



# CÔTE D'IVOIRE

April 2025

## 2024 ARTICLE IV CONSULTATION, THIRD REVIEWS UNDER EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR MODIFICATION OF A QUANTITATIVE PERFORMANCE CRITERION, AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR CÔTE D'IVOIRE

In the context of the Côte d'Ivoire - 2024 - Article IV Consultation, Third Reviews Under Extended Arrangement Under the Extended Fund Facility and the Arrangement Under the Extended Credit Facility, Request for Modification of a Quantitative Performance Criterion, and Second Review Under the Resilience and Sustainability Facility Arrangement, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board and summarizing the views of the Executive Board as expressed during its December 11, 2024, consideration of the staff report on issues related to the Article IV Consultation and the IMF arrangement.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on December 11, 2024, following discussions that ended on October 9, 2024, with the officials of Côte d'Ivoire on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on November 21, 2024.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the World Bank.
- An **Informational Annex** prepared by the IMF staff.
- A **Statement by the Executive Director** for Côte d'Ivoire.

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## IMF Executive Board Completes the Third Reviews of the EFF/ECF Arrangements and the Second Review of the RSF Arrangement and Concludes 2024 Article IV Consultation with Côte d'Ivoire

FOR IMMEDIATE RELEASE

**Washington, DC – December 13, 2024:** On December 11, 2024, the Executive Board of the International Monetary Fund (IMF) completed the Third Reviews of the [Extended Fund Facility](#) (EFF) and [Extended Credit Facility](#) (ECF) Arrangements and the Second Review of the [Resilience and Sustainability Facility](#) Arrangement (RSF) (see [PR 24/464](#)), and concluded the 2024 Article IV consultation<sup>1</sup> with Côte d'Ivoire.

Côte d'Ivoire's performance has been strong under both the 40-month EFF/ECF arrangements with a combined access of SDR 2,601.6 million (or 400 percent of quota) and under the RSF with an access of SDR 975.6 million (or 150 percent of quota). Program implementation has been satisfactory thus far, with all performance criteria, structural benchmarks and reform measures scheduled for the reviews met or implemented. The completion of the reviews allows for an immediate disbursement of about US\$ 808.5 million under the EFF/ECF and RSF arrangements.

The authorities' ongoing commitment to reforms under both programs should support Côte d'Ivoire's transformation towards upper middle-income status over the medium-term and enhance its resilience to climate change. At the same time, longstanding structural impediments, including high and persistent informality, the focus of the 2024 Article IV consultation discussions, along with gaps in gender equality, present challenges to higher and more inclusive growth.

Côte d'Ivoire's economy continues to display resilience. Strong consumption and investment demand underpin robust economic activity in 2024 despite weaker than expected agricultural production, and construction activity. Nevertheless, further buoyant growth is expected over the near to medium term with a recovery of agricultural production, stronger extractive industries activity which will benefit from the Baleine oil field fully coming onstream, and growth in energy production supported by the ongoing investment upgrades. Inflation continues to moderate. Headline annual average CPI inflation is projected to fall from 4.4 percent (yoy) in 2023 to 3.8 percent (yoy) by end-2024 as key food and commodity prices continue to ease. The financial sector remains sound. The commitments announced during the November COP 29 will help catalyze climate financing in Côte d'Ivoire.<sup>2</sup>

Fiscal and external imbalances have been steadily receding since 2023. Decisive revenue-based fiscal consolidation is on track and debt sustainability has improved. The fiscal deficit

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<sup>1</sup> Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

<sup>2</sup> [Government of Côte d'Ivoire Collaborates with International Financial Institutions, Development Partners, and the Private Sector to Catalyze Climate Finance](#)

fell from 6.8 percent of GDP in 2022 to 5.2 percent of GDP in 2023, on the back of strong upfront revenue measures. Further revenue measures in 2024 and 2025 are expected to support an additional fiscal consolidation to reach a fiscal deficit of 4 percent of GDP in 2024 and 3 percent of GDP in 2025. The risk of debt distress is confirmed as moderate, and the debt outlook improved mainly due to improved liquidity ratios and proactive debt management operations. After a widening of the current account deficit to 7.9 percent of GDP in 2023, a sharp improvement is expected in 2024, on the back of significant terms-of-trade gains. Record-high cocoa prices, along with increased production prospects, are expected to support export revenue and narrow the current account deficit to about 5.1 percent of GDP in 2024.

Following the Executive Board discussion, Mr. Okamura, Acting Chair and Deputy Managing Director, made the following statement:

“Côte d’Ivoire’s performance under the Fund-supported programs has been strong, reflecting the authorities’ commitment to sustaining macroeconomic stability. Continued and resolute reform efforts will maintain a moderate risk of debt distress amid a still difficult external backdrop, while also cementing the country’s role as an anchor of regional stability.

“The fiscal consolidation envisaged in the 2025 budget will be underpinned by high-quality and permanent tax policy measures, as well as tax and customs administration reforms. These will help in reaching the WAEMU deficit target of 3 percent of GDP in 2025 and further reduce the country’s debt sustainability risks, also supported by active debt management.

“Sustaining domestic revenue mobilization over the medium term remains a clear priority, to generate the fiscal space needed to finance deeper economic transformation toward upper middle-income status. To this end, implementation of the MTRS will continue to require significant engagement with stakeholders to ensure successful overhaul of the tax system, and in particular streamlining or eliminating VAT tax exemptions and other tax expenditures.

“Safeguarding fiscal space will be aided by the authorities’ commitments to enhance the coverage, transparency, and management of public finances, especially to cover state owned enterprises.

“Sustaining structural reform momentum and continuous improvements in safeguarding financial integrity and governance are important for unlocking the private sector’s potential. Addressing identified AML/CFT framework deficiencies and showcasing an implementation track-record on AML/CFT reforms is critical. Tackling and reducing informality will further support ongoing investments in human capital development, especially amongst youth and women, to make growth more inclusive. Pursuing efforts to strengthen resilience to climate risks will also be important for a sustainable transformation of Côte d’Ivoire’s economy.”

### **Executive Board Assessment<sup>3</sup>**

Executive Directors agreed with the thrust of the staff appraisal. They commended the authorities’ strong performance under the Fund-supported programs, and the resulting strengthening of macroeconomic fundamentals. However, noting significant downside risks, Directors stressed the importance of staying the course on important reforms to entrench

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<sup>3</sup> At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country’s authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.

fiscal and debt sustainability, strengthen climate resilience, and lay the foundation for sustained higher inclusive growth and economic transformation.

Directors welcomed the authorities' commitment to revenue-based fiscal consolidation to reduce the deficit to the WAEMU target of 3 percent of GDP in 2025. They underlined the need for effective implementation of the Medium-Term Revenue Strategy and emphasized the importance of expanding the tax base and streamlining tax expenditures and VAT exemptions to support a simpler, more transparent, and equitable tax system. Given the challenges associated with achieving ambitious revenue targets, Directors highlighted the importance of increasing spending efficiency, reducing non-priority spending, and preparing contingency measures. They stressed that any unforeseen spending pressures from regional security conditions should be accommodated within the budget envelope. Directors welcomed the improvement in debt sustainability and encouraged continued efforts to strengthen debt management capacity. They welcomed ongoing tax-administration reforms, which will be aided by efforts to improve spending efficiency and enhance coverage, transparency, and management of public finances, especially for state owned enterprises.

Directors positively noted the authorities' continued efforts to improve governance and financial integrity and reduce corruption risks. They emphasized the need to take decisive steps to address weaknesses in the AML/CFT framework in line with the agreed FATF action plans to ensure an expeditious exit from the FATF grey list.

Directors stressed the importance of sustaining structural reforms to strengthen the business environment and financial inclusion and induce higher private sector investment. They emphasized the need to reduce the high levels of informality and promote diversification, which in turn should support more inclusive growth and the country's transformation toward upper middle-income status. Directors underlined the importance of pursuing efforts to strengthen resilience to climate risks for a sustainable transformation of the Ivorian economy and welcomed the commitments to catalyze climate finance.

It is expected that the next Article IV consultation with Cote d'Ivoire will be held in accordance with the Executive Board decision on consultation cycles for members with Fund arrangements.

**Table 1. Côte d'Ivoire: Selected Economic and Financial Indicators, 2022–26**

Population (2021): 29 million

Gini Index (2018): 37.3

Per capita GDP (2021): 2,445 USD

Life Expectancy (2020): 60

Share of population below the poverty line (2021): 36.3%

	2022	2023 Prel.	2024 Proj.	2025 Proj.	2026 Proj.
<b>Output</b>					
Real GDP Growth (%)	6.2	6.2	6.1	6.3	6.3
<b>Prices</b>					
Inflation (annual average, %)	5.2	4.4	4.0	3.0	2.2
<b>Central government finances</b>					
Revenues (% GDP)	14.7	15.6	16.3	17.3	17.8
Expenditure (% GDP)	22.1	21.5	20.8	20.8	21.2
Fiscal balance (% GDP)	-6.8	-5.2	-4.0	-3.0	-3.0
Public debt (% GDP)	56.6	58.1	59.3	56.0	54.3
<b>Money and Credit</b>					
Broad money (% change)	9.0	3.3	...	...	...
Credit to private sector (% change)	7.3	16.2	...	...	...
<b>Balance of payments</b>					
Current account (% GDP)	-7.7	-7.9	-5.1	-1.7	-2.4
Net FDI Inflows (% GDP)	2.0	1.7	3.8	3.8	3.3
WAEMU reserves (in months of imports)	4.0	3.3	...	...	...
External public debt (% GDP)	34.5	35.9	35.9	36.2	35.5
<b>Exchange rate</b>					
REER (% change, depreciation –)	-4.9	4.2	...	...	...

Sources: Ivorian authorities, World Bank,  
and IMF staff estimates.



# CÔTE D'IVOIRE

## STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION, THIRD REVIEWS UNDER EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR MODIFICATION OF A QUANTITATIVE PERFORMANCE CRITERION, AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT

November 21, 2024

### EXECUTIVE SUMMARY

**Context:** Côte d'Ivoire's impressive economic resilience and commitment to economic reforms have allowed it to emerge as a regional anchor of growth and stability. The EFF/ECF-supported program approved in May 2023 (400 percent of quota), has helped to safeguard macroeconomic stability, as well as a moderate rating of debt distress, while growing challenges from climate change are being addressed under the recently approved RSF arrangement (150 percent of quota). The authorities' ongoing commitment to reforms under both programs should support Côte d'Ivoire's transformation towards upper middle-income status over the medium-term and enhance its resilience to climate change. At the same time, longstanding structural impediments, including high and persistent informality (Article IV focus), along with gaps in gender equality, present challenges to higher and more inclusive growth, a wider tax base, and hinder deeper economic transformation. Ahead of presidential elections in late 2025, the medium-term outlook remains favorable, and risks appear broadly balanced, both of which are reflected in recent sovereign credit ratings upgrades by ratings agencies.

**Program performance, modifications, new conditionality, and risks:** Program implementation continues to be strong, with all end-June performance criteria and end-June, end-July and end-September structural benchmarks met. Moreover, all reform measures under the RSF for this review (RM4, 8, 10 and 15) have been implemented. The authorities are requesting a modification of the QPC on the ceiling on the present value of external debt, to exclude potential future debt management operations from the definition of external debt under the program. Structural conditionality has been augmented to include new structural benchmarks on domestic revenue mobilization, governance, and data

dissemination. Program implementation risks remain mitigated by Côte d'Ivoire's strong track record (including successful implementation of previous programs), ownership and firm commitment to the objectives of home-grown programs.

### Main Policy Commitments

- Fiscal and debt sustainability:** Fiscal consolidation in 2024 and 2025 is underpinned by a strong commitment to implement tax policy and revenue administration measures, which amount to an additional 0.5 percent of GDP of revenue in each year. For 2024, implementation delays required the authorities to identify an additional 0.2 percent of GDP in revenue administration measures to safeguard achieving full-year targets. Convergence to the 3 percent of GDP WAEMU fiscal deficit target is expected in 2025 and will be underpinned by increasing tax revenue to GDP to 15.4 percent, due to new, permanent, and high-quality tax policy and administration measures. This effort not only generates fiscal space, but also importantly, helps sustain the country's moderate debt distress rating, also supported by active debt management. Further, the authorities are continuing their efforts to incorporate into the budget revenues which are being collected by line ministries but not recorded in the fiscal accounts—including environmental taxes.
- Domestic revenue mobilization:** The authorities remain committed to boosting tax revenue into the medium term, and to implementing the medium-term revenue strategy (MTRS) approved in May 2024. Implementation of the MTRS will require continued significant engagement with stakeholders, including technical assistance providers to ensure that the requisite overhaul of the tax system can help finance the country's critical investment and priority spending needs. In the near term, there could be scope for accelerating some important MTRS reforms in the areas of corporate and SME taxation.
- Structural reforms and climate change:** The 2024 Art. IV consultation provided an opportunity to review important structural reforms to deliver business climate improvements and increase the involvement of the private sector in the country's development. To this end, a continued emphasis on enhancing governance (including in the energy sector), increasing human development and financial inclusion, further strengthening the AML/CFT framework and its implementation, along with investment in human capital and broader financial inclusion, and climate resilience will all be instrumental in supporting higher productivity growth and economic diversification. Moreover, the authorities' focus policy considerations to reduce informality, including by addressing gender inequality, can support the country's National Development Plan (NDP), and help further the objectives of the authorities' programs beyond the EFF/ECF and RSF arrangements' period.
- Staff supports the authorities' request for completion of the third review of the EFF/ECF arrangement, the second review of the RSF, and conclusion of the 2024 Article IV consultation.** This will unlock access of 57.143 percent of quota (equivalent to SDR 371.657 million) under the EFF/ECF, and 37.5 percent of quota (equivalent to SDR 243.9 million) under the RSF.



Approved By  
**Montfort Mlachila**  
**(AFR) and Boileau**  
**Loko (SPR).**

Discussions were held virtually from September 23 to 27, 2024 and in Abidjan during October 1 to 9, 2024. The mission comprised O. Unteroberdoerster (head), C. Gicquel, K. Youssef, O. Ibrahim, S. Issoufou (all AFR), R. Lee (SPR), A. Balduino Sollaci (FAD), A. Touré (resident representative) and K. Angaman (local economist). D. Datshkovsky supported the team from headquarters. A. Tall (OED) participated in the policy meetings. The IMF team met with His Excellency Mr. Tiémoko Meyliet Koné, Vice President of the Republic; His Excellency Robert Beugré Mambé, Prime Minister; Mr. Kobenan Kouassi Adjoumani, Minister of State, Minister of Agriculture, Rural Development and Food Production; Mrs. Nialé Kaba, Minister of Economy, Planning and Development; Mr. Adama Coulibaly, Minister of Finance and Budget; Mr. Sangafowa Coulibaly, Minister of Mines, Petroleum and Energy; Mr. Souleymane Diarrassouba, Minister of Trade and Industry; Mr. Moussa Sanogo, Minister of Assets, the State Portfolio and Public Enterprises, and senior officials of the Government and the BCEAO, as well as representatives of the business community and donors. Edwin Lester Magno provided administrative assistance for the preparation of this report.

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## Glossary

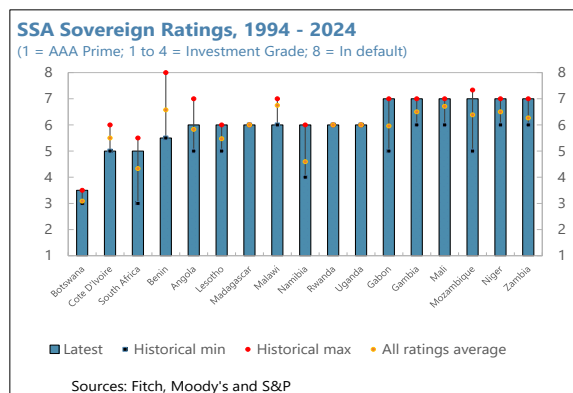
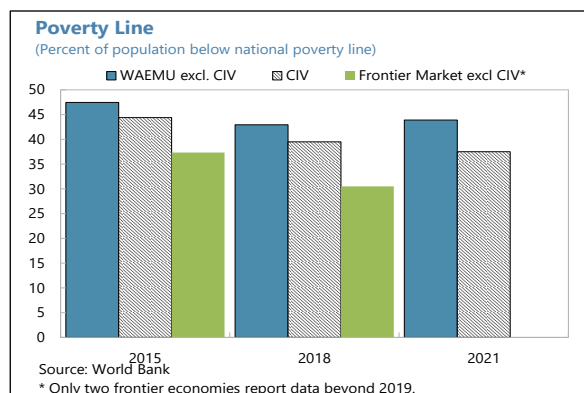
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AFG	Africa Financial Group
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
ANA	Annual National Accounts
ANStat	National Statistics Agency
ARA	Assessment of Reserve Adequacy
BCEAO	Central Bank of West African States
BMPA	Agricultural Commodities Exchange
BPCI	Banque Populaire de Côte d'Ivoire
CCDR	Country Climate Development Report
C2D	Debt Reduction and Development contract
CD	Capacity Development
CEPICI	Ivorian Centre for the Promotion of Investments in Côte d'Ivoire
CFAF	African Financial Community Franc
CNAM	National Health Insurance Fund
CNDP	National Public Debt Committee
CNLCC	National Commission in Charge of Climate Change
CNP-PPP	National PPP Steering Committee
CNPS	Private Sector Pension Fund
CNStat	National Statistics Council
COP29	29 <sup>th</sup> Conference of the Parties
C-PIMA	Climate-Public Investment Management Assessment
DAICE	Diversification, Industrial Acceleration, Competitiveness, and Jobs
D4D	Debt for Development
DGD	General Directorate of Customs
DGI	Directorate General of Taxes
DGTCP	General Directorate of the Treasury and Public Accounting
DMO	Debt Management Operation
DRM	Domestic Revenue Mobilization
DSA	Debt Sustainability Analysis
DSF	Debt Sustainability Framework
DSGE	Dynamic Stochastic General Equilibrium
E2C	Second Chance School
ECF	Extended Credit Facility
EFF	Extended Fund Facility
EFPP	Economic and Financial Program
E-GDDS	Enhanced General Data Dissemination System
EPN	National Public Establishments
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FLFP	Female Labor Force Participation
FNDS	National Fund for the Development of Statistics
FSDS	Financial Sector Development Strategy

GDP	Gross Domestic Product
GEF	Global Environment Facility
GFS	Government Finance Statistics
GFSM	Government Finance Statistics Manual
GHG	Greenhouse Gas
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
GUCE	Single Window for Foreign Trade
GUDE-PME	Single Window for the Development of SMEs
HNECDP	Health, Nutrition and Early Childhood Development Program
ICAT	Initiative for Climate Action Transparency
IHPI	Harmonized Industrial Production Index
ILO	International Labor Organization
IT	Indicative Target
LMIC	Lower Middle-Income Countries
LTGM	Long Term Growth Model
MAEIAIE	Ministry of Environment, Agroforestry, Green Economy, and Climate Action
MEFP	Memorandum of Economic and Financial Policies
MEPD	Ministry of Economic Planning and Development
MFB	Ministry of Finance and Budget
MIGA	Multilateral Investment Guarantee Agency
ML/TF	Money-Laundering/Terrorism Financing
MRV	Measurement, Report, and Verification
MTBF	Medium-Term Budget Framework
MTDS	Medium-term Debt Strategy
MTEF	Medium-Term Expenditure Framework
MTRS	Medium-term Revenue Mobilization Strategy
NACS	National Anti-Corruption Strategy
NDC	Nationally Determined Contributions
NDF	Net Domestic Financing
NDP	National Development Plan
NFIS	National Financial Inclusion Strategy
NIIP	Net International Investment Position
NHFO	Non-Honoring of Financial Obligations
NSC-AML/CFT	National Sanctions Commission on AML/CFT
PAEHR	Off-Grid Electrification Action Plan
PEPT	Electricity for All Program
PFM	Public Financial Management
PIMA	Public Investment Management Assessment
PNEEG	National Policy on Equality, Equity, and Gender
PPP	Public-Private Partnership
PRGF	Poverty Reduction and Growth Facility
PRI	Political Risk Insurance
PRONER	National Rural Electrification Program

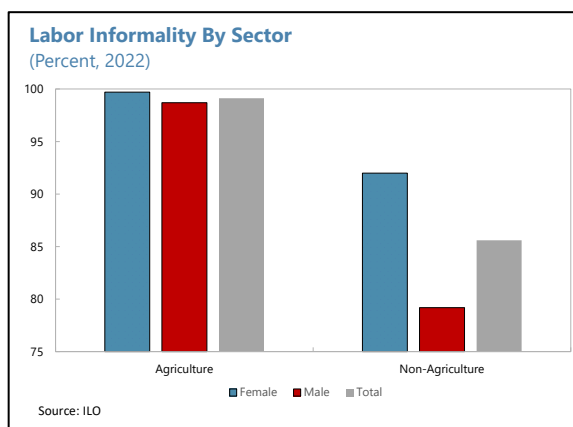
PSDEREE	Sectoral Policy for the Development of Renewable Energies and Energy Efficiency
PSN	Productive Social Safety Net
PV	Present Value
PWT	Penn World Tables
QNA	Quarterly National Accounts
QPC	Quantitative Performance Criteria
RAM-CMU	Medical Assistance Scheme of Universal Health Coverage
REER	Real Effective Exchange Rate
RM	Reform Measure
RSF	Resilience and Sustainability Facility
RSTI	Social Security Plan for Self-Employed Workers
SB	Structural Benchmark
SDDS	Special Data Dissemination Standard
SDR	Special Drawing Rights
SGPME	SME Credit Guarantee Company
SIGOMAP	Integrated Management System for Public Procurement Operations
SIG-RSU	Unified Social Registry Information Management System
SME	Small- or Medium-sized Enterprise
SNDEI	National Strategy for the Development of Entrepreneurship and Innovation
SNIT-EF	Integrated National Strategy for the Transition to the Formal Economy
SOE	State Owned Enterprise
TA	Technical Assistance
TMU	Technical Memorandum of Understanding
TOFE	Tableau des Opérations Financières de l'État
TSA	Treasury Single Account
UBI	Unique Business Identifier
UHC	Universal Health Coverage
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
VAT	Value Added Tax
WAEMU	West African Economic and Monetary Union
WBES	World Bank Enterprise Survey
WEO	World Economic Outlook
WEF	World Economic Forum

## CONTEXT

**1. Côte d'Ivoire has emerged as the WAEMU region's engine of growth and stability.** In the past decade, GDP growth has averaged 6.4 percent, around 3 percentage points higher than the average for SSA and regional peers. Inflation has hovered around 2.2 percent, roughly 4.4 percentage points lower than SSA peers. Steadfast public investment in high priority and social infrastructure has helped poverty continue to fall and underpinned the successful exit from fragility notwithstanding a rising inflow of refugees from neighboring countries. While the effects of consecutive severe global shocks resulted in growing domestic and external imbalances, decisive adjustment under the EFF/ECF supported program since 2023 has safeguarded macroeconomic stability and allowed Côte d'Ivoire to become the first sub-Saharan country to return to international financial markets since 2022. The country's sovereign debt rating was recently upgraded by Standard and Poor's (S&P) to BB, one of the top three ratings in Sub-Saharan Africa.



