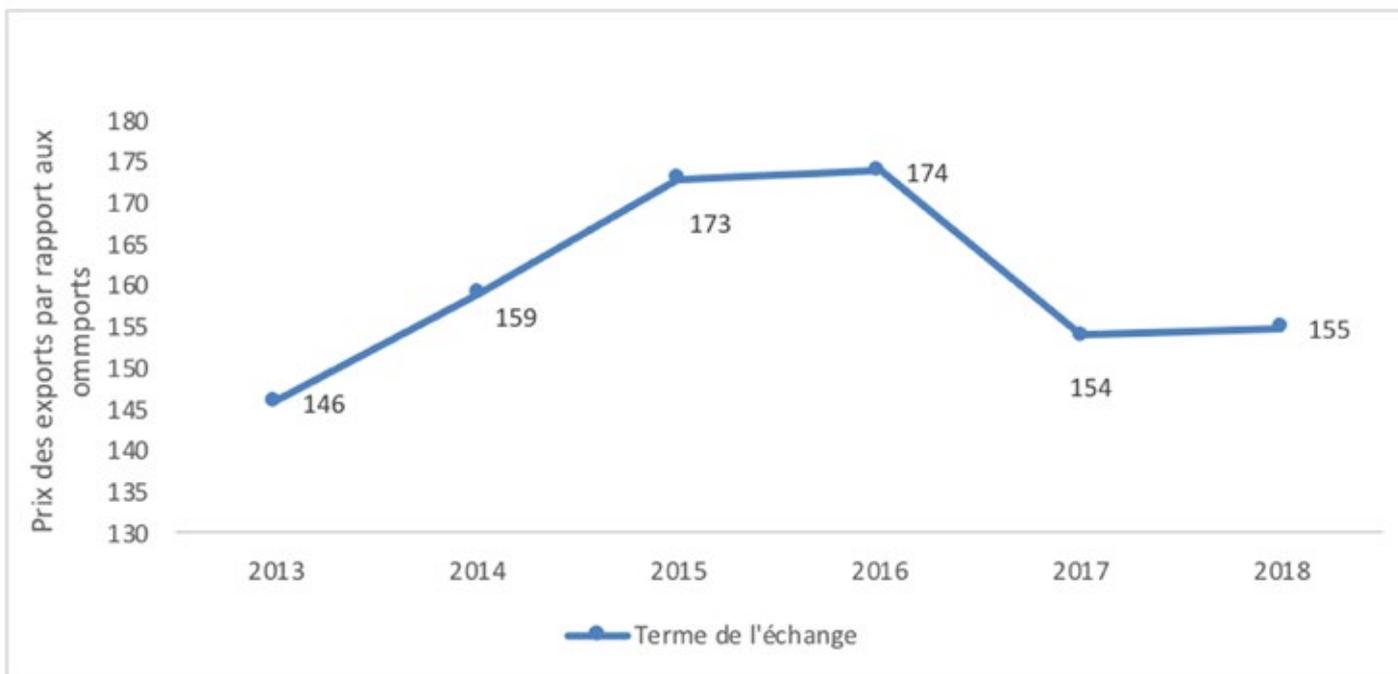
According to the IMF report published in April 2020, falling demand from partner countries and disruptions in the supply chain will undermine Côte d'Ivoire's trade. The European Union and China are important trading partners for Côte d'Ivoire, accounting for nearly 50% of the country's total exports and imports. Data at the end of January already showed signs of reduced traffic in Ivorian air and seaports. In addition, efforts to mitigate the spread of the pandemic, such as transport regulations, curfews and bans on unauthorized travel within countries, will depress domestic consumption and investment, disrupt the domestic market and disrupt production.

⁴⁹The figures were calculated by the author on the basis of statistics from <https://www.indexmundi.com/fr/matieres-premieres/?marchandise=caoutchouc&monnaie=eur&marchandise=huile-de-palme>.

8.3.3 Evolution of the terms of trade

According to the World Bank, the net terms of trade (2000 = 100) were 155 in 2018.

Figure 10. Evolution of the terms of trade



Source : World Bank

8.4 Risks related to the mobilization of financial resources

8.4.1 Tax Resource Mobilization

The collection of domestic revenue in general and tax revenue in particular is highly dependent on fluctuations in the prices of agricultural, mining and energy products. Revenues from agricultural, mining and energy commodities (coffee, cocoa, bananas, palm oil and oil and gas products) account for 27% of budget tax revenues.

Thus, a downward fluctuation in the prices of these commodities is a major risk to budget revenues. In order to contain these risks and increase tax revenues, the government has initiated a series of measures in 2018 as part of the economic and financial programme. These are aimed at providing an additional level of tax revenue estimated at over 0.1% of GDP.

The conclusions of the analysis of public debt sustainability over the period 2019-2039 indicate that Côte d'Ivoire's risk of debt distress would remain

moderate. Central government debt stock, including Eurobond issues, increased from 33.5% of GDP at end-December 2017 to 38.6% of GDP at end-2019.

The Government is trying to address the challenges posed by the informal economy by rationalizing certain laws and regulations, particularly in the area of taxation where it is trying to facilitate tax payment obligations by implementing online means of declaration and payment, and by improving its statistical apparatus with the technical assistance of the IMF.

The deterioration of the macroeconomic outlook and the emergency fiscal measures taken by the Ivorian government to mitigate the impact of the COVID-19 pandemic are generating fiscal pressures and creating a significant balance of payments financing gap. IMF support through the facilities provided would only help to fill part of the financing gap.

8.4.2 Risk related to external public funding by donors

The mobilization of external resources can be undermined by the complexity of the conditionalities attached to such funding. Non-compliance with

these conditionalities can lead to the suspension of external support, including project grants and loans, which are essential for the realization of a significant portion of public investment.

Since 2011, Côte d'Ivoire has strengthened its cooperation with several partners, including China, the Republic of Korea, Turkey, India and Japan. It has focused on South-South cooperation, including with Morocco, Tunisia and South Africa, and on deepening regional integration. These relations are aimed at increasing the volume of Côte d'Ivoire's trade with the rest of the world and benefiting from the experience of these countries while gaining access to the additional external resources necessary for its development.

In addition, Côte d'Ivoire is developing relations with new political allies in the Arab world in order to attract funding from these countries. Côte d'Ivoire had planned to issue CFA FRANCS 230 billion Eurobonds in 2020, but the context related to COVID-19

had led the Government to postpone the operation. Since the confirmation of the first case of COVID-19 on the continent, yields on secondary markets for Eurobonds have overreacted. The sharp rise in secondary market rates is not encouraging new issues.

8.4.3 Risk related to private external financing through foreign direct investment

FDI, which mainly comprises share capital, reinvested earnings and other capital inflows, is still to be improved in Côte d'Ivoire. The achievement of the NDP growth targets depends significantly on the level of FDI. In 2018, the country was able to attract nearly US\$913 million in FDI, although the flow of FDI declined slightly from US\$973 million in 2017. Estimated at USD 10.2 billion in 2018, the total stock of FDI represents 23.8% of the country's GDP according to the UNCTAD 2019 report. The main investors are the European Union (France being the 1st investor) and Canada. Investments are mainly oriented towards extractive industries and finance.

Table 51. Evolution of Foreign Direct Investment (FDI)

Foreign Direct Investment	2016	2017	2018
FDI inflows (millions USD)	577	973	913
FDI stocks (millions USD)	7,697	9,792	10,234
Number of greenfield investments***	34	21	32
FDI inflows (as % of FBCF****)	8,2	n/a	n/a
FDI stock (% of GDP)	21,4	n/a	n/a

Source : UNCTAD - Latest data available

Côte d'Ivoire was ranked 110th in the World Bank's latest Doing Business 2020 report. This is a step up from its 122nd position in the 2019 edition. Progress needs to be made in terms of governance, law enforcement and justice and reform of the land code to attract more FDI flows.

8.5 Health risks

Côte d'Ivoire faces health risks that are aggravated by the high level of poverty. According to the WHO report on malaria in 2019, Côte d'Ivoire was highly exposed to malaria with 3133 reported malaria

deaths in 2018 (compared to 4,069 in 2014). The public health situation in Côte d'Ivoire is also characterized by a high mortality rate related to HIV/AIDS. AIDS is the leading cause of mortality among adult men (16,000 AIDS-related deaths in 2018 according to UNAIDS estimates), which represents a 34% decrease compared to 2010. Among women there will be 5,300 AIDS-related deaths in 2018 according to UNAIDS.

In 2015, the incidence of Acute Respiratory Infections in children aged 0-4 years was estimated at 202 per 1,000, that of malaria in the general popula-

tion at 155 per 1,000. The incidence of diarrhoea in children aged 0-4 years was estimated at 88.86 per 1,000.

The country has made little progress in the fight against maternal mortality, rising from 745 in 1990 to 645 deaths per 100,000 live births in 2015, an increase of 13.4 per cent in 25 years, with an annual rate of 0.6 per cent compared to 44 per cent globally. Côte d'Ivoire is behind countries such as Mauritania with 602 deaths, Cameroon with 596 deaths, Mali with 587 deaths, Niger with 553 deaths, Guinea-Bissau with 549 deaths and Kenya with 510 deaths. Neonatal mortality stood at 38 per 1,000 live births in 2012 compared to 41 in 2005.

