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INFORMATION NOTE



Republic of
Côte d'Ivoire

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

September 2022

Quality review by **Deloitte.**



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ACRONYMS

ACF	: Alliance Credit Finance
ADVANS	: ADVANS COTE D'IVOIRE
AFD	: French Development Agency
AGEFOP	: National Agency for Vocational Training
AfDB	: African Development Bank
AIDS	: Acquired Immune Deficiency Syndrome
APE	: Economic Partnership Agreement
APSFDC-CI	: Professional Association of Decentralized Financial Systems of Côte d'Ivoire
AU	: Account Unit
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	: African Credit Company of 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	: National Higher School
ENSEA	: 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
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	: National Polytechnic Institute Houphouët-Boigny
NSO	: National Statistical Office
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 Finance
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
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 Program
PTIP	: Triennial Public Investment Program
RCI	: Republic of Côte d'Ivoire
RCMEC-CI	: Network of Mutual Savings and Credit Associations
REP	: Regional Economic Program
RGPH	: General Census of Population and Housing
SAGETIL-UMOA	: Settlement System for Government Securities
SDG	: Sustainable Development Goal
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	: National Union of Savings and Credit Cooperatives of Côte d'Ivoire
UNAIDS	: United Nations Acquired Immunodeficiency Syndrome
UNDP	: United Nations Development Program
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
XOF	: West African CFA Franc

MINISTÈRE DE L'ÉCONOMIE ET DES FINANCES



RÉPUBLIQUE DE CÔTE D'IVOIRE

Union – Discipline – Travail

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ATTESTATION DE L'ÉMETTEUR

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

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

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

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

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



Pour le Directeur Général du Trésor
et de la Comptabilité Publique
et par Délégation
Le Directeur Général Adjoint
AHOUSI Arthur Augustin Pascal

Côte d'Ivoire is 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. Yamoussoukro was officially designated as the country's political and administrative capital in 1983. However, Abidjan remains the economic, political, and administrative hub.

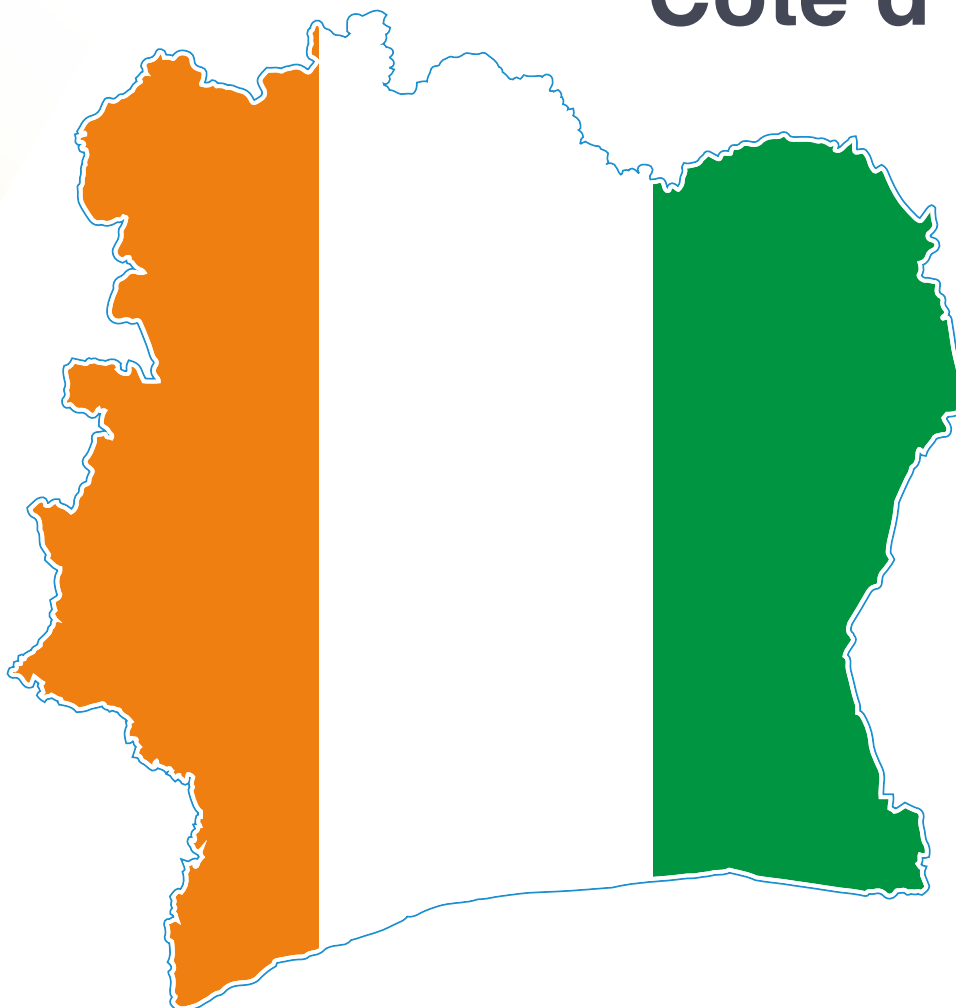
Côte d'Ivoire became independent from France on 07 August 1960. According to the current Constitution, adopted by referendum on 30 October 2016, Côte d'Ivoire is a democratic republic based on the separation and balance of the three powers: executive, legislative, and judicial.

Côte d'Ivoire is the largest economy in WAEMU in terms of GDP. According to WAEMU population statistics, the country also has the largest population in the zone, which was estimated at 28 million in 2021 (RGPH). Côte d'Ivoire is among the most dynamic countries in Sub-Saharan Africa with an estimated nominal GDP of CFAF 39 190.4 billion in 2021. Average GDP growth reached 5.9% between 2016 and 2020. In 2021, growth was estimated at 7.4 according to MEF.

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.

The new NDP 2021-2025 of Côte d'Ivoire is in line with the previous NDPs (2011-2015 and 2016-2020). This third NDP, since 2011, seeks to remove the residual obstacles to the structural transformation of the economy initiated with the implementation of the previous Development Plans and raising Côte d'Ivoire to the rank of upper middle-income countries.

Republic of Côte d'Ivoire



Area
36 125 km²



Population in 2021 :
2 015 000Hbts
(Source : World Bank)



Capital
Yamoussoukro



Political system
Presidential



Currency
CFAF



Official Language
French



Nominal GDP in 2021
997,0 billions
of CFAF

(Source : National services, BCEAO)

- ▶ Economy based on **agriculture** and **trade**
- ▶ **Second** african producer of cashew nut
- ▶ Real GDP growth rate in 2021 : **6,4 %**
- ▶ Fiscal deficit, including grants, in 2021 : **7,5 % of GDP**
- ▶ Debt to GDP rate in 2021 : **72,2 % 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 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 GUEI, 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 Gathering of the Republicans (RDR), the party of Mr. ALASSANE OUATTARA. Since April 19, 2022, the position has been held by Mr. TIEMOKO MEYLIET KONE, previously Governor of the Central Bank of West African States (BCEAO).

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, Mr. PATRICK ACHI, was reappointed on April 19, 2022, six days after his dismissal as well as the Government.

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 Assem-

bly 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.

The current configuration of the National Assembly is dominated by the RHDP, which holds 138 seats. The other opposition parties hold a total of 91 seats, the majority of which come from the joint PDCI-RDA and EDS list (63). The non-affiliated parties hold 26 seats. On June 7, 2022, Mr. ADAMA BICTOGO was elected as the new President of the National Assembly, replacing Mr. AMADOU SOUMAHORO who died on May 7, 2022.

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.

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.

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 Court of Audit shall receive the authentic declaration of assets of the President of the Republic, the Vice President, and the members of the High Authority for Good Governance when they take office and at the end of their term.

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 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 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 Comoe, 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 preliminary result of the latest General Census of Population and Housing (RGPH) by the National Statistical Office (NSO) in 2021, the population of Côte d'Ivoire is estimated at 22 096 651 inhabitants and recorded an average annual growth rate of 2.9%. According to the NSO, the population of Côte d'Ivoire was estimated at 26.4 million in 2020 and 22 671 331 at the last census in 2014.

Table 1. Ivorian population statistics 2016-2021

Category	2016	2017	2018	2019	2020	2021
Male	12 360 182	12 678 865	12 999 507	13 321 662	13 645 276	14 669 207
Female	11 590 293	11 892 182	12 196 033	12 501 409	12 808 266	13 427 444
Total Population	23 950 475	24 571 047	25 195 540	25 823 071	26 453 542	28 096 651

Source: National Statistical Office estimate

At this rate, the population count will more than

double by 2050 according to United Nations forecasts¹.

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%

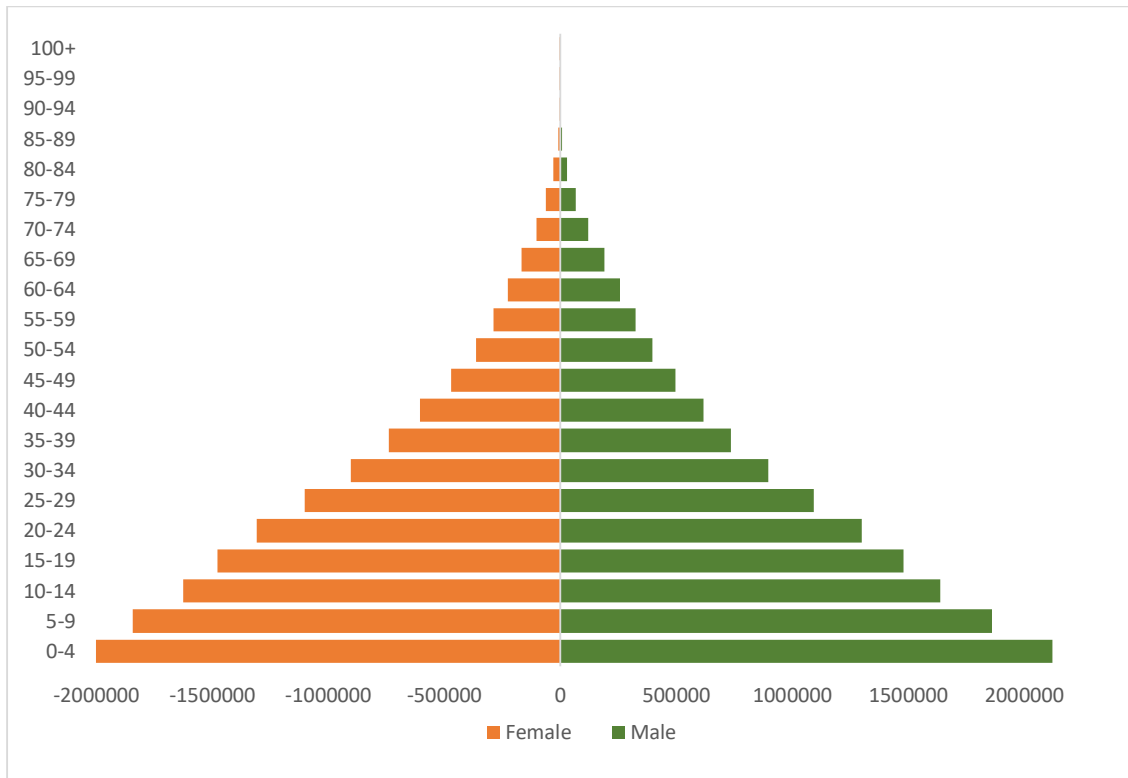
Source: United Nations Department of Economic and Social Affairs

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). The popu-

lation structure is very young (76.7 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.

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

Figure 1. Age pyramids in 2021

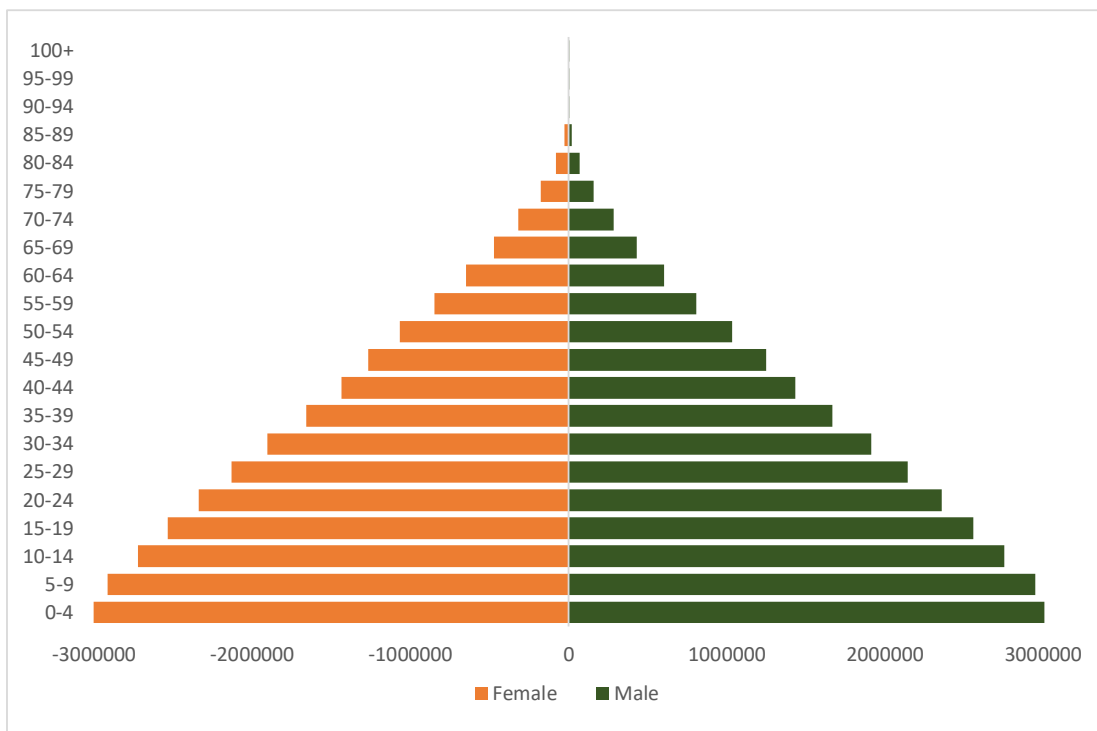


Source : <https://www.populationpyramid.net/fr/côte-divoire/2020/>

The population is composed of 52.2% men and 47.8% 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 ².

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 1.27 million in 2021.

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



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

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

Regarding the geographic distribution of the population, the preliminary results of the RGPH 2021 show that most of the population resides in cities.

The urban population increased sevenfold (7) between 1975 and 2021 with an average annual growth rate of 4.3% over this period.

In fact, 15 152 232 (53.9%) people live in cities, compared to 12 944 419 (46.1%) in rural areas. Compared to the 2014 RGPH data, Côte d'Ivoire is urbanizing at an accelerated pace.

The city of Abidjan alone accounts for just over one-third (36%) of the total urban population.

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	15 152 232
Rural population	11 278 888	11 503 878	11 687 832	11 892 385	12 068 664	12 265 958	12 433 165	12 944 419
Percentage urban	50.36	50.7	51.2	51.6	52.1	52.5	53	53.9
Percentage rural	49.64	49.3	48.8	48.4	47.9	47.5	47	46.1

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: Mande group (Dan, Yacouba, Gouro, Malinke) in the northwest and west, Voltaic group (Senoufo, Koulango and Lobi) in the north, Krou group (We, Bete, Bakwe, Godie and Dida) in the

South-West and Center-West, and the Akan group distributed among the Lagunaires (Ebrie, Adjoukrou, Avikam, Aboure, Nzima,) in the South, in the Center (Baoule) and in the South-East and East (Attie, 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



Source: www.abidjan.net

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

The population density, defined as the number of inhabitants per square kilometer, is 87 inhabitants per square kilometer. This density varies greatly from one region to another, ranging from 19 inhabitants/Km² in Bounkani to 2 839 inhabitants/Km² in Abidjan.

The lowest densities are found in the northern regions and the most densely populated regions are in the southern, western, and central areas.

The District of Abidjan stands out from the other regions with an average density of 2 839 inhabitants/km², far ahead of the second most densely populated region, namely the District of Yamoussoukro (189 inhabitants/Km²).

Côte d'Ivoire is a secular country with several religious denominations, the main ones being Christianity (about 44.0% of the population) and Islam (about 37.2% of the population).

1.5 Education

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 seven public universities, several public High schools (INPHB, ENS, ENSEA, etc.), 27 private universities and 153 large private schools.

TVET lasts two or three years and offers three access routes. The first one, dedicated to pupils of Intermediate course, 6th grade and 5th grade 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 High School (LP) and technical High School (LT) and prepares them respectively for the vocational diploma (vocational training certificate), the technician's diploma (technician's certificate) 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 of adults (proportion of people aged 15 and over) rose, according to the World Bank, from 43.9% in 2014 to 89.8% in 2019. The general illiteracy rate, which was 51% in 2002, declined to 43.8% in 2015 before falling to 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 2020, public spending on education was estimated at CFAF 1 237 billion or 4.1 percent of nominal GDP. The trend is growing again in 2020 a strong decrease between 2016 and 2019.

Table 4. Education expenditure 2014-2021

Category	2014	2015	2016	2017	2018	2019	2020	2021
Education (billions of CFAF)	788.2	991.6	1 179.3	1085.5	1 194.5	1 262.8	1 342.7	1 390.6
Education (% of nominal GDP)	4.5	4.9	5.4	4.6	4.8	3.6	4.1	
as a % of total government expenditure	21.8	21.2	22.4	20.6	18.3	17.4	15.1	

Source: MPMBPE/UNESCO

1.5.3 Statistics by cycle

The gross primary enrolment rate is increasing and has increased slightly to 100.46% in 2020. The net

enrolment rate is increasing throughout the period 2015-2020 and reaches over 91.6% in 2020.

Table 5. School statistics 2015-2020

Indicators	2015	2016	2017	2018	2019	2020
Gross Enrolment Rate (pre-school)	7.40%	8.20%	8.80%	9.00%	8.30%	10.60%
Gross Enrolment Rate Girls (pre-school)	7.10%	7.80%	8.20%	8.30%	8.50%	11.00%
Gross Enrolment Rate (primary)	95.40%	101.30%	104.60%	100.60%	100.32%	100.46%
Net Enrolment Rate (Primary)	78.90%	87.80%	91.00%	91.10%	91.10%	91.60%
Gross Enrolment Rate Girls (primary)	92.40%	99.10%	103.10%	99.90%	97.23%	97.53%
Pupils per class (primary)	44*	43*	41*	41*	-	-
Pupils per teacher (primary)	42*	43*	42*	42*	-	-
Total classrooms (primary)	76 564	84 730	90 970	94 767	-	-
Total number of students (primary)	3 370 558	3 617 219	3 772 136	3 900 222	-	-
Total teachers (Primary)	80 155	85 109	88 900	93 257	-	-
Gross Enrolment Rate (secondary)	42.45%	45.04%	48.45%	51.03%	54.61%	57.42%
Students per class (secondary)	58*	57*	60*	58*	-	-
Students per teacher (secondary)	29*	30*	30*	32*	-	-
Total classrooms (secondary)	25 709	28 357	29 988	33 363	-	-
Total students (secondary)	1 479 005	1 621 874	1 791 183	1 923 763	-	-
Total teachers (secondary)	51 192	53 537	58 866	59 356	-	-
Gross Enrolment Rate (higher)	8.80%	8.90%	9.30%	-	10.00%	-

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

Over the period 2015-2018, 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 92.4 percent in 2015 to 97.53 percent in 2020. The Net Enrolment Rate (NER) for primary school girls is estimated by UNESCO at 91.6 percent in 2020.

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.

In 2019, the public sector comprises three (03) levels of health centers: (i) the primary level composed of first contact health establishments (2 705 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, 09 Specialized National Institutes and 04 National Public Support Institutions).

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: polyclinics, clinics, 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 6. 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	57.9
Under-5 mortality per 1000 ^a	144.8	107.2	90	91.8	83.6	80.9	79.3	77.9
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 1 641 people died from malaria in 2020. 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 2020 was 2.1% compared to 3.4% in 2015. This rate has been

steadily declining since 2010 but remains high. Similarly, HIV prevalence in the population aged 15-49 years decreased between 2014 and 2020 from 3.1% to 2.9%.

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).

Like almost all countries in the world, Côte d'Ivoire is among the countries affected by the Coronavirus pandemic. As of April 20, 2022, 81 861 cases have been declared positive in Côte d'Ivoire, of which 80 758 have been cured, 797 have died and 306 are under treatment. 20.9% of the population has been vaccinated.

Table 7. 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

1.7 Employment

The Ivorian Government regularly initiates employment surveys with the support of technical and financial partners, including the World Bank. The results of the Integrated Regional Survey on Employ-

ment and the Informal Sector (ERIESI) conducted by the National Statistical Office (NSO) on a sample of 12 912 households with national coverage 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.

According to the World Bank, by 2020, the percentage of the working age population was almost 80%. It increased over the period 2013-2018, and its evolution to 2020 follow a similar trend.

Table 8. 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 9. 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

Underemployment³ 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 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. Underemployment is down by 4.5% compared to 2014. It 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 Labor Organization, employment in Côte d'Ivoire is almost entirely informal (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.

³ <https://www.insee.fr/fr/metadonnees/definition/c1935>

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 in 2018 at 60 000 CFAF by International Labor Organization (ILO). The written contract is not, at present, widespread in the salaried employ-

ment environment. 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 10. 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 on 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 co-

vers the entire national territory for a target of 7 200 young people. For 2018⁴, 31 273 young people were trained under the project "a training, my passport to employment".

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

⁴ The 2018 employment statistics are from the fourth review of the Economic and Fiscal Program Framework Document (2016-2019), published in January 2019.

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 65 000 CFAF (€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 2.3 million CFAF 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 considers 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 Gross National Income (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.

The real GDP per capita is estimated at CFAF 1 404 100 in 2021 compared to CFAF 1 341 400 in 2020. In 2022, it is projected to reach a level of 1 463 900 CFAF.

Table 11. Real GDP and real GDP per capita

National economy	2016	2017	2018	2019	2020	2021	2022
Real GDP (in billions CFAF)	29 036.4	31 185.1	33 336.9	35 403.8	36 041.0	38 383.7	41 427.3
Real GDP per capita (thousands CFAF)	1 195.2	1 251.2	1 303.0	1 357.6	1 371.0	1 460.1	1 463.9

Source: MEF / DGE / DPPSE / NSO

1.8.2 Summary table

Table 12. Main macroeconomic aggregates (in billions, unless otherwise indicated)

	2016	2017	2018	2019	2020	2021	2022
National economy							
Nominal GDP	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4	39 190.4	42 881.1
Real GDP (growth rate in %)	7.2	7.4	6.9	6.2	2.0	7.4	6.9
Investment rate (% of GDP)	21.5	20.1	21.2	20.1	20.9	22.4	24.2
Inflation rate (%)	0.7	0.4	0.6	0.8	2.4	4.2	4.6
Balance of payments							
Exports FOB	6 449.30	6 899.60	6 619.60	7 399.2	7 194.8	8 409.1	9 503.7
Imports FOB	4 631.50	4 940.30	5 255.90	5 552.8	5 478.3	6 555.2	7 345.6
Balance	1 817.8	1 959.3	1 363.7	1 846.4	1 716.5	1 804.7	2 039.4
Current balance	-245.5	-609.2	-1 153.90	-790.3	-1136.4	-1223.0	-1 384.4
As a percentage of nominal GDP (%)	-0.9	-2.0	-3.6	-2.3	-3.2	-3.2	-3.3
Public Finance							
Receipts and grants	4176.6	4523.4	4764.1	5158.4	5289.2	6140.2	6417.7
Total expenditures and net loans	5045.6	5521.8	5708.3	5943.9	7255.1	8102.0	8393.0
Budgetary balance	-838.5	-998.4	-944.2	-785.5	-1965.9	-1961.8	-1975.3
Public debt							
Domestic debt	4 049.10	4 275.10	3 994.40	4 432.70	6 045.6	7 959.2	NA
External debt	4 974.20	5 770.00	7 613.40	8 867.50	10756.7	12310.7	NA
Government debt as % of nominal GDP	31.7%	33.5%	36.0%	38.8%	47.6%	51.7%	NA
Budget deficit							
In value	838	998.4	944.2	785.5	1965.9	1691.8	1975.3
As a percentage of nominal GDP (%)	2.9%	3.3%	2.9%	2.3%	5.6%	5%	4.6%

Source : MEF / DGE / DPPSE / NSO

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. Despite this context of economic gloom, the Ivorian economy remained resilient

with a growth rate of 2.0 and is estimated at 7.4 percent in 2021. The remainder of this section assesses nominal and real GDP, its origins and uses.