**2. Nevertheless, challenging socio-economic disparities remain, in the context of still high informality, low gender equality, and weak education and health outcomes.** Informality plays a significant role in Côte d'Ivoire's economy, with various estimates citing informal employment at around 90 percent of total employment in 2022, higher than the average for lower-middle-income countries (LMICs). High levels of informality typically correlate with large gender-based disparities, and Côte d'Ivoire is no exception with relatively high rates of maternal mortality and adolescent fertility, lower gender parity in higher education and in business ownership, and higher gender wage and financial access gaps (Annex I).<sup>1</sup>



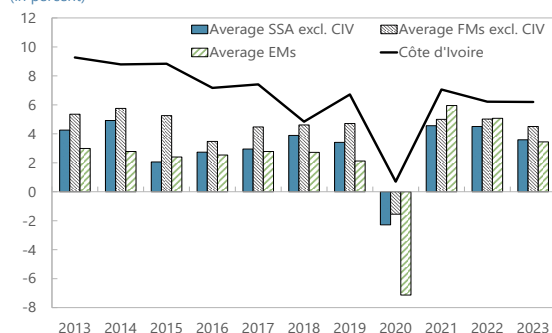
<sup>1</sup> Sever, Can, and Emekcan, Yücel. "Does informality hinder financial development convergence?" *Economic Systems* 48, no. 2 (2024): 101174.

**Figure 1. Côte d'Ivoire: Long-term Economic Trends, 2013-23**

*Post-pandemic recovery has softened, but growth continues to outperform peers.*

**Real GDP Growth**

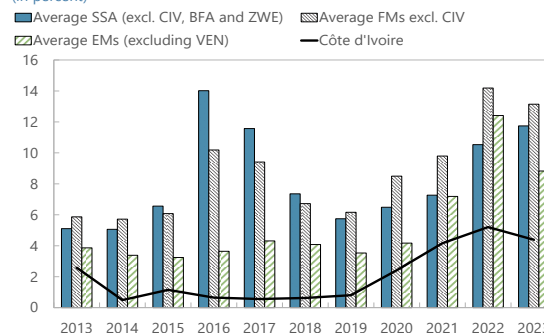
(in percent)



*Inflation moderated in 2023 and remains lower than peers.*

**CPI Inflation**

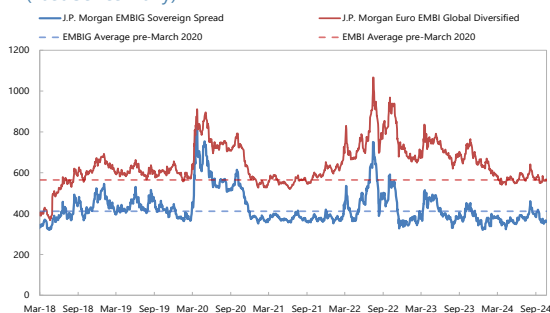
(in percent)



*Sovereign spreads have fallen....*

**EMBI and EMBIG**

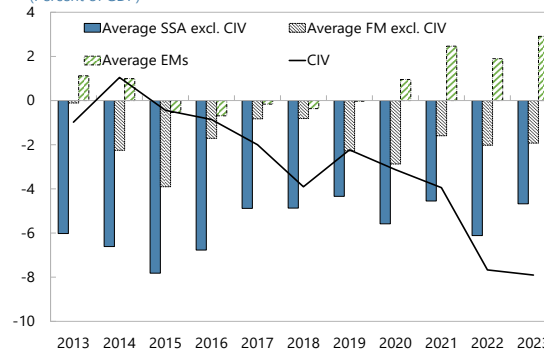
(Last Series Daily)



*but the current account deficit remained elevated in 2023.*

**Current Account Balance**

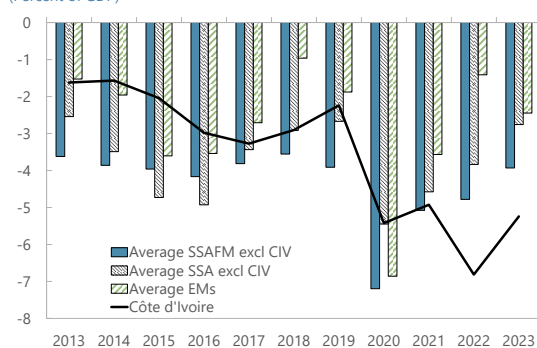
(Percent of GDP)



*Significant progress in fiscal consolidation was achieved in 2023...*

**Central Government Net Lending/Borrowing**

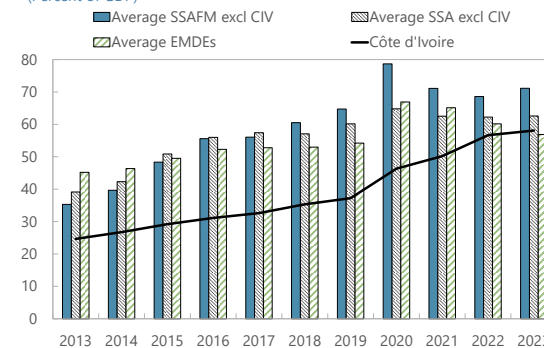
(Percent of GDP)



*slowing the increase of public debt burdens.*

**General Government Gross Debt**

(Percent of GDP)



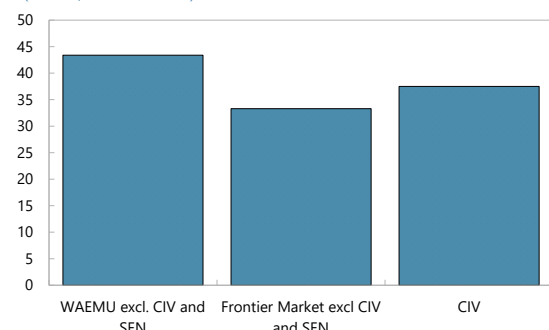
Sources: WEO, Bloomberg and IMF staff calculations.



**Figure 2. Côte d'Ivoire: CIV and SSA Comparators—Evolution of Socio-economic Indicators**

*Poverty is slightly lower than WAEMU average but remains high...*

#### Population Under the National Poverty Line (Percent, latest available\*)



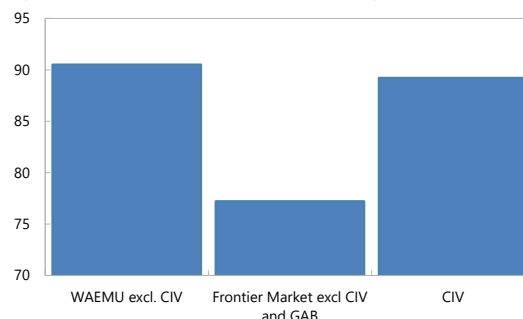
Source: World Bank

\* Information for CIV if from 2021, for other countries latest available was used from 2015-22.

*... as does labor informality.*

#### Informality

(Percent of workers in informal sector, latest available\*)



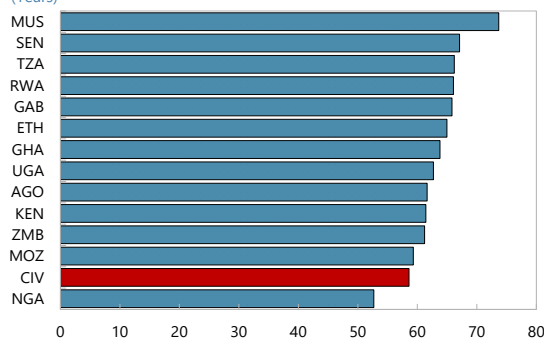
Source: ILO

\* Data for CIV is from 2019, other countries' data ranges from 2015 to 2023.

*Life expectancy at birth is lower than peers'...*

#### Life Expectancy at Birth

(Years)

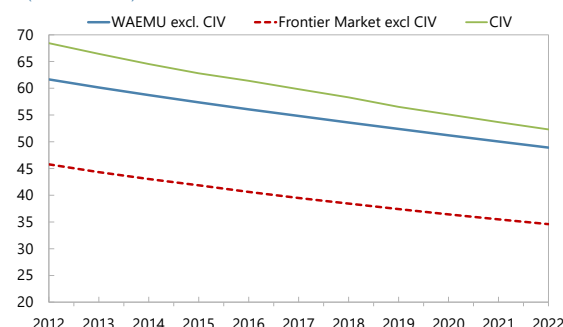


Sources: World Development Indicators and IMF staff calculations

*and infant mortality, albeit declining, remains higher than WAEMU average.*

#### Infant Mortality Rate

(Per 1000 births)

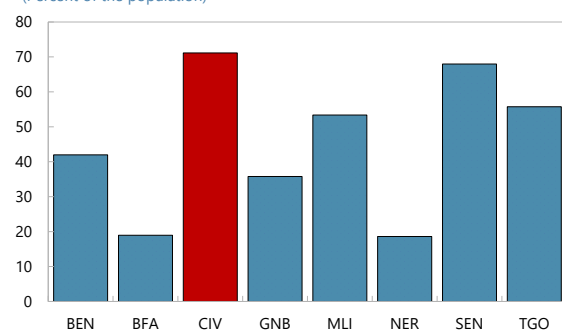


Source: World Bank

*Access to electricity is the highest among WAEMU countries...*

#### Electricity Access, 2021

(Percent of the population)

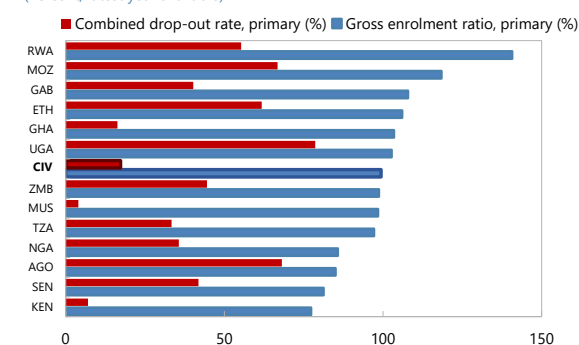


Sources: World Development Indicators and IMF staff calculations.

*and the primary dropout rate remains low, although the gross enrollment could be higher.*

#### Education

(Percent, latest year available)



Sources: World Development Indicators and IMF staff calculations

## RECENT ECONOMIC DEVELOPMENTS

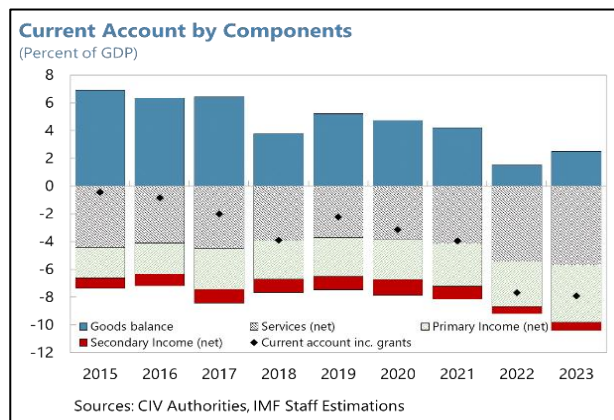
### 3. Côte d'Ivoire's economy continues to display resilience while imbalances have been receding.

- **Strong consumption and investment demand underpin robust economic activity in 2024.** Staff projects 2024 real GDP growth at 6.1 percent, slightly below the outturn for 2023, reflecting weaker agricultural production, and construction activity in the first half of the year. Nevertheless, agriculture is expected to recover with the waning of El Niño weather conditions, with cocoa production projected to increase by 12.5 percent. Growth is expected to be further supported by stronger mining and energy production, the latter of which will be buoyed by needed investment to upgrade equipment,<sup>2</sup> as well as the Baleine oil field coming onstream in August 2023. In addition, growth will be supported by robust activity in telecommunication and transportation.
- **Inflation continues to moderate.** Headline annual average CPI inflation fell from 5.2 percent year on year (yoy) in 2022 to 4.4 percent (yoy) in 2023, partly reflecting softening commodity prices. Although higher seasonal demand and heat waves affecting crop production, along with higher electricity tariffs, have exerted upward pressures in food and energy prices in recent months, inflation is expected to decline further to 4 percent (yoy) by the end of the year as key food and commodity prices continue to ease.
- **Decisive revenue-based fiscal consolidation is on track and debt sustainability has improved.** The fiscal deficit fell from 6.8 percent of GDP in 2022 to 5.2 percent of GDP in 2023, on the back of strong upfront revenue measures. Further revenue measures in 2024 are expected to support an additional fiscal consolidation to 4 percent of GDP. At end June, tax revenue reached 6.8 percent of GDP, or about 0.7 percentage points of GDP higher than the average for the same period between 2016 and 2023. Spending control has also been generally maintained, though security spending has marginally exceeded budgeted amounts. Following a debt management operation (DMO) financed by the January 2024 Eurobond issuance, the debt sustainability rating was confirmed at moderate risk of debt distress without the use of judgement and the debt outlook improved mainly due to improved liquidity ratios.
- **The current account balance deteriorated in 2023, but a sharp improvement is expected in 2024, on the back of significant terms-of-trade gains.** The 2023 current account deficit rose to around 7.9 percent of GDP. Notwithstanding lower cocoa export volumes, the goods surplus rose to 2.4 percent of GDP but was more than offset by large services and primary income deficits, in part related to the scaling up of multinationals' oil

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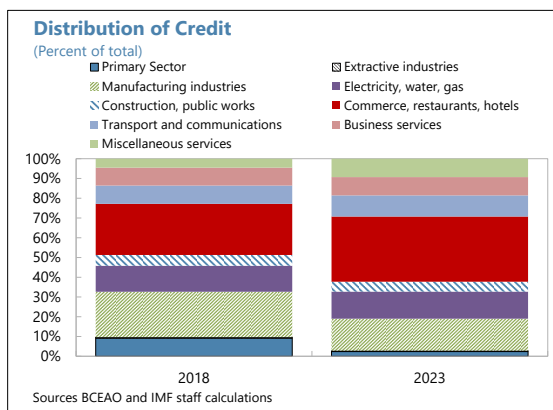
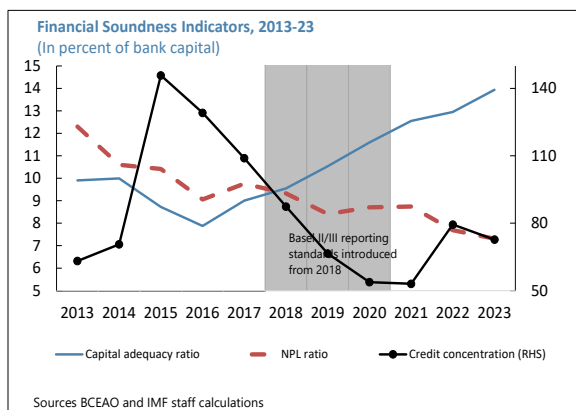
<sup>2</sup> Regular equipment upgrades are essential to sustain thermal and hydraulic energy input production. These updates help prevent the need to import expensive inputs like heavy fuel oils (HFO), as seen in 2021 and 2024, which negatively impacted the value added of the energy sector.

extraction investments. Record-high cocoa prices, along with increased production prospects, are expected to support export revenue in the second half of 2024 and help narrow the current account deficit to about 5.1 percent of GDP. A declining current account deficit and an improved outlook for financial inflows in the region are expected to (i) support a gradual rebuilding of regional external reserves, which remained at 3.3 months of prospective imports through October 2024, broadly unchanged from their end-2023 level; and in turn (ii) improve the country's external position, which was weaker than implied by fundamentals and desirable policies in 2023 (Annex II).



- The financial sector remains sound, though credit growth has decelerated.** Banks remained solvent with the Tier 1 capital ratio improving to 13.2 percent in December 2023—from 12.9 percent in June 2023. The ratios of non-performing loans to total loans (net of provisions) slightly increased from 7.2 (2.3) in June 2023 to 7.3 (2.8) percent in December 2023 while credit concentration has declined. Amid monetary tightening, the average lending rate rose to 8.5 percent at end-2023, from 6.7 percent at end-2022, contributing to a deceleration of growth of credit to the economy to 7.6 percent in June 2024, from 16.2 percent at end December 2023.

### Financial Soundness and Distribution of Credit

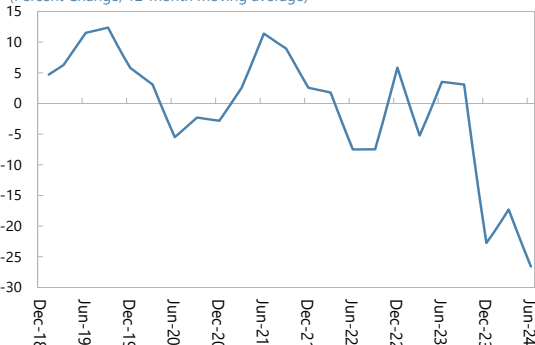


**Figure 3. Côte d'Ivoire: Selected Economic Activity Indicators, 2018-Latest**

*The production of cocoa has suffered a decrease...*

#### Cacao Production

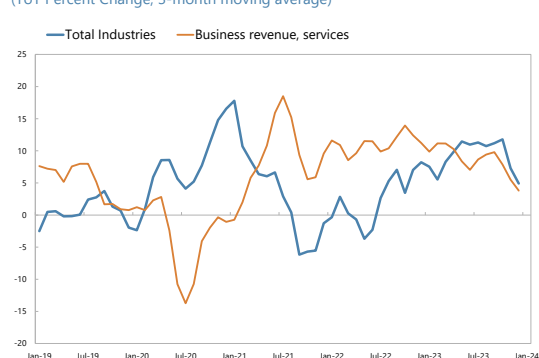
(Percent Change, 12-month moving average)



*and business revenues have fallen.*

#### Industrial Production Index

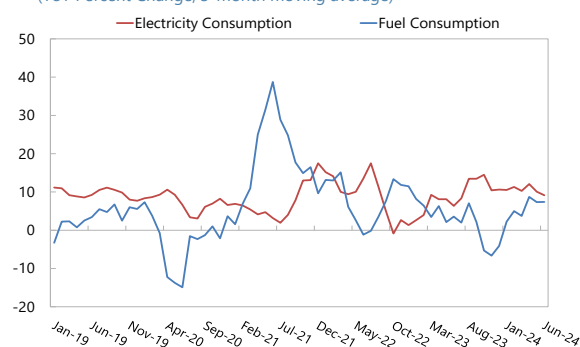
(YoY Percent Change, 3-month moving average)



*Demand for electricity continues to trend upwards, while fuel consumption has rebounded.*

#### Domestic Consumption of Electricity and Fuel

(YoY Percent Change, 3-month moving average)

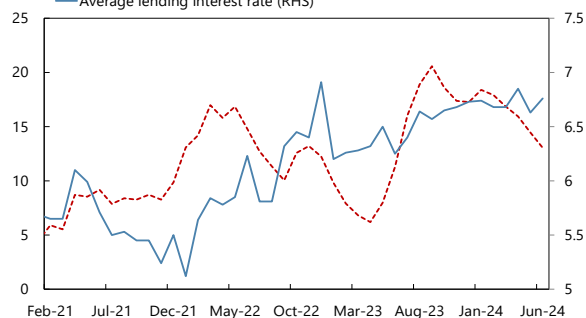


*Growth of credit to the economy has slowed ...*

#### Banking Sector Indicators

--- Growth of credit to private sector (yoy, 3-month moving average)

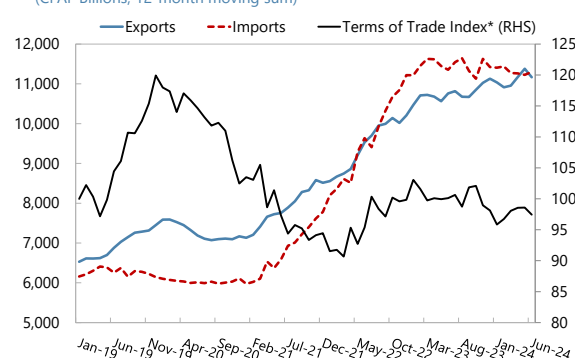
— Average lending interest rate (RHS)



*and terms of trade improvements are underway...*

#### Trade

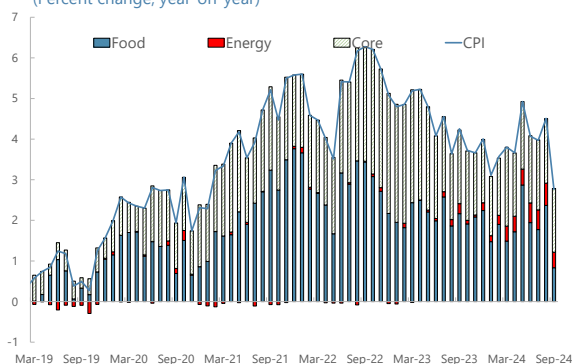
(CFAF Billions, 12-month moving sum)



*as CPI inflation has moderated.*

#### Contribution to Inflation

(Percent change, year-on-year)



Sources: Ivorian authorities and IMF staff calculations.

\* 12-month moving average; base January 2019=100, higher terms of trade reflect higher relative prices of exports to imports.

