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Republic of
Côte d'Ivoire



Presentation of Sovereign issuers of
West African Monetary Union (WAMU)

August 2021

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ACRONYMS

ACF	Alliance Crédit Finance
ADVANS	ADVANS COTE D'IVOIRE
AFD	French Development Agency
AGEFOP	National Agency for Vocational Training
AIDS	Acquired Immune Deficiency Syndrome
APE	Economic Partnership Agreement
APSFD-CI	Professional Association of Decentralised Financial Systems of Côte d'Ivoire
AU	Account Unit
AfDB	African Development Bank
BCEAO	Central Bank of West African States
BIA	Initial Finance Act
BIC	Credit Information Office
BOAD	West African Development Bank
BRVM	Regional Stock Exchange
C2D	Debt Reduction and Development Contract
CAC	Compagnie Africaine de Crédit de Côte d'Ivoire
CEPICI	Investment Promotion Center of Côte d'Ivoire
CET	Common External Tariff
CGRAE	General Pension Fund for State Employees
CHU	University Teaching Hospital
CNPE	National Economic Policy Council
CNPS	National Social Security Fund
CREMPF	Regional Council for Public Savings and Financial Markets
CRMV	Center for Medical and Veterinary Research
CSL	Community Solidarity Levy
CV	Current Value
DGBF	Directorate General of Budget and Finance
DGD	Directorate General of Customs
DHS	Demographic and Health Surveys
DSA	Debt Sustainability Analysis
DSSI	Debt Service Suspension Initiative
EBID	ECOWAS Bank for Investment and Development
ECF	Extended Credit Facility
ECL	ECOWAS Community Levy
ECOWAS	Economic Community of West African States
EDS-MICS	Demographic and Health Survey - Multiple Indicator Cluster Survey
EIB	European Investment Bank
EmONC	Emergency Obstetrical Neonatal Care
ENS	Ecole Nationale Supérieure (National Higher School)
ENSEA	Ecole Nationale Supérieure de Statistique et d'Economie Appliquée (National School of Statistics and Applied Economics)
EPN	National Public Establishment
ESF	Energy Support Fund
EU	European Union
F	Degree Fahrenheit
FDI	Foreign Direct Investment

ACRONYMS

FECT	Territorial Collectivities Equipment Fund
FIDRA	International Fund for the Development of Active Retirement
GATT	General Agreement on Tariffs and Trade
GBP	Great Britain Pound
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GES-CI	Savings and Support Group in Côte d'Ivoire
GPEEC	Management of Jobs, Staff and Skills
GST	Tax on Services
GUEDEF	One-stop shop for filing financial statements
HCCT	High Council of Territorial Authorities
HDI	Human Development Index
HID	Dakar International Hospital
HIMO	Labor-intensive investment program
HIPC	Heavily Indebted Poor Country
HIV	Human Immunodeficiency Virus
IDB	International Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IMB	Directorate General of Taxes
IMF	International Monetary Fund
INF	Inferior
INPHB	Institut National Polytechnique Houphouët-Boigny
INS	National Statistical Institute
ISIN	International Securities Identification Numbers
JPY	Japan Yen
MDG	Millennium Development Goals
MEDC	Extended Credit Mechanism
MEDC-FEC	Extended Credit Mechanism: Extended Credit Facility
MEF	Ministry of Economy and Finances
MENET	Ministry of National Education and Technical Education
MESRS	Ministry of Education and Scientific Research
MICROCERD-CI	Micro Credit of Côte d'Ivoire
MIGA	Multilateral Investment Guarantee Agency
MTDS	Medium-Term Debt Management Strategy
NER	National Enrolment Rate
NIPA	National Agricultural Investment Program
NOC-PPP	National Steering Committee for Public-Private Partnerships
NSDP	National Health Development Program
OHADA	Organization for the Harmonization of Business Law in Africa
OPEC	Organization of the Petroleum Producing Countries
OSSC	Out of School Child
PCD	Debt to Development Program
PDESFI	Financial Sector Development Plan
PEP	Parent Education Program

ACRONYMS

PIP	Public Investment Program
PMI	Small and medium-sized industries
PND	National Development Plan
PPC	Multiannual Convergence Program
PPP	Public Private Partnership
PREV	Projections
PSI	Strategic Integration Programme
PTIP	Triennial Public Investment Programme
RCI	Republic of Côte d'Ivoire
RCMEC-CI	Network of Mutual Savings and Credit Associations (Caisses Mutuelles d'Epargne et de Crédit)
REP	Regional Economic Program
RGPH	General Census of Population and Housing
SAGETIL-UMOA	Settlement System for Government Securities
SDG	Sustainable Development Goals
SDR	Special Drawing Rights
SEPMBPE	Secretariat of State to the Prime Minister in charge of Budget and State Portfolio
SFD	Decentralized Financial System
SGI	Brokerage firms
SME	Small and Medium Enterprise
SSSU	School and University Health Service
SUP	Superior
SVT	Primary dealers
T-bond	Treasury bond
TCA	Tax on turnover
TCEN	National Effective Exchange Rate
TCER	Real Effective Exchange Rate
TFP	Technical and Financial Partner
TMP	Weighted average rate
TOFE	State Financial Transactions Table
UFR	Training and Research Unit
UHC	Universal Health Coverage
UNACOOPEC-CI	Union Nationale des Coopératives d'Epargne et de Crédit de Côte d'Ivoire
UNAIDS	United Nations Acquired Immunodeficiency Syndrome
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund.
USD	United States Dollar
VAT	Value Added Tax
WAAPP	West Africa Agricultural Productivity Program
WAEMU	West African Economic and Monetary Union
WAMU	West African Monetary Union
WB	World Bank
WEO	World Economic Outlook
WHO	World Health Organization
WTO	World Trade Organization
CFAF	West African CFA Franc

MINISTRE DE L'ECONOMIE ET DES FINANCES



RÉPUBLIQUE DE CÔTE D'IVOIRE

Union – Discipline – Travail

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ATTESTATION DE L'EMETTEUR

Je soussigné, Monsieur 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.

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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 322,462 km² with over 500 km of coastline. 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 remains the economic, political and administrative hub.

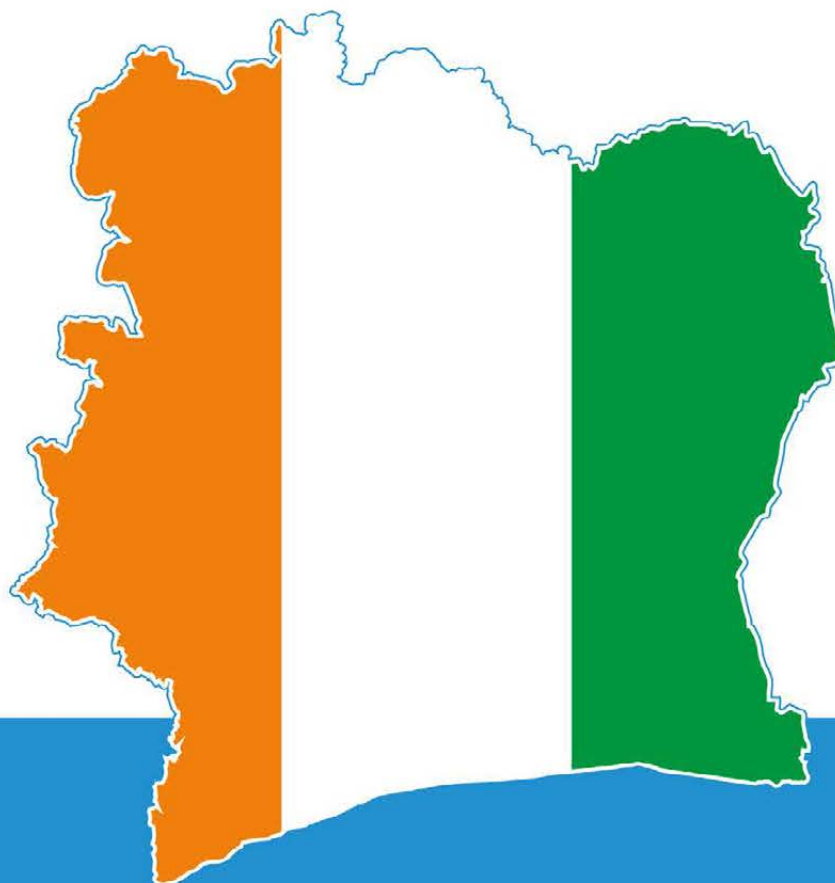
Côte d'Ivoire became independent from France on 07 August 1960. According to the current Constitution, adopted on 30 October 2016, Côte d'Ivoire is a democratic republic based on the separation and balance of the three powers: executive, legislative and judicial.

Côte d'Ivoire is the largest economy in WAEMU in terms of GDP, according to BCEAO. According to WAEMU population statistics, the country also has the largest population in the zone, which was estimated at 25.8 million in 2019 (INS). Côte d'Ivoire is among the most dynamic countries in Sub-Saharan Africa with an estimated nominal GDP of CFAF 34,298.9 billion in 2019. Average GDP growth reached 7.1% between 2016 and 2018. In 2019, growth was estimated at 6.2 according to INS.

In March 2012, the government adopted the National Development Plan (NDP) for the 2012-2015 period. The implementation of this plan has been successful 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 a thorough evaluation of implementation and results of the 2012-2015 NDP, a new 2016-2020 NDP was adopted in December 2015, with the goal of making Côte d'Ivoire an emerging economy by 2020 and halving poverty. In that plan, industry is regarded as one of the main pillars of the economy's structural transformation.

Republic of Côte d'Ivoire



Surface

322 462 km²



Population

26 378 275
Habitants



Capital

Yamoussoukro



Political system

Presidential



Currency

CFAF



Official language

French



Nominal GDP in 2020

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 :
1 335 222,2
- ▶ Growth in rate in 2020 : **2 %**
- ▶ Indebtedness rate in 2019 : **47.6%** of GDP
- ▶ Fiscal deficit, including grants in 2019 : **4.8%** of GDP

1.1 Political system

As part of the French Community, Côte d'Ivoire became an Autonomous Territory in December 1958, but the constitutional history of Côte d'Ivoire 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, established the Second Republic. Recently, after the decade of crisis experienced by Côte d'Ivoire, a fourth Constitution was adopted by referendum in 2016. It established the Third Republic.

On 17 March 2020, a constitutional revision was adopted by 246 votes to 2, the two chambers (Assembly and Senate) having met in Congress. This revision involves all powers: the executive, the legislative and the judiciary. The Vice-President will no longer be elected at the same time as the Head of State, but appointed by the latter with the consent of Parliament. If parliamentary elections cannot be held, the outgoing Parliament will remain in office until new elections are held. The Supreme Court is abolished, and the judiciary is represented by the Court of Cassation, the Council of State and the Court of Audit.

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 Court of Cassation, the Council of State and the Court of Auditors.

1.1.1 Executive power

The executive branch 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 compliance with the Constitution. He is

elected for a five-year term 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, the Defense 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 the members of the Government. In the event of absolute impediment, resignation or death of the President of the Republic, the Vice-President of the Republic becomes automatically becomes the President of the Republic. The Vice-President of the Republic is appointed by the President with the consent of the parliament. He acts on delegation of the President of the Republic. The first Vice-President is Daniel Kablan Duncan appointed on 10 January 2017. He was a member of the Democratic Party of Côte d'Ivoire (PDCI) which formed a coalition with the Rassemblement des Républicains (RDR), the party of Mr. Alassane Ouattara. The position has been vacant since his resignation on July 8, 2020.

The Government comprises the Prime Minister, Head of Government, and the Ministers. The Prime Minister leads and coordinates government action. He presides over the Council of Government and preparatory meetings of the Council of Ministers. The current Prime Minister, appointed on 26 March 2021, is Mr. Patrick Achi. Since 2017, Ivorian governments have been led by two Prime Ministers who died within eight months of each other as a result of illness: Amadou Gon Coulibaly, who died at the age of 62 on 8 July 2020, and Hamed Bakayoko, at the age of 56 on 10 March 2021.

1.1.2 Legislative power

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

The parliament passes laws and approves taxes. It supervises the action of the Government and

evaluates public policies. Each year, Parliament meets as of right in two ordinary sessions that begin on the first working day of April and end on the last working day of December. Members of 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 Assembly of Presidents. In addition to these bodies, there are the parliamentary groups which are groupings of members of parliament according to their ideologies or political affinities.

According to the figures of the Independent Electoral Commission (IEC) for the last legislative elections of March 2021, there is a total number of 255 members of parliament, including 137 for the RHDP, 50 for the joint PDCI-RDA and EDS list, 26 independents, 23 from the PDCI-RDA, 8 from EDS and 2 from the FPI. Mr. Amadou Soumahoro was re-elected President of the National Assembly on 30 March 2021 by the new deputies.

The Senate ensures the representation of territorial communities and Ivorians diaspora. Two thirds of the senators are elected by indirect universal suffrage and one third is appointed by the President of the Republic for a five (5) year term. 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 branches of government. Thus, as part of controlling government action and assessing public policies, members of the Government may be called upon by the parliament. The parliament is informed about Government's action orally or in writing, by means of the committee of inquiry and the evaluation mission.

The Court of Audit assists the Parliament and the Government in controlling the execution of the finance Acts in addition to other assigned duties. 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, which holds 137 seats. The other opposition parties hold a total of 117 seats, the majority of which come from the joint PDCI-RDA and EDS list (50). The non-affiliated parties hold 76 seats.

1.1.3 Judicial Branch

The judiciary is independent and the President of the Republic is the guarantor of this independence. He is assisted by the High 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 Act No. 2020-348 of 19 March 2020 amending Act 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 judges of the Court of Cassation, the Council of State and the Court of Audit, first presidents of courts of appeal and presidents of Lower Courts. The High Council of the Judiciary is presided over 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 Lower Courts, the administrative courts and the regional audit chambers.

The Court of Cassation ensures the application of the law by the courts of the judicial order 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 court of the administrative order. It has sovereignty over the decisions rendered in the last instance by the administrative courts and by the administrative courts specialized in administrative litigation. The Council of State hears in first and last instance appeals for the annulment of acts of central administrative authorities and bodies with national competence. It also has an advisory function. As such, 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 period of five (5) years, renewable once, from among persons recognized for their competence and proven expertise in legal matters.

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

² The electorate directly appoints its representative. The vote is carried out according to the principle of one person = one vote and the secrecy of the vote implies materially the anonymous ballot.

The powers of the Supreme Court are vested respectively in the Court of Cassation in respect of judicial disputes and in the Council of State in respect of administrative disputes.

The Court of Audit is the supreme institution of public finance control. It has jurisdictional, auditing and advisory powers. The Court of Audit ensures the proper use of loans, funds and assets managed by the state services and by other public entities. It supervises the execution of the 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 and those 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 period of five (05) years, renewable once.

Other courts

The Ivorian constitutional system includes 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 try the President of the Republic, the Vice-President of the Republic and members of the Government, including alleged 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 functions. 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 oversees the functioning of the public authorities. The Constitutional Council has jurisdiction over the constitutionality of the law. It is also competent to review presidential and parliamentary elections. It comprises the President, former Presidents of the Republic (unless they expressly renounce their membership) and six members appointed for a non-renewable six-year term, 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 divisions, made up 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, comprises several regions. The region is made up of several departments as an administrative division. The country has one hundred and eight (108) departments. The region is 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 agents of the administrative and technical services placed within his territorial jurisdiction.

The village, made up of districts, is the first level of administrative authority. It is administered by the village chief appointed 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 Leaders.

Furthermore, Ordinance No. 2011-262 of 28 September 2011 on the general organization 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 organize community life and the participation

of populations in the management of local affairs, to promote and achieve local development, to modernize the rural world, to improve the living environment and to manage the land 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 Geographic 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 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 center of the country. However, Abidjan, in the south of the country, is the economic capital and administrative hub.

The climate is hot and humid and the territory has three main climate zones that are characterized by different volumes of rainfall in the year: the South (2

meters of rain), the West (1.5 meters of rain) and the North of the country (1.2 meters of rain). The country has four (4) rivers from North to South: the Bandama, the Comoé, the Sassandra and the Cavally.

The vegetation is varied and consists of tropical forest in the south, savannah in the center and grassy savannah in the northern part of the country. This vegetation cover is home to many animal species, including the elephant, whose tusks are the origin of the country's name. "Once an abundant species in both the forest and savannah, the elephant has been intensely hunted and poached, and is only found in reserves and parks in a few places in the country.

1.4 Population

According to the latest General Census of Population and Housing (RGPH) by the National Institute of Statistics (INS) in 2014, the population of Côte d'Ivoire was about 22.7 million and recorded an

annual growth rate of 2.6%. According to the INS, the population of Côte d'Ivoire was estimated at 26.4 million in 2020

Table 1. Ivorian population statistics 2015-2020

Category	2015	2016	2017	2018	2019	2020*
Male	12 043 259	12 360 182	12 678 865	12 999 507	13 321 662	13 645 276
Female	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 Institute of Statistics (*) estimate

At this rate, the population count will more than double by 2050 according to United Nations forecasts .

Table 2. Ivorian population forecasts 2025-2050

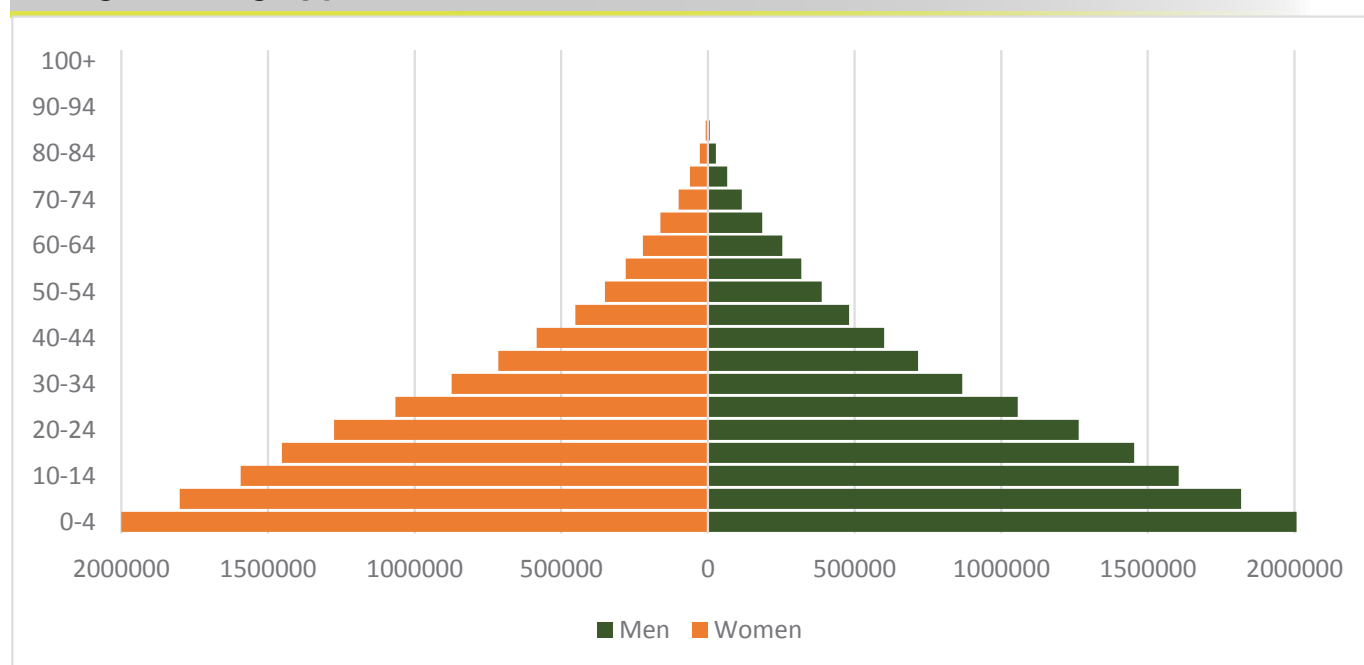
Côte d'Ivoire	2025	2030	2035	2040	2045	2050
Number	29 590 620	33 337 311	37 411 244	41 796 017	46 463 964	51 375 180
Annual growth	13.0 %	12.6 %	12.2 %	11.7 %	11.2 %	10.6%

Source: United Nations Department of Economic and Social Affairs

Côte d'Ivoire's age pyramid is umbrella-shaped, with a balanced distribution of men and women. This shape is largely explained by Côte d'Ivoire's high birth rate (33.7 births/1,000 inhabitants)¹.

The population structure is very young (70.4 per cent are under 30). This characteristic is typical of developing countries. People aged 65 and over account for 2.9 per cent of the country's total population.

Figure 1. Age pyramids in 2020



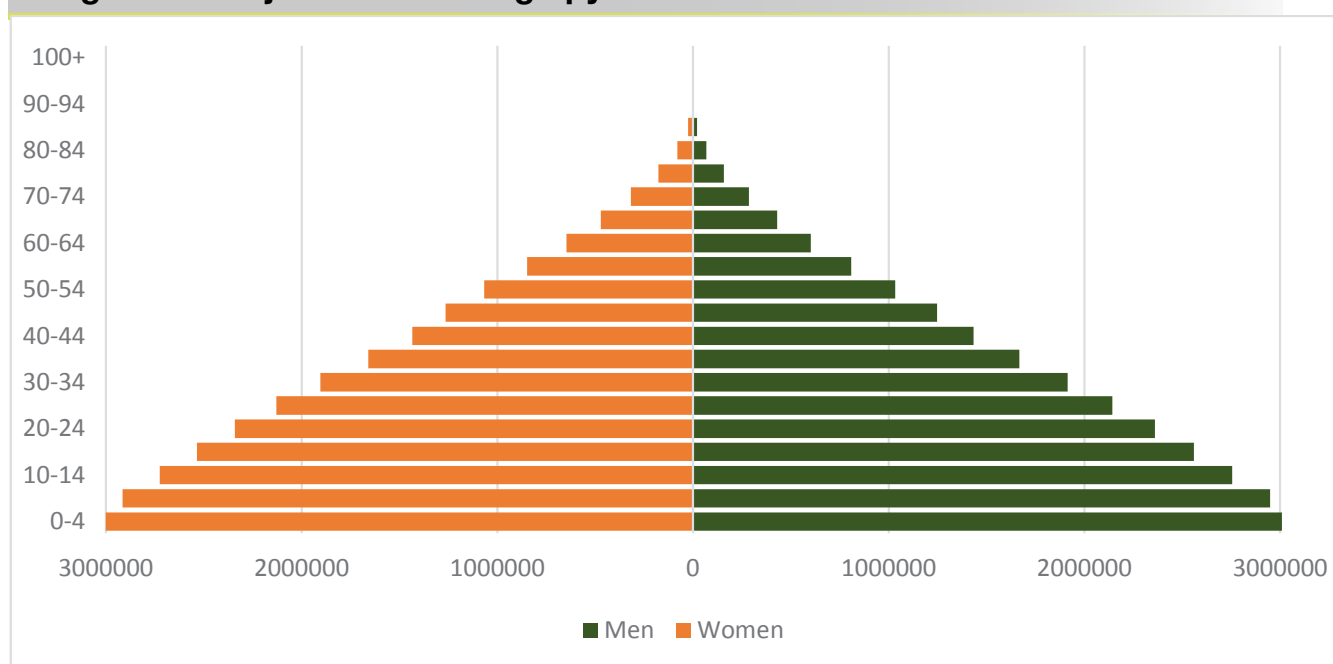
Source : <https://www.populationpyramid.net/fr/cote-divoire/2020/>

The population is composed of 50.4% men and 49.6% women. However, there are some disparities between age groups. There are more women than men in the 20-34 age group and in the 80+ age group .

Projections show a better life expectancy of the Ivorian population by 2050. Young people under 30 years of age should represent 61.8% as against 70.4%. The number of people over 60 is estimated at 3.2 million, compared with 1.2 million in 2020.

² <https://www.populationpyramid.net/fr/cote-divoire/2020/>

Figure 2. Projection of the age pyramid for Côte d'Ivoire in 2050



Source : <https://www.populationpyramid.net/fr/côte-d'ivoire/2050/>

The population of Côte d'Ivoire lives mainly in forest 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 82.16 inhabitants per km² in 2020 .

50.36% to 52.5% between 2014 and 2019 according to NSI estimates. It is expected to reach 53.4 percent in 2021. The urban population is mainly concentrated in Abidjan, where 4,395,243 people live (about 4 out of every 10 urban residents).

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

Table 3. Ivorian Urbanization Statistics 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
Percentage urban	50.36	50.7	51.2	51.6	52.1	52.5	53	53.4
Percentage rural	49.64	49.3	48.8	48.4	47.9	47.5	47	46.6

Source: NSI

French is the official language of the country. It is taught in schools and used as a working language in the public administration. About sixty ethnic groups exist. The Ivorian population is made up of five major ethnic groups: Mandé group (Dan, Yacouba, Gouro, Malinké) in the northwest and west, Voltaic group (Sénoufo, Koulango and Lobi) in the north, Krou group (Wê, Bété, Bakwé, Godié and Dida) in the

South-West and Center-West, and the Akan group distributed among the Lagunaires (Ebrié, Adjoukrou, Avikam, Abouré, Nzima,) in the South, in the Center (Baoulé) and in the South-East and East (Attié, Agni, Abron, etc...).

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

Figure 3. Ethnic groups of Côte d'Ivoire

The map displays the ethnic distribution in Côte d'Ivoire, with regions labeled in all caps. A legend on the right identifies five major groups by color: Mandé du Nord ou Mandingue (light yellow), Mandé du Sud (light orange), Groupe Voltaïque (light green), Groupe Krou (yellow), and Groupe Akan (purple). Specific ethnic groups labeled on the map include Fula Bambara, Syenambela, Mankana, SÉNOUFO, DIOULA, LOBI, Tagouana, Djimini, Diamoula, KOULANGO, DAN, Malinké, Koyaka, TOURA, YACOUBA (DAN), WOBÉ, GOURO, ABRON, NIABOUA, GUERÉ, BÉTÉ, GAGOU, BAOULÉ, AGNI, DIDA, ABÉ, AGNI, AKIÉ, ABIDJH, ADJOUKROU, EBRÉ, ABOURO, NOUNA, BAKWÉ, GODIÉ, AVIKAM, and KROU. A scale bar at the bottom indicates 0 to 100 km.

Nearly 20% of Ivorians belong to the Baule 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%). 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).

Religion	Number of followers	Percentage of total population
Christianity	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%
Other	49472	0,0%

¹ United Nations Department of Economic and Social Affairs "Population Projection, 2020-2050".

1.5.1 Organization of school cycles

The education system is broken down into two types: 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 centers and faith-based schools.

Higher education, which offers a variety of training, is provided 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 access routes. The first one, dedicated to pupils of CM2, 6ème and 5ème level of the 1st cycle of general secondary education, is done through vocational training centers and technical centers with, in the end, a vocational aptitude certificate. The second stage is offered to pupils in the third year of general secondary education in technical colleges (CET), vocational lycées (LP) and technical lycées (LT) and prepares them respectively for the vocational diploma (brevet d'étude professionnelle), the technician's diploma (brevet de technicien) and the baccalaureate. The third year, which is the final year (with or

without the baccalaureate), takes place in the higher technical schools, which eventually leads to a higher technician's certificate.

The literacy rate (proportion of people aged 15 and over) rose, according to the World Bank, from 40.98% in 2012 to 47.17% in 2018. The general illiteracy rate, which was 51% in 2002, declined to 43.8% in 2015 to stand at 43.1% in 2017 (according to the Ivorian authorities).

1.5.2 Education-Training Sector Plan (ESP) 2016-2025

The current education-training policy is contained in the PSEF (2016-2025), which is based on Goal 4 of the Sustainable Development Goals (SDGs) 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 years was passed and remains in force. Various infrastructures dedicated to education and training have been built and teaching staff as well as teaching materials and equipment have been reinforced. (See details in section 3.3).

In 2018, public spending on education was estimated at CFAF 1,246.7 billion, or 4.8 percent of nominal GDP. The trend is growing 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 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 enrolment rate is increasing, but has decreased slightly to 100.32% in 2019. The net enrolment rate is increasing throughout the period 2013-2019 and reaches over 91% in 2019.

Table 6. School statistics 2014-2019

Indicators	2014	2015	2016	2017	2018	2019
Gross Enrolment Rate (pre-school)	6.90%	7.40%	8.20%	8.80%	9.00%	8.30%
Gross Enrolment Rate Girls (pre-school)	6.50%	7.10%	7.80%	8.20%	8.30%	8.50%
Gross Enrolment Rate (primary)	94.70%	95.40%	101.30%	104.60%	100.60%	100.32%
Net Enrolment Rate (Primary)	77.00%	78.90%	87.80%	91.00%	91.10%	91.10%
Gross Enrolment Rate Girls (primary)	89.60%	92.40%	99.10%	103.10%	99.90%	97.23%
Pupils per class (primary)	43*	44*	43*	41*	41*	-
Pupils per teacher (primary)	43*	42*	43*	42*	42*	-
Total classrooms (primary)	74 671	76 564	84 730	90 970	94 767	-
Total number of students (primary)	3 176 874	3 370 558	3 617 219	3 772 136	3 900 222	-
Total teachers (Primary)	74 703	80 155	85 109	88 900	93 257	-
Gross Enrolment Rate (secondary)	38.94%	42.45%	45.04%	48.45%	51.03%	54.61%
Students per class (secondary)	59*	58*	57*	60*	58*	-
Students per teacher (secondary)	27*	29*	30*	30*	32*	-
Total classrooms (secondary)	22 339	25 709	28 357	29 988	33 363	-
Total students (secondary)	1 321 556	1 479 005	1 621 874	1 791 183	1 923 763	-
Total teachers (secondary)	49 550	51 192	53 537	58 866	59 356	-
Gross Enrolment Rate (higher)	8.30%	8.80%	8.90%	9.30%	-	10.00%

Source: MENET, UNESCO and author's calculations (*)

Over the period 2013-2018, the number of pupils, teachers and intake capacities are increasing at all levels of education. The number of learners per class is relatively stable and high (on average 42 for primary and 58 for secondary) and the number of teachers has remained low (on average one teacher for every

32 pupils in secondary compared with 42 for primary). The Gross Enrolment Rate (GER) for primary school girls increased from 89.6 percent in 2014 to 97.23 percent in 2019. The Net Enrolment Rate (NER) for primary school girls is estimated at 91.1% in 2019.

1.6 Health

1.6.1 Architecture of the Ivorian health system

The health system is composed of a modern system whose actors are the public and private sectors and a traditional system practicing traditional medicine.