2.1 Evaluation of the Gross Domestic Product⁵

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 35 311.4 billion in 2020, despite the context of the Covid-19 pandemic. In addition,

economic activity is expected to benefit from the global recovery and the lifting of domestic restrictions in 2021 to reach a nominal GDP of CFAF 39 190.4 billion in 2021 and its level should exceed the symbolic amount of CFAF 40 000 billion in 2022, or CFAF 42 881.1 billion.

Table 13. Nominal GDP of Côte d'Ivoire (base 2015)

(In billions of CFAF)	2016	2017	2018	2019	2020	2021	2022
				Projection	Estimate	Estimate	Projection
Nominal GDP	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4	39 190.4	42 881.1

Source : MEF/DGE/DPPSE, NSO

2.1.2 Real GDP growth

Despite an unfavorable global context, the implementation of far-reaching structural reforms, combined with the effectiveness of the economic and health response plan put in place, have made it possible to contain the effects of the COVID-19 pandemic and to achieve a growth rate of about 2% in 2020, compared with a contraction of 3% at the global level and 2% in sub-Saharan Africa.

The slowdown in activity observed in 2020 compared to the previous year is mainly explained by the ⁶direct 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 except for the non-market sector, whose growth rate rose from 4% in 2019 to 7.6% in 2020, a significant average increase of 3.6 points

In contrast, the market sector suffered an average decline of 5.3 points from 6.6% in 2019 to 1.3% in 2020, resulting from a decline in the growth rate of the primary sector of 3.1 points, the secondary sector of 9.6 points and the tertiary sector of 4.2 points.

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 billion⁷.

These measures, coupled with the gradual recovery of the global economy, have made the national economy more resilient and will help the economy recover in 2021 with an estimated economic growth rate of 7.4%. This trend is expected to continue in 2022 under the cumulative assumptions of a controlled pandemic and a sustained recovery in activity. The projected growth rate in 2022 is 6.9%.

⁵ 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).

⁶ 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 labour market, (iv) the contraction of world trade and (v) the decline in inflation.

⁷ Source: MBPE (DPBEP, 2021-2023).

Table 14. Real GDP growth from 2015 to 2022 (%)

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	7.4	6.9
Primary sector	-4.0	3.3	5.2	5.3	2.2	2.3	2.0
Secondary sector	5.3	15.4	4.3	11.5	1.9	4.4	9.9
Tertiary sector	12.9	5.0	6.8	4.9	0.7	10.5	7.7
Market sector	7.5	7.0	5.9	6.6	1.3	7.4	7.2
Non-market sector	9.0	0.0	22.8	4.0	7.6	5.8	6.5
Duties and taxes ⁸	1.9	20.3	1.1	5.0	2.4	9.1	4.0

Source: MEF / DGE / DPPSE, NSO

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 0.3 percentage point from 21.2% of GDP in 2019 to 20.9% in 2020. In addition, the effects of the health crisis in this sector would appear to be cyclical and transitional. Indeed, the DPPSE forecasts indicate that the contribution of the secondary sector to GDP

should continue to grow in 2021 (21.3%) and in 2022 (21.5% in 2023).

The primary sector contributed 21.4% in 2020 against 20.7% in 2019, i.e., an increase of 0.7 points. 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 its share of GDP has been steadily decreasing and fluctuating around 43.0%.

Table 15. Decomposition of GDP by structure (%)

Côte d'Ivoire	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Semi-def.	Revised	Est.	Est.	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	21.4	20.1	19.1
Secondary Sector	19.1	20.5	21.0	21.2	20.9	21.3	21.5
Tertiary sector	46.8	46.2	43.3	43.1	42.1	43.0	43.9
Market sector	85.6	85.4	84.9	85.0	84.4	84.4	84.5
non-market sector	7.6	7.2	8.5	8.5	9.0	8.8	8.7
Duties and taxes net of subsidies	6.8	7.4	6.7	6.5	6.6	6.8	6.7

Source: MEF / DGE / DPPSE, NSO

2.2 Gross domestic product in detail

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 all the primary, secondary, and tertiary sectors.

The value share of the primary sector in GDP was CFAF 7 090.0 billion in 2019 and is estimated at CFAF 7 551.5 billion in 2020, an increase of 6.5% over the previous year. It should reach CFAF 7 859.6 billion in 2021 and CFAF 8 182,2 billion in 2022, according to DPPSE reviewed forecasts⁹.

⁸ Net of grants.

⁹ DPPSE (April 2021)

This sector is dominated by export agriculture (11.2% of GDP in 2020) and food agriculture¹⁰ and breeding (9.4% in 2020), which contributed to the formation on GDP for CFAF 3 849.3 billion and CFAF 3 321 billion respectively in 2020. Their contributions in value for the year 2021 should be CFAF 3 563.2

billion for food agriculture and CFAF 4 035.8 billion for export agriculture.

The other sub-sectors (forestry and fisheries) have modest contributions of CFAF 139.5 billion and CFAF 141.7 billion respectively in 2020.

Table 16. Sectoral distribution of the GDP in value of Côte d'Ivoire

(In billions of CFAF)	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Semi-def.	Revised	Proj	Proj	Proj
Primary sector	5 611.0	5 612.8	6 621.2	7 090.0	7 551.5	7 859.6	8 182.2
Food crops, livestock	1 899.3	2 244.8	3 064.4	3 149.0	3 321.0	3 563.2	3 799.6
Export agriculture	3 414.8	3 106.0	3 260.6	3 644.0	3 949.3	4 035.8	4 115.4
Silviculture	131.8	131.6	138.5	155.0	139.5	110.7	113.6
Fishing	165.0	130.4	157.7	142.0	141.7	149.8	153.6
Secondary Sector	5 427.5	6 129.9	6 773.3	7 267.0	7 364.9	8 348.5	9 236.8
Mining	1 420.0	1 256.4	896.8	1 027.0	1 032.4	1 303.9	1 443.8
Food and beverage industries	1 581.4	1 644.1	1 400.1	1 517.0	1 446.6	1 492.0	1 610.5
Petroleum products	-443.7	-248.1	682.2	784.0	686.0	991.7	1 086.0
Energy (Gas, Water and Electricity)	325.9	740.7	845.4	930.0	887.9	841.7	886.9
BTP	1 118.3	1 103.8	1 177.1	1 268.0	1 354.0	1 526.9	1 813.1
Other manufacturing industries	1 425.6	1 633.1	1 771.7	1 741.0	1 820.8	2 192.4	2 396.4
Tertiary sector	13 292.0	13 839.8	13 950.0	14 786.9	14 877.0	16 869.8	18 833.9
Transportation	2 796.5	2 023.7	1 904.5	2 011.0	2 010.2	2 383.3	2 681.1
Telecommunications	1 021.1	1 132.0	1 256.0	1 225.0	1 338.3	1 418.3	1 572.4
Trade	4 271.2	5 071.8	5 559.9	5 831.0	5 821.9	6 722.5	7 562.3
Other services	5 203.2	5 612.3	5 229.6	5 719.9	5 706.6	6 345.8	7 018.2
non-market GDP	2 150.3	2 144.6	2 727.2	2 920.0	3 173.5	3 452.3	3 750.9
GDP Merchant	24 330.5	25 582.6	27 344.5	29 143.9	29 793.3	33 077.9	36 252.9
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 ¹¹	1 943.1	2 227.9	2 150.6	2 235.0	2 344.5	2 660.2	2 877.3
TOTAL GDP (Base 2015)	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4	39 190.4	42 881.1

Source : MEF / DGE / DPPSE, NSO

The secondary sector has seen a continuous increase in its contribution to GDP in value terms, from CFAF 5 427.5 billion in 2016 to CFAF 7 364.9 billion in 2020, an average annual increase of 7.9%.

In the secondary sector, there is a preponderance of agro-food industries with a value added of CFAF 1 446.6 billion in 2020, followed by the construction sub-sector (CFAF 1 354 billion), mining (CFAF 1 169.6 billion), the energy sub-sector (CFAF 887.9 billion) and petroleum products (CFAF 686 billion). This last sub-sector, namely petroleum products, seems to be the sub-sector most impacted by the adverse

effects of the pandemic with a drop in activities of -12.5% compared to 2019.

The tertiary sector makes a strong contribution to GDP by value over the period under review. Between 2016 and 2020, its share in value rose from CFAF 13 292 billion to CFAF 14 877 billion. According to DPPSE forecasts, the added value of this sector is estimated at 16 869.8 billion CFAF in 2021 and could reach 18 833.9 billion CFAF in 2022. The sector remains dominated by trade and transport, with value added of CFAF 5 821.9 billion and CFAF 2 010.2 billion respectively in 2020.

¹⁰ Of which breeding

¹¹ Net of subsidies.

2.2.2 Compositional GDP

The evolution of the breakdown of GDP by sector of activity over the period 2016-2021 shows a preponderance of the tertiary sector (44.3 percent on average) compared to the primary sector (20.2 percent) and the secondary sector (20.5 percent).

The share of the primary sector in GDP is estimated at 21.4% in 2020, compared with 20.7% in 2019, an increase of 0.7 percentage point despite the Covid-19 context. This contribution is projected at 20.1% and 19.1% respectively for the years 2021 and 2022. The sector remains dominated in 2020 by export agriculture (11.2%) and food crops and livestock (9.4%).

As for the secondary sector, its share of GDP is estimated at 20.9% in 2020, compared with 21.2% in 2019, a drop of 0.3 percentage point compared

with the previous year. The projections establish an average share of 21.4% over the period 2021-2022. In 2020, the sector is characterized by the preponderance of agri-food industries (41%), construction (3.8%), mining (3.3%), energy (2.5%) and petroleum products (1.9%).

Compared to the firsts two sectors, the tertiary sector has a large share of GDP in Côte d'Ivoire. In 2020, it accounted for 42.1 percent of GDP by value. Nevertheless, declines were observed between 2016 and 2020 when its share fell from 46.8 percent to 42.1 percent, a significant drop of 4.7 points. Projections for the years 2021 and 2022 indicate a reversal of this downward trend to remain at 43% and 43.9% respectively. The sector remains dominated by trade (16.5%), other services (16.2%), transport (5.7%) and telecommunications (3.8%) in 2020.

Table 17. 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	21.4	20.1	19.1
Food crops, livestock	6.7	7.5	9.5	9.2	9.4	9.1	8.9
Export agriculture	12.0	10.4	10.1	10.6	11.2	10.3	9.6
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	20.9	21.3	21.5
Mining	5.0	4.2	2.8	3.0	3.3	3.3	3.4
Food and beverage industries	5.6	5.5	4.3	4.4	4.1	3.8	3.8
Petroleum products	-1.6	-0.8	2.1	2.3	1.9	2.5	2.5
Energy (gaseous)	1.1	2.5	2.6	2.7	2.5	2.1	2.1
Construction	3.9	3.7	3.7	3.7	3.8	3.9	4.2
Other manufacturing industries	5.0	5.5	5.5	5.1	5.2	5.6	5.6
Tertiary sector	46.8	46.2	43.3	43.1	42.1	43.0	43.9
Transportation	9.8	6.8	5.9	5.9	5.7	6.1	6.3
Telecommunications	3.6	3.8	3.9	3.6	3.8	3.6	3.7
Trade	15.0	16.9	17.3	17.0	16.5	17.2	17.6
Other services	18.3	18.7	16.2	16.7	16.2	16.2	16.4
non-market GDP	7.6	7.2	8.5	8.5	9.0	8.8	8.7
GDP Merchant	85.6	85.4	84.9	85.0	84.4	84.4	84.5
Public Administration	7.0	6.7	7.9	8.0	8.4	8.2	8.2
Non-profit institutions	0.5	0.5	0.5	0.6	0.6	0.6	0.6
Duties and taxes	6.8	7.4	6.7	6.5	6.6	6.8	6.7
TOTAL GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MEF / DGE / DPPSE, NSO

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 (CFAF 35 035.3 billion for domestic demand in 2020 versus CFAF 384.1 billion for net external demand). This preponderance of domestic demand 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 23 352.1 billion in 2020, i.e., a decline of CFAF 203.2 billion over one year.

Private investment, the second most important component of domestic demand, is estimated at CFAF 5 598 billion (15.9% of GDP) in 2020 against CFAF 5 393.6 billion in 2019, an increase of CFAF 205.1 billion. According to DPPSE projections, its share should increase by 1.3 percentage points to reach 17.2% in 2022, for an amount of CFAF 7 377.6 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 except for the year 2018 when it recorded a deficit of CFAF -253.3 billion. According to DPPSE projections, it should be in deficit again in 2022 for a value of CFAF 201.2 billion.

Table 18. GDP expenditure approach

(In billions of CFAF)	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Semi-def.	Revised	Proj.	Proj.	Proj.
Internal demand	27 885.2	29 565.8	32 008.0	34 263.6	35 035.3	39 815.4	43 074.7
Final consumption	21 767.8	23 538.2	25 640.4	27 024.0	27 112.5	30 633.6	32 915.9
Private	19 062.6	20 493.2	22 340.6	23 555.3	23 352.1	26 350.4	28 437.9
Public	2 705.1	3 045.0	3 299.9	3 468.7	3 760.4	4 283.1	4 478.0
Total investments	6 117.4	6 027.5	6 367.6	7 239.6	7 922.8	9 185.8	10 158.8
Private	4 727.3	4 452.9	4 685.6	5 393.6	5 598.8	6 601.9	7 377.6
Public	1 390.1	1 574.6	1 682.0	1 846.0	2 324.0	2 579.9	2 781.1
Net external demand	476.0	389.3	-253.3	395.0	384.1	79.3	-201.2
Change in inventories	62.7	0.0	467.6	-359.7	-108.0	-704.3	7.6
GDP Total	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4	39 190.4	42 881.1

Source: MEF / DGE / DPPSE, NSO

3.1 Recent Achievements and Completions

3.1.1 Presentation of the NDP (2021-2025)¹²

The new NDP 2021-2025 of Côte d'Ivoire is a continuation of the previous NDPs (2011-2015 and 2016-2020). This third NDP since 2011, plans to remove the residual 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 2040¹³ and (ii) the Strategic Plan Côte d'Ivoire 2030¹⁴. It constitutes the framework for the operationalization of the ambition of the Head of State, which is included in his social project "**A united Côte d'Ivoire**".

Pillars and strategic orientations

The main objective of this new plan is to achieve the economic and social transformation necessary to bring Côte d'Ivoire up to the level of upper middle-income countries by 2030. To achieve this, the NDP 2021-2025 is structured around the following orientations:

- i. Develop the national industry to become an engine of the economy and a provider of decent jobs.
- ii. Ensure better productivity of factors, in particular human capital, allowing harmonious creation of wealth throughout the country.
- iii. Strengthen State Governance to support the Private Sector in a development process that leaves no one behind.

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

- iv. accelerating the structural transformation of the economy through industrialization and cluster development.
- v. human capital development and employment promotion
- vi. private sector development and investment
- vii. strengthening inclusion, national solidarity, and social action
- viii. balanced regional development, preservation of the environment and the fight against global warming; and
- ix. strengthening governance, modernizing the State and cultural transformation.

To achieve the vision and objectives of the NDP 2021-2025, a set of macroeconomic and sectoral strategies with major programs and flagship actions has been developed (MPD, 2021)¹⁵. However, its successful implementation will be achieved through a State that promotes and organizes the private sector, through the creation of national champions in industrial clusters and their connection to external networks.

In addition, the Government aims to undertake far-reaching structural reforms to attract foreign direct investment to stimulate technology and innovation, while ensuring that it contributes to inclusive growth. To this end, the government will link national champions with international investors to increase local content in investment projects.

Macroeconomic framework of the NDP 2021-2025

As part of the development of the 2021-2025 NDP, the scenario adopted¹⁶ is that of "Côte d'Ivoire

¹² This presentation is based on the reference document "National Development Plan 2021-2025: Strategic Orientations", Volume 2.

¹³ As a reminder, the vision of the Côte d'Ivoire national prospective study is as follows: "Côte d'Ivoire, an industrial power, united in its cultural diversity, democratic and open to the world".

¹⁴ The Côte d'Ivoire 2030 Ten-Year Strategy aims to "consolidate the recovery and accelerate the march towards emergence". It is articulated around two major strategic axes: (i) economic and social transformation and; (ii) structural and cultural transformation of the Administration and governance.

¹⁵ MPD (2021), « PND 2016-2025, Tome 3 ».

¹⁶ Three macroeconomic framework scenarios had been drawn up on the basis of various possible developments in the national and regional so-

Triumphant". 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. The growth rate would average 7.6% over the period 2021-2025, with a budget deficit in line with the WAEMU community standard of 3.0% as of 2024.

Table 19. Evolution of GDP and investment (in %)

Projections	2021	2022	2023	2024	2025
Real Growth rate	6.5	7.1	8.2	8.2	8.2
Investment rate	23.1	24.2	25.1	26.3	27.1
Public Investment rate	6.6	6.6	6.6	6.6	6.6
Private Investment rate	16.5	17.6	18.5	19.7	20.5

Source: MPD ¹⁷, PND 2021-2025 (Tome 2)

Financing the NDP

The 2021-2025 NDP gives an important role to the private sector in financing the implementation of the NDP, particularly regarding major structuring projects, industry, and agribusiness. The private sector should benefit from an improved business climate and easier access to credit. It would also benefit from the development of industrial clusters using PPPs and the development of industrial zones.

The private sector will be the real driving force behind the achievement of one of the objectives of the NDP, which is the creation of thousands of decent and stable jobs, particularly for young people. In this perspective, a special session dedicated to the pri-

private sector will be organized during the Consultative Group to present a certain number of projects that have reached maturity or are in the process of maturing and that can be carried out either by the private sector or within the framework of a Public Private Partnership (PPP).

The success of this ambitious development plan is correlated with the realization of an investment program valued at CFAF 59 000.0 billion, of which CFAF 15 353.2 billion, or 26%, was for the public sector (including non-profit institutions). Private investment amounted to CFAF 43 646.8 billion, or 74.0% of total investment. The table below shows the distribution keys by source and by pillar of investments.

Table 20. Investment projections (in billions of CFAF)

PILLARS	TOTAL		PUBLIC	
	Amount	%	Amount	%
Total NDP 2021-2025	59 000.0	100.0%	15 353.2	100.0%
Public investment	15 353.2			
Private investment	43 646.8			
Pillar 1	23 422.7	39.7%	2 087.8	13.6%
Pillar 2	4 247.9	7.2%	1 764.1	11.5%
Pillar 3	19 622.6	33.3%	6 283.3	40.9%
Pillar 4	7 998.5	13.6%	3 098.1	20.2%
Pillar 5	700.2	1.2%	371.2	2.4%
Pillar 6	2 646.0	4.5%	1 720.4	11.2%
Margin of adjustment	362.1	0.6%	28.3	0.2%

Source : MPD, NDP 2021-2025 (Tome 2)

cio-economic and political environment. These are a reference scenario, "Côte d'Ivoire on the move", and two voluntarist growth scenarios, "Côte d'Ivoire Radiant" and "Côte d'Ivoire Triumphant".

¹⁷ Ministry of Planning and Development (2021)

According to the breakdown by pillar, Pillar 1, which aims to accelerate the structural transformation of the economy through industrialization and the development of clusters, accounts for 39.7% of total investment and 13.6% of public investment. Pillar 3, which aims to develop the private sector and investment, accounts for 33.3% and 40.9% of total and public investments respectively.

3.1.2 Recent structural reforms related to the development plan

As the implementation of the NDP 2021-2025 is very recent, this section draws on recent major reforms from the previous NDP whose implementation has begun and continues in the new NDP.

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 implemented¹⁸.

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 12.7% in 2019. As for cocoa processing, the current processing rate is estimated at 33.3% in 2019 and should in principle be revised upwards with the implementation of the NDP 2021-2025.

Despite the efforts made, changes towards significant transformation in sectors and branches with high value-added potential remain timid and the new NDP intends to accelerate it.

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

- o The attractiveness of the country to manufacturing investments is still sensitive to the socio-political climate and security conditions.
- o Insufficient infrastructure to support growth.
- o Low capacity for innovation and technological development.

- o The limited scope of commodity industrialization and processing strategies.

Business environment

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 improved its ranking from 142nd out of 183 countries in 2016 to 110th out of 190 countries in 2020 in the World Bank's "Doing Business" report, a gain of 32 places in 4 years, with a position among the Top 10 most reforming countries in the world. This was reflected in the increase in private investment, which reached 15.9% of GDP in 2020 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 Program (PSGouv). Launched at the beginning of 2019, this program aims to accelerate the implementation of projects set out in the 2016-2020 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 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)¹⁹.

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

¹⁸ Côte d'Ivoire "Supplement to the Memorandum of Economic and Financial Policies, 2016-2019".

¹⁹ See MEF "Supplement to the Memorandum of Economic and Financial Policies 2020", 13 November 2020.

national electricity distribution company CI-Energies, in line with its mandate, for about 1.0% of GDP during 2019-2020.

With this investment, access to electricity has increased. By 2020, about 80.0% of Ivorian households had electricity, an increase of 20.0 percentage points from 2015 and 54.0 percentage points from 2011. Poor households also had better access to electricity. Indeed, for the bottom 40.0 percent of households in the income distribution, access to electricity, which was 49.6 percent in 2015, increased by 22.0 points. In addition, access to electricity increased nationwide. More than 3 963 localities were electrified between 2011 and 2020.

In terms of health and social protection, 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 periodically.

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.

3.2 Future Achievements

The forthcoming structural reforms are part of the continued implementation of 2021-2025 NDP, 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, (v) the digital transformation of the administration, as well as (vi) the fight against corruption.

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 companies²⁰. 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 60.0% and 27.1% in 2023. (MPD, 2021).

Table 21. projection of some main indicators of the Agriculture sector

Key Indicator	Benchmark situation		Target	
	Year	Value	2023	2025
Cocoa grinding rate (first processing)	2019	33.3 %	60.0 %	100.0 %
Local cashew processing rate	2019	12.7 %	27.1 %	23.7 %
Local rubber processing rate	2020	76.9%	83.2 %	90.0 %
Rate of coverage of rice needs by national production	2020	60.0 %	80.0 %	100.0 %
Mechanization rate of the rice poles	2020	10.0 %	60.0 %	90.0 %

Source: MPD, GCPND

²⁰ See DPBEP (2020-220) and Economic and Financial Policy Memorandum (EFPM) on the sixth review of the ECF and EFF.

Development of agriculture and fisheries resources

The agricultural sector is one of the major pillars of the Ivorian economy and is one of the main providers of employment, with more than 5 million people in work, 33.0% of whom are employed in non-food crops.

For the period 2021-2025, the Government intends to strengthen the role of agriculture in the dynamics of the Ivorian economy and to improve its potential by 2025. The ambition is to guarantee the competitiveness and sustainability of agriculture to ensure food security, while creating equitably shared wealth.

Specifically, the Government's interventions will be carried out through the implementation of the second generation National Agricultural Investment Program (PNIA 2), which is a tool for accelerating the development of the agricultural sector. In addition, the National Rice Development Strategy (SNDR) for the

period 2020-2030 has been developed and is being implemented to boost national rice production.