## PROGRAM PERFORMANCE

### 4. Program performance under the three arrangements continues to be strong.


- **Quantitative performance criteria and structural benchmarks under the EFF/ECF.** All quantitative performance criteria (QPCs) and indicative targets (ITs) for end-June 2024 have been met (Table 9). Regarding structural benchmarks (SBs), e-procurement was used at over 80 percent for all ordinary operations during the first half of 2024, well above the 50 percent threshold (July 2024 SB). The authorities also strengthened the module relating to automated VAT management by incorporating the control of the VAT deduction collected at customs in June 2024 (June 2024 SB) and updated the quarterly publication of central government debt data which is posted on Côte d'Ivoire National Summary Data Page (September 2024 SB). An ordinance to streamline the provisions relating to exemptions linked to the investment code was issued (September 2024 SB).
- **Reform measures (RMs) under the RSF arrangement** (Table 11): The authorities implemented the four RMs scheduled for the second review of the RSF (MEFP ¶120) (Figure 3).
  - i. To significantly strengthen the governance of climate policies in line with international best practice, the authorities adopted a decree creating the National Commission in charge of Climate Change issues (CNLCC) in June 2024 and an order in October 2024 laying out procedural guidelines and specifying the inclusion of disaster risk management in the CNLCC. The first annual progress report on climate change action under the auspices of the Prime Minister was adopted by the Council of Ministers on October 30, 2024, and published on the website of the Ministry of Environment, sustainable development, and ecological transition<sup>3</sup> (Box 1) **(RM4).**
  - ii. To increase green and sustainable financing for private and public companies, the authorities adopted a decree in October 2024 to (i) operationalize the green finance platform by setting up a website to ease the access of key strategic documents for domestic and international actors of climate finance, as well as quantified targets, roles envisaged for the different financial instruments, and the involvement of different donors,<sup>4</sup> and by designing a training and capacity building plan for which implementation has started with first pilot training, in October; and (ii) design and implement a framework for monitoring and tracking climate finance through a finance Measurement, Reporting and Verification (MRV) system. The MRV system was designed based on the open-source model of the UNDP and is now operational **(RM8).**

<sup>3</sup> <https://environnement.gouv.ci/wp-content/uploads/2015/08/RAPPORT-NATIONAL-SUR-LEVALUATION-DE-LACTION-CLIMATIQUE-EN-COTE-DIVOIRE-2024.pdf>

<sup>4</sup> <https://finance.mnv-cotedivoire.ci/>

- iii. To enhance infrastructure resilience, the authorities completed a road design manual to take into account climate change in February 2024 and produced a report in October 2024 to take stock of the pilot exercise of the implementation in the Greater Abidjan area. The report's recommendations stressed the need for (i) ongoing training to enhance knowledge of design and sizing methodologies; (ii) continued research to improve understanding of Ivorian road materials and enhance the durability and resilience of road infrastructure; (iii) information sharing from the manual's use to collect data for document updates; (iv) traffic monitoring in the Abidjan area to reduce congestion and prevent rapid road degradation; and (v) continuous update of climate data such as rainfall, temperature, and wind measurements **(RM10)**.
- iv. Furthermore, to strengthen fiscal transparency and accountability on environmental funds and taxes, the authorities have continued to integrate all funding, including existing and new windows, of the United Nations Framework Convention on Climate Change (UNFCCC) into the budget and have also moved all relevant state environmental taxes and earmarked fees, as defined in Annex 1 of the MEFP of the RSF program request, to the 2025 budget, except for the water tax, which is expected to be integrated in the 2026 budget. Staff views this deviation as minor and not central to the reform's main goal of reducing emissions. On this basis, staff considers RM15 to be met **(RM15)**.
- v. **Follow up on RM13.** After the adoption of the decree promoting e-mobility in May 2024, which targets to achieve a share of 10 percent for e-vehicles by 2030, as of September 2024, more than 200 electric vehicles are on the road and 60 charging stations were installed in Abidjan and Bouaké. Additionally, a platform named NEO was installed to facilitate the geo-localization and management of the charging stations.

Figure 4. Côte d'Ivoire: Status of RSF Reform Measures

Key Challenges	EFF/ECF Review				
	2nd EFF/ECF Review	3rd EFF/ECF Review	4th EFF/ECF Review	5th EFF/ECF Review	6th EFF/ECF Review
 <b>Lack of integration of climate into public financial management</b>				<b>RM 1.</b> Establish a system for tagging of climate-related investment expenditure and integrate and publish it with the climate budget statement. <b>RM 2.</b> Integrate quantitative analysis of climate-related budget risks into budget risk statement. <b>RM 3.</b> Integrate climate aspects into PIM.	<div> <div>Mitigation</div> <div>Adaptation</div> <div>Both</div> </div>
<b>Weak governance of climate policies</b>		<b>MET ✓</b> <b>RM 4.</b> Set up a national commission on climate issues under the Prime Minister's Office, tasked with producing an annual report with recommendations on improving the government's climate action that will be presented in the Council of Ministers and published.			
<b>Exposed and vulnerable agriculture sector</b>					<b>RM 5.</b> Implement a climate insurance system including a pilot in the cotton industry.
<b>Lack of green and sustainable financing for private and public companies</b>		<b>MET ✓</b> <b>RM 8.</b> Adopt a Decree to operationalize the Green Finance Platform and design and implement a finance Measurement, Reporting and Verification system for the Green Finance Platform.	<b>RM 6.</b> Design a transition taxonomy and an inter-ministerial coordination mechanism on the design of the taxonomy. <b>RM 7.</b> Introduce a climate risk disclosure framework for public and private non-financial companies, connected to the taxonomy, and a disclosure requirement, based on the climate risk disclosure framework.		
<b>Vulnerability to flooding and coastal erosion</b>		<b>MET ✓</b> <b>RM 10.</b> Design and adopt standardized maintenance methodologies for road infrastructure, including the pilot region of greater Abidjan.	<b>RM 9.</b> Strengthen and deploy the multi-hazard early warning system countrywide, implement the system in one pilot region.		
<b>Increasing greenhouse gas emissions</b>	<b>MET ✓</b> <b>RM 13.</b> Promote electric vehicle mobility.	<b>MET ✓</b> <b>RM 15.</b> Integrate different funds, associated environmental taxes and earmarked fees into the State budget in line with NDCs.		<b>RM 11.</b> Implement mandatory energy audits for high energy consumption organizations and a labeling system for appliances and lightbulbs.	<b>RM 12.</b> Develop a carbon taxation strategy tailored to Côte d'Ivoire's needs, and make any necessary adjustments to fuel prices in line with this strategy. <b>RM 14.</b> As part of the carbon taxation strategy, adopt reforms on environmental vehicle tax system to align with targets. <b>RM 16.</b> Complete tendering process to build solar power capacity of at least 100 MW.

### Box 1. First Annual National Report on the Evaluation of Climate Action in Côte d'Ivoire

Côte d'Ivoire's ecological transition represents a critical response to the escalating challenges posed by global climate change. The country faces significant threats from rising temperatures and unpredictable rainfall patterns, which jeopardize ecosystems and agricultural productivity. This situation endangers food security and the livelihoods of many, particularly in rural areas. In addition to addressing adaptation challenges, Côte d'Ivoire ratified the Paris Agreement in 2016, committing to a 30.4 percent reduction in greenhouse gas emissions by 2030. Meeting Côte d'Ivoire's ambitious adaptation and mitigation goals necessitates a coordinated effort among government, civil society, and the private sector to enhance resilience against climate impacts. The first annual progress report on climate change action under the auspices of the Prime Minister is the government's blueprint on key challenges, priority actions, and recommendations to close gaps. Its highlights can be summarized as follows:

**National Features and Impacts of Climate Change:** The country encompasses an area of 322,462 km<sup>2</sup> and has a population of about 29.4 million. The climate ranges from humid equatorial to the semi-arid tropical, characterized by significant rainfall variability. While abundant, the natural resources are threatened by deforestation and water scarcity. Scenario projections indicate potential GDP losses of 13 percent by 2050 due to climate impacts. Agriculture is increasingly threatened by rising temperatures and water resources' availability is expected to decline. Health risks are anticipated to increase due to climate-related diseases. From 1990 to 2020, greenhouse gas (GHG) quintupled in Côte d'Ivoire due to deforestation, forest degradation, and increase of GHG in energy and agriculture.

**Socio-Economic Profile:** Five sectors have been identified as most vulnerable to climate change: agriculture, water, forestry, coastal zones, and health. Agriculture accounts for 14.3 percent of GDP, with high youth unemployment existing alongside improvements in reducing extreme poverty. Health and education sectors have seen progress, yet disparities persist.

**International Cooperation and Mobilization of Financing.** According to the Nationally Determined Contributions (NDCs), financing needs of about \$22 billion are estimated for climate initiatives. 300 projects have already been identified, representing an envelope of about \$16 billion, of which 53 projects have feasibility studies and are bankable. A web platform for monitoring green and sustainable financing is being developed to track financial needs and mobilization in real-time. The country's climate strategy relies on mobilizing domestic resources, private sector contributions, and strengthened cooperation with various financial mechanisms. Despite notable efforts in renewable energy and emission reduction, effective climate action necessitates greater government engagement in investment deployment, capacity building for national actors, governance structure operationalization, data sharing, and private sector involvement.

**National Initiatives:** The authorities have started about 90 initiatives focused on sustainable practices aims to bolster community resilience and adaptability. Additionally, they established a National Platform for Disaster Risk Reduction to enhance preparedness. To mitigate greenhouse gas emissions, 180 initiatives are underway to achieve emissions reductions across multiple sectors.

The **main challenges** are to mobilize 78 percent of unmet financial needs, to integrate contributions from the private sector and to expand decentralized energy production to favor an inclusive development.

The **main recommendations** are the following: (i) **short-term.** *Government:* Implement the National Adaptation Plan, operationalize climate funding, strengthen legal frameworks, enhance governance, and build capacity on climate issues. *Partners:* Increase support for project feasibility studies; (ii) **medium-term.** *Government:* Establish a green financing framework, manage climate risks, and improve data sharing systems. *Private Sector:* Support state financing, build capacity on climate issues, and assist in project implementation. *Partners:* Provide technical assistance for financing mobilization; (iii) **long-term.** *Government:* Operationalize fiscal incentives for low-carbon technologies, strengthen international partnerships for project financing, and promote clean technologies. *Partners:* Assist in mobilizing financial resources for climate projects.



## OUTLOOK AND RISKS

**5. The medium-term outlook remains favorable.** Strong private consumption and investment, underpinned by capital deepening and gradually improving external conditions, should support average growth of 6.7 percent over the period from 2025 to 2029, before gradually converging to its potential of around 6 percent. A further expansion of the hydrocarbon sector and reduction of gender gaps could provide an additional boost to long-term growth (Annex III). Inflation is expected to fall within the BCEAO's 1 to 3 percent target range by 2025, in line with global trends and as key food and commodity prices continue to ease. The fiscal deficit is expected to converge to the WAEMU norm of 3 percent of GDP by 2025. The current account deficit is expected to narrow further to 1.7 percent of GDP in 2025 and remain around 2.5 percent over the medium-term, on the back of sustained high cocoa prices, with further declines in import prices extending recent terms of trade gains. Investment in new oil fields is expected to further boost FDI in 2024 and 2025. In the medium term, the country's oil exports are projected to grow to about 4.5 percent of GDP. Improved current and financial account trends will buoy the country's contribution to WAEMU reserves in 2025 and beyond.

**6. Risks remain balanced.** Regional security challenges and the political cycle could generate spending pressures and weigh on confidence, while renewed oil price volatility could put pressure on tax revenue from petroleum products. However, these would be mitigated by the authorities' commitment to reducing non-priority spending to meet unforeseen additional security spending needs, and to undertake further pump price increases to avoid revenue losses. Adverse weather conditions and crop disease could adversely affect cocoa production. Weaker-than-anticipated recovery in pooled regional FX reserves could also weigh on investor confidence, as could changes in perceptions from the recent Financial Action Task Force (FATF) grey listing (see below). Uncertainty and social tensions in the run up to the October 2025 presidential elections should not be ruled out. On the upside, sustained high cocoa prices could further boost disposable income as well as cocoa-related export and fiscal revenue. More favorable financing conditions could continue to materialize for Côte d'Ivoire, as with the recent credit ratings upgrade and Eurobond issuance. Growth prospects could further improve from higher than anticipated oil and gas extraction, notably with a new substantial discovery in the Calao field, and the recent discovery of new potentially substantial gold deposits.

### **Authorities' Views**

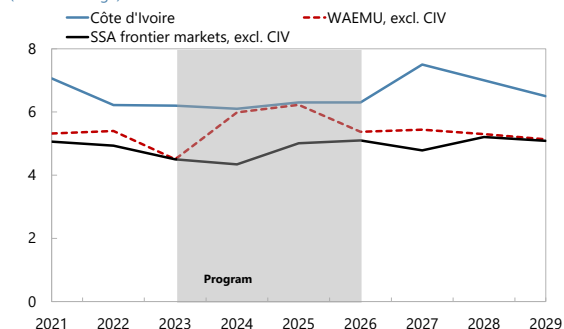
**7. The authorities broadly concurred with the growth outlook and risks.** They noted the significant potential from a rapid expansion of the hydrocarbon sector, and are committed to appropriate management of the associated national wealth. They also emphasized their efforts in addressing social priorities, including access to social services, electrification, and addressing informality and gender gaps (see below). They broadly agreed with the assessment of the impact of external shocks, emphasizing their commitment to regional economic and political stability.

**Figure 5. Côte d'Ivoire: Medium Term Outlook, 2021–29**

*GDP growth will be boosted by oil and gas extraction and return to potential in the medium-term...*

**Gross Domestic Product**

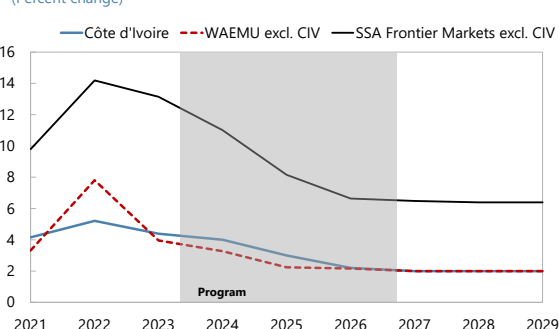
(Percent change)



*while inflation will converge to the BCEAO target range...*

**Consumer Price Index**

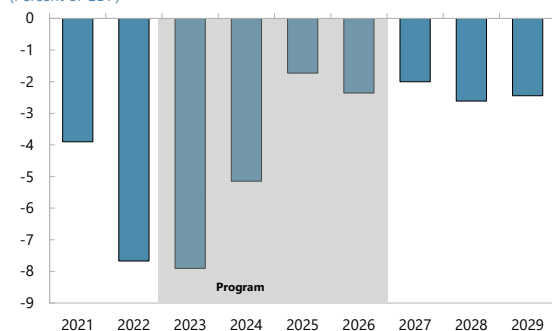
(Percent change)



*and the external balance will narrow on the back of terms of trade gains...*

**Current Account Balance**

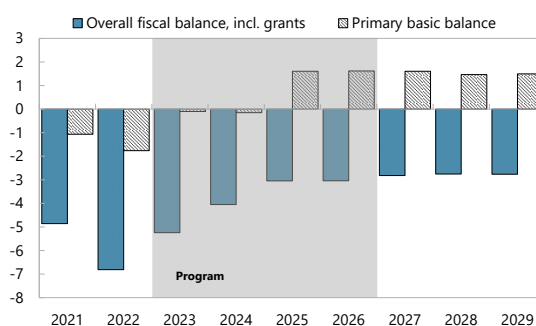
(Percent of GDP)



*Revenue based fiscal consolidation will continue...*

**Fiscal Performance**

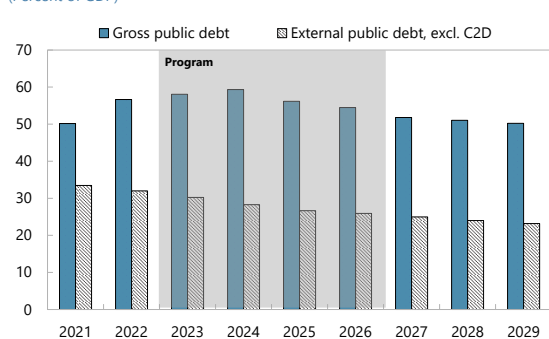
(Percent of GDP)



*and debt will fall...*

**Public Debt Stock**

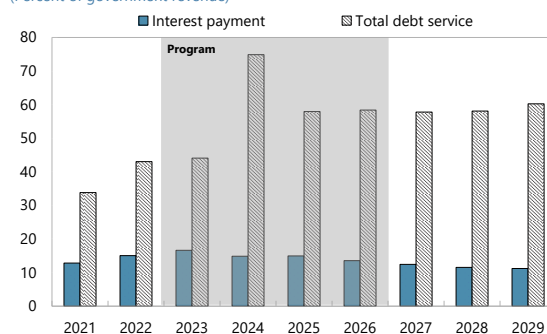
(Percent of GDP)



*though debt servicing cost will remain elevated.*

**Total Public Debt Interest and Service**

(Percent of government revenue)



Sources: Ivorian authorities and IMF staff calculations.

## PROGRAM REVIEWS, POLICY AND ARTICLE IV DISCUSSIONS

*The EFF/ECF and RSF supported programs reflect the authorities' firm commitment to domestic revenue mobilization as the basis for fiscal consolidation, debt sustainability, and long-term sustainable financing for more inclusive growth, while enhancing resilience to climate change. Program review discussions thus focused on fiscal and climate change. The Article IV discussions focused on policy considerations to reduce informality, including by addressing gender inequality, and improving the business environment, which can support the country's National Development Plan (NDP), and to help further the objectives of the authorities' Fund supported program beyond the program period. A meaningful reduction in the high levels of informality can sustain higher levels of inclusive growth and higher productivity, along with further boosts to tax revenue. Moreover, a continued emphasis on enhancing the business environment—through better governance (including in the energy sector), increased human development and financial inclusion, as well as economic diversification—is essential for promoting dynamic private sector led growth.*

### A. Increasing Fiscal Space

**8. Notwithstanding lower-than-expected yield from 2024 revenue measures, additional tax administration reforms will ensure budget execution remains in line with reducing the deficit to 4 percent of GDP.** Overall, tax revenue is expected to reach 14.4 percent of GDP in 2024, a 0.8 percentage point increase relative to 2023, while total expenditure is expected to be at 20.8 percent of GDP, a 0.7 percentage point reduction relative to 2023.

- While end-June tax revenue was in line with program targets, (Table 9), revenue measures introduced in the 2024 budget are now expected to yield 0.3 percent of GDP. The shortfall of 0.2 percent of GDP relative to initial program targets, owes mainly to previously unforeseen implementation delays in the areas of property taxation, and tobacco traceability. Revenue gains from these measures, along with gains from changes in the investment code, are now expected to materialize in 2025. Estimated revenue gains were also lower than expected from the application of VAT to the transport sector, due to the voluntary opt-in to the VAT regime by large operators in the sector. At the same time, the application of the VAT module is expected to yield more revenue than previously anticipated, due to the decrease in the amount of approved VAT refund pipeline in the system. To bridge the gap and offset revenue shortfalls, the authorities have adopted additional tax and customs administration measures (MEFP Text Table 2), including one-off measures to (i) recover taxes owed by public sector entities, (ii) resolution of contentious and disputed cases, along with more permanent measures to (iii) further strengthening controls and fraud detection for firms operating in the timber, mining and construction related activities, along with (iv) leveraging online declarations from online commerce platforms.
- On the expenditure side, the overall spending envelope remains in line with staff expectations at the time of the second review. However, security spending associated with the regional context

has marginally exceeded the nominal amount implied by the authorities' initial budget. Moreover, domestic debt servicing costs increased by 0.1 percent of GDP, to be offset by lower other current expenditure. Overall subsidies and transfers are expected to remain around 1.1 percent of GDP for the whole year, a roughly 0.4 percentage points of GDP reduction relative to 2023. This includes subsidies and transfers to cover gas purchases by the electricity company to meet increasing demand for electricity,<sup>5</sup> which partially offset phased out covid and crisis related subsidy spending.

**9. The authorities' 2025 budget will deliver further revenue-based fiscal consolidation to reach the WAEMU deficit target of 3 percent of GDP and increase tax revenue by 1 percentage point to 15.4 percent of GDP.** Under the program, the 2025 budget, which has been submitted to parliament as a prior action, aims to ensure fiscal and debt sustainability and will require the implementation of high-quality and permanent tax policy and administration measures amounting to 0.5 percent of GDP, in line with program objectives. Specifically, the authorities plan on: (i) continuing digitalization efforts through introducing electronic invoicing and using artificial intelligence in risk analysis; (ii) increasing excise taxes on tobacco from 41 to 70 percent, along with implementation of tobacco traceability; (iii) further rationalizing tax exemptions, increasing existing tax rates on gold production by 2 percentage points, and introducing a tax on profits of online betting operations; (iv) introducing adjustments in the general tax code pertaining to using market valuation for property taxes on both built and unbuilt land (end-May 2025 SB) and capital gains on real estate transactions; (v) continuing to expand voluntary compliance and implementation of declaration regime on salaries and social security contributions; and (vi) instituting mixed tax and customs brigades along with expanding border and port controls and surveillance. Together with the expected increase in tax revenue from exports of about 0.5 percent of GDP (from improved terms of trade and recovery in cocoa production), such measures will bring tax revenue to GDP to 15.4 percent in 2025.

Revenue Measures Planned for 2025 (in percent of GDP)	
Tax Policy	0.19
Tax Administration	0.32
Breakdown by thematic category: 1/	
Continuing digitalization efforts	0.19
Tobacco excise tax and traceability	0.09
Rationalizing tax exemptions and increases in existing tax rates	0.08
Property tax reforms	0.06
Continuing compliance and declaration regime improvements	0.05
Instituting mixed brigades and expanding border and port controls	0.04
<b>Total</b>	<b>0.51</b>
Sources: Ivorian authorities and IMF staff calculations.	
1/ Thematic categories contain a mixture of tax policy and administration measures.	

**10. Boosting spending efficiency and rationalizing non-priority spending will also continue to support the fiscal consolidation.** Expenditure in the 2025 budget is expected to be 20.7 percent of GDP, a 0.1 percent reduction relative to 2024. This is underpinned by continued curtailment of the wage bill by 0.1 percent of GDP, in line with the government's objective of containing the wage bill by hiring only one new public servant for every two retirees (except for health and education). A reduction in capital expenditure to 6.7 percent of GDP from 7.2 percent of GDP in 2024 coincides with the end of the 2021-2025 NDP. However, this reduction is offset by a 0.3 percentage points increase in election related security spending, along with a marginal increase in interest cost and subsidies and transfers associated with higher consumer demand for electricity production. In this context, the

authorities are exploring ways to ensure sustained viability of the electricity sector, including by strengthening the framework for tariff adjustments.

**11. Implementation of the recently adopted MTRS will be critical for securing the country's path of economic transformation towards upper-middle-income status.** To this end, the MTRS presents a vision for tax policy and administration reforms to ensure the revenue mobilization is self-sustaining. A comprehensive and sustained communication campaign on the criticality of MTRS reforms remains necessary to educate stakeholders and the public, and command broad-based support for difficult reforms. The MTRS also provides a timeline for reforms to help achieve the WAEMU norm of a tax revenue to GDP ratio of 20 percent over the medium to long term, thereby contributing to financing the country's NDP objectives, and in particular sustained poverty reduction. On the tax policy front, a series of enhancements to the tax system are planned, including overhauling the tax code, revising tax procedures, gradual convergence of excise taxes to the WAEMU excise tax standard, strengthening transfer pricing and documentation requirements, and introducing taxation on e-commerce. On revenue administration, the MTRS aims to boost public confidence in the tax and customs authorities by improving governance, autonomy, and efficiency of relevant agencies, as well as strengthening capacity at the tax and customs authorities, and continuing with digitalization reforms. Moreover, the authorities will work to improve estimates of tax expenditure, especially in the investment code (end-September 2025 SB), which should help prepare the ground for further rationalization of tax exemptions.

**12. Enhancements to public financial management (PFM), SOE governance and spending efficiency are key to sustaining critical social spending needs, while safeguarding hard-won fiscal space.** The authorities continue to examine ways to streamline nonpriority spending and to increase cost efficiency and prioritize spending in government operations. They remain committed to PFM reforms that will allow for higher efficiency in the use of public resources, including enhanced SOE governance and accountability through performance contracts. The authorities have also made material advances in fully operationalizing the treasury single account (TSA), with about 700 accounts held at commercial bank already closed, and another 344 accounts being reviewed for closure. Moreover, the operationalization of version 2 of the Integrated Management System for Public Procurement Operations (SIGOMAP) will reduce procurement timelines for awarding new contracts and ensure sustained high levels of use of electronic procurement. Recognizing the need for capacity development to ensure effective and sustainable resource management, the authorities are also exploring various modalities and drawing lessons from other countries to develop a framework for managing the potentially large proceeds from higher levels of oil and gas production going forward.