In March 2014, an outbreak of Ebola virus was confirmed near the border between Guinea and Liberia. Following a WHO alert calling for increased surveillance for viral haemorrhagic fever-like diseases, neighbouring countries of Guinea and Liberia, including the Côte d'Ivoire, have put in place security measures along their land borders and within their territories to protect those at risk and to prevent the spread of the virus.

The end of the epidemic was declared on 29 March 2016 by WHO and Côte d'Ivoire reopened its borders with Guinea and Liberia in September 2016. Although no cases of Ebola infection have been reported to date in Côte d'Ivoire, the country remains at risk given its borders with countries with potentially lower public health standards and may need to devote significant resources to guard against outbreaks.

A case of dengue fever was identified in Abidjan in April 2017 and the government has taken strong measures to prevent the spread of the virus. In February 2018, the government adopted preventive measures against an outbreak of Lassa fever, a haemorrhagic fever like Ebola, which killed more than 30 people in northern Nigeria in the first quarter of 2018. Côte d'Ivoire is also suffering from the Coronavirus pandemic. Ivorian health authorities have confirmed the appearance of 2,750 positive cases, of which 1,370 have been cured, 32 have died and 1,348 were under treatment as of 30 May 2020.

8.6 Environmental risks

According to the World Bank, the growth rate of the Ivorian economy, estimated at between 8 and 8.5% per year, has a negative impact on its environment (natural capital). The extensive cultivation of agricultural exports has led to accelerated deforestation, the depletion of natural sources of drinking water and increased emissions of polluting gases. A framework for intervention has been put in place. It is based on the country's long and medium-term growth vision set out in the NDP. This framework is oriented towards the structural transformation of the economy through innovation policies that address the issue of the sustainability of growth and provide innovative solutions to contain the destruction of natural capital with a view to viable and sustainable development.

9.1 General Description of the Public Debt

9.1.1 General Overview

According to the report on the sixth reviews of the Extended Fund Facility (EFF) and Extended Fund Facility (EFF) arrangement published in December 2019 by the IMF, Côte d'Ivoire's reliance on external debt will increase between 2016 and 2019. Côte d'Ivoire's access to pre-emergency country status has limited the use of concessional loans and encouraged fundraising on the international Eurobond market.

Commercial debt raised on the Eurobond market now accounts for half of external debt. At the end of December 2019, the outstanding debt was estimated at CFA FRANCS 13 300.2 billion for an amount of CFA FRANCS 11 607.8 billion in 2018. This observed trend can be explained by several issues carried out on the Eurobond market.

Between 2014 and 2019, Côte d'Ivoire issued eight bonds on this market. The total amount of euro-denominated issues in 2018 and 2019 is estimated at CFA FRANCS 2,227 billion. The issuance strategy adopted was based on two series of borrowings each year. The coupon rates of the borrowings ranged from 5.25% to 6.87% for an average maturity of 18 years.

Bilateral debt has been declining in recent years. The Government of Côte d'Ivoire had benefited from a debt relief and development contract (C2D) in July 2012, which is a debt restructuring instrument that

allows the country to continue to honour its bilateral debts to France and Spain until they are repaid, but the amounts are paid back to the country in the form of grants to finance programmes to combat poverty. Côte d'Ivoire had benefited from a cancellation of CFA FRANCS 1151.2 billion under the 2012 and 2014 C2Ds. In 2019, bilateral debt accounted for 18.1% of total outstanding debt.

The debt owed to multilateral creditors was about CFA FRANCS 2 258.8 billion in December 2019. It is mainly made up of loans subscribed with the IMF and the World Bank. Multilateral debt accounted for 25.5% of the total debt stock in 2019.

According to the debt sustainability analysis carried out by the IMF in April 2020, Côte d'Ivoire presents a moderate risk of debt overhang. This result confirms the December 2019 debt sustainability analysis. However, the global health crisis linked to the COVID-19 and vulnerability to international terms of trade and interest rate shocks have weakened some indicators.

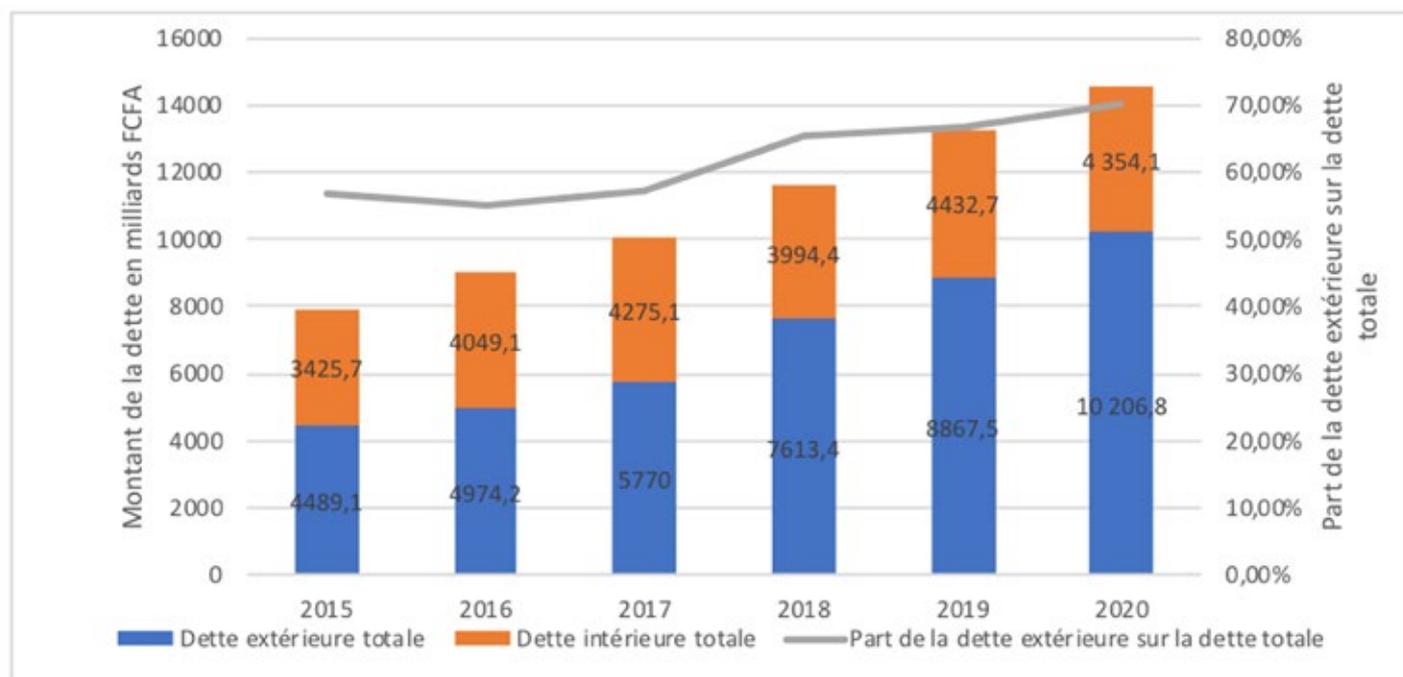
The present value of the external debt-to-exports ratio would exceed the threshold in 2022 and remain above it until 2029. Similarly, the debt-service-to-exports ratio would exceed the threshold from 2023 onwards and remain above it. Under the market-based financing stress test, the debt-service-to-income ratio would exceed the threshold from 2025 onwards and for the next five years.

Table 52. Distribution of Côte d'Ivoire's public debt

	2015	2016	2017	2018	2019	2020 proj
Total debt (% GDP)	29,2%	31,7%	33,5%	36,2%	38,6%	40,4%
Total debt (in billions of CFA FRANCS)						
Remaining due	7 914,8	9 023,2	10 045,1	11 607,8	13 300,2	14 560,9
Arrears	0,0	0,0	0,0	0,0	0,0	0,0
Due	1 151,7	1 309,2	1 448,2	1 547,2	2 764,6	2 019,3
Paid	1 151,7	1 309,2	1 448,2	1 547,2	2 764,6	2 019,3
Total external debt						
Remaining due	4 489,1	4 974,2	5 770,0	7 613,4	8 867,5	10 206,8
Arrears	0,0	0,0	0,0	0,0	0,0	0,0
Due	264,0	333,0	556,2	610,2	1 583,7	879,7
Paid	264,0	333,0	556,2	610,2	1 583,7	879,7
Total domestic debt						
Remaining due	3 425,7	4 049,1	4 275,1	3 994,4	4 432,7	4 354,1
Arrears	0,0	0,0	0,0	0,0	0,0	0,0
Due	887,7	976,2	891,9	937,0	1 180,9	1 139,6
Paid	887,7	976,2	891,9	937,0	1 180,9	1 139,6
Nominal GDP	27 086,2	28 423,9	29 955,0	32 063,0	34 447,0	36 044,0