In operational terms, as far as the PNIA 2 is concerned, the Ivorian Government has adopted an integrated and global approach known as "Agro-Poles" based on the horizontal integration of all activities upstream and downstream of the agricultural value chain with the development of related activities. To this end, nine (9) Agro-Poles are planned. These different Agro-Poles projects will concretize the implementation of the PNIA2 in an integrated manner, while considering local realities.

One of these Agro-Poles is in the process of being operationalized and three (3) others are in the preparation phase with the technical and financial support of the African Development Bank (AfDB). These are Agro-Pole 4 in the implementation phase and Agro-Poles 1 and 2 in the preparation phase. In addition, for Agro-Poles 2, 3, 5, 6, 8 and 9, additional financing is to be mobilized.

Table 22. Agro Priority clusters and sectors

Agro-Poles	Priority sectors
Agro-Poles 1 : North zone	Cash crops: Cashew nuts, cotton, tropical fruits (mango and dessert banana), sugar cane, shea Food-producing sectors: maize, millet, sorghum, rice, market garden onions Animal and fisheries sectors: Cattle, sheep
Agro-Poles 2 : Northeast Zone	Cash crops: Cashew nuts Food-producing sectors: yams, market gardeners
Agro-Poles 3 : South East Zone	Cash crops: Cocoa, oil palm, rubber, coffee Food-producing sectors: cassava, plantain, market gardeners Animal and fisheries sectors: Fishing
Agro-Poles 4 : Central Zone	Cash crops: Cashew nuts Food-producing sectors: Cassava, rice, maize, market gardeners Animal and fisheries sectors: Fish farming
Agro-Poles 5 : South zone	Cash crops: Cocoa, oil palm, rubber Food crops: cassava, rice, yams Animal and fisheries sectors: fishing, poultry
Agro-Poles 6 : Central West Zone	Cash crops : Cocoa, cashew nuts Food crops : Cassava, rice, yam
Agro-Poles 7 : South West Zone	Cash crops: Cocoa, oil palm, rubber, coffee Food-producing sectors: cassava, rice, plantain Animal and fisheries sectors: Fishing
Agro-Poles 8 : North West Zone	Cash crops: Cashew nut, cotton Food-producing sectors: Soya, rice Animal and fisheries sectors: fishing, poultry
Agro-Pôles 9 : West Zone	Cash crops: Cocoa, coffee Food crops: Rice Animal and fisheries sectors: Fish farming

Source: MPD, PND 2021-2025 (Tome 1)

Business climate and private sector development

The Government intends to further improve the country's capacity to attract national and international investments 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 based on 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:

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

- o Programs to create jobs, particularly for young people, through the development of skills, self-employment, and employment.
- o 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.
- o 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.
- o Continuation of CMU generalizing phase with the enlargement of the base to include those subjects to it and those entitled to it, and the extension of the care network to facilitate access to care for the population, the most vulnerable and the indigent.
- o 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.

Digital transformation of the administration

The digital transformation of the administration is necessary for the economic growth of Côte d'Ivoire and beneficial for the entire Ivorian population. By devoting less time to management activities, government employees can focus on their core business, namely the link with citizens.

To do this, Côte d'Ivoire, in the NDP 2021-2025, has opted to continue and accelerate the implementation of actions aimed at providing government employees with digital services relevant to their activities, and to provide them with the necessary knowledge to enable them to fully use digital tools.

Finally, the global digitization of tax and customs administration processes, which has already begun, must also be continued, and completed.

Fight Against Corruption

Corruption seriously hinders the performance of the administration. Several specific measures are recommended in the NDP 2021-2025, including

- o The introduction of exemplary sanctions for everyday corruption in the administration.
- o Adoption of a code of ethics and professional conduct.
- o Establishing transparent rules for public procurement to ensure open and competitive bidding.
- o Teaching public action ethics and administrative deontology in all training structures for public agents; and
- o The disclosure of service standards so that users of public services can know the normal time to obtain an administrative document, the amount they will have to pay and the procedures to follow.

4.1. Structural elements

4.1.1. Description of the Franc 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 FCFA: 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., FCFA 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.

A new monetary agreement was signed in December 2019 by WAEMU member States and France to reform the West African FCFA. It lays the groundwork for member countries to join ECO, ECOWAS' single currency project. To enable WAEMU economies to prepare for ECO, the monetary cooperation agreements linking the member States of the zone to France were thoroughly revised. Three decisions were taken:

- Names change of the currency from CFA Franc to ECO, when WAEMU countries will integrate the new ECO zone of ECOWAS.
- End the centralization of foreign exchange reserves at the French Treasury, closing the operations account and transferring available resources into BCEAO's account.
- Withdrawal of all French representatives from the decision-making and management bodies of WAMU (BCEAO Board of Directors, Banking Commission and Monetary Policy Committee).

Two key pillars of monetary stability have been retained:

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

In May 2020, the bill ratifying the end of the CFA franc was adopted by the French Council of Ministers. It validates the transformation of the FCFA, which will become the ECO, by maintaining a fixed parity with the euro as well as the end of the centralization of foreign exchange reserves of West African States at the French Treasury.

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 pressure²¹.

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, 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

²¹ The BCEAO Monetary Policy Committee, at its first meeting held on September 14, 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%, over a twenty-four (24) month horizon.

(currently²² 2.25%). 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 2,25% and 4,25% respectively, and constitute BCEAO's two main key rates.

Money supply in Côte d'Ivoire

The monetary situation at the end of December 2021 was marked by an increase in broad money supply (M2) of 18.7% (+ CFAF 2 444.8 billion). This trend was marked by increases in its counterparts, namely the outstanding domestic claims of deposit-taking institutions by 14.3% (+1 721.4 billion) and the net external assets (NEA) of deposit-taking institutions by 34.0% (+1 066.6 billion).

Outstanding domestic claims were driven by the 18.1% (+705.8 billion) increase in net claims on the Central Government linked to the financing needs of the Social and Humanitarian Economic Support Plan (PSESH) as well as by the 12.5% (+1 015.5 billion) increase in claims on the economy.

Table 23. Composition of the Côte d'Ivoire money supply

Indicators	2016	2017	2018	2019	2020	2021
	Projection					
Foreign assets	1 714.6	1 762.7	2 032.1	2 499.7	3 139.7	4 206.3
Central Bank	1 360.2	1 550.7	1 702.3	2 104.5	2 389.1	2 944.2
In banks	354.5	212.1	329.8	395.1	750.7	1 262.1
Domestic assets	7 271.7	8 290.7	9 336.6	10 236.2	12 040.4	13 761.8
State's credit	1 775.4	1 981.1	2 318.3	2 791.8	3 908.8	4 614.6
Central Bank	484.9	447.4	418.9	568.3	782.9	1 502.8
Commercial banks	1 290.6	1 533.7	1 899.3	2 223.4	3 125.9	3 111.8
To the credit of the economy	5 496.2	6 309.6	7 018.3	7 444.5	8 131.7	9 147.2
Central Bank	31.2	11.0	10.3	10.4	10.7	7.9
Commercial banks	5 465.0	6 298.6	7 008.1	7 434.1	8 121.0	9 139.3
Non-monetary liabilities	1 090.4	1 372.3	1 463.4	1 660.8	1 957.3	2 404.0
Other net items	43.0	106.3	181.6	305.1	180.3	76.7
Total Deposits	7 852.9	8 574.9	9 723.7	10 770.0	13 042.6	15 487.4
Percentage change in the monetary base						
Net foreign assets	2.8	15.3	23.0	25.6	34.0	2.8
Net domestic assets	14.0	12.6	9.6	17.6	14.3	14.0
Credit to the State	11.6	17.0	20.4	40.0	18.1	11.6
Central Bank	-7.7	-6.4	35.7	37.7	92.0	-7.7
Banks	18.8	23.8	17.1	40.6	-0.5	18.8
Credit to the economy	14.8	11.2	6.1	9.2	12.5	14.8
Money supply (M2)	9.2	13.4	10.8	21.1	18.7	9.2

Source: BCEAO, IMF

²² BCEAO decided to raise its main policy rates by 25 basis points on 1 June 2022, effective 15 June 2022. Thus, the minimum bidding rate for liquidity injection tenders was reduced from 2.50% to 2.25% and the interest rate for the marginal lending window was reduced from 4.50% to 4.25%. As a reminder, the Central Bank cut its main policy rates by 50 basis points on June 24, 2021.

4.2 Banking system and financial markets

4.2.1 The banking environment

As of 31 December 2021, the Ivorian banking system comprised 30 credit institutions, including 28 banks and 2 financial institutions.

The banking sector appears to have weathered the crisis so far. The sector entered the crisis in a relatively healthy position, the gradual implementation of Basel II/III has increased the capital adequacy ratio to 10.5 percent at the end of 2019, and credit concentration has significantly reduced nonperforming loans. Nonperforming loans increased only moderately to 9.1 percent at the end of June 2020, the first observation since the start of the pandemic. The increase was able to be cushioned by loan payment deferrals authorized by the regional supervisor and will need to be monitored in the future.

However, pockets of vulnerability remain, particularly among public banks. Progress has been made in strengthening public banks, with two out of four now meeting the minimum capital requirement. However, about one-sixth of Ivorian banks (9 percent of the banking sector balance sheet) are relatively illiquid or undercapitalized at end-2019, including the remaining two public banks (about 2 percent of the banking sector balance sheet). In November 2019, the government reversed its decision to privatize one of them, following the private acquirer's failure to meet its commitments, and approved a recapitalization of the bank in June 2020. As the effects of the pandemic may be delayed, IMF staff urged the authorities to closely monitor the situation of the public banks, accelerate the restructuring process, and diversify the range of new shareholders.

Table 24. Aggregate balance sheet of commercial banks in Côte d'Ivoire

	2016	2017	2018	2019	2020
Treasury and interbank operations	1 325 868	1 387 932	1 379 333	1 842 922	2 137 026
Customer transactions	5 295 978	6 253 300	7 146 333	7 776 279	8 626 928
Securities and other transactions	2 324 89	2 953 179	3 183 304	3 548 727	4 694 875
Fixed assets	777 314	491 916	433 951	452 430	476 334
Shareholders or partners	0	1 000	1 500	1 000	0
TOTAL ASSETS	9 724 058	11 087 328	12 144 421	13 621 357	15 935 163
Treasury operations	1 996 701	2 192 284	2 179 845	2 366 558	2 519 644
Customer transactions	6 663 638	7 526 577	8 520 455	9 555 190	11 558 287
Securities and other transactions	307 524	479 706	474 373	563 511	534 165
Similar equity	756 095	888 661	969 648	1 135 998	1 322 725
TOTAL LIABILITIES	9 724 058	11 087 328	12 144 421	13 621 357	15 935 163

Source: BCEAO

The lending rate came in at 6.13% in 2020. In contrast, lending costs remained constant between 2017 and 2018, with an increase of 10 basis points in 2019. The average lending rate in the WAEMU excluding taxes and charges fell by 14 basis points between the second and third quarters of 2021 to 6.22%. This downward trend, recorded since the fourth quarter of 2020, bears the imprint of the measures taken by the Central Bank to counter the negative effects

of the Covid-19 pandemic on the banking system, notably by lowering its key rates by 50 basis points since June 24, 2020 and by instituting full auctions at the minimum rate.

The average lending rate in Côte d'Ivoire has fallen slightly to 4.67% in 2020 from 4.82% in 2019. From a credit maturity perspective, credits with maturities between two and five years declined in 2019 and 2020.

Table 25. Lending and deposit rates (short, medium, and long term)

Lending rate	2015	2016	2017	2018	2019	2020
less than or equal to 1 month	5.84	5.45	5.63	5.64	6.03	6.13
more than 1 month and less than or equal to 3 months	4.63	5.01	5.45	5.82	5.48	5.33
more than 3 months and less than or equal to 6 months	7.24	7.4	6.86	6.58	5.77	5.89
more than 6 months and less than or equal to 1 year	8.24	7.21	7.85	6.55	6.66	7.05
more than 1 year and less than or equal to 2 years	8.38	7.82	7.56	7.5	8.09	7.21
more than 2 years and less than or equal to 5 years	8.53	7.93	7.92	7.4	7.71	7.71
more than 5 years and less than or equal to 10 years	7.56	7.43	7.48	7.45	7.63	7.72
More than 10 years	6.32	6.45	6.59	5.74	5.84	5.96
Total	6.09	6.17	6.42	6.33	6.34	6.39
Lending rate						
less than or equal to 1 month	5.04	5.22	5.05	5.27	4.1	4.29
more than 1 month and less than or equal to 3 months	5.04	5.52	5.2	5.06	5	4.45
more than 3 months and less than or equal to 6 months	4.6	4.88	4.73	4.8	4.63	4.64
more than 6 months and less than or equal to 1 year	4.69	4.77	4.73	4.72	4.77	4.7
more than 1 year and less than or equal to 2 years	4.35	4.68	4.8	4.69	4.54	4.51
more than 2 years and less than or equal to 5 years	5.54	5.21	5.12	5.01	5.2	5.17
more than 5 years and less than or equal to 10 years						
Not determined	5.92	5.3	5.39	5.3	5.18	5.45
Total	5.01	5.1	4.98	4.98	4.82	4.67

Source: BCEAO

4.2.2 Microfinance

According to the Direction of Regulation and Supervision of Decentralized Financial Systems (DRSSFD), at the end of December 2021, Côte d'Ivoire has 46 decentralized Financial companies.

In Côte d'Ivoire, the number of members or clients rose from 2.1 million as of December 31, 2020 to 4.1 million as of December 31, 2021, an increase of 95.2%. The outstanding deposits of microfinance institutions rose from CFAF 353.3 billion on December 31, 2020 to CFAF 440.8 billion on December 31, 2021, an increase of 24.7%.

The outstanding loans held by the SFDs amounted to CFAF 322.53 billion as of 31 December 2020 against CFAF 445.8 billion as of 31 December 2021, i.e., 15.8%.

The sector's equity amounted to CFAF 45.6 billion as of 31 December 2021 against CFAF 48.0 billion as of 31 December 2020. This represents a decrease of 5% compared to an increase of 14% recorded last year at the same period.

Table 26.

Key figures of the microfinance sector in Côte d'Ivoire as of 31 December 2021

Total number of SFDs	46
Amount of deposits	481 394
Outstanding loans	491 138
Amount of overdue receivables	51 714
Portfolio decay rate	10.5%

Source: BCEAO

4.2.3 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 the UMOA-Titres (WAMU Securities Agency), 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

Regional Stocks 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.

The dynamic recovery of activities within the region during the year 2021 brought a new lease of life to the sub-regional stock market, putting an end to several years of underperformance. To this end, during the 2021 trading year, the BRVM composite index rose from 145.4 points on 31/12/2020 to 202.3 points on 31/12/2021. The market capitalization of the equity market increased from FCFA 4,368 billion at the end of 2020 to FCFA 6,085 billion at the end of 2021, i.e., an increase of 39%.

As regards the market capitalization of bonds, it stood at FCFA 7 247 billion as of 31 December 2021 against FCFA 6 051 billion the previous year, an increase of 20%. This increase is the result of the continuity of the efforts of the States in the support of their respective economies in a context strongly marked previously by the consequences at the world level of the pandemic of COVID-19.

Over the period 2015-2020, the underperformance of the WAEMU stock market (BRVM) showed that the regional market had not fully resisted the general downward movement that gripped the world's financial markets. The decline in 2018 of the BRVM was particularly marked. The preferred stocks in 2015, which were oriented towards the agri-food and beverage, agro-industry, consumer, automotive and equipment sectors, and banks, fell.

The fall in prices on the 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 has 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 listed companies have not reacted to the fall in their capitalization.

The year 2020 negatively impacted the BRVM, as it did 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 the 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.

Table 27. BRVM financial market trends

	2015	2016	2017	2018	2019	2020	2021
BRVM 10 Indexes	290	262	220	154	149	131	154
BRVM composite Indexes	304	292	243	172	159	145	202
Composite market capitalization (stocks and bonds) in billions of CFA francs	9 079	10 216	9 806	8 274	8 973	10 419	13 332
Equity Market	7 500	7 706	6 836	4 845	4 741	4 368	6 085
Bond market	1 579	2 509	2 970	3 430	4 233	6 051	7 247
Number of listed companies	39	43	45	45	46	46	46

Source: BRVM

Stock market

The number of companies listed on the BRVM stood at 46 in 2021, including 35 Ivorian companies. The stock market closed at the end of December 2021 rise for its two reference indices (BRVM 10 and BRVM composite) by (17.29%) and (-39.15%) respectively.

The two tables below describe the evolution of the market capitalizations of the 35 Ivorian companies listed on the BRVM. Société Générale de Banques de Côte d'Ivoire, Ecobank Côte d'Ivoire and SO-LIBRA Côte d'Ivoire were among the highest capitalizations in 2021. SGBCI and ECOBANK CI had a market capitalization of CFAF 330 billion and CFAF 263 billion.

Table 28. Market capitalization of listed Ivorian companies

Market capitalization (in billions of CFAF)	2017	2018	2019	2020	2021
AGRICULTURE					
PALM COTE D'IVOIRE	85	29	28	35	108
SUCRIVOIRE COTE D'IVOIRE	22	19	12	10	19
SICOR COTE D'IVOIRE	2	2	2	1	3
SOGB COTE D'IVOIRE	91	49	56	51	108
SAPH COTE D'IVOIRE	79	94	33	36	133
DISTRIBUTION					
SERVAIR ABIDJAN COTE D'IVOIRE	22	13	14	14	19
BERNABE COTE D'IVOIRE	21	16	5	4	14
CFAO MOTORS COTE D'IVOIRE	72	116	79	65	216
TRACTAFRIC MOTORS COTE D'IVOIRE	2955	1270	28	22	43
VIVO ENERGY COTE D'IVOIRE	57	60	50	38	54
TOTAL COTE D'IVOIRE	875	85	107	100	132
FINANCES					
BICI COTE D'IVOIRE	142	132	113	111	123
BANK OF AFRICA COTE D'IVOIRE	98	84	80	74	106
ECOBANK COTE D'IVOIRE	1634	233	220	214	263
NSIA BANK COTE D'IVOIRE	224	139	150	139	143
SAFCA COTE D'IVOIRE	89	43	3	2	7

SOCIETE GENERALE COTE D'IVOIRE	359	230	240	252	330
INDUSTRY					
SICABLE COTE D'IVOIRE	7	6	4	6	6
FILTISAC COTE D'IVOIRE	278	30	24	23	24
NEI-CEDA COTE D'IVOIRE	24	2	2	3	8
NESTLE COTE D'IVOIRE	42	22	9	7	102
CROWN SIEM COTE D'IVOIRE	350	8	3	5	19
AIR LIQUIDE COTE D'IVOIRE	3	5	2	2	8
SOLIBRA COTE D'IVOIRE	206	92	74	84	257
SMB COTE D'IVOIRE	59	152	19	24	54
SITAB COTE D'IVOIRE	1293	33	11	10	111
TRITURAF Ste en Liquid	1	1	1	1	1
UNILEVER COTE D'IVOIRE	78	58	23	7	45
UNIWAX COTE D'IVOIRE	89	42	36	21	42
UTILITIES					
CIE COTE D'IVOIRE	118	81	90	84	106
SODE COTE D'IVOIRE	53	35	25	27	39
TRANSPORT					
BOLLORE TRANSPORT & LOGISTICS COTE D'IVOIRE	272	109	82	84	140
MOVIS COTE D'IVOIRE	3	2	2	2	2
OTHER					
SETAO COTE D'IVOIRE	2	2	3	4	10

Source : BRVM

Bond market

Côte d'Ivoire uses the market by syndication and auction. The Ivorian government has issued bonds by auction that are eligible for refinancing by the BCEAO at its traditional windows. In 2021, the Ivorian government in the fight against the economic and social crisis linked to the COVID-19 pandemic, issued recovery bonds.

Auctioned issues via UMOA-Titres and the BCEAO have advantages: they are eligible for the BCEAO portfolio, they are included in the basis for bank assets, and they are treated favorably in terms of prudential rules. On the other hand, for issues by public offering via the CREPMF, issuance and transaction costs are often high (as this implies using an investment syndicate composed of Management and Intermediation Companies).

Table 29.

Table of bond issues in Côte d'Ivoire (Syndication and private)

a) Syndication

2015	2016	2017	2018	2019	2020	2021
TPCI 5.99% 2015-2025 133 269 Million CFAF	TPCI 6 % 2016-2028 125 475 Million CFAF	TPCI 6% 2017-2029 137 056 Million CFAF	TPCI 6% 2018-2026 164 641 Million CFAF	TPCI 5.75% 2019-2026 102 481 Million CFAF	TPCI 5.75% 2020-2027 129 433 Million CFAF	TPCI 5.8% 2020-2027 112 051 Million CFAF
TPCI 5.85% 2015-2022 156 993 Million CFAF	TPCI 5.9% 2016-2026 159 793 Million CFAF	TPCI 5.95% 2017-2024 145 337 Million CFAF	TPCI 6% 2018-2026 130 253 Million CFAF	TPCI 6% 2019-2029 31 533 Million CFAF	TPCI 5.75% 2020-2027 86 403 Million CFAF	TPCI 5.9% 2020-2027 50 423 Million CFAF
TPCI 5.75% 2015-2022 150 000 Million CFAF	TPCI 5.5% 2016-2023 160 000 Million CFAF	TPCI 5.75% 2017-2024 153 331 Million CFAF	TPCI 6% 2018-2026 130 253 Million CFAF	TPCI 6% 2019-2026 78 822 Million CFAF	TPCI 5.8% 2020-2030 37 806 Million CFAF	TPCI 5.9% 2020-2028 110 000 Million CFAF
	TPCI 5.9% 2016-2026 141 981 Million CFAF	TPCI 6% 2017-2025 65 661 Million CFAF	TPCI 5.75% 2018-2025 112 561 Million CFAF	TPCI 6% 2019-2026 78 822 Million CFAF	TPCI 5.9% 2020-2030 56 114 Million CFAF	TPCI 5.9% 2020-2031 55 000 Million CFAF
				TPCI 5.75% 2019-2026 47 000 Million CFAF	TPCI 5.8% 2020-2030 61 711 Million CFAF	TPCI 5.8% 2020-2028 143 000 Million CFAF
				TPCI 5.75% 2019-2026 116 673 Million CFAF	TPCI 5.8% 2020-2027 34 639 Million CFAF	TPCI 5.9% 2020-2031 22 000 Million CFAF
				TPCI 5.75% 2019-2026 79 966 Million CFAF	TPCI 5.9% 2020-2030 31 043 Million CFAF	TPCI 5.9% 2020-2031 22 000 Million CFAF
				TPCI 5.75% 2019-2026 79 966 Million CFAF	TPCI 5.8% 2020-2027 65 391 Million CFAF	TPCI 5.8% 2020-2028 55 000 Million CFAF
				TPCI 5.75% 2019-2026 111 512 Million CFAF	TPCI 5.9% 2020-2030 28 176 Million CFAF	TPCI 5.8% 2020-2031 117 000 Million CFAF
					TPCI 5.9% 2020-2027 93 128 Million CFAF	TPCI 5.9% 2020-2031 117 000 Million CFAF
					TPCI 5.9% 2020-2027 43 627 Million CFAF	TPCI 5.9% 2020-2031 165 000 Million CFAF
					TPCI 5.9% 2020-2030 48 773 Million CFAF	
					TPCI 5.8% 2020-2030 98 906 Million CFAF	
					TPCI 5.8% 2020-2027 96 794 Million CFAF	
					TPCI 5.8% 2020-2027 96 794 Million CFAF	
					TPCI 5.9% 2020-2027 54 878 Million CFAF	