**13. The continued pursuit of Public-Private Partnerships (PPPs) can help to maintain public investments while reducing near-term budgetary risks.** To ensure transparency, the government commits to improve the published annual assessment of fiscal risks related to PPP contracts, and to publish annual reviews of the PPP portfolio in coordination with contracting authorities, including information on the PPP portfolio (SB end-February 2025). In addition, the authorities plan to strengthen coordination between the central administration and local governments, the management of PPPs, and the coherence between current expenditure and investment, all of which should increase the efficiency of public investments.

**14. Improving data transparency can help increase public and investor confidence in the government's sound economic management and policies.** The authorities have embarked on a strategy to include into the budget revenues collected by line ministries and agencies, which helped increase both tax and non-tax revenues and boosted the transparency of the country's fiscal accounts. At the same time, certain gaps in data dissemination and lags in data availability on key macro-economic variables remain. Closing these gaps, including by publishing general government finance statistics (end-March 2025 SB), should help align data standards with the enhanced general data dissemination system (e-GDDS), and furthers the prospects for the country's participation in the Special Data Dissemination Standards.

**15. Côte d'Ivoire's risk of debt distress remains moderate** (see DSA). Overall public and external debt remains at moderate risk of debt distress. After a DMO, finalized in the first semester of 2024, the authorities continue to strengthen their debt outlook and actively manage their debt portfolio aimed at improving the debt liquidity ratios, such as the World Bank Policy Based Guarantee (PBG) (Box 1, DSA). The authorities' medium term debt strategy continues to favor domestic debt over external debt. Côte d'Ivoire has no external or domestic arrears.

## B. Building Resilience to Climate Change

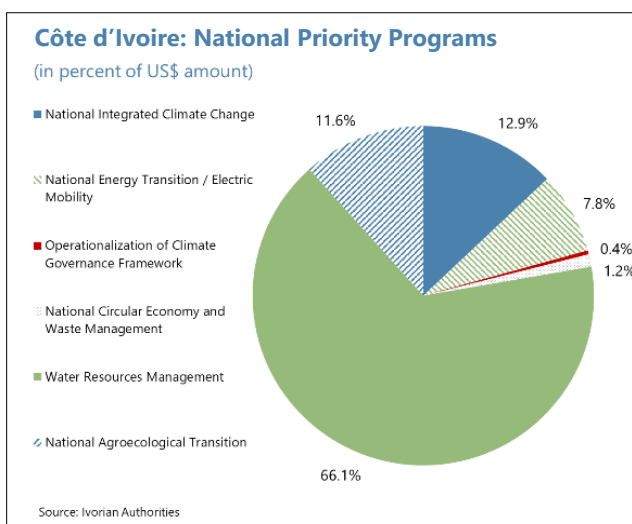
**16. RSF reforms aim to build climate change resilience through six pillars balanced between mitigation and adaptation efforts and will help achieve ambitious development goals.** The pillars concentrate on integrating climate into key aspects of PFM, strengthening governance of climate policies, reinforcing safeguards for the agricultural sector, creating a framework for green and sustainable financing, building resilience to climate hazards, and controlling and reducing greenhouse gas emissions. The reform agenda will benefit from technical assistance from a wide range of donors, including Fund TA to support the integration of climate into PFM and public investment management and the development of a carbon taxation.

**17. Moreover, progress under the climate finance roundtable launched in July 2024 has created important synergies with development partners and private investors, both domestic and international (Box 2).** The authorities are also preparing the next NDP (2026-30) in which building resilience to climate change is expected to play a preponderant role.

## Box 2. Catalyzing Climate Finance

On July 5, 2024, the authorities held a roundtable to catalyze climate finance for their climate reform agenda. Over 40 multilateral organizations and private sector financial entities attended the roundtable and expressed interest in collaborating with Côte d'Ivoire in enhancing green and climate-related financing. They agreed on a consultation process with the different partners to work on six workstreams:

- (1) Ensure additional budget support and policy lending.
- (2) Set up a project preparation facility focused on adaptation needs. To that effect, the authorities identified a national portfolio of projects comprising 315 projects for a total cost of about US\$16 billion. Of those, 53 priority and bankable projects amounting to about US\$13 billion are in the areas of forestry and agriculture, energy, governance framework, circular economy (e.g., reuse and recycling of materials), blue economy, and electric mobility.
- (3) Establish a green bank/fund/blended green facility.
- (4) Start work on issuance of guaranteed green bonds.
- (5) Commence work on issuance of sustainability-linked bond and debt-for-nature swap.
- (6) Finalize the climate change law, governance for the secretariat for the climate change commission and the carbon bureau. In addition, the authorities also intend to create a national climate agency which will be the one-stop shop for climate action in Côte d'Ivoire.



**18. RSF support will thus be key in the transition to a greener growth model.** Being a signatory country of the Paris Climate Agreement, Côte d'Ivoire pledges to reduce emissions by 30 percent below a business-as-usual trajectory by 2030 including by increasing renewable energy's share to 45 percent of electricity production. Other key reform in line with CCDR recommendations (including in agriculture, urban development, and transportation) will be integrated in the next NDP (2026-30) for which climate change is expected to play a preponderant role.

**19. Work on forthcoming RMs under the RSF-supported program is advancing (MEFP ¶66).** Notably, the authorities sent terms of reference for the Fund TA on carbon taxation related to RM12 in October 2024. On RM1, a ministerial *arrêté* establishing a system for tagging climate-related capital expenditure will be adopted in October 2025 to be aligned with the preparation of the 2026 budget. Some preliminary work has been shared on RM6 and 7, and work will continue to strengthen taxonomy framework to the RMs with the possibility of Fund TA. The authorities also indicated that they would request Fund TAs to establish a quantitative analysis of climate-related budgetary risks for the fiscal risk statement in the 2026 budget



(RM2). Regarding RM11, the first energy auditors were approved in August 2024 and the five first entities to be audited will be selected before the end of the year.

## C. Reducing Informality

**20. High informality across a range of economic sectors poses major challenges for Côte d'Ivoire's economic transformation to upper-middle-income status.** According to various estimates, informal employment in Côte d'Ivoire represents around 92 percent of total employment in 2022, significantly higher than the average estimated for lower-middle-income countries (LMICs).<sup>6</sup> Informal production represents roughly half of GDP according to official estimates and other studies, significantly above the share of 35 percent LMICs (Figure 6). Informality also exacerbates gender inequality. Women are overrepresented in the informal sector, due to lack of social protection, lower earnings and school enrollment rate, and limited access to reproductive rights and asset ownership, thereby increasing their economic vulnerability. Informality also induces financial exclusion, as informal firms and workers cannot post collateral for loans with financial institutions, which in turn prevents smaller firms from growing and limits household investment in education and skill-building.

**21. Informality can also be an obstacle to domestic revenue mobilization and the effectiveness of fiscal reforms.** Informality and tax policy are not independent: a complex tax system with high compliance costs can increase informality, and higher informality decreases the effectiveness of taxes in generating revenue. In addition, informality can also decrease the productivity of firms and hinder their growth, further eroding revenue mobilization. Reforms in tax administration, public infrastructure, and tax enforcement can have significant impacts on tax revenue and on the share of informal labor in the country (see Box 3).

**22. Efforts to reduce informality can boost inclusive growth through various channels.** Enhancing gender equality and financial inclusion, especially via digitalizing the financial sector and improving women's access to finance, alongside better health and education, can lower informality and drive inclusive economic growth and productivity (see Box 4). Simplifying labor regulations and improving social protections can help workers, particularly women, transition to formal employment. Additionally, streamlining tax systems with lower rates, fewer exemptions, and improved administration can reduce incentives for informal business operations, thereby helping to broaden the tax base and contributing to a virtuous cycle of increased resources of public service delivery, improved living standards, and taxpayer compliance.

**23. Implementation of policies to mitigate gender disparities should continue.** Although progress has been made in some areas, including gender equality in Côte d'Ivoire's legal system, significant gaps remain as gender inequality remains one of the highest in Sub-Saharan Africa, partly due to low enrollment rates of women in all levels of education (Figure 7 and Annex I).

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<sup>5</sup> In Côte d'Ivoire, the electricity company purchases locally produced natural gas from producers as an input for electricity production. This is done through a government supported mechanism which caps the cost of gas purchases by the electricity company at 50 billion CFA annually. The residual cost is borne by the central government to support local power generation.



Improvements in schooling for girls, female labor force participation, equal pay, and access to finance would help reduce gender inequality and significantly boost GDP. Staff estimates that closing the gender gaps in the labor market—in earnings, employment, and hours worked—could boost GDP by about 9.3 percent. Further reducing gender inequalities in outcomes and opportunities would contribute to unleashing Côte d'Ivoire's strong economic potential.

### Box 3. Fiscal Policy, Productivity, and Informality in Côte d'Ivoire

**High levels of informality are costly for an economy.** These costs range from lack of access to social security and potential sub-standard working conditions, to lower output and productivity. In cases where a large portion of GDP is informal, it can also severely impact the government's ability to raise funds through taxes. This can create a trap where firms remain informal due to economic conditions derived from lack of infrastructure and public investment, while the government lacks the tax revenue to make those investments due to high informality.

**Informality is not independent from fiscal policy,** as higher tax rates and/or a complex tax system with high compliance costs might push more firms to become informal to avoid excessive costs. At the same time, the efficacy of fiscal policy depends on the levels of informality in the economy. As a result, the interaction between fiscal policy and informality becomes relevant when discussing policies that can move the economy into lower informality and potentially higher development levels.

**Staff estimated the impact of fiscal policy on informality and tax revenues using three counterfactual simulation exercises.**

- 1) *An improvement in tax administration, making it easier for firms to claim a VAT refund. Using the cost of input materials and the current VAT rate, the implicit cost of forsaking the VAT refund is estimated at about 5 percent of the average firm's profits.*
- 2) *An improvement in infrastructure, reducing the losses that firms face due to electrical outages. Over 80 percent of firms claim to experience at least one electrical outage in the typical month, with an estimated 2 percent of yearly revenues.*
- 3) *Increasing the government's capacity to enforce formalization by increasing the probability that informal firms are discovered by tax authorities.*

**While illustrative, the estimates indicate potentially significant impacts of policies on informality.** All counterfactual exercises lead to a reduction in the share of informal labor between 20–40 percentage points, placing this share at a level comparable to most LMICs. Mechanically, each of the counterfactual exercises either decrease the cost of formal firms relative to informal firms (tax administration, infrastructure) or increase the costs of informal firms (enforcement). This leads firms to formalize, decreasing the share of informal labor in the economy and increasing tax revenues due to the broader tax base. Because formal firms are more productive, this also increases GDP. For the same reason, wages increase in the former two cases as well (more productive firms demand more labor). Wages drop when increasing enforcement as this reduces the labor demand of the firms that remain informal.

### Authorities' Views

- **The authorities welcomed the discussions on informality and are continuing to take steps at reducing it.** Going forward, the government strategy aims to further incentivize households and firms to formalize, focusing on four key areas: (i) identifying informal sector actors to create a database of entrepreneurs, including artisans and agricultural professionals; (ii) localizing these actors with a geographic directory and sectoral clusters, improving

business competitiveness and formalization; (iii) identifying barriers to formalization, categorizing them, and providing targeted solutions; (iv) providing support through professional training, expanding social and health insurance coverage, and accompanying firms in their registration process by lowering the administrative burdens through digitalization; and (v) promoting tax civic responsibility to encourage tax compliance.

#### Box 4. Informality, Inclusive Economic Growth and Debt Sustainability in Côte d'Ivoire

**Understanding informality in Côte d'Ivoire is essential in designing adequate policies.** Informal activity and labor constitute roughly half of GDP and over 90 percent of the Ivorian labor force (ILO) and is more pronounced among youth. The informal sector largely constitutes smaller, less productive firms, but may include potentially productive entities deterred by high entry costs, firms opting for informality to cut costs, or firms too small to formalize. Understanding informality is crucial for creating targeted policies that reduce entry costs and create incentives to formalize or raise costs of informal activities through legal reforms and enhanced enforcement.

**High informality poses policy challenges along with deleterious economic effects.** While high informality may aid in faster recovery and higher absorption of workers in the context of economic shocks, it limits domestic revenue mobilization and is associated with lower quality public services. Informality also lowers potential growth as less productive firms compete with formal firms. It also inhibits the growth of SMEs (especially due to limited financing sources), thereby perpetuating financial exclusion, trapping individuals in low-skill informal jobs, which in turn increases households' economic vulnerability and entrenches poverty.

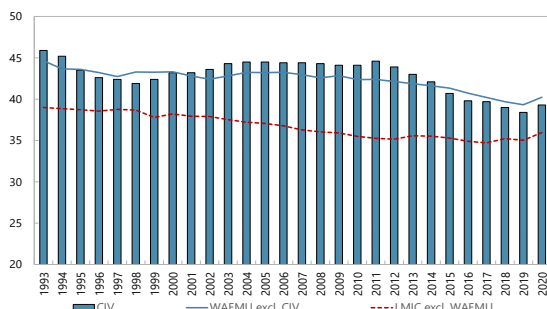
**High informality perpetuates a vicious loop of gender inequality.** Indeed, financial exclusion in Côte d'Ivoire is more pronounced for women, with only 37 percent having bank accounts (a 27-point gap relative to men). As of 2022, 95 percent of women in the labor force are in informal jobs (a 6-point gap relative to men). Such disparities are often due to limited education, restricted healthcare access, early marriage, and caregiving responsibilities. This overrepresentation renders women more economically vulnerable, as informal jobs typically lack stability and social protection, creating a vicious cycle that further entrenches gender inequalities.

**Lower informality can improve growth and debt sustainability.** Tackling informality improves gender equality and financial inclusion through digitalization and better access to health and education. Simplifying labor regulations and strengthening social protection can facilitate access to formal employment and allow for stronger growth from recent natural resource discoveries. Fiscal measures, to simplify the tax system with fewer exemptions, would reduce incentives for informality and widen the tax base. Consequently, lowering labor informality to the level of LMICs could reduce informal output, increase fiscal revenues to 16 percent of GDP, enhance debt sustainability, and strengthen the trade balance, given the preponderance of small informal firms in non-tradable sectors. Higher fiscal revenues would reduce domestic financing needs, improving financial sector stability and fostering private investment, thereby sustaining higher-quality and broad-based growth.

**Figure 6. Côte d'Ivoire: Informality in Côte d'Ivoire**

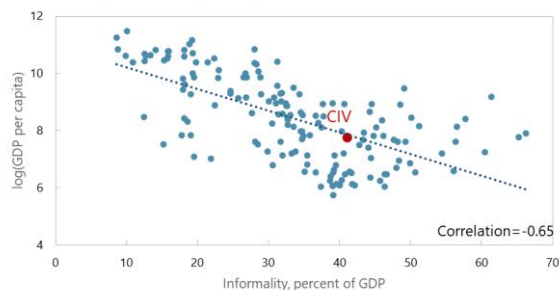
The size of the informal sector compared to the official GDP decreased since the last decade, but is still high, ...

#### Informality (Percent of GDP)



Higher informality, on average, is associated with lower GDP per capita, ...

#### Informality and GDP per capita



... higher gender inequality, ...

#### Informality and gender inequality



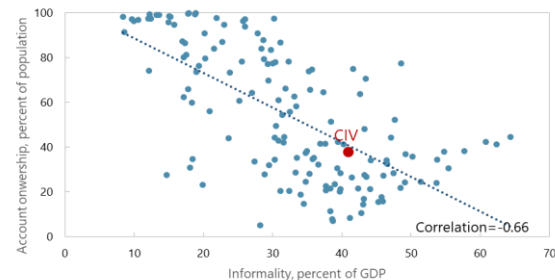
... accompanied by a high share of informal labor in the workforce.

#### Informal Labor (Percent of total employment, 2022)



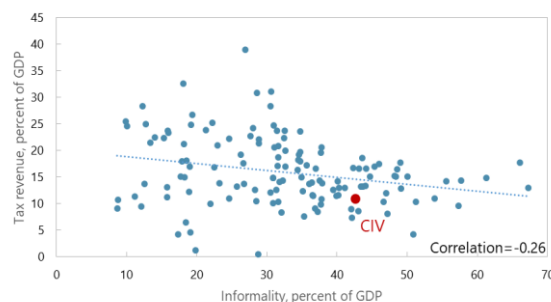
... lower financial inclusion...

#### Informality and financial inclusion



... and lower tax revenue.

#### Informality and tax revenue



Sources: World Bank, UNDP, ILO, Elgin et al. (2021), IMF staff calculations.

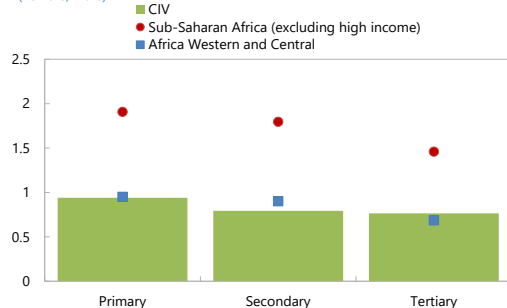
LMIC stands for lower-middle-income countries. "WAEMU excl. CIV" and "LMIC excl. WAEMU" represents the GDP-weighted averages in each subsample. The vertical line in the right-hand side chart on the first row represents the one standard deviation interval. The charts in the bottom 4 rows report the average of the variables over time for each country with available data. Each dot represents a country.

**Figure 7. Côte d'Ivoire: Inequality of Opportunity**

Women have lower enrollment rates in all stages of schooling, and these are lower than regional comparators.

**School Enrollment**

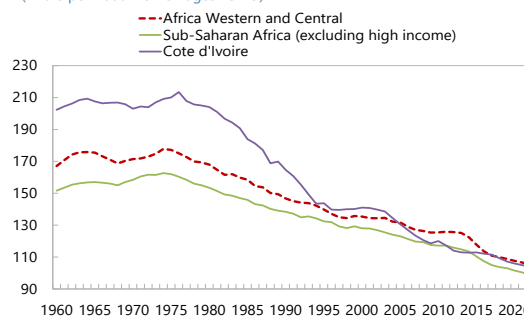
(Female/Male)



Adolescent fertility has been declining in recent decades, making it similar to regional comparators.

**Adolescent Fertility Rate**

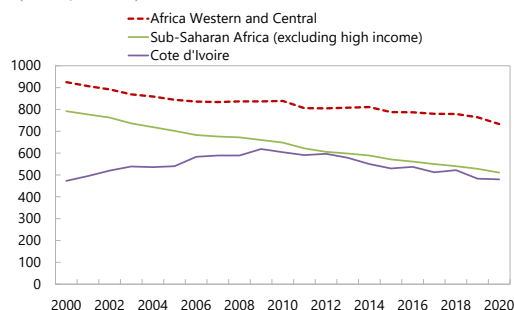
(Births per 1000 women ages 15-19)



The maternal mortality is lower than regional comparators but it remains higher than in 2000.

**Maternal Mortality Rate**

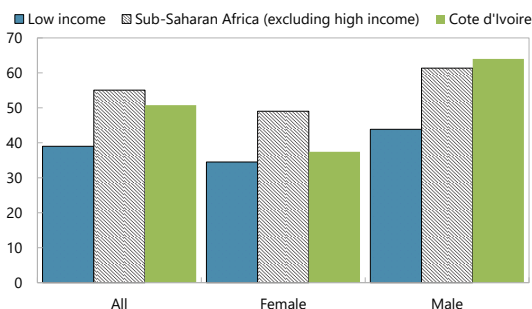
(Per 100,000 births)



Overall, financial account ownership rates are lower than for regional comparators, and a gender gap remains.

**Account Ownership**

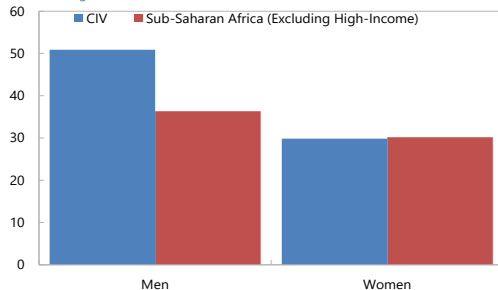
(% of population 15+)



While men in CIV have much higher mobile money account rates than in neighboring countries, women oscillate around the same rate, ...

**Mobile Money Account**

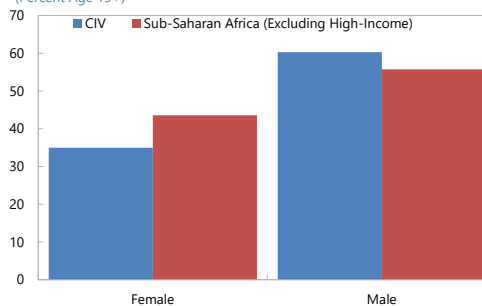
(Percent Age 15+)



...and are a lot less likely to have made or received a digital payment.

**Made or Received a Digital Payment**

(Percent Age 15+)



Sources: World Bank Gender Portal and IMF staff calculations.

## D. Improving the Business Environment

**24. A continued focus on improving the business environment also remains key to fostering dynamic private sector led growth.** Under the EFF/ECF supported program targeted reform efforts have focused on governance, financial access and economic diversification.

**25. Financial integrity and governance.** Implementing and overseeing the national anti-corruption strategy, along with further strengthening the asset declarations regime to ensure publication of declarations of officials in positions of higher risk of corruption remains critical.<sup>7</sup> Despite significant progress in addressing the key deficiencies identified by the Fund-led 2023 assessment of its AML/CFT framework, Côte d'Ivoire was added to the FATF grey list in October 2024, in part reflecting an insufficient implementation track-record.

- During the year prior to the listing, the authorities, including with Fund TA and as part of their commitments under the program, adopted important legislative and regulatory amendments to strengthen the AML/CFT system, and designated supervisory authorities for all non-financial businesses and professions.<sup>8</sup> Moreover, the Council of Ministers adopted the national anti-corruption strategy in June 2024 and the SIGNALIS platform became operational creating a tool for cracking down on acts of corruption (MEFP ¶124).
- The authorities have agreed on an action plan with the FATF to address the remaining strategic deficiencies and establish an effective implementation track-record within the next two years. This includes resolving deficiencies in the implementation of UN targeted financial sanctions, (end-December 2025 SB), and placing financial and non-financial institutions<sup>9</sup> under a risk-based AML/CFT supervision regime. It also includes increasing entity transparency (the beneficial ownership registry should be fully operational by September 2025) and stepping up investigations and prosecutions of ML/TF and key predicate offenses (such as corruption, tax evasion, and transnational crimes such as drug trafficking and environmental crime) and related international cooperation, and financial intelligence collection and dissemination.