The public sector comprises three (03) levels of health centers: (i) the primary level composed of first contact health establishments (1,964 establishments), (ii) the secondary level composed of health care

establishments supporting the first level (84 general hospitals, 17 regional hospital centers and 02 specialized hospital centers) and (iii) the tertiary level composed of health care establishments supporting the second level (05 University Hospital Centers - CHU, 05 Specialized National Institutes and 04 National Public Institutes).

As for the private sector, it is present in the major urban centers and has made great progress in recent

years thanks to the opening of numerous private establishments covering the three (03) levels of care: clinics, polyclinics, medical centers and offices.

1.6.2 General statistics on the health status 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 falling. This is the result of the Government's actions under the National Health Development Plan (PNDS). However, the health system does not manage to cover the entire national territory and there are still areas where access to care remains limited.

Table 7. General health statistics

Indicators	2000	2010	2015	2016	2017	2018	2019	2020
Life expectancy at birth per 1000 (male/female) ^a	49.6	53.3	56.1	56.6	57	57.4	57.8	57.8
Infant mortality per 1000 births	97.5	75.3	64.8	62.9	61	59.4	58.6	na
Under-5 mortality per 1000 ^a	144.8	107.2	90	91.8	83.6	80.9	79.3	na
Maternal death ratio per 100,000 ^b	671	717	645	636	617	na	586	na

Sources: (a) World Bank, *World Outlook 2018*

(b) WHO, UNICEF, UNFPA and 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 19 countries in sub-Saharan Africa and India that concentrate almost 85% of the total number of malaria cases worldwide. According to WHO, nearly 3,133 people died from malaria in 2018. Malaria incidence increased between 2014 and 2017 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

mortality from pregnancy and childbirth. The adult (15-64 years) HIV/AIDS prevalence rate in 2018 was 2.9% compared to 3.4% in 2015. This rate has been steadily declining since 2010 but still remains high. Similarly, HIV prevalence in the population aged 15-49 years decreased between 2014 and 2019 from 3.1% to 2.4%.

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

Table 8. Some health indicators

Indicators	2014	2015	2016	2017	2018	2019
Incidence of malaria (per 1,000 people at risk)	315.07415	320.035376	354.656096	362.364811	330.59816	na
HIV prevalence, total (% of population aged 15-49)	3.1	2.9	2.8	2.6	2.6	2.4

Source: NSDP (2016-2025)/UNICEF

The Ivorian Government 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, conducted 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 Labor Force

In 2016, the working-age population accounted for 62.8% of the total population, estimated at 23,950,475.

50.5% are men and 49.5% are women. Most of them live in urban areas (52.8%). The working-age population in Côte d'Ivoire was mainly made up of the labor force (58.2%), with about 4 out of 10 individuals classified as non-labor force (41.8%). The labor force includes both employed and unemployed persons, that is, persons without a job currently available who are looking for work.

In 2019, the working age population was almost 8.0 million, of which 41.5% were women. It increased over the period 2013-2018, and projections to 2020 follow a similar trend.

Table 9. Labor Force Statistics

Indicators	2013	2014	2015	2016	2017	2018	2019	2020
Working population	6 900 300	7 072 800	7 248 500	7 418 700	7 354 700	7 570 400	7 792 900	8 148 055
Ratio of women (as % of labor force)	39.6	40.09	40.52	40.96	41.12	41.27	41.59	41.91
Urban labor force	3 328 200	3 414 300	3 500 600	3 583 400	3 403 000	4 072 400	4 196 500	na
Rural labor force	3 572 000	3 658 400	3 747 800	3 835 300	3 951 700	3 498 000	3 596 400	na

Source: ILO database (ILOSTAT)

1.7.2 Unemployment

The unemployment rate was estimated at 2.3% in 2020, compared to 2.8% in 2013. In 2020, women are more affected by unemployment than men: 3% of

women are unemployed, compared to 1.9% 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 (as % of total workforce)	2.8	2.8	2.6	2.6	2.6	2.5*	2.4*	2.3*
Unemployment (as a % of female workforce)	3.7	3.6	3.4	3.3	3.3	3.2*	3.0*	3.0*
Unemployment (as a % of male workforce)	2.2	2.2	2.1	2.0	2.0	2.0*	1.9*	1.9*

Source: World Bank, World Outlook (*) Estimate

1.7.3 Underemployment

Underemployment⁴ includes employed persons as defined by the ILO who meet one of the following conditions:

- They work part-time, want to work more and are available to do so, whether or not they are actively seeking employment;
- They work part-time (and are in a situation other than that described above) or full-time, but have worked less than usual during a reference week because of short-time working (lay-offs) or bad weather.

These individuals represented 10.5% of the employed population in 2019. It is down by 4.5% compared to 2014. Underemployment affects more the urban population (13.8% of the urban population) and women (12.5% of the female population).

1.7.4 Formal and informal employment

According to the International Labour Organization, employment in Côte d'Ivoire is almost entirely infor-

mal (86.7%). The share of informal employment decreases for workers with a higher level of education. It drops to 52.8% of employment. Wage employment accounted for less than 25.0% of employment. Employment is dominated by men over 25 years of age with a relatively low level of education and living in urban areas. Self-employment is relatively more common among men who are mature (36-59 years), have no education and live in rural areas.

The average monthly wage for salaried employment was estimated at CFAF 88,403. The written contract is not, at present, widespread in the salaried employment environment as a whole. However, more educated people are increasingly using this type of contract. On average, employees spend slightly more than 10 months in employment during the year, work more than 5 days a week and more than 40 hours a week.

According to World Bank estimates, in 2020, almost 49% of jobs were in agriculture, 6.4% of jobs were in industry, and 44.9% were in services.

Table 11. Employment statistics

Indicators	2013	2014	2015	2016	2017	2018	2019	2020*
Agricultural employment (in % of total employment)	50.1	50.4	50.0	48.9	48.3	48.9	48.8	48.7
Employment Industry (as % of total employment)	5.6	5.9	5.6	6.3	6.3	6.3	6.3	6.4
Employment Services (as % of total employment)	44.1	43.6	44.3	44.8	45.3	44.8	44.8	44.9

Source: World Bank, World Outlook (*) Estimate

1.7.5 Employment Policy

A ministry dedicated to the promotion of youth and youth employment was created in 2015 to implement the employment policy in conjunction with the Youth Employment Agency (AEJ). This agency develops approaches for different audiences through diversified service offerings and ensures synergy and interactivity between youth programs and initiatives. The AEJ offers adapted services in behalf of young job seekers: (i) placements in companies and the hiring assistance program, (ii) the requalification program and short and practical training, (iii) entrepreneurship and financing of economic initiatives, microenterprises, income-generating activities (IGAs), (iv) apprenticeship, (v) labor-intensive work, and (vi) all other modalities that improve youth employability.

In concrete terms, a national directory of young people's 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 investment of CFAF 48.8 billion into youth integration programs made it possible to reach 59 085 young people in 2015. Also, the "Acting for Youth" program, which initially targeted 2,100 young people wishing to create their microenterprises or IGAs, now covers the entire national territory for a target of 7,200 young people. For 2018⁵, 31,273 young people were trained under the project "a training, my passport to employment".

⁵ The 2018 employment statistics are from the fourth review of the Economic and Fiscal Program Framework Document (2016-2019), published in January 2019.

1.7.6 Employment dynamics

During the year 2020, 118,144 jobs were created in the Ivorian formal sector according to the ministry in charge of employment. This figure is up by 24.7% compared to 2019.

At end-December 2020, the number of formal sector employees increased by 6.1 percent compared to December 2019 to 1,107,363, which corresponds to a net creation of 63,302 jobs at end-June 2020. The private sector remains the driving force by concentrating 78% of the workforce against 22% for the public sector.

While the economic expansion was followed by an increase in employment in 2015, 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 valued at \$127 per month

was below the African average (\$156) and far below the global average (\$858). This trend was reversed in 2017 with an average salary of \$169 in Côte d'Ivoire against an African average of \$150. According to the World Bank, the average salary paid in Côte d'Ivoire was estimated at 191 dollars in 2019 for an African average of 154 dollars. Despite the improvement noted since 2017, this salary level is still far from the global average (US\$971).

Two-thirds of jobs pay an average of CFAF 65,000 ('99) per month in self-employment or family employment (microenterprises and agricultural farms). Jobs in agricultural, industrial and service operations are paid at an average of 350,000 CFAF (533 euros) per month. The privileged in the mining and finance sectors receive on average between 1.6 and more than CFAF 2.3 million per month (between 2,400 and 3,500 euros) respectively.

1.8 Recall of the main aggregates

1.8.1 Level of development

Côte d'Ivoire's Human Development Index (HDI) values were 0.38; 0.47; 0.49 and 0.53 in 2015, 2016, 2017 and 2018 respectively. Côte d'Ivoire's 2019 HDI stands at 0.538, placing the country in the "low human development" category and 162nd among 189 countries and territories in the UNDP human development rankings.

Between 1990 and 2019, Côte d'Ivoire's HDI rose from 0.404 to 0.538 (an increase of 33.2%). This progress takes into account the improvement in the quality of life of the population as reflected in life expectancy, good health, access to education and a decent standard of living. Between 1990 and 2019,

life expectancy at birth in Côte d'Ivoire increased by 4.5 years, the average duration of schooling increased by 3.2 years and the expected duration of schooling increased by 4.0 years. Côte d'Ivoire's GNI per capita increased by almost 30.0% between 1990 and 2019.

Côte d'Ivoire's Gini index was estimated at 41.5 by the World Bank in 2015 compared to 43.2 in 2008. This means that income is not evenly distributed in the country but shows a slight improvement. In 2015, Côte d'Ivoire ranked 53rd in the world out of 160 countries.

GDP per capita is estimated at CFAF 1,357,600 in 2019 compared to CFAF 991,227 in 2018.

Table 12. Real GDP and real GDP per capita

National economy	2015	2016	2017	2018	2019	2020	2021
Real GDP (in billions CFAF)	27 086.2	29 036.4	31 185.1	33 336.9	35 403.8	36 041.0	38 383.7
Real GDP per capita (thousands CFAF)	1 143.7	1 195.2	1 251.2	1 303.0	1 357.6	1 371.0	1 460.1

Source: MEF / DGE / DPPSE / INS

1.8.2 Summary table

Table 13. Main macroeconomic aggregates (in billions, unless otherwise indicated)

	2015	2016	2017	2018	2019	2020	2021
National economy							
Nominal GDP	27 086.2	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4 ⁶	38 439.2
Real GDP (growth rate in %)	NA	7.2	7.4	6.9	6.2	2.0	6.5
Investment rate (% of GDP)	23.7	21.5	20.1	21.2	20.1	20.9	22.4
Inflation rate (%)	1.2	0.7	0.4	0.6	0.8	1,0	1.4
Balance of payments							
Exports FOB	6 938.00	6 449.30	6 899.60	6 619.60	7 308.60	7 043.70	7 406.50
Imports FOB	5 064.00	4 631.50	4 940.30	5 255.90	5 405.20	5 250.60	5 602.40
Balance	1 874.0	1 817.8	1 959.3	1 363.7	1 903.4	1 793.1	1 804.1
Current balance	-119.1	-245.5	-609.2	-1 153.90	-626.3	-867	-1 009.90
Public Finance							
Receipts and grants	3916,8	4176,6	4523,4	4764,1	5158,4	5089,6	5774
Total expenditures and net loans	4469,8	5014,6	5521,8	5708,3	5943,9	6784,9	7524,5
Budgetary balance	-553	-838	-998,4	-944,2	-785,5	-1695,3	-1750,5
Public debt							
Domestic debt	3 425,70	4 049,10	4 275,10	3 994,40	4 432,70	6 045,6	NA
External debt	4 489,10	4 974,20	5 770,00	7 613.40	8 867.50	10756.7	NA
Government debt as % of nominal GDP	29.2%	31.7%	33.5%	36.0%	38.8%	47.6%	NA
Budget deficit							
In value	553	838	998.4	944.2	785.5	1695.3	1750.5
As a percentage of nominal GDP (%)	2.0%	2.9%	3.3%	2.9%	2.3%	4.8%	4.6%

Source: MEF / DGE / DPPSE / INS

⁶ Updated in May 2021 and published in June 2021 (macroeconomic framework 2015 -2021)

2 RECENT ECONOMIC SITUATION AND OUTLOOK

The beginning of 2020 was marked by the coronavirus outbreak (Covid-19) which has led to a global economic recession. In this context, GDP growth in Côte d'Ivoire is expected to be 2.0 percent in 2020 against an initial forecast of 7.2 percent, and 6.7 percent on average per annum over the period 2021-2023. The rest of this section assesses nominal and real GDP, its origins and uses.

2.1 Evaluation of the Gross Domestic Product

2.1.1 Level of Gross Domestic Product

Côte d'Ivoire recorded a significant increase in its Gross Domestic Product (GDP) from CFAF 28,423.9 billion in 2016 to CFAF 34,298.9 billion in 2019, representing an average annual increase of 6.5% in nominal terms. This remarkable performance was thwarted in 2020 by the outbreak of the coronavirus pandemic (Covid-19) which led to a global

economic recession. In this context, economic activity at the national level contracted and nominal GDP is estimated at CFAF 35 311.4 billion in 2020 against an initial forecast of CFAF 36 044.0 billion. Nevertheless, it could benefit from the global recovery and the lifting of domestic restrictions to reach CFAF 37 698.5 billion in 2021 and CFAF 40 555.0 billion in 2022.

Table 14. Nominal GDP of Côte d'Ivoire (base 2015)

(In billions of CFAF)	2016	2017	2018	2019	2020	2021	2022
			Projection	Estimate	Estimate	Projection	Projection
Nominal GDP	28 423.9	29 955.0	32 222.3	34 298.9	35311.4 ⁹	38439.2	40 555.0

Source: MEF/DGE/DPPSE, INS

2.1.1 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 2015-2019 period.

The real GDP growth rate is estimated at 6.2% for 2019 and is expected to slow down in 2020 (2.0%) due to the health situation related to Covid-19 but also to potential risks related to the October 2020 presidential elections. However, the national economy is expected to grow by 6.5% in 2021 and 6.8% in 2022 under the cumulative assumptions of pandemic containment and a gradual recovery.

The slowdown in activity observed in 2020 is mainly explained by the direct and indirect negative effects of the health pandemic on the whole economy. On the supply side, no sector of the economy seems to have escaped the negative effects of Covid-19 with the exception of the non-market sector, whose growth rate rose from 0.4% in 2019 to 0.6% in 2020. In order to deal with the health crisis linked to Covid-19 and limit its impact, the Government has adopted a health response plan worth CFAF 95.9 billion as well as an economic, social and humanitarian support plan valued at CFAF 1,701.0 billion. These measures, coupled with the recovery of the world economy announced by international institutions, should make the national economy more resilient and promote economic recovery in 2021 and 2022.

⁷ MBPE (2020), "Multi-year Budgetary Programming Document, 2021-2023", 2020".

⁸ Since January 29, 2020, Côte d'Ivoire has been producing its annual National Accounts according to the new United Nations System of National Accounts (SNA2008), starting with a new base year (2015).

⁹ Macroeconomic framework May 2021.

¹⁰ Initially estimated at 7.2% prior to Covid-19, then 3.2% in April 2020.

¹¹ This situation is explained by the Government's adoption of safety measures to curb the pandemic, the first case of which was recorded on 11 March 2020.

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

Côte d'Ivoire	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Semi-def.	Revised	Proj	Proj	Proj
Real GDP	7.2	7.4	6.9	6.2	2.0	6.5	6.8
Primary sector	-0.7	0.5	0.8	0.8	-0.2	0.5	0.2
Secondary sector	1.0	3.0	0.9	2.3	0.3	2.0	2.2
Tertiary sector	6.0	2.4	3.3	2.4	0.9	3.1	3.2
Non-market sector	0.8	0.0	1.8	0.4	0.6	0.4	0.7
Duties and taxes ¹⁵	0.1	1.4	0.1	0.4	0.1	0.5	0.5

Source: MEF / DGE / DPPSE, INS

2.1.3 Decomposition of GDP by structure

Analysis of the GDP breakdown by sector shows some signs of the start, or even acceleration, of the industrialization process between 2016 and 2019. But with the Covid-19 Pandemic, the estimated share of the secondary sector in 2020 would fall by 1.0 percentage point from 21.2% of GDP in 2019 to 20.2% in 2020. In addition, the effects of the health crisis in this sector would appear to be persistent. Indeed, the DPPSE forecasts indicate that the contribution of the secondary sector to

GDP observed in 2019 (21.2%) will not be caught up until 2023 (20.5% in 2022 and 20.9% in 2023). The primary sector contributed 18.7% in 2017 against 20.8% in 2020, i.e. an increase of 2.1 points compared to 2017 despite Covid-19. This sector seems to have been more resilient to the negative consequences of the pandemic on economic activity than the secondary sector.

The tertiary sector has a significant weight in the GDP structure. Its contribution was 46.8% in 2016. But since 2018, it has fluctuated around 43.5%.

Table 16. Decomposition of GDP by structure (%)

Côte d'Ivoire	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Semi-def.	Revised	Proj	Proj	Proj
GDP Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Primary sector	19.7	18.7	20.5	20.7	20.8	20.1	19.7
Secondary Sector	19.1	20.5	21.0	21.2	20.2	20.5	20.6
Tertiary sector	46.8	46.2	43.3	43.1	43.3	43.7	43.8
non-market GDP	7.6	7.2	8.5	8.5	9.1	8.9	9.1
Duties and taxes net of subsidies	6.8	7.4	6.7	6.5	6.7	6.7	6.8

Source: MEF / DGE / DPPSE, INS

¹² These include, but are not limited to: (i) the sharp decline in the production and consumption of services, (ii) the low mobility of people, (iii) the strain on the labor market, (iv) the contraction of world trade and (v) the decline in inflation.

¹³ Source: MBPE (DPBEP, 2021-2023).

¹⁴ This plan is divided into three (3) areas grouped into (i) business support measures, (ii) economic support measures and (iii) social measures for the population.

¹⁵ Net of grants.

2.2.1 GDP by value, by sector

The breakdown of GDP in value by sector shows a continuous increase over the period 2016-2020 for the primary and tertiary sectors, in contrast to the secondary sector, which fell in 2020 (from CFAF 7 267.0 billion in 2019 to CFAF 7 099.1 billion).

The value share of the primary sector in GDP was CFAF 7,090.0 billion in 2019 and is estimated at CFAF 7,307.5 billion in 2020, an increase of 3.1% over the previous year. It should reach CFAF 7 561.9 billion in 2021, according to DPPSE forecasts.

This sector is dominated by export agriculture (51.4% in 2020) and food agriculture (44.4% in 2020), which contributed CFAF 3,737.8 billion and CFAF 3,298.6 billion respectively in 2020. Their contributions in value for the year 2021 should be CFAF 3 514.9 billion for food agriculture and CFAF 3 768.0 billion for export agriculture. The other sub-sectors (forestry and fisheries) have modest contributions compared to the agricultural sector as a whole (2.2% for forestry and 2.0% for fisheries in 2020).

Table 17. Sectoral distribution of the GDP in value of Côte d'Ivoire

	2016	2017	2018	2019	2020	2021	2022
(In billions of CFAF)	Real	Real	Semi-def.	Revised	Proj	Proj	Proj
Primary sector	5 611.0	5 612.8	6 621.2	7 090.0	7 307.5	7 561.9	8 026.1
Food crops, livestock	1 899.3	2 244.8	3 064.4	3 149.0	3 298.6	3 514.9	3 722.5
Export agriculture	3 414.8	3 106.0	3 260.6	3 644.0	3 737.8	3 768.0	4 017.3
Silviculture	131.8	131.6	138.5	155.0	129.4	129.4	129.4
Fishing	165.0	130.4	157.7	142.0	141.7	149.6	156.9
Secondary Sector	5 427.5	6 129.9	6 773.3	7 267.0	7 099.1	7 746.0	8 349.1
Mining	1 420.0	1 256.4	896.8	1 027.0	1 032.4	1 071.4	1 011.5
Food and beverage industries	1 581.4	1 644.1	1 400.1	1 517.0	1 506.2	1 613.4	1 756.3
Petroleum products	-443.7	-248.1	682.2	784.0	573.1	651.8	677.3
Energy (Gas, Water and Electricity)	325.9	740.7	845.4	930.0	871.3	887.0	956.3
BTP	1 118.3	1 103.8	1 177.1	1 268.0	1 348.1	1 627.0	1 941.6
Other manufacturing industries	1 425.6	1 633.1	1 771.7	1 741.0	1 768.0	1 895.3	2 006.0
Tertiary sector	13 292.0	13 839.8	13 950.0	14 786.9	15 196.0	16 483.4	17 768.6
Transportation	2 796.5	2 023.7	1 904.5	2 011.0	2 013.3	2 191.1	2 361.1
Telecommunications	1 021.1	1 132.0	1 256.0	1 225.0	1 549.0	1 654.5	1 768.8
Trade	4 271.2	5 071.8	5 559.9	5 831.0	5 832.9	6 342.3	6 907.6
Other services	5 203.2	5 612.3	5 229.6	5 719.9	5 800.8	6 295.5	6 731.1
non-market GDP	2 150.3	2 144.6	2 727.2	2 920.0	3 182.7	3 363.5	3 672.8
GDP Merchant	24 330.5	25 582.6	27 344.5	29 143.9	29 602.6	31 791.3	34 143.8
Public Administration	2 002.5	2 005.7	2 550.5	2 730.8	2 979.2	3 148.5	3 438.0
Duties and taxes ¹⁶	1 943.1	2 227.9	2 150.6	2 235.0	2 339.3	2 543.6	2 738.3
TOTAL GDP (Base 2015)	28 423.9	29 955.0	32 222.3	34 298.9	35 124.6	37 698.5	40 555.0

Source : MEF / DGE / DPPSE, INS

The secondary sector has seen a continuous increase in its contribution to GDP in value terms, with the exception of 2020, when the sector's value added contracted from CFAF 7 267.0 billion to CFAF 7 099.1 billion, i.e. a decline of -2.3%, due to the adverse effects of Covid-19. In

the secondary sector, there is a preponderance of manufacturing sub-sectors, including agri-food industries (20.9% in 2020), construction and public works (17.4%), mining (14.1%) and energy (12.8%). At the level of the secondary sector, the petroleum products sub-se-

¹⁶ DPPSE (April 2021)

¹⁷ Of which breeding

tor seems to be the sector most impacted by the adverse effects of the pandemic with a drop in activities of -26.9% compared to 2019 (going from CFAF 784.0 billion in 2019 to CFAF 573.1 billion in 2020).

The tertiary sector makes a strong contribution to GDP by value. Between 2016 and 2019, its share in value rose from CFAF 13 292.0 billion to CFAF 14 786.9 billion. According to DPPSE forecasts, the value added of this sector is projected at CFAF 15 196.0 billion in 2020 and CFAF 16 483.4 billion in 2021. The sector remains dominated by trade and transport, with value added of CFAF 5,832.9 billion (39.4%) and CFAF 2,013.3 billion (13.6%) respectively in 2020.

2.2.2 Compositional GDP

The evolution of the breakdown of GDP by sector of activity over the period 2015-2019 shows a preponderance of the tertiary sector (45.4 percent) compared to the primary sector (19.6 percent) and the secondary sector (20.3 percent).

The share of the primary sector in GDP is estimated at 20.8% in 2020, compared with 20.7% in 2019, an increase of 0.1 percentage point despite the Covid-19

context. This rate is projected at 20.1% and 19.8% respectively for the years 2021 and 2022. The sector remains dominated by export agriculture (51.4% in 2020) and food crops and livestock (44.4% in 2020).

As for the secondary sector, its share of GDP is estimated at 20.2% in 2020, compared with 21.2% in 2019, a drop of 1 percentage point compared with the previous year. The projections establish an average share of 20.6% over the period 2021-2022. In 2020, the sector is characterized by the preponderance of manufacturing industries, including agri-food (21.2%), construction (19.0%), mining (14.5%) and energy (12.3%).

Compared to the other two sectors, the tertiary sector has a large share of GDP in Côte d'Ivoire. In 2020, it accounted for 43.3 percent of GDP by value. Nevertheless, declines were observed between 2016 and 2019 when its share fell from 46.8 percent to 43.1 percent, a significant drop of 3.7 points. Projections for the years 2021 and 2022 indicate a reversal of this downward trend to remain at 43.7% and 43.8% respectively. The sector remains dominated by trade (39.4%), other services (39.2%) and transport (13.6%) in 2020.

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

Côte d'Ivoire	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Semi-def.	Revised	Proj.	Proj.	Proj.
Primary sector	19.7	18.7	20.5	20.7	20.8	20.1	19.8
Food crops, livestock	6.7	7.5	9.5	9.2	9.4	9.3	9.2
Export agriculture	12.0	10.4	10.1	10.6	10.6	10.0	9.9
Silviculture	0.5	0.4	0.4	0.5	0.4	0.3	0.3
Fishing	0.6	0.4	0.5	0.4	0.4	0.4	0.4
Secondary Sector	19.1	20.5	21.0	21.2	20.2	20.5	20.6
Mining	5.0	4.2	2.8	3.0	2.9	2.8	2.5
Food and beverage industries	5.6	5.5	4.3	4.4	4.3	4.3	4.3
Petroleum products	-1.6	-0.8	2.1	2.3	1.6	1.7	1.7
Energy (gaseous)	1.1	2.5	2.6	2.7	2.5	2.4	2.4
Construction	3.9	3.7	3.7	3.7	3.8	4.3	4.8
Other manufacturing industries	5.0	5.5	5.5	5.1	5.0	5.0	4.9
Tertiary sector	46.8	46.2	43.3	43.1	43.3	43.7	43.8
Transportation	9.8	6.8	5.9	5.9	5.7	5.8	5.8
Telecommunications	3.6	3.8	3.9	3.6	4.4	4.4	4.4
Trade	15.0	16.9	17.3	17.0	16.6	16.8	17.0
Other services	18.3	18.7	16.2	16.7	16.5	16.7	16.6
non-market GDP	7.6	7.2	8.5	8.5	9.1	8.9	9.1
GDP Merchant	85.6	85.4	84.9	85.0	84.3	84.3	84.2
Public Administration	7.0	6.7	7.9	8.0	8.5	8.4	8.5
Duties and taxes	6.8	7.4	6.7	6.5	6.7	6.7	6.8
TOTAL GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MEF / DGE / DPPSE, INS

2.2.3 GDP by component

The analysis of the expenditure components of GDP shows a preponderance of domestic demand compared to the other items. This preponderance is mainly explained by the weight and dynamics of private consumption, which has been growing continuously.

However, it experienced a decline in 2020 in connection with the Covid-19 pandemic, falling from CFAF 23 555.3 billion in 2019 to CFAF 23 455.5 billion in 2020, i.e. a decline of -0.4%. Private investment, the second

most important component of domestic demand, is estimated at CFAF 5 528 billion (15.7% of GDP) in 2020 against CFAF 5 393.6 billion in 2019, an increase of CFAF 134.7 billion. According to DPPSE projections, its share should increase by 1.6 percentage points to reach 17.3% in 2022, for an amount of CFAF 7 022.1 billion.

On the external demand side, the evolution over the period reflects a trade balance of non-factor goods and services that is structurally in surplus with the exception of the year 2018 when it recorded a deficit of CFAF -253.3 billion.

Table 19. GDP expenditure approach

(In billions of CFAF)	2 016	2 017	2 018	2 019	2 020	2 021	2 022
	Real	Real	Semi-def.	Revised	Proj.	Proj.	Proj.
Internal demand	27 885.2	29 565.8	32 008.0	34 263.6	35 114.3	37 443.7	40 447.7
Final consumption	21 767.8	23 538.2	25 640.4	27 024.0	27 148.6	28 848.8	30 767.7
Private	19 062.6	20 493.2	22 340.6	23 555.3	23 455.5	24 969.4	26 655.6
Public	2 705.1	3 045.0	3 299.9	3 468.7	3 693.1	3 879.4	4 112.1
Total investments	6 117.4	6 027.5	6 367.6	7 239.6	7 965.7	8 595.0	9 680.0
Private	4 727.3	4 452.9	4 685.6	5 393.6	5 528.3	6 206.4	7 022.1
Public	1 390.1	1 574.6	1 682.0	1 846.0	2 437.4	2 388.6	2 657.9
Total external demand	476.0	389.3	-253.3	395.0	631.7	419.3	337.8
Change in inventories	62.7	0.0	467.6	-359.7	-621.4	-164.6	-230.5
GDP Total	28 423.9	29 955.0	32 222.3	34 298.9	35 124.6	37 698.5	40 555.0

Source: MEF / DGE / DPPSE, INS

At the end of the 2010-2011 politico-military crisis, Cote d'Ivoire was determined to be proactive by successively adopting two (2) National Development Plans (NDP 2012 - 2015 and NDP 2016 - 2020) which are part of the country's long-term vision, namely: "Cote d'Ivoire, an industrial power, united in its cultural diversity, democratic and open to the

world" by 2040. The NDP (2016-2020) is expected to be completed in December 2020. The new NDP (2021-2025), which is supposed to replace it, is currently being finalized. In this context, this section presents the presentation and achievements of the second NDP executed from 2016 to 2020 with an outlook for the period 2021-2025.

3.1 Recent Achievements and Completions

3.1.1 Presentation of the national development plan

At the end of the politico-military crisis of the 2000s, the Ivorian Government adopted two (2) National Development Plans (NDP 2012 - 2015 and NDP 2016 - 2020). The strategy developed was broken down into two stages. The first plan (NDP 2012-2015) was to lay the foundations for emergence and the second would work to accelerate the march towards emergence by 2020. These plans now constitute the new reference framework for its development strategy. They are part of the long-term vision of Côte d'Ivoire 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 is based 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 overall objective of the 2016-2020 NDP was to make Cote d'Ivoire an emerging economy by 2020. This emergence should result in a significant reduction in poverty, a dynamic, liberal and outward-looking economy. In addition, it establishes industry as one of the pillars of economic transformation.

For its design, an institutional framework was created by Order No. 145/PM of 25 March 2015. The 2016-2020 NDP was prepared using a participatory approach, with 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 NDP (2016-2020) was the

result of a broad-based consultation with the entire population. Moreover, it represented the framework within which Côte d'Ivoire and its technical and financial partners committed themselves to meeting the challenge of making Côte d'Ivoire an emerging country by 2020.

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

- Strengthening the quality of institutions and governance ;
- Accelerating human capital development 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
- o Strengthening regional integration and international cooperation.