					TPCI 5.9% 2020-2027 50 950 Million CFAF	
					TPCI 5.8% 2020-2027 81 234 Million CFAF	
					TPCI 5.8% 2020-2027 41 239 Million CFAF	

b) Private

2015	2016	2017	2018	2019	2020	2021
ALIOS FINANCE 6.9 % 2015-2022 6 000 Million CFAF		ALIOS FINANCE 6.99% 2017-2024 2 200 Million CFAF	Alios Finance CI 6.95% 2018-2023 10 000 Million CFAF			
MATRANCI 7.25 % 2015-2019			SIB 7.5% 2012-2025 10 000 Million CFAF			
500 Million CFAF						
DEKELOIL 6.85 % 2016-2023 5 500 Million CFAF						

Table 30. Table of bond issues by auction in Côte d'Ivoire

2015	2016	2017	2019	2020	2021
Treasury of Côte d'Ivoire 5.99% 2015-2025 110 000 Million CFAF	Treasury of Côte d'Ivoire 5.25% 2016-2022 69 200 Million CFAF	Treasury of Côte d'Ivoire 5.6% 2017-2020 15 000 Million CFAF	Treasury of Côte d'Ivoire 5.8% 2019-2024 31 500 Million CFAF	Treasury of Côte d'Ivoire 5.75% 2020-2023 29 850 Million CFAF	Treasury of Côte d'Ivoire 5.5% 2020-2024 46 500 Million CFAF
Treasury of Côte d'Ivoire 5.85% 2015-2022 110 000 Million CFAF	Treasury of Côte d'Ivoire 5% 2016-2019 60 800 Million CFAF	Treasury of Côte d'Ivoire 5.6% 2017-2020 14 040 Million CFAF	Treasury of Côte d'Ivoire 6% 2019-2024 40 985 Million CFAF	Treasury of Côte d'Ivoire 5.75% 2020-2023 37 700 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2024 38 800 Million CFAF
	Treasury of Côte d'Ivoire 5% 2016-2019 82 500 Million CFAF	Treasury of Côte d'Ivoire 5.7% 2017-2020 110 000 Million CFAF	Treasury of Côte d'Ivoire 6% 2019-2022 116 248 Million CFAF	Treasury of Côte d'Ivoire 5.85% 2020-2025 37 500 Million CFAF	Treasury of Côte d'Ivoire OdR 5.6% 2020-2026 7 000 Million CFAF
	Treasury of Côte d'Ivoire 5.5% 2016-2021 54 255 Million CFAF	Treasury of Côte d'Ivoire 5.7% 2017-2020 37 930 Million CFAF	Treasury of Côte d'Ivoire 5.7% 2019-2022 25 488 Million CFAF	Treasury of Côte d'Ivoire 5.75% 2020-2023 40 000 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2024 43 000 Million CFAF
	Treasury of Côte d'Ivoire 5.7% 2016-2023 40 502 Million CFAF	Treasury of Côte d'Ivoire 5.85% 2017-2022 9 406 Million CFAF	Treasury of Côte d'Ivoire 5.7% 2019-2022 26 202 Million CFAF	Treasury of Côte d'Ivoire 5.85% 2020-2025 11 050 Million CFAF	Treasury of Côte d'Ivoire OdR 5.6% 2020-2026 21 220 Million CFAF
	Treasury of Côte d'Ivoire 5.45% 2016-2021 142 000 Million CFAF	Treasury of Côte d'Ivoire 5.85% 2017-2022 5 378 Million CFAF	Treasury of Côte d'Ivoire 5.7% 2019-2022 27 500 Million CFAF	Treasury of Côte d'Ivoire 5.85% 2020-2025 17 000 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2024 33 000 Million CFAF
		Treasury of Côte d'Ivoire 6.1% 2017-2027 2 109 Million CFAF	Treasury of Côte d'Ivoire 5.7% 2019-2022 42 873 Million CFAF	Treasury of Côte d'Ivoire 5.75% 2020-2023 22 250 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2024 45 000 Million CFAF
		Treasury of Côte d'Ivoire 5.75% 2017-2022 30 000 Million CFAF	Treasury of Côte d'Ivoire 5.9% 2019-2022 126 601 Million CFAF	Treasury of Côte d'Ivoire 5.85% 2020-2023 13 000 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2024 45 000 Million CFAF
			Treasury of Côte d'Ivoire 6% 2019-2024 38 399 Million CFAF	Treasury of Côte d'Ivoire 5.85% 2020-2025 13 000 Million CFAF	Treasury of Côte d'Ivoire OdR 5.7% 2020-2028 19 957 Million CFAF

			Treasury of Côte d'Ivoire 5.75% 2019-2023 29 850 Million CFAF	Treasury of Côte d'Ivoire 5.95% 2020-2027 7 000 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2028 34 393 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 16 700 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2024 38 500 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 28 100 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2031 33 250 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 144 327 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2031 33 250 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 16 700 Million CFAF	Treasury of Côte d'Ivoire OdR 5.85% 2020-2026 38 250 Million CFAF
				Treasury of Côte d'Ivoire 5.85% 2020-2025 83 424 Million CFAF	Treasury of Côte d'Ivoire OdR 5.6% 2020-2024 45 075 Million CFAF
				Treasury of Côte d'Ivoire 5.85% 2020-2025 83 424 Million CFAF	Treasury of Côte d'Ivoire OdR 5.6% 2020-2026 27 200 Million CFAF
				Treasury of Côte d'Ivoire 5.95% 2020-2027 15 106 Million CFAF	Treasury of Côte d'Ivoire OdR 5.9% 2020-2033 11 300 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 20 101 Million CFAF	Treasury of Côte d'Ivoire OdR 5.6% 2020-2026 32 438 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 20 101 Million CFAF	Treasury of Côte d'Ivoire OdR 5.7% 2020-2028 5 100 Million CFAF
				Treasury of Côte d'Ivoire 5.85% 2020-2025 31 300 Million CFAF	Treasury of Côte d'Ivoire OdR 5.7% 2020-2028 5 100 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2025 34 700 Million CFAF	Treasury of Côte d'Ivoire OdR 5.5% 2020-2024 24 000 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 45 350 Million CFAF	Treasury of Côte d'Ivoire OdR 5.6% 2020-2026 42 000 Million CFAF
				Treasury of Côte d'Ivoire 5.85% 2020-2023 15 150 Million CFAF	Treasury of Côte d'Ivoire OdR 5.7% 2020-2028 40 000 Million CFAF
				Treasury of Côte d'Ivoire 5.75% 2020-2023 33 000 Million CFAF	Treasury of Côte d'Ivoire OdR 5.6% 2020-2026 26 000 Million CFAF
				Treasury of Côte d'Ivoire 5.6% 2020-2025 32 000 Million CFAF	Treasury of Côte d'Ivoire OdR 5.85% 2020-2031 33 000 Million CFAF

				Treasury of Côte d'Ivoire 5.7% 2020-2027 20 000 Million CFAF	
				Treasury of Côte d'Ivoire 5.85% 2020-2027 3 000 Million CFAF	

Source: UMOA-Titres

4.2.4 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 contracts by auction

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

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-UMOA²³;
- 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 (WAMU Securities Agency), the regional agency in charge of issuing and managing public debt securities, physically organizes issues and aids member States in mobilizing re-

sources on the capital markets and managing their debt.

- Investors, which are credit institutions, MFIs (Micro Financing Institution), and regional financial organizations with a settlement account in the books of the Central Bank²⁴ ;
- Primary dealers (SVTs), which are credit institutions and SGLs 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 market²⁵.

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

Organization of the syndication markets and subscription amounts

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public pole made up of the Regional Council for Public Savings and Financial Markets (CREPMF) and a private pole comprising, on the one hand, central agencies such as the Regional Stocks Exchange (BRVM) 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.

²³ Automated Securities and Liquidity Management System of the West African Monetary Union.

²⁴ All other investors wishing to participate will have to go through the approved stakeholders.

²⁵ The operationalization of primary dealers within WAEMU started on March 1, 2016.

- 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 (DC/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 oversees 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.

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.

The inflation rate in Côte d'Ivoire is expected to reach 4.6% in 2022 after 4.2% in 2021. The rate in the zone is expected to be around 4.9% in 2022, compared with 3.6% in 2021, according to the latest WAMU monetary policy report.

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

Inflation	2016	2017	2018	2019	2020	2021	2022
							Projection
Côte D'Ivoire	0.7	0.4	0.6	0.8	2.4	4.2	4.6
WAEMU	0.3	1.1	1.2	-0.7	2.1	3.6	4.9

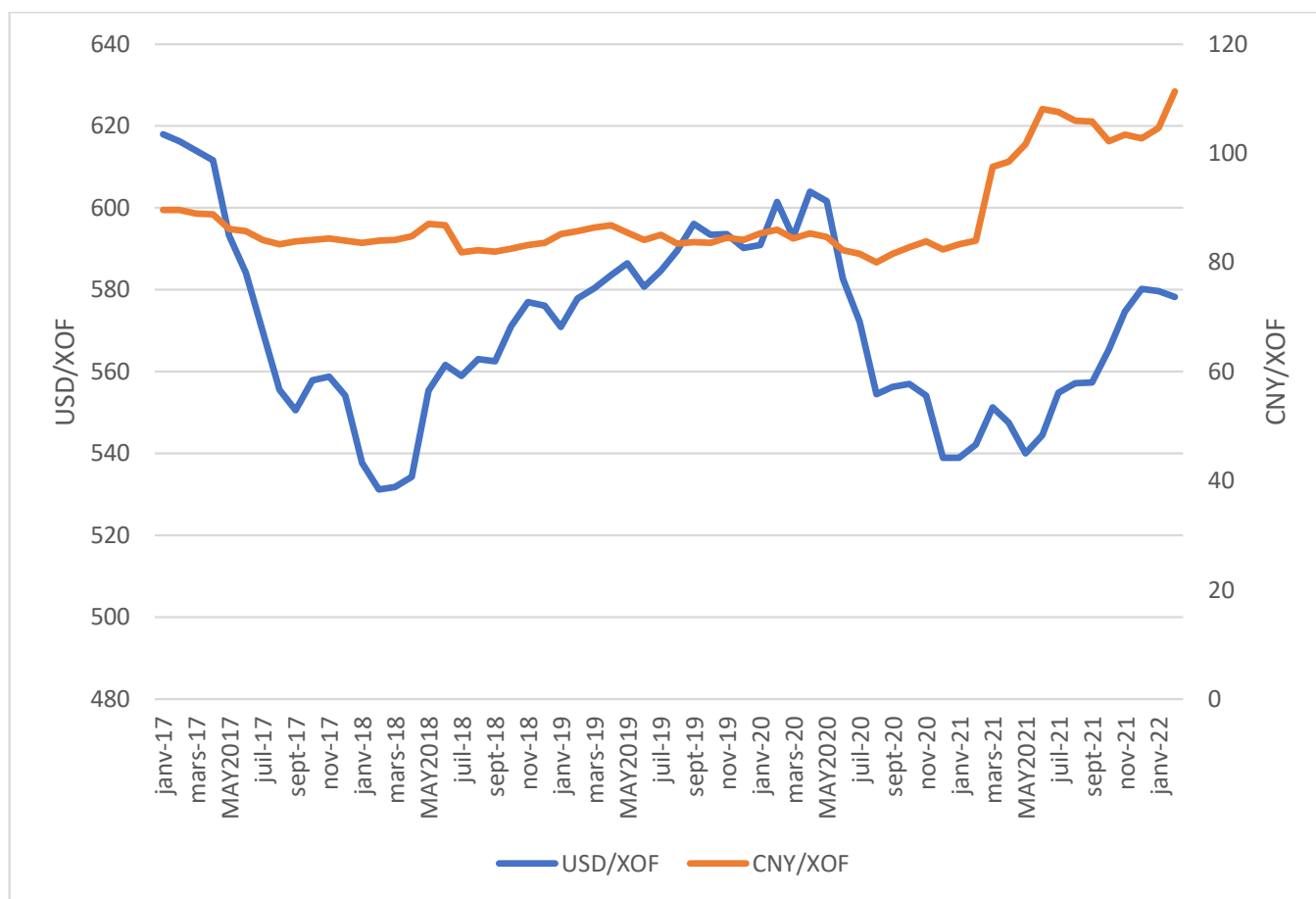
Source: BCEAO, IMF

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

As an annual average, the dollar/CFAF exchange rate declined between 2017 and 2021 from 1 dollar for 593.00 CFAF in 2016 to 1 dollar for 554.53 CFAF in 2021. As for the exchange rate between the Chinese Yuan and the CFA franc, it rose from 1 CNY for 89.26 CFAF in 2016 to 1 CNY for 100.09 CFAF in 2021.

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 32. External reserves of Côte d'Ivoire

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

Source: IMF

5.1 Balance of payments

Côte d'Ivoire's current account balance is structurally in deficit over the period 2016-2020. For the year 2020, the deficit worsened by CFAF 346.1 billion, from CFAF -790.3 billion in 2019 to CFAF -1 136.4 billion in 2020, for structural reasons but also in connection with the negative effects of the Covid-19 health pandemic. According to BCEAO statistics, it should reach CFAF -1 223 billion in 2021 and CFAF 1 384.4 billion in 2022. 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 -1 062.8 billion in 2020. It should reach CFAF -1 146.9 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 sub-review. 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 of the Ivorian economy in its foreign trade came to CFAF -1 036 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 409.6 billion in foreign direct investment (FDI) in 2020.

The financial account, under the BCEAO optical presentation, shows a negative balance of CFAF²⁶ 1 641.7 billion in 2020, 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 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 23.8 billion in 2020 despite the context of the Covid-19 pandemic. They are estimated at CFAF -494.9 billion in 2021.

²⁶ 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 33. Côte d'Ivoire's balance of payments

In billions of CFAF	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Real	Real	Est.	Est.	Proj.
Current account	-245.5	-609.2	-1 153.9	-790.3	-1 136.4	-1 223.0	-1 384.4
Goods and services	638.3	584.7	60.2	533.2	329.0	343.6	341.2
Balance of Goods	1 817.8	1 959.3	1 363.7	1 846.4	1 716.5	1 853.9	2 158.2
Exports of goods (FOB)	6 449.3	6 899.6	6 619.6	7 399.2	7 194.8	8 409.1	9 503.7
Of which : Cocoa beans	1 818.4	2 056.9	1 801.7	2 094.9	2 085.5	2 287.1	2 567.9
Of which : Oil	867.8	805.7	951.6	1 201.7	597.9	946.6	1 127.3
Imports of goods (FOB)	-4 631.5	-4 940.3	-5 255.9	-5 552.8	-5 478.3	-6 555.2	-7 345.6
Of which : Petroleum products (CIF)	-871.6	-925.2	-1 317.9	-1 315.3	-1 184.8	-1 730.1	-2 077.2
Balance of services	-1 179.5	-1 374.6	-1 303.4	-1 313.2	-1 387.5	-1 510.3	-1 816.9
Primary income	-637.8	-893.7	-904.9	-985.8	-1 062.8	-1 146.9	-1 274.2
Secondary income	-246.1	-300.1	-309.2	-337.8	-402.6	-419.8	-451.4
Capital Account	110.9	111.8	84.7	105.2	100.4	160.3	162.4
Capital transfers	110.9	111.8	87.8	107.5	101.4	160.3	162.4
Current and capital account balances	-134.6	-497.4	-1 069.2	-685.0	-1 036.0	-1 062.7	-1 222.0
Financial account	-87.4	-496.6	-1 356.2	-1 164.2	-1 641.7	-2 077.2	-1 766.7
Direct investment	-325.5	-173.6	-264.2	-433.4	-409.6	-494.9	-575.3
Net errors and omissions	-5.8	-2.9	-2.5	-1.5	1.3	0.0	0.0
Overall balance	-53.1	-3.7	284.5	477.7	607.0	1 014.5	544.8

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 different spaces. Indeed, the regional negotiating space is articulated around the following elements:

- The finalization of the Common External Tariff (CET) at ECOWAS level, and thus the constitution of a Customs Union.
- A bilateral negotiation area, notably between the West African region and the EU, concerning the EPA.
- A multilateral negotiating area, which refers to the rules of the WTO, of which all West African

states are members (with the exception of Liberia, which has observer status). It should be noted that each country negotiates individually and that UEMOA and ECOWAS only have ad hoc observer status in the WTO Trade and Development Committee.

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

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

safeguard and protection measures (degressive protection tax (DPT), short-term export tax (TCI), 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 consider other business needs.

The needs and priorities were identified based on 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 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 (CD), the statistical fee (SF) and the ECOWAS community levy (CL 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 Organi-

zation'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 years²⁷.
- 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 GSP on everything except arms; which gives them access to the European market for all their exports to the EU without duty or quota.

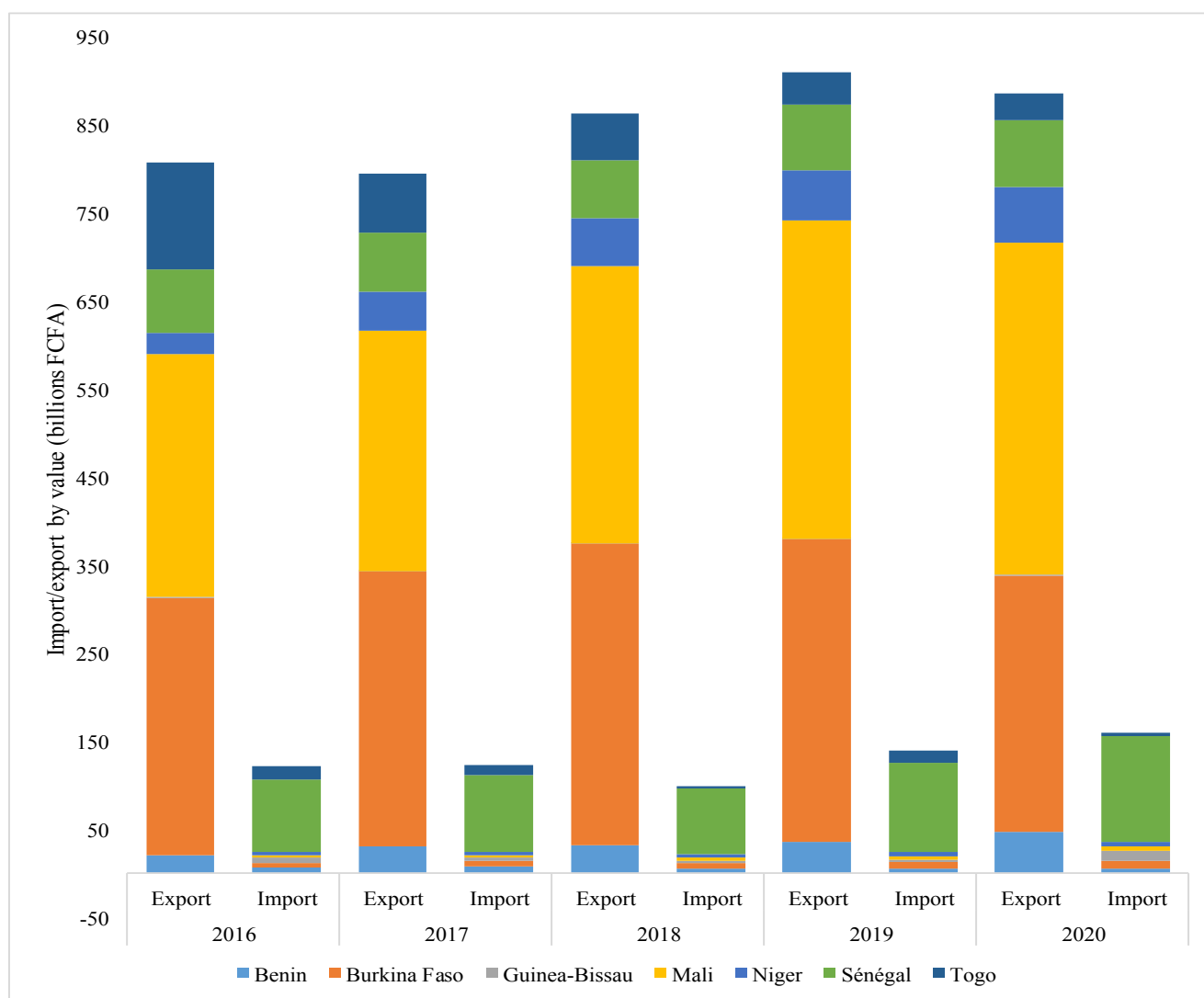
5.2.2 Regional trade by value

The evolution of Côte d'Ivoire's regional trade within the WAEMU between 2016 and 2020 shows a structural trade balance surplus. Over this period. Côte d'Ivoire exported an average of CFAF 853 billion against an average value of CFAF 128.7 billion for imports. The main export destinations in the WAEMU are Burkina Faso and Mali, respectively, for CFAF 316.5 billion and CFAF 320.6 billion.

Côte d'Ivoire's imports from other WAEMU countries increased from CFAF 122.1 billion in 2016 to CFAF 159.8 billion in 2020, with an average value of CFAF 128.7 billion over the 2016-2020 period. The main supplier for imports within the WAEMU is by far Senegal with an average value of CFAF 93.5 billion over the period under review.

²⁷ Over 11 years (2019-2029) currently for Côte d'Ivoire.

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



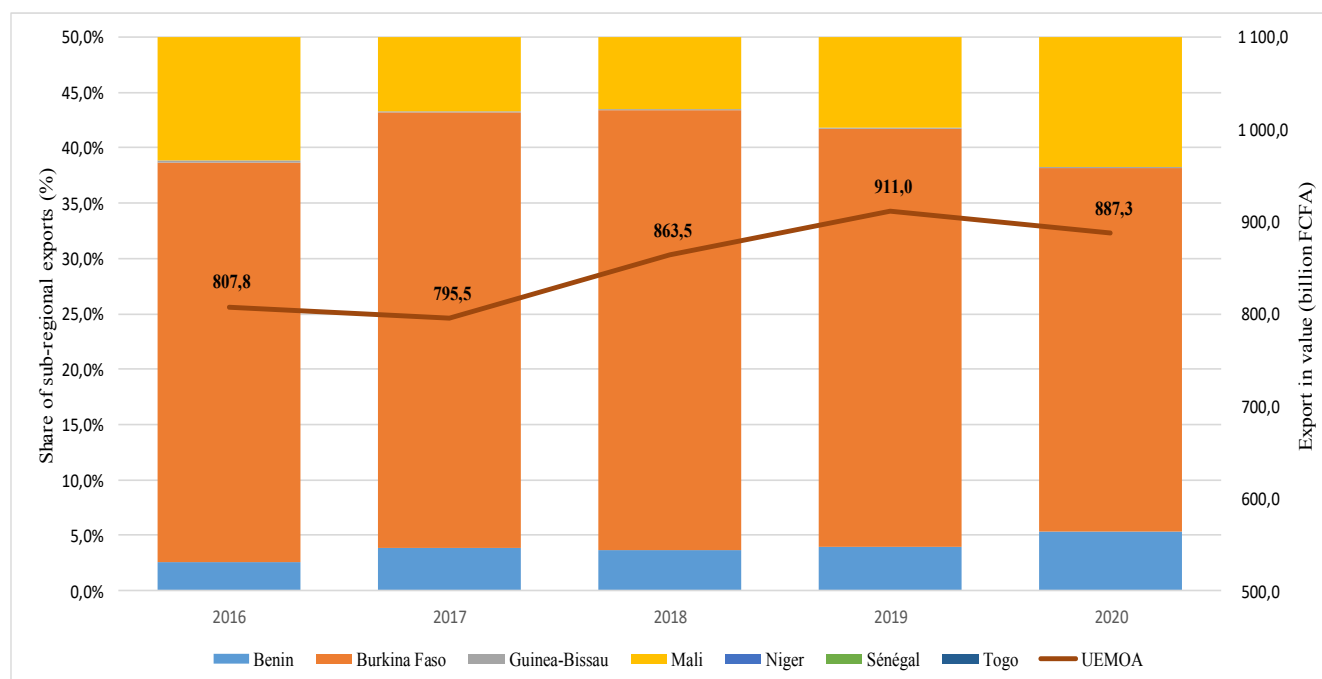
Source: BCEAO

5.2.3 Regional exchanges by partner

The trend in exports from Côte d'Ivoire to WAEMU countries over the period is upward but marked by two declines in 2017 and 2020. The main export

customers within WAEMU are Burkina Faso (37.1%) and Mali (37.6%), followed by Senegal (8.3%), Togo (7.2%), Niger (5.7%), Benin (3.9%) and Guinea-Bissau (0.1%).