**26. Financial access.** While the banking sector remains broadly sound and the restructuring of two non-systemic banks is near completion, financial deepening and vigilance vis-à-vis financial sector concentration and contagion risks, including by continued strict implementation of regional

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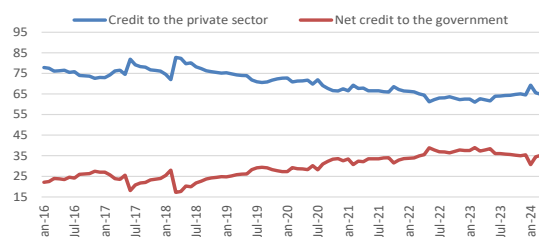
<sup>7</sup> The rate of asset declaration by public officials has reached 84.4 percent at end-June 2024 (MEFP ¶160), and the authorities expect it to reach 90 percent by end-year 2024.

<sup>8</sup> Other reforms achieved within that time period included carrying out sectoral money laundering/terrorist financing (ML/TF) risk assessments, strengthening the capacity of the financial intelligence unit, and operationalizing the asset recovery management agency.

<sup>9</sup> Including money or value transfer services and exchange bureaus, and high-risk non-financial sectors, such as the real estate and extractive sectors, notaries, lawyers and business agents,

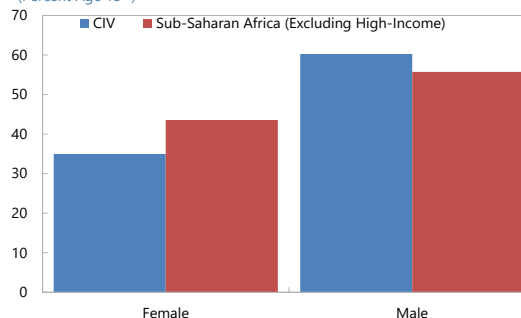
banking regulations, will help support sustainable economic growth.<sup>10</sup> With significant government financing needs, notwithstanding progress in fiscal consolidation, financial deepening would also reduce crowding out of private sector credit. At the same time, Côte d'Ivoire lags regional comparators in access to finance, including for women. The authorities continue implementing the 2019-24 National Financial Inclusion strategy (SNIF), which targets vulnerable groups. A mid-term review completed in May 2024 pointed to some progress and remaining challenges, including difficulties in targeting women, youth, and the rural population to access credit. Recommendations from the mid-term review—including the need to account for gender, climate change, Fintech, customer protection and innovative financing of the agriculture sector—will be integrated in the new 2025-2029 SNIF, which is expected to be published by the end of 2025. Financial inclusion is expected to be boosted by the Interoperable Instant Payment System launched by the BCEAO in July 2024. The system is expected to lower transaction costs, secure the clearing and settlement of inter-network transactions, and provide diversified financial services. Moreover, continuing the implementation of the Financial Sector Development Strategy (FSDS), including fully operationalizing the credit bureau, will further deepen the financial sector.

**Crowding-out effect**  
(Share of total credit, percent)



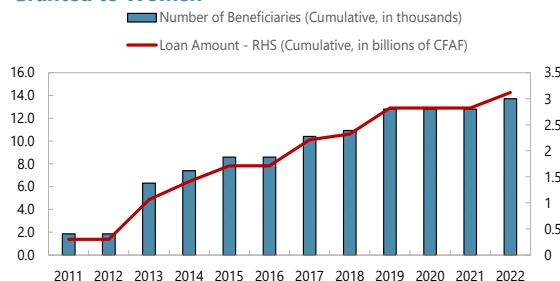
Sources: BCEAO and IMF staff calculations

**Made or Received a Digital Payment**  
(Percent Age 15+)



Source: World Bank, Gender Portal

**Women and Development National Fund: Loans Granted to Women**



Sources: Ivorian authorities and IMF staff calculations.

**27. Economic diversification.** The Ivorian economy remains heavily reliant on climate-sensitive sectors such as agriculture and the coastal economy. Efforts have focused on increasing the economy's share in the agricultural value chain by promoting the processing of raw products, streamlining trade processes (including through modernizing customs procedures), and attracting foreign investment through special economic zones. Given the latter's fiscal costs and potential distortionary effects and uncertain spillovers to the local economy, further broad-based trade and investment-related reforms are

<sup>10</sup> The 2023 World Bank and IMF West African Economic and Monetary Union (WAEMU) financial sector assessment (FSA) highlighted credit concentration and contagion risks partly due to bias toward holding own-country and Côte d'Ivoire debt securities. However, Côte d'Ivoire's financial system is sound with financial soundness indicators in better position than the WAEMU average.

important to facilitate diversification. Several trade and investment facilitation reforms are underway, including the introduction of a single window for trade and measures to support regional integration within the AfCFTA. Electrification has played a foundational role in promoting industrialization and services sector growth as have programs to promote education and labor force skills.

### **Authorities' Views**

**28. The authorities continue to prioritize efforts to further improve financial integrity, governance, and the business environment.** The government is firmly committed to the AML/CFT framework in line with FATF recommendations and to exit the grey list as soon as possible by implementing the agreed FATF action plan. The authorities are actively promoting financial access for women, having disbursed significant funds through various programs that have successfully enhanced women's financial autonomy and access to credit. To stimulate private investment and entrepreneurship, a new three-year reform agenda 2025-2027 based on the concerns of the Ivorian private sector and taking into account several international indices, including the Business Ready (B-Ready) index to be adopted at the end of 2024, focusing on improving business competitiveness and establishing streamlined operations through digital solutions.

## **PROGRAM MODALITIES AND FINANCING**

**29. Program monitoring and conditionality.** Program performance under the EFF/ECF arrangements will continue to be monitored through semi-annual reviews based on QPCs, ITs, (Table 9), and SBs (Table 10). These criteria and indicators are defined in the Technical Memorandum of Understanding (TMU) containing a summary of the projection assumptions, which will serve as a basis for the assessment of some performance. The fifth and sixth semi-annual reviews will take place on or after November 15, 2025 and May 15, 2026 and based respectively, on end-June 2025 and end-December 2025 test dates for periodic performance criteria and indicative targets. The QPCs and ITs were added for end-June and end-December 2025, as well as ITs for end-September 2025. Modification of the QPC on the ceiling on the present value of new external debt is being proposed to exclude potential future DMOs from the definition of external debt—in the TMU—for the QPC calculation, and in line with other programs. Structural conditionality has been augmented to include new SBs on DRM, governance, and data dissemination (Table 10).

**30. The program under the EFF/ECF arrangements remains fully financed with financing assurances from multilateral and bilateral partners for the next 12 months and good prospects for the remainder of the program.** The cumulative financing gap projected for 2024-26 of about CFAF 2,514 billion will be covered by budget support from bilateral creditors (about CFAF 483 billion), the World Bank (about CFAF 426 billion), AfDB (CFAF 150 billion) and other multilateral creditors. Gross financing under the ECF/ECF supported program would continue to cover about 60 percent of the gap over 2024-26. As noted in Box 2, prospects for a stronger catalytic role of the RSF supported program are promising.



**31. Capacity to repay the Fund remains adequate but subject to risks.** Elevated Fund credit outstanding and debt service indicators for government revenue and exports are mitigated by Côte d'Ivoire's moderate risk of debt distress rating, solid economic fundamentals, and one of the best credit ratings in sub-Saharan Africa. Enterprise and program risks appear manageable, given satisfactory performance and strong commitment to program objectives. Potential implementation risks, which may arise in the context of an election year, are mitigated by even phasing of disbursements. Outstanding Fund credit is projected to peak at just over 5 percent of GDP in 2026. The IMF's charges and surcharges reform, which took effect in November 2024, has reduced the charges and interest on existing and prospective Fund credit by an average of 15 percent over the medium term.

<b>External Financing Requirements, 2023-26</b> (Billions of CFA francs)					
	2023	2024	2025	2026	2024-26 Cumulative
<b>A. External Financing Requirements</b>	<b>4,158</b>	<b>5,359</b>	<b>3,859</b>	<b>4,410</b>	<b>13,628</b>
Current account deficit excl. official transfers	4,098	2,950	1,217	1,579	5,746
Official sector amortization + net acquisition of fin assets	1,209	2,592	1,413	1,499	5,504
of which: Fund repayments	196	289	226	155	670
Change in official reserves (without RSF, + = increase)	-1,149	-183	1,229	1,332	2,378
<b>B. External Financing Sources</b>	<b>2,990</b>	<b>4,302</b>	<b>2,816</b>	<b>3,930</b>	<b>11,047</b>
Capital flows to private sector, net	801	1,322	1,057	1,790	4,169
Project financing	1,737	954	1,307	1,407	3,668
Capital transfers	117	50	68	106	224
Government gross borrowing from private sector	217	1,926	315	521	2,762
of which: Eurobonds	0	1,577	0	350	1,927
of which: other commercial	217	350	315	171	835
Official transfers (project grants only)	117	50	68	106	224
<b>C. Financing Gap (= A - B)</b>	<b>1,168</b>	<b>1,057</b>	<b>1,044</b>	<b>480</b>	<b>2,581</b>
<b>D. Prospective Financing</b>	<b>1,168</b>	<b>1,057</b>	<b>1,044</b>	<b>480</b>	<b>2,581</b>
IMF ECF/EFF	<b>601</b>	<b>596</b>	<b>596</b>	<b>298</b>	<b>1,489</b>
World Bank	182	187	120	119	426
AfDB	28	20	80	49	150
Other multilateral creditors	3	5	14	14	33
Bilateral creditors	355	249	234	0	483
<b>E. Exceptional Financing/Residual Gap (C - D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
RSF disbursements	0	244	342	195	782
F. Reserve accumulation (with RSF)	-1,149	62	1,571	1,527	3,160
<b>Memorandum Items:</b>					
Change in official reserves excl. all IMF financing	-1,750	-778	633	1,034	888
Nominal GDP	47,843	52,356	57,068	61,876	...

Sources: Ivorian authorities and IMF staff calculations

**32. The latest safeguards assessment of the BCEAO,** completed in August 2023, found that the central bank continues to have well-established audit arrangements and a strong control environment. The BCEAO is in the process of addressing the safeguards assessment's recommendations to align its statute with changes in the 2019 cooperation agreement with France.

## OTHER CONSIDERATIONS

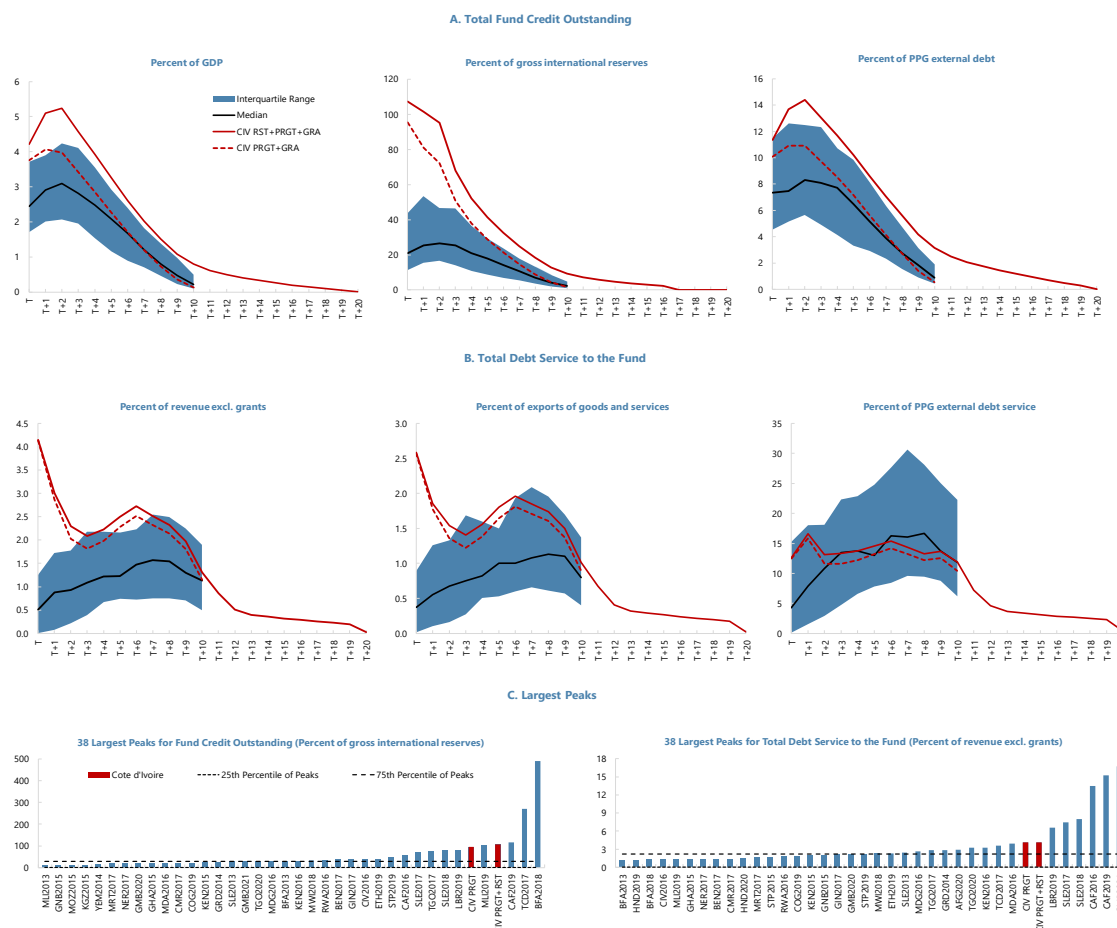
**33. Data provision is broadly adequate for surveillance.** That said, further efforts are being made under the program to align the methodology of quarterly and annual national accounts data, to expand the coverage of government finance statistics and improve the timeliness of their publication (MEFP ¶168). This will support the authorities' objective of adhering to SDDS by end-2025.

**34. The CD strategy will continue to focus on the authorities' reform agenda supported by both the EFF/ECF arrangement and the RSF.** On the fiscal side, the TA will focus on efforts to implement domestic revenue mobilization in line with the adoption of the MTRS in May 2024, better monitor fiscal risks of SOEs, and assist with the implementation of the RSF RMs by integrating climate change in the process of selecting, budgeting, and implementing investment budgets, and developing



carbon taxation. Ongoing TA will continue to improve the coverage of SOEs in GFS and BOP statistics, disseminate the CPI, improve quarterly national accounts, and expand coverage of the PPI. TA will also continue to support the authorities' efforts to enhance governance and transparency and implement priority reforms identified in the AML/CFT assessment.

**Figure 8. Côte d'Ivoire: Capacity to Repay the Fund**  
(Percent of the indicated variable)



**Notes:**

- 1) T = date of arrangement approval. PPG = public and publicly guaranteed.
- 2) Red lines/bars indicate the CtR indicator for the arrangement of interest.
- 3) The median, interquartile range, and comparator bars reflect all UCT arrangements (including blends) approved for PRGT countries between 2013 and 2023.
- 4) PRGT countries in the control group with multiple arrangements are entered as separate events in the database.
- 5) Comparator series is for PRGT arrangements only and runs up to T+10.
- 6) Debt service obligations to the Fund reflect prospective payments, including for the current year. In the case of blenders, the red lines/ bars refer to PRGT+GRA. In the case of RST, the red lines/ bars refer to PRGT+GRA+RST.
- 7) International reserves are proxied by imputed reserves as measured by net foreign assets or by the currency union's total reserves for LICs that are part of currency unions.

## STAFF APPRAISAL

**35. Côte d'Ivoire has become an anchor of growth and stability for the region, notwithstanding entrenched challenges to long run economic transformation.** The Ivorian economy has continued to showcase resilience, amidst still high global and regional uncertainty. Economic stability is being entrenched on the back of the authorities' strong commitment to reform objectives. This has not gone unnoticed by markets, with several upgrades in the country's sovereign credit rating, cementing its position as one of the top SSA investment opportunities for international bond investors. Nevertheless, a high and persistent degree of informality remains an obstacle to deeper economic transformation, further expanding the tax base, and higher more inclusive growth.

**36. The authorities' economic program remains on track and appropriately focused.** Having met all performance criteria, structural benchmarks for the third review under the EFF/ECF, along with reform measures under the RSF, the authorities continue to maintain a strong track record. New program measures relating to furthering domestic revenue mobilization have been informed by the MTRS and will help boost tax revenue. Moreover, new governance and data dissemination structural benchmarks, will help increase transparency and enhance the effectiveness of the AML/CFT framework, commensurate with the authorities' determination to creating the conditions for swift removal from the FATF grey list.

**37. Achieving a 3 percent fiscal deficit target by 2025 is within reach, thanks to the authorities' commitment to decisive revenue-based fiscal consolidation in 2024 and 2025.** Notwithstanding the lower-than-expected revenue yield during 2024H1 from tax policy and revenue administration measures introduced in the 2024 budget, the authorities should be commended on identifying additional tax and customs administration measures to ensure that the overall impact of measures remains consistent with program objectives. This will support a reduction of the fiscal deficit to 4 percent of GDP in 2024, while a further 0.5 percent of GDP in tax policy and administration measures, introduced in the 2025 budget, will underpin reaching the WAEMU deficit target norm of 3 percent of GDP in the third year of the program. Given the regional security context and the upcoming political cycle, it will be critical to offset any unforeseen demands for higher spending by reprioritization of capital expenditure, so as to safeguard the deficit target amid still tight regional financing conditions.

**38. Resolute implementation of the MTRS remains a critical cornerstone of self-sustained domestic revenue mobilization over the medium term.** In this context, efforts to revamp the General Tax Code, a key objective under the MTRS, should commence swiftly, to help simplify the tax system and procedures, boost its transparency and fairness. The authorities should be commended for recent revisions to the investment code and for introducing important property tax reforms in the 2025 budget, which were both informed by the MTRS. There is scope for accelerating implementation of key MTRS reforms to introduce corporate income taxation, a national minimum profit tax, and to consolidate the SME taxation regime, along with aligning sectoral codes with the general tax code, and to further streamlining costly investment code incentives. The authorities should also continue efforts to monitor and periodically report on MTRS implementation, while also maintaining internal and public communication on the merits of difficult reforms. Keeping focus on the aforementioned areas, along

with a systematic coordination with technical assistance providers should aid in maintaining reform momentum over the coming years and induce higher levels of public confidence in the tax and customs authorities' role in the country's development.

**39. Steadfast implementation of homegrown RSF reforms remains an important priority and will support the country's transition to a greener growth model.** The authorities' adoption of homegrown reforms aimed at ameliorating the country's exposure to climate change is commendable. A key to achieving this will be to ensure that implementation of such reforms remains balanced between mitigation and adaptation efforts. In particular, efforts to integrate climate into key aspects of PFM including budget tagging, and to strengthen governance of climate policies, and reinforce safeguards for the agricultural sector, should be advanced alongside the creation of a framework for green and sustainable financing, and building resilience to climate hazards, and controlling and reducing greenhouse gas emissions—notably through introduction of carbon taxation. Further work is needed to continue to strengthen the taxonomy framework and critically improve the green-financing architecture, and to develop a national disaster risk management framework.

**40. Unlocking deeper private sector participation in the country's development hinges on maintaining momentum on structural reforms and tackling informality.** To this end, the authorities should redouble efforts to swiftly address implementation deficiencies in the AML/CFT framework, and identify ways to solidify public trust, including by further strengthening the implementation of the national anti-corruption strategy. The authorities' focus on reducing informality is welcome, and implementation of the Government's strategy towards that goal, along with efforts to increase financial inclusion and deepening are critical, as they can induce a more equitable growth, lower gender disparities, and increase tax revenue. The government should keep a firm focus on ensuring financial viability of the electricity sector, especially as it remains instrumental in supporting the country's development, industrialization, and further economic diversification.

**41. Staff supports the authorities' request for completion of the third review of the EFF/ECF arrangement, the second review of the RSF arrangement, and conclusion of the 2024 Article IV consultation.** This will unlock access of 57.143 percent of quota (equivalent to SDR 371.657 million) under the EFF/ECF, and 37.5 percent of quota (equivalent to SDR 243.9 million) under the RSF. The Letter of Intent and the Memorandum of Economic and Financial Policies set out appropriate policies to pursue program objectives. Financing from the Fund will continue to have a strong catalytic role, and the capacity to repay the Fund is adequate. Risks to program implementation remain manageable, considering the authorities' strong implementation track record under Fund supported programs.

**42. Staff recommend that the next Article IV consultation be held on a 24-month cycle.**

**Table 1. Côte d'Ivoire: Selected Economic and Financial Indicators, 2021–29**

Population (2021): 29 million  
 Per capita GDP (2021): 2,445 USD

Gini Index (2018): 37.3  
 Life Expectancy (2020): 60

Share of population below the poverty line (2021): 37.5%

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Prel.		Program					
(Annual percentage changes, unless otherwise indicated)									
<b>National Income</b>									
GDP at constant prices	7.1	6.2	6.2	6.1	6.3	6.3	7.5	7.0	6.5
GDP deflator	3.9	2.1	2.9	3.1	2.5	2.0	2.0	2.0	2.0
Consumer price index (annual average)	4.2	5.2	4.4	4.0	3.0	2.2	2.0	2.0	2.0
<b>External Sector (on the basis of CFA francs)</b>									
Exports of goods, f.o.b., at current prices	18.2	19.5	4.3	21.8	17.5	2.1	12.1	6.1	7.0
Imports of goods, f.o.b., at current prices	24.3	39.4	-1.0	3.0	3.8	5.8	7.9	9.1	5.2
Export volume	8.3	4.5	4.7	1.9	6.9	9.8	13.5	7.4	7.1
Import volume	12.4	30.3	6.7	4.3	6.3	5.8	5.8	6.2	5.6
Terms of trade (deterioration –)	-8.5	-11.5	10.9	24.6	14.9	-6.6	-1.6	-1.7	-0.7
Nominal effective exchange rate	1.2	-2.3	5.8	...	...	...	...	...	...
Real effective exchange rate (depreciation –)	2.0	-4.9	4.2	...	...	...	...	...	...
<b>Central Government Operations</b>									
Total revenue and grants	16.1	6.2	16.3	12.9	15.5	10.7	11.3	10.5	10.4
Total expenditure	11.7	17.1	6.3	6.0	9.0	10.3	10.8	10.4	10.1
changes in percent of beginning-of-period broad money unless otherwise indicate									
<b>Money and Credit</b>									
Money and quasi-money (M2)	18.7	9.0	3.3	...	...	...	...	...	...
Net foreign assets	8.2	-2.1	-7.4	...	...	...	...	...	...
Net domestic assets	10.6	11.1	10.7	...	...	...	...	...	...
Of which : government	5.4	8.2	2.2	...	...	...	...	...	...
private sector	7.8	4.3	9.4	...	...	...	...	...	...
Credit to the economy (annual percentage change)	12.5	7.3	16.2	...	...	...	...	...	...
(Percent of GDP unless otherwise indicated)									
<b>Central Government Operations</b>									
Total revenue and grants	15.6	15.3	16.2	16.8	17.8	18.1	18.4	18.6	18.9
Total revenue	15.1	14.7	15.6	16.3	17.3	17.8	18.2	18.4	18.7
Total expenditure	20.5	22.1	21.5	20.8	20.8	21.2	21.4	21.6	21.9
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0	-3.0
Basic primary balance <sup>1/</sup>	-1.1	-1.8	-0.1	-0.2	1.5	1.6	1.4	1.2	1.3
<b>Investment and Savings</b>									
Gross investment	23.6	26.4	25.1	25.4	25.6	26.1	26.3	26.4	26.4
Of which: Central government	5.7	7.2	6.8	7.2	6.7	7.7	7.9	8.3	8.3
Gross national saving	19.1	18.2	17.2	20.3	23.9	23.8	24.2	23.8	23.9
Of which: Central government	0.9	0.4	1.6	3.1	3.7	4.7	5.0	5.3	5.3
<b>External Sector Balance</b>									
Current account balance (including official transfers)	-3.9	-7.7	-7.9	-5.1	-1.7	-2.4	-2.0	-2.6	-2.5
Current account balance (excluding official transfers)	-4.4	-8.2	-8.6	-5.6	-2.1	-2.6	-2.3	-2.9	-2.8
Overall balance	2.5	-1.6	-3.7	-1.5	1.1	1.7	2.7	2.3	1.9
<b>Public Sector Debt <sup>2/</sup></b>									
Central government debt, gross	50.2	56.6	58.1	59.3	56.1	54.3	51.7	51.2	50.6
External debt	30.4	34.5	35.9	35.9	36.2	35.5	33.6	32.1	30.5
External debt-service due (CFAF billions)	803	973	1,281	2,808	1,780	1,911	1,915	2,208	2,614
Percent of exports of goods and services	8.9	9.1	11.4	20.5	11.1	11.7	10.4	11.3	12.5
Percent of government revenue	13.1	15.1	17.2	33.0	18.0	17.4	15.5	16.2	17.4
<b>Memorandum Items</b>									
Nominal GDP (CFAF billions)	40,367	43,771	47,843	52,356	57,068	61,876	67,848	74,049	80,439
Nominal exchange rate (CFAF/US\$, period average)	554	622	...	...	...	...	...	...	...
Nominal GDP at market prices (US\$ billions)	73	70	79	87	95	104	114	124	135
Population (million)	29.4	30.2	31.1	32.0	32.9	33.8	34.8	35.8	36.8
Nominal GDP per capita (CFAF thousands)	1,374	1,448	1,539	1,637	1,735	1,829	1,949	2,068	2,184
Nominal GDP per capita (US\$)	2,478	2,326	2,537	2,719	2,902	3,069	3,266	3,463	3,657
Real GDP per capita growth (percent)	4.1	3.3	3.2	3.2	3.3	3.3	4.5	4.0	3.5

Sources: Ivorian authorities, World Bank, and IMF staff estimates and projections.