As part of the 2016-2020 NDP development, the scenario adopted is that of the "emerging elephant". 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-generating sectors and the continuation of large-scale 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 of about CFAF 30,000 billion, of which 62.4% was for the private sector, including Public-Private Partnerships (PPPs).

¹⁹ See also the summary of the NDP 2026-2020 prepared by the Technical Secretariat of the Advisory Group (AG) of the National Development Plan 2016-2022.

Table 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

The NDP (2016-2020) reached its planning horizon at the end of December 2020. Its implementation has led to many achievements, including an increase in the wealth created, a reduction in poverty, the expansion of Universal Health Coverage, improved access to drinking water and electricity, progress in education, and even improved rural and urban mobility. However, there are still challenges to overcome in order to achieve all the expected results. The National Development Plan (NDP) 2021-2025, which is currently being drawn up, plans to remove the remaining obstacles to the structural transformation of the economy initiated with the implementation of the previous Development Plans and to raise Côte d'Ivoire to the rank of upper middle-income countries.

In this regard, in addition to capitalizing on international and regional development priorities, in particular the Sustainable Development Goals (SDGs) and the African Union's Vision 2063, the NDP 2021-2025 is based on the long-term development visions resulting from: (i) the National Prospective Study Côte d'Ivoire 2040 and (ii) the Strategic Plan Côte d'Ivoire 2030.

The authorities' ambition is to bring Côte d'Ivoire into the upper middle-income countries. Thus, per capita income should reach US\$2 240 in 2025 and double to US\$3 400 by 2030 compared to the 2020 level (US\$1 736). Thus, the 2021-2025 NDP is based on a proactive approach by the State aimed at bringing about a paradigm shift marked in particular by (i) the implementation of an effective industrial policy favorable to the development of industrial clusters and (ii) the strengthening of the role and contribution of the private sector in the development of the country.

With a view to accelerating the industrialization of the economy, promoting a better distribution of the fruits of growth, and in accordance with the prospective (CI 2040) and ten-year planning (CI

2030) documents, the NDP 2021-2025 is structured around the following orientations:

- Develop the national industry to make it an engine of the economy and a provider of decent jobs;
- Ensure better productivity of factors, in particular human capital, allowing for harmonious wealth creation throughout the country;
- Strengthen State Governance in order to accompany the Private Sector in a development process that leaves no one behind.

These orientations will be operationalized around six (06) pillars, namely

- Accelerating the structural transformation of the economy through industrialization and cluster development;
- Human capital development and employment promotion ;
- Private sector development and investment ;
- Strengthening inclusion, national solidarity and social action ;
- Balanced regional development, preservation of the environment and the fight against climate change ;
- Deepening governance, modernization of the State and structural transformation.

The acceleration of industrialization will be based on a State promoter and organizer of the private sector in particular by the creation of national champions in the industrial clusters and their connection to the external networks to increase the foreign investment in industry.

In order to significantly improve the productivity and competitiveness of enterprises, the industrialization policy should lead to the strengthening of the country's industrial base, to the revalorization of the potential of extractive industries and to the upgrading of growth accelerators as well as to the development of industrial clusters.

²⁰ See also the summary of the NDP 2026-2020 prepared by the Technical Secretariat of the Advisory Group (AG) of the National Development Plan 2016-2022.

²¹ Per capita income is estimated to have increased by 13.5 percent between 2016 and 2019, putting Côte d'Ivoire in the lower middle-income category with per capita income higher than Nigeria and Ghana in 2019 (MEF, 2020).

The success of this ambitious development plan is correlated to the realization of an investment program evaluated at 58,999.9 billion CFA francs, 74% of which is made up of the private sector, which is 43,646.7 billion CFA francs.

3.1.2 Recent structural reforms related 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 to significantly reduce poverty. In this regard, many structural reforms were implemented.

STRUCTURAL TRANSFORMATION OF THE ECONOMY

As part of the structural transformation of the economy, the Government's actions have made it possible to significantly increase national processing capacity for raw cashew nuts and cocoa, and to continue building shelling and marketing units for local rice. Indeed, the measures implemented have increased the cashew processing rate from 6.3% in 2016 to 9.0% in 2018 and 12% in 2020. As for cocoa processing, the current processing rate is estimated at 28% in 2020 and should in principle be revised upwards with the establishment of two chocolate production plants in the economic capital and in the southwest of the country. Despite the efforts made, changes towards significant transformation in sectors and branches with high value-added potential remain timid.

The main constraints to accelerating the structural transformation of the economy include:

- The attractiveness of the country to manufacturing investments is still sensitive to the socio-political climate and security conditions;
- Insufficient infrastructure to support growth ;
- Low capacity for innovation and technological development ;
- The limited scope of commodity industrialization and processing strategies.

Business climate

To improve the business environment, the Government has made Côte d'Ivoire a pole of attraction for national and international private investments. Capitalizing on the achievements, the Government has continued to improve the business climate through the implementation of its new Reform Agenda for the period 2018-2020, adopted by the

Council of Ministers in September 2018. Thus, the business climate has improved considerably, and Côte d'Ivoire moved up 32 places between June 2015 and June 2019 in the World Bank's Doing Business ranking, to 110th place . This was reflected in the increase in private investment, which reached 15.7% of GDP in 2019 compared to 14.7% in 2014.

SOCIAL INCLUSION AND IMPROVEMENT OF PEOPLE'S LIVING CONDITIONS

Regarding social inclusion and the improvement of the living conditions of the population, several actions have been carried out, notably the Government Social Programme (PSGouv). Launched at the beginning of 2019, this program aims to accelerate the implementation of projects set out in the NDP with the greatest social impact. These projects aim to improve access to education, health care, electricity, drinking water, social transfers and employment for youth, as well as connectivity, especially in rural areas. The bulk of the social agenda set by the authorities will have to be financed from the budget. Public spending on these projects, amounting to almost 1.0% of GDP in 2019 and 1.5% of GDP in 2020, is included in the budget, with an emphasis on capital spending.

In 2019, expenditure under the PSGOUV stood at CFAF 368.6 billion and focused in particular on access to health care (CFAF 56.6 billion), operationalization of the CMU (CFAF 26.4 billion), youth employment (CFAF 52.2 billion), social nets (CFAF 13.4 billion), education for all (25.9 billion), access to electricity (CFAF 109.9 billion).

The part of the NDP focused on access to electricity, namely rural electrification and social tariffs for the poorest households, is being implemented by the national electricity distribution company CI-Energies, in line with its mandate, for about 1.0% of GDP during 2019-2020. A universal health care system is being phased in since October 2019, based on new social contributions and prudent service coverage in the first instance. The authorities have committed to assessing the financial balance of the system after one year of operation.

Overall, after the emphasis in recent years on physical public investment, the deliberate and conscious shift towards human capital should, over time, improve people's access to the opportunities that will be available to them.

²² Côte d'Ivoire "Supplement to the Memorandum of Economic and Financial Policies, 2016-2019".

²³ World Bank (2019), "Doing Business 2020", October 2019.

²⁴ See MEF "Supplement to the Memorandum of Economic and Financial Policies 2020", 13 November 2020.

The forthcoming structural reforms are part of the continued implementation of the Government's economic and social development strategy, which involves strengthening structural investments and actions with a high social impact.

The challenges to be met are numerous. We focus on those of (i) the structural transformation of the economy, (ii) the development of agriculture and fisheries resources, (iii) the improvement of the business climate and the development of the private sector, (iv) a more inclusive growth, as well as (v) the digitization of the tax and customs administration

Structural transformation of the economy

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 programs to improve the competitiveness of companies processing these crops, based on (i) securing the supply of grinders, (ii) reducing the single exit duty (DUS) by differentiated product, and (iii) an investment code favorable to the installation of grinding units. On this basis, agreements have been signed with a dozen companies²⁵.

To ensure compliance with the specifications, the government will monitor the commitments made by the companies. Furthermore, 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 processing sector. The objective is to achieve cocoa and cashew processing rates of 50.0% in 2025 and 25.0% in 2023.

Development of agriculture and fisheries resources

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

- Strengthening of agro-pastoral and fisheries production systems ;
- Support to agricultural production and marketing ;
- The Lowland Management and Development Project ;
- The land security project, the program to accelerate and revive agricultural sectors in Côte d'Ivoire;
- The development of the agricultural commodities exchange ;
- The Food Security and Youth Entrepreneurship Support Program in Agriculture and Agribusiness (PAEJAA).

Business climate and private sector development

The Government intends to further improve the country's capacity to attract national and international investments in order to strengthen the driving role of the private sector in the economy. Within this framework, it is planned to implement the 2020-2022 Doing Business reform agenda drawn up on the basis of the experience of six (6) years of conducting the process by CEPICI. The Government also plans to mobilize all stakeholders and make available the budgetary resources needed to complete the remaining reforms. These reforms have been grouped according to their coherence to form 16 projects within the Doing Business 2020-2022 Reform Agenda of Côte d'Ivoire. These are reform projects relating to :

- Issuance of priority platforms;
- The generalization of the IDU to active companies ;
- Rationalization and dematerialization of licenses and business permits ;
- The support mechanism for newly created businesses ;
- The collaborative platform for construction control ;
- The operationalization of the Unique Parcel Identifier (UPI) and the establishment of a unified geographic information system (GIS);
- Studies on electricity connection, foreign trade and urban planning easements;
- The efficiency of tax procedures ;
- Business regulation and support for companies in difficulty ;
- Mass regularization of untitled parcels;
- Operationalization of the effectiveness of the GUCE, the BIC and the improvement of the indices of reliability of electricity supply (SAIDI and SAIFI)
- Evaluating the effectiveness of reforms ;

²⁵ See DPBEP (2020-220) and Economic and Financial Policy Memorandum (EFPM) on the sixth review of the ECF and EFF.

- Impact assessment of reforms and econometric modeling; and
- The annual collection and control of the WEF indices.

Through this agenda, the Government intends to make Côte d'Ivoire one of the most attractive destinations for investment by remaining in the top 10 of reforming countries and to place it among the 50 best economies in the medium term in terms of business climate. Lastly, the Ivorian Government intends to strengthen the partnership with the private sector, including within the framework of the G20 "Compact with Africa" initiative, and will pay particular attention to the implementation of the MCC program, as well as to the use of PPPs in the construction of large-scale socio-economic infrastructure, while continuing to ensure the monitoring of contingent liabilities

More inclusive growth

Aware of the need to make growth more inclusive, the Ivorian Government intends to pursue its proactive social policy to reduce poverty and inequality. To this end, an institutional framework will be set up to orchestrate and coordinate the implementation of the social policy in the medium term. The actions will focus on :

- Programs to create jobs, particularly for young people, through the development of skills, self-employment and employment;
- The improvement of the living conditions of the rural populations, thanks to the combined effect of the programs of repair of the village pumps, reprofiling of the rural roads, electrification and connection in addition to the policies of improvement of the incomes of the producers in rural areas;

- Expanding the base of beneficiaries of the "social safety net" program to more than 100,000 new households throughout the country, while strengthening support for the implementation of income-generating activities.
- Continuation of CMU generalizing phase with the enlargement of the base to include those subject to it and those entitled to it, and the extension of the care network in order to facilitate access to care for the population, in particular the most vulnerable and the indigent;
- Promotion of access to education for all with the construction of new local schools, the distribution of school kits and benches, and the improvement of conditions of access to and retention in school for children aged 6 to 16 years, particularly young girls.

Digitization of the tax and customs administration

Reforms of the tax administration will have 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 (DGI) on the costs of tax expenditures). Also, the adoption of a unique tax identification number is a central element of this strategy. This unique identifier is systematically issued for new businesses in the Abidjan metropolitan area but has not yet been implemented for existing businesses. Once completed, this reform will allow for standardized information sharing between the tax and customs administrations, thus improving the control of taxpayers' declarations. Finally, the overall digitization of tax and customs administration processes, which has already started, needs to be completed.

4.1 Structural elements

4.1.1. Description of the free zone

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

The 4 main principles of the Franc zone are:

- **A guarantee from the French Treasury for unlimited convertibility of the Central Bank currency:** currencies issued by the issuing institutions of the franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-zones, an operating account is opened with the French Treasury by each Central Bank of the zone, and on which the Central Banks have an unlimited right to draw in the event of exhaustion of their foreign exchange reserves;
- **A fixed parity with the euro of 1 euro for 655.957 CFA francs:** the parity of the zone's currency with the euro is fixed and defined for each subzone. The currencies of the zone are convertible among themselves, at fixed parities, without limitation of amounts. The switch to euro resulted in a simple substitution of the peg to the French franc by the peg to the euro, at equivalent parity, i.e., CFAF 655.957 = 1 euro (the parity being identical for the West and Central Africa sub-zones).
- **Free and unlimited transfer of reserves:** Transfers are, in principle, free within the Zone.
- **Centralization of reserves:** governments centralize 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 portion of their net external assets (foreign exchange reserves) with the French Treasury in an operating account opened in the name of each of them. Since the September 2005 reform, BCEAO has had to deposit 50% of its external assets in its operating account.

As mentioned above, France and WAEMU countries have agreed to end centralization of foreign exchange reserves at the French Treasury between the end of December 2019 and May 2020, to close the operating account and to transfer available resources into the BCEAO's account. The principles of fixed exchange rates and guaranteed unlimited convertibility of the future ECO currency by France remain unchanged.

4.1.2. Description of BCEAO

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

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, and the National Credit Councils, one in each WAMU member State.

OPERATION

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

The primary 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 has the following fundamental missions:

- Define and implement monetary policy within WAEMU;
- Ensure the stability of WAEMU banking and financial system;
- Promote proper functioning and ensure the supervision and security of payment systems in WAMU;
- Implement the WAEMU exchange rate policy under the conditions set by the Council of Ministers;
- Manage the official foreign exchange reserves of WAEMU member States.

The Central Bank may conduct, with due regard for monetary equilibrium, specific missions or projects that contribute to the improvement of the monetary policy environment, diversification and strengthening of 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. As such, it defines the monetary policy to keep the currency's external coverage rate at a satisfactory level, and to support the economic activity of member countries without inflationary pressure.

BCEAO oversees the monetary policy of each member country by setting money supply and credit targets on an annual basis. Statutory advances to member States' national treasuries were suspended in 2001 and abolished as of 2010.

To conduct its common monetary policy, the BCEAO relies on market mechanisms and indirect liquidity regulation instruments, in particular interest rate management and the reserve requirement system.

4.1.3. Monetary policy

BCEAO has the exclusive privilege of issuing money for all the member States of the West African

Monetary Union. It issues monetary signs, banknotes and coins, which are legal tender with discharging effect in all the member States of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

The Central Bank's management of member States monetary policy consists in adjusting the global liquidity of the economy according to economic trends, in order to ensure price stability, on the one hand, and to promote economic growth, on the other hand.

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

The functioning of BCEAO is based on :

- Open market operations: seven-day and twenty-eight-day refinancing (weekly and monthly, respectively, for banks subject to reserve requirements) allotted at variable rates; the minimum bid rate considered by BCEAO as its key rate (currently 2.0%). Planned auctions are generally calibrated according to BCEAO's forecast of liquidity needs over the maturity of operations;
- Standing loan windows: refinancing from 1 to 7 days or 90 to 360 days against government securities and credit requests with maturities ranging from 5 to 20 years, at the request of banks (marginal lending window). Rates at these windows are 200 basis points above the policy rate. As of June 2017, the use of the lending window was capped at two times the counterparty's equity.

The minimum bidding rate for open market operations (tenders) and the interest rate applicable to the marginal lending window (repo rate), whose levels are set by the Monetary Policy Committee, are 2% and 4% respectively, and constitute BCEAO's two main key rates.

³ The Monetary Policy Committee of the 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.

MONEY SUPPLY IN CÔTE D'IVOIRE

The monetary situation at the end of December 2019 was marked, in particular, by a 23% increase in net external assets and stood at CFAF 2 498 billion against CFAF 2 032.1 billion in 2018. This increase was mainly due to the increase in the rate of repatriation of export earnings (76% at the end of December 2019, against 61.1% at the end of December 2018). The growth in credits to the economy and net credits to the State is explained by the dynamism of economic activity, the improvement in the business climate and the renewed confidence in both economic operators and the banking system. From a general perspective, the COVID-19 pandemic is not considered to have materially affected the monetary system. The money supply, as well as its components, continued to follow their usual trends. The level of the WAEMU money supply recorded an

increase of 13.2% at the end of June 2020, mainly due to loans granted to member states (+43.2%), as part of the financing of major expenditures related to the fight against the health crisis. WAEMU's foreign exchange reserves also increased on an annual basis, covering 6.2 months of imports at end-June 2020, compared to 4.7 months at end-December 2019.

At the end of June 2020, net external assets increased by CFAF 650.2 billion compared to the second quarter of 2019 (+11.3%). At the end of March 2020, net external assets had already increased by CFAF 940.3 billion (+16.5%).

For 2021, the money supply should continue to evolve in a normal manner and the States' responses to the crisis should continue to affect claims on the Administration.

Table 21. Composition of Côte d'Ivoire's money supply

Indicators	2015	2016	2017	2018	2019	2020	2021
						Projection	
Foreign assets	1989	1753	1763	2032	2498	2501	3151
Central Bank	1791	1399	1551	1702	2103	2106	2756
In banks	198	354	212	330	395	395	395
Domestic assets	5573	6593	7316	8275	8947	8994	9700
State's credit	1445	1727	1983	2320	2794	2513	2442
Central Bank	494	487	450	421	571	601	520
Commercial banks	951	1240	1534	1899	2220	1909	1919
To the credit of the economy	4467	5468	6300	7009	7438	7766	8543
Other	-339	-601	-967	-1054	-1285	-1285	-1285
Money supply (M2)	7562	8346	9079	10307	11442	11493	12848
Currency in circulation	2138	2500	2521	2671	2980	2878	3217
Total Deposits	5333	5844	6553	7634	8455	8608	9623
Percentage change in the monetary base							
Net foreign assets	3.2	-0.7	0.1	3.0	4.5	0.2	5.7
Net domestic assets	15.6	10.8	8.7	10.6	6.5	4.6	6.1
Credit to the State	-0.7	3.4	3.1	3.7	4.6	1.8	-0.6
Central Bank	-1.5	-1	-0.4	-0.3	1.4	-0.4	-0.7
Banks	0.8	4.4	3.5	4	3.1	-1.4	0.1
Credit to the economy	16	8.5	10	7.8	4.1	6.2	6.8
Money supply (M2)	18.8	10.1	8.8	13.5	11	4.8	11.8

Source: BCEAO, IMF

⁴ The 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.

4.2.1 The banking environment

As at 31 December 2020, the Ivorian banking system comprised 31 credit institutions, including 29 banks and 2 financial institutions. As at 30 June 2020, 5 of the 29 banks in operation had total assets of more than CFAF 1 000 billion each. They hold 58.7% of the banking sector's outstanding loans (compared with 60.1% at end-December 2019 and 59.4% at end-June 2019) and 53.4% of deposits (compared with 54.1% at end-December 2019 and 55.2% at end-June 2019).

At the end of June 2020, the Ivorian banking system had a negative cash flow of CFAF 313.4 billion against a deficit of CFAF 775.7 billion the previous year. This deficit was financed by borrowings from the BCEAO, the regional interbank market and other financial institutions outside the WAMU.

Table 22. Aggregate balance sheet of commercial banks in Côte d'Ivoire

	2015	2016	2017	2018	2019
Treasury and interbank operations	1 318 949	1 325 868	1 387 932	1 379 333	1 842 922
Customer transactions	4 737 838	5 295 978	6 253 300	7 146 333	7 776 279
Securities and other transactions	1 769 967	2 324 89	2 953 179	3 183 304	3 548 727
Fixed assets	647 895	777 314	491 916	433 951	452 430
Shareholders or partners	0	0	1 000	1500	1 000
TOTAL ASSETS	8 474 649	9 724 058	11 087 328	12 144 421	13 621 357
Treasury operations	1 412 069	1 996 701	2 192 284	2 179 845	2 366 558
Customer transactions	6 182 451	6 663 638	7 526 577	8 520 455	9 555 190
Securities and other transactions	251 972	307 524	479 706	474 373	563 511
Similar equity	628 057	756 095	888 661	969 648	1 135 998
TOTAL LIABILITIES	8 474 649	9 724 058	11 087 328	12 144 421	13 621 357

Source: BCEAO

The average lending rate came in at 6.3%. On the other hand, 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 lending rate decreased slightly to 4.8% in 2019 from 4.9% in 2018.

The analysis of refinancing conditions with the BCEAO during the second quarter of 2020 shows a decline in applicable rates, in line with the measures adopted by the BCEAO to mitigate the negative effects of the Covid-19.

Table 23. Lending and deposit rates (short, medium and long term)

Lending rate	2014	2015	2016	2017	2018	2019
less than or equal to 1 month	6.01	5.84	5.45	5.63	5.64	6.03
more than 1 month and less than or equal to 3 months	4.88	4.63	5.01	5.45	5.82	5.48
more than 3 months and less than or equal to 6 months	6.94	7.24	7.4	6.86	6.58	5.77
more than 6 months and less than or equal to 1 year	8.17	8.24	7.21	7.85	6.55	6.66
more than 1 year and less than or equal to 2 years	8.77	8.38	7.82	7.56	7.5	8.09
more than 2 years and less than or equal to 5 years	9.2	8.53	7.93	7.92	7.4	7.71
more than 5 years and less than or equal to 10 years	7.34	7.56	7.43	7.48	7.45	7.63
More than 10 years	7.9	6.32	6.45	6.59	5.74	5.84
Total	6.45	6.09	6.17	6.42	6.33	6.34
Lending rate						
less than or equal to 1 month	5.09	5.04	5.22	5.05	5.27	4.1
more than 1 month and less than or equal to 3 months	5.38	5.04	5.52	5.2	5.06	5
more than 3 months and less than or equal to 6 months	5.21	4.6	4.88	4.73	4.8	4.63
more than 6 months and less than or equal to 1 year	4.8	4.69	4.77	4.73	4.72	4.77
more than 1 year and less than or equal to 2 years	4.76	4.35	4.68	4.8	4.69	4.54
more than 2 years and less than or equal to 5 years	5.24	5.54	5.21	5.12	5.01	5.2
more than 5 years and less than or equal to 10 years						
Not determined	5.18	5.92	5.3	5.39	5.3	5.18
Total	5.15	5.01	5.1	4.98	4.98	4.82

Source: BCEAO

MICROFINANCE

As of December 31, 2020, the Ivorian microfinance sector has 4 licensed institutions.

According to the BCEAO's report on the state of microfinance at the end of December 2020, the WAMU has 521 decentralized financial companies (SFDs), which offer financial services to 15,949,136 people through 4,299 service points spread across the Union's Member States.

In Côte d'Ivoire, the number of members or customers increased from 1,888,093 as at 31 December 2019 to 2,179,334, an increase of 15.4%.

The outstanding deposits of microfinance institutions rose from CFAF 349.7 billion as at 31 December 2019 to CFAF 353.3 billion, an increase of 1.03%. This increase persists despite the lifting of restrictions put in place by the government to curb the effects of the health crisis.

Outstanding loans held by DFSs stood at CFAF 322.53 billion as at 31 December 2020 against 341.1 billion at the end of December 2019, a drop of 5.4%. The sector's credit portfolio stood at 6.6% at the end of December 2019 compared with 6.3% at the end of December 2020, i.e. a slight decrease of 0.3%, but the portfolio at risk remains well above the regulatory standard of 3% maximum.

The sector's own funds, estimated at CFAF 48 billion, increased by 16.4%. However, they are still negatively impacted by the structural deficit of UNACOOPEC-CI and RCMEC-CI, which amount to CFAF 26.6 billion and CFAF -4.2 billion respectively. Excluding these institutions, the sector's own funds would amount to CFAF 78.8 billion.

Table 24. Key figures of the microfinance sector in Côte d'Ivoire as at 31 December 2020

Total number of SFDs	46
Amount of deposits	CFAF 353.3 billion
Outstanding loans	CFAF 365.5 billion
Amount of overdue receivables	CFAF 23.006 billion
Portfolio decay rate	6.3%

Source: BCEAO

4.2.2 Financial Markets

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 market for public securities by auction is organized and regulated by BCEAO through UMOA-Titres, while public securities by syndication, private bonds and shares are regulated by the Regional Council for Public Savings and Financial Markets (CREPMF) and organized by the Regional Securities Exchange (BRVM) and the Central Depository/Settlement Bank (DC/BR).

BRVM: Presentation and roles

The Regional Stock Exchange (BRVM) is a specialized financial institution created on December 18, 1996, pursuant to 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. This stock exchange is common to the 8 countries of West Africa. BRVM/DC/BR started its activities on September 16, 1998 in Abidjan. Its main missions are the following:

- The organization of the stock market ;
- Publication of stock market transactions;
- Dissemination of information on the stock market;
- Promotion and market development.

Evolution of BRVM bonds and equity market

Since 2016, the underperformance of the WAEMU stock market (BRVM) shows that it has not fully resisted the general downward movement that has gripped the world's financial markets. The decline in 2018 of BRVM was particularly marked. Preferred stocks in 2015, focused on food and beverage sector as well as agribusiness, consumer, automotive and equipment and banking, have experienced a decline. The drop in prices on BRVM could be explained on the one hand, by the profit taking of several large investors who had made significant capital gains on their investment. It also comes from the readjustment (rectification) after four (4) years of intensive rise that the market experienced (2012 to 2015) and on the other hand, the misunderstanding of the various splits made on the market. New investors are speculating and most of the listed companies have not reacted to the fall in their capitalization.

The year 2020 has negatively impacted BRVM, like all financial markets, following the outbreak of the coronavirus. The regional market recorded its largest quarterly decline (-15.79% in the first quarter of 2020) in the last 10 years. However, investors showed continued confidence in the potential of BRVM, which posted one of the best balances since 2016, despite the pandemic and the presidential election in Côte d'Ivoire. More than 35% of listed companies ended the year in the green.

During the 2020 trading year, the BRVM Composite Index fell from 159.2 on 12/31/2019 to 145.37 on 12/31/2020. The market capitalization of the equity market fell from CFAF 4,741 billion at the end of 2019 to CFAF 4,368 billion at the end of 2020, a decline of 7.9%.

The market capitalization of bonds stood at CFAF 6,051 billion as at December 31, 2020, compared with CFAF 4,233 billion the previous year, an increase of 43%. This increase is linked to the need for States to support their respective economies in the context of the pandemic.

Table 25. BRVM financial market trends

	2014	2015	2016	2017	2018	2019	2020
BRVM 10 Indexes	268	290	262	220	154	149	131
BRVM composite Indexes	258	304	292	243	172	159	145
Composite market capitalization (stocks and bonds) in billions of CFA francs	7 459	9 079	10 216	9 806	8 289	8 973	10 418
Equity Market	6 320	7 500	7 706	6 836	4 845	4 741	4 368
Bond market	1 139	1 579	2 509	2 970	3 444	4 233	6 051
Number of listed companies	38	39	43	45	45	46	46

Source: BRVM

Stock market

The number of companies listed on the BRVM stood at 46 in 2020, including 35 Ivorian companies. The stock market closed at the end of December 2020 down for its two reference indices (BRVM 10 and BRVM composite) by (-12.23%) and (-8.71%) respectively.

The two tables below describe the evolution of the market capitalizations of the 35 Ivorian compa-

nies listed on the BRVM. Société Générale de Côte d'Ivoire. Ecobank Côte d'Ivoire and NSIA Banques Côte d'Ivoire were among the largest capitalisations in 2020. SGBICI and ECOBANK CI had a market capitalization of CFAF 251 billion and CFAF 214 billion. The three banks had the highest market capitalizations in 2019. The two banks (SGBICI and ECOBANK CI) had a market capitalization of CFAF 229.5 billion and CFAF 219.6 billion respectively as at 31 December 2019.

Table 26. Market capitalization of listed Ivorian companies

Market capitalization (in billions of CFAF)	2016	2017	2018	2019	2020
AGRICULTURE					
PALM COTE D'IVOIRE	216	85	29	28	35
SUCRIVOIRE COTE D'IVOIRE	294	22	19	12	10
SICOR COTE D'IVOIRE	7	2	2	2	1
SOGB COTE D'IVOIRE	713	91	49	56	51
SAPH COTE D'IVOIRE	358	79	94	33	36
DISTRIBUTION					
SERVAIR ABIDJAN COTE D'IVOIRE	59	22	13	14	14
BERNABE COTE D'IVOIRE	1153	21	16	5	4
CFAO MOTORS COTE D'IVOIRE	11245	72	116	79	65
TRACTAFRIC MOTORS COTE D'IVOIRE	4352	2955	1270	28	22
VIVO ENERGY COTE D'IVOIRE	189	57	60	50	38
TOTAL COTE D'IVOIRE	1228	875	85	107	100
FINANCES					
BICI COTE D'IVOIRE	1648	142	132	113	111
BANK OF AFRICA COTE D'IVOIRE	3360	98	84	80	74
ECOBANK COTE D'IVOIRE	-	1634	233	220	214
NSIA BANK COTE D'IVOIRE	-	224	139	150	139
SAFCA COTE D'IVOIRE	187	89	43	3	2
SOCIETE GENERALE COTE D'IVOIRE	4542	359	230	240	252
SOCIETE IVOIRIENNE DE BANQUE	1190	850	135	141	135

Source: BRVM

Table 27. Market capitalization of Ivorian listed companies (continued)

INDUSTRY					
SICABLE COTE D'IVOIRE	518	7	6	4	6
FILTISAC COTE D'IVOIRE	331	278	30	24	23
NEI-CEDA COTE D'IVOIRE	38	24	2	2	3
NESTLE COTE D'IVOIRE	1170	42	22	9	7
CROWN SIEM COTE D'IVOIRE	831	350	8	3	5
AIR LIQUIDE COTE D'IVOIRE	96	3	5	2	2
SOLIBRA COTE D'IVOIRE	292	206	92	74	84
SMB COTE D'IVOIRE	145	59	152	19	24
SITAB COTE D'IVOIRE	2693	1293	33	11	10
TRITURAF Ste en Liquid	1	1	1	1	1
UNILEVER COTE D'IVOIRE	174	78	58	23	7
UNIWAX COTE D'IVOIRE	550	89	42	36	21
UTILITIES					
CIE COTE D'IVOIRE	417	118	81	90	84
SODE COTE D'IVOIRE	761	53	35	25	27
TRANSPORT					
BOLLORE TRANSPORT & LOGISTICS COTE D'IVOIRE	16167	272	109	82	84
MOVIS COTE D'IVOIRE	3	3	2	2	2
OTHER					
SETAO COTE D'IVOIRE	470	2	2	3	4

Source: BRVM

Bond market

Côte d'Ivoire uses the market by syndication and auction. In 2021, the Ivorian government in the fight against the economic and social crisis linked to the COVID-19 pandemic, issued recovery bonds (ODR 2021) which are eligible for refinancing by the BCEAO at its traditional windows but also at a special window called the Recovery Window.