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

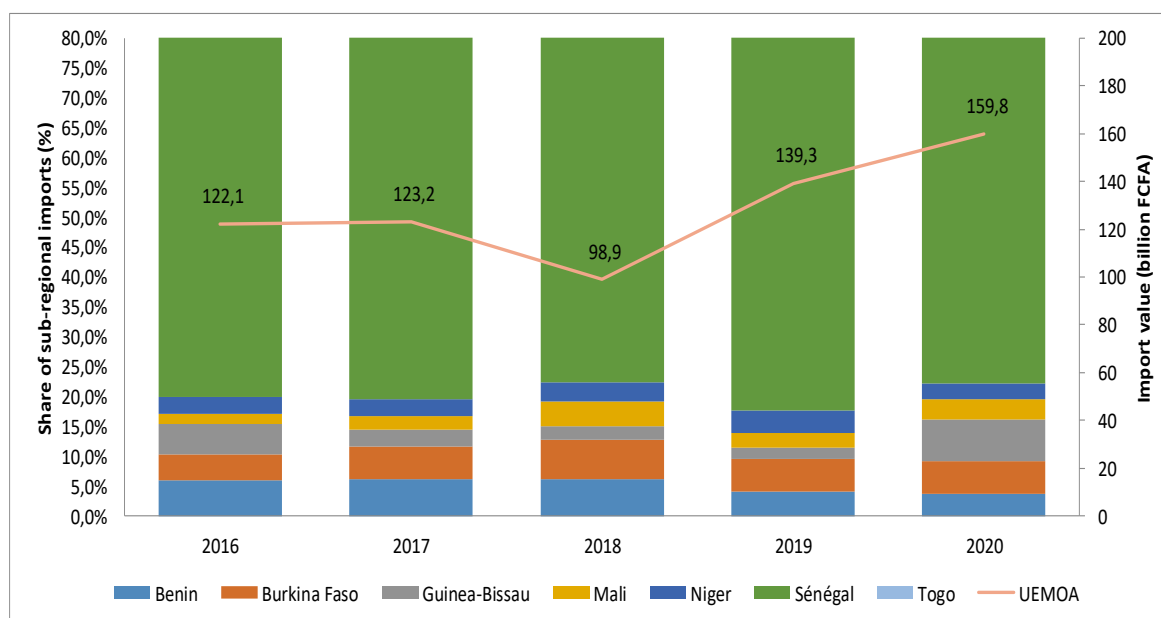


Source: BCEAO

Imports from other WAEMU countries have an ascending phase over the period 2016-2020, but a significant decline is observed in 2018. The main supplier from the WAEMU in 2020 is Senegal (72.6

percent), followed by Togo (7.1 percent), Burkina Faso (5.5 percent), Benin (5.2 percent), Guinea-Bissau (3.8 percent), Niger (3.1 percent), and Mali (2.8 percent).

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



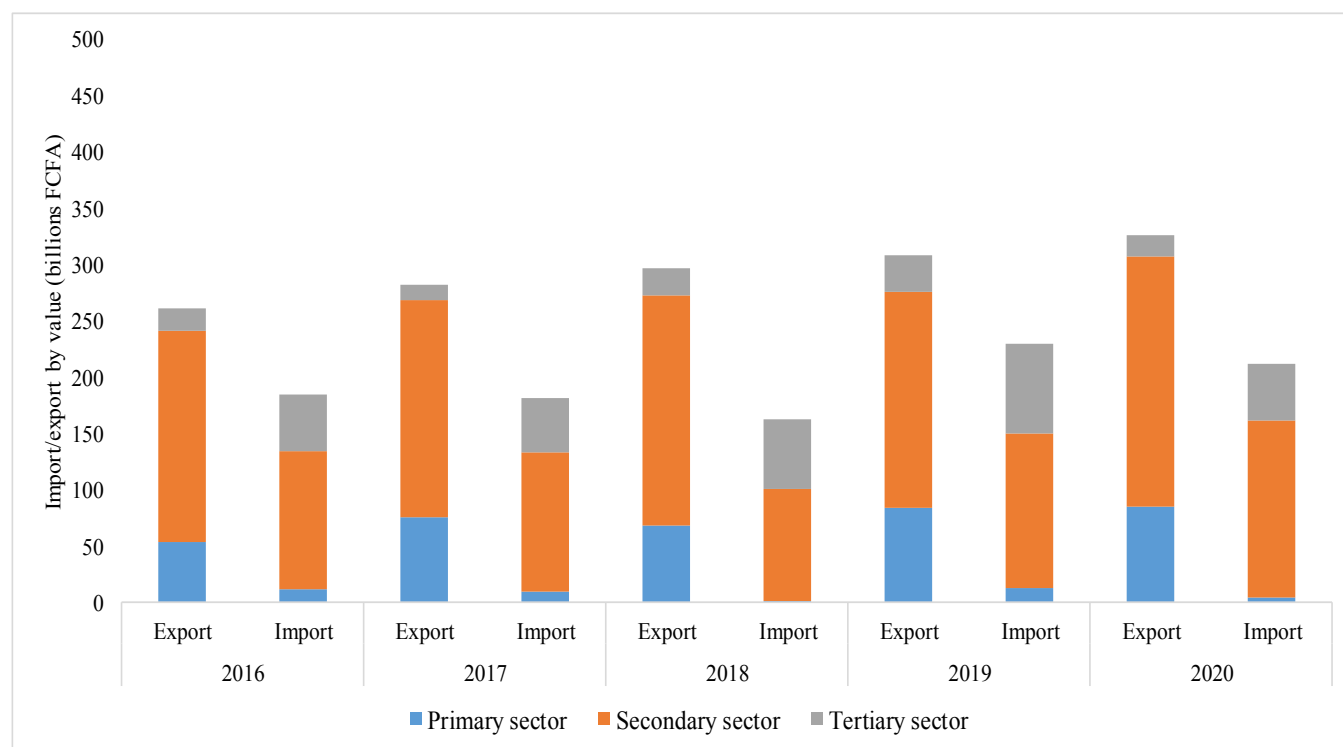
Source: BCEAO

5.2.4 Regional trade by type

Regional trade by product type from Côte d'Ivoire with other WAEMU countries over the period 2016-2020 is dominated, in terms of exports and imports, by secondary sector products. Intra-community exports are mainly petroleum products (for CFAF 227.6 billion in 2020), palm oil (for CFAF 101.3 billion) and

plastics (for CFAF 60.1 billion). In contrast, it imports more food products at the regional level, particularly fish (CFAF 98.1 billion in 2020). Trade in services has a relatively modest weight compared to the two sectors.

Figure 8. Regional trade by sector



Source: BCEAO and WAEMU

5.3 International trade

5.3.1 Commercial policy

In view of its economic potential, 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, to provide employment for Ivorians not only in agriculture, which is already heavily export-oriented, but also in agro-industrial processing and service industries²⁸.

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 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.

Regarding 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 "steppingstone Economic Partnership Agreement (EPA)" with the European Union in Abidjan on 26 November 2008, notified to the WTO on 11 December

²⁸ This section draws heavily on the Trade Policy Review of WAEMU countries (WTO, 2017).

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 agreements²⁹. 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 AGOA³⁰.

5.3.2 International trade by value and by destination

The evolution of trade by zone over the period 2016-2020 shows a continuation of the trends observed previously: the continuation of exports to Europe and a breakthrough in Asia. Indeed, over the sub-period, exports to Europe rose from CFAF 3 038.9 billion in 2016 to CFAF 3 200.9 billion in 2020, an average share of 45.0%. Exports to Asia, on the other hand, increased from CFAF 874.2 billion to CFAF 1 488.8 billion from 2016 to 2020 (i.e., from 13.6% in 2016 to 20.8% in 2020 an increase of 7.2 points), driven mainly by exports to China, which increased annually by 56.9% over the same period. Nevertheless, in terms of market share, Africa ranks second after Europe with an average share of 23.3% over the period, ahead of Asia (18.5%) and America (11.9%).

Table 34. Breakdown of exports by country

In billions of CFAF	2016	2017	2018	2019	2020
Europe	3 038.9	3 119.0	2 773.2	3 308.2	3 200.9
European Union	2 644.8	2 731.2	2 429.4	2 827.4	2 574.3
Euro zone	2 384.5	2 437.2	2 172.5	2 524.8	2 261.0
France	371.0	406.1	380.2	460.5	392.1
Germany	324.4	358.4	417.3	346.4	314.9
Italy	174.1	155.0	134.5	128.6	127.6
Netherlands	744.9	874.2	748.0	795.5	715.1
Belgium	393.7	348.9	238.5	314.3	366.6
Other EU countries	654.4	681.8	600.7	783.5	939.9
United Kingdom	192.6	203.8	156.3	191.6	219.9
Switzerland	295,2	272,2	237,5	350,4	462.6
Africa	1 623.0	1 561.4	1 537.6	1 665.8	1 626.2
Burkina	291.7	312.4	343.1	344.1	291.3
Mali	276.4	272.4	315.3	361.8	376.9
Nigeria	113.9	85.9	117.4	180.0	126.6
Ghana	258.8	260.0	161.4	171.6	136.0
South Africa	190.2	227.3	191.3	235.3	308.8
America	838.0	923.7	839.7	795.1	687.9
USA	569.1	690.5	598.0	450.1	480.1
Canada	141.1	117.9	145.1	208.5	130.4
Asia	874.2	1 200.8	1 303.4	1 478.9	1 488.8
China	43.4	66.1	98.7	216.5	262.8
India	220.3	191.8	288.8	270.9	147.0
TOTAL EXPORT	6 427.1	6 872.9	6 552.6	7 347.0	7 140.7

Source: BCEAO

²⁹ See the Report on the Trade Policy Review of WAEMU Countries (WTO, 2017).

³⁰ 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.

In terms of imports, Europe is still in first place, providing an average of 35.8% of Côte d'Ivoire's supplies over the period 2016-2020, including 31.2% for the European Union and 26.9% for the Euro Zone.

Asia is in second place over the same period, with an average share of 32.8%, followed by Africa (22.8%) and America (7.5%).

Table 35. Breakdown of imports by country

In billions of CFAF	2016	2017	2018	2019	2020
Europe	1 845.3	2 050.5	2 042.5	2 047.2	2 172.4
European Union	1 657.0	1 785.9	1 760.0	1 825.4	1 811.6
EURO ZONE	1 454.3	1 582.8	1 549.0	1 456.1	1 574.5
France	648.9	632.4	624.3	646.4	666.5
Germany	159.8	182.2	172.7	159.0	174.1
Italy	120.1	121.8	130.6	129.3	163.5
Netherlands	130.1	179.8	212.8	168.7	173.4
Belgium	127.5	153.6	125.6	90.6	120.9
Other EU countries	390.9	467.8	493.6	591.1	597.9
United Kingdom	123.0	91.7	111.5	85.8	94.5
Africa	1 083.0	1 151.2	1 391.3	1 413.7	1 485.3
Senegal	83.0	87.6	74.5	100.9	121.4
Nigeria	579.8	622.3	839.9	826.3	860.8
Ghana	39.3	51.3	55.1	67.6	96.2
South Africa	66.9	61.9	67.1	61.2	61.1
Morocco	106.1	103.1	85.2	113.0	133.9
America	365.9	334.3	471.2	523.8	453.9
USA	185.9	215.6	192.6	304.2	240.5
Asia	1 750.9	1 738.6	1 951.8	2 000.3	1 885.6
China	826.9	762.5	911.9	1052.5	905.5
Japan	118.7	122.1	117.5	90.3	106.1
India	229.2	261.9	268.9	257.9	304.4
Pakistan	35.1	24.2	27.5	30.1	19.2
Thailand	156.3	153.9	140.9	70.8	67.6
Other's countries	33.6	40.7	56.4	126.8	43.2
TOTAL IMPORTS	5 078.6	5 315.4	5 913.1	6 111.8	6 040.3

Source: BCEAO

5.3.3 International trade in value and by product

Over the period 2016-2020, Côte d'Ivoire's exports are dominated by seven (7) products. These are mainly cocoa beans (29.6%), processed cocoa (12.3%), petroleum products (8.4%), non-monetary crude gold (8.3%), cashew nuts (7.4%), rubber (6.8%) and crude oil (5.4%). Between 2016 and 2020, they accounted for an average share of 78.3 percent of total export earnings.

On the import side, there is a preponderance of ten (10) products in Ivorian imports over the period 2016-2020. These products are crude oil (12.8%), mechanical machinery (8.4%), refined petroleum products (7.0%), semi-milled rice (5.9%), fish (5.7%), iron and steel (5.2%), plastics (4.7%), electrical machinery (4.3%), pharmaceuticals (3.7%) and road transport equipment (3.6%). These products account for an average share of 61.2 percent of total imports.

Table 36. International trade by product

In billions of CFAF	2016	2017	2018	2019	2020
EXPORTS					
Cocoa beans	2 099.7	2 056.9	1 801.7	2 094.9	2 085.5
Cashew nuts	427.4	606.5	585.7	428.2	487.7
Rubber	298.8	489.7	419.9	531.9	598.0
Crude oil	322.2	363.2	392.3	528.4	256.4
Gold	447.0	489.9	444.1	631.3	842.2
Processed cocoa	931.1	847.7	730.6	804.8	886.0
Petroleum products	798.3	442.5	559.2	673.3	415.2
Total main exported products	5 324.5	5 296.4	4 933.5	5 692.8	5 571.0
Share (%)	82.3%	82.4%	71.8%	77.5%	78.0%
Total exports ³¹	6 472.6	6 427.1	6 872.9	7 347.0	7 140.7
IMPORTS					
Fish	261.7	320.3	334.6	334.5	359.4
Semi-milled rice	307.2	327.2	383.2	353.3	316.3
Petroleum products	235.4	275.9	256.1	274.8	295.4
Plastics	607.2	471.9	859.8	870.4	825.7
Crude oil	264.4	453.2	458.1	444.9	359.1
Iron, cast iron and steel	252.3	255.1	324.3	334.8	316.5
Mechanical machines	454.3	456.9	468.2	501.5	511.7
Electrical Machines	252.9	192.5	232.4	274.0	262.1
Road transport equipment	170.7	201.2	195.2	211.3	241.0
Pharmaceutical products	204.7	191.8	210.8	212.1	228.0
Total major imports	3 010.8	3 146.0	3 722.7	3 811.6	3 715.2
Share (%)	59.3%	59.2%	63.0%	62.4%	61.5%
Total imports ³²	5 078.6	5 315.4	5 913.1	6 111.8	6 040.3

Source: BCEAO

5.4 Foreign direct investment

5.4.1 FDI by country of origin

According to BCEAO estimates (2022), net foreign direct investment (FDI) flows to Côte d'Ivoire will amount to CFAF 409.6 billion in 2020 (1.2% of GDP), compared with CFAF 433.4 billion in 2019 (1.3%), i.e., a decline of 0.1 percentage point, linked to the negative effects of the Covid-19 pandemic on the economic activity of FDI financing source countries. This decline is attributable to the fall in inflows, which stood at CFAF 410.3 billion compared with CFAF 497.4 billion in 2019.

Traditionally, FDI inflows have come mainly from the European Union (59.1% in 2020), with France dominating (26.0% in the same year), followed by the UK (14.1%). But the source of FDI is increasingly expanding to other countries, particularly in Asia (7.1% for

China and 23.9% for Singapore) and certain African countries (such as Nigeria, with a 7.7% share of FDI received in 2020).

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 these areas respectively. Provisions of the CGI and the Customs Code also govern the advantages or privileges granted to investors. Finally, there are agreements between the State and large investors, usually individuals.

³¹ Total exports excluding exceptional goods (see BCEAO, 2020)

³² Total imports excluding exceptional goods (see BCEAO, 2020).

Table 37. FDI share by country of origin

GEOGRAPHICAL AREAS	2016		2017		2018		2019		2020	
	Value	%	Value	%	Value	%	Value	%	Value	%
Value (in billions of CFAF)										
Europe	221.8	64.8%	266.0	47.0%	195.8	56.8%	184.3	37.1%	144.9	35.3%
European Union	173.1	50.6%	192.2	34.0%	182.1	52.8%	79.8	16.0%	242.3	59.1%
Euro zone	133.0	38.8%	224.4	39.6%	126.7	36.8%	165.6	33.3%	183.5	44.7%
Belgium	38.0	11.1%	73.0	12.9%	-5.8	-1.7%	21.1	4.2%	41.1	10.0%
France	63.8	18.6%	126.5	22.3%	109.8	31.9%	126.1	25.4%	106.5	26.0%
Netherlands	19.5	5.7%	12.9	2.3%	23.8	6.9%	7.1	1.4%	36.4	8.9%
Other EU countries	88.8	25.9%	41.6	7.3%	69.1	20.1%	18.7	3.8%	-38.6	-9.4%
United Kingdom	37.5	11.0%	-31.5	-5.6%	57.7	16.7%	-85.7	-17.2%	57.9	14.1%
Switzerland	13.0	3.8%	34.2	6.0%	12.5	3.6%	4.4	0.9%	12.4	3.0%
Africa	69.5	20.3%	136.5	24.1%	100.5	29.2%	116.7	23.5%	107.4	26.2%
Mali	12.0	3.5%	-0.2	0.0%	12.1	3.5%	-1.7	-0.3%	12.9	3.1%
Senegal	12.7	3.7%	7.9	1.4%	0.3	0.1%	14.2	2.9%	13.3	3.2%
Togo	8.1	2.4%	9.3	1.6%	20.6	6.0%	9.3	1.9%	13.9	3.4%
Nigeria	1.3	0.4%	16.2	2.9%	13.9	4.0%	36.4	7.3%	31.6	7.7%
Gabon	6.2	1.8%	3.7	0.7%	10.2	3.0%	2.0	0.4%	1.5	0.4%
South Africa	1.9	0.6%	3.3	0.6%	7.2	2.1%	23.3	4.7%	16.8	4.1%
Morocco	12.3	3.6%	96.2	17.0%	23.0	6.7%	-3.1	-0.6%	-32.3	-7.9%
America	-3.0	-0.9%	152.2	26.9%	39.5	11.5%	169.3	34.0%	26.7	6.5%
Canada	3.7	1.1%	96.6	17.1%	17.1	5.0%	157.8	31.7%	19.7	4.8%
USA	1.7	0.5%	64.8	11.4%	12.6	3.7%	-2.6	-0.5%	3.0	0.7%
Asia	39.1	11.4%	-3.7	-0.7%	45.5	13.2%	63.3	12.7%	151.8	37.0%
China	3.2	0.9%	16.3	2.9%	2.9	0.8%	20.8	4.2%	29.1	7.1%
Singapore	19.2	5.6%	13.6	2.4%	18.4	5.3%	27.7	5.6%	98.1	23.9%
Total FDI	342.4	100.0%	566.1	100.0%	344.6	100.0%	497.4	100.0%	410.3	100.0%

Source: BCEAO

In 2020, the 410.3 billion in net FDI received came, on the one hand, from positive net inflows, amounting to CFAF 518.7 billion, and, on the other hand, from net outflows, amounting to CFAF 108.4 billion.

The main net beneficiary sectors of these FDI inflows were manufacturing (CFAF 179.5 billion), transport and storage (CFAF 134.4 billion), the financial sector (CFAF 99.9 billion) and trade (CFAF 67.6 billion).

As for the sectors that recorded a drop in the stock of FDI in 2020, they are composed of the extractive industry (CFAF 94.2 billion), construction (CFAF 11.7 billion) and communication (CFAF 2.5 billion) sectors.

5.5 Regional integration

5.5.1 WAEMU convergence criteria

The WAEMU convergence criteria³³ 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%).

³³ See Additional Act N°01/2015/CCEG/WAEMU 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.

The total public debt stock represented 47.6 percent of GDP in 2020 (WAEMU, 2021), after a rate of 38.8 percent in 2019, in line with the community standard (below 70 percent). 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 percent over the period 2021-2022. Thus, it would fall from 51.1 percent in 2021 to 50.0 percent in 2022.

The budget deficit, on the other hand, has been estimated at -5.6% of GDP in 2020, compared with

-2.3% in 2019, a deterioration of 3.3 percentage points in line with the impact of the measures taken in the fight against Covid-19. In 2021, it should be maintained at -5.6 percent. A decline is expected in 2022, but it should be higher than the EU standard -3.0%.

None of the second-tier criteria are expected to be met by 2021 or even 2022, despite continued improvements in performance (the ratio of payroll to tax revenue and the tax burden are expected to be 36.4% and 12.8% respectively by 2022).

Table 38. WAEMU convergence criteria

Côte d'Ivoire	Standard	2016	2017	2018	2019	2020	2021	2022
						Est	Proj	Proj
First row								
Budget balance / nominal GDP	≤ -3%	-2.9	-3.4	-2.9	-2.3	-5.6	-5.6	-4.7
Average annual inflation rate	≤ 3%	0.7	0.4	0.6	0.8	2.4	3.0	3.0
Total public debt outstanding as a percentage of nominal GDP	≤ 70%	31.7	33.5	36.0	38.8	47.6	51.1	50.0
Second row								
Wage bill/tax revenue	≤ 35%	41.3	41.5	41.8	40.5	42.0	38.9	36.4
Tax pressure	≥ 20%	11.9	12.2	12.0	12.3	12.3	12.4	12.8

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 regional integration institutions: The West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS).

WAEMU comprises the eight West African countries that use the CFA franc as their common currency. ECOWAS, which is larger than WAEMU, is made up of 15 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. In ECOWAS, work on the establishment of a CET has been finalized and its application has been effective since January 2015.

Regional integration is a priority for the Ivorian authorities, who have made it a major theme in the NDP 2021-2025. Aware of the stakes, Côte d'Ivoire

aspires to take advantage of its economic dynamism and its strong growth to increase its market share at the regional level. To do this, it will continue to build partnerships at the regional level to provide more training and skills development, particularly for young people. This will ultimately increase the level of technological production of the latter, which will be competitive on the local and regional level.

Aware of the challenges, they have planned the following actions:

- o Strengthening the institutional and regulatory framework for managing regional integration.
- o Strengthening the country's contribution to economic and monetary integration in Africa.
- o Improving the governance framework for trade and economic agreements.
- o 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 (like the Special Economic Zone between Côte d'Ivoire, Burkina Faso, and Mali).

Finally, Côte d'Ivoire will continue to play a leading role in deepening regional integration, particularly within ECOWAS and WAEMU, but also at the continental level within the African Union, while remaining open to the rest of the world. To this end, it will actively participate in major infrastructure projects in West Africa as well as in the preparation of the launch of a common currency, the "Eco", scheduled for 2027. It will also play a full role in the establishment of the African Continental Free Trade Area (AfCFTA).

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 considered 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 39. 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 progress of cases.

The digitization of tax and business services, reforms to strengthen contract enforcement, simplification of business procedures, cleanup of the energy sector, and investments in transportation 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

The Government's medium-term development strategy is supported by the NDP 2021-2025, the implementation of which should enable strong, inclusive, and sustainable economic growth to bring Côte d'Ivoire up to the level of upper-middle income countries.

The Government intends to further improve the country's ability to attract national and international private investment to strengthen the role of the private sector in the economy.

The private sector should also benefit from partnerships with technical and financial partners under the G20's "Compact with Africa" initiative, the MCC, and the C2D.

It will strengthen actions to promote SMEs by supporting and facilitating their access to financing.