1/ Defined as total revenue minus total expenditure, excluding all interest and foreign-financed investment expenditure.

2/ Does not include debt guarantees.

**Table 2a. Côte d'Ivoire: Balance of Payments 2021-29**  
(Billions of CFA)

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Est.							
						Program			
Current account	-1,593	-3,357	-3,781	-2,695	-987	-1,459	-1,377	-1,960	-1,990
Current account excl. grants	-1,778	-3,591	-4,098	-2,950	-1,217	-1,579	-1,586	-2,182	-2,215
Trade balance	1,692	669	1,195	3,222	5,120	4,852	5,883	5,889	6,524
Exports, f.o.b.	8,491	10,144	10,577	12,886	15,148	15,459	17,322	18,374	19,656
Of which: cocoa	3,314	3,087	3,522	4,729	6,201	5,534	5,558	5,607	5,845
Of which: crude oil and refined oil products	954	1,890	1,755	1,778	1,932	2,261	3,243	3,432	3,618
Imports, f.o.b.	6,799	9,475	9,382	9,665	10,028	10,606	11,439	12,485	13,132
Of which: crude oil and refined oil products	1,278	3,032	2,842	2,942	2,694	2,673	2,731	2,802	2,887
Services (net)	-1,670	-2,373	-2,727	-3,351	-3,367	-3,094	-3,325	-3,554	-3,861
Primary Income (net)	-1,240	-1,431	-1,962	-2,147	-2,283	-2,723	-3,392	-3,702	-4,009
Of which: interest on public debt	-435	-525	-718	-743	-822	-869	-900	-912	-936
Secondary Income (net)	-375	-222	-287	-419	-457	-495	-543	-592	-644
General Government	11	100	200	205	162	14	60	0	0
Other Sectors	-385	-322	-487	-624	-619	-509	-602	-592	-644
Capital and financial account	2,682	2,601	2,031	1,916	1,619	2,493	3,200	3,681	3,538
Capital account	92	39	117	50	68	106	149	222	225
Financial account (excl. exceptional financing)	2,591	2,562	1,914	1,867	1,551	2,387	3,050	3,459	3,312
Foreign direct investment	614	891	813	1,990	2,169	2,042	1,696	1,888	2,091
Portfolio investment, net	363	-261	-543	867	-443	-25	34	-26	158
Acquisition of financial assets	-413	-461	-430	-463	-464	-470	-487	-532	-578
Incurrence of liabilities	776	200	-113	1,330	21	445	522	506	736
Of which: Eurobonds	608	0	0	1,577	0	350	350	400	500
Other investment, net	1,631	1,952	2,231	-150	763	863	1,320	1,597	1,063
Official, net	1,018	2,353	1,743	102	1,219	1,012	1,082	1,122	899
Project loans	802	1,440	1,433	962	1,310	1,406	1,468	1,554	1,736
Central government amortization due	-330	-686	-632	-1,867	-736	-885	-860	-1,092	-1,379
Net acquisition of financial assets	-12	0	-13	-13	-13	-13	-13	-13	-13
Nonofficial, net	173	-382	488	-252	-455	-149	238	475	164
Errors and omissions	-78	65	0	0	0	0	0	0	0
Overall balance	1,011	-691	-1,750	-778	633	1,034	1,823	1,721	1,548
Financing	-1,011	691	1,149	183	-1,229	-1,332	-1,823	-1,721	-1,548
Reserve flow (-=increase, without RSF)	-1,011	691	1,149	183	-1,229	-1,332	-1,823	-1,721	-1,548
Financing Gap	0	0	601	596	596	298	0	0	0
Use of Fund Credit: ECF/EFF	0	0	601	596	596	298	0	0	0
Residual Gap	0	0	0	0	0	0	0	0	1
RSF Disbursement	0	0	0	244	342	195	0	0	0
Memorandum items:									
Overall balance (percent of GDP)	2.5	-1.6	-3.7	-1.5	1.1	1.7	2.7	2.3	1.9
Current account inc. grants (percent of GDP)	-3.9	-7.7	-7.9	-5.1	-1.7	-2.4	-2.0	-2.6	-2.5
Current account exc. grants (percent of GDP)	-4.4	-8.2	-8.6	-5.6	-2.1	-2.6	-2.3	-2.9	-2.8
Trade balance (percent of GDP)	4.2	1.5	2.5	6.2	9.0	7.8	8.7	8.0	8.1
WAEMU gross official reserves (billions of US\$)	24.2	18.5	15.8	...	...	...	...	...	...
(percent of broad money)	...	...	...	...	...	...	...	...	...
(months of WAEMU imports of GNFS)	4.9	4.0	3.3	...	...	...	...	...	...
Nominal GDP	40,367	43,771	47,843	52,356	57,068	61,876	67,848	74,049	80,439
Exchange rate (CFAF/US\$) average	580	619	602	...	...	...	...	...	...
Exchange rate (CFAF/US\$) end-of-period	554	622	606	...	...	...	...	...	...

Sources: Ivorian authorities and IMF staff estimates and projections.

**Table 2b. Côte d'Ivoire: Balance of Payments, 2021–29**  
(Percent of GDP)

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Est.							
			Program						
Current account	-3.9	-7.7	-7.9	-5.1	-1.7	-2.4	-2.0	-2.6	-2.5
Current account excl. grants	-4.4	-8.2	-8.6	-5.6	-2.1	-2.6	-2.3	-2.9	-2.8
Trade balance	4.2	1.5	2.5	6.2	9.0	7.8	8.7	8.0	8.1
Exports, f.o.b.	21.0	23.2	22.1	24.6	26.5	25.0	25.5	24.8	24.4
Of which: cocoa	8.2	7.1	7.4	9.0	10.9	8.9	8.2	7.6	7.3
Of which: crude oil and refined oil products	2.4	4.3	3.7	3.4	3.4	3.7	4.8	4.6	4.5
Imports, f.o.b.	16.8	21.6	19.6	18.5	17.6	17.1	16.9	16.9	16.3
Of which: crude oil and refined oil products	3.2	6.9	5.9	5.6	4.7	4.3	4.0	3.8	3.6
Services (net)	-4.1	-5.4	-5.7	-6.4	-5.9	-5.0	-4.9	-4.8	-4.8
Primary Income (net)	-3.1	-3.3	-4.1	-4.1	-4.0	-4.4	-5.0	-5.0	-5.0
Of which: interest on public debt	-1.1	-1.2	-1.5	-1.4	-1.4	-1.4	-1.3	-1.2	-1.2
Secondary Income (net)	-0.9	-0.5	-0.6	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
General Government	0.0	0.2	0.4	0.4	0.3	0.0	0.1	0.0	0.0
Other Sectors	-1.0	-0.7	-1.0	-1.2	-1.1	-0.8	-0.9	-0.8	-0.8
Capital and financial account	6.6	5.9	4.2	3.7	2.8	4.0	4.7	5.0	4.4
Capital account	0.2	0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.3
Financial account (excl. exceptional financing)	6.4	5.9	4.0	3.6	2.7	3.9	4.5	4.7	4.1
Foreign direct investment	1.5	2.0	1.7	3.8	3.8	3.3	2.5	2.6	2.6
Portfolio investment, net	0.9	-0.6	-1.1	1.7	-0.8	0.0	0.1	0.0	0.2
Acquisition of financial assets	-1.0	-1.1	-0.9	-0.9	-0.8	-0.8	-0.7	-0.7	-0.7
Incurrence of liabilities	1.9	0.5	-0.2	2.5	0.0	0.7	0.8	0.7	0.9
Of which: Eurobonds	1.5	0.0	0.0	3.0	0.0	0.6	0.5	0.5	0.6
Other investment, net	4.0	4.5	4.7	-0.3	1.3	1.4	1.9	2.2	1.3
Official, net	2.5	5.4	3.6	0.2	2.1	1.6	1.6	1.5	1.1
Project loans	2.0	3.3	3.0	1.8	2.3	2.3	2.2	2.1	2.2
Central government amortization due	-0.8	-1.6	-1.3	-3.6	-1.3	-1.4	-1.3	-1.5	-1.7
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonofficial, net	0.4	-0.9	1.0	-0.5	-0.8	-0.2	0.4	0.6	0.2
Errors and omissions	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	2.5	-1.6	-3.7	-1.5	1.1	1.7	2.7	2.3	1.9
Financing	-2.5	1.6	2.4	0.3	-2.2	-2.2	-2.7	-2.3	-1.9
Reserve flow (-=increase, without RSF)	-2.5	1.6	2.4	0.3	-2.2	-2.2	-2.7	-2.3	-1.9
Financing Gap	0.0	0.0	1.3	1.1	1.0	0.5	0.0	0.0	0.0
Use of Fund Credit: ECF/EFF	0.0	0.0	1.3	1.1	1.0	0.5	0.0	0.0	0.0
Residual Gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF Disbursement	0.0	0.0	0.0	0.5	0.6	0.3	0.0	0.0	0.0
Memorandum items:									
Overall balance (percent of GDP)	2.5	-1.6	-3.7	-1.5	1.1	1.7	2.7	2.3	1.9
Current account inc. grants (percent of GDP)	-3.9	-7.7	-7.9	-5.1	-1.7	-2.4	-2.0	-2.6	-2.5
Current account exc. grants (percent of GDP)	-4.4	-8.2	-8.6	-5.6	-2.1	-2.6	-2.3	-2.9	-2.8
Trade balance (percent of GDP)	4.2	1.5	2.5	6.2	9.0	7.8	8.7	8.0	8.1
WEMU gross official reserves (billions of US\$)	24.2	18.5	15.8	...	...	...	...	...	...
(percent of broad money)	...	...	...	...	...	...	...	...	...
(months of WEMU imports of GNFS)	4.9	4.0	3.3	...	...	...	...	...	...
Nominal GDP (billions of CFA francs)	40,367	43,771	47,843	52,356	57,068	61,876	67,848	74,049	80,439
Exchange rate (CFAF/US\$) average	580	619	602	...	...	...	...	...	...
Exchange rate (CFAF/US\$) end-of-period	554	622	606	...	...	...	...	...	...

Sources: Ivorian authorities and IMF staff estimates and projections.

**Table 3a. Côte d'Ivoire: Fiscal Operations of the Central Government, 2021–29**  
(Billions of CFA)

	2021	2022	2023	2024	2025	2026	2027	2028	2029
			Outturn	Program					
Total revenue and grants	6,295	6,684	7,771	8,777	10,138	11,217	12,487	13,801	15,230
Total revenue	6,110	6,451	7,454	8,522	9,870	11,009	12,338	13,623	15,053
Tax revenue	5,251	5,617	6,508	7,534	8,804	9,879	11,097	12,269	13,582
Non-earmarked taxes	5,042	5,260	6,069	7,077	8,305	9,351	10,555	11,678	12,923
Direct taxes	1,402	1,630	1,945	2,291	2,616	3,052	3,392	3,702	4,022
Indirect taxes	3,640	3,630	4,124	4,786	5,689	6,299	7,162	7,975	8,901
of which taxes on project spending	155	166	169	161	212	226	271	296	322
Earmarked taxes	209	356	438	457	499	528	542	592	660
Nontax revenue 1/	860	834	947	988	1,066	1,130	1,241	1,354	1,471
Grants, of which	185	234	317	255	268	208	149	178	177
Project grants	92	40	117	50	105	194	149	178	177
Total expenditure	8,257	9,666	10,279	10,898	11,875	13,097	14,514	16,018	17,639
Current expenditure	5,930	6,526	7,022	7,150	8,037	8,309	9,124	9,907	10,951
Wages and salaries	1,860	2,007	2,246	2,341	2,533	2,638	2,893	3,172	3,445
Social security benefits	371	390	410	444	474	511	672	770	837
Subsidies and other current transfers	907	768	695	602	675	711	875	955	1,038
Other current expenditure	1,548	1,873	1,691	1,903	2,015	2,209	2,377	2,594	2,968
Expenditure corresponding to earmarked taxes	209	356	438	457	499	528	542	592	660
Security and elections-related expenditure	250	162	302	134	369	234	244	259	309
Interest due	785	970	1,239	1,268	1,472	1,477	1,522	1,566	1,695
On domestic debt	330	448	527	532	652	607	621	653	759
On external debt	455	523	712	736	820	870	900	912	936
Capital expenditure	2,327	3,141	3,258	3,747	3,838	4,788	5,390	6,111	6,688
Domestically financed	1,394	1,668	1,719	2,743	2,425	3,187	3,772	4,378	4,775
of which counterpart funds for project taxes	155	166	169	161	212	226	271	296	322
Foreign-financed, of which	932	1,473	1,538	1,004	1,412	1,601	1,618	1,732	1,913
Foreign loan-financed	840	1,433	1,421	954	1,307	1,407	1,468	1,554	1,736
Basic primary balance	-429	-772	-47	-103	880	990	963	903	1,023
Overall balance, including grants	-1,962	-2,982	-2,508	-2,120	-1,737	-1,880	-2,027	-2,217	-2,409
Overall balance, excluding grants	-2,146	-3,216	-2,825	-2,375	-2,005	-2,089	-2,176	-2,394	-2,586
Change in float (excl. on debt service)	-11	-111	-26	-25	0	0	0	0	0
Overall balance (cash basis)	-1,973	-3,093	-2,534	-2,145	-1,737	-1,880	-2,027	-2,217	-2,409
Financing 2/	1,973	3,093	2,534	383	826	1,414	2,027	2,217	2,409
Domestic financing	659	1,820	1,350	265	-62	373	749	1,035	1,382
Bank financing (net) 2/	709	1,565	1,116	82	-93	290	587	823	1,105
of which RSF disbursement	--	--	--	244	342	195	--	--	--
Nonbank financing (net)	-50	255	234	183	31	83	163	211	276
External financing	1,330	1,293	1,171	118	888	1,042	1,278	1,182	1,027
Financing gap (+ deficit / - surplus)	--	--	--	1,762	911	466	--	--	--
Expected financing (excluding IMF)	--	--	--	1,166	315	168	--	--	--
Residual gap, of which	--	--	--	596	596	298	--	--	--
IMF-ECF 3/	--	--	--	199	199	99	--	--	--
IMF-EFF 3/	--	--	--	397	397	199	--	--	--
Memorandum items:									
Nominal GDP	40,367	43,771	47,843	52,356	57,068	61,876	67,848	74,049	80,439

Sources: Ivorian authorities and IMF staff estimates and projections.

1/ Non-tax revenues have been revised upwards to account for additional service revenues collected by line ministries, which are to be included in the Central Government budget starting 2025.

2/ The 2023 outturn column includes disbursements of Fund resources channeled through the Central Bank. This is excluded for the remainder of the program years 2024–2026 and is instead reflected in the residual gap reflecting IMF ECF and EFF financing.

3/ In the CFA franc zone, Fund resources are channeled via the regional central bank that provides equivalent domestic currency credit to the relevant government.

**Table 3b. Côte d'Ivoire: Fiscal Operations of the Central Government, 2021–29**  
(Percent of GDP)

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Outturn		Program					
Total revenue and grants	15.6	15.3	16.2	16.8	17.8	18.1	18.4	18.6	18.9
Total revenue	15.1	14.7	15.6	16.3	17.3	17.8	18.2	18.4	18.7
Tax revenue	13.0	12.8	13.6	14.4	15.4	16.0	16.4	16.6	16.9
Non-earmarked taxes	12.5	12.0	12.7	13.5	14.6	15.1	15.6	15.8	16.1
Direct taxes	3.5	3.7	4.1	4.4	4.6	4.9	5.0	5.0	5.0
Indirect taxes	9.0	8.3	8.6	9.1	10.0	10.2	10.6	10.8	11.1
of which taxes on project spending	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4
Earmarked taxes	0.5	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8
Nontax revenue 1/	2.1	1.9	2.0	1.9	1.9	1.8	1.8	1.8	1.8
Grants, of which	0.5	0.5	0.7	0.5	0.5	0.3	0.2	0.2	0.2
Project grants	0.2	0.1	0.2	0.1	0.2	0.3	0.2	0.2	0.2
Total expenditure	20.5	22.1	21.5	20.8	20.8	21.2	21.4	21.6	21.9
Current expenditure	14.7	14.9	14.7	13.7	14.1	13.4	13.4	13.4	13.6
Wages and salaries	4.6	4.6	4.7	4.5	4.4	4.3	4.3	4.3	4.3
Social security benefits	0.9	0.9	0.9	0.8	0.8	0.8	1.0	1.0	1.0
Subsidies and other current transfers	2.2	1.8	1.5	1.1	1.2	1.1	1.3	1.3	1.3
Other current expenditure	3.8	4.3	3.5	3.6	3.5	3.6	3.5	3.5	3.7
Expenditure corresponding to earmarked taxes	0.5	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8
Security and elections-related expenditure	0.6	0.4	0.6	0.3	0.6	0.4	0.4	0.3	0.4
Interest due	1.9	2.2	2.6	2.4	2.6	2.4	2.2	2.1	2.1
On domestic debt	0.8	1.0	1.1	1.0	1.1	1.0	0.9	0.9	0.9
On external debt	1.1	1.2	1.5	1.4	1.4	1.4	1.3	1.2	1.2
Capital expenditure	5.8	7.2	6.8	7.2	6.7	7.7	7.9	8.3	8.3
Domestically financed	3.5	3.8	3.6	5.2	4.3	5.2	5.6	5.9	5.9
of which counterpart funds for project taxes			0.4	0.3	0.4	0.4	0.4	0.4	0.4
Foreign-financed, of which	2.3	3.4	3.2	1.9	2.5	2.6	2.4	2.3	2.4
Foreign loan-financed	2.1	3.3	3.0	1.8	2.3	2.3	2.2	2.1	2.2
Basic primary balance	-1.1	-1.8	-0.1	-0.2	1.5	1.6	1.4	1.2	1.3
Overall balance, including grants	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0	-3.0
Overall balance, excluding grants	-5.3	-7.3	-5.9	-4.5	-3.5	-3.4	-3.2	-3.2	-3.2
Change in float (excl. on debt service)	0.0	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (cash basis)	-4.9	-7.1	-5.3	-4.1	-3.0	-3.0	-3.0	-3.0	-3.0
Financing 2/	4.9	7.1	5.3	0.7	1.4	2.3	3.0	3.0	3.0
Domestic financing	1.6	4.2	2.8	0.5	-0.1	0.6	1.1	1.4	1.7
Bank financing (net) 2/	1.8	3.6	2.3	0.2	-0.2	0.5	0.9	1.1	1.4
of which RSF disbursement	--	--	--	0.5	0.6	0.3	--	--	--
Nonbank financing (net)	-0.1	0.6	0.5	0.3	0.1	0.1	0.2	0.3	0.3
External financing	3.3	3.0	2.4	0.2	1.6	1.7	1.9	1.6	1.3
Financing gap (+ deficit / - surplus)	--	--	--	3.4	1.6	0.8	--	--	--
Expected financing (excluding IMF)	--	--	--	2.2	0.6	0.3	--	--	--
Residual gap, of which	--	--	--	1.1	1.0	0.5	--	--	--
IMF-ECF 3/	--	--	--	0.4	0.3	0.2	--	--	--
IMF-EFF 3/	--	--	--	0.8	0.7	0.3	--	--	--

Sources: Ivorian authorities and IMF staff estimates and projections.

1/ Non-tax revenues have been revised upwards to account for additional service revenues collected by line ministries, which are to be included in the Central Government budget starting 2025.

2/ The 2023 outturn column includes disbursements of Fund resources channeled through the Central Bank. This is excluded for the remainder of the program years 2024–2026 and is instead reflected in the residual gap reflecting IMF ECF and EFF financing.

3/ In the CFA franc zone, Fund resources are channeled via the regional central bank that provides equivalent domestic currency credit to the relevant government.