4.2.3 Debt underwriting mechanisms

Any investor based inside or outside WAEMU can invest in public securities issued by way of auction or syndication. Orders are placed through authorized

market participants: investment syndicate or any brokerage firms operating within the Union as part of issues by syndication, and credit institutions established in the Union or brokerage firms having an account in the books of the Central Bank as regards issues by auction. Transactions on the BRVM's stock market are made by stock exchange intermediaries, notably brokerage firms.

Organization of market by auction

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

²⁹ All other investors wishing to participate will have to go through the approved stakeholders.

³⁰ The operationalization of primary dealers within WAEMU started on March 1, 2016.

Unlike the syndication market, the auction market is driven by the following players:

- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it issues the applicable provisions, intervenes in the organization of auctions of public securities, ensures the function of Central Depository / Settlement Bank, the clearing, settlement and delivery of transactions among participants with an account in its books, through its electronic platform SAGETIL-UMOA ;
- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance;
- UMOA-Titres, the regional agency in charge of issuing and managing public debt securities, physically organizes issues and provides assistance to member States in mobilizing resources on the capital markets and managing their debt;
- Investors, which are credit institutions, MFIs and regional financial organizations with a settlement account in the books of the Central Bank ;
- Primary dealers (SVTs), which are credit institutions and SGIs that have obtained the approval of the Ministers of Finance of WAEMU Member States to act in this capacity and thus benefit from the status of privileged partners of one or more Member States' Treasuries in operations on public debt securities issued on the regional market.

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

Organization of the syndication markets

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public pole made up of the Conseil Régional de l'Épargne Publique et des Marchés Financiers (CREPMF) (Regional Council for Public Savings and Financial Markets) and a private pole comprising, on the one hand, central agencies such as the Bourse Régionale des Valeurs Mobilières (BRVM) (Regional Stock Market) and the Central Depository/Settlement Bank (DC/BR), and, on the other hand, the market participants.

CREPMF is the regulator of the WAEMU regional financial market. Its missions are, among others, to:

- Ensure the authorization and control of public offering procedures;
 - Empower market management agencies and accrediting market participants;
 - Approve commercial stakeholder rates;
 - Regulate market operation;
 - Monitor the regularity of stock market transactions.
- BRVM is organized in a central site based in Abidjan (Côte d'Ivoire) and represented in each member State by a National Stock Exchange (ANB). The main attributions of the BRVM are:
- Authorization of stock market participants to carry out their activities;
 - Management of the market, in particular the centralization of buy or sell orders, listing management, dissemination of market information, as well as the promotion and popularization of the financial culture within WAEMU;
 - Management of unsettled transactions.

The Central Depository/Settlement Bank (CD/BR) is a financial institution, whose role is:

- To proceed with the clearance of the applicants for the function of account holder ;
- To ensure the settlement of negotiations and the management of the financial service of the securities;
- To ensure the maintenance of current accounts of securities opened by primary dealers (SGI) in its books;
- To ensure the safekeeping and the scriptural circulation of securities;
- To make cash payments, as settlement bank, of the balances of stock exchange transactions.

As part of organizing issues by syndication, States entrust the securities placement process to a placement syndicate, whose members are made up of primary dealers approved by the CREPMF. In addition, the issuer chooses a lead manager from among the members of the syndicate, who is in charge of specific missions in the issue process.

Since its inception, the main products on the regional financial market have been equities and bonds. In recent years, several new products such as mortgage refinancing and securitization (Sukuk debt securitization funds) have been introduced. Securities issued through syndication are traded on the secondary market on the BRVM's electronic trading platform.

4.3 Inflation rate

The table below shows the annual inflation rate in Côte d'Ivoire and the WAEMU.

In 2018 and 2019, inflation was relatively contained and increased from an annual average of 0.6% to 0.8%. Inflation remained below the WAEMU inflation ceiling of 3.0% due to increased food supply, stable prices of petroleum products, improved market supply of other final consumer goods, and continued government policies against high living costs.

In 2017, inflation averaged 0.4 percent, thanks to good food crop production and improved distribution channels. Inflation control was also facilitated by market measurement tools.

In the context of the Covid-19 pandemic, inflation in Côte d'Ivoire would be 1.0% in 2020. However, according to the latest IMF projections, which take into account the impact of the Covid-19 pandemic, inflation in Côte d'Ivoire is expected to be 1.4% in 2021. The Franc Zone as a whole has historically had low inflation, due to the relative stability of the regional currency as well as the conservative monetary policy of the BCEAO. This helps mitigate inflationary volatility in Côte d'Ivoire, which is partly a result of diversification of food production.

The table below shows the annual inflation rate in Côte d'Ivoire and the WAEMU.

Table 28. Inflation rates in Côte d'Ivoire and the WAEMU

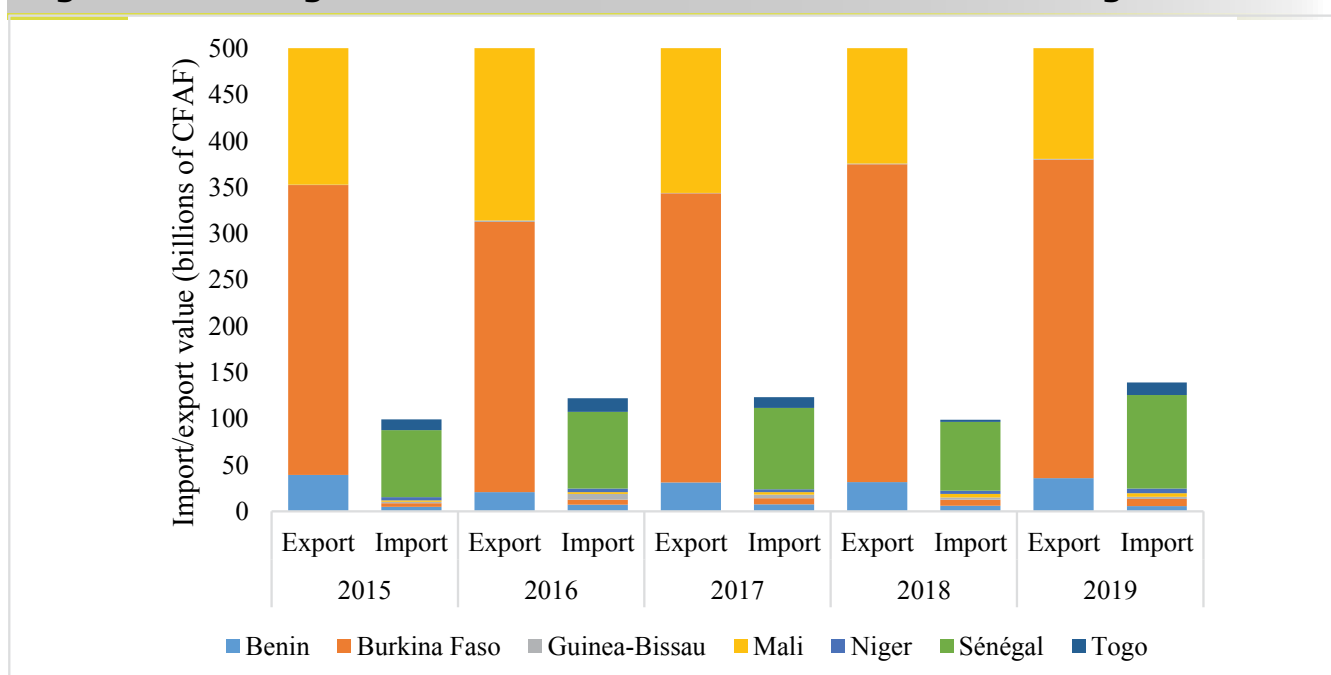
Inflation	2015	2016	2017	2018	2019	2020	2021
							Projection
Cote D'Ivoire	1.20%	0.70%	0.40%	0.60%	0.80%	1,0%	1.40%
WAEMU	1.00%	0.30%	1.00%	1.10%	-0.07%	1.80%	1.60%

Source: BCEAO, IMF

4.4 Exchange rates

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

Figure 4: Exchange rates of the US dollar and the Chinese Yuan against the CFAF



Source: BCEAO

The exchange rate between the dollar and the CFA franc fell between 2016 and 2020 from 1 dollar for 603.79 CFA francs in 2016 to 1 dollar for 533.34 CFA francs in 2020. As for the exchange rate between the Chinese Yuan and the CFA franc, it fell from 1 CNY for CFAF 92.71 in 2016 to 1 CNY for CFAF 82.4 in 2020.

4.5 Foreign reserves in the WAEMU zone

Foreign exchange reserves are centralized within the BCEAO and managed according to a principle of solidarity among WAEMU member States, under the conditions set out in the operating account agreement. There is no allocation among member States. The table below presents some information on the foreign exchange reserves of the WAEMU in terms of months of imports for each of the years indicated:

Table 29. External reserves of Côte d'Ivoire

	2015	2016	2017	2018	2019	June 2020
Reserves in billions of CFA francs	7 487.0	6 529.4	7 184.2	8 561.0	10 357.0	11 155.6
Reserves in number of months of imports	5.4	4.3	4.1	4.8	4.7	6.2

Source: IMF

In 2017, foreign exchange reserves of WAEMU member countries covered 4.1 months of imports. At the end of December 2018, this ratio was 4.8 months of imports. This increase is due to an improvement in the level of repatriation of export earnings. As at 31 December 2019, the ratio remained relatively constant at 4.7 months of imports, due, among

other things, to continued efforts to mobilize external resources by WAEMU member States, and a stable level of export revenue repatriation by banks and economic operators. As at June 2020, the stock of foreign exchange reserves was estimated at 6.2 months of imports of goods and services.

5.1 Balance of payments

Côte d'Ivoire's current account balance is structurally in deficit over the period 2016-2020. In particular for the year 2020, the deficit worsened by CFAF 401.6 billion, from CFAF -790.3 billion in 2019 to CFAF -1 191.8 billion in 2020, for structural reasons but also in connection with the negative effects of the Covid-19 health pandemic. According to data provided by the BCEAO, it should reach CFAF -1 362.1 billion in 2021. The structural causes of the current account deficit in Côte d'Ivoire can be explained by the cumulative effect of two dynamics. On the one hand, the contraction of the goods balance surplus and on the other hand, the increase in structural deficits in services and primary and secondary income.

The narrowing of the trade surplus is the result of volatile export earnings and the continued rise in imports. The decline in export earnings is due to the volatility of the prices of the country's main raw materials and the dependence of the production of these goods on often unpredictable weather conditions.

Concerning the balance of income deficit (primary and secondary), we note the preponderance of primary income, which deteriorated sharply from CFAF -637.8 billion in 2016 to CFAF -1 189.3 billion in 2020. It should reach CFAF -1 241.3 billion in 2021. The increase in the primary income deficit is linked

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

As regards the balance of the capital account, it is structurally in surplus over the entire period. However, it is fluctuating mainly due to the movement of external financing received by the government in the form of project grants and intended for the financing of investment.

The financing requirement came to CFAF -1 014.9 billion in 2020, against CFAF -685.0 billion the previous year. This need would be partially financed by the surplus on the financial account, including CFAF 201.7 billion in foreign direct investment (FDI). The financial account, under the BCEAO optical presentation, shows a negative balance of CFAF -1 657.1 billion, after the CFAF -1 164.2 billion in 2019. This shows a higher net increase in the economy's commitments vis-à-vis foreign countries in 2020 compared to 2019. This development is explained in particular by the greater inflow of financial flows under portfolio investments. As for net direct investment flows, they resulted in a net inflow of foreign capital of CFAF -201.7 billion despite the context of the Covid-19 pandemic. They are projected at CFAF -251.5 billion in 2021.

³¹ Presented according to the BCEAO perspective, the community institution responsible for drawing up the external accounts of WAEMU countries, a negative sign in the financial account reflects a net inflow of foreign capital and a positive sign a net outflow of foreign capital.

Table 30. Côte d'Ivoire's balance of payments

In billions of CFA francs	2016 Real	2017 Real	2018 Real	2019 Real	2020 Est.	2021 Proj.
Current account	-245.5	-609.2	-1 153.9	-790.3	-1 191.8	-1 362.1
Goods and services	638.3	584.7	60.2	533.2	400.2	280.3
Balance of Goods	1 817.8	1 959.3	1 363.7	1 846.4	1 628.0	1 623.9
Exports of goods (FOB)	6 449.3	6 899.6	6 619.6	7 399.2	6 862.1	7 506.9
Of which : Cocoa beans	2 740.4	2 056.9	1 801.7	2 094.9	1 979.8	2 166.3
Of which : Oil	867.8	805.7	951.6	1 201.7	785.7	905.5
Imports of goods (FOB)	-4 631.5	-4 940.3	-5 255.9	-5 552.8	-5 234.1	-5 883.0
Of which : Petroleum products (CIF)	-871.6	-925.2	-1 317.9	-1 315.3	-959.5	-1 183.6
Balance of services	-1 179.5	-1 374.6	-1 303.4	-1 313.2	-1 227.8	-1 343.7
Primary income	-637.8	-893.7	-904.9	-985.8	-1 189.3	-1 241.3
Secondary income	-246.1	-300.1	-309.2	-337.8	-402.7	-401.1
Capital Account	110.9	111.8	84.7	105.2	177.0	137.0
Capital transfers	110.9	111.8	87.8	107.5	177.0	137.0
Current and capital account balances	-134.6	-497.4	-1 069.2	-685.0	-1 014.9	-1 225.1
Financial account	-87.4	-496.6	-1 356.2	-1 164.2	-1 657.1	-1 736.7
Direct investment	-325.5	-173.6	-264.2	-433.4	-201.7	-251.5
Net errors and omissions	-5.8	-2.9	-2.5	-1.5	0.0	0.0
Overall balance	-53.1	-3.7	284.5	477.7	642.3	511.6

Source: BCEAO

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 - IEPA) and multilateral (World Trade Organization - WTO and regional EPA) levels.

Good coordination between the various negotiations at the regional and international levels (CET; EPA; WTO, AGOA, etc.) is essential to achieving the trade performance objectives of WAEMU member States. National and regional trade policies in West Africa depend on various spaces. Indeed, the regional negotiation space is articulated around the following elements

- The finalization of the Common External Tariff (CET) at the ECOWAS level, and thus the constitution of a Customs Union;
- A space for bilateral negotiations, particularly between the West African region and the EU, regarding the EPA;
- A multilateral negotiating space, which refers to WTO rules, 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 only have ad hoc observer status in the WTO Trade and Development Commission.

With regard specifically to WAEMU, it has a common trade policy based in particular on

- A common market set up on July 1, 1996 for local and unprocessed products (products of the Union from the animal, mineral and vegetable kingdoms) and traditional crafts, and until January 1, 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004;
- A customs union established on January 1, 2000, based on a CET applicable to all WAEMU member countries, which includes four categories of products, taxed from 0 to 20%, in force until January 1, 2015, when the WAEMU CET was replaced by the ECOWAS CET, which enshrines the expansion of the customs union to the 15 ECOWAS countries.
- Common rules of origin and competition, harmonization of VAT and excise duties, harmonization and mutual recognition of standards, common safeguards and protections (Degressive

Protection Tax (DPT), short-term export tax (STT), reference values and anti-dumping duty).

WAEMU also has a regional trade promotion program, "a regional strategy and a logical framework for the implementation of the WAEMU aid-for-trade program".

The overall objective of the aid for trade strategy is to enable member States to increase their exports of goods. The logical framework serves as the basis for an agenda for international donors, as well as national and regional financial institutions. It identifies five specific objectives corresponding to the categories of aid for trade:

- Ensure 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 essential adjustments and take into account other business needs.

The needs and priorities were identified on the basis of the Regional Economic Program (REP), which is the reference framework for the WAEMU integration process, as well as existing capacity building programs in the States.

• The Common External Tariff

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

The CET aims to harmonize tariffs and taxes in order to deepen economic integration through the establishment of a customs union; provide a platform for building the common trade policy and regional trade negotiations such as the EPA; stimulate regional production and investment capacity; and consolidate the regional market.

The CET is organized around an architecture including:

- (i) A Tariff and Statistical Nomenclature (TSN), i.e. a common customs nomenclature based on the Harmonized Commodity Description and Coding System (HS) of the World Customs Organization (WCO) adopted by the Community;
- (ii) A table of duties and taxes applicable to imported products which includes: the customs duty (DD), the statistical fee (RS) and the ECOWAS community levy (PC ECOWAS);
- (iii) Trade defense measures or supplementary protective measures, if any, which may generate duties that may affect the final price of products imported into the Community from third countries;
- (iv) The statistical royalty rate is set at 1 % and applies 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:

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

The CET was established in accordance with the requirements of the World Customs Organization's Harmonized System and the World Trade Organization's Regional Trade Agreements (Article 24 of GATT).

- Specific rules applicable to ECOWAS countries' foreign trade of goods
- Several trade regimes are in place within ECOWAS. The following table presents the existing regimes according to the trading partners.

PARTNERS	SPECIFIC SCHEMES
European Union (EU)	APEI, SPG, SPG+, TSA
ECOWAS	TEC, SLE
Rest of AFRICA	Bilateral agreements
USA	AGOA
ASIA	Bilateral Agreements
Other industrialized countries	Generalized 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 countries in the framework of trade between ECOWAS and the EU:

- **Côte d'Ivoire and Ghana** ratified interim EPAs in 2016. Côte d'Ivoire's EPA has been provisionally applied since September 4, 2016, and Ghana's EPA has been applied since December 15, 2016. These interim EPAs guarantee both countries full access to the European market and provide for eventual liberalization of 80% of tariff lines by Côte d'Ivoire and Ghana, spread over a period of 15 years ;
- Under the GSP, **Nigeria** benefits from a reduction in European customs duties on approximately 1/3 of tariff lines and a total exemption from customs duties on 1/3 of additional tariff lines
- **Cape Verde** benefits from the GSP+ which grants an exemption from European customs duties on about 2/3 of the tariff lines;
- **The other twelve countries** (including the seven WAEMU countries besides of Côte d'Ivoire), because of their LDC status, benefit from the Everything But Arms GSP, which grants them access to the European market for all their exports to the EU without duty or quota.

5.2.2 Regional trade by value

The evolution of Côte d'Ivoire's regional trade within the WAEMU between 2015 and 2019 shows

a structural trade balance surplus. Over this period. Côte d'Ivoire exported an average of CFAF 866.0 billion against an average value of CFAF 116.6 billion for imports. The main export destinations in the WAEMU are Burkina Faso (CFAF 320.9 billion on average) and Mali (CFAF 295.9 billion).

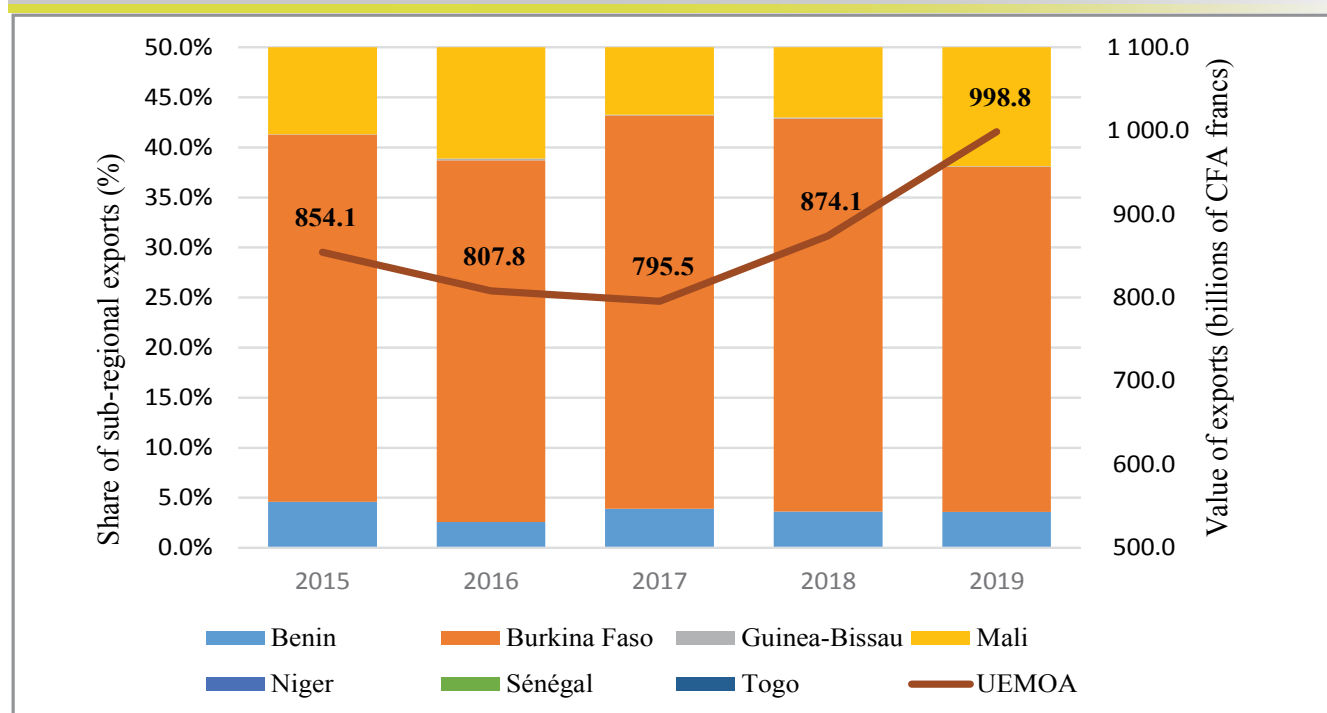
Côte d'Ivoire's imports from other WAEMU countries increased from CFAF 99.2 billion in 2015 to CFAF 123.2 billion to CFAF 139.2 billion in 2018, with an average value of CFAF 116.6 billion over the 2015-2019 period. The main suppliers for imports within the WAEMU are Senegal and Togo for average values of CFAF 83.7 billion and CFAF 10.8 billion respectively over the period 2015-2019.

5.2.3 Regional exchanges by partner

The evolution of Côte d'Ivoire's exports to WAEMU countries over the period 2015-2019 is contrasted, as Figure 2 below shows so well. First, there was a decline between 2015 and 2017, followed by an upturn

in 2018. The main export customers of the WAEMU are Burkina Faso (36.2%) and Mali (34.5%). followed by Togo (12.4%). Senegal (7.6%). Niger (5.7%). Benin (3.6%) and Guinea-Bissau (0.1%).

Figure 5. Share of each WAEMU country in Cote d'Ivoire's exports

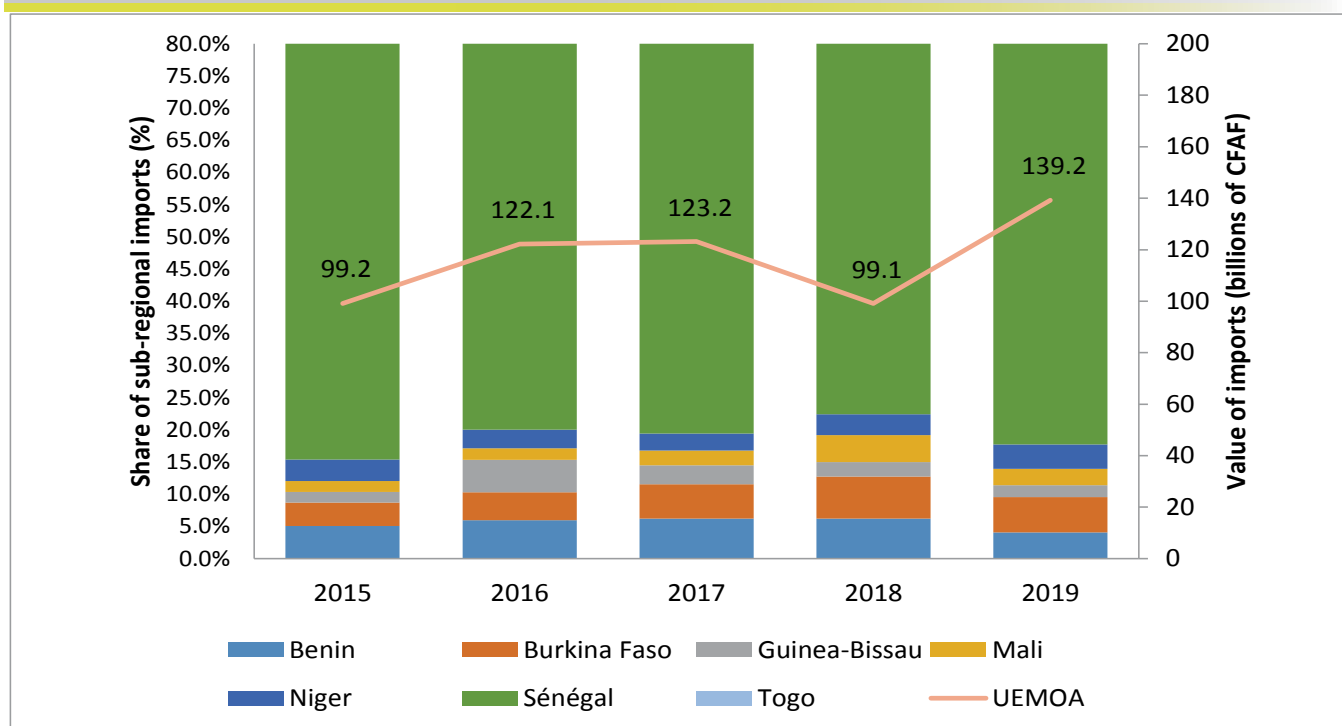


Source: BCEAO

Imports from other WAEMU countries have an ascending phase between 2015 and 2019, but a decline is observed in 2018. The main suppliers from the WAE-

MU in 2019 are Senegal (72.4%), Togo (9.8%), followed by Burkina Faso (5.5%), Benin (4.1%), Niger (3.8%), Mali (2.5%) and Guinea-Bissau (1.9%).

Figure 6. Share of each WAEMU country in Cote d'Ivoire's imports



Source: BCEAO

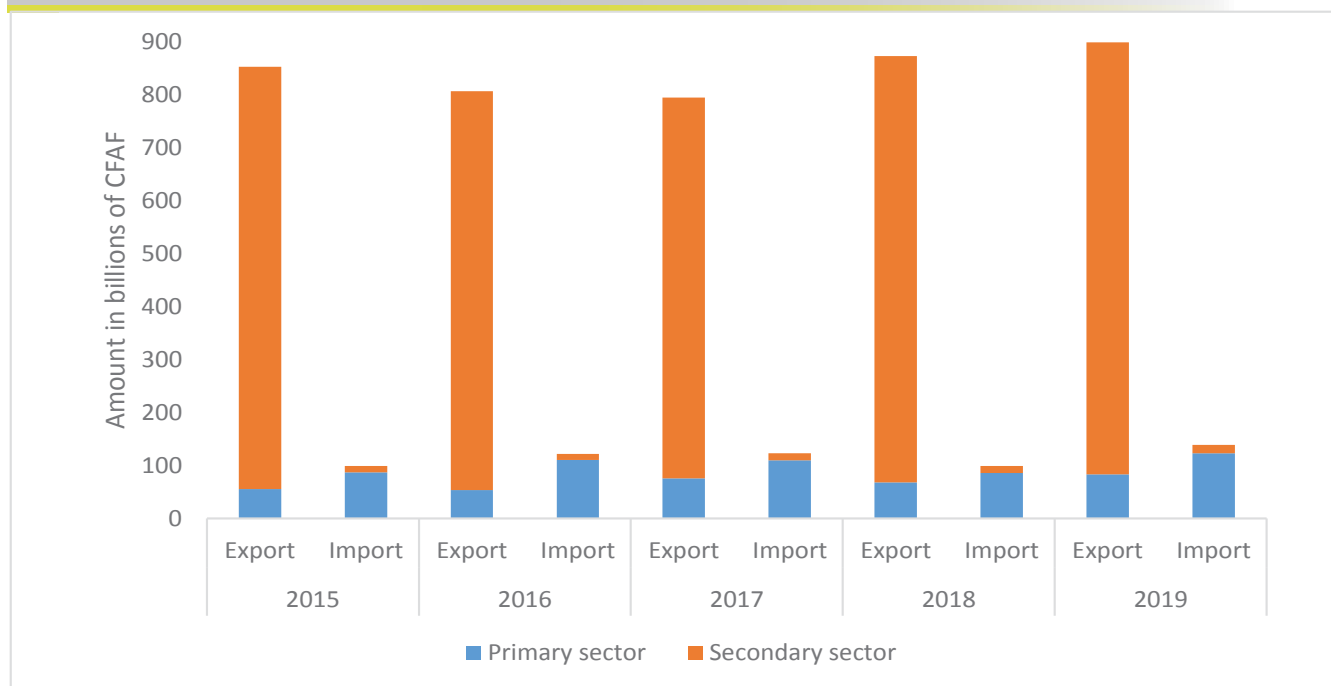
³³ The percentage figures represent the average share over the period 2015-2019.

5.2.4 Regional trade by type

Regional trade by product type between Côte d'Ivoire and other WAEMU countries over the period 2014-2018 is dominated by secondary sector products in terms of exports and primary sector products in terms of imports. Trade in services has a relatively modest weight compared to the two sectors.

These intra-community exports are mainly petroleum products (for CFAF 375.7 billion in 2019), palm oil (for CFAF 75.7 billion) and plastics (for CFAF 61.7 billion). On the other hand, it imports more food products at the regional level, especially fish for CFAF 86.6 billion in 2019.

Figure 7. Regional trade by sector



Source: BCEAO and UEMOA

5.3 International trade

5.3.1 Commercial policy

In view of its economic potential, especially for exports, Côte d'Ivoire has pursued its policy of encouraging national production for export. Thus, the primary goal of Côte d'Ivoire's trade policy is to increase market access for Ivorian products and services, especially those incorporating greater local value added, so as to provide employment for Ivorians not only in agriculture, which is already heavily export-oriented, but also in agro-industrial processing and service industries³⁴.

In this logic, 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 pole within WAEMU and ECOWAS. Concerning trade policy, Côte d'Ivoire opted very early for a liberal economy open to the whole world. To this end, it joined the GATT on 31 December

³⁴ This section draws heavily on the Trade Policy Review of WAEMU countries (WTO, 2017).

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. It has also ratified the agreement for the creation of the African continental free trade area (Af-CFTA) allowing the Ivorian government to contribute to the strengthening of intra-African trade.