The government will continue to improve the performance of public finance management, by continuing to implement the action plan of the Public Finance Master Plan.

The Government will continue its efforts to improve the economic and financial performance of public enterprises.

The financial situation of companies in the hydro-carbon sector should continue to consolidate with the continued implementation of restructuring plans for these companies and the clearance of debts and cross-compliances, in a context of recovery of economic activity post-covid-19.

To accelerate the structural transformation of the economy, the government will continue to invest in developing industrial infrastructure and improving the competitiveness of the private sector.

The government will also continue its efforts to improve governance and fight corruption and related offenses.

The Government intends to further improve Côte d'Ivoire's economic and financial programming framework.

6.3 Financial rating

On July 19, 2021 Fitch Rating upgraded Côte d'Ivoire's long-term foreign currency rating to BB- from B+. The upgrade reflects the expectation that the Ivorian authorities' continued adherence to fiscal prudence and reforms will gradually reverse the temporary deterioration in the fiscal balance and stabilize public debt. The rating also considers that the Ivorian economy will return to a strong growth trajectory following the impact of the economic crisis.

On April 21, 2022, Fitch maintained Côte d'Ivoire at BB- with a stable outlook. The BB- rating reflects Fitch's expectation that the authorities' continued adherence to fiscal prudence and reforms will gradually reverse the temporary deterioration in the fiscal balance and stabilize public debt. The rating also considers that the Ivorian economy will remain on a strong growth trajectory and is highly dependent on commodities.

On November 02, 2021, Moody's rating for Côte d'Ivoire is maintained at Ba3 with a stable outlook. Côte d'Ivoire's credit profile is primarily supported by the economy's resilience, increasing diversification, and healthy growth prospects, which are underpinned by structural reforms and public investment in infrastructure. In addition, the sovereign has relatively strong fiscal fundamentals and sustainable debt levels, backed by significant international financial support.

In July 2021, Côte d'Ivoire obtained a credit rating from Standard & Poor's of 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 practices 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.

On October 15, 2021, the Organization for Economic Co-operation and Development (OECD) upgraded Côte d'Ivoire's annual country risk rating from 6 to 5. This rating aims to reflect the estimated risk of countries and to standardize the level of risk premium applicable by export credit agencies (ECA) of OECD member states; it is established between 0 (best rating) and 7 (worst). This classification is determined by a group of experts in country risk, in particular a quantitative model considering the country's payment experience and its financial situation.

Côte d'Ivoire is thus one of only two countries out of 201 to have benefited from an upgrade of its rating during this update and is now positioned among the best rated countries in Africa, in 4th place behind South Africa (4), Morocco (3) and Botswana (3). Moreover, this reclassification places the country at the same level as some major economies in other geographies (Brazil, Turkey, Jordan).

Table 40. Evolution of Côte d'Ivoire's sovereign rating

Date	Agency	Rating	Perspectives
April 21, 2022	Moody's	Ba3	Stable
November 02, 2021	Fitch	BB-	Stable
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 situation from 2016 to 2020 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 IMF.

In view of this context, budget execution over the period 2016-2021 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 evolution of the main items is presented below.

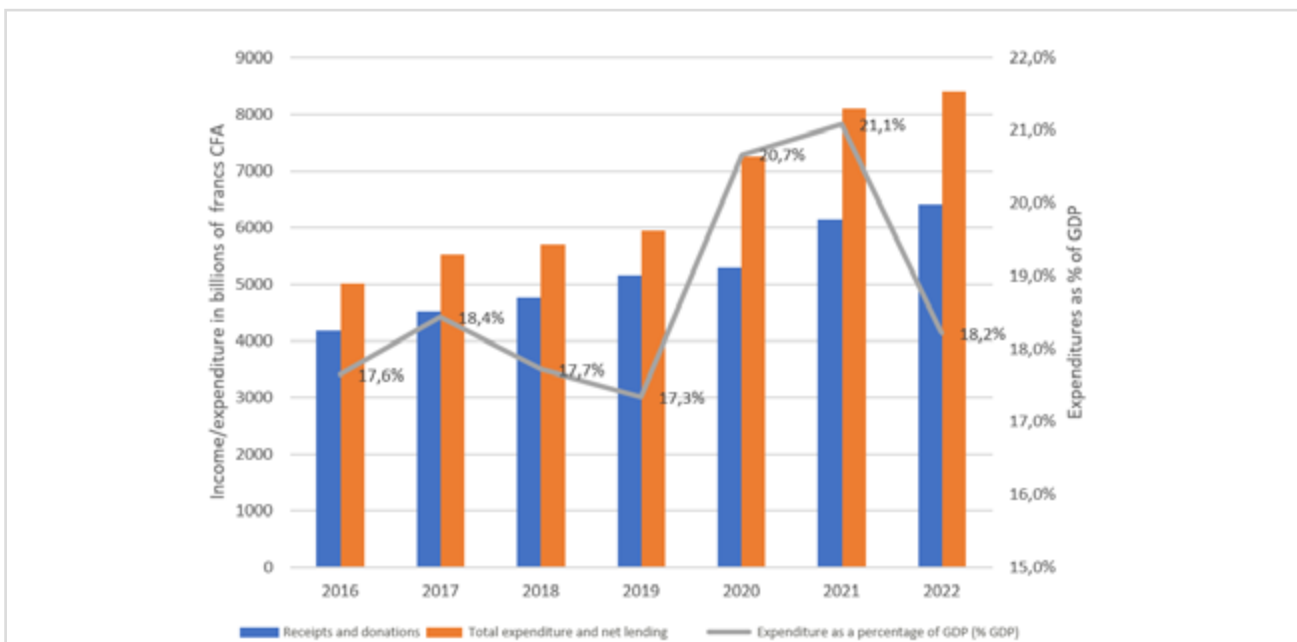
In terms of resources, Côte d'Ivoire's revenues and grants increased by an average of 7.3 percent per year between 2016 and 2019, rising from CFAF 4 176.6 billion in 2016 to CFAF 5 158.4 billion in 2019. In 2020, resources are estimated at CFAF 5 289.2 billion, an increase of 2.5% compared to 2019. They are estimated at CFAF 6 140.2 billion in 2021. The rebound observed in 2021 (+16.1%) is explained by the recovery of economic activity following the

health crisis of 2020. In 2022, revenues are projected at CFAF 6 417.7 billion. The tax burden is expected to be 12.8% in 2022 after 13.00% in 2021.

On the expenditure and net lending side, the dynamics are contrasted. The level of expenditure was CFAF 5 943.9 billion in 2019 compared to CFAF 5 014.6 billion in 2016, an increase of CFAF 929.3 billion in absolute terms. This represents an average of 5.9% per year over the 2016-2019 sub-period compared to a sharp increase of 16.9% over the 2019-2021 period, after considering a health response plan of 55.0 billion and an economic, social, and humanitarian support plan estimated at 336.5 billion to cope with the pandemic. Net expenditures and loans are estimated at CFAF 8 102.0 billion in 2021. This amount is expected to increase to CFAF 8 393.0 billion in 2022.

A comparison of resources (revenues and grants) and expenditures (including net loans) at the level of Côte d'Ivoire shows a structural deficit in the budget balance. This deficit, which averaged CFAF 785.5 billion in 2019, reached CFAF 1 965.9 billion in 2020 (or -5.6 percent of nominal GDP, calculated with the new base year of 2015), then 1 961.8 billion in 2021. In 2022, it is forecast at CFAF 1 753.3 billion (or -4.7 percent of nominal GDP).

Figure 9. Budgetary expenditures and revenues in Côte d'Ivoire



Source: MEF / DGE / DPPSE

- **Detailed presentation of revenues and expenditures**

The evolution of revenues and expenditures over the period 2016-2022 is presented in the table below (TOFE). The main resource items are tax revenues (direct and indirect taxes), other earmarked tax revenues (e.g., VAT on electricity, etc.), non-tax revenues (notably contributions from social security organizations) and grants.

Tax revenues occupy a dominant share of total revenues and donations with an average participation of 81.9 percent over the 2016-2022 period. This is followed by non-tax revenues and donations for 13.2 percent and 4.8 percent respectively. The increase in resources observed between 2016-2019 would be due entirely to the increase in tax revenues (25.4%). In contrast, the projected increase in 2022 would be

due to both tax revenues (5.4 percent) and grants (5.9 percent).

Expenditure is dominated mainly by capital expenditure (26.9 percent) and personnel expenditure (26.8 percent). This is followed by operating expenditure (19.0%), subsidies and transfers (8.4%), domestic and external debt charges (8.2%) and social benefits (5.0%). For the sub-period under review, 63.4 percent of investment expenditure was financed by internal resources and 36.6 percent by external resources, notably project loans and project grants. In 2022, the increase in expenditures would be related primarily to capital expenditures (27.4%). Investment expenditure, considering the priorities of the 2021-2025 NDP, would amount to 2 767.7 billion in 2022 compared with 2 171.9 billion in 2021.

Table 41. Table of State Financial Operations, 2015-2021

Côte,d'Ivoire In,billions,of,CFAF	2016	2017	2018	2019	2020	2021	2022
	Real	Real	Real	Real	Real	Est.	Projection
Revenues, and, Grants	4 176.6	4 523.4	4 764.1	5 158.4	5 289.2	6 140.2	6 417.7
Total, revenues	3 884.2	4 257.3	4 517.9	4 883.5	5 095.9	5 955.6	6 122.9
Tax, revenues,³⁴	3 352.6	3 660.8	3 882.4	4 205.4	4 356.1	5 096.0	5 373.2
Direct, taxes	851.9	948.3	1 093.9	1 139.7	1 184.9	1 401.8	1 562.9
Of, which, taxes, on, oil, and, gas,	55.0	64.1	87.3	100.6	65.4	75.3	70.8
Indirect, taxes	2 345.8	2 509.8	2 557.2	2 832.6	2 964.3	3 485.2	3 571.9
Other, restricted, tax, revenues, (DGI, DGD)	154.9	202.7	231.2	233.1	206.9	209.0	238.4
Non-tax, revenues	531.6	596.5	635.6	678.1	739.9	859.6	749.7
Social, security, contributions	443.3	455.7	479.2	509.6	549.9	617.2	597.7
Other, non-tax, revenues	88.3	140.7	156.4	168.5	190.0	242.5	152.0
Of, which, dividends	10.5	15.8	23.7	28.0	40.1	34.2	26.6
Agricultural, Recovery, Program	38.9	0	0	0	0.0	0	0
Grants	253.5	266.1	246.2	274.9	193.3	184.6	294.8
Project, Grants,	105.9	115.2	87.4	107.4	101.4	92.3	82.4
Program, Grants	147.6	150.9	158.7	167.5	91.9	92.3	212.4
Total, expenditures, and, net, loans	5 014.6	5 521.8	5 708.3	5 943.9	7 255.1	8 102.0	8 393.0
Primary, expenses	4 654.4	5 142.3	5 274.1	5 422.9	6 591.2	7 317.5	7 416.6
Current, Expenses	2 890.4	3 317.9	3 424.5	3 628.9	4 248.9	4 654.6	4 319.7
Staff	1 400.8	1 512.3	1 621.9	1 703.0	1 828.1	1 859.6	1 957.8
Social, benefits	260.7	263.7	296.3	331.3	353.0	371.3	400.1
Grants, and, other, transfers	385.8	430.1	403.7	431.1	666.4	906.8	491.8
Operating, Expenses	843.2	1 111.7	1 102.5	1 163.4	1 401.5	1 516.9	1 470.0
Interest, due	360.1	379.5	434.2	520.9	663.8	784.5	976.4
On, domestic, debt	183.2	203.6	206.1	221.7	273.6	329.6	442.3
On, external, debt	177.0	175.8	228.0	299.3	390.3	455.0	534.1
Capital, Expenditures	1 408.4	1 526.8	1 547.3	1 499.3	1 914.4	2 171.9	2 767.7

³⁴ Including earmarked revenues and parafiscal charges

On, domestic, resources	1 054.0	927.2	891.2	977.3	1 239.1	1 239.5	1 367.4
From, external, resources,	354.4	599.6	656.1	521.9	675.3	932.4	1 400.3
Net, loans, (loans, -, recoveries)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic, primary, balance,	-394.9	-281.4	-99.2	-17.5	-820.0	-429.5	106.6
(As, %, of, GDP)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nominal, GDP, (in, billions, of, CFAF), Base, 2015	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4	39 190.4	41 951.1

Source: MEF / DGE / DPPSE

7.1.2 General presentation of the budget by nature

Budgetary expenditures for the year 2021 amount to CFAF 8 398.9 billion in 2021 compared to CFAF 8 415.4 billion in 2020. They are projected at CFAF 9901.1 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, in-

vestment expenditures and other expenditures from the Special Treasury Accounts. Thus, over the period 2018-2022, the structure of budget expenditure shows that the average share of ordinary expenditure (39.2%) is the highest, with a preponderance of personnel expenditure of 22.1%. This is followed by capital expenditure (28.2%), debt service expenditure (25.4%) and expenditure on Special Treasury Accounts (7.2%).

Table 42. 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	3 061.2	30.9
Domestic debt	919	13.6	1 062.4	14.5	1 139.6	13.5	1 072.2	12.8	1 737.3	17.5
External debt	628.3	9.3	759.1	10.4	791	9.4	1 060.6	12.6	1 323.8	13.4
Ordinary expenses	2 737.9	40.5	2 877.6	39.2	3 403.2	40.4	3 498.3	41.7	3 399.4	34.3
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	1 831.4	21.8	1 957.8	19.8
Other operating expenses	1 004.6	14.9	1 052.7	14.4	1 522.9	18.1	1 554.3	18.5	1 326.1	13.4
Capital Expenditures	1 997.2	29.6	2 095.1	28.6	2 409.5	28.6	2 163.2	25.8	2 804.7	28.3
From internal resources (Treasury)	1 081.1	16	1 154.9	15.7	1 085.7	12.9	1 661.2	19.8	1 365	13.8
From external resources	916.1	13.6	940.2	12.8	1 323.9	15.7	203.4	2.4	1 439.7	14.5
Borrowing for projects	755.8	11.2	780.4	10.6	1 160.3	13.8	858.1	10.2	1 357.3	13.7
Project Grants	160.3	2.4	159.8	2.2	163.5	1.9	143.9	1.7	82.4	0.8
Other expenses of the Special Treasury Accounts	474	7	540	7.4	672.1	8	604.6	7.2	635.8	6.4
TOTAL BUDGETARY EXPENDITURE	6 756.4	100	7 334.2	100	8 415.4	100	8 398.9	100	9 901.1	100

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 (25.4%), education (23.03%), economic infrastructure (17.1%), followed by economic affairs (9.6%), health (6.8%), and defense (5.9%) and security (5.3%).

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 43. 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	
Value (in billions CFAF)	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	2 138.3	31.3
Defense	336.6	6.5	334.4	6.1	349.3	5.7	352.3	5.6	378.7	5.5
Public order and safety	234.7	4.5	256.8	4.7	236.4	3.9	593.0	9.5	255.5	3.7
Economic Affairs	403.0	7.7	417.2	7.6	668.3	10.9	767.6	12.3	666.4	9.7
Protection of the environment	79.4	1.5	133.7	2.4	192.4	3.1	208.5	3.3	203.4	3.0
Community facilities (Economic infra-structures)	1 217.5	23.4	1 190.5	21.6	956.2	15.6	751.1	12.0	870.6	12.7
Health	345.2	6.6	372.4	6.8	446.1	7.3	426.7	6.8	442.6	6.5
Leisure, culture, and worship	162.5	3.1	136.5	2.5	182.2	3.0	158.0	2.5	262.6	3.8
Teaching	1 283.9	24.6	1 341.3	24.3	1 342.0	21.9	1 390.8	22.2	1 514.7	22.1
Social protection	53.2	1.0	64.2	1.2	84.6	1.4	88.7	1.4	107.1	1.6
TOTAL	5 209.0	100	5 513.0	100	6 130.40	100	6 266.1	100	6 839.9	100

Source: SEPMBPE / DGBF

The table below provides an indication of the detailed distribution of social expenditures (education and health) for the years 2020, 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 76.9%.

Indeed, the efforts made in terms of educational infrastructure are aimed at continuing the reform of national education 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 44. Detailed breakdown of social expenditures (education and health)

	Budget		Budget		Proposed Budget	
	2020		2021		2022	
Value (in billions CFAF)	Value	%	Value	%	Value	%
Education	1 324.7	74.8	1 390.6	76.5	1 525.2	76.9
General Administration	54.2	3.1	58.3	3.2	50.1	2.5
Pre-school and primary education	567.5	32	592.9	32.6	648.1	32.7
Literacy	0.4	0	0.4	0	0.4	0.0
General, technical, and vocational high school	478.4	27	510	28.1	584.7	29.5
Higher education and scientific research	242	13.7	228.9	12.6	241.7	12.2
Health	446.2	25.2	426.7	23.5	458	23.1
General Administration	214.5	12.1	213.5	11.7	223.2	11.3
Primary health care system	60.7	3.4	50.7	2.8	102.8	5.2
Preventive health care	15.6	0.9	14.9	0.8	1.5	0.1
Program to fight against diseases and endemics	47.5	2.7	43.9	2.4	27.1	1.4
Child health, maternal health, and nutrition	33.5	1.9	31.2	1.7	32.6	1.6
HIV/AIDS	24.7	1.4	22.9	1.3	23.5	1.2
University Hospital and Medical-Specialized Institutions	49.7	2.8	49.7	2.7	47	2.4
TOTAL	1 770.9	100	1 817.3	100	1 983.2	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 2019-2020. In fact, they increased from CFAF 3 669.1 billion in 2019 to CFAF 3 946.1 billion in 2021 and should reach CFAF 4 478.5 billion in 2022. 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).

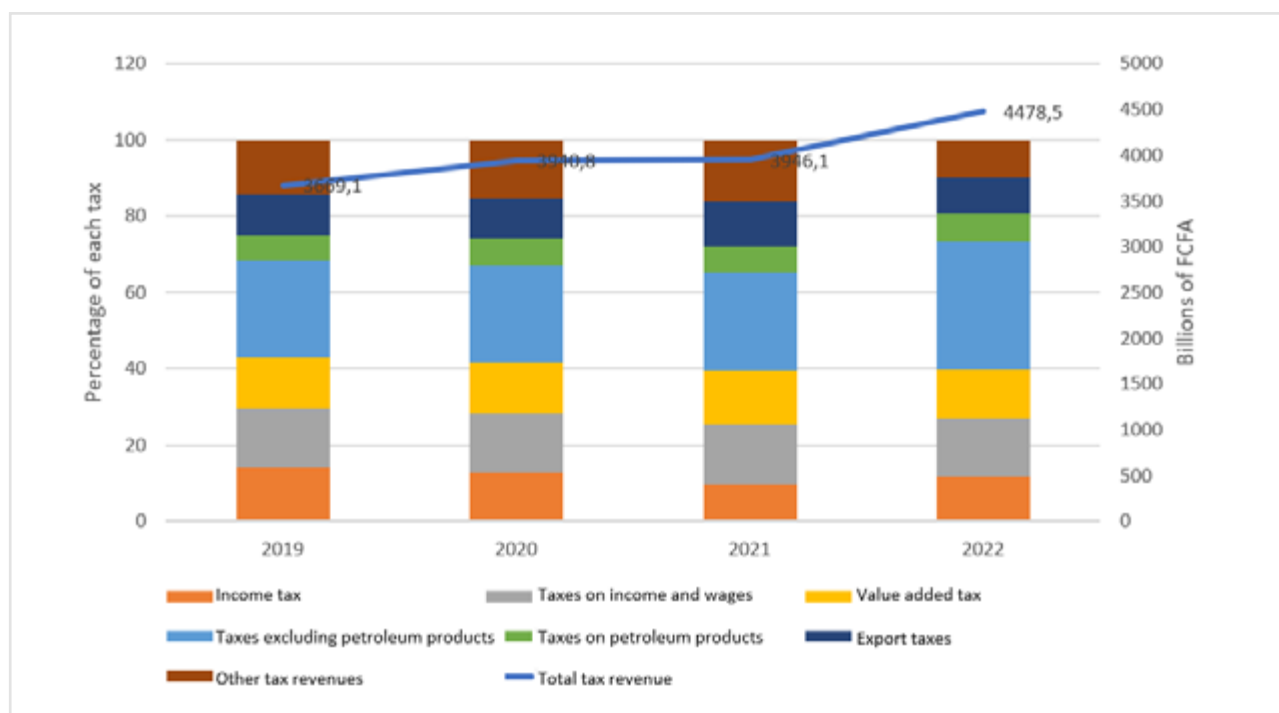
Overall, over the period 2019-2021, gate taxes, which remain important in the state budget, will see their share decline at the expense of domestic taxes. In 2021, domestic taxation will account for 65.1% of tax revenues, compared with 34.9% for gate taxes. This distribution is a positive development that would bring the tax system into harmony with structural transformation policies for the benefit of industrialization.

Table 45. General budget revenues by tax type

Côte d'Ivoire	2019		2020		2021		2022	
(In billions of CFAF)	Value	%	Value	%	Value	%	Value	%
Total Tax Revenue	3 669.1	100	3 940.8	100	3 946.1	100	4 478.5	100
Income taxes	520.4	14.2	509.3	12.9	383.4	9.7	531.3	11.9
Income and payroll taxes	565.3	15.4	605.6	15.4	623.1	15.8	674.2	15.1
Value Added Tax	484.4	13.2	533.9	13.5	555.8	14.1	574.9	12.8
Taxes excluding petroleum products	942.2	25.7	993.6	25.2	1 008.2	25.5	1154.2	33.4
Taxes on petroleum products	229.4	6.3	289.6	7.3	280.8	7.1	335.8	7.5
Export taxes	402.1	11	419.2	10.6	456.2	11.6	414.7	9.3
Other tax revenues	525.3	14.3	589.6	15	638.6	16.2	793.4	10.1

Source: LFI

Figure 10. General Budget Revenues by Source



Source: MPMBFE (Schedule 2, PBOE, 2022)

7.2.2 Government revenues - health, unemployment, and pension

Social security organizations participate in the mobilization of financial resources for the state in terms of non-tax revenues (78.0 percent of non-tax revenues

and 1.9 percent of GDP on average over the period 2016-2021). According to the public accounts, in terms of social security contributions, CFAF 715.9 billion were mobilized in 2021, compared with CFAF 443.3 billion in 2016.

Table 46. Social security contributions in the Ivorian TOFE

	2016	2017	2018	2019	2020	2021	2022
(In billions of CFAF)	Real	Real	Real	Real	Real	Est	Proj
Non-tax revenues	531.6	596.5	635.6	678.1	739.9	859.6	749.7
Social security contribution	443.3	455.7	479.2	509.6	636.3	715.9	597.7
of Total Non-Tax Revenue	83.4	76.4	75.4	75.2	78.4	79	79.7
of GDP	1.9	2	2	2	1.8	1.8	1.3
Nominal GDP (Base 2015)	28 423.9	29 955.0	32 222.3	34 298.9	35 111.4	38439.2	46098.2

Source: MEF / DGE / DPPES

In Côte d'Ivoire, social security is provided by three (03) social security institutions: General Pension Fund for State Employees (CGRAE), the National Social Security Fund (CNPS) and the National Health Insurance Fund (IPS-CNAM), the youngest of the three institutions.

The Social Security Institution - General Pension Fund for State Employees 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 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 Social Security Institution - National Social Security Fund (CNPS), it was created by decree n°2000-487 of July 12, 2000 to manage the com-

pulsory 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 (CMU³⁵) and the creation of the Social Welfare Institution named National Health Insurance Fund, ab-

breviated 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 2018-2023 period. Over the 2018-2021 sub-period, the two structures (CGRAE and CNPS) collected an average of CFAF 555.4 billion in the form of social security contributions and achieved an average net result of CFAF 152.2 billion.