**Table 4. Côte d'Ivoire: Monetary Survey, 2021–29**  
(Billions of CFA)

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Prel.	Program						
	(Billions of CFA francs)								
Net foreign assets	4,206	3,886	2,634	2,679	4,161	5,615	7,361	9,077	10,465
Central bank	2,944	2,304	1,642	2,039	2,860	3,410	4,575	5,576	6,344
Other depository corporations	1,262	1,582	992	640	1,301	2,205	2,786	3,500	4,121
Net domestic assets	11,281	12,993	14,806	16,582	17,307	18,153	19,316	20,742	22,729
Net credit to the government 1/	4,617	5,894	6,264	6,942	7,444	8,030	8,632	9,461	10,540
Central Bank	1,505	1,459	1,863	2,414	3,114	3,440	3,272	3,055	2,744
Other depository corporations	3,112	4,435	4,399	4,526	4,328	4,588	5,357	6,403	7,793
Credit to the economy	9,139	9,807	11,399	12,766	13,271	13,819	14,736	15,703	16,992
Crop credits	672	589	672	902	1,190	1,066	1,070	1,079	1,124
Other credit (including customs bills)	8,468	9,218	10,726	11,864	12,080	12,753	13,666	14,624	15,867
Other items (net) (assets = +)	-2,475	-2,708	-2,857	-3,126	-3,408	-3,695	-4,051	-4,422	-4,803
Broad money	15,487	16,879	17,440	19,260	21,468	23,768	26,677	29,819	33,194
Currency in circulation	3,721	3,973	4,019	4,246	4,732	5,263	5,947	6,693	7,467
Deposits	11,762	12,901	13,417	15,010	16,730	18,499	20,723	23,119	25,719
Deposits at the Central Bank	4.1	4.1	4.3	4.7	5.3	5.9	6.6	7.3	8.2
Memorandum item:									
Velocity of circulation	2.6	2.6	2.7	2.7	2.7	2.6	2.5	2.5	2.4
	(Changes in percent of beginning-of-period broad money)								
Net foreign assets	8.2	-2.1	-7.4	0.3	7.7	6.8	7.3	6.4	4.7
Net domestic assets	10.6	11.1	10.7	10.2	3.8	3.9	4.9	5.3	6.7
Net credit to the government	5.4	8.2	2.2	3.9	2.6	2.7	2.5	3.1	3.6
Central bank	5.5	-0.3	2.4	3.2	3.6	1.5	-0.7	-0.8	-1.0
Other depository corporations	-0.1	8.5	-0.2	0.7	-1.0	1.2	3.2	3.9	4.7
Credit to the economy	7.8	4.3	9.4	7.8	2.6	2.6	3.9	3.6	4.3
Broad money	18.7	9.0	3.3	10.4	11.5	10.7	12.2	11.8	11.3
	(Changes in percent of previous end-of-year)								
Net foreign assets	34.0	-7.6	-32.2	1.7	55.3	34.9	31.1	23.3	15.3
Net domestic assets	13.9	15.2	14.0	12.0	4.4	4.9	6.4	7.4	9.6
Net credit to the government	18.0	27.7	6.3	10.8	7.2	7.9	7.5	9.6	11.4
Central bank	91.7	-3.1	27.7	29.6	29.0	10.5	-4.9	-6.6	-10.2
Other depository corporations	-0.5	42.5	-0.8	2.9	-4.4	6.0	16.8	19.5	21.7
Credit to the economy	12.5	7.3	16.2	12.0	4.0	4.1	6.6	6.6	8.2
Broad money	18.7	9.0	3.3	10.4	11.5	10.7	12.2	11.8	11.3

Sources: Central Bank of West African States (BCEAO) and IMF staff estimates and projections.

1/ Includes the net use of Fund resources channeled through the Central Bank

Table 5. Côte d'Ivoire: Financial Soundness Indicators, 2015-23

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Capital Adequacy</b>									
Regulatory capital to risk-weighted assets (CAR)	8.7	7.9	9.0	9.5	10.5	11.6	12.6	13.0	13.9
Regulatory tier 1 capital to risk-weighted assets	7.1	6.9	7.9	8.6	9.7	10.9	12.1	12.5	13.2
General provisions to risk-weighted assets	9.5	7.1	6.6	5.7	6.0	6.1	5.7	5.2	4.5
Capital to total assets	3.9	4.3	5.1	6.3	6.2	6.5	7.2	7.3	8.2
<b>Asset Quality</b>									
Total loans to total assets	57.1	57.3	57.3	58.8	57.0	53.5	52.0	51.2	54.3
Concentration: Loans to the 5 biggest borrowers to capital	145.8	129.1	108.9	87.4	66.5	53.8	53.0	79.4	72.7
Sectoral composition of loans									
Agriculture, forestry and fisheries	5.9	6.4	8.0	9.2	4.7	5.8	4.0	5.7	2.4
Extractive industries	2.3	2.2	1.5	0.5	0.4	0.3	0.7	0.2	0.4
Manufacturing industries	25.1	24.1	23.9	23.0	20.5	18.7	16.5	15.6	16.2
Electricity, water, gas	6.3	8.4	11.2	13.2	9.0	10.7	11.5	15.8	13.7
Construction, public works	3.3	5.9	6.0	5.4	6.4	5.4	5.8	6.0	5.0
Commerce, restaurants, hotels	31.6	27.3	21.9	25.9	30.2	32.0	35.7	31.6	33.0
Transport, storage and communications	9.3	11.4	13.9	9.3	12.9	11.3	8.9	9.5	10.7
Insurance, real estate, business services	11.4	8.5	7.9	9.0	9.9	11.3	10.1	9.3	9.3
Miscellaneous services	4.8	5.8	5.7	4.5	6.1	4.6	6.9	6.4	9.3
Non-performing loans to total gross loans	10.4	9.1	9.8	9.3	8.4	8.7	8.7	7.7	7.3
General provisions to non-performing loans	66.6	70.5	63.0	64.9	70.2	69.1	67.0	69.9	63.3
Non-performing loans net of provisions to total loans	3.7	2.9	3.8	3.5	2.7	2.9	3.1	2.5	2.8
Non-performing loans net of provisions to capital	54.2	37.6	43.0	32.5	24.4	23.7	22.1	17.2	18.7
<b>Earnings and Profitability 1/</b>									
Average cost of borrowed funds	2.0	2.1	2.1	1.9	0.4	0.3	1.7	1.6	2.3
Average interest rate on loans	9.2	8.9	8.6	7.7	6.8	7.1	6.7	6.7	8.5
Average interest rate margin 2/	7.2	6.8	6.5	5.8	6.4	6.8	5.0	5.1	6.2
Return on assets (ROA) net of tax	1.4	1.6	1.4	1.3	1.7	1.5	1.8	1.7	2.5
Return on average equity (ROE) net of tax	24.5	29.2	21.5	16.5	20.2	18.3	20.7	19.9	26.0
Non-interest expenses to net banking income	59.6	57.5	55.6	59.3	56.1	55.6	53.2	49.1	47.3
Personnel expenses to net banking income	26.3	25.5	23.8	25.4	24.0	24.4	22.7	21.4	23.0
<b>Liquidity</b>									
Liquid assets to total assets	35.5	33.7	32.0	31.7	29.6	29.6	28.7	26.0	26.1
Liquid assets to total deposits	48.6	48.1	46.9	46.0	42.6	41.4	38.3	36.2	36.3
Total loans to total deposits	84.1	87.2	89.5	90.7	87.2	79.7	73.8	75.2	79.3
Total deposits to total liabilities	72.9	70.2	68.2	68.9	69.4	71.4	74.9	71.9	71.7

Source: BCEAO.

1 / Income statement items at semi-annual frequency.

2 / Excluding tax on banking transactions.

**Table 6. Côte d'Ivoire: Capacity to Repay the Fund, 2024-2044**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
<b>Fund Obligations Based on Existing Credit</b>																					
(In millions of SDRs)																					
Principal	360.1	281.8	193.4	193.1	253.6	289.4	254.3	198.2	198.2	165.2	36.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	3.0
Charges and interest	77.4	58.0	52.8	49.1	44.5	37.9	31.6	25.9	20.8	15.8	12.3	11.4	11.2	10.9	10.6	10.4	10.1	9.9	9.6	9.4	9.1
<b>Fund Obligations Based on Existing and Prospective Credit</b>																					
(In millions of SDRs)																					
Principal	360.1	281.8	193.4	193.1	253.6	351.4	436.0	450.1	462.5	429.5	300.4	204.8	118.4	97.6	97.6	97.6	97.6	97.6	97.6	97.6	94.5
Charges and interest	80.2	89.1	121.5	127.2	122.6	115.6	106.1	94.2	82.6	70.8	60.7	53.3	47.9	43.5	39.5	35.4	31.4	27.3	23.2	19.1	15.0
<b>Total Obligations Based on Existing and Prospective Credit</b>																					
In millions of SDRs	440.4	371.0	314.9	320.3	376.3	467.0	542.1	544.3	545.1	500.3	361.1	258.1	166.3	141.1	137.0	133.0	128.9	124.8	120.8	116.7	109.5
In billions of CFA francs	352.9	297.4	252.4	257.3	303.1	376.4	437.0	438.8	439.4	403.3	291.1	208.1	134.0	113.7	110.5	107.2	103.9	100.6	97.3	94.1	88.3
In percent of government revenue	4.0	2.9	2.2	2.1	2.2	2.5	2.7	2.5	2.3	2.0	1.3	0.9	0.5	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2
In percent of exports of goods and services	2.6	1.9	1.5	1.4	1.6	1.8	2.0	1.9	1.7	1.5	1.0	0.7	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
In percent of external debt	2.3	2.1	1.9	2.1	2.7	3.9	5.4	6.6	8.2	8.9	7.1	5.6	3.9	3.5	3.9	4.4	4.9	5.1	5.3	5.5	5.5
In percent of GDP	0.7	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
In percent of quota	67.7	57.0	48.4	49.2	57.8	71.8	83.3	83.7	83.8	76.9	55.5	39.7	25.6	21.7	21.1	20.4	19.8	19.2	18.6	17.9	16.8
of which: PRGT	46.4	30.3	16.7	15.5	15.4	21.0	23.8	26.1	28.1	26.1	18.5	10.9	3.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
of which: GRA	21.2	24.1	26.3	27.5	36.2	44.5	53.2	51.3	49.5	44.5	30.3	16.5	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: RSF	0.1	2.6	5.5	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.7	12.3	19.0	20.3	19.7	19.1	18.4	17.8	17.2	16.6	15.5
<b>Outstanding Fund Credit</b>																					
In millions of SDRs	2,736.8	3,625.1	4,047.3	3,854.2	3,600.6	3,249.2	2,813.2	2,363.1	1,900.6	1,471.1	1,170.8	966.0	847.6	750.0	652.4	554.9	457.3	359.8	262.2	164.6	70.1
In billions of CFA francs	2,193.4	2,906.4	3,243.3	3,096.2	2,900.1	2,619.2	2,267.7	1,904.9	1,532.1	1,185.9	943.7	778.6	683.2	604.6	525.9	447.3	368.6	290.0	211.4	132.7	56.5
In percent of government revenue	25.0	28.7	28.9	24.8	21.0	17.2	14.0	10.8	8.0	5.8	4.2	3.2	2.6	2.1	1.7	1.4	1.0	0.8	0.5	0.3	0.1
In percent of exports of goods and services	16.0	18.2	19.8	16.9	14.9	12.6	10.2	8.0	6.1	4.4	3.3	2.6	2.1	1.7	1.4	1.1	0.9	0.6	0.4	0.3	0.1
In percent of external debt	14.3	20.2	24.3	25.0	26.0	27.2	27.9	28.6	28.5	26.3	23.1	20.8	19.7	18.8	18.8	18.3	17.5	14.7	11.5	7.7	3.5
In percent of GDP	4.2	5.1	5.2	4.6	3.9	3.3	2.6	2.0	1.5	1.1	0.8	0.6	0.5	0.4	0.3	0.3	0.2	0.1	0.1	0.1	0.0
In percent of quota	420.8	557.4	622.3	592.6	553.6	499.6	432.5	363.3	292.2	226.2	180.0	148.5	130.3	115.3	100.3	85.3	70.3	55.3	40.3	25.3	10.8
of which: PRGT	162.1	171.3	175.0	160.9	146.9	127.2	104.8	80.0	53.3	28.6	11.4	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: GRA	211.8	273.6	297.3	281.7	256.7	222.4	177.8	133.3	88.9	47.6	19.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: RSF	46.9	112.5	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	149.5	143.4	130.3	115.3	100.3	85.3	70.3	55.3	40.3	25.3	10.8
<b>Net Use of Fund Credit (millions of SDRs)</b>																					
Disbursements	688.0	888.3	422.2	-193.1	-253.6	-351.4	-436.0	-450.1	-462.5	-429.5	-300.4	-204.8	-118.4	-97.6	-97.6	-97.6	-97.6	-97.6	-97.6	-97.6	-94.5
Repayments and Repurchases	1,048.2	1,170.1	615.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:																					
Exports of goods and services (billions of CFA francs)	13,671.8	16,003.7	16,386.9	18,340.1	19,484.8	20,862.7	22,242.2	23,673.7	25,230.4	26,873.1	28,603.3	30,508.9	32,561.7	34,771.5	37,169.7	39,773.3	42,562.3	45,526.4	48,744.8	52,240.2	55,986.3
Government revenue and grants (billions of CFA francs)	8,777.4	10,136.5	11,216.9	12,486.9	13,801.1	15,230.2	16,193.2	17,569.6	19,054.3	20,576.1	22,301.6	24,080.9	26,050.3	28,179.3	30,480.4	32,927.7	35,600.0	38,499.4	41,781.1	46,932.5	52,719.0
External debt (billions of CFA francs)	15,381.8	14,408.7	13,366.4	12,368.3	11,142.6	9,643.3	8,141.2	6,658.9	5,376.0	4,513.5	4,078.4	3,739.6	3,465.3	3,212.1	2,803.5	2,447.5	2,104.9	1,966.5	1,837.3	1,716.6	1,603.8

Sources: IMF staff estimates and projections.

**Table 7a. Côte d'Ivoire: Summary Table of Projected External Borrowing Program**  
(January 1, 2024, to December 31, 2024)

PPG external debt	Volume of new debt in 2024		PV of new debt in 2024 (program purposes)		PV of new debt in 2024 (including negative GEs)	
	USD million	Percent	USD million	Percent	USD million	Percent
<b>By sources of debt financing</b>	<b>6468.5</b>	<b>100</b>	<b>6063.1</b>	<b>100</b>	<b>6699.4</b>	<b>100</b>
<b>Concessional debt, of which</b>	<b>122.1</b>	<b>2</b>	<b>59.7</b>	<b>1</b>	<b>59.7</b>	<b>1</b>
Multilateral debt	103.9	2	53.5	1	53.5	1
Bilateral debt	0.0	0	0.0	0	0.0	0
Other	18.1	0	6.3	0	6.3	0
<b>Non-concessional debt, of which</b>	<b>6346.4</b>	<b>98</b>	<b>6003.4</b>	<b>99</b>	<b>6639.7</b>	<b>99</b>
Semi-concessional	2658.2	41	2315.2	38	2315.2	35
Commercial terms	3688.2	57	3688.2	61	4324.5	65
<b>By Creditor Type</b>	<b>6468.5</b>	<b>100</b>	<b>6063.1</b>	<b>100</b>	<b>6699.4</b>	<b>100</b>
Multilateral	1038.5	16	839.7	14	839.7	13
Bilateral - Paris Club	0.0	0	0.0	0	0.0	0
Bilateral - Non-Paris Club	31.8	0	21.2	0	21.2	0
Other	5398.2	83	5202.2	86	5838.5	87
<b>Uses of debt financing</b>	<b>6468.5</b>	<b>100</b>	<b>6063.1</b>	<b>100</b>	<b>6699.4</b>	<b>100</b>
Infrastructure	191.3	3	157.3	3	157.3	2
Social Spending	1570.2	24	1329.5	22	1329.5	20
Budget Financing	2639.9	41	2634.0	43	3221.2	48
Other	2067.2	32.0	1942.3	32.0	1991.4	29.7
<b>Memo Items</b>						
<b>Indicative projections</b>						
Year 2	<b>4729.3</b>		<b>4238.1</b>		<b>4307.1</b>	
Year 3	<b>0.0</b>		<b>0.0</b>		<b>0.0</b>	

Source: Ivorian authorities.

**Table 7b. Côte d'Ivoire: Type of New External Debt**  
(US\$ million)

**By the type of interest rate**

Fixed Interest Rate	3289.3
Variable Interest Rate	3179.2
Unconventional Loans	0.0

**By currency**

USD denominated loans	3300.0
Loans denominated in other currency	3168.5

Source: Ivorian authorities

**Table 7c. Côte d'Ivoire: Decomposition of Public Debt Stock and Debt Service by Creditors, 2023-26<sup>1</sup>**

	Debt Stock (end of period)			Debt Service					
	2023			2024			2025		
	(In US\$ billions)	(Percent total debt)	(Percent GDP)	(In US\$ billions)	(Percent total debt)	(Percent GDP)	(In US\$ billions)	(Percent total debt)	(Percent GDP)
<b>Total</b>	46.2	100.0	58.1	7.0	6.2	6.9	8.0	6.4	6.6
<b>External</b>	28.5	61.8	35.9	2.8	2.7	2.8	3.2	2.8	2.7
Multilateral creditors <sup>2,3</sup>	9.4	20.4	11.8	0.8	0.8	0.7	1.0	0.8	0.6
IMF	2.8	6.0	3.5						
World Bank	3.9	8.4	4.9						
AfDB	1.2	2.6	1.5						
Other Multilaterals	1.6	3.4	2.0						
o/w: IDB	0.8	1.6	0.9						
o/w: BOAD	0.3	0.7	0.4						
Others	0.5	1.0	0.6						
Bilateral Creditors <sup>2</sup>	4.9	10.6	6.1	0.3	0.4	0.4	0.3	0.4	0.4
Paris Club	1.8	3.8	2.2	0.1	0.1	0.1	0.1	0.1	0.1
o/w: France	1.1	2.3	1.3						
o/w: Germany	0.4	0.9	0.5						
Others	0.3	0.7	0.4						
Non-Paris Club	3.1	6.8	3.9	0.2	0.3	0.3	0.3	0.3	0.3
o/w: China	0.1	0.1	0.1						
o/w: India	0.2	0.3	0.2						
Others	2.9	6.3	3.7						
Bonds	8.6	18.7	10.8	0.6	0.6	0.8	0.7	0.6	0.8
Commercial creditors	5.6	12.2	7.1	1.0	0.9	0.8	1.1	1.0	0.8
o/w: MUFG	0.8	1.7	1.0						
o/w: SGF	0.7	1.5	0.9						
Others	4.1	9.0	5.2						
<b>Domestic</b>	17.6	38.2	22.2	4.3	3.5	4.1	4.9	3.6	4.0
Held by residents, total	n/a	n/a	n/a						
Held by non-residents, total	n/a	n/a	n/a						
T-Bills	1.2	2.7	1.6	1.2	0.0	0.0	1.4	0.0	0.0
Bonds	5.0	10.8	6.2	1.0	1.4	2.0	1.1	1.5	1.9
Loans, and others	11.4	24.8	14.4	2.1	2.1	2.1	2.4	2.2	2.1
<b>Memo Items:</b>									
Collateralized debt <sup>4</sup>	0.0	0.0	0.0						
Contingent liabilities <sup>5</sup>	0.0	0.0	0.0						
Nominal GDP	78.9								

Sources: Ivorian authorities and IMF staff calculations.

1/As reported by Country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA, except for guaranteed debt.

2/Some public debt is not shown in the table due to limited availability of information. This includes non-guaranteed SOE debt and local government debt.

3/Multilateral creditors" are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

4/Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.

5/Includes other-one off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims, payments resulting from PPP arrangements).

**Table 8a. Côte d'Ivoire: Reviews and Purchases/Disbursements Under the 40-month ECF and EFF Arrangements, 2023-26**

Date of availability	Condition	Amount (millions of SDRs)			Percent of Quota		
		Total	ECF	EFF	Total	ECF	EFF
May 24, 2023	Executive Board approval of the ECF/EFF arrangements.	371.657	123.886	247.771	57.143	19.048	38.095
November 15, 2023	Observance of PCs for end-June 2023, continuous PCs and completion of the first review.	371.657	123.886	247.771	57.143	19.048	38.095
May 15, 2024	Observance of PCs for end-December 2023, continuous PCs and completion of the second review.	371.657	123.886	247.771	57.143	19.048	38.095
November 15, 2024	Observance of PCs for end-June 2024, continuous PCs and completion of the third review.	371.657	123.886	247.771	57.143	19.048	38.095
May 15, 2025	Observance of PCs for end-December 2024, continuous PCs and completion of the fourth review.	371.657	123.886	247.771	57.143	19.048	38.095
November 15, 2025	Observance of PCs for end-June 2025, continuous PCs and completion of the fifth review.	371.657	123.886	247.771	57.143	19.048	38.095
May 15, 2026	Observance of PCs for end-December 2025, continuous PCs and completion of the sixth review.	371.658	123.884	247.774	57.143	19.047	38.096
	Total	2601.6	867.2	1734.4	400.0	133.3	266.7

Note: Côte d'Ivoire's quota is SDR 650.40 million.

**Table 8b. Côte d'Ivoire: Reviews and Disbursements Under the RSF, 2024-26**

Date of availability	Condition (implementation of RMs)	RSF	
		(in million of SDR)	(in percent of quota)
March 15, 2024	Approval Date		
May 15, 2024	RM13	60.975	9.375
November 15, 2024	RM4	60.975	9.375
November 15, 2024	RM8	60.975	9.375
November 15, 2024	RM10	60.975	9.375
November 15, 2024	RM15	60.975	9.375
May 15, 2025	RM6	60.975	9.375
May 15, 2025	RM7	60.975	9.375
May 15, 2025	RM9	60.975	9.375
November 15, 2025	RM1	60.975	9.375
November 15, 2025	RM2	60.975	9.375
November 15, 2025	RM3	60.975	9.375
November 15, 2025	RM11	60.975	9.375
May 15, 2026	RM5	60.975	9.375
May 15, 2026	RM12	60.975	9.375
May 15, 2026	RM14	60.975	9.375
May 15, 2026	RM16	60.975	9.375
	Total	975.600	150.00
Note: Côte d'Ivoire's quota is SDR 650.40 million.			