In the WTO, it has not signed any multilateral agreement and none of the memorandum and agreements concluded under the WTO until the adoption in November 2014 of the new Trade Facilitation Agreement¹⁸, which it ratified in December 2015. It has not been directly involved in any WTO dispute. In terms of 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 favor of abolishing export subsidies for 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. To replace 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 it 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 agreements³⁵. These agreements, 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 AGOA³⁶.

5.3.2 International trade by value and by destination

The evolution of trade by zone over the period 2015-2019 shows a continuation of the trends observed previously: the continuation of exports to Europe and a breakthrough in Asia. Indeed, over the period, exports to Europe rose from CFAF 3 311.5 billion in 2015 to CFAF 3 308.2 billion in 2019, an average share of 45.6%. Exports to Asia, on the other hand, increased from CFAF 846.1 billion to CFAF 1.478.9 billion from 2015 to 2019 (i.e. from 12.3% in 2015 to 16.7% in 2019, an increase of 7.8 points), driven mainly by exports to China, which increased annually by 40.1% over the same period. Nevertheless, in terms of market share, Africa ranks second after Europe with an average share of 24.4% over the period, ahead of Asia (16.7%) and America (12.2%).

³⁵ See the Report on the Trade Policy Review of WAEMU Countries (WTO, 2017).

³⁶ Since October 2011, Côte d'Ivoire is eligible for the African Growth and Opportunity Act (AGOA) program. This is a trade law of the U.S. Federal Government, promoting access to the U.S. market for products from about forty African countries, including Côte d'Ivoire.

Table 31. Breakdown of exports by country

In billions of CFA francs	2015	2016	2017	2018	2019
Europe	3 311.5	3 038.9	3 119.0	2 773.2	3 308.2
European Union	2 885.3	2 644.8	2 731.2	2 429.4	2 827.4
Euro zone	2 620.2	2 384.5	2 437.2	2 172.5	2 524.8
France	377.1	371.0	406.1	380.2	460.5
Germany	426.2	324.4	358.4	417.3	346.4
Italy	169.2	174.1	155.0	134.5	128.6
Netherlands	843.6	744.9	874.2	748.0	795.5
Belgium	457.9	393.7	348.9	238.5	314.3
Other EU countries	265.1	260.4	294.0	256.9	302.6
United Kingdom	171.3	192.6	203.8	156.3	191.6
Others from Europe	426.2	394.0	387.8	343.8	480.9
Switzerland	271.8	295.2	272.2	237.5	350.4
Africa	1 903.7	1 623.0	1 561.4	1 537.6	1 665.8
Burkina	313.2	291.7	312.4	343.1	344.1
Mali	253.7	276.4	272.4	315.3	361.8
Senegal	69.0	71.9	68.0	65.1	75.7
Togo	142.7	120.8	66.7	63.6	124.1
Nigeria	279.7	113.9	85.9	106.8	92.3
Ghana	272.6	258.8	260.0	161.4	133.6
South Africa	189.1	190.2	227.3	191.3	235.3
America	746.9	838.0	923.7	839.7	795.1
USA	568.4	569.1	690.5	598.0	450.1
Canada	76.7	141.1	117.9	145.1	208.5
Asia	846.1	874.2	1 200.8	1 303.4	1 478.9
China	56.2	43.4	66.1	98.7	216.5
India	292.9	220.3	191.8	288.8	270.9
TOTAL EXPORT	6 879.0	6 427.1	6 872.9	6 552.6	7 347.0

Source: BCEAO

In terms of imports, Europe is still in first place, providing 35.5 per cent of Côte d'Ivoire's supplies, including 27.2 per cent from the Euro zone. Asia is in second place with an average share of 32.7%, followed by Africa (22.7%) and America (7.5%).

Table 32. Breakdown of imports' by country

In billions of CFA francs	2015	2016	2017	2018	2019
Europe	1 932.9	1 845.3	2 050.5	2 042.5	2 047.2
European Union	1 764.6	1 657.0	1 785.9	1 760.0	1 825.4
EURO ZONE	1 551.8	1 454.3	1 582.8	1 549.0	1 456.1
France	671.7	648.9	632.4	624.3	646.4
Germany	142.6	159.8	182.2	172.7	159.0
Italy	224.9	120.1	121.8	130.6	129.3
Netherlands	161.3	130.1	179.8	212.8	168.7
Belgium	103.8	127.5	153.6	125.6	90.6
Other EU countries	212.8	202.7	203.1	211.1	369.2
United Kingdom	143.2	123.0	91.7	111.5	85.8
Africa	1 328.5	1 083.0	1 151.2	1 391.3	1 413.7
Senegal	72.4	83.0	87.6	74.5	100.9
Nigeria	854.4	579.8	622.3	839.9	826.3
Ghana	32.1	39.3	51.3	55.1	67.6
South Africa	61.5	66.9	61.9	67.1	61.2
Morocco	121.8	106.1	103.1	85.2	113.0
America	430.9	365.9	334.3	471.2	523.8
USA	247.1	185.9	215.6	192.6	304.2
Asia	1 702.3	1 750.9	1 738.6	1 951.8	2 000.3
China	726.0	826.9	762.5	911.9	1 052.5
Japan	124.5	118.7	122.1	117.5	90.3
India	216.3	229.2	261.9	268.9	257.9
Thailand	135.9	156.3	153.9	140.9	70.8
TOTAL IMPORTS	5 607.1	5 078.6	5 315.4	5 913.1	6 111.8

Source: BCEAO

5.3.3 International trade in value and by product

Over the 2015-2019 period, Côte d'Ivoire's exports are dominated by six (6) products. These are mainly cocoa beans (29.1%), processed cocoa (12.5%), petroleum products (8.8%), cashew nuts (7.4%), non-monetary crude gold (7.3%) and crude oil (5.7%). Between 2015 and 2019, they accounted for an average share of 83.2 percent of export earnings.

On the import side, eight (8) products predominate in Ivorian imports over the period 2015-2019. These products are crude oil (13.1%), mechanical machinery (8.9%), refined petroleum products (7.0%), semi-milled rice (5.6%), iron, cast iron and steel products (5.5%), fish (5.4%), plastics (4.7%) and electrical equipment (4.1%). These products represent an average share of 54.4%.

Table 33. International trade by product

In billions of CFA francs	2015	2016	2017	2018	2019
EXPORTS					
Cocoa beans	2 099.7	1 818.4	2 056.9	1 801.7	2 094.9
Cashew nuts	427.4	469.5	606.5	585.7	428.2
Rubber	298.8	329.5	489.7	419.9	531.9
Crude oil	322.2	345.5	363.2	392.3	528.4
Gold	447.0	484.8	489.9	444.1	631.3
Processed cocoa	931.1	922.0	847.7	730.6	804.8
Petroleum products	798.3	522.3	442.5	559.2	673.3
Total main exported products	5 324.4	4 892.2	5 296.5	4 933.5	5 692.6
Share (%)	82.3%	71.1%	82.4%	71.8%	77.5%
Total exports ³⁷	6472.6	6879.0	6427.1	6872.9	7347.0
IMPORTS					
Fish	264.8	261.7	320.3	334.6	334.5
Semi-milled rice	289.0	307.2	327.2	383.2	353.3
Petroleum products	356.4	264.4	453.2	458.1	444.9
Plastics	265.1	235.4	275.9	256.1	274.8
Crude oil	897.5	607.2	471.9	859.8	870.4
Iron, cast iron and steel	389.1	252.3	255.1	324.3	334.8
Mechanical machines	515.9	454.3	456.9	468.2	501.5
Electrical Machines	195.0	252.9	192.5	232.4	274.0
Total major imports	3 172.7	2 635.3	2 753.1	3 316.8	3 388.1
Share (%)	56.6%	51.9%	51.8%	56.1%	55.4%
Total imports ³⁸	5 607.1	5 078.6	5 315.4	5 913.1	6 111.8

Source: BCEAO

5.4 Foreign direct investment

5.4.1 FDI by country of origin

According to BCEAO estimates (2020) , net foreign direct investment (FDI) flows to Côte d'Ivoire will amount to CFAF 497.4 billion in 2019 (1.5% of GDP), compared with CFAF 292.0 billion in 2015 (1.1%). Traditionally, they come mainly from Europe (56.8% in 2018) with France having the greater share (31.9% over the same year), followed by the United Kingdom, the Netherlands, and other countries of the European Union. 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 emanating from several sources, the main one being the 2018 Investment Code , which repealed the 2012 one . The new Code is thus in line with an objective of transparency and attractiveness of investments. 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 investments in each of the areas concerned. Provisions of the General Tax Code and the Customs Code also govern the advantages or privileges granted to investors. Finally, agreements are signed between the State and large investors, usually individuals.

³⁷ Total exports excluding exceptional goods (see BCEAO, 2020)

³⁸ Total imports excluding exceptional goods (see BCEAO, 2020).

³⁹ BCEAO (2020), "Balance of payments and international investment position, Côte d'Ivoire 2019", November 2020.

Table 34. FDI share by country of origin

Côte d'Ivoire	2015		2016		2017		2018		2019	
Value (in billions of CFAF)	Value	%	Value	%	Value	%	Value	%	Value	%
Europe	153.4	52.5	221.8	64.8	266.0	47.0	195.8	56.8	184.3	37.0
European Union	154.2	52.8	173.1	50.6	192.2	33.9	182.1	52.8	79.8	16.1
Euro zone	141.4	48.4	133.0	38.8	224.4	39.6	126.7	36.8	165.6	33.3
France	58.5	20.0	63.8	18.6	126.5	22.3	109.8	31.9	126.1	25.4
Netherlands	20.4	7.0	19.5	5.7	12.9	2.3	23.8	6.9	7.1	1.4
Other EU countries	12.7	4.4	40.1	11.7	-32.2	-5.7	55.4	16.1	-85.7	-17.2
United Kingdom	13.3	4.6	37.5	11.0	-31.5	-5.6	57.7	16.8	-85.7	-17.2
Other European countries	12.7	4.4	48.6	14.2	73.8	13.0	13.7	4.0	104.4	21.0
Switzerland	13.3	4.6	13.0	3.8	34.2	6.0	12.5	3.6	4.4	0.9
Africa	59.2	20.3	69.5	20.3	136.5	24.1	100.5	29.2	116.7	23.5
Senegal	0.7	0.2	12.7	3.7	7.9	1.4	0.3	0.1	14.2	2.9
Togo	11.5	3.9	8.1	2.4	9.3	1.6	20.6	6.0	9.3	1.9
Nigeria	0.0	0.0	1.3	0.4	16.2	2.9	13.9	4.0	36.4	7.3
South Africa	7.0	2.4	1.9	0.6	3.3	0.6	7.2	2.1	23.3	4.7
Morocco	32.1	11.0	12.3	3.6	96.2	17.0	23.0	6.7	-3.1	-0.6
America	70.4	24.1	-3.0	-0.9	152.2	26.9	39.5	11.5	169.3	34.0
Canada	35.8	12.3	3.7	1.1	96.6	17.1	17.1	5.0	157.8	31.7
USA	11.2	3.8	1.7	0.5	64.8	11.4	12.7	3.7	-2.6	-0.5
Asia	9.0	3.1	39.1	11.4	-3.7	-0.7	45.5	13.2	63.3	12.7
China	-0.7	-0.3	3.2	0.9	16.3	2.9	2.9	0.8	20.8	4.2
Singapore	2.9	1.0	19.2	5.6	13.6	2.4	18.4	5.3	27.7	5.6
Total FDI	292.0	100.0	342.5	100.0	566.1	100.0	344.6	100.0	497.4	100.0

Source: BCEAO

In 2019, the main net beneficiary sectors of these inflows were, respectively, the extractive industry with 33.3% of incoming financial resources and the financial sector with 33.0% of inflows.

They were followed by construction (10.5%), communication (6.5%), power generation (6.1%) and manufacturing (4.8%).

⁴⁰ Nominal GDP valued at the new base year of 2015.

⁴¹ Ordinance No. 2018-646 of 1 August 2018 on the Investment Code.

⁴² Ordinance No. 2012-487 of 7 June 2012 on the Investment Code

5.5.1 WAEMU convergence criteria

The WAEMU convergence criteria are made up of five criteria, three (3) of which are of primary importance (budget balance as a percentage of nominal GDP, average inflation rate and total public debt stock as a percentage of nominal GDP) and two (2) of which are of secondary importance (wage bill as a percentage of tax revenue and tax burden).

Over the period 2016-2020, two key criteria were met: inflation and the ratio of outstanding debt to GDP. The average annual inflation rate remained structurally in line with the WAEMU community standard (less than or equal to 3%).

As regards the total public debt stock, it represented 38.8% of GDP in 2019, after a rate of 36.2% in 2018, respecting the Community norm (below 70%).

In 2020, this ratio should rise to 44.1%. According to the Ivorian authorities, the implementation of the debt strategy should make it possible to maintain this ratio well below the community threshold of 70% over the period 2021-2023. Thus, it would fall from 44.9 percent in 2021 to 43.2 percent in 2023, taking into account the impact of COVID-19 (MBPE, 2020). The budget deficit, on the other hand, came out at -3.3%, -2.9% and -2.3% of nominal GDP in 2017, 2018 and 2019 respectively. In 2020, it is expected to be -5.9% in connection with the impact of measures taken in the fight against Covid-19.

Under the second-tier criteria, none of them should be met by 2021 or even 2022 despite a continuous improvement in performance (the ratio of wage bill to tax revenue would be reduced to 38.2% in 2021 and 37.2% in 2022).

Table 35. WAEMU convergence criteria

Côte d'Ivoire	Standard	2015	2016	2017	2018	2019	2020	2021	2022
						Est	Proj	Proj	Proj
First row									
Budget balance / nominal GDP	≤ -3%	-2.8	-4.0	-3.3	-2.9	-2.3	-5.9	-4.6	-3.8
Average annual inflation rate	≤ 3%	1.2	0.7	0.7	0.6	0.8	2.4	0.9	1.2
Total public debt outstanding as a percentage of nominal GDP	≤ 70%	29.2	31.7	33.5	36.6	38.8	47.6	44.9	44.3

Côte d'Ivoire	Standard	2015	2016	2017	2018	2019	2020	2021	2022
						Est	Proj	Proj	Proj
Second row									
Wage bill/tax revenue	≤ 35%	45.1	41.8	41.3	41.8	40.0	42.2	38.2	37.2
Tax pressure	≥ 20%	15.1	16	12.2	12.1	12.5	11.9	12.7	12.9

Source: WAEMU Commission, MBPE

5.5.2 Status 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).

The UEMOA groups together the eight West African countries that use the CFAF as their common currency. ECOWAS, which is larger than UEMOA, 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 External Tariff (CET) since 2000.

At the ECOWAS level, work on the establishment of a CET has been finalized and its application is effective since January 2015.

Regional integration is a priority for the Ivorian authorities, who have made it a strategic priority in the 2016-2020 NDP . Aware of the challenges, 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 common 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 community infrastructures of the States (energy, mines, roads, highways, telecommunications, gas, etc.), the development of community programs for sustainable development (agriculture, environment, etc.) and cross-border cooperation and development programs (following the example of the Special Economic Zone between Côte d'Ivoire, Burkina Faso and Mali).

⁴³ See Additional Act N°01/2015/CCEG/UEMOA of 19 January 2015 which defines five (05) convergence criteria, including three (03) of the first rank and (02) of the second rank to be met by 31 December 2019.

⁴⁴ Excluding the Debt Reduction and Development Contract (C2D).

⁴⁵ MPMBFE.

6- CREDIT QUALITY

6.1 Business Climate

Over the past eight years, Côte d'Ivoire has made steady progress in reforming its business climate, as evidenced by its notable rise in the World Bank's Doing Business ranking since 2012.

The Doing Business 2020 report analyses the regulations of 190 economies in 12 areas to assess the business climate around the world.

Ten of the indicators are taken into account to give each economy a score on the ease of doing business. Côte d'Ivoire ranks 110th in 2020 compared to 2019 in which it ranks 122nd.

Table 36. Indicators measured by the Doing business report

Indicator	Content		Metric
Starting a business	Procedures, time limits, costs and minimum capital contribution required to create a limited liability company	Procedures (Number)	4
		Time frame (days)	6
		Cost (% of per capita income)	2.7
Building Permits	Procedures, time and costs associated with the completion of all formalities required to build a warehouse and quality and safety controls in the building permit system	Time frame (days)	163
		Cost (% of warehouse value)	5.9
		Construction Quality Control Index (0-15)	10
Connection to electricity	Procedures, times and costs of connection to the electricity grid, reliability of electricity supply and transparency of tariffs	Time frame (days)	53
		Cost (%RHP)	2.1941
		Reliability of electricity supply and tariff transparency (0-8)	5

Transfer of ownership	Procedures, time and cost of title transfer, and quality of the land administration system	Procedures (number)	5
		Time frame (days)	39
		Cost (% of property value)	7.1
		Quality of land administration indicator	10
Cross-border trade	Time and costs associated with the export of the product of comparative advantage and the import of automotive parts	Export cost (USD)	547
		Time to export	26
Obtaining loans	Pledge of personal property laws and credit information system	collateral reliability index (0-12)	6
		credit information quality index (0-8)	8
		Coverage of the public credit register (% of adults)	0
		Coverage of the private register (% of adults)	22.1
Investor protection	Rights of minority shareholders in related party transactions and corporate governance	Disclosure Index information (0-10)	7
		Index of the responsibility of leaders (0-10)	1
		Ease of Use Index shareholder lawsuits (0-10)	5
		Shareholder Rights Index	4
Payment of taxes	Payments, deadlines and total payable for a company that fully applies the post-tax return legislation and procedures	Payment (number per year)	25
		time (hour per year)	187
		Tax rates (% of profits)	50.1
		Post-tax index (0-100)	64.8

Execution of contracts	Time and cost of settling a commercial dispute and quality of legal proceedings	Time (days)	525
		Cost (% of claim)	41.7
		Index for the quality of legal proceedings (0-18)	9.5
Insolvency resolution	Time, costs, results and recovery rates in insolvency cases and the strength of insolvency legislation	Recovery rate (US cents)	36.8
		Time (years)	2.2
		Cost (% of assets)	18
		Result (0 if the assets are sold separately and 1 if the business continues to operate)	0
		Index of the adequacy of the legal framework for insolvency (0-16)	9

Source: *Doing Business 2020 Report*

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

The digitization of tax and business services, reforms to strengthen contract enforcement, simplification of business procedures, the clean-up of the energy

sector and investments in transport have all contributed to these improvements.

The authorities intend to continue improving the business climate to support private sector-led growth.

In addition, Côte d'Ivoire is ranked 18th out of 54 African countries in the Mo Ibrahim African Governance Index. The 2020 report places Côte d'Ivoire among the countries that have made the most progress.

6.2 Financial governance

IMF staff supports the authorities' decisions to incorporate the temporary impact of the pandemic in the fiscal accounts and to take into account the fiscal costs of the projected growth slowdown, the health contingency plan, and the economic support program, even if this implies a temporary breach of the 3 percent of GDP regional convergence criterion for the fiscal deficit.

They encourage the authorities to reach agreement with their WAEMU counterparts on the temporary non-compliance with this criterion. Should budgetary revenues be lower than currently projected, the

Ivorian government should be prepared to reduce some non-urgent expenditures. It will be imperative to ensure transparent monitoring of exceptional expenditures to mitigate the consequences of the crisis.

The authorities remain committed to fiscal and debt sustainability over the medium term.

In this context, IMF staff supports the authorities' request for a disbursement of SDR 650.4 million (100 percent of the quota) under the Rapid Credit Facility and the Fast-Track Facility.

Moody's rating for Côte d'Ivoire in 2020 is maintained at Ba3 but with a stable outlook despite COVID-19. The stable outlook reflects Moody's view that the pressures facing the rating as a result of the coronavirus should remain consistent with the current rating level.

Côte d'Ivoire has just obtained an inaugural credit rating from Standard & Poor's. at BB- with a stable outlook. The country has also just obtained with Fitch an upgrade of its rating from B+ with a positive outlook to BB- with a stable outlook.

It is important to note that Côte d'Ivoire now has a credit rating from all three international agencies, namely Standard & Poor's, Moody's and Fitch, in line with international best practice for emerging countries. In general, a credit rating is used by sovereign wealth funds, pension funds and other investors to assess Côte d'Ivoire's creditworthiness, which has a significant impact on the country's borrowing costs.

Table 37. Cote d'Ivoire's sovereign rating

Date	Agency	Rating	Perspectives
July 19, 2021	Fitch	BB-	Stable
July 06, 2021	Standard & Poor's	BB-	Stable
August 07, 2020	Moody's	Ba3	Stable
June 12, 2020	Moody's	Ba3	Stable
November 12, 2019	Fitch	B+	Positive
December 18, 2015	Fitch	B+	Stable
November 05, 2015	Moody's	Ba3	Stable
July 11, 2014	Fitch	B	Stable
July 08, 2014	Moody's	B1	Stable

Source: *Trading economics*

7.1 Budget

7.1.1 Expenditure and revenue

The implementation of the public finance 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, in particular the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) concluded with the IMF⁴⁷.

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

In terms of resources, Côte d'Ivoire's revenues and grants increased on average per year by 6.8 percent between 2015 and 2018, from CFAF 3,916.8 billion in 2015 to CFAF 4,764.1 billion in 2018. In 2019, resources are estimated at CFAF 5,158.4 billion, an increase of 8.3% compared to 2018. They are estimated at CFAF 5,089.6 billion in 2020. The projected decline in 2020 is linked to the impact of the COVID 19 health crisis

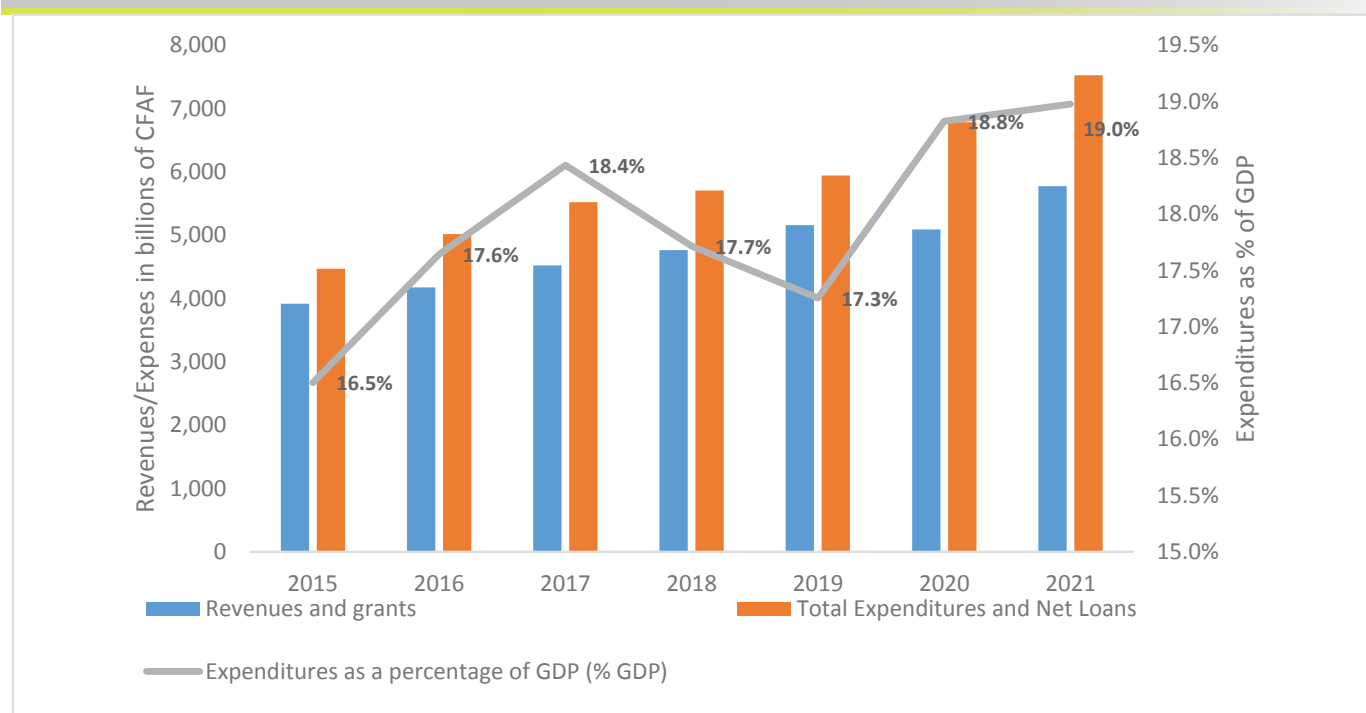
on the Ivorian economy. In 2021, they are projected at CFAF 5,774.0 billion. The tax burden would be 12.7% in 2021 after 11.9% due to the resumption of activities following the Covid-19 pandemic.

On the expenditure and net lending side, the dynamics are contrasted. The level of expenditures was CFAF 5,521.8 billion in 2017 compared to CFAF 4,469.8 billion in 2015, an increase of CFAF 1,052.0 billion in absolute value. This represents 11.2 percent on average per year over the 2015-2017 sub-period compared to a moderate increase of 4.1 percent over the 2018-2019 period. Net expenditures and loans are estimated at CFAF 6,784.9 billion in 2020. This amount is expected to increase to CFAF 7524.5 billion in 2021.

A comparison of resources (revenues and grants) and expenditures (including net loans) at the level of Côte d'Ivoire shows a structural budget deficit. This deficit, which averaged CFAF 833.4 billion between 2014 and 2018, rose to CFAF 785.5 billion in 2019 and reached CFAF 1,695.3 billion in 2020 (i.e., -4.7 percent of nominal GDP, calculated with the new base year of 2015). In 2021, it is projected at CFAF 1,750.4 billion (or -4.4% of nominal GDP).

⁴⁷ On December 9, 2020, the Executive Board of the International Monetary Fund (IMF) completed the seventh and eighth reviews of Côte d'Ivoire's Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements, and approved the IMF's request for US\$278.2 million in support. The completion of the seventh and eighth reviews allows the country to return to the normal 12-month cycle for Article IV consultations. Côte d'Ivoire's outstanding IMF credits exceed the 200% threshold of its quota.

Figure 8. Budgetary expenditures and revenues in Côte d'Ivoire



Source: MEF/ DGE/ DPPSE

• Detailed presentation of revenues and expenditures
Revenues and expenditures over the 2015-2021 period is presented in the table below (TOFE). The main resource items are tax revenues (direct and indirect taxes), other revenues from earmarked taxes (e.g., VAT on electricity, etc.), non-tax revenues (notably contributions from social security organizations) and grants.

Tax revenues take a dominant share of total revenues and Grants with an average participation of 81.0% over the 2015-2021 period. This is followed by non-tax revenues and Grants for 13.2% and 5.6% respectively. The increase in resources observed between 2015 and 2018 would be due entirely to the increase in tax revenues (9.6%). In contrast, the projected increase in 2021 would be due to a combination of tax revenues (17.7%), non-tax revenues (8.6%) and grants (4.4%).

Expenditure is dominated mainly by personnel costs (28.3 percent) and capital expenditure (26.9 percent). This is followed by operating expenditure (18.8%), subsidies and transfers (7.3%), domestic and external debt charges (8.2%) and social benefits (5.3%)⁴⁸. In particular, for the sub-period under review, 64.6 percent of investment expenditure was financed by internal resources and 35.4 percent by external resources, notably project loans and project grants. In 2021, the increase in expenditure would be linked to grants and transfers (26.3%), investment expenditure (24.0%) and social benefits (7.8%).

⁴⁸ The shares shown represent the average over the 2015-2020 subperiod.

Table 38. Table of State Financial Operations, 2015-2021

Côte d'Ivoire	2015	2016	2017	2018	2019	2020	2021
In billions of CFAF	Real	Real	Real	Real	Revised	Est.	Project
Revenues and Grants	3916.8	4176.6	4523.4	4764.1	5158.4	5089.6	5774.0
Total revenues	3634.6	3884.2	4257.3	4517.9	4883.5	4808.3	5480.4
Tax revenues ⁴⁹	2954.9	3352.6	3660.8	3882.4	4205.4	4220.0	4797.5
Direct taxes	788.4	851.9	948.3	1093.9	1139.7	1300.0	1232.4
Of which taxes on oil and gas	72.0	55.0	64.1	87.3	100.6	64.2	66.9
Indirect taxes	2166.5	2345.8	2509.8	2557.2	2832.6	2788.1	2997.4
Other restricted tax revenues (DGI, DGD)	0.0	154.9	202.7	231.2	233.1	239.3	567.7
Non-tax revenues	679.8	531.6	596.5	635.6	678.1	628.6	682.9
Social security contributions	383.5	443.3	455.7	479.2	509.6	525.0	539.2
Other non-tax revenues	296.2	88.3	140.7	156.4	168.5	103.6	143.7
Of which dividends	17.7	10.5	15.8	23.7	28.0	19.9	25.3
Agricultural Recovery Program	0.0	38.9	0.0	0.0	0.0	0.0	0.0
Grants	282.2	253.5	266.1	246.2	274.9	281.2	293.6
Project Grants	128.6	105.9	115.2	87.4	107.4	171.4	136.7
Program Grants	153.6	147.6	150.9	158.7	167.5	169.3	156.9
Total expenditures and net loans	4469.8	5014.6	5521.8	5708.3	5943.9	6784.9	7524.5
Primary expenses	4159.1	4633.5	5138.3	5273.2	5422.9	6331.3	6768.1
Current Expenses	2777.2	2890.4	3317.9	3424.5	3628.9	3738.3	3979.3
Staff	1331.6	1400.8	1512.3	1621.9	1703.0	1770.2	1831.4
Social benefits	255.4	260.7	263.7	296.3	331.3	346.1	373.2
Grants and other transfers	414.7	385.8	430.1	403.7	431.1	362.1	457.3
Operating Expenses	767.1	836.4	1105.0	1095.8	1151.7	1251.1	1317.4
Interest due	297.5	360.1	379.5	434.2	520.9	713.1	756.4
On domestic debt	145.3	183.2	203.6	206.1	221.7	261.7	296.5
On external debt	152.2	177.0	175.8	228.0	299.3	451.3	459.9
Capital Expenditures	1247.3	1408.4	1526.8	1547.3	1499.3	1668.9	2069.9
On domestic resources	783.7	1031.4	873.7	871.2	952.5	803.3	1160.9
From external resources	463.6	377.0	653.1	676.1	546.8	865.6	909.0
Net loans (loans - recoveries)	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Basic primary balance	-68.1	-394.9	-281.4	-99.2	-17.5	-617.0	-994.1
(As % of GDP)	-0.3%	-1.4%	-0.9%	-0.3%	-0.1%	-1.7%	-2.5%
Nominal GDP (in billions of CFAF), Base 2015	27086.2	28 423.9	29 955.0	32 222.3	34 298.9	35 124.6	37 698.5

Source: MEF / DGE / DPPSE

7.1.2 General presentation of the budget by nature

Budgetary expenditures for 2021 amount to CFAF 8,398.9 billion compared to CFAF 8,415.4 billion in 2020 and CFAF 7,334.2 billion in 2019. They are projected at CFAF 9,670.4 billion in 2022. The breakdown of expenditures by economic type makes it possible to identify the following major items: public debt service (domestic and external), ordinary expenditures, investment expenditures and other expenditures from the Special Treasury Accounts.