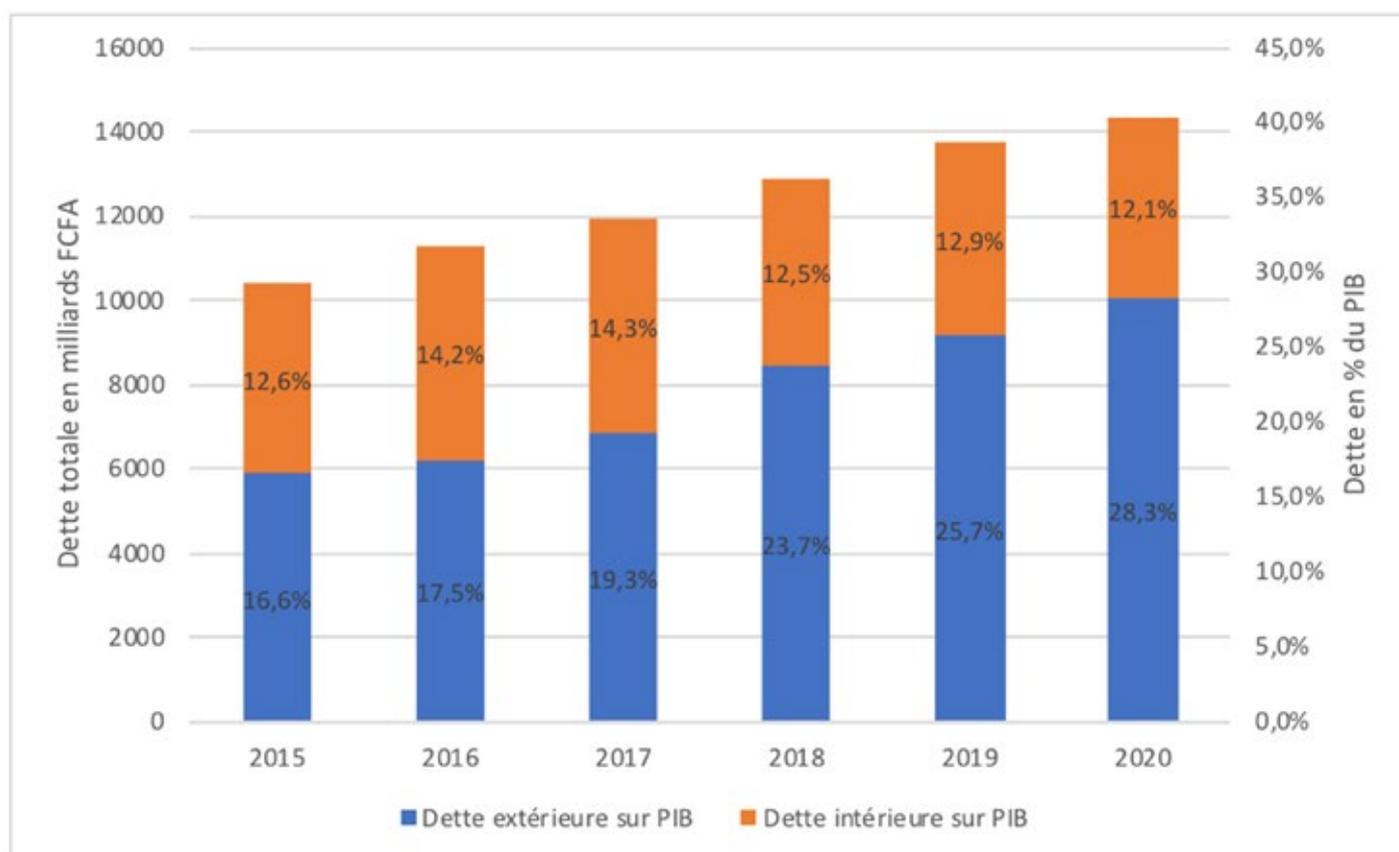
Source : MEF/DDPD

Figure 12. Distribution of public debt between external and domestic debt



Source : MEF/DDPD

Figure 13. Distribution of public debt between external and domestic debt as a percentage of GDP



Source : MEF/DDPD

9.1.2 Time profile of the debt to be repaid

Côte d'Ivoire's debt strategy is based on long-term borrowing. Long-term domestic and external debt

represent 79.4% and 99.9% respectively in 2019. This situation is explained by the Ivorian authorities' desire to profile the debt by increasing the maturities of loans to finance NDP investments.

Table 53. Time Profile of Domestic Debt

Expressed in %	Domestic debt (2019)	External debt (2019)
Short term (< 1 year)	2,2%	0,0%
Medium term (1 to 5 years)	18,4%	0,1%
Long term (> 5 years)	79,4%	99,9%
Total	100	100

Source : MEF/DDPD

Table 54. Short-term debt to be repaid (2015-2020)

Billion of CFA FRANCS	2015	2016	2017	2018	2019	2020 (proj)
Amount of external debt payable in the year	264,0	333,0	556,2	610,2	1 583,7	879,7
Amount of domestic debt payable in the year	887,7	976,2	891,9	937,0	1 180,9	1 139,6
Total	1 151,7	1 309,2	1 448,2	1 547,2	2 764,6	2 019,3

Source : MEF/DDPD

9.2 Debt Strategy and Debt Sustainability

9.2.1 Description of the Strategy

According to Regulation No. 9/2007/CM/UEMOA on the reference framework for public debt policy and management in WAEMU countries, States must draw up a public debt strategy annexed to the finance law. This strategy is reinforced by the FEC and the EFF signed with the IMF, which allow the elaboration and monitoring of debt sustainability within the framework of periodic reviews.

Thus, Côte d'Ivoire has implemented an updated Medium Term Debt Management Strategy (MTDS) 2019-2023 for the period 2020-2023.

According to the SDMT, the Government plans to diversify investors and seize new financing opportunities. This is the recourse :

- (i) The international financial market;
- (ii) Islamic loans;
- (iii) The regional government securities market.

The Government's objective, in accordance with the SDMT, is to borrow on terms that would extend the maturity of public securities, reduce the cost of borrowing, limit exchange rate risk and give preference to external financing for structuring projects. It intends to use concessional, semi-concessional and non-concessional loans to finance the investments of the 2016-2020 NDP within the limits of fiscal sustainability in the long and medium term. This strategy

takes into account the control of the average cost of the debt portfolio. It also reduces refinancing risk, limits the risks associated with exchange rate fluctuations and raises the debt ratio to 41.3% in 2023, compared with 36.2% in 2018.

The financing plan for the year 2019 according to the SDMT, targeted a financing of CFA FRANCS 2344.9 billion, divided into project loans: CFA FRANCS 816.8 billion, budgetary support: CFA FRANCS 207.5 billion and issuance of public securities on the sub-regional and international markets: CFA FRANCS 1320.6 billion. This option was consistent with the National Policy and Institutional Assessment (NPIA) of the World Bank and the IMF and especially with the present value of debt to GDP ratio, which is below the 55% benchmark of the IMF Debt Sustainability Framework (DSF).

In order to enable the Government to meet its debt targets, a reform of the institutional framework for public debt management has been undertaken since 2011. It led to the establishment of the National Public Debt Committee (NPDC) by Decree No. 2011-424 of 30 November 2011. It is responsible for coordinating the government's debt policy and monitoring the implementation of the SDMT.

The NPDC is also responsible for validating the financing plan and possibly making adjustments to this plan to incorporate non-concessional loans that were not initially planned. Also, the Directorate in charge of public debt management has been reorganised along front, middle and back office lines.

In terms of debt accounting, the portfolio has been expanded to include the debt of certain public enterprises. A debt strategy document (SDMT) and a debt sustainability analysis are regularly prepared and updated. Pursuant to Community provisions (Article 13 of WAEMU Regulation No. 9), a manual of procedures relating to borrowing and debt management functions, activities and operations is available.

With regard to domestic debt, the WAMU Securities Agency (UMOA-Titres), in collaboration with BCEAO, has undertaken reforms, notably with the establishment of (Specialists in Treasury Securities, "STs") to stimulate the financial market to raise larger amounts. STs are responsible for participating in Treasury securities issues through auctions and syndication, directing the secondary market for government debt securities, promoting Treasury securities, providing advice and information services to the Treasury and the WAMU Securities Agency, participating in targeted auctions and having the opportunity to make non-competitive bids.

The Ivorian State periodically issues Assimilable Treasury Bills and Assimilable Treasury Bonds through the WAMU-Securities Agency. Recently, in order to support the States in the fight against the pandemic, COVID bonds with a maturity of three months have been issued.

Relationship with donors

i) IMF

Côte d'Ivoire has a long-standing relationship with the IMF. Between 2009 and 2020, Rapid Credit Facility (RCF), FEC and EFF programmes have been negotiated with the IMF.

The 2011-2015 FEC has led to important structural reforms in the public sector, governance, cocoa, financial, energy, business climate and public administration reform. The signing of two programs, 2009-2011 and 2011-2015 financed by the FEC, enabled the country to reach the completion point of the Heavily Indebted Poor Countries Initiative in June 2012. The total amount of disbursements reached USD 728.8 million between 2012 and 2015. The significant progress made in the reform process has improved the quality of the Government's signature

on the international capital market.

In order to finance the NDP 2016-2020, the State signed a new agreement with the IMF in 2016 following an economic and financial programme. The new program, based on a FEC and an EFF, enabled the country to access resources valued at 487.8 million SDR, i.e. about 658.9 million USD.

In December 2019, the sixth review of the agreements in favor of the Côte d'Ivoire under the FEC and the EFF resulted in a disbursement of 133.4 million US dollars. The country benefited from a one-year extension of the duration of the program.