Table 47. Resources of social security organizations in Côte d'Ivoire, 2017-2022

	2018	2019	2020	2021	2022	2023
(In billions of CFAF)	Real	Real	Real	Proj	Proj	Proj
IPS-CGRAE						
Products	379.2	245.0	316.4	259.1	267.6	276.4
Revenue (C contributions)	219.1	227.8	246.7	255.0	263.5	272.3
Other products	157.8	13.9	65.7	1.1	1.1	1.1
Financial income	2.3	3.3	4.0	3.0	3.0	3.0
Charges	315.2	201.2	295.6	217.9	230.0	242.8
Expenditures (P Benefits)	141.3	160.5	170.7	180.9	191.8	203.3
Operating load	173.9	40.8	124.9	37.0	38.2	39.5
Technical balance (C-P)	77.8	67.4	76.1	74.1	71.7	69.0
Net income	64.1	43.8	20.9	41.2	37.6	33.6
IPS-CNPS						
Products	317.5	398.3	370.7	367.1	408.7	437.2
Technical income (contributions and late payment surcharges C)	291.5	311.2	329	341.2	380.4	406.1
Other products	18.7	69	20.4	2.7	2.8	3
Financial income	7.3	18.1	21.3	23.2	25.5	28.1
Charges	231.8	286	270.2	226.8	236.6	253.4
Technical expenses (social benefits P)	141.2	149.6	161.7	164.6	169.9	181.8
Operating load	36.6	47.5	51.1	62.2	66.7	71.6
Other expenses	54	88.9	57.4	-	-	-
Technical balance (C-P)	150.3	161.6	167.3	176.6	210.5	224.3
Net income	85.7	112.3	100.5	140.3	172.1	183.8
Total Contribution	510.6	539.0	575.7	596.2	643.9	678.4
Total Surplus	149.7	156.1	121.4	181.5	209.7	217.4

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

³⁵ 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

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, 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:

- i. The improvement of the productivity of the sectors of activity, notably research and development, as well as technological innovation.
- ii. Promoting investment as part of the structural transformation of the economy.
- iii. Improving the attractiveness of foreign direct investment by encouraging and setting up new special economic zones.
- iv. 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 point³⁶ to 38% as of the entry into force of the 2020 tax sche-

dule. 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. 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 to produce 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.

In the context of the implementation of this draft budget 2022, a series of reforms related to the taxation of small and medium-sized enterprises are planned, those concerning taxpayers subject to the microenterprise regime and the introduction of an annual tax credit for companies concluding a training or work experience contract. It is also planned to increase the rate of the tax credit for the acquisition of patents and new manufacturing processes from 20% to 30% and the abolition of various tax exemptions. Other innovations relating to VAT and the reduction of income tax on investment in Côte d'Ivoire have been proposed.

The 2022 tax schedule also provides for the extension of the validity of the tax system certificate for income tax instalments in the informal sector from one to three years, tax measures in favor of micro-insurance, the introduction of a tax on audiovisual communication

7.3 Finance Bill

The year 2022 is the third year of implementation of the program budget, thus materializing the effective

³⁶ 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.

implementation of the second generation of reforms initiated by WAEMU in public financial management.

Unlike the traditional method of budgeting based on means, this reform favors a medium-term programmatic budgeting approach, associated with results objectives accompanied by a reference framework for their evaluation. This new approach has been used to develop the 2022 budget proposal.

In the 2022 Initial Finance Bill (IFB), the draft budget is balanced in terms of resources and expenditure

at CFAF 9 901.1 billion, with an increase of CFAF 1 502.2 billion in absolute terms and 17.9% in relative terms compared to the 2021 budget, which amounted to CFAF 8 398.9 billion. It should be financed mainly by domestic resources to the tune of CFAF 7 782.3 billion (78.6%).

The 2022 budget proposal is made up of budgetary revenues and expenditures, treasury revenues and expenditures, and revenues and expenditures of the Special Treasury Accounts.

Table 48. Framing the balance of the 2022 budget proposal

Description	AMOUNT	Description	AMOUNT
GENERAL BUDGET			
Budgetary revenues (I)	4 868.1	Budgetary expenditures (II)	6 987.5
Tax revenues	4 478.5	Ordinary expenses	4 415.8
Non-tax revenues	94.8	Financial expenses of the public debt	1 016.4
Grants	294.8	Staff	1 957.8
Program Grants	212.4	Acquisition of goods and services	743.4
Project Grants	82.4	Current transfers	698.2
		Capital expenditures	2 571.7
		From Treasury funding	1 132.0
		On external financing	1 439.7
Central Government Budget Balance (I-II)	-2 119.4		
Cash receipts (III)	4 164.2	Cash expenditures (IV)	2 044.8
Proceeds from the sale of assets	112.7	Domestic Loan Repayments	1 265.1
Proceeds from on-loan repayments	12.5	Repayment of external loans	779.7
Income from short, medium, and long-term borrowings			
Borrowing on domestic money and financial markets	2 215.0		
Project loans	1357.3		
Borrowing-Programs	466.7		
Cash balance (III)-(IV)	2 119.4		
Total General Budget Resources (I)+(III)	9 032.3	Total General Budget Expenditures (II)+(IV)	9 032.3
SPECIAL TREASURY ACCOUNTS (STA)			
Revenue from Trust Accounts	868.8	Expenditures from Trust Accounts	868.8
Total revenues of the Special Treasury Accounts (V)	868.8	Total expenditure on Special Treasury Accounts (VI)	868.8
TOTAL STATE BUDGET RESOURCES (I)+(III)+(V)	9 901.1	TOTAL STATE BUDGET EXPENDITURES (II)+(IV) +(VI)	9 901.1

Source: SEPMBPE / DGBE

Budgetary revenues are projected at CFAF 4 868.1 billion in 2022 compared to CFAF 4 335.6 billion in 2021, an increase of CFAF 532.5 billion in absolute terms and 12.3% in relative terms. Budgetary expenditures amount to CFAF 6 987.5 billion in 2022 compared to CFAF 6 260.6 billion in 2021, an increase of CFAF 726.9 billion.

The balance of budgetary revenues and expenditures is in deficit by CFAF 2 119.4 billion, which should be financed by the surplus balance of cash resources. In fact, cash resources are forecast at CFAF 4 164.2 billion compared with CFAF 2 044.8 billion for cash expenditures, i.e., a surplus balance of CFAF 2 119.4 billion equivalent to the expected financing of the budget balance.

Despite the progress made since the end of the crisis in 2012, there is still a need for Côte d'Ivoire to continue its efforts to strengthen socio-political and security stability to fully eradicate the roots and effects of the crisis. Côte d'Ivoire's real GDP growth rate is expected to increase to 7.4 percent in 2021, well above its 2.0 percent growth in 2020. The outlook for the

Ivorian economy in 2022 will depend on the global context (war in Ukraine, global inflation, tightening of monetary policies of major central banks), the COVID-19 pandemic, and the implementation of the National Development Plan (NDP) 2021-2025, which aims to maintain a stable socio-political environment and increase domestic resource mobilization.

8.1 Political and security risks

8.1.1 Risks related to elections

Significant political progress has been made since the 2011 crisis, but the quality and effectiveness of Côte d'Ivoire's institutions must still be strengthened. The peaceful organization of the referendum for constitutional reform and the presidential, legislative, senatorial, and municipal elections reflects the return of stability. Although this new Constitution was adopted with 93.42% of the vote on October 30, 2016, the turnout was only 42% and several opposition parties demonstrated against the new Constitution.

On March 5, 2020, President OUATTARA announced various additional amendments to the 2016 constitution. The reform bill was passed by both houses of parliament in a joint session held on March 17, 2020, and the law amending the constitution was signed into law on March 19, 2020. The reform aims to strengthen the rule of law and bring institutions closer to citizens through changes to the status of the vice president, the legislative system, and the organization of the judiciary.

More recently, actions toward national reconciliation have been welcomed with the presidential pardon of several prisoners, including some opposition leaders. However, the crumbling of the ruling coalition until 2018 and the pressure to reform the Independent Electoral Commission (IEC) are concerns that the government should address to strengthen social stability and consolidate democracy.

Furthermore, after the final acquittal of former President LAURENT GBAGBO, pronounced on March 31, 2021 by the International Criminal Court (ICC), a political dialogue was initiated by the President of the Republic, and former President LAURENT GBAGBO returned to Côte d'Ivoire on June 17, 2021, marking a decisive step towards national reconciliation.

If Côte d'Ivoire fails to effectively restore sustainable cohesion and reconciliation through more inclusive 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 projected in the NDP 2021-2025.

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. To contain this security threat, Ivorian authorities have set up the National Commission to Combat the Proliferation and Illicit Circulation of SALW (Com-Nat-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 took office in 2011. The 2021 budget has allocated CFAF 591.8 billion for defense and security spending, compared to CFAF 585.8 billion in 2020, including CFAF 351.4

billion for the defense services, and CFAF 171 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.

Since the launch of its social program (PSGouv 2019-20), Côte d'Ivoire has been pursuing a proactive social policy aimed at reducing poverty and social inequalities, with priority given to projects with a high social impact in the areas of employment, health, education, housing and access to water and electricity.

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 fiscal revenues (SEPMBPE). The prices of the main export products in March 2022 are as follows: \$1 300/ton of cashew nuts (in CIF), 2 230 euros/ton of cocoa beans, \$2.34/kg of robust coffee, \$2.22/kg of rubber and \$1 494.5/metric ton of palm oil.

A downward fluctuation in the prices of these commodities linked to changes in world demand and

climatic conditions constitutes a major risk for the mobilization of public revenues. In recent years, 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 has demonstrated strong resilience in the face of the pandemic. Although economic growth in 2020 is expected to be lower than projected before COVID-19, it is estimated at 2.0 percent, which ranks the country among the best performing pre-emergent countries in sub-Saharan Africa. According to the IMF, the Ivorian economy is expected to return to a strong growth trajectory, provided the pandemic subsides. The rebound in activity that began in the second half of 2020 remains solid and growth will accelerate in 2021, thanks to a recovery in exports and investments, despite electricity shortages.

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

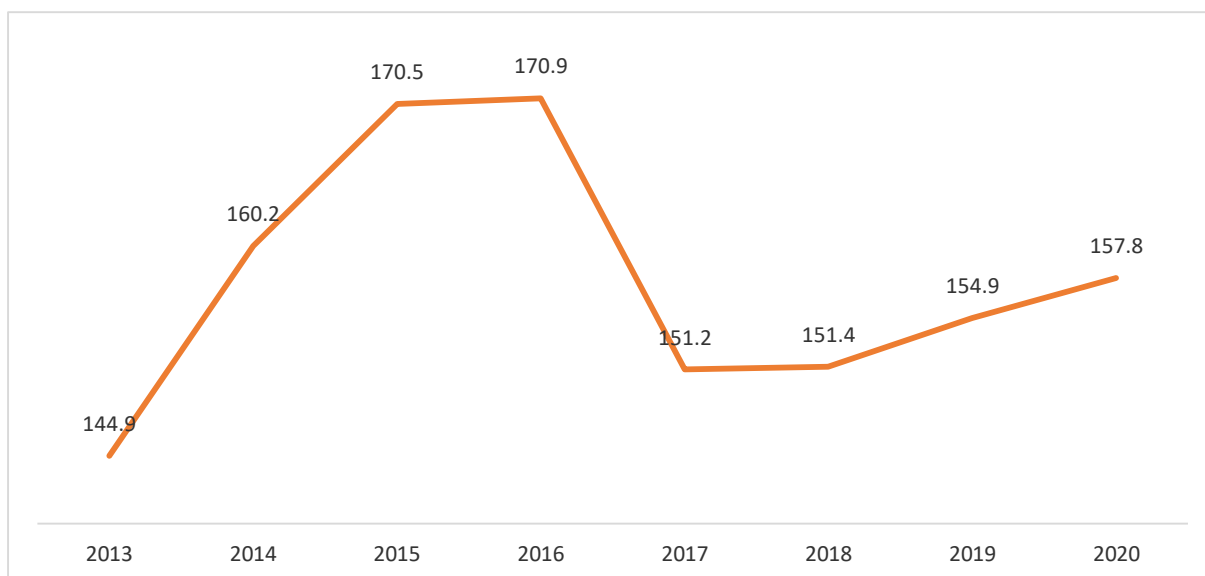
Low domestic demand for agricultural exports and their heavy dependence on external markets expose the national economy to declines in export earnings and cyclical contractions in economic activity. To reduce the economy's heavy dependence on agricultural products and external demand, the government 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 as of the end of January 2020 already showed signs of reduced traffic at Ivorian air and seaports. 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 (2 000 = 100) are 157.8 in 2020.

Figure 11. 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 prolongation of the 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 have risen from 145 in 2013 to nearly 158 in 2020.

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 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) will account for 27 percent of tax revenues in 2020.

Thus, a downward fluctuation in the prices of these commodities is a major risk for budget revenues. 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 measures aim to increase 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 decision 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 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 pandemic 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 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 ope-

ration, 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. Fears of political instability related to the presidential elections and the Covid pandemic have affected investment flows in 2020. FDI inflows in 2020 were USD 509 million. FDI is expected to recover to pre-pandemic levels between 2022 and 2023, thanks to the various instruments made available in recent years by the Ivorian government (one-stop shop, VAT exemption, etc.). The main investors are the European Union (France being the leading investor) and Canada. Investments are mainly oriented towards the extractive industries and finance.

Table 49. Foreign Direct Investment (FDI) evolution

Foreign Direct Investment	2016	2017	2018	2019	2020
FDI inflows (millions USD)	577	973	913	1009	509
FDI stocks (millions USD)	7 697	9 792	10 234	10 775	12 237
Number of greenfield *** investments	34	21	32	40	n/a
Inward FDI (as % of GFCF) ****	8.2	n/a	n/a	n/a	n/a
FDI stock (as % of GDP)	21.4	n/a	23.8	n/a	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.

The Ivorian authorities highlight the efforts they have undertaken in recent years to improve the business climate and increase direct investment in the country, namely: the creation of companies in 24 hours with very advantageous formalities and costs, obtaining building permits in less than a month, the ability to pay taxes and other duties through a facilitated procedure (as well as the reimbursement of VAT cre-

aits), the creation of a one-stop shop for foreign trade to simplify import-export formalities the protection of investments (notably for minority shareholders) and finally the securing of economic life through dispute settlement procedures, amicable procedures or mediation in order to accelerate "arbitration" solutions and safeguard commercial relations. Nevertheless, progress needs to be made in terms of governance, law enforcement and justice, and reform of the land code to attract more FDI flows.

8.5 Health risks

Côte d'Ivoire faces health risks that are compounded by high levels of poverty. According to the WHO Malaria 2021 report, Côte d'Ivoire was at high risk of malaria with 1 316 deaths reported in 2020 due to malaria (compared to 3 133 in 2018). 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 (8 600 AIDS-related deaths in 2020 according to UNAIDS estimates), which represents a 50% decrease compared to 2010. Among women there are 3 900 AIDS-related deaths in 2020 according to UNAIDS.

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

Like almost every country in the world, Côte d'Ivoire is among the countries affected by the Coronavirus pandemic. As of March 25, 2022, 81 626 cases have been declared positive, of which 80 758 have been cured, 796 have died and 72 are under treatment.

8.6 Environmental risks

According to the World Bank, the growth rate of the Ivorian economy, estimated at 6.2% 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 were also considered 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 represents 42.3% of the external debt at the end of December 2021. At that date, the outstanding debt was estimated at CFAF 20 269.1 billion, for an amount of CFAF 16 802.3 billion in 2020. This observed trend is explained by several issues made on the Eurobond market.

Between 2014 and December 2021, Côte d'Ivoire issued eleven bonds on this market. The total amount of issues from 2014 to December 2021 is estimated at CFAF 5 545.4 billion. The issuance strategy adopted was based on two series of bonds each year.

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 2021, bilateral debt represented 16.5% of total outstanding debt, amounting to CFAF 2 032.6 billion.

The debt owed to multilateral creditors was around CFAF 3 700.2 billion in December 2021. It is mainly made up of loans from the IMF and the World Bank. Multilateral debt represented 30.1% of the external debt stock in 2021.

According to the December 2021 Debt Sustainability Analysis (DSA), Côte d'Ivoire is at moderate risk of debt distress with no debt distress over the period 2022-2042.

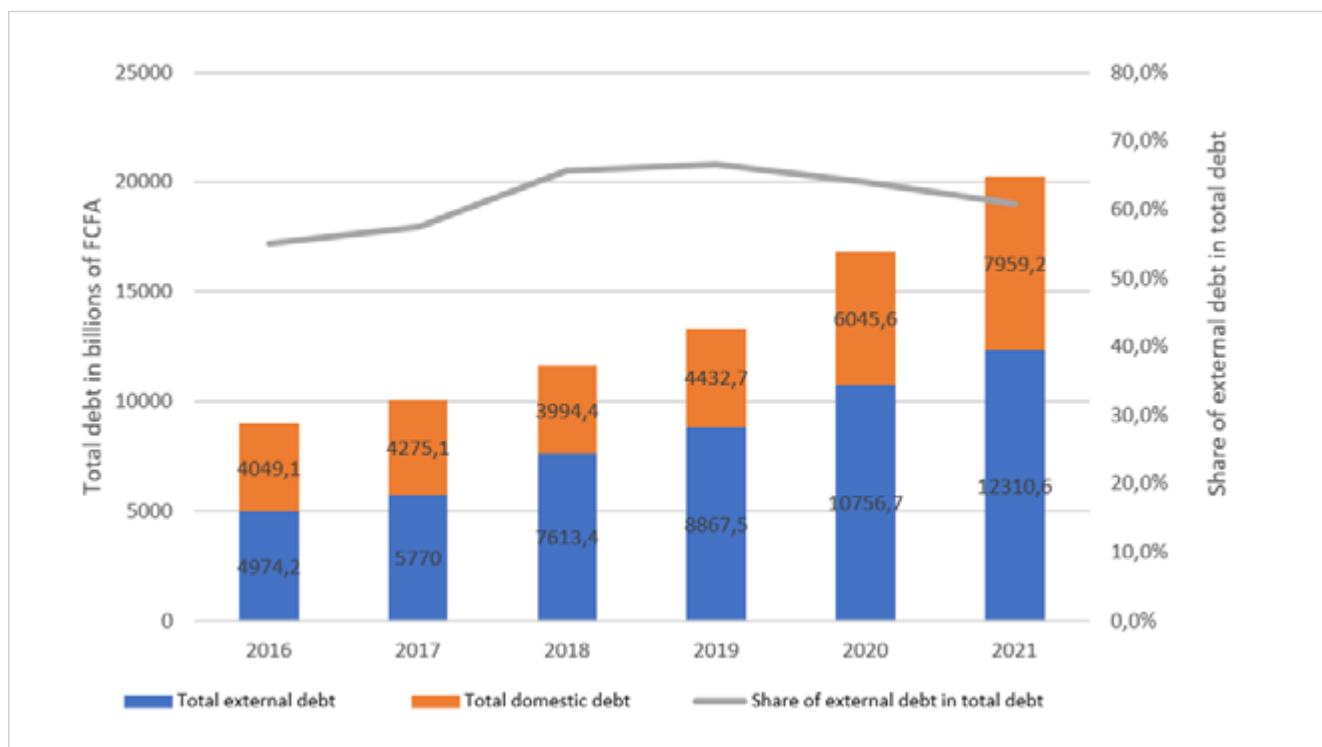
However, the ratios of external debt service to budget revenue excluding grants and to exports are approaching their respective thresholds. Indeed, the ratio of external debt service to budgetary revenues excluding grants is 17.71% in 2025, close to its threshold of 18%. Similarly, the ratio of external debt service to exports rises to 14.66% in 2030, for a threshold of 15%.

Table 50. Breakdown of Côte d'Ivoire's public debt

	2016	2017	2018	2019	2020	2021
Total debt (% GDP)	31.7%	33.5%	36.0%	38.8%	47.6%	51.7%
Total debt (in billions of CFAF)						
Remaining due	9 023.2	10 045.1	11 607.8	13 300.2	16 802.3	20 269.8
Backlog	0.0	0.0	0.0	0.0	0.0	0.0
Due	1 306.2	1 448.2	1 547.2	2 764.6	2 736.5	2 104.3
Paid	1 306.2	1 448.2	1 547.2	2 764.6	2 736.5	2 104.3
Total external debt						
Remaining due	4 974.2	5 770.0	7 613.4	8 867.5	10 756.7	12 310.6
Backlog	0.0	0.0	0.0	0.0	0.0	0.0
Due	336.7	556.2	610.2	1 583.7	1 084.5	924.4
Paid	336.7	556.2	610.2	1 583.7	1 084.5	924.4
Total domestic debt						
Remaining due	4 049.1	4 275.1	3 994.4	4 432.7	6 045.6	7 959.2
Backlog	0.0	0.0	0.0	0.0	0.0	0.0
Due	969.5	891.9	937.0	1 180.9	1 652.0	1 279.9
Paid	969.5	891.9	937.0	1 180.9	1 652.0	1 279.9
Nominal GDP	28 423.9	29 955.0	32 222.3	34 298.9	35 311.4	39 190.4

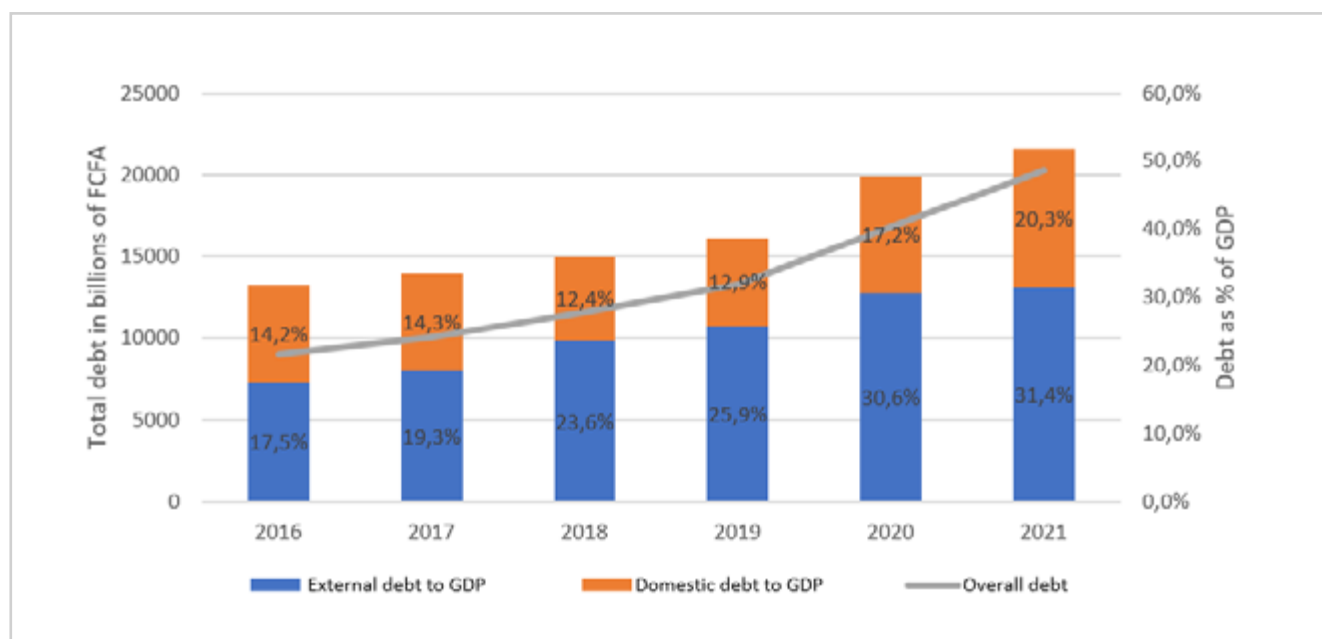
Source: MEF/DDPD

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



Source: MEF/DDPD

Figure 13. 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 primarily on long-term borrowing. Long-term debt represents 70.9% and 99.8% of domestic and external debt

respectively in December 2021. 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 51. Time profile of domestic and foreign debt

Expressed as a %.	Domestic debt (2020)	External debt (2020)
Short term (< 1 year)	7.3	0.0
Medium term (1 to 5 years)	21.8	0.2
Long term (> 5 years)	70.9	99.8
Total	100	100

Source: MEF/DDPD

Table 52. Short-term debt to be repaid (2016-2021)

[Côte d'Ivoire] billions of CFAF	2016	2017	2018	2019	2020	2021
Amount of external debt to be paid in the year	336.7	556.2	610.2	1 583.7	1 084.5	924.4
Amount of domestic debt to be paid in the year	969.5	891.9	937.0	1 180.9	1 652.0	1279.9
Total	1306.2	1448.1	1547.2	2764.6	2736.5	2204.3

Source: MEF/DDPD

9.2 Debt Strategy and Sustainability

9.2.1 Description of the strategy

According to WAEMU Regulation No. 9/2007/CM/WAEMU on the reference framework for public debt policy and management in WAEMU countries, States must develop a public debt strategy annexed to the budget law. This strategy is reinforced by the

ECF and EFF signed with the IMF, which allow debt sustainability to be developed and monitored as part of periodic reviews.