Thus, over the period 2018-2022, the structure of budget expenditure shows that ordinary expenditure (39.4%) is the highest, with a preponderance of personnel expenditure of 22.2%. This is followed by investment expenditure (27.4%), expenditure on debt services (25.6%) and expenditure on Special Treasury Accounts (7.7%).

⁴⁹ Including earmarked revenues and parafiscal charges

Table 39. Major budget items by economic nature

Côte d'Ivoire	2018		2019		2020		2021		2022	
	Budget voted		Budget voted		Budget voted		Budget voted		Budget voted	
(In billions of CFAF)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Public debt	1 547.3	22.9	1 821.5	24.8	1 930.6	22.9	2 132.8	25.4	3 070.6	31.8
Domestic debt	919.0	13.6	1 062.4	14.5	1 139.6	13.5	1 072.2	12.8	1 729.0	17.9
External debt	628.3	9.3	759.1	10.4	791.0	9.4	1 060.6	12.6	1 341.6	13.9
Ordinary expenses	2 737.9	40.5	2 877.6	39.2	3 403.2	40.4	3 498.3	41.7	3 392.5	35.1
Subscription	97.9	1.4	104.1	1.4	110.2	1.3	112.6	1.3	115.5	1.2
Staff	1 635.4	24.2	1 720.8	23.5	1 770.1	21.0	1 831.4	21.8	1 957.8	20.3
Other operating expenses	1 004.6	14.9	1 052.7	14.4	1 522.9	18.1	1 554.3	18.5	1 319.2	13.6
Capital Expenditures	1 997.2	29.6	2 095.1	28.6	2 409.5	28.6	2 163.2	25.8	2 349.0	24.3
From internal resources (Treasury)	1 081.1	16.0	1 154.9	15.7	1 085.7	12.9	1 661.2	19.8	1 434.1	14.8
From external resources	916.1	13.6	940.2	12.8	1 323.9	15.7	203.4	2.4	914.9	9.5
Borrowing for projects	755.8	11.2	780.4	10.6	1 160.3	13.8	858.1	10.2	848.3	8.8
Project Grants	160.3	2.4	159.8	2.2	163.5	1.9	143.9	1.7	66.7	0.7
Other expenses of the Special Treasury Accounts	474.0	7.0	540.0	7.4	672.1	8.0	604.6	7.2	858.4	8.9
TOTAL BUDGETARY EXPENDITURE	6 756.4	100.0	7 334.2	100.0	8 415.4	100.0	8 398.9	100.0	9 670.4	100.0

Source: MBPE/DGBF

7.1.3 General presentation of the budget by function

Over the 2018-2022 sub-period, the sectoral allocation of budget expenditure (functional approach), excluding public debt, shows a predominance of allocations to general government services (27.5%), education (22.1%), economic infrastructure (16.9%), followed by economic affairs (9.8%), health (6.5%), and defense (5.7%).

The remaining sectors have a share of less than 5.0%. This policy of allocating spending mainly to growth sectors is consistent with the government's desire to maintain strong and sustained growth and to make it inclusive through a major government social program.

Table 40. Budgetary expenditures excluding public debt by major function in Côte d'Ivoire (2018-2021)

	Budget		Budget		Budget		Budget		Proposed Budget	
	2018		2019		2020		2021		2022	
<i>Value (in billions CFAF)</i>	Value	%	Value	%	Value	%	Value	%	Value	%
General government services	1 093.0	21.0	1 266.0	23.0	1 672.8	27.3	1 529.3	24.4	1 407.3	21.3
Defense	336.6	6.5	334.4	6.1	349.3	5.7	352.3	5.6	386.1	5.9
Public order and safety	234.7	4.5	256.8	4.7	236.4	3.9	593.0	9.5	487.0	7.4
Economic Affairs	403.0	7.7	417.2	7.6	668.3	10.9	767.6	12.3	762.9	11.6
Protection of the environment	79.4	1.5	133.7	2.4	192.4	3.1	208.5	3.3	224.5	3.4
Community facilities (Economic infrastructures)	1 217.5	23.4	1 190.5	21.6	956.2	15.6	751.1	12.0	994.3	15.1
Health	345.2	6.6	372.4	6.8	446.1	7.3	426.7	6.8	418.6	6.3
Leisure, culture and worship	162.5	3.1	136.5	2.5	182.2	3.0	158.0	2.5	281.5	4.3
Teaching	1 283.9	24.6	1 341.3	24.3	1 342.0	21.9	1 390.8	22.2	1 541.1	23.4
Social protection	53.2	1.0	64.2	1.2	84.6	1.4	88.7	1.4	96.5	1.5
TOTAL	5 209.0	100.0	5 513.0	100.0	6 130.4	100.0	6 266.1	100.0	6 599.9	100.0

Source: SEPMBPE / DGBF

The table below provides an indication of the detailed distribution of social expenditures (education and health) for 2021 and 2022. For the education sector, personnel costs, subsidies to private schools and capital expenditures are the most important items in the allocations. In view of the dynamics observed between 2021 and 2022, the Ivorian authorities have made a conscious choice in favor of education

spending, whose share of social spending has risen from 76.5% to 78.6%. Indeed, the efforts made in terms of educational infrastructure are aimed at continuing the reform of national education in order to make the measure of compulsory schooling for children aged 6 to 16 operational and to implement programs aimed at having quality, well-educated, well-trained and productive human resources.

Table 41. Detailed breakdown of social expenditures (education and health)

	Budget		Budget		Proposed Budget	
	2020		2021		2022	
Value (in billions CFAF)	Value	%	Value	%	Value	%
Education	1 324.70	74.8	1 390.60	76.5	1 541.10	78.6
General Administration	54.2	3.1	58.3	3.2	64.61	3.3
Pre-school and primary education	567.5	32.0	592.9	32.6	657.07	33.5
Literacy	0.4	0.0	0.4	0.0	0.44	0.0
General, technical and vocational high school	478.4	27.0	510	28.1	565.2	28.8
Higher education and scientific research	242	13.7	228.9	12.6	253.67	12.9
Health	446.2	25.2	426.7	23.5	418.6	21.4
General Administration	214.5	12.1	213.5	11.7	209.45	10.7
Primary health care system	60.7	3.4	50.7	2.8	49.74	2.5
Preventive health care	15.6	0.9	14.9	0.8	14.62	0.7
Program to fight against diseases and endemics	47.5	2.7	43.9	2.4	43.07	2.2
Child health, maternal health and nutrition	33.5	1.9	31.2	1.7	30.61	1.6
HIV/AIDS	24.7	1.4	22.9	1.3	22.47	1.1
University Hospital and Medical-Specialized Institutions	49.7	2.8	49.7	2.7	48.76	2.5
TOTAL	1 770.90	100.0	1 817.30	100.0	1 959.70	100.0

Source: SEPMBPE / DGBF

7.2 Tax policies

7.2.1 General budget revenues by source

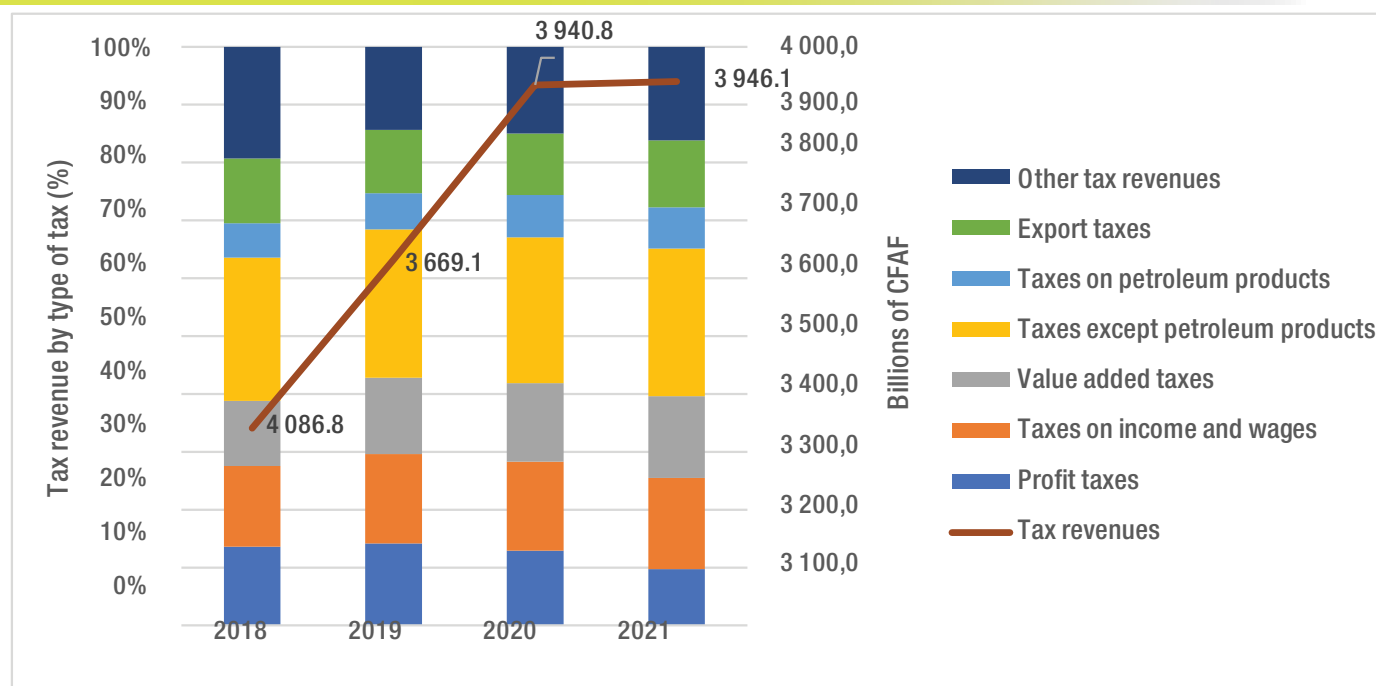
Budget revenues are made up of tax and non-tax revenues. However, tax revenues are the main source of income for the state. They have increased significantly over the period 2018-2020. Indeed, they increased from CFAF 3,406.8 billion in 2018 to CFAF 3,940.8 billion in 2020 and should reach CFAF 3,946.1 billion in 2021. In the state budget, gate taxes (taxes on imports and exports) are predominant, but so are domestic taxes (VAT, taxes on profits and taxes on income and salaries).

Overall, over the period 2018-2020, gate taxes, which remain important in the state budget, will see their share decline at the expense of domestic taxes. In 2020, domestic taxation will account for 56% of tax revenues compared to 44% for gate taxes. This distribution is a positive development that would bring the tax system into harmony with structural transformation policies for the benefit of industrialization.

Table 42. General budget revenues by tax type

Côte d'Ivoire (In billions of CFAF)	2018		2019		2020		2021	
	Value	%	Value	%	Value	%	Value	%
Total Tax Revenue	3 406.8	100	3 669.1	100	3 940.8	100	3 946.1	100
Income taxes	462.4	13.6	520.4	14.2	509.3	12.9	383.4	9.7
Income and payroll taxes	475.9	14.0	565.3	15.4	605.6	15.4	623.1	15.8
Value Added Tax	384.3	11.3	484.4	13.2	533.9	13.5	555.8	14.1
Taxes excluding petroleum products	844.1	24.8	942.2	25.7	993.6	25.2	1 008.2	25.5
Taxes on petroleum products	201.3	5.9	229.4	6.3	289.6	7.3	280.8	7.1
Export taxes	380.8	11.2	402.1	11.0	419.2	10.6	456.2	11.6
Other tax revenues	658.0	19.3	525.3	14.3	589.6	15.0	638.6	16.2

Source: LFI

Figure 9. Breakdown of tax revenues by category

Source : MPMBFE (Schedule 2, PBOE, 2021)

7.2.2 Government revenues - health, unemployment and pension

Social security organizations participate in the State's mobilization of financial resources in terms of non-tax revenues (74.2 percent of non-tax revenues and 1.5 percent of GDP on average over the period 2015-2020).

According to the public accounts, in terms of social security contributions, CFAF 483.7 billion was mobilized in 2020, compared with CFAF 383.5 billion in 2015.

Table 43. Social security contributions in the Ivorian TOFE

	2015	2016	2017	2018	2019	2020	2021
(In billions of CFAF)	Real	Real	Real	Real	Real	Est	Proj
Non-tax revenues	679.8	531.6	596.5	635.6	678.1	616.8	682.9
Social security contribution	383.5	443.3	455.7	479.2	509.6	483.7	539.4
of Total Non-Tax Revenue	56.4	83.4	76.4	75.4	75.2	78.4	79.0
of GDP	2.5	1.9	2.0	2.0	2.0	1.8	1.8
Nominal GDP (Base 2015)	27086.2	28 423.9	29 955.0	32 222.3	34 298.9	35 124.6	37 698.5

Source: MEF / DGE / DPPES

In Côte d'Ivoire, social security is provided by three (03) social security institutions⁵⁰: the Caisse Générale de Retraite des Agents de l'Etat (CGRAE), the Caisse Nationale de Prévoyance Sociale (CNPS) and the Caisse Nationale d'Assurance Maladie (IPS-CNAM), the youngest of the three institutions.

The Institution de Prévoyance Sociale-Caisse Générale de Retraite des Agents de l'Etat named (CGRAE) was created by Decree No. 2012-367 of April 18, 2012 as amended by Ordinance No. 2017-107 and Decree No. 2017-108 of February 15, 2017. Its purpose is to manage for the benefit of beneficiaries, mandatory pension schemes, supplementary or special, mandatory or voluntary pension schemes, the collection of contributions and the management of funds collected under the various schemes. It collects contributions and subsidies from State personnel and structures in order to ensure regular financing of retirement pensions, but also to offer its beneficiaries various benefits authorized by the management of surplus contributions.

As for the Institution de Prévoyance Sociale-Caisse Nationale de Prévoyance Sociale (CNPS), it was created by decree n°2000-487 of July 12, 2000 to manage the compulsory social security scheme for the private sector and similar. It also intervenes in the field of health and social action. As such, a program 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 its 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 to the populations residing within the national territory, was reflected in the vote of the law n°2014-131 of March 24, 2014 instituting the Universal Health Coverage (CMU⁵¹) and the creation of the Social Welfare Institution named National Health Insurance Fund, abbreviated IPS-CNAM, by decree n°2014-395 of June 25, 2014. The latter is responsible for ensuring the management, service of benefits and collection of contributions relating to the implementation of the Universal Health Coverage (UHC).

The resources of these benefit funds are mainly made up of workers' contributions, calculated on a capped gross salary. The table below presents the financial situation of the CGRAE and the CNPS over the 2017-2021 period. In particular, over the 2017-2020 sub-period, the two structures (CGRAE and CNPS) collected CFAF 526.6 billion in the form of social security contributions and achieved an average net result of CFAF 92.6 billion.

⁵⁰ Source: MPMBFE

⁵¹ Universal health coverage was instituted by Law No. 2014-131 of March 24, 2014. Since September 2015, the CMU covers all populations residing in Côte d'Ivoire

Table 44. Resources of social security organizations in Côte d'Ivoire, 2017-2022

(In billions of CFAF)	2017	2018	2019	2020	2021	2022
	Real	Real	Proj	Proj	Proj	Proj
IPS-CGRAE						
Products	214.1	379.2	229.9	237.5	245.4	253.5
Revenue (C contributions)	210.2	219.1	226.8	234.4	242.3	250.3
Other products	1.7	157.8	1.1	1.1	1.1	1.1
Financial income	2.2	2.3	2.0	2.0	2.0	2.0
Charges	159.9	315.2	207.3	218.6	230.7	243.5
Expenditures (P Benefits)	130.7	141.3	177.8	188.4	199.7	211.7
Operating load	29.2	173.9	29.5	30.2	31.0	31.8
Technical balance (C-P)	79.5	77.8	49.0	46.0	42.6	38.6
Net income	54.2	64.0	22.6	18.9	14.7	10.0
IPS-CNPS						
Products	298.0	317.5	338.9	361.6	386.0	412.3
Technical income (contributions and late payment surcharges C)	278.8	291.5	311.9	333.7	357.1	382.1
Other products	12.8	18.7	19.3	19.8	20.4	21.2
Financial income	6.4	7.3	7.7	8.1	8.5	9.0
Charges	216.8	231.8	242.7	254.3	266.5	279.6
Technical expenses (social benefits P)	136.1	141.2	146.8	152.7	158.8	165.2
Operating load	44.0	36.6	40.3	44.3	48.7	53.6
Other expenses	36.7	54.0	55.6	57.3	59.0	60.8
Technical balance (C-P)	142.7	150.3	165.1	181.0	198.3	216.9
Net income	81.2	85.7	96.2	107.3	119.5	132.7
Total Contribution	489.0	510.6	538.7	568.1	599.4	632.4
Total Surplus	135.4	149.7	118.8	126.2	134.2	142.7

Source: MPMBPE

7.2.3 Presentation of tax innovations recently voted or under discussion and in the process of being voted

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

Fiscal Annex 2020 is developed around six (6) strategic areas, namely:

- The improvement of the productivity of the sectors of activity, notably research and development, as well as technological innovation;
- Promoting investment as part of the structural transformation of the economy;
- Improving the attractiveness of foreign direct investment by encouraging and setting up new special economic zones;
- Promoting the development of small and medium-sized enterprises (SMEs) and job creation;

v. Promoting balanced territorial development and improving access to land ownership, through social and economic housing;

vi. The gradual compliance of the tax system with Community provisions and international commitments. In addition to these strategic directions, Tax Annex 2020 also includes measures to support businesses, strengthen government resources, streamline the tax system and technical measures.

Specifically, as part of the support measures for companies in the 2020 management, a tax credit of 20% of the amounts invested is granted. This credit, the benefit of which is conditional on the company making the investments itself, can be deducted from the tax on profits.

As part of the measures to strengthen the State's resources, the rate of excise duties on tobacco has been adjusted. This adjustment is part of the gradual implementation of Directive No. 01/2017/CM/WAEMU of 27 December 2017 on excise duties applicable to tobacco. To this end, it has been proposed to raise the current rate of 37% by one point to 38% as of the entry into force of the 2020 tax schedule. This rate had been reduced in 2018 from 38% to 36%.

Changes have been made to tax measures related to improving access to health care for the population. In order to facilitate the installation of pharmaceutical production units, the fiscal annex 2020 proposes, in case of investments in the drug production sector, to exempt from customs duties and VAT, the equipment, materials and tools with their spare parts, necessary for the production of drugs on the Ivorian territory.

As part of the modernization of the tax system, the 2005 tax schedule introduced the standardized invoice to ensure the traceability and better

organization of commercial transactions. The 2019 annex 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 General Tax Directorate (DGI). The objective of the electronic tax return is also to ensure the transition of the standardized invoice to an electronic filing regime. Annex 2020 provides for the modernization of taxes collected by local governments to be collected electronically.

7.3 Finance Bill

The year 2021 is the second year of implementation of the program budget, thus materializing the effective implementation of the second generation of reforms initiated by WAEMU in public financial management. In contrast to the traditional means-based budgeting method, this reform favors a medium-term programmatic budgeting approach, associated with results-based objectives accompanied by a reference framework for their evaluation. The 2021 budget proposal has been prepared according to this new approach.

In the 2021 Initial Budget Bill (IBB), the proposed budget balances resources and expenses at CFAF 8,398.9 billion, an increase of CFAF 726.7 billion in absolute terms and 4.2% in relative terms compared to the 2020 budget, which amounted to CFAF 8,061.0 billion. It should be financed essentially by domestic resources to the tune of CFAF 6,449.2 billion (76.8%). The 2021 budget proposal is composed of budgetary revenues and expenditures, treasury revenues and expenditures, and revenues and expenditures of the Special Treasury Accounts⁵³.

⁵² Ordinance No. 2018-145 of February 14, 2018 on the development of the tax schedule had reduced from 38% to 36%, the single rate of excise duties applicable to tobacco.

⁵³ See Article 1 of the Draft Initial Finance Law (LFI) on the State Budget for the year 2021.

Table 45. Framing the balance of the 2021 budget proposal

Description	AMOUNT	Description	AMOUNT
GENERAL BUDGET			
Budgetary revenues (I)	4 335.6	Budgetary expenditures (II)	6260.6
Tax revenues	3946.9	Ordinary expenses	4300.8
Non-tax revenues	88.7	Financial expenses of the public debt	802.5
Grants	300.8	Staff	1831.4
Program Grants	156.9	Acquisition of goods and services	695.9
Project Grants	143.9	Current transfers	971.0
		Capital expenditures	1959.8
		From Treasury funding	957.8
		On external financing	1002.0
Central Government Budget Balance (I-II)	-1924.9		
Cash receipts (III)	3255.3	Cash expenditures (IV)	1330.3
Proceeds from the sale of assets	126.3	Domestic Loan Repayments	749.7
Proceeds from on-loan repayments	10.0	Repayment of external loans	580.7
Income from short, medium and long-term borrowings	3119.0		
Borrowing on domestic money and financial markets	1977.3		
Project loans	858.1		
Borrowing-Programs	283.6		
Cash balance (III)-(IV)	1924.9		
Total General Budget Resources (I)+(III)	7590.9	Total General Budget Expenditures (II)+(IV)	7590.9
SPECIAL TREASURY ACCOUNTS (STA)			
Revenue from Trust Accounts	808.0	Expenditures from Trust Accounts	808.0
Total revenues of the Special Treasury Accounts (V)	808.0	Total expenditure on Special Treasury Accounts (VI)	808.0
Description	AMOUNT	Description	AMOUNT
TOTAL STATE BUDGET RESOURCES (I)+(III)+(V)	8 398.9	TOTAL STATE BUDGET EXPENDITURES (II)+(IV) +(VI)	8 398.9

Source: SEPMBPE / DGBE

Budgetary revenues are projected at CFAF 4,335.6 billion compared to CFAF 3,940.8 billion in 2020, an increase of CFAF 394.8 billion in absolute terms and 10.0% in relative terms. Budgetary expenditures amount to CFAF 6,260.6 billion in 2021, compared to CFAF 5,802.2 billion, an increase of CFAF 458.4 billion. The budget revenue and expenditure balance is in deficit by CFAF 1,924.9 billion, which should be financed by the surplus balance of cash resources.

In fact, cash resources are forecast at CFAF 3,255.3 billion compared with CFAF 1,330.3 billion for cash expenditures, i.e., a surplus balance of CFAF 1,924.9 billion equivalent to the expected financing of the budget balance.

As part of the execution of 2021 finance bill, a series of tax reforms are planned, including measures to support businesses, to strengthen the means of the State, to rationalize the tax system as well as measures of a technical nature.

8- RISK FACTORS

Despite the progress made since the end of the crisis in 2012, there remains a need for Côte d'Ivoire to continue building socio-political and security stability in order to fully eradicate the roots and effects of the crisis. Real GDP is expected to grow by 2.0 percent in Côte d'Ivoire in 2020, well below its 6.2 percent growth in 2019, due to the disruption caused by COVID-19 in most economic sectors of the country.

8.1 Political and security risks

8.1.1 Risks related to elections

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

Mr. Alassane Ouattara, President of the Republic since 2011, won the October 2020 presidential election with 94 percent of the vote. The main opposition candidates, Affi N'Guessan and former President Henri Konan Bédié (1993-1999), had asked voters to boycott the election. They challenged the legitimacy of the incumbent president to stand for a third term, even though the 2016 constitution limits their number to two. On the contrary, the constitutional court ruled that the new text reset the counters to zero. In addition, the court had rejected forty of the forty-four candidates, including those of former president Laurent Gbagbo (2000-2010) and former National Assembly president Guillaume Soro, who has been active in Ivorian politics for more than 20 years.

Moreover, after the final acquittal of ex-President Laurent Gbagbo, pronounced on March 31, 2021 by the ICC, a political dialogue was initiated by the President of the Republic, and ex-President Laurent GBAGBO returned to Côte d'Ivoire on June 17, 2021, thus marking a decisive step towards national reconciliation.

If Côte d'Ivoire fails to effectively restore sustainable cohesion and reconciliation through more inclusive

The outlook for the Ivorian economy will depend on global control of the COVID-19 pandemic by the second half of 2021, and the implementation of the 2021-2025 National Development Plan (NDP), which aims to maintain a stable sociopolitical environment and increase domestic resource mobilization.

growth, poverty reduction, and stronger institutions or fails to maintain political stability, this may undermine the country's ability to fully realize its economic potential meet its obligations, attract private and foreign sector investment, and may in turn lead to lower economic growth than anticipated in the 2016-2020 NDP.

8.1.2 Internal security risks

The Government's progress in stabilizing the security and socio-political situation led the UN 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 efforts for internal security (disarmament, demobilization and reintegration of ex-combatants), the fight against the trafficking of small arms and light weapons remains a concern.

Indeed, the 2011 post-election crisis and sub-regional 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, Ivorian authorities have set up the National Commission to Combat the Proliferation and Illicit Circulation of SALW (ComNat-CI), with support from ECOSAP, UNDP and the Small Arms Survey. Sporadic violence and mutinies by ex-combatants demanding payment have been recorded and remain detrimental to internal stability, even though the government has made efforts in the framework of the military programming law.

Defense and security have been a priority for President Ouattara's government since he came to power in 2011. The 2020 budget allocated CFAF 585.8 billion to defense and security spending, compared to CFAF 620.4 billion in 2019, including CFAF 141.1 billion for the armed forces, CFAF 74.5 billion for the gendarmerie, and CFAF 165.4 billion for the police,

as part of the implementation of the military planning law and the internal security planning law enacted on January 13, 2016. The country remains very attentive to other threats, including crises in some neighboring

countries such as Mali, recurrent national or regional terrorist attacks (including in Burkina Faso in March 2018 and September 2019).

8.2 Social risks

Tensions between the government of President Alassane Ouattara and the main political opposition have further intensified over the preparation and organization of the presidential election to be held on October 31, 2020.

These tensions were further exacerbated by President Ouattara's decision to run for the presidency of the RHDP. The election campaign and the post-election

period were marked by numerous demonstrations and cases of violence, which are still ongoing in some regions, resulting in casualties, including, according to government estimates, 87 deaths and nearly 500 people injured and 225 arrested. Côte d'Ivoire must promote social cohesion and lasting reconciliation to fully realize its economic potential.

8.3 Macroeconomic risks

8.3.1 International raw material prices

The heavy dependence on exportable agricultural products makes the Ivorian economy vulnerable to fluctuations in world agricultural prices and to climatic conditions. Revenues from coffee, cocoa, petroleum products and gas account for 27% of budgetary tax revenues (SEPMBPE). The prices of the main export products in February 2021 are as follows: 1,300 dollars/ton of cashew nuts (in CIF), 1.99 euros/ kg of cocoa beans, 1.33 euros/ kg of robusta coffee, 1.94 euros/ kg of rubber and 841.05 euros/metric ton of palm oil.

A downward fluctuation in the prices of these commodities linked to changes in world demand and climate conditions constitutes a major risk for public 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.

Côte d'Ivoire is among the countries that posted positive growth in 2020 despite the impact of the Covid-19 crisis.

8.3.2 Development of external demand for agricultural products in Côte d'Ivoire

Low domestic demand for agricultural exports and their heavy dependence on external markets expose the na-

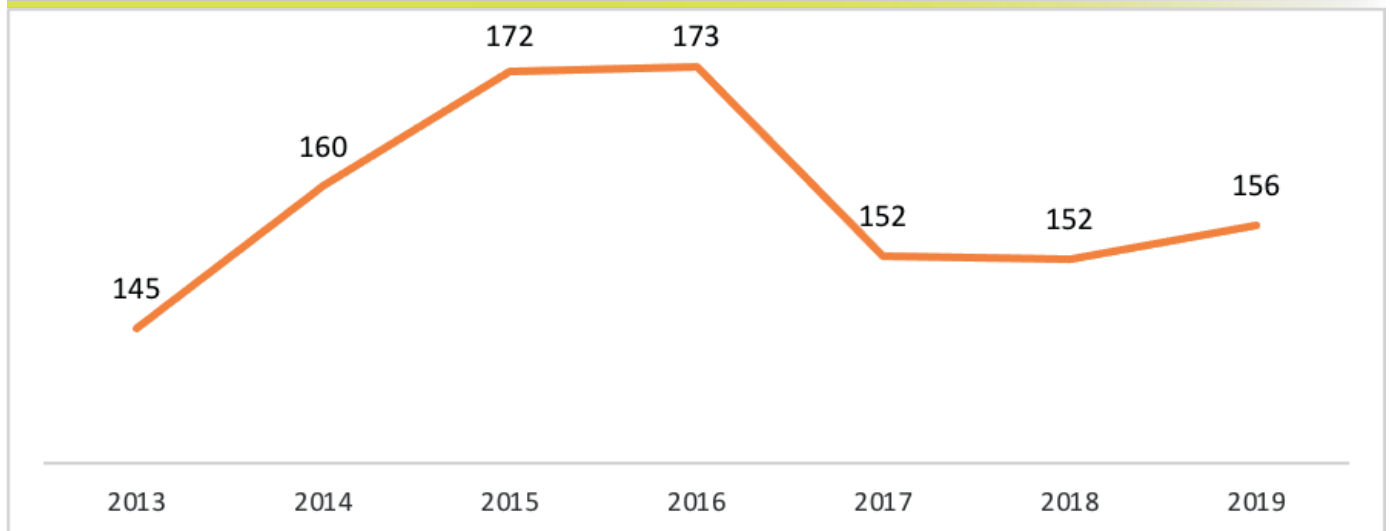
tional economy to declines in export earnings and cyclical contractions in economic activity. In order to reduce the economy's heavy dependence on agricultural products and external demand, the government has undertaken to exploit other agricultural products (rice, oil palm, cashew nuts, minerals, increased electricity production) with a view to diversifying export earnings. It also intends to accelerate the industrial transformation of these agricultural raw materials and gradually reduce the share of the primary sector in the GDP.