In April 2020, the Government of Côte d'Ivoire benefited from a RCF amounting to US\$ 295.4 million and a disbursement of US\$ 590.8 million under the Rapid Financing Instrument. This funding is intended to assist the country in the response strategy to COVID-19.

ii) World Bank group

Côte d'Ivoire maintains relations with the various branches of the World Bank (IBRD, IDA, IFC and MIGA) and its special funds. Relations with the World Bank began before independence. Between 1960 and 2011 many projects were financed by the Bretton Woods financial institution.

Since 2011, the World Bank's actions in Côte d'Ivoire have been strengthened through numerous development projects. The country has benefited from financing that has reached an amount of about CFA FRANCS 419.5 billion. Public infrastructure, employment, socio-professional integration, education and the agricultural sector have largely benefited from the credits obtained.

In 2018, the Government concluded two credit agreements under the IDA window for a total amount of 65.9 million euros to finance the investment project for the resilience of West African coastal zones and the land improvement project.

As of November 25, 2019, under the Financial Partnership Framework (FPC) 2016-2020 extended to 2021, the World Bank Group's portfolio comprises twenty-eight projects for a financing of CFA FRANCS

3 billion. The World Bank's interventions cover the following areas:

- Improving land tenure in rural areas, developing the competitiveness of the cashew nut sector, the digital economy, urban mobility and infrastructure;
- Combating coastal erosion, promoting transparency of information in the extractive industry, improving the management of forest resources ;
- The establishment of personal identification systems;
- Strengthening the education and health sectors, as well as nutrition and child development projects.

The IFC has invested US\$1,371 million in Côte d'Ivoire. Its interventions cover the electricity sector, investment operations and advisory activities. As for MIGA, it currently has three projects in the oil and gas sector for a total of US\$659.4 million. MIGA is also involved in other projects in the wastewater, electricity, and health sectors.

Between April and May 2020, the Ivorian government concluded a credit agreement through the IDA window and an emergency response mechanism for a total amount of US\$75 million. This financial envelope is intended to strengthen the fight against COVID-19.

iii) The African Development Bank Group

The African Development Bank is a privileged partner of Côte d'Ivoire. The 2013-2017 Country Strategy Paper (CSP) prepared by the AfDB for Côte d'Ivoire had two pillars. The first focused on strengthening governance and accountability while the second was aimed at developing infrastructure to support the country's reconstruction. These two pillars, which complement and reinforce each other, should help address the following challenges:

- Strengthening the inclusiveness of growth by accelerating the structural transformation of the agricultural sector ;

- Development of rural infrastructure which should accelerate the development of the agricultural value chain while ensuring the promotion of gender ;
- Strengthening the alignment and coherence of AfDB actions in line with the national budget for a good forecasting of resource mobilization;
- Strengthening dialogue on policies and strategies;
- Strengthening the monitoring and evaluation of the results obtained;
- Consolidation and capitalization of initiatives by strengthening AfDB actions on rural infrastructure.

With a view to consolidating the results achieved under the 2013-2017 CSP, the AfDB has prepared another CSP for the 2018-2022 horizon. This strategy was aligned with the 2016-2020 NDP. This new CSP was based on the AfDB's priorities (Top 5): feeding Africa; enlightening Africa; industrializing Africa; integrating Africa; and improving living conditions in Africa.

Since 2016, Côte d'Ivoire has had access to the AfDB window for sovereign loans. This has enabled the country to raise CFA FRANCS 731.6 billion from this window. The resources mobilized have made it possible to finance structuring projects in the electricity, distribution, agro-industry, urban and air transport sectors with Air Côte d'Ivoire.

By the end of May 2018, AfDB financing for Côte d'Ivoire had reached US\$ 3.22 billion for a portfolio comprising twenty-three operations. As at March 2019, the distribution of the portfolio of the most important sectors is as follows: transport (64%), energy (24%) and agriculture (9%).

iv) Club of Paris

Côte d'Ivoire's debt stock to Paris Club creditors was estimated at CFA FRANCS 87.6 billion as at 31 December 2018, or 1.2% of its external debt. The share

of Paris Club claims has fallen considerably in favour of claims from non-member countries. The share of non-Paris Club creditors accounted for 17.0% of external debt, amounting to CFA FRANCS 1291.9 billion in 2018. This situation is partly explained by the debt cancellations from which the country benefited in 2012 within the framework of the HIPC initiative.

The Ivorian government has obtained debt cancellation from Great Britain, France, the United States, Germany, Spain, Italy and Japan for an amount of CFA FRANCS 900 billion. This debt restructuring was reinforced by an additional cancellation of CFA FRANCS 3143.7 billion, including C2D and debt conversion agreements with Germany and Spain.

v) External private creditors

As at 31 December 2019, the debt owed to private creditors reached CFA FRANCS 5,004.8 billion. This amount includes the debt owed to holders of debt securities for a value of CFA FRANCS 4 435.0 billion and that of commercial banks for CFA FRANCS 569.8 billion. The commercial debt represents 56.4% of the total amount of external debt.

vi) Domestic private creditors

As at 31 December 2019, Côte d'Ivoire's domestic debt was estimated at CFA FRANCS 5285.0 billion. Government securities are valued at CFA FRANCS 3921.2 billion, representing 74.2% of the total stock of domestic debt. Bank and corporate loans accounted for 25.8%, amounting to CFA FRANCS 1353.3 billion. In the first quarter of 2020, within the framework of resource mobilization on the public securities market through auctions, Côte d'Ivoire borrowed CFA FRANCS 456 billion. This amount in-

cludes all mobilisations of public securities via the WAMU-Securities agency between January and March 2020. Between April and May 2020, the Ivorian treasury raised CFA FRANCS 535 billion in Covid bonds.

9.2.2 Sustainability of public debt

The IMF and the World Bank have developed a framework to guide borrowing decisions for low-income countries. This framework allows eligible countries to calibrate their financing needs to their current and future repayment capacity. The objective of debt sustainability analyses is to assess the level of debt needed to eliminate risks. According to the Debt Sustainability Framework (DSF), there are four categories of public debt overhang risk:

- (i) Low risk: all debt indicators are below the benchmark and stress test thresholds;
- (ii) Moderate risk: debt indicators are below the thresholds in the baseline scenario, but the stress tests show that the thresholds could be exceeded in the event of an exogenous shock or abrupt change in macroeconomic policy ;
- (iii) High risk: at least one of the thresholds in the baseline scenario has been exceeded, but the country is not yet facing debt repayment difficulties ;
- (iv) Debt overhang: the country is experiencing difficulties in repaying its debt.

The thresholds for the best-performing countries are generally high.

Table 55. DSF debt thresholds and benchmarks

	VA of external debt (percentage)		External debt service (percentage)		VA of total public debt (per cent)
	GDP	Exports	Exports	Revenues	GDP
Mediocre policy	30	140	10	14	35
Average Policy	40	180	15	18	55
Strong Policy	55	240	21	23	70

Source : IMF, World Bank

IMF/World Bank December 2019 DSA Reference Scenario

- o **Sustained growth.** Real GDP growth over the medium term is expected to be little changed from the previous DSA, averaging 7.3 per cent over the first five years of the projection period (2019-24). Growth will be supported by robust domestic demand and positive medium-term net exports.
- o **Low inflation.** Inflation is expected to remain subdued at around 2.0%, thanks to the good domestic supply situation and the strength of the euro, to which the CFA franc is pegged.
- o **Deficit stabilized** at 3.0 percent, thanks to the authorities' efforts to mobilize domestic revenue and contain non-priority expenditures in order to meet the WAEMU budget deficit convergence criterion (3.0 percent of GDP) from 2019.
- o **Current account deficit** is projected to narrow over the projection period. It would gradually decline from 4.7 per cent of GDP in 2018 to 3.0 per cent by 2024, driven by an increase in exports of processed primary products and a slowdown in import growth as investment and the resulting imports of services and equipment normalize.

- o **Bank debt financing.** Over the medium term, Côte d'Ivoire's financing needs are expected to be met mainly through bank borrowing as the country transforms into an emerging market economy. The authorities should use concessional and non-concessional loans to meet these needs.

Revised Scenario taking into account the context of COVID- 19 published in April 2020

- o **Real growth** is expected to be 2.7% due to the negative consequences of the health crisis.
- o **The current account deficit** is projected at 3.3%.
- o **Exports of goods and services** are projected at 19% of GDP.
- o **Tax revenue** is projected at 14.5% of GDP.
- o **Public expenditure** is projected to increase to 19.7% of GDP.
- o **Financing strategy** based on a higher dependence on concessional financing while keeping a balance on the distribution of foreign currency and domestic financing.

External and total debt remain sustainable and present a moderate risk of debt distress. The health crisis, the deterioration of the global environment and the disruption of the supply chain will have a negative impact on the Ivorian economy. Taking into account the exceptional expenditures related to COVID-19 planned for 2020, the deficit is expected to return to pre-crisis levels once the crisis has subsided, which will form the basis for the downward trajectory of the debt from 2021 onwards.

the reference value of 55.0%. All indicators of the external public debt burden would remain below their thresholds in the baseline scenario, but, as in the past, the debt-service-to-revenue ratio would remain close to its threshold in the medium term, underlining the need to further stimulate domestic revenue mobilisation once the crisis has passed. In addition, the improvement in debt PV compared to the previous DSA is largely due to the recent re-basing of GDP despite higher borrowing needs.