Thus, Côte d'Ivoire has implemented a Medium-Term Debt Management Strategy (MTDS) 2019-2023 updated for the period 2021-2023.

According to the MTDS, the Government plans to diversify investors and seize new financing opportunities. These include the use of:

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

The government's objective, in accordance with the 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. The government 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 considers the control of the average cost of the debt portfolio. It also makes it possible to reduce the refinancing risk and limit the risks associated with exchange rate fluctuations.

According to the MTDS, the 2021 financing plan targeted financing of CFAF 4 090.3 billion, broken down into project loans: CFAF 840.1 billion, program loans: CFAF 706.3 billion and public securities issues on the sub-regional and international markets: CFAF 2 584.0 billion. This option was consistent with the National Policy and Institutional Assessment (CPIA) of the World Bank and IMF. As regards the 2022 financing plan, it provides for project borrowing of CFAF 1 317.9 billion, program borrowing of CFAF 466.0 billion and public securities issues (excluding treasury bills) of CFAF 1 619.0 billion on the WAEMU capital market.

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 possibly adjusting this plan to include non-concessional loans that were not initially planned. Also, the Directorate in charge of public debt management has been reorganized along front, middle and back-office lines.

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

Regarding domestic debt, UMOA-Titres, in collaboration with BCEAO, has undertaken reforms, notably with the establishment of " Specialists in Treasury Securities " (SVTs) to stimulate the financial market to raise larger amounts. The SVTs are responsible for participating in the issuance of Treasury securities through auctions and syndications, directing the secondary market for government debt securities, promoting Treasury securities, providing advice and information services to the Treasury and UMOA-Titres, participating in targeted auctions, and having the possibility of offering non-competitive bids.

The Ivorian government periodically issues Treasury Bonds and Assimilable Treasury Bonds through the UMOA-Titres. 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 recovery and resilience plans, the Ivorian government issued Recovery and Resilience Bonds.

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 for the overall fiscal balance and new external debt, as well as the proposed post-program monitoring discussions. The completion of the final reviews allowed for the 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:

- o 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.
- o The fight against coastal erosion, the promotion of transparency of information in the extractive industry, the improvement of the management of forest resources.
- o The implementation of personal identification systems.
- o 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:

- o Drive private sector-led growth dynamics.
- o Developing the human capital essential for economic development and social cohesion.
- o Strengthening 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 active projects in 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:

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

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 the debt cancellations from which the country benefited in 2012 under the HIPC initiative. In 2021, Côte d'Ivoire's stock of debt to Paris Club creditors is CFAF 344.7 billion, or 2.8% of external debt. The share of non-Paris Club creditors represented 13.7% of external debt, amounting to CFAF 1 687.9 billion in 2021.

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.

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, 2021, the debt owed to private creditors reached CFAF 6 577.8 billion. This amount includes debt owed to holders of debt securities worth CFAF 5 208.1 billion and debt owed to commercial banks worth CFAF 1 369.7 billion. Commercial debt represents 53.5% of the total external debt.

vi) Domestic private creditors

As of December 31, 2021, Côte d'Ivoire's domestic debt stock was estimated at CFAF 7 959.2 billion. The stock of government securities is estimated at CFAF 6 699.8 billion, or 84.2% of the total stock of domestic debt. Other loans accounted for 15.8%, amounting to CFAF 1 259.4 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 53. 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 July 2021

Lower GDP growth from 2021. As a result of improved global conditions and a recovery of domestic demand from the COVID shock, real GDP growth is

expected to rebound from 2 percent in 2020 to 7.46 percent in 2021, despite electricity shortages in the short term. In the medium term, growth is expected to peak at 6.5 percent in 2022 and then gradually return to its potential of 6 percent by 2026, compared to the medium-term potential growth of 6.5 percent projected in the seventh and eighth reviews.

Moderate inflation in the medium term. Average annual inflation is expected to temporarily rise to 2.5 percent in 2021 due to supply chain disruptions from containment measures and border closures, as well as the impact of electricity rationing in some sectors. However, it is expected to remain moderate at around 2 percent in the medium term, benefiting from the exchange rate peg to the euro.

Short-term budget deficits widen. The decisive measures required to respond to the pandemic have increased the primary and overall fiscal deficits to 3.7 and 5.6 percent of GDP, respectively, in 2020. The authorities plan to delay fiscal rebalancing and maintain the overall deficit in 2021 at 5.6 percent of GDP.

Similar tax revenue forecast. The tax revenue forecast is like the previous DSA, which considers the relative weakness of revenues. Tax revenues are assumed to increase from 12.4 percent of GDP in 2020 to 13 percent in 2026.

Current account deficit declines. The current account deficit is projected to narrow somewhat, from 4.3 percent of GDP in 2021 to 3.5 percent in 2026. Import assumptions have been revised upward since the previous DSA to reflect higher projected imports of capital goods because of increased investment under the NDP.

External and total debts 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 exceptional COVID-19-related 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 benchmark value of 55.0 percent. The PV of public debt/GDP ratio is expected to decline gradually over the projection period, to around 43.5% by 2031. As for the debt service/revenue ratio, which stood at 32.9% in 2020, it is expected to increase to 55.2% in 2031. It is then necessary to mobilize more domestic resources.

Table 54. 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	28.0	127.0	8.0	12.6	46.0	35.0
2021	27.6	128.0	9.0	14.0	47.0	42.0
2022	27.0	126.0	11.0	15.6	47.0	52.0
2023	26.0	122.0	12.0	17.5	47.0	52.0
2024	25.0	119.0	12.0	17.2	46.0	54.0
2030	21.9	108.0	13.0	16.9	43.5	55.2

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 bilate-

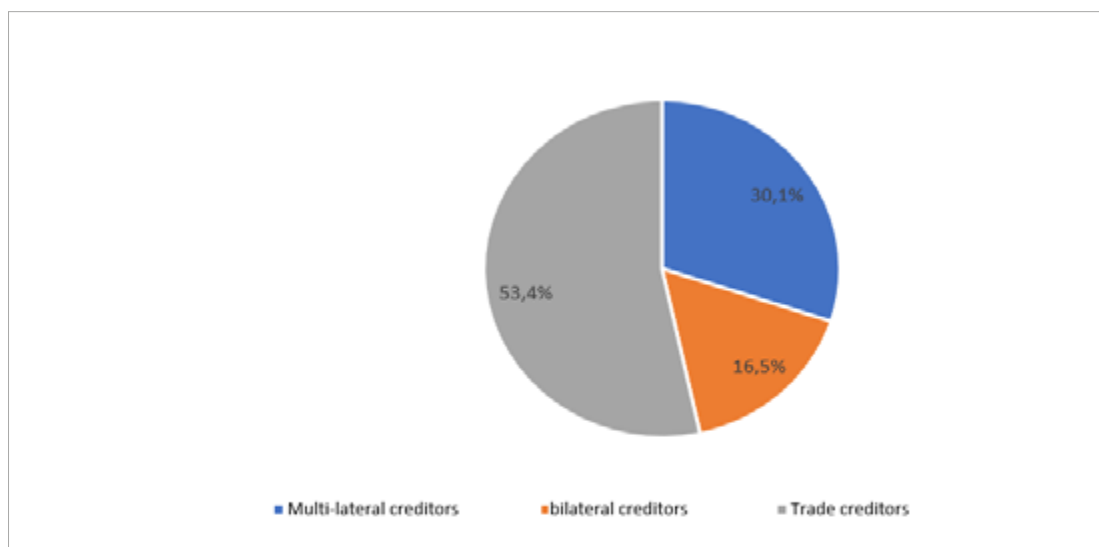
ral debt. This situation is explained by the willingness of donors to contribute significantly to the financing of the NDP. The commercial debt is essentially made up of borrowings on the Eurobond market for an amount of CFAF 4 419.3 billion in June 2020.

Table 55. Composition of Côte d'Ivoire's external debt

In billions of CFAF	End of 2021
Multilateral credits	2 258.8
FMI	1 349.1
IDA/BIRD	1 300.9
AfDB/ADF	388.5
BID	319.6
BOAD	202.7
Bilateral credits	1 604.0
CLUB DE PARIS	344.7
OTHER	1 687.9
OF WHICH CHINA	1 521.4
Commercial debt	5 004.8
EUROBOND	5 208.1
OTHER (Banks)	1 369.7
Total external public debt	12 310.6

Source: MEF/DDPD

Figure 14. Distribution of external debt by donor at the end of December 2021



Source: MEF/ DDPD

9.3.2 Status of external debt payments

Debt service amounted to CFAF 924.4 billion on an outstanding basis at the end of December 2021.

Most of this amount is accounted for by commercial debt.

Table 56. 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			463.8			170.8			1176.4			1811.0
Service Due	100.6	39.1	139.7	150.0	44.4	194.4	198.3	392.0	590.3	448.9	475.5	924.4
Total												
At maturity N-2												
Backlog												
Paid service	100.6	39.1	139.7	150.0	44.4	194.4	198.3	392.0	590.3	448.9	475.5	924.4

Source: MEF/DDPD

9.3.3 Debt currency

As part of the medium-term debt management strategy, in September 2018, Côte d'Ivoire entered 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.

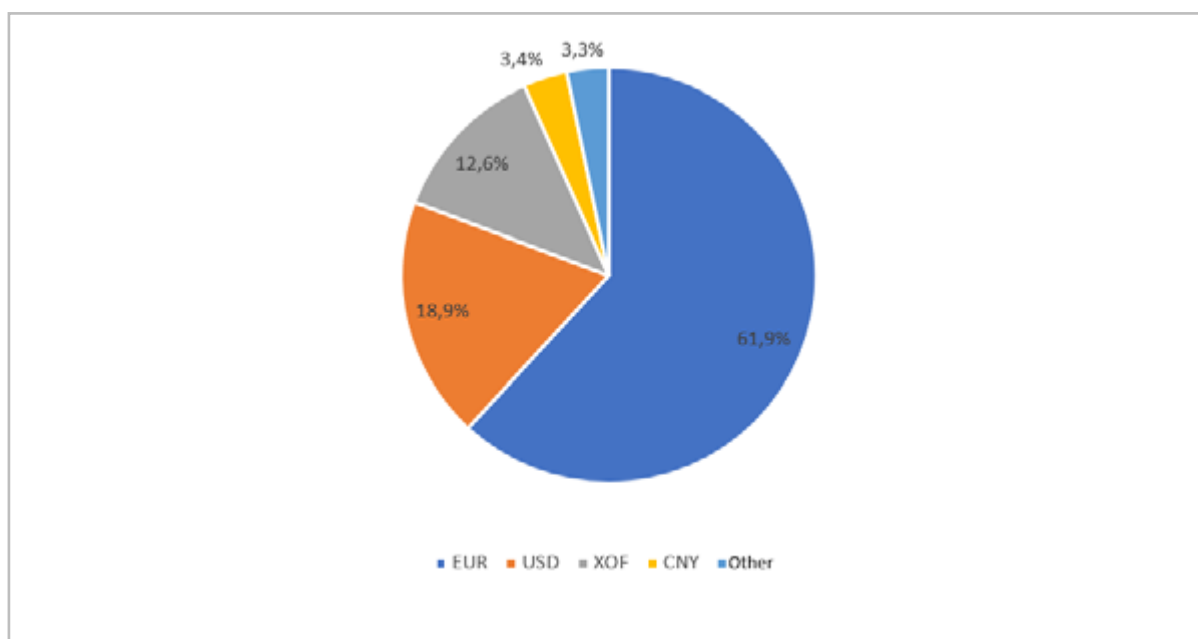
In December 2019, a second transaction was completed with a notional amount of USD 724 million covering the period 2020 - 2024 and concerned all unhedged flows (principal and interest) of the 2024, 2032 and 2033 Eurobonds over the period 2020 - 2024 and all flows (principal and interest) of three bilateral 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 57. Currency composition of the external debt portfolio in 2021

Currency	Total debt denominated in foreign currency	CFAF exchange rate on December 31, 2020	Total debt expressed in CFAF	Exchange rates in EUR as of December 31, 2020	Total debt expressed in EUR	Debt distribution by currency
EUR	11.6	656.0	7 615.7	1.0	11.6	61.9%
USD	4.0	580.3	2 322.0	0.9	3.5	18.9%
XOF	1551.8	1.0	1 551.8	0.0	2.4	12.6%
CNY	4.7	90.0	421.0	0.1	0.6	3.4%
Other	NA	NA	400.2	NA	0.6	3.3%

Source: MEF/DDPD

Figure 15. Debt distribution by currency in 2021



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 84.2

percent of outstanding domestic debt at the end of December 2021. 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 BRVM).

Table 58. Distribution of domestic debt by creditors

[Côte d'Ivoire] status as of December 31, 2021	Domestic debt in value (billions of CFAF)	Domestic debt as % of total domestic debt	Domestic debt as % of nominal GDP in year 2021
Total domestic debt*(Y/c IMF)	7 959.2	100.00%	20.3%
Titles	6 699.8	84.2%	17.1%
Treasury Bill	338.8	4.3%	0.9%
Treasury bonds (including T-bonds and Sukuk)	6 361.0	79.9%	16.2%
Other loans	1 259.4	15.8%	3.2%

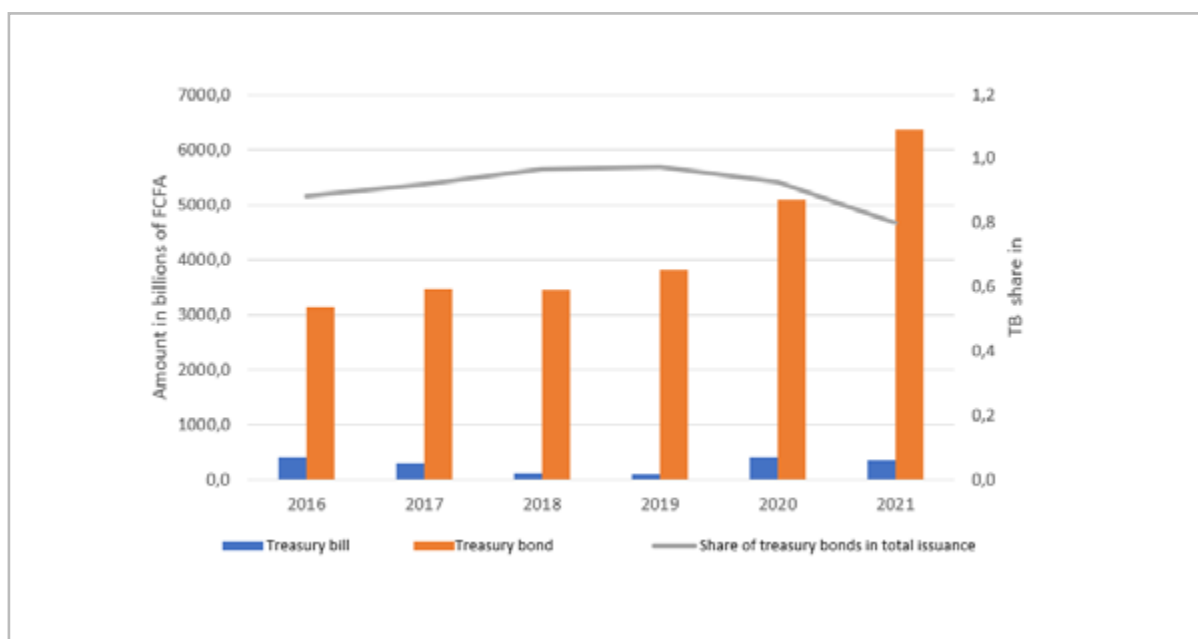
Source: MEF/DDPD

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 2021. 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 WAE-MU public securities market over the past five years. Its issues are considered benchmarks.

Figure 16. 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 coun-

tries. Principal amortizations constitute a major part of the debt service paid at the end of December 2021.

Table 59. Debt service due and paid

Domestic Debt 2020 In billions of CFAF	Banking sector			Non-banking sector			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
(1) Debt service due at the end of December 2020	640.1	284.2	924.3	283.5	72.1	355.6	923.6	356.3	1279.9
(2) Debt service paid in the year 2020	640.1	284.2	924.3	283.5	72.1	355.6	923.6	356.3	1279.9

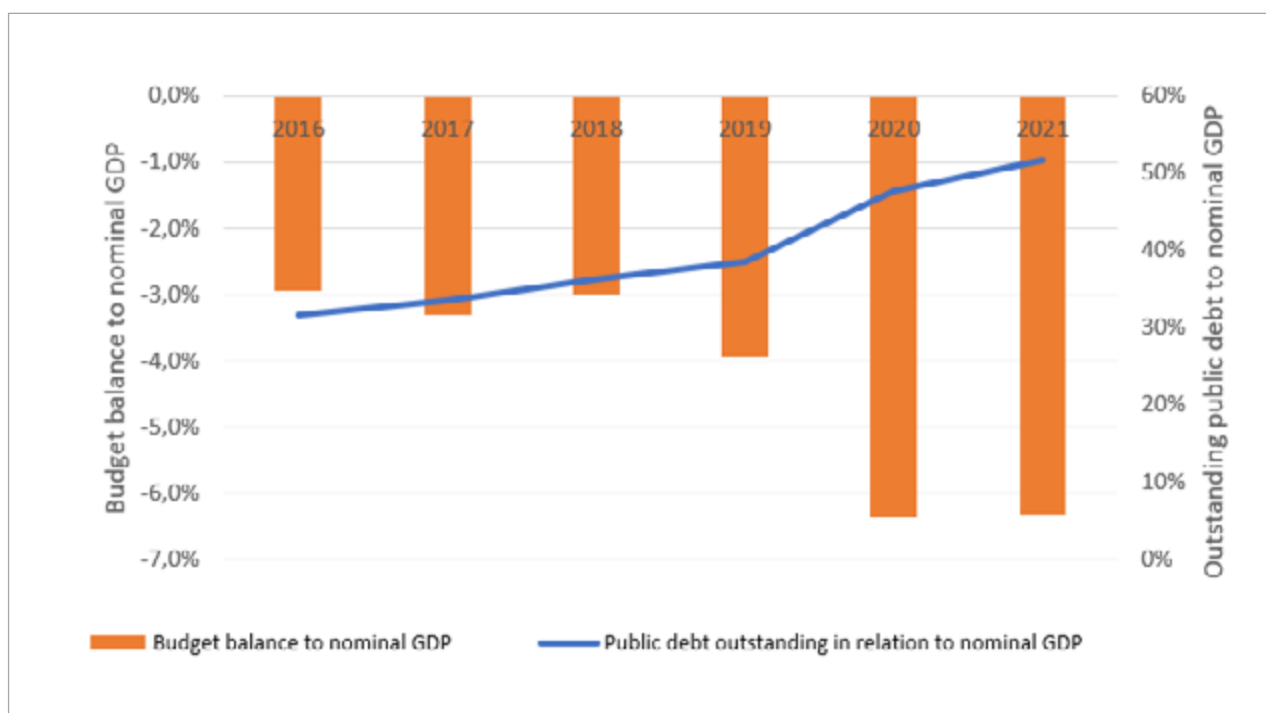
Source: MEF/DDPD

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

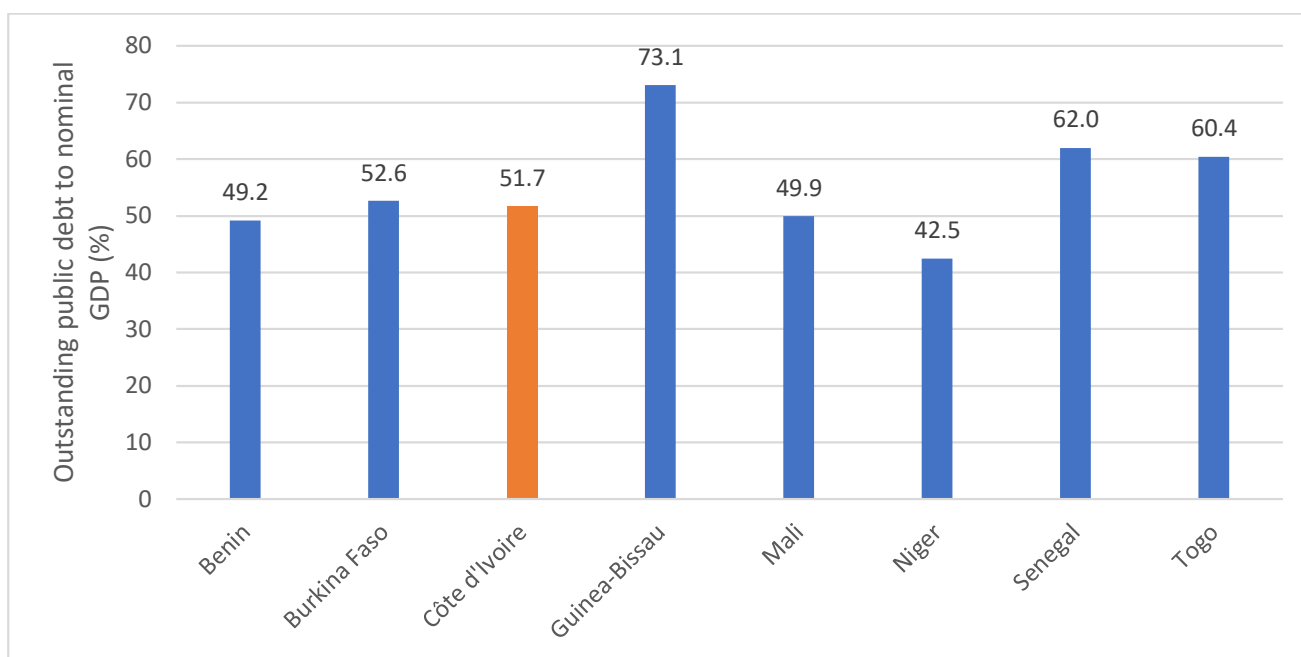
2016-2021. This trend is explained by an increase in the budget deficit. However, efforts to control the deficit in line with WAEMU multilateral surveillance criteria and the change of base year have helped to slow the pace of debt growth.

Figure 17. Fiscal Deficit to GDP and Public Debt to GDP Ratios for Côte d'Ivoire



Source: MEF

Figure 18. Public debt to GDP in 2021 for WAEMU countries



Source: IMF, MEF

Table 60. Outstanding securities as of December 31, 2021

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	0.083333333	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 - 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 61. 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:

- o **Realizations:** economic data for past years, calculated based on exhaustive economic information collected on economic activity by national administrations. They should correspond to the final accounts data for year N-3.
- o **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.
- o **Economic projections or forecasts:** correspond to economic data calculated based on 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 except for 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 based on 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 ($T < 100$).

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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