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

8.3.3 Terms of trade

According to the World Bank, the net terms of trade (2000 = 100) came out to 156 in 2019.

Figure 10: Terms of trade



Source: World Bank

The government has announced various fiscal stimulus packages in anticipation of a significant negative impact on GDP in 2020. Uncertainty remains as to whether these policy tools will be sufficient to counter the expected macroeconomic impact of the Covid-19 pandemic. A protracted pandemic or a delayed return

to normalcy could adversely affect economic growth and have an impact on Côte d'Ivoire's terms of trade, especially since Côte d'Ivoire's economic performance is dominated by agricultural exports. Côte d'Ivoire's terms of trade index rose from 145 in 2013 to 156 in 2019.

8.4 Risks related to the mobilization of financial resources

8.4.1 Mobilization of fiscal resources

Domestic revenue collection 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 percent of budgetary tax revenues in 2020.

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 initiated a series of measures in 2018, as part of the economic and financial program. These aim to give an additional level of tax revenues.

The mobilization of borrowing resources is governed by MTDS, which is prepared annually and consolidated by the DSA. MTDS assists the government in its deci-

sion making related to the annual management of the public debt. Thus, at the end of 2020, the debt ratio of 47.6% of GDP, like those of previous years, will remain below 70% (the convergence criterion required by the WAEMU) with a moderate risk of debt distress. However, the government is working to improve the level of debt sustainability, notably by strengthening the macroeconomic framework and increasing domestic resources.

The government is attempting to address the challenges posed by the informal economy by streamlining certain laws and regulations, particularly in the area of taxation where it is trying to facilitate compliance with tax payment obligations by implementing online reporting and payment facilities, and by improving its statistical apparatus with technical assistance from the IMF. The deteriorating macroeconomic outlook and the emergency fiscal measures taken by the Ivorian government to mitigate the impact of the COVID-19 pan-

demic are generating fiscal pressures and creating a significant balance of payments financing requirement. IMF support through the facilities would only help fill part of the financing gap.

8.4.2 Risk of external public funding by donors

The mobilization of external resources can be compromised by the complexity of the conditions attached to such financing. Failure to comply with these conditions may result in the suspension of external support, including grants and project loans, which are essential for a significant portion of public investments.

Côte d'Ivoire has, since 2011, strengthened its cooperation with several partners, including China, the Republic of Korea, Turkey, India and Japan. He emphasized South-South cooperation, particularly with Morocco, Tunisia and South Africa, and the deepening of regional integration. These relationships aim to increase the volume of trade of Côte d'Ivoire with the rest of the world and to benefit from the experience of these countries while accessing 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 financing from these countries. In line with the objectives of the financing strategy for the year 2020, the

Republic of Côte d'Ivoire issued a EUR 1 billion 10-year Eurobond on 24 November 2020. The issue was coupled with a Eurobond liability management operation, through the partial redemption of the 2025, 2028, and 2032 series.

Against the backdrop of a major global health crisis, Côte d'Ivoire achieved a record issue with better terms than its peers (a yield of 5% with an average maturity of 10.2 years and a coupon rate of 4.875%). By comparison, Gabon issued an 11-year USD bond in January 2020 at 6.625%. Ghana issued a 15-year issue in February 2020 at 8.00%.

8.4.3 Risk related to private external financing through foreign direct investment

FDI, which consists mainly of equity capital, reinvested earnings, and other capital inflows, has yet to improve in Côte d'Ivoire. Achieving the growth objectives of the NDP depends significantly on the level of FDI. In 2019, the country was able to attract nearly US\$1009 million in FDI. Estimated at USD 10.2 billion in 2018, the total FDI stock 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 directed towards extractive industries and finance.

Table 46. Foreign Direct Investment (FDI)

Foreign Direct Investment	2016	2017	2018	2019
FDI inflows (millions USD)	577	973	913	1009
FDI stocks (millions USD)	7.697	9.792	10.234	10.234 775
Number of greenfield*** investments	34	21	32	40
Inward FDI (as % of GFCF) ****	8.2	n/a	n/a	n/a
FDI stock (as % of GDP)	21.4	n/a	23.8	n/a

Source: UNCTAD - latest available data.

Côte d'Ivoire has been ranked 110th in the World Bank's latest Doing Business 2020 report. This represents an improvement from its 122nd position in the

2019 edition. Progress needs to be made in terms of governance, law enforcement and justice, and land code reform to attract more FDI flows.

Côte d'Ivoire faces health risks that are compounded by high levels of poverty. According to the WHO Malaria Report 2019, Côte d'Ivoire was at high risk of malaria with 3,133 deaths reported in 2018 due to malaria (up from 4,069 in 2014). The Ivorian public health situation is also characterized by a high mortality rate related to HIV/AIDS. AIDS is the leading cause of death among adult men (11,000 AIDS-related deaths in 2019 according to UNAIDS estimates), which represents a 34% decrease from 2010. Among women there are 5,700 AIDS-related deaths in 2019 according to UNAIDS.

In 2015, the incidence of Acute Respiratory Infections in children 0-4 years was estimated at 202 per 1,000, malaria in the general population was estimated at 330 per 1,000. The incidence of diarrhea 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, falling from 745 in 1990 to 586 deaths per 100,000 live births in 2019, a change of 21.3 percent in 29 years with an annual rate of 0.6 percent compared to 44 percent globally. Côte d'Ivoire is behind countries like Niger with 553 deaths, Guinea-Bissau with 549 deaths, and Kenya with 510 deaths.

In March 2014, an Ebola outbreak was confirmed near the border between Guinea and Liberia. After a WHO alert calling for increased surveillance for viral hemorrhagic fever-like illnesses, countries neighboring Guinea and Liberia, including Côte d'Ivoire, implemented security measures along their land borders and within their territories to protect people at risk and to prevent the spread of the virus.

The end of the epidemic was declared on March 29, 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 where public health standards are potentially lower and may need to devote significant resources to safeguarding against outbreaks.

A case of dengue fever was identified in Abidjan in April 2017, and the government took aggressive measures to prevent the spread of the virus. In February 2018, the government adopted preventive measures against an outbreak of Lassa fever, an Ebola-like hemorrhagic fever, which killed more than 30 people in northern Nigeria in the first quarter of 2018.

8.6 Environmental risks

According to the World Bank, the growth rate of the Ivorian economy, estimated at 6.23% in 2019, has a negative impact on its environment (natural capital). The resort to extensive cultivation of agricultural products for export has as a corollary the acceleration of deforestation, the depletion of natural sources of drinking water supply, the increase in emissions of polluting gases. An intervention framework 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 for a viable and sustainable development.

9.1 General description of public debt

9.1.1 General Overview

According to the IMF's December 2020 report on the seventh and eighth reviews of the Extended Credit Facility (ECF) and Extended Fund Facility (EFF), Côte d'Ivoire has mobilized significant concessional external financing to support the pandemic response in 2020. It is unlikely that these resources will be available to the same extent in future years, when funding will need to be rebalanced to regional and international capital markets. However, with financing needs still substantial across WAEMU countries, excessive reliance on the regional market would run the risk of tightening financing constraints and crowding out credit to the private sector, which would seriously hamper recovery. The use of external commercial sources of finance also presents challenges, particularly given the uncertain global environment and debt sustainability constraints. These financial considerations have also been taken into account in tailoring the scope of the 2021 fiscal consolidation, considering a combination of regional financing, concessional lending, and a return to international capital markets.

The commercial debt obtained on the Eurobond market represented 42.5% of the external debt at the end of December 2020. At that date, the outstanding debt was estimated at CFAF 16,802.3 billion, compared with CFAF 13,300.2 billion in 2019. This observed trend is explained by several issues made on the Eurobond market.

Between 2014 and December 2020, Côte d'Ivoire issued eight bonds on this market. Total issuance from 2014 to December 2020 is estimated at CFAF 4,419.3 billion. The issuance strategy adopted was based on two series of bonds each year. The coupon

rates of the bonds ranged from 5.25% to 6.87% with an average maturity of 18 years.

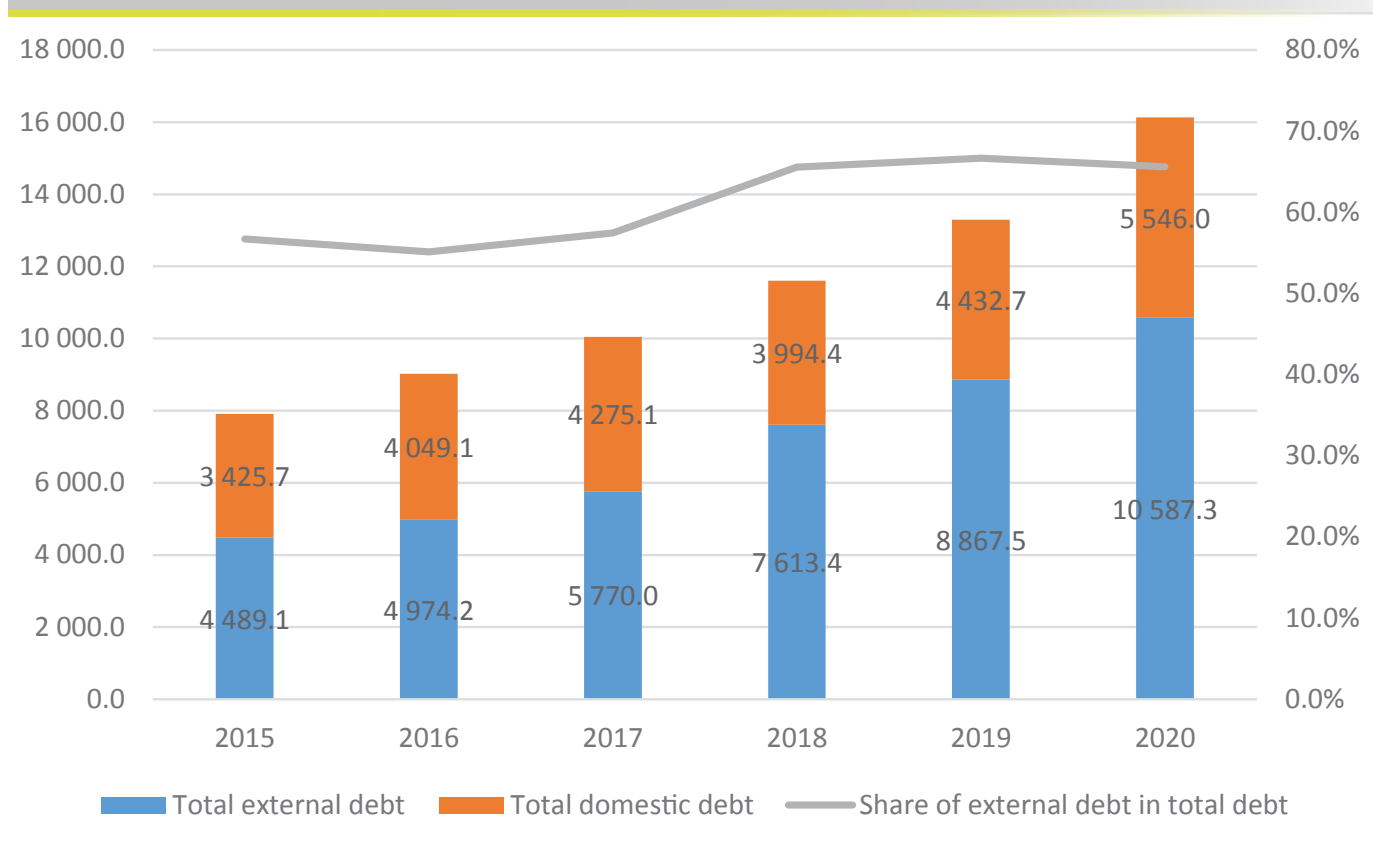
Bilateral debt has declined in recent years. The Ivorian government benefited from a debt reduction and development contract (C2D) in July 2012, which is a debt restructuring instrument that allows the country to continue to honor its bilateral debts to France and Spain until they are repaid, but the amounts are returned to the country in the form of grants to finance poverty reduction programs. Côte d'Ivoire benefited from a cancellation of CFAF 1,151.2 billion under the C2Ds of 2012 and 2014. In 2020, bilateral debt represented 11.1% of total outstanding debt. Debt owed to multilateral creditors was around CFAF 3,386.4 billion as of December 2020. It is mainly composed of loans from the IMF and the World Bank. Multilateral debt accounted for 31.5 percent of the external debt stock in 2020.

According to the IMF's December 2020 Debt Sustainability Analysis (DSA), Côte d'Ivoire is at moderate risk of debt distress, but with limited room for shock absorption. According to the December 2020 DSA, all liquidity and solvency indicators for external debt and total public debt remain below their thresholds in the macroeconomic reference framework. However, the external debt service to revenue ratio is very close to its high risk of debt distress threshold in 2025 and remains just below this threshold over the medium term. More generally, the room for maneuver to absorb shocks is limited and has been further reduced with the arrival of the COVID shock, which reinforces the urgency of boosting domestic revenue mobilization and the importance of properly balancing development needs with debt financing.

Table 47. Breakdown of Côte d'Ivoire's public debt

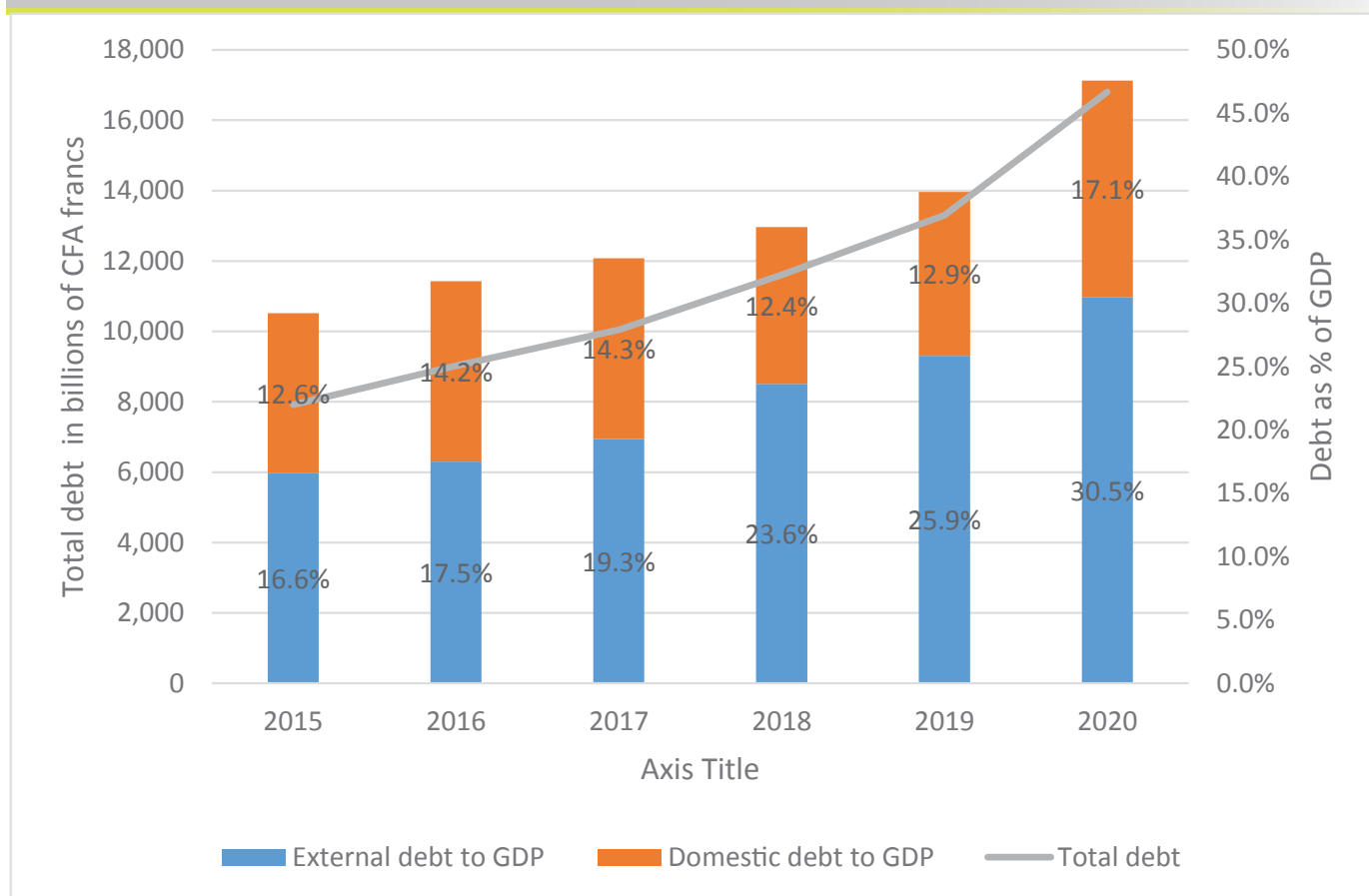
	2015	2016	2017	2018	2019	2020
Total debt (% GDP)	29.2%	31.7%	33.5%	36.0%	38.8%	47.6%
Total debt (In billions of CFAF)						
Remaining due	7 914.8	9 023.2	10 045.1	11 607.8	13 300.2	16802.3
Backlog	0.0	0.0	0.0	0.0	0.0	0.0
Due	1 151.7	1 306.2	1 448.2	1 547.2	2 764.6	2 736.5
Paid	1 151.7	1 306.2	1 448.2	1 547.2	2 764.6	2 736.5
Total external debt						
Remaining due	4 489.1	4 974.2	5 770.0	7 613.4	8 867.5	10756.7
Backlog	0.0	0.0	0.0	0.0	0.0	0.0
Due	264.0	336.7	556.2	610.2	1 583.7	1 084.5
Paid	264.0	336.7	556.2	610.2	1 583.7	1 084.5
Total domestic debt						
Remaining due	3 425.7	4 049.1	4 275.1	3 994.4	4 432.7	6 045.6
Backlog	0.0	0.0	0.0	0.0	0.0	0.0
Due	887.7	969.5	891.9	937.0	1 180.9	1 652.0
Paid	887.7	969.5	891.9	937.0	1 180.9	1 652.0
Nominal GDP	27086.2	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4

Source: MEF/DDPD

Figure 11. Breakdown of public debt between external and domestic debt

Source: MEF/DDPD

Figure 12. Breakdown of public debt between external and domestic debt as a % 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 debt accounted for 55.8% and 94.8% of domestic and external debt respectively in December 2020. This situation is explained by the desire of the Ivorian authorities to profile the debt by increasing the maturities of loans intended to finance NDP investments.

Table 48. Time profile of domestic and foreign debt

Expressed as a %	Domestic debt (2020)	External debt (2020)
Short term (< 1 year)	6.7%	0.0%
Medium term (1 to 5 years)	37.5%	5.2%
Long term (> 5 years)	55.8%	94.8%
Total	100	100

Source: MEF/DDPD

Table 49. Short-term debt to be repaid (2015-2020)

(Côte d'Ivoire) billions of CFA Francs	2015	2016	2017	2018	2019	2020
Amount of external debt to be paid in the year	264.0	336.7	556.2	610.2	1 583.7	1084.5
Amount of domestic debt to be paid in the year	887.7	969.5	891.9	937.0	1 180.9	1652.0
Total	1 151.7	1 306.2	1 448.2	1 547.2	2 764.6	2736.5

Source: MEF/DDPD

9.2 Debt strategy and sustainability

9.2.1 Description of the strategy

According to WAEMU 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 ECF and the EFF signed with the IMF, which make it possible to develop and monitor debt sustainability in the context 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 MTDS, the Government plans to diversify investors and seize new financing opportunities. It is about the recourse:

- i. To the international financial market;
- ii. To Islamic loans;
- iii. To the regional public securities market.

The government's objective, in accordance with MTDS, is to borrow on terms that would lengthen the maturities of public securities, reduce the cost of borrowing, limit the exchange rate risk and give preference to external financing for structural projects. It intends to use concessional, semi-concessional and non-concessional loans to finance the investments of the 2021-2025 NDP within the limits of long- and medium-term fiscal sustainability. This strategy takes into account the control of the average cost of the debt portfolio. It also makes it possible to reduce the refinancing risk, limit the risks associated with exchange rate fluctuations and raise the debt ratio to 41.3% in 2023 from 36.2% in 2018.

The 2020 financing plan, according to MTDS, targeted financing of CFAF 3,182.6 billion, broken down into project loans: CFAF 769.6 billion, program

loans: CFAF 1,093.2 billion and public securities issues on the sub-regional and international markets: CFAF 1,319.8 billion. This option was consistent with the National Policy and Institutional Assessment (CPIA) of the World Bank and IMF. As regards the 2021 financing plan, it provides for project borrowing of CFAF 772.3 billion, program borrowing of CFAF 234.4 billion and public securities issues (excluding treasury bills) of CFAF 1,303.0 billion on the WAEMU capital market.

In order to enable the Government to achieve its debt objectives, 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 (CNDP) by Decree No. 2011-424 of November 30, 2011. It is responsible for coordinating the government's debt policy and monitoring the implementation of the MTDS.

The CNDP is also responsible for validating the financing plan and, if necessary, making adjustments to the plan to include non-concessional loans that were not initially planned. Also, the department in charge of public debt management has been reorganized along the lines of front, middle and back office.

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

With respect to domestic debt, UMOA-Titres, in collaboration with BCEAO, has undertaken reforms,

notably with the establishment of Primary Dealers to stimulate the financial market in order to raise larger amounts. Primary Dealers are responsible for participating in the issuance of Treasury securities through auctions and syndications, directing the secondary market for public debt securities, promoting Treasury securities, providing advice and information services to the Treasury and the Agence UMOA-Titres, participating in targeted auctions, and having the possibility of offering non-competitive bids.

The Ivorian government periodically issues Treasury Bonds and Treasury Bills through UMOA-Titres window. In 2020, to support the States in the fight against the pandemic, COVID Social Bonds with a maturity of three months were issued. In 2021, as part of the post-covid recovery plans, the Ivorian government issued Recovery Bonds (ODR).

DONOR RELATIONS

i) IMF

Côte d'Ivoire has a long-standing relationship with the IMF. Between 2009 and 2020 Rapid Credit Facility (RCF), ECF and EFF programs were negotiated with the IMF.

The 2011-2015 CEF has made it possible to carry out important structural reforms in the public sector, governance, the cocoa, financial and energy sectors, the business climate and public administration reform. The signing of two programs, 2009-2011 and 2011-2015, financed by the ECF, enabled the country to reach the completion point of the Heavily Indebted Poor Countries Initiative in June 2012. Total disbursements reached US\$728.8 million between 2012 and 2015. Significant progress linked to the reforms undertaken has made it possible to improve the quality of the government's signature on the international capital market.

With the aim of financing the 2016-2020 NDP, in 2016 the state signed a new agreement with the IMF following an economic and financial program. The new program, based on an ECF and EFF, allowed the country to access resources valued at SDR 487.8 million, or about US\$658.9 million.

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

In April 2020, the Government of Côte d'Ivoire benefited from a FRC in the amount of 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 its response strategy to COVID-19.

In December 2020, the IMF Executive Board completed the seventh and eighth reviews of the Extended Credit Facility (ECF) arrangement and the Extended Fund Facility (EFF) arrangement for Côte d'Ivoire, and approved waivers for noncompliance with the performance criteria on the overall fiscal balance and new external debt, as well as the proposed post-program monitoring discussions. The completion of the final reviews allows for the immediate disbursement of SDR 193.572 million (about US\$278.2 million), bringing total disbursements under the agreements to SDR 844 million (about US\$1,207.7 million or 129.8 percent of Côte d'Ivoire's quota).

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 amounting to nearly CFAF 419.5 billion between 2011 and September 2016. Public infrastructure, employment, socio-professional integration, education and the agricultural sector have largely benefited from the credits obtained.

In 2018, the Government entered into two credit agreements under the IDA window totaling €65.9 million to finance the West African Coastal Zone Resilience Investment Project and the Côte d'Ivoire Land Improvement Project.

As of November 25, 2019, in the 2016-2020 Financial Partnership Framework (FPPF) extended through 2021. The World Bank Group's portfolio includes twenty-eight projects for a financing of three billion USD.

The World Bank's interventions focus on the following areas:

- The improvement of land tenure in rural areas, the development of the competitiveness of the cashew nut industry, the digital economy, urban mobility and infrastructure;
- The fight against coastal erosion, the promotion of transparency of information in the extractive industry, the improvement of the management of forest resources;
- The implementation of personal identification systems;
- Strengthening the education and health sectors as well as nutrition and child development projects.

On May 5, 2020, the World Bank and the government signed a US\$35 million International Development Association credit agreement to scale up efforts to combat the Covid-19 pandemic in Côte d'Ivoire. Additional funding of US\$97 million was provided in April 2021 by the World Bank, bringing the total World Bank funding for Côte d'Ivoire's emergency response to Covid-19 to US\$132 million. Also, in February 2021, the government received US\$300 million in budget support to finance the development policy for the emergency response to COVID-19.

The IFC has invested US\$1.371 billion in Côte d'Ivoire. Its interventions are in the power sector, investment operations and advisory activities. MIGA currently has three oil and gas projects for a total of US\$659.4 million. It is also involved in other projects in the wastewater, electricity, health and financial sectors. As for the Multilateral Investment Guarantee Agency (MIGA), it currently has three major projects underway in the hydrocarbon (oil and gas) and infrastructure sectors. The financing is in the amount of US\$659.4 million.

As of April 28, 2021, the 2016-2020 CPF is extended to the end of FY 2021. Under this new version, priorities are as follows:

- Impulse a dynamic growth driven by the private sector;
- Develop the human capital essential to economic development and social cohesion;
- Strengthen public financial management, transparency and accountability of institutions.

The World Bank Group's portfolio in Côte d'Ivoire is valued at US\$3.5 billion and includes 29 projects as of June 20, 2021.

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), developed by the AfDB for Côte d'Ivoire, had two pillars. The first focused on strengthening governance and accountability, while the second was designed to develop infrastructure to support the country's reconstruction. These two pillars, which are complementary and mutually reinforcing, are expected to address the following challenges:

- Strengthening the inclusiveness of growth by accelerating the structural transformation of the agricultural sector;
- Development of rural infrastructure that should accelerate the development of the agricultural value chain while promoting gender;
- Strengthening the alignment and coherence of AfDB actions in line with the national budget for a good forecast of resource mobilization;
- Strengthening Policy and Strategy Dialogue;
- Strengthening monitoring and evaluation of results achieved ;
- Consolidation and capitalization of initiatives by strengthening AfDB's actions on rural infrastructure.

In order to consolidate the results achieved under the 2013-2017 CSP, AfDB 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; lighting Africa; industrializing Africa; integrating Africa; and improving lives in Africa.

Since 2016, Côte d'Ivoire has had access to the AfDB's sovereign loan window. This progress has enabled the country to raise CFAF 785.5 billion from this window. The resources mobilized have made it possible to finance structuring projects relating to electricity, distribution, agro-industry, urban and air transport sectors with Air Côte d'Ivoire.

On June 8, 2020, the AfDB approved a loan of €75 million (about CFAF 49.12 billion) to support Côte d'Ivoire's fight against the Covid-19 pandemic through the Health Response Plan. This financing is part of the AfDB's Covid-19 Response Facility (CRF) program. As of March 31, 2021, the Bank Group's outstanding portfolio in Côte d'Ivoire comprises 39 operations with total commitments of US\$ 2,710 million, or about CFAF 1,508 billion.

The sectoral distribution of the portfolio (overall) indicates the predominance of transport infrastructure (43.4%) followed by energy (23.5%) and agriculture (19.3%).

iv) Paris Club

Côte d'Ivoire's debt stock to Paris Club creditors was estimated at CFAF 87.6 billion as of December 31, 2018, or 1.2 percent of external debt. The share of Paris Club claims has fallen considerably in favor of claims from non-member countries. The share of non-Paris Club creditors accounted for 17.0 percent of external debt, amounting to CFAF 1,291.9 billion in 2018. This is partly due to debt cancellations the country received in 2012 under the HIPC initiative.

The Ivorian government obtained debt cancellation from Great Britain, France, the United States, Germany, Spain, Italy and Japan for an amount of CFAF 900 billion. This debt restructuring was reinforced by an additional cancellation of CFAF 3,143.7 billion, including the C2D and debt conversion agreements with Germany and Spain.

v) Joint G20/Paris Club initiative

On June 10, 2020, Côte d'Ivoire formally announced its participation in the Debt Service Suspension Initiative (DSSI) and sent formal requests to its major bilateral official creditors, as well as to the Paris Club.

Côte d'Ivoire believes that this G20-led initiative is in line with the multiple support programs deployed by official creditors since the beginning of the Covid-19 pandemic. These are part of an exceptional and coordinated international response to developing countries, the importance of which is undeniable given the unprecedented challenges posed by the current crisis. Côte d'Ivoire's request was approved by representatives of Paris Club creditor countries on June 11, 2020, and appropriate documentation was negotiated with the creditors concerned. On October 14, 2020, Paris Club members and the G20 agreed to extend the DSFI for an additional six months, until June 30, 2021, for eligible countries that request it.

Under the DSFI, the scope of eligible debt is limited to loans from governments or relevant institutions of participating creditor countries concluded before March 24, 2020. The amount of bilateral external debt service that can be suspended under this initiative is CFAF 38 billion, or about 4.4 percent of public external debt service in 2020. In line with the purpose of the ISSD, Côte d'Ivoire intends to use these additional budgetary resources to increase its

health, social and economic expenditures dedicated to the fight against the Covid-19 pandemic and to mitigate its impact on its populations, in accordance with the National Health Response Plan and the Economic, Social and Humanitarian Support Plan.

v) External private creditors

As of December 31, 2020, the debt owed to private creditors reached CFAF 5,497.4 billion. This amount includes debt owed to holders of debt securities worth CFAF 4,572.8 billion and debt owed to commercial banks worth CFAF 924.6 billion. Commercial debt represents 51.1% of the total external debt.

vi) Domestic private creditors

As of December 31, 2020, Côte d'Ivoire's domestic debt was estimated at CFAF 6045.6 billion. Government securities were valued at CFAF 5492.3 billion, or 90.8% of the total domestic debt stock. Bank and corporate loans and BCEAO accounted for 9.2%, amounting to CFAF 553.3 billion.

9.2.2 Public debt sustainability

IMF and World Bank have developed a framework to guide borrowing decisions by low-income countries. The 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 address risks.

According to the Debt Sustainability Framework (DSF), there are four categories of public debt distress risk:

- (i) Low risk: all debt indicators are below benchmark and stress test thresholds;
- (ii) Moderate risk: debt indicators are below thresholds in the baseline scenario, but stress tests show that thresholds could be breached 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 in debt repayment difficulties;
- (iv) Over-indebtedness: the country is having difficulty repaying its debt.