In this context, the present value of government debt as a percentage of GDP would remain well below

Table 56. Côte d'Ivoire's performance under the DSF (Revised baseline scenario)

Year	VA of external debt (percentage)		External debt service (percentage)		VA of total public debt (percentage)	Debt service (%)
	GDP	Exports	Exports	Revenues	GDP	Revenues
2020	26,8	128,8	7,9	12,1	37,9	32,0
2021	26,0	122,3	9,0	13,5	36,2	34,2
2022	25,4	118,2	9,1	13,7	35,2	38,4
2023	24,8	113,7	9,1	13,8	34,4	41,3
2024	23,9	109,3	10,2	15,4	34,0	47,3
2030	20,1	88,9	10,2	15,6	36,6	80,1

Source : IMF

9.3 External debt

9.3.1 Holders

Côte d'Ivoire's external debt is composed mainly of commercial debts, followed by multilateral and

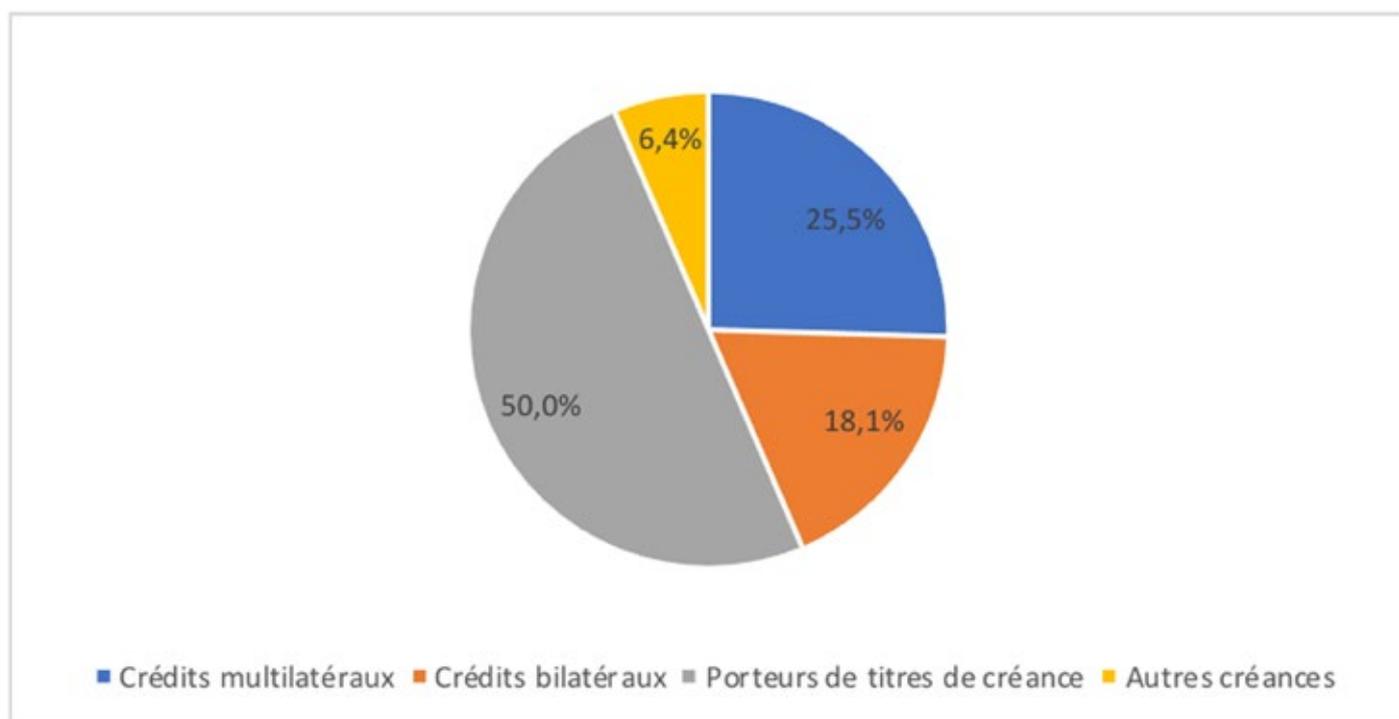
bilateral debts. This situation can be explained by the donors' desire to make a significant contribution to the financing of the NDP. The commercial debt is mainly made up of borrowings on the Eurobond market for an amount of CFA FRANCS 4,435.0 billion in 2019.

Table 57. Composition of Côte d'Ivoire's external debt

In billions of CFA FRANCS	2019
Multilateral credits	2 258,8
IDA/BIRD	674,7
BEI	23,4
BAD/FAD	272,4
OPEP/BADEA/BID	259,2
Others	1 029,0
Bilateral credits	1 604,0
OCDE Countries	103,7
ARAB Countries	16,1
OTHERS	1 484,2
Commercial debt	5 004,8
EUROBOND	4 435,0
CREDIT SUISSE	144,9
MUFG	150,9
AFREXIMBANK	65,6
VTB CAPITAL	86,5
SOCIETE GENERALE France	40,4
Others	81,6
Total public external debt	8 867,5

Source : MEF/DDPD

Figure 14. Breakdown of external debt according to lenders at the end of December 2019



Source : MEF/DDPD

9.3.2 External debt payment situation

Debt service amounted to CFA FRANCS 1,583.7 billion in 2019. This amount is explained for the most part by the commercial debt.

Table 58. Projected external debt service

Situation as at December 2019	Multilateral			Bilateral			Commercial			Total		
	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total
Billions of CFA FRANCS												
Nouveau tirage			419,4			268,9			1677,3			2365,6
Due service	115,2	29,5	144,6	235,4	30,9	266,3	919,6	253,2	1 172,8	1 270,2	313,5	1 583,7
Total	115,2	29,5	144,6	235,4	30,9	266,3	919,6	253,2	1 172,8	1 270,2	313,5	1 583,7
At maturity N-2												
Arrears												
Paid Service	115,2	29,5	144,6	235,4	30,9	266,3	919,6	253,2	1 172,8	1 270,2	313,5	1 583,7

Source : MEF/DDPD

9.3.3 Debt currency

As part of the medium-term debt management strategy, Côte d'Ivoire entered into a forward transaction in September 2018 to hedge the foreign exchange risk associated with its external public debt. This foreign exchange hedging operation concerned

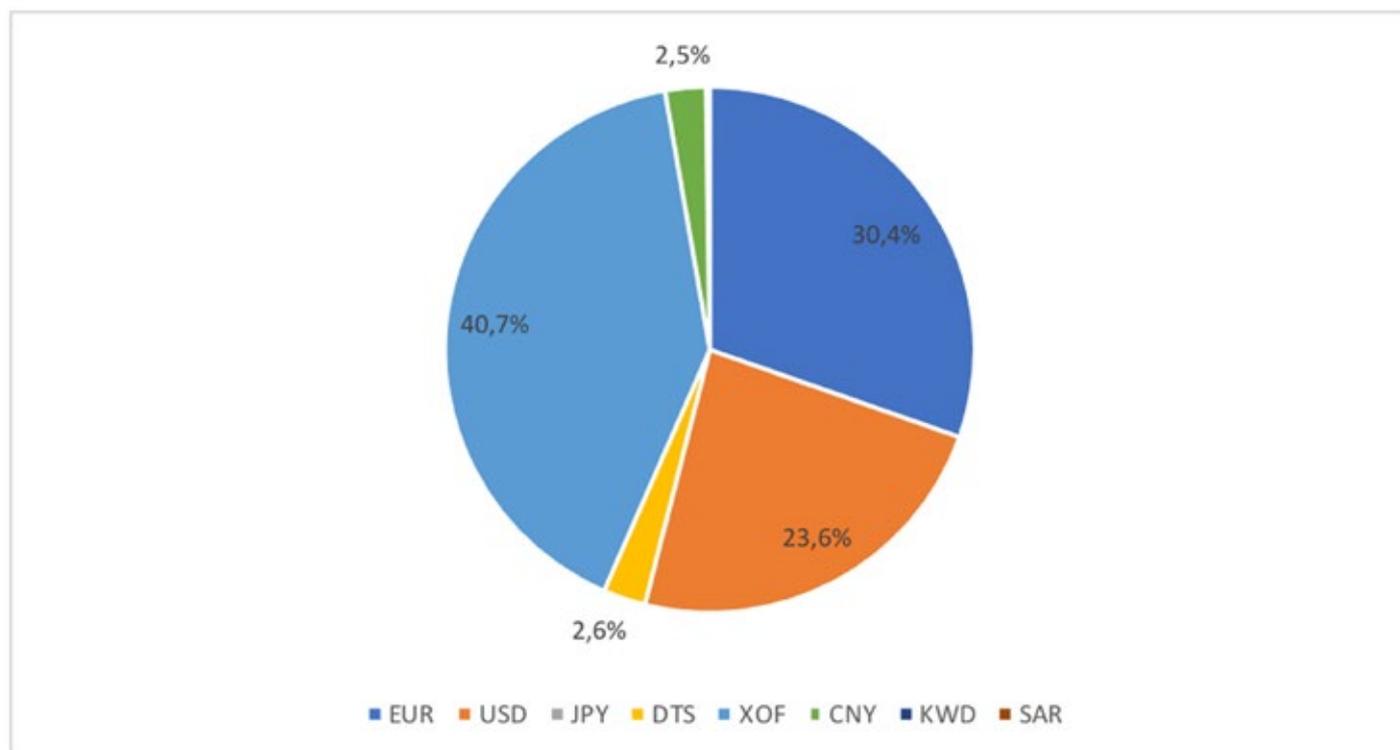
the servicing of public debt denominated in US dollars, for a total amount of US\$1.4 billion, and fixed the euro/dollar exchange rate for part of the maturities to be paid for debt servicing on eurobonds denominated in US dollars over the period from December 2018 to December 2022.