**Table 9. Côte d'Ivoire: Quantitative Performance Criteria and Indicative Targets Under the EFF/ECF, September 2023–December 2025<sup>1</sup>**

	2023								2024						2025				
	September			December				March			June			September	December	March	June	September	December
	IT	Outturn	Status	PC	Adjusted	Outturn	Status	IT	Outturn	Status	PC			IT	PC		IT	PC	
											2nd review	Outturn	Status		2nd review	2nd review			
A. Performance Criteria																			
Floor on the overall fiscal balance (incl. grants)	(2,007)	(1,507)	MET	(2,514)	...	(2,508)	MET	(507)	(504)	MET	(1,085)	(963)	MET	(1,505)	(2,121)	(637)	(1,058)	(1,459)	(1,737)
Ceiling on net domestic financing (incl. the issuance of securities in CFAF)	952	952	MET	1,160	1,420	1,364	MET	14	(197)	MET	594	(61)	MET	1,036	1,355	420	794	1,206	883
Ceiling on the present value of new external debt (with a maturity of more than one year) contracted or guaranteed by the central government (millions of US\$)	4,242	2,451	MET	4,650	...	2,642	MET	1,157	3,286	NOT MET 3/	4,422	3,895	MET	5,505	6,063	1,781	2,667	3,626	4,238
Floor on government tax revenue	4,620	4,791	MET	6,306	...	6,507	MET	1,643	1,646	MET	3,538	3,559	MET	5,299	7,156	1,868	4,107	6,087	8,363
Performance Criteria on Continuous Basis																			
Ceiling on accumulation of new external arrears by the central government (continuous basis)	0	0	MET	0	...	0	MET	0	0	MET	0	0	MET	0	0	0	0	0	0
Ceiling on accumulation of new domestic arrears by the central government (continuous basis)	0	0	MET	0	...	0	MET	0	0	MET	0	0	MET	0	0	0	0	0	0
B. Indicative Targets																			
Floor on targeted social spending	700	736	MET	949	...	970	MET	230	264	MET	463	491	MET	767	994	244	491	858	1,128
Ceiling on expenditure by treasury advance	263	259	MET	345	...	342	MET	82	75	MET	192	144	MET	307	449	106	247	361	464
Floor on net reduction of central government amounts payable (- = reduction)	(78)	(82)		(25)	...	(26)	MET	(54)	(176)	MET	(41)	(43)	MET	(33)	(25)	(80)	(85)	(55)	(25)
Floor on basic primary balance	(130)	295	MET	187	...	(47)	NOT MET	55	118	MET	86	180	MET	150	(26)	65	154	356	884
Memorandum Items:																			
Program grants (millions of US\$) 2/	160	97	...	324	...	322	...	0	0	...	170	161	...	170	331	0	141	141	262
Program loans (millions of US\$) 2/	169	439	...	930	...	608	...	957	-	...	3,110	3,134	...	3,110	3,523	541	573	606	969
Project grants (millions of US\$) 2/	126	77	...	191	...	189	...	17	8	...	29	36	...	45	81	43	68	102	170
Project loans (millions of US\$) 2/	1,860	934	...	2,785	...	2,294	...	354	221	...	925	844	...	1,135	1,539	384	864	1,512	2,160
Cumulative C2D	100	...	...	200	...	141	...	20	3	...	80	100	...	140	200	0	88	88	149
Total pro-poor spending	2,403	...	...	3,318	...	3,497	...	748	838	...	1,655	1,661	...	2,467	3,405	845	1,869	2,786	3,845

Sources: Ivorian authorities; and IMF staff estimates.

1/ Cumulative amount from January 1, 2023 for 2023 targets, from January 1, 2024 for 2024 targets, and from January 1, 2025 for 2025 targets.

2/ Converted with US\$/CFAF program exchange rate.

3/ This is due to the January 2024 Eurobond issuance.



**Table 10. Côte d'Ivoire: Prior Action and Structural Benchmarks Under the ECF/EFF, 2023-25**

<b>Proposed Prior Action and New Structural Benchmarks</b>				
<b>Reform Area</b>		<b>Rationale</b>	<b>Status</b>	<b>Due Date</b>
<b>Revenue Mobilization</b>	<b>Prior Action:</b> Submit to parliament 2025 budget in line with program objectives, including new revenue measures	Boost domestic revenue to preserve fiscal and debt sustainability and create fiscal space for public investment and poverty reduction.		
	Apply market valuation as a basis for property taxation, and this should cover all types of real estate parcels irrespective of built or unbuilt classification.			End-May 2025
	Improve estimates of tax expenditures, particularly those resulting from the Investment Code, including by improving primary data to include tax credits and tax holidays on all taxes covered in the investment code.			End-September 2025
<b>Governance</b>	Make the legal framework compliant with FATF Recommendation 6 to continue implementing targeted UN financial sanctions related to terrorism and its financing, and, in accordance with FATF Recommendation 8, pursue a risk-based monitoring of non-profit organizations exposed to the risk of being exploited for terrorist financing purposes.	Facilitate a swift exit from the FATF grey list in order to mitigate potential negative macroeconomic repercussions.		End-December 2025
<b>Data Dissemination and Transparency</b>	Disseminate historical annual general government operations data up to year 2023 by end-December 2024 through the National Summary Data Page	Improve data dissemination and transparency to help boost confidence and garner broader public awareness and buy-in on reforms.		End-March 2025

**Table 10. Côte d'Ivoire: Prior Action and Structural Benchmarks Under the ECF/EFF, 2023-25 (continued)**

Current Structural Benchmarks				
Reform Area		Rationale	Status	Due Date
Revenue Mobilization	Informed by the MTRS, establish, and publish clear criteria and procedures for granting and eliminating reduced VAT rates and or exemptions, including mandatory impact evaluation for the largest tax expenditures with distributional impact, to be used in rationalizing existing and future use of reduced VAT rates.	Boost domestic revenue to preserve fiscal and debt sustainability and create fiscal space for public investment and poverty reduction.		end-June 2025
	Prepare and implement a plan to manage and collect outstanding tax arrears.		Met	end-September 2023
	Cabinet approval of a Medium-Term Revenue Mobilization strategy (MTRS), with revenue targets and a timeline, and publication of a comprehensive summary. <sup>1</sup>		Met	end-May 2024
	Strengthen the module relating to automated VAT management by incorporating the control of the VAT deduction collected at customs.		Met	end-June 2024
	Issue an ordinance to streamline the provisions relating to exemptions linked to the investment code.		Met	end-September 2024
PFM	Continue to enforce e-procurement use by at least 80 percent of all ordinary operations (those with larger than 100 million CFAF) between July 1, 2024, and June 30, 2025.	Improve the efficiency and transparency in procurement.		end-July 2025
	To further enhance the published annual assessment of fiscal risks related to PPP contracts, publish annual reviews of the PPP portfolio in coordination with the contracting authorities, including information on the PPP portfolio in accordance with article 24 of Decree No. 2018- 358 setting out the rules for PPP contracts.	Improve the efficiency and transparency of public investment and limit fiscal risks		end-February 2025
	Adopt by the council of ministers the draft law on national debt policy.	Define general objectives for public debt and prudential rules; (ii) establish public debt commitment procedures for ministerial departments and state agencies; (iii) rationalize the framework for debt operation and debt management; (iv) clarify the rules and purposes for government on-lending; (v) and strengthen the institutional framework for public debt management.	Met	End-September 2023

<sup>1</sup> See <https://www.tax-platform.org/medium-term-revenue-strategy> for examples of such publications.

**Table 10. Côte d'Ivoire: Prior Action and Structural Benchmarks Under the ECF/EFF, 2023-25 (concluded)**

Reform Area		Rationale	Status	Due Date
PFM (continued)	Treasury Single Account (TSA): Adopt by the government a timetable for closing accounts with commercial banks.	Improve cash management and minimize financial cost	Met	End-December 2023
	Enforce e-procurement to be used by an average of at least 10 percent of the operations for which the procurement procedures will start from October 2023.	Improve the efficiency and transparency in procurement	Met	End-December 2023
	Enforce e-procurement to be used by at least 50 percent of all ordinary operations (those with value larger than 100 million CFAF) between January 1, 2024, and June 30, 2024.		Met	End-July 2024
Governance	Approve a ministerial decree by the Council of Ministers to (i) designate the AML/CFT supervisors for the real estate agents, dealers in precious metals and stones, casinos and gambling establishments, business agents (agents d'affaires), and trust and company service providers; and (ii) set out their powers and responsibilities to undertake risk-based supervision in line with FATF Recommendation 28.	Improve the effectiveness of the AML/CFT framework.	Met	End-May 2024
Data Dissemination and Transparency	Publish quarterly central government debt data within one quarter after the end of the reference quarter on Côte d'Ivoire's National Summary Data Page ( <a href="https://nso-cotedivoire.opendataforafrica.org/awirqrf/national-summary-data-page-nsdp">https://nso-cotedivoire.opendataforafrica.org/awirqrf/national-summary-data-page-nsdp</a> ).	Improve data dissemination and transparency to help boost confidence and garner broader public awareness and buy-in on reforms.	Met	end-September 2024
Financial Sector	Complete a mid-term review of the National Strategy for Financial Inclusion to take into account the government's new priorities in relation to the objectives of the NDP, particularly access to financial services for women.	Improve the access to financial services, particularly for disadvantaged populations	Met	end-May 2024

Table 11. Côte d'Ivoire: RSF Reform Measure Matrix

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Integration of climate into public financial management	RM1. - Adopt a ministerial <i>arrêté</i> establishing a system for tagging climate-related investment expenditure at the stage of public investment programming, then integrate this system into the 2026 budget preparation process with coverage initially limited to five (5) ministries including those in charge of energy, agriculture, environment and sustainable development, <i>hydraulique et assainissement</i> , and water and forests. - Prepare and publish on this basis a first climate budget statement attached to the 2026 budget law, presenting the climate-related investment expenditure expected for these entities	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	- Ministerial <i>arrêté</i> establishing a system for tagging climate-related capital expenditure (October 2024). - Climate budget statement attached to the 2026 budget law.	GCA/ IMF TA
	RM2. - Establish a modeling framework and integrate quantitative analysis of climate-related fiscal risks into the fiscal risk statement for end-October 2025	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	- Annex to the 2026 budget law on the declaration of budgetary risks incorporating the quantification of climate risks	IMF TA
	RM3. - Adopt an interministerial <i>arrêté</i> in application of decree N°2022-742 on the management of public investment projects, making it mandatory and explicit to integrate climate considerations into the appraisal and selection of public investment projects, and modify decree 96-894 on environmental impact assessments to integrate climate considerations, in order to promote low-carbon/climate-resilient investments and discourage high-carbon/climate-vulnerable investments.	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	- Interministerial <i>arrêté</i> implementing decree no. 2022-742 on the management of public investment projects (end October 2025). - Decree 96-894 on the environmental impact study to incorporate climate considerations modified (end June 2024).	

**Table 11. Côte d'Ivoire: RSF Reform Measure Matrix** (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Strengthening the governance of climate policies	<p>RM4.</p> <ul style="list-style-type: none"> <li>- Set up a national commission in charge of climate change issues under the auspices of the Prime Minister's Office, with a mandate to ensure that Côte d'Ivoire complies with its international commitments to combat climate change, and that climate issues are taken into account in sectoral policies, climate-sensitive economic planning and disaster risk management.</li> <li>- This commission will be responsible for producing an annual progress report on the status of the climate transition in Côte d'Ivoire, which will include short- and medium-term recommendations to the government to improve climate action, and which will be published. An official communication on the report will be presented in the Council of Ministers.</li> </ul>	CCDR AfDB report on mobilizing climate financing in the private sector	End of October 2024, 3rd EFF/ECF review  <b>MET</b>	<ul style="list-style-type: none"> <li>- Decree creating the National Commission in charge of climate change issues (end June 2024).</li> <li>- Official communication on the report at the Council of Ministers on the annual progress report on the climate transition (end October 2024).</li> <li>- Publication of the annual progress report on the climate transition.</li> </ul>	
Exposed and vulnerable agriculture sector	<p>RM5.</p> <ul style="list-style-type: none"> <li>- Gradually implement an insurance system against climate hazards. As a first step, a pilot insurance system for the cotton sector will be set up through capacity-building for stakeholders (producers and cooperatives) and preparations for the introduction of insurance products for the sector's stakeholders by the end of December 2025.</li> </ul>	CCDR	End of December 2025; 6 <sup>th</sup> EFF/ECF review	<ul style="list-style-type: none"> <li>- Report on awareness-raising and capacity-building activities.</li> <li>- Information notes on the insurance product for the cotton sector available (end December 2025).</li> </ul>	BOAD: Supervision of the implementation of activities in line with procedures; partial financial contribution to subsidize insurance premiums for the second stage of the project.

Table 11. Côte d'Ivoire: RSF Reform Measure Matrix (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Increasing green and sustainable financing for private and public companies (develop financial information architecture)	RM6. - Develop the architecture for climate-related financial information, and adopt a decree on the introduction of two complementary frameworks and the timetable for their implementation, namely (i) a transition taxonomy (reference framework for public and private sector climate investments) covering the country's mitigation and adaptation needs across key sectors, and (ii) introducing an inter-ministerial coordination mechanism on the design of the taxonomy.	CCDR C-PIMA and green PFM TA report AfDB country report on mobilizing climate financing in the private sector WAEMU FSAP World Bank TN on Climate Risks and Opportunities	End of April 2025; 4 <sup>th</sup> EFF/ECF review	- Interministerial <i>arrêté</i> on the introduction of a coordination mechanism (March 2024). - Decree on transition taxonomy (end of April 2025)	IMF/ World Bank TA available
	RM7. Based on the taxonomy introduced as part of RM6, - Adopt a decree that includes: (i) the introduction of a climate risk disclosure framework for state-owned enterprises and private non-financial private companies, connected to the taxonomy; and (ii) a disclosure requirement that is integrated within the financial reporting of state-owned enterprises and non-financial companies, based on the climate risk disclosure framework, as well as their implementation timeline.	CCDR	End of April 2025; 4 <sup>th</sup> EFF/ECF review	- Decree introducing a climate risk disclosure framework and requirement (end April 2025)	IMF/ World Bank TA available

**Table 11. Côte d'Ivoire: RSF Reform Measure Matrix** (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Increasing green and sustainable financing for private and public companies (develop financial information architecture) (continued)	<p>RM8.</p> <ul style="list-style-type: none"> <li>- Adopt a decree that comprises two actions: (i) making the green finance platform operational by (1) setting up a website where domestic and international climate finance actors can find key information on the main pillars of the National Climate Finance Mobilization Strategy, Nationally Determined Contributions, the National Adaptation Plan, the National Development Plan, quantified targets for mobilizing domestic and international climate finance and the role envisaged for the various financial instruments, and the involvement of multilateral donors and other international partners in the National Climate Finance Mobilization Strategy, and (2) the development and implementation of a training and capacity-building plan for national actors on climate finance instruments, taxonomies and disclosure frameworks for climate risks; (ii) design and implement a framework for monitoring and tracking climate finance through a finance Measurement, Reporting and Verification (MRV) system for the said platform</li> </ul>	CCDR	<p>End of October 2024, 3rd EFF/ECF review</p> <p><b>MET</b></p>	<ul style="list-style-type: none"> <li>- Decree on the operationalization of the Green Finance Platform <ul style="list-style-type: none"> <li>• Website.</li> <li>• Training and capacity-building plan for national players on climate finance instruments, taxonomies and reporting frameworks for climate risks.</li> </ul> </li> <li>- Framework for monitoring and tracking operational green finance through the Measurement, Reporting and Verification (MRV) system</li> </ul>	Regarding (ii) on the monitoring and traceability framework for green financing, ICAT will support the conceptualization of the MRV tool, the training of stakeholders and the development of a roadmap for its operationalization.
Vulnerability to flooding and coastal erosion	<p>RM9.</p> <ul style="list-style-type: none"> <li>- Strengthen the environment and climate change component and deploy the multi-hazard early warning system in the Adzopé department. This early warning system will enable rapid responses to and mitigation of the impact of disasters, both in the short and long term. Prior to nationwide implementation, the early warning system will be tested in a pilot phase in the Adzopé department. A report summarizing the first alerts will be produced in December 2024.</li> </ul>	CCDR	<p>End of December 2024; 4<sup>th</sup> EFF/ECF review.</p>	<ul style="list-style-type: none"> <li>- Report summarizing the first alerts (December 2024)</li> </ul>	AFD, WMO (World Meteorological Organization) in the framework of Climate Risk Early Warning Systems initiative from the UN, World Bank.
	<p>RM10.</p> <ul style="list-style-type: none"> <li>- Design and adopt standardized maintenance methodologies for road infrastructure that take into account the impact of climate change; and pilot their implementation in the Greater Abidjan area.</li> </ul>	C-PIMA and green PFM TA report	<p>End of October 2024, (3<sup>rd</sup> EFF/ECF review)</p> <p><b>MET</b></p>	<ul style="list-style-type: none"> <li>- Road design manual (end March 2024).</li> <li>- Stocktaking report (end October 2024).</li> </ul>	

Table 11. Côte d'Ivoire : RSF Reform Measure Matrix (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Reducing greenhouse gas emissions	RM11. - Implement plans to operationalize the mandatory energy audit system for entities with annual energy consumption equal to or greater than a benchmark <sup>1</sup> for the industrial, tertiary and transportation sectors in 2025, and complete the first 5 audits by the end of September 2025 and an energy labeling system for new air conditioners, refrigerators and electric lamps by December 2024.		End of September 2025 (5 <sup>th</sup> EFF/ECF review)	<ul style="list-style-type: none"> <li>- First five audits completed (end September 2025)</li> <li>- List of approved energy auditors (end March 2025);</li> <li>- List of organizations subject to energy audits (end March 2025);</li> <li>- Notice to importers on the administrative procedure for applying for an energy label (end December 2024).</li> </ul>	KFW, World Bank and EU
	RM12. - Continue to apply the existing fuel pricing mechanism with automatic adjustment to smooth price volatility and preserve tax revenues. In addition, given that the mechanism already includes a carbon taxation component ( <i>Conformité aux Normes de Qualité (CNQ)</i> ), the Government undertakes to develop a carbon taxation strategy tailored to Côte d'Ivoire's needs and in line with IMF technical assistance, and to make any necessary adjustments to fuel prices in line with this strategy by the end of December 2025 at the latest.	World Bank reports, Fund TA	End of December 2025; 6 <sup>th</sup> EFF/ECF review	<ul style="list-style-type: none"> <li>- Request technical assistance from IMF staff (October 2024).</li> <li>- Strategy on carbon taxation adopted by the Government (end December 2025);</li> <li>- If necessary, adopt a legislative text to adjust fuel prices</li> </ul>	IMF TA to elaborate the strategy on carbon taxation
	RM13. - Adopt a decree to promote electric mobility in Côte d'Ivoire. In order to help achieve the 10 percent target for electric vehicles in the vehicle fleet by 2030, as set out in the NDCs, the government plans to adopt this decree on electric mobility by the end of April 2024. The decree will address issues such as the installation of electric charging stations, technical inspections of electric vehicles, insurance for electric vehicles, and compliance with standards for battery charging stations.	World Bank reports	End of April 2024, 2nd EFF/ECF review  <b>MET</b>	<ul style="list-style-type: none"> <li>- Decree to promote electric mobility in Côte d'Ivoire (end-April 2024)</li> </ul>	GIZ

<sup>1</sup> Industry: 1500 ton of oil equivalent (toe) or 2000 MWh; Tertiary and Transportation: 500 toe or 1000 MWh.



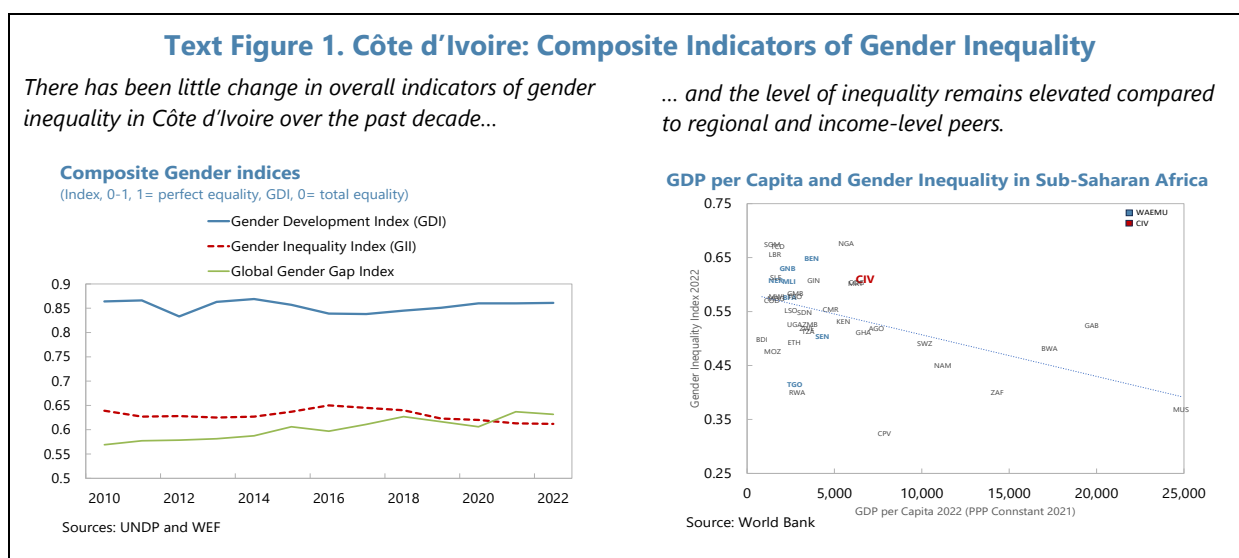
**Table 11. Côte d'Ivoire: RSF Reform Measure Matrix (concluded)**

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Reducing greenhouse gas emissions (continued)	<p>RM14.</p> <ul style="list-style-type: none"> <li>- As part of the carbon taxation strategy, the government will examine the existing environmental tax system on combustion engine vehicles and, if necessary, adopt reforms to the taxation of these vehicles in line with the objectives of the NDCs. More specifically, the Government intends to put in place a legal framework that ensures coherence between the different parts of the system, notably between the application of registration fees, import duties, taxes, and other regulations relevant in terms of their impact on the promotion of cleaner, more efficient cars.</li> </ul>		End of December 2025; 6 <sup>th</sup> EFF/ECF review.	<ul style="list-style-type: none"> <li>- Strategy on carbon taxation adopted by the Government (end December 2025);</li> <li>- If necessary, issue regulations for environmental vehicle tax reforms</li> </ul>	IMF TA to elaborate the strategy on carbon taxation
	<p>RM15.</p> <ul style="list-style-type: none"> <li>- Continue to integrate funding from the windows (guichets) of the United Nations Framework Convention on Climate Change (UNFCCC) windows (Global Environment Facility (GEF), Green Climate Fund (GCF) and Adaptation Fund (AF)), associated environmental taxes and earmarked fees, listed in MEFP Annex I, into the State budget, and align them with NDCs where applicable.</li> </ul>	World Bank reports	End of October 2024, 3rd EFF/ECF review  <b>MET</b>	- Draft 2025 budget law (end October 2024);	
	<p>RM16.</p> <ul style="list-style-type: none"> <li>- Finalize the tendering process for the development, construction and operation of solar power plants to help achieve the NDC targets. In this context, the competitive procurement process for the independent power producers selected as a result of the above-mentioned tenders must be completed by the end of 2025 for a solar power capacity to be installed equivalent to at least 100 MW.</li> </ul>	CCDR IFC report "Unlocking Private Investment: A Roadmap to achieve Côte d'Ivoire's 42 percent renewable energy target by 2030"	End of December 2025; 6 <sup>th</sup> EFF/ECF review	- Two decrees approving agreements for the construction, operation and transfer of two solar photovoltaic power plants (end December 2025)	EU, World Bank

## Annex I. Snapshot of Gender Issues in Côte d'Ivoire

*This annex presents a brief overview of gender inequality in Côte d'Ivoire (CIV). Although progress has been made in some areas, including gender equality in CIV's legal system, significant gaps remain as gender inequality remains one of the highest in Sub-Saharan Africa. Improvements in female labor force participation, equal pay, and access to finance would help reduce gender inequality and significantly boost GDP.*

**1. Gender inequality in Côte d'Ivoire (CIV) remains elevated relative to peers (Text Figure 1).** Composite indicators<sup>1</sup> of gender inequality—such as the Gender Inequality Index, the Gender Development Index and the Global Gender Gap Index that measure different dimensions of gender equality of opportunity, outcomes, and representation—suggest that overall gender inequality has changed only marginally over time. It remains one of the highest in Sub-Saharan Africa.<sup>2</sup>