The thresholds for the best performing countries are generally high.

Table 50. DSF Debt Thresholds and Benchmarks

	PV of external debt (percentage)		External debt service (percentage)		PV of total public debt (percentage)
	GDP	Exports	Exports	Recipes	GDP
Poor policy	30	140	10	14	35
Average policy	40	180	15	18	55
Sound policy	55	240	21	23	70

Source: IMF, World Bank

Baseline scenario according to the IMF/World Bank DSA of December 2020

- Lower GDP growth in 2020 but a rebound to strong growth from 2021. Real GDP is expected to grow by 1.8 percent in 2020 and rebound to 6.5 percent over 2021-25 as global conditions improve and domestic demand returns to its pre-crisis trend.
- Moderate inflation. Average annual inflation accelerated from 0.8 percent at the end of 2019 to 2.1 percent in September 2020, reflecting the impact of containment measures and border closures. It is expected to remain moderate at around 2 percent over the medium term, due to the exchange rate peg to the euro.
- Larger budget deficits in the short term. The need for a decisive policy response to the pandemic has led to a projected increase in the fiscal deficit to 5.9 percent of GDP in 2020. The authorities have committed to maintaining a fiscal deficit of 4.6 percent of GDP in 2021 and to a gradual consolidation to the regional norm of 3 percent of GDP in 2023.
- Lower tax revenue projections. Given the weaker tax revenue performance over 2016-19 compared to projections at the start of the IMF program, assumptions on the incremental increase in the tax revenue to GDP ratio going forward have been adjusted downward from the December 2019 DSA. Tax revenue is now assumed to increase from 12.3 percent of GDP in 2019 to 13.7 percent in 2030. There are still downside risks to revenue mobilization.
- Reduction of the current account deficit. The external current account deficit is projected to narrow gradually from -3.9 percent of GDP in 2020 to -2.5 percent of GDP in 2025. These assumptions are subject to downside risks, including possible adverse

terms-of-trade shocks and weaker-than-expected global growth in the context of a pandemic and rising protectionism.

External and total debt remain sustainable and present a moderate risk of debt distress. The health crisis, the deteriorating global environment, and the disruption of the supply chain have had a negative impact on the Ivorian economy. Given the one-time COVID-19 expenditures expected in 2020, the deficit is expected to return to pre-crisis levels once the crisis subsides, which will form the basis of the downward debt trajectory from 2021.

In this context, the present value of public debt as a percentage of GDP would remain well below the baseline value of 55.0 percent. All indicators of public external 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, underscoring the need to further boost domestic revenue mobilization once the crisis is over.

Table 51. Results obtained by Côte d'Ivoire under the DSF (Reference Scenario)

Year	PV of external debt (percentage)		External debt service (percentage)		PV of total public debt (percentage)	Debt service (percentage)
	GDP	Exports	Exports	Recipes	GDP	Recipes
2020	29.1	144.5	9.6	14.1	40.8	36.1
2021	27.6	138.3	10.6	14.6	40.6	33.0
2022	27.0	133.0	11.2	15.4	40.5	40.0
2023	26.4	127.8	11.2	15.6	40.0	33.9
2024	25.4	121.2	12.3	17.1	39.5	37.2
2030	19.9	87.3	10.5	15.4	39.7	32.1

Source: IMF

9.3 Debt external

9.3.1 The holders

Côte d'Ivoire's external debt is mainly composed of commercial debt, followed by multilateral and bilateral debt. This situation is explained by the willingness of donors to contribute significantly to the financing of

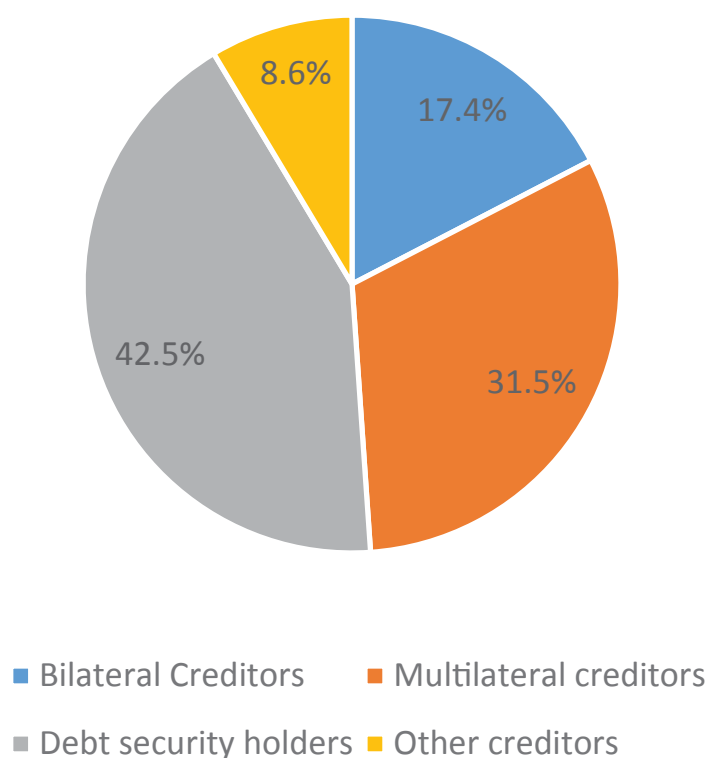
the NDP. Commercial debt is mainly composed of borrowings on the Eurobond market for an amount of CFAF 4,435.0 billion in December 2019.

Table 52. Composition of Côte d'Ivoire's external debt

In billions of CFAF	2019
Multilateral credits	2 258.8
IDA/IBRD	674.7
EIB	23.4
AfDB/ADF	272.4
OPEC/BADEA/IDB	259.2
OTHER	1 029.0
Bilateral credits	1 604.0
OECD COUNTRIES	103.7
ARAB COUNTRIES	16.1
OTHER	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
OTHER	81.6
Total external public debt	8 867.5

Source: MEF / DDPD

Figure 13. Distribution of external debt by donor at the end of December 2020



Source: MEF/ DDPD

9.3.2 Status of external debt payments

Debt service amounted to CFAF 1,084.5 billion on the basis of outstanding debt at the end of December 2020. Most of this amount is accounted for by commercial debt.

Table 53. Estimated External Debt Service

Status as of December 2020	Multilateral			Bilateral			Commercial			Total		
	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total
Billions of CFAF												
New print run			1244.7			312.3			915.5			2472.5
Service Due	117.0	33.3	150.4	117.2	34.4	151.6	422.9	359.6	782.5	657.2	427.3	1084.5
Total	117.0	33.3	150.4	117.2	34.4	151.6	422.9	359.6	782.5	657.2	427.3	1084.5
At maturity N-2												
Backlog												
Paid service	117.0	33.3	150.4	117.2	34.4	151.6	422.9	359.6	782.5	657.2	427.3	1084.5

Source: MEF/DDPD

9.3.3 Debt currency

As part of the medium-term debt management strategy, in September 2018, Côte d'Ivoire entered into a forward transaction to hedge the foreign exchange risk associated with its external public debt. This foreign exchange hedging transaction concerned public debt service denominated in U.S. dollars, for a total amount of US\$1.4 billion, and fixed the euro/dollar exchange rate for a portion of the debt service maturities on U.S. dollar-denominated Eurobonds over the period from December 2018 to December 2022.

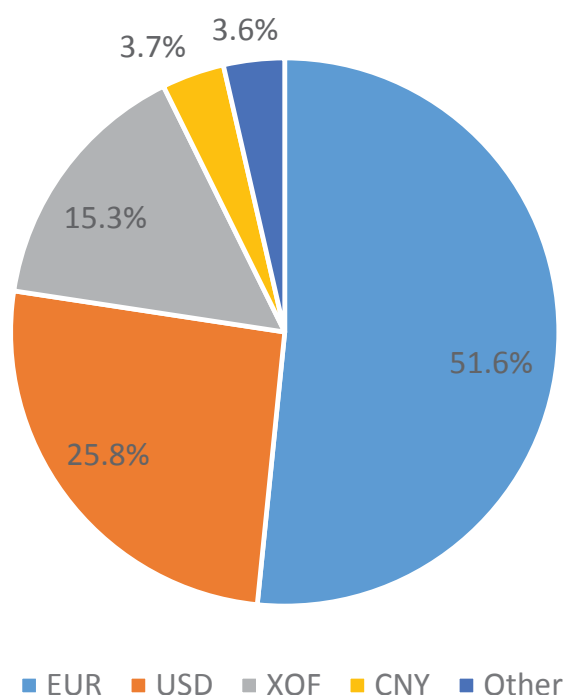
In December 2019, a second transaction was completed with a notional amount of USD 724 million covering the period 2020 - 2024 and concerned all unhedged flows (principal and interest) of the 2024, 2032 and 2033 Eurobonds over the period 2020 - 2024 and all flows (principal and interest) of three bilateral loan lines over the period 2020 - 2024. This operation, carried out under favorable market conditions and at very competitive prices, enabled Côte d'Ivoire to reduce its exposure to foreign exchange risk while improving the sustainability of the country's public debt.

Table 54. Currency composition of the external debt portfolio in 2020

Currency	Total debt denominated in foreign currency	CFAF exchange rate at December 31, 2020	Total debt expressed in CFA francs	Exchange rates in EUR as of December 31, 2020	Total debt expressed in EUR	Debt distribution by currency
EUR	8.5	656	5 545.3	1.0	8.5	51.6%
USD	5.2	538.8	2 779.9	0.8	4.2	25.8%
CFAF	1648.4	1.0	1 648.8	0.0	0	15.3%
CNY	4.8	82.5	395.6	0.10	0	3.7%
Other	NA	NA	387.5	NA	0	3.6%

Source: MEF/DDPD

Figure 14. Debt distribution by currency in 2020



Source: MEF/DDPD

9.4 Domestic debt

9.4.1 Presentation of the situation as of December 31, 2020

Government securities represent the largest component of domestic debt. They accounted for 90.8 percent of outstanding domestic debt at the end of December 2020.

Treasury bonds represent an additional source of debt to finance infrastructure. Bonds are issued by auction through UMOA-Titres or by syndication (public offering on the BRVM).

Table 55. Distribution of domestic debt by creditors

(Côte d'Ivoire) status as of December 31, 2020	Domestic debt in value (billions of CFAF)	Domestic debt as % of total domestic debt	Domestic debt as % of nominal GDP in year 2020
Total domestic debt* (Y/c IMF)	6045.6	100.0%	17.1%
Titles	5492.3	90.8%	15.5%
Treasury Bill	405.1	7.4%	1.1%
Treasury bonds (including T-bonds and Sukuk)	5087.2	83.4%	14.4%
Other loans	553.3	9.2%	1.6%

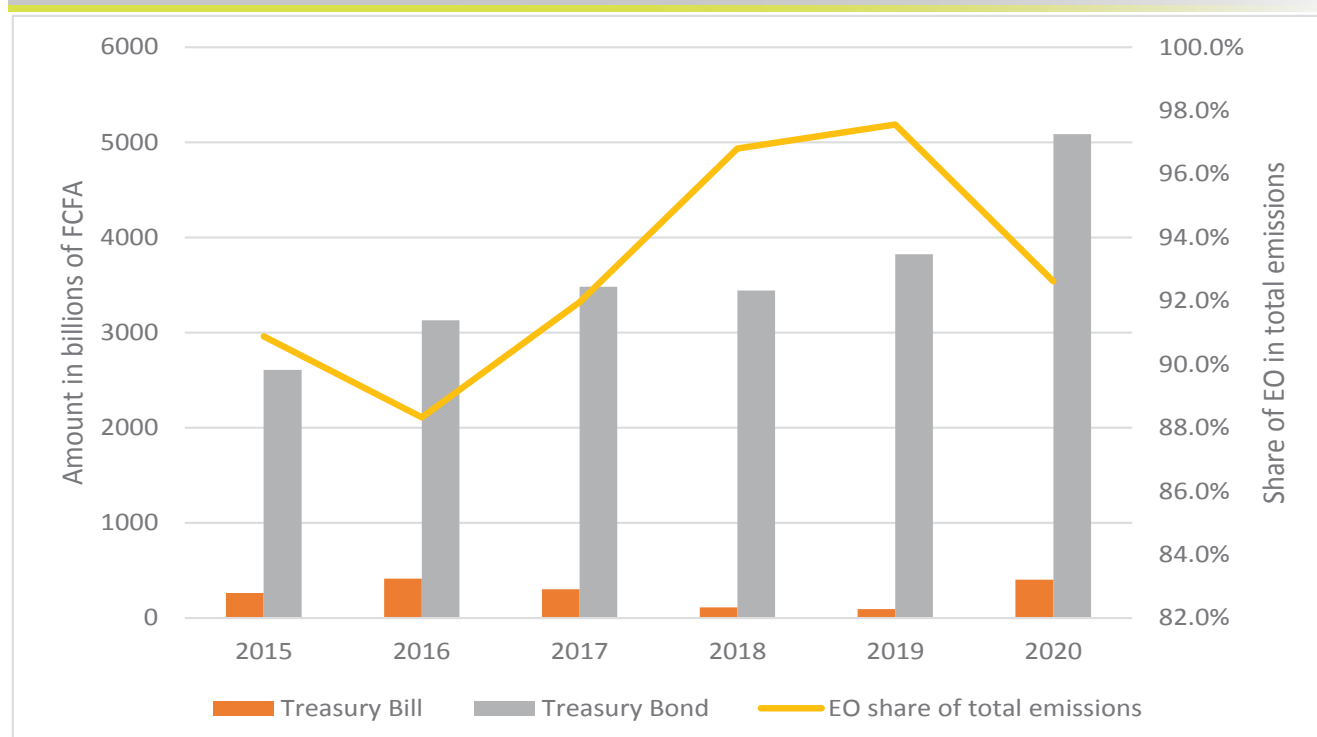
Source: MEF/DDPD

9.4.2 Evolution of the composition of the domestic debt over the last 5 years

Treasury bond issuance has been on an upward trend between 2016 and 2020. This situation can be explained by the authorities' desire to reprofile the public debt. The Ivorian government is implementing a

strategy to diversify its sources of financing. The Ivorian government has been very active in the WAEMU public securities market over the past five years. Its issues are considered benchmarks.

Figure 15. Distribution of domestic debt in Treasury bonds (TB) and Treasury bills (TB)



Source: MEF / DDPD

9.4.3 Status of domestic debt payments

Côte d'Ivoire's public debt securities are held by banks and insurance companies in WAEMU countries. Principal amortizations constitute the major part of the debt service paid at the end of December 2020.

Table 56. Debt service due and paid

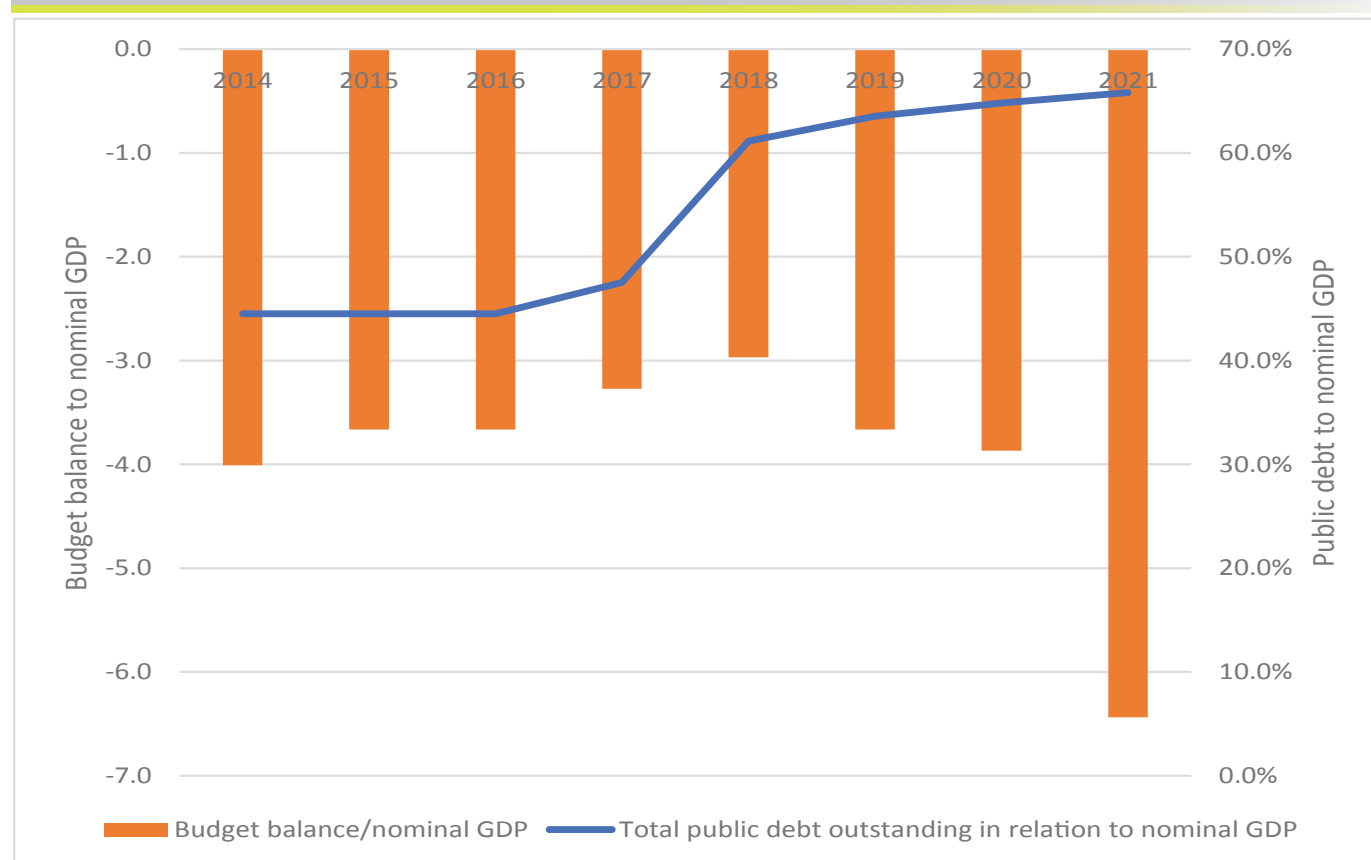
Domestic Debt 2020	Banking sector			Non-banking sector			Total		
In billions of CFAF	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
(1) Debt service due at the end of December 2020	664.0	245.9	909.9	669.3	72.8	742.1	1333.3	318.7	1652.0
(2) Debt service paid in the year 2020	664.0	245.9	909.9	669.3	72.8	742.1	1333.3	318.7	1652.0

Source: MEF/DDPD

9.5 Viability and Sustainability

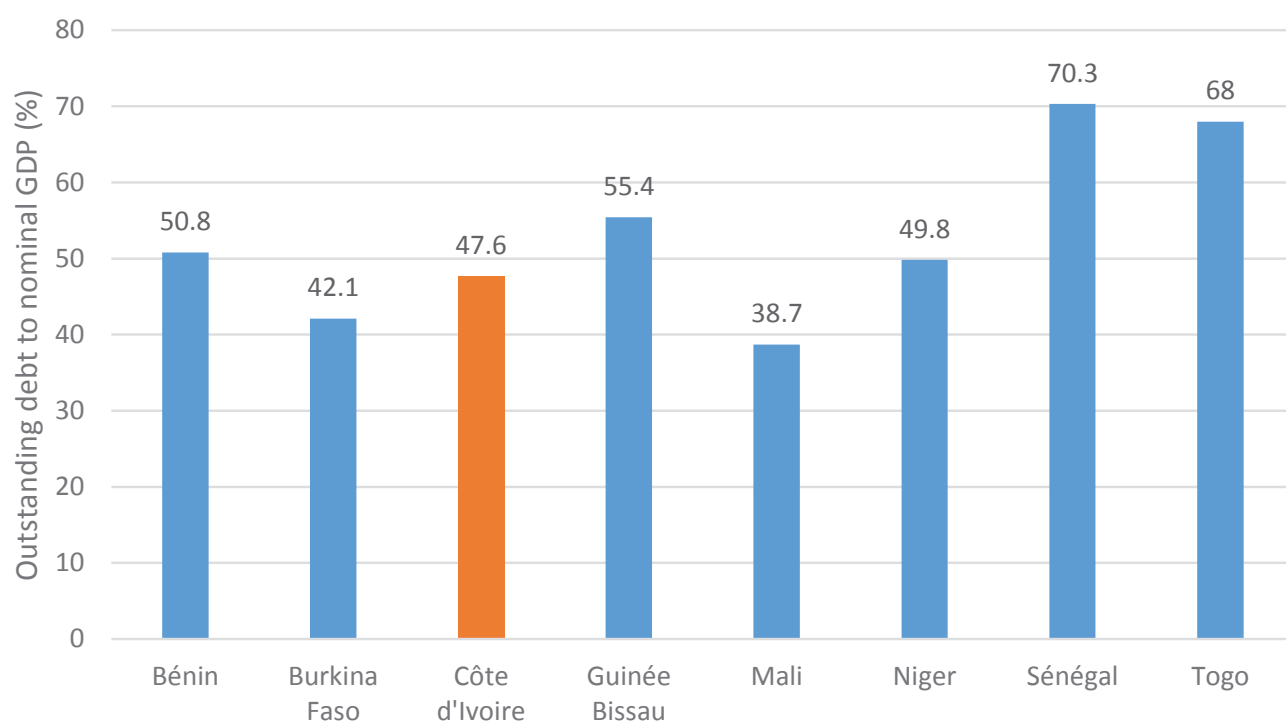
The following graph shows the progress of public debt and deficit as a percentage of GDP. The debt to GDP ratio has shown an upward trend over the period 2015-2020. This trend is explained by an increase in the budget deficit. However, efforts to control the deficit in line with WAEMU multilateral surveillance criteria and the change of base year have helped to slow down the pace of indebtedness.

Figure 16. Fiscal Deficit to GDP and Public Debt to GDP Ratios for Côte d'Ivoire



Source: MEF

Figure 17. Public debt to GDP in 2020 for WAEMU countries



Source: IMF, MEF

Table 57. Outstanding securities as of December 31, 2020

Instrument	ISIN	Maturity (in years)	Maturity date	Outstanding (in billions of CFAF)
CI -BT - 12 months - December 15, 21	CI0000004073	1	15/12/2021	198.8
CI - 5.75% - 3 years - July 22, 23	CI0000003695	3	22/07/2023	144.3
CI - 5.9% - 3 years - 04.10.22	CI0000003091	3	04/10/2022	126.6
CI - 5.9% - 3 years - May 06,22	CI0000002846	3	06/05/2022	116.2
CI -BT - Covid - 1 month - January 04, 21	CI0000004008	0.0833333333	04/01/2021	110.0
CI -BT - 3 months - March 23, 21	CI0000004081	0.25	23/03/2021	86.0
CI - 5.85% - 5 years - July 22, 25	CI0000003703	5	22/07/2025	83.4
CI - 5.99% - 10 years - June 11, 25	CI0000001665	10	11/06/2025	64.0
CI - 6.55% - 8 years - April 29, 22	CI0000001582	8	29/04/2022	62.0
CI - 5.75% - 3 years - 05.Aug 05, 23	CI0000003752	3	05/08/2023	54.8
CI -BT - ESP - 6.7 months - 06.07.21	CI0000003638	1	06/07/2021	50.0
CI -BT - 12 months - August 24, 21	CI0000003794	1	24/08/2021	46.7
CI - 5.75% - 3 years - 30.09.23	CI0000003869	3	30/09/2023	45.4
CI -BT -ESP - 1.8 months - 09.02.21	CI0000003216	1	09/02/2021	45.0
CI - 5.85% - 5 years - June 03, 25	CI0000003539	5	03/06/2025	44.3
CI - 5.25% - 7 years - April 22, 23	CI0000001780	7	22/04/2023	43.3
CI - 5.7% - 3 years - 17.09.22	CI0000003042	3	17/09/2022	42.9
CI - 6% - 5 years - May 06, 24	CI0000002838	5	06/05/2024	41.0
CI - 5.75% - 3 years - March 27, 23	CI0000003307	3	27/03/2023	40.0
CI - 6% - 5 years - 04.10.24	CI0000003109	5	04/10/2024	38.4
CI - 5.75% - 3 years - February 12, 23	CI0000003224	3	12/02/2023	37.7
CI - 5.85% - 5 years - 04.mars.25	CI0000003257	5	04/03/2025	37.5
CI -BT - 12 months - June 29, 21	CI0000003612	1	29/06/2021	33.0
CI - 5.75% - 3 years - 07.10.23	CI0000003885	3	07/10/2023	33.0
CI -BT - 6 months - June 13, 21	CI0000004040	0.5	13/06/2021	33.0
CI - 5.6% - 5 years - 09.12.25	CI0000004016	5	09/12/2025	32.0
CI -BT - 12 months - 12.January.21	CI0000003158	1	12/01/2021	31.6
CI - 5.8% - 5 years - March 20, 24	CI0000002788	5	20/03/2024	31.5
CI - 5.75% - 3 years - January 29, 23	CI0000003190	3	29/01/2023	29.9
CI - 5.75% - 3 years - July 15, 23	CI0000003679	3	15/07/2023	28.1
CI - 5.85% - 5 years - March 27, 25	CI0000003315	5	27/03/2025	28.1
CI - 5.7% - 3 years - 06.août.22	CI0000003018	3	06/08/2022	27.5
CI - 5.7% - 3 years - July 24, 22	CI0000002986	3	24/07/2022	26.2
CI - 5.7% - 3 years - May 22, 22	CI0000002879	3	22/05/2022	25.5
CI - 5.85% - 7 years - October 14, 22	CI0000001707	7	14/10/2022	23.5
CI - 5.75% - 3 years - 03.06.23	CI0000003521	3	03/06/2023	22.3
CI - 5.7% - 7 years - 09.12.27	CI0000004024	7	09/12/2027	20.0
CI - 5.75% - 3 years - 09.06.23	CI0000003570	3	09/06/2023	16.7
CI - 5.85% - 5 years - 30.09.25	CI0000003877	5	30/09/2025	15.2
CI - 5.95% - 7 years - July 22, 27	CI0000003711	7	22/07/2027	15.1
CI - 5.5% - 5 years - September 14, 21	CI0000001863	5	14/09/2021	11.3
CI - 6.5% - 7 years - February 26, 21	CI0000001541	7	26/02/2021	10.6
CI - 5.85% - 5 years - September 13, 22	CI0000002358	5	13/09/2022	9.4
CI - 5.45% - 5 years - Oct 31, 21	CI0000001921	5	31/10/2021	8.0
CI - 5.95% - 7 years - June 03, 27	CI0000003547	7	03/06/2027	7.0
CI - 6.1% - 7 years - September 13, 24	CI0000002366	7	13/09/2024	5.4
CI - 6.5% - 7 years - March 07, 21	CI0000001558	7	07/03/2021	3.7
CI - 5.85% - 10 years - 09.12.30	CI0000004032	10	09/12/2030	3.0
CI - 5.7% - 7 years - 28.09.23	CI0000001897	7	28/09/2023	2.3
CI - 6.2% - 10 years - September 13, 27	CI0000002374	10	13/09/2027	2.1

Source: UMOA-Titres

Table 58. Côte d'Ivoire issues on the Eurobond market

Date of issue	Amount mobilized 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
2021	600	EUR	4.87	2032
2021	250	EUR	6.62	2048

Source: MEF/DDPD

Auction (for public securities): auction of securities issued by the central government. In the WAEMU zone, it is organized by BCEAO and only banks and other regional financial institutions with accounts at 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: a call for competition on the financial market for public securities through an IMS. 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 the headings in the Central Bank and banks' balance sheets relating to their foreign operations. It is obtained by deducting from gross external assets all external commitments, including medium and long-term commitments.

State financing requirement: the overall amount needed to cover the primary budget deficit and the interest and amortization charges associated with the debt.

Treasury bills: short-term government 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 that 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.

Loans to the economy (EC): all loans granted to the economy by banks (refinanced or not), financial institutions (part refinanced by the Central Bank) and by the Treasury (through the acceptance of

customs drafts).

Domestic credit = Credit to the economy + Government net position (see NGP).

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

Budget deficit: difference between total revenues and total expenditures and net lending.
Current account deficit: current account deficit in the balance of payments.

Primary deficit: negative difference between revenues and expenditures, excluding interest payments.

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

Domestic public debt: central government borrowing from residents.

Non-concessional debt: debt contracted on market terms.

Public debt: sum of all central government debts (external and internal).

Economic data:

- Realizations: economic data for past years, calculated on the basis of exhaustive economic information collected on economic activity by national administrations. They should correspond more or less to the final accounts data for year N-3;
- Estimates: correspond to semi-final or provisional accounts, based on the economic information of a given year. They are generally not exhaustive and/or not fully validated;
- Economic projections or forecasts: correspond to economic data calculated on the basis of assumptions made about the future evolution of [economic activity. These projections may partially cover certain accounts for which only provisional and/or partial data are available.

Donation element: difference between the nominal value (VN) and the present value (PV) of the debt service expressed as a percentage of the nominal value of the loan $((VN-VA)/V'N)$.

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 bond denominated in foreign currency on the London financial market.

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

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

HIPC Initiative: a framework adopted by the World Bank and IMF in 1996 to address the external debt problems of heavily indebted poor countries, with the objective of providing sufficient overall debt relief to achieve debt sustainability.

Money supply (MS): all the claims held by the rest of the economy on monetary institutions.

It covers monetary assets (cash in circulation + sight deposits) and quasi-monetary assets (savings accounts and term deposits).

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

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

Net government position (NGP): net claims or liabilities of the Treasury vis-à-vis the rest of the economy.

The government's net position is 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 debiting PNG is preceded by a (+) sign.

Tax burden: the ratio of tax revenues to GDP.

Refinancing risk: 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 government's debt portfolio and cost of debt to high market interest rates at the point where maturing fixed-rate debt and floating-rate debt are revalued.

Foreign exchange risks: risks related to fluctuations in exchange rates.

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

Primary balance: (see primary deficit).

Public debt stock: amount of outstanding debt disbursements at a given date.

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

Debt ratio: 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, businesses, 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: express the ratio between the price of exports and the price of imports for a country. 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 obtain the same quantity of imported goods (in other words, the same quantities exported allow for the purchase of an increased quantity of imported goods): export earnings improve in this case. In the opposite case, the terms of trade deteriorate (T).

This price ratio thus reflects the evolution of the purchasing power of exports over 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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