Table 59. Foreign currency composition of the external debt portfolio

Currency	Total debt denominated in foreign currency	TEExchange rate in CFA FRANCS as at 31 December 2019	Total debt expressed in CFA FRANCS	Exchange rate in EUR as at 31 December 2019	Total debt expressed in EUR	Distribution of the debt according to currencies
EUR	6,2	656,0	4 042,1	1,0	6,2	30,4%
USD	5,3	590,0	3 132,8	0,9	4,	23,6%
JPY	0,1	5,4	0,6	0,0	0,0	0,0%
DTS	0,4	13,8	343,9	1,2	0,5	2,6%
XOF	5 418,7	1,0	5 418,7	0,0	8,3	40,7%
CNY	3,8	87,4	331,2	0,1	0,5	2,5%
KWD	0,010	1 954,3	18,6	3,0	0,03	0,1%
SAR	0,1	157,3	12,3	0,2	0,02	0,1%

Source : MEF/DDPD

Figure 15. Distribution of Debt by Currency



Source : MEF/DDPD

9.4 Domestic debt

9.4.1 Presentation of the situation as of December 31, 2019

Treasury bonds are the largest component of do-

mestic debt. They accounted for 72.4 per cent of outstanding domestic debt at the end of December 2019. Treasury bonds represent an additional source of debt to finance infrastructure. Bonds are issued by auction via the WAMU Securities agency or by syndication (public offering to BRVM).

Table 60. Distribution of domestic debt by creditors

[Côte d'Ivoire] situation as at 31 December 2019	Domestic debt expressed in value (CFA FRANCS billion)	Domestic debt as a % of total domestic debt	Domestic debt as a % of nominal GDP in 2019
Total domestic debt*(Y/IMF)	5285,0	100,0%	15,3%
Securities	3 921,2	74,2%	11,4%
Treasury Bond	95,5	1,8%	0%
Treasury bond (including OATs and Sukuk)	3 825,7	72,4%	11%
Bank loan	1 353,1	25,6%	3,9%
BCEAO	381,0	7,2%	1%
Commercial bank (state-owned) and IMF	972,1	18,4%	3%
Of which IMF	852,3	16,1%	2%
Companies	10,7	0,2%	0,0%

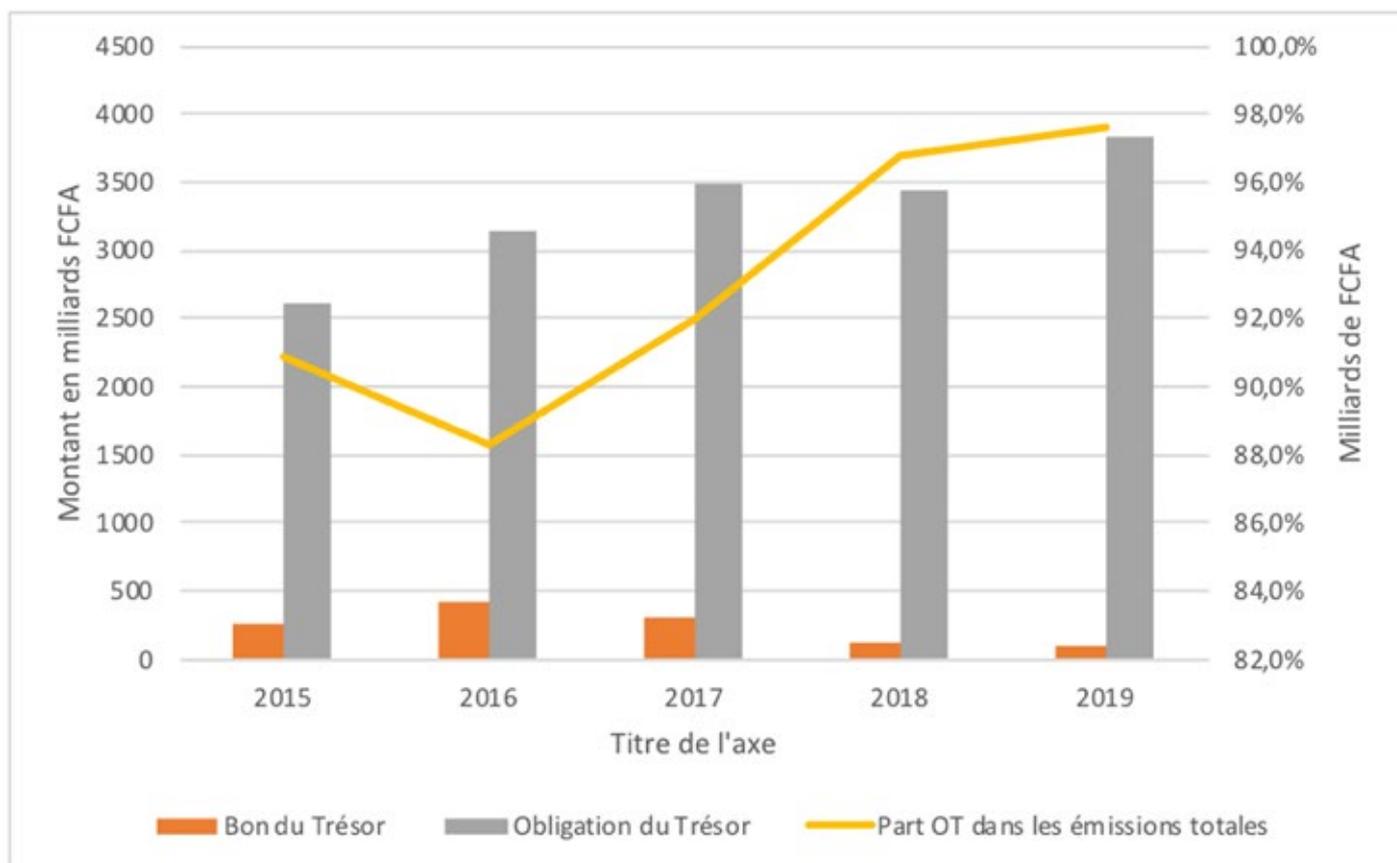
Source : MEF/DDPD

9.4.2 Changes in the composition of domestic debt over the last 5 years

Treasury bond issuance has been on an upward trend between 2016 and 2019. This is thought to be due to the authorities' desire to reprofile public debt.

The Ivorian government is implementing a strategy of diversifying its sources of financing. The Ivorian government has been very active on the WAEMU government securities market over the past five years. Its issues are considered to be benchmark securities.

Figure 16. Breakdown of domestic debt into Treasury Bonds (TB) and Treasury Bills (TB)



Source : MEF/DDPD

9.4.3 Domestic debt payments situation

Côte d'Ivoire's public debt securities are held by banks and insurance companies in WAEMU coun-

tries. Capital repayments constitute the bulk of the debt service paid at the end of December 2019.

Table 61. Debt service due and paid

Domestic Debt 2019	Banking sector			No banking sector			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
In billions of CFA FRANCS									
(1) Debt service due at the end of December 2019	665,7	176,8	842,5	272,3	66,1	338,4	938,0	242,9	1 180,9
(2) Debt service paid during the year 2019	665,7	176,8	842,5	272,3	66,1	338,4	938,0	242,9	1 180,9

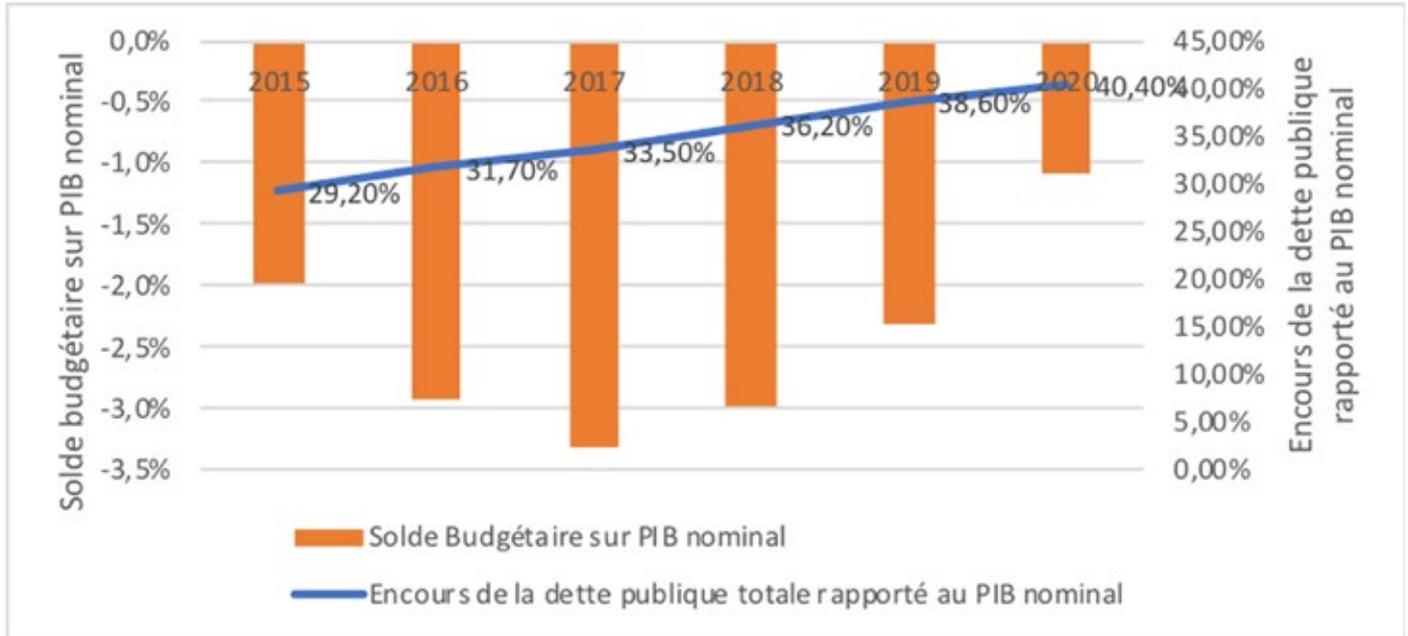
Source : MEF/DDPD

9.5 Viability and Sustainability

The following chart shows the increases in public debt and deficit as a percentage of GDP. The debt-to-GDP ratio has been on an upward trend over the

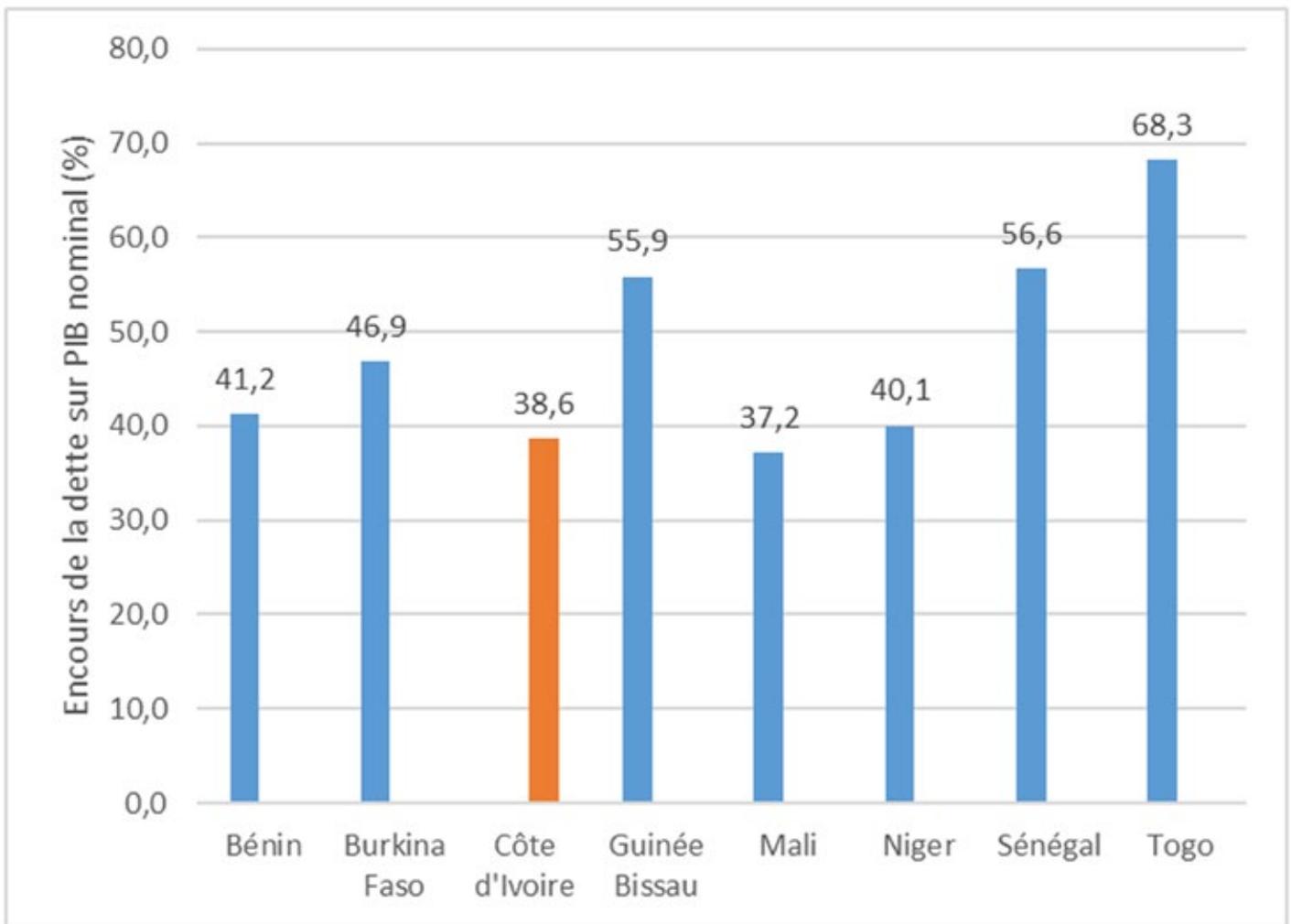
period 2015-2019. This is explained by an increase in the fiscal deficit. However, efforts to control the deficit in relation to the WAEMU multilateral surveillance criteria and the change of base year made it possible to curb the pace of debt.

Figure 17. Ratio of budget deficit to GDP and public debt to GDP of Côte d'Ivoire



Source : MEF

Figure 18. Public debt-to-GDP ratio in 2019 for WAEMU countries



Source : WAEMU Commission, June 2020

Table 62. Securities outstanding at the end of 2019

Wording	ISIN	Maturity (years)	Issue Date	TMP (in %)	Rate (in %)	Outstanding amount (millions of CFAF)
CI - 6,5% - 7 years - 29.March.20	CI0000001426	7	28/03/2013	6,83	6,50	11 486
CI - 6,5% - 7 years - 29.March.20	CI0000001483	7	27/09/2013	6,84	6,50	17 948
CI - 6,5% - 7 years - 26.February.21	CI0000001541	7	25/02/2014	6,90	6,50	75 552
CI - 6,5% - 7 years - 07.March.21	CI0000001558	7	06/03/2014	6,98	6,50	10 971
CI - 6,55% - 8 years - 29.April.22	CI0000001582	8	28/04/2014	6,84	6,55	93 000
TPCI 6,55% 2014-2022 (8 years)	CI0000001160	3	15/05/2014	6,54	6,55	61 833
TPCI 5,85% 2014-2021 (7 years)	CI0000001301	7	19/12/2014	5,93	5,85	87 457
TPCI 3% 2014-2024 (10 years)	CI0000001293	10	19/12/2014	3,02	3,00	71 374
TPCI 5,99% 2015-2025 (10 years)	CI0000001681	10	07/04/2015	5,98	5,99	99 952
CI - 5,99% - 10 years - 11.June.25	CI0000001665	10	10/06/2015	5,98	5,99	82 500
TPCI 5,85% 2015-2022 (7 years)	CI0000001723	7	01/09/2015	5,93	5,85	94 196
CI - 5,85% - 7 years - 14.October.22	CI0000001707	7	13/10/2015	5,84	5,85	66 000
TPCI 5,75% 2015-2020 (5 years)	CI0000001764	5	20/11/2015	5,83	5,75	30 000
TPCI 6% 2016-2028 (12 years)	CI0000001822	12	01/03/2016	6,00	6,00	112 927
CI - 5,25% - 7 years - 22.April.23	CI0000001780	7	21/04/2016	5,62	5,25	60 550
TPCI 5,9% 2016-2026 (10 years)	CI0000001889	10	10/05/2016	5,90	5,90	139 819
TPCI 5,75% 2016-2023 (7 years)	CI0000001905	7	01/08/2016	5,83	5,75	128 000
CI - 5,5% - 5 years - 4.September.21	CI0000001863	5	13/09/2016	5,64	5,50	36 170
CI - 5,7% - 7 years - 8.September.23	CI0000001897	7	27/09/2016	5,82	5,70	40 502
TPCI 5,9% 2016-2026 (10 years)	CI0000002119	10	10/10/2016	5,90	5,90	141 981
CI - 5,45% - 5 years - 31.October.21	CI0000001921	5	28/10/2016	5,48	5,45	142 000
TPCI 6,25% 2017-2029 (12 years)	CI0000017AE01	12	27/02/2017	6,34	6,25	130 530
CI - 5,6% - 3 years - 20.April.20	CI0000002218	3	19/04/2017	6,68	5,60	15 290
CI - 5,7% - 3 years -3.September.20	CI0000002341	3	12/09/2017	6,02	5,70	31 573
CI - 5,85% - 5 years - 13.September.22	CI0000002358	5	12/09/2017	6,26	5,85	9 406
CI - 6,1% - 7 years - 13.September.24	CI0000002366	7	12/09/2017	6,28	5,10	5 378
CI - 6,2% - 10 years - 13.September.27	CI0000002374	10	12/09/2017	6,30	6,20	2 109
TPCI 5,95% 2017-2024 (7 years)	CI000000A11?	7	18/09/2017	6,04	5,95	145 337
TPCI 5,95% 2017-2024 (7 years)	CI000000A12?	7	23/10/2017	6,04	5,95	153 331
CI - 5,75% - 5 years - 15.December.22	CI0000002444	5	14/12/2017	6,14	5,75	30 000
CI - 6% - 8 years - 29.December.25	CI000000A25??	8	26/12/2017	6,09	6,00	65 616
CI - 5,25% - 12 years - 22.March.30	XS1793329225	12	16/03/2018	5,25	5,25	557 563
CI - 6,625% - 30 years - 22.March.48	XS1796266754	30	16/03/2018	6,62	6,63	557 563
CI - 6% - 8 years - 02.August.26	CI000018AE01	8	26/07/2018	6,00	6,00	164 641
CI - 6% - 8 years - 19.October.26	CI000018AE02	8	15/10/2018	6,00	6,00	130 253
TPC 5,95% I032018	TPCI032018	7	12/11/2018	6,04	5,95	112 560
CI -BT - 12 months - 11.February.20	CI0000002739	1	12/02/2019	5,75		14 002
TPCI 5,75% 2019-2026 (7 years)		7	15/02/2019	5,75	5,75	102 481

TPCI 6% 2019-2029 (10 years)	TPCI 6% 2019-2029 B	10	15/03/2019	6,00	6,00	31 533
CI - 5,80% - 5 years - 20.March.24	CI0000002788	5	19/03/2019	6,81	5,80	31 500
CI - 5,90% - 3 years - 06.May.22	CI0000002846	3	03/05/2019	6,80	5,90	116 248
CI - 6% - 5 years - 06.May.24	CI0000002838	5	03/05/2019	6,71	6,00	40 985
TPCI 5,75% 2019-2026 (7 years)		7	15/05/2019	5,75	5,75	78 822
TPCI 2,23% 2019-2026 (7 years)		7	15/05/2019	2,23	2,23	47 000
CI -BT - 12 months - 19.May.20	CI0000002861	1	21/05/2019	5,17		18 512
CI - 5,70% - 3 years - 22.May.22	CI0000002879	3	21/05/2019	5,75	5,70	25 488
TPCI 5,75% 2019-2026 (7 years)		7	08/07/2019	5,75	5,75	116 673
CI -BT - 12 months - 07.July.20	CI0000002937	1	09/07/2019	5,32		30 503
CI - 5,70% - 3 years - 24.July.22	CI0000002986	3	23/07/2019	6,42	5,70	26 202
CI - 5,70% - 3 years - 06.August.22	CI0000003018	3	05/08/2019	6,41	5,70	27 500
TPCI 5,75 2019-2026 (7 years)		7	16/08/2019	5,75	5,75	50 000
CI - 5,70% - 3 years - 17.September.22	CI0000003042	3	16/09/2019	6,39	5,70	42 873
CI -BT - 12 months - 14.January.20	CI0000002671	1	03/10/2019	4,92		32 500
CI - 5,7% - 3 years - 21.July.20	CI0000002333	3	03/10/2019	5,74	5,70	20 110
CI - 5,90% - 3 years - 04.October.22	CI0000003091	3	03/10/2019	6,69	5,90	126 601
CI - 6% - 5 years - 04.October.24	CI0000003109	5	03/10/2019	6,61	6,00	38 399
TPCI 5,75% 2019-2026 (7 years)		7	14/10/2019	5,75	5,75	65 000

Table 63. Côte d'Ivoire's issues on the Eurobond market

Issue date	Amount raised in millions	Currency	Rate (%)	Maturity date
2014	750	USD	5,38	2024
2015	1000	USD	6,38	2028
2017	1250	USD	6,13	2033
2017	625	EUR	5,13	2025
2018	850	EUR	5,25	2030
2018	850	EUR	6,63	2048
2019	850	EUR	5,88	2031
2019	850	EUR	6,88	2040

Source : MEF/DDPD



Auction (for government securities): the auction of securities issued by the central government. In the WAEMU area, it is organised by BCEAO and only banks and other regional financial institutions with accounts with BCEAO can participate. Other entities can only subscribe to auctions through WAEMU banks.

Amortization or maturity: The period between the disbursement of a loan and its final repayment, consisting of the grace period and the repayment period.

Public offering: competitive bidding on the financial market for public securities through an IMC. It is open to all savers.

Net external assets (NEA): net claims or liabilities of monetary institutions (Central Bank and banks) on the outside world. This item corresponds to all items in the balance sheets of the Central Bank and banks relating to their external operations. It is obtained by deducting from gross external assets all external liabilities, including medium- and long-term liabilities.
Government borrowing requirement: overall amount needed to cover the primary budget deficit and the interest and redemption charges associated with the debt.

Treasury bills: short-term public securities with a maturity of between 7 days and 2 years, issued by a WAEMU member state.

Paris Club: informal group of creditor countries (usually OECD countries) that meet in Paris to negotiate debt restructuring agreements with debtor countries experiencing debt service problems.

Bilateral creditors: governments, central banks, agencies and export credit agencies, which lend to a debtor government on an intergovernmental basis.

Multilateral creditors: international institutions that lend funds on concessional and/or non-concessional terms, such as the IMF, World Bank and regional development banks.

Credits to the economy (EC): all assistance granted to the economy by banks (refinanced or not), financial institutions (part refinanced by the Central Bank) and the Treasury (through the acceptance of customs drafts).

Domestic credit = Credit to the economy + Net position of the Government (see PNG).

Disbursement: payment of all or part of the amount contracted under the terms of a loan.

Budget deficit: difference between total revenue and total expenditure and net lending.

Current account deficit: current account deficit balance of the balance of payments.

Primary deficit: negative difference between revenue and expenditure, excluding interest payments.

External public debt: central government borrowing from non-residents.

Domestic public debt: central government borrowing from residents.

Non-concessional debt: debt issued on market terms.

Public debt: the sum of all central government debt (external and domestic).

Economic data :

- **Achievements:** Economic data for past years, calculated on the basis of comprehensive economic information collected on economic activity by national administrations. They should correspond more or less to the data in the final accounts for year N-3 ;

- **Estimates:** correspond to semi-final or provisional accounts, drawn up on the basis of economic information for a given year. They are generally non-exhaustive and/or not fully validated;

- **Economic projections or forecasts:** correspond to economic data calculated on the basis of hypotheses formulated on the future development of [economic activity]. These projections may partially cover certain accounts for which only provisional and/or partial data are available.

Grant element: difference between the nominal value (NV) and the present value (PV) of debt service expressed as a percentage of the nominal value of the loan $((NV-VA)/V \cdot N)$.

Concessional borrowing: Loans and credits that have a long amortization period and/or below-market interest rates, such that they have a grant element of at least 35%.

Eurobond (or Eurobond): a foreign currency bond at the level of the London financial market.

Inflation: generalised increase in consumer prices. This results in a loss of purchasing power of the currency.

Multilateral Debt Relief Initiative (MDRI): initiative launched in June 2005 to accelerate progress towards the Millennium Development Goals (MDGs).

HIPC Initiative: a framework adopted by the World Bank and the IMF in 1996 to address the external debt problems of heavily indebted poor countries, which aims to provide comprehensive debt relief sufficient to achieve debt sustainability.

Money supply (MO): All claims held by the rest of the economy on monetary institutions. It comprises cash in circulation (currency in circulation + overnight deposits) and quasi-monetary assets (savings accounts and time deposits).

Treasury bonds: medium- and long-term government securities issued through auctions or public offerings.

Contingent liabilities: debts contracted by other public entities with the exception of central government (local authorities and the para-public sector).

Net Government Position (NGP): net claims or net

liabilities of the Treasury vis-à-vis the rest of the economy.

The government's net position consists of the difference between the Treasury's debts and its claims on the Central Bank, banks and individuals and companies.

By convention, a crediting PNG is preceded by a sign (-) while a debtor PNG is preceded by a sign (+).

Fiscal pressure: the ratio of tax revenue to GDP.

Refinancing risk: the risk associated with the renewal of maturing debt. It may relate to the cost of refinancing or the inability to obtain the desired amounts.

Interest rate risk: Interest rate risk refers to the vulnerability of the debt portfolio and the cost of the Government's debt to high market interest rates, at the point where maturing fixed-rate debt and floating-rate debt are revalued.

Foreign exchange risks: Risks associated with fluctuations in exchange rates.

Debt servicing: Any payment to be made on the principal, interest and fees of a loan.

Primary balance: (see primary deficit).

Stock of government debt: the amount at a given date of disbursements of outstanding debt.

Exchange rate: the price of one currency in terms of another.

Debt ratio: the ratio of the stock of public debt to GDP.

Investment rate of a country's economy: a ratio that indicates the gross fixed capital formation of all economic agents (government, enterprises, households) expressed as a percentage of GDP. For a country, GFCF is the sum of hardware and software investments made during one year in that country.

The terms of trade: expresses for a country the ra-

tio between the price of exports and the price of imports. They are generally calculated on the basis of price indices and indicate a change in relation to a reference year ($T = [\text{export price index} / \text{import price index}] \times 100$).

The terms of trade improve over time ($T > 100$) if an economy exports a smaller quantity of goods to purchase the same quantity of imported goods (in other

words, the same quantities exported buy more imported goods): export earnings improve in this case. Conversely, the terms of trade deteriorate ($T < 100$).

This price ratio thus reflects the evolution of the purchasing power of exports in imports, for a given volume of trade (the structure of trade is fixed): it reflects the price-competitiveness of a country (independently of the quantity effect).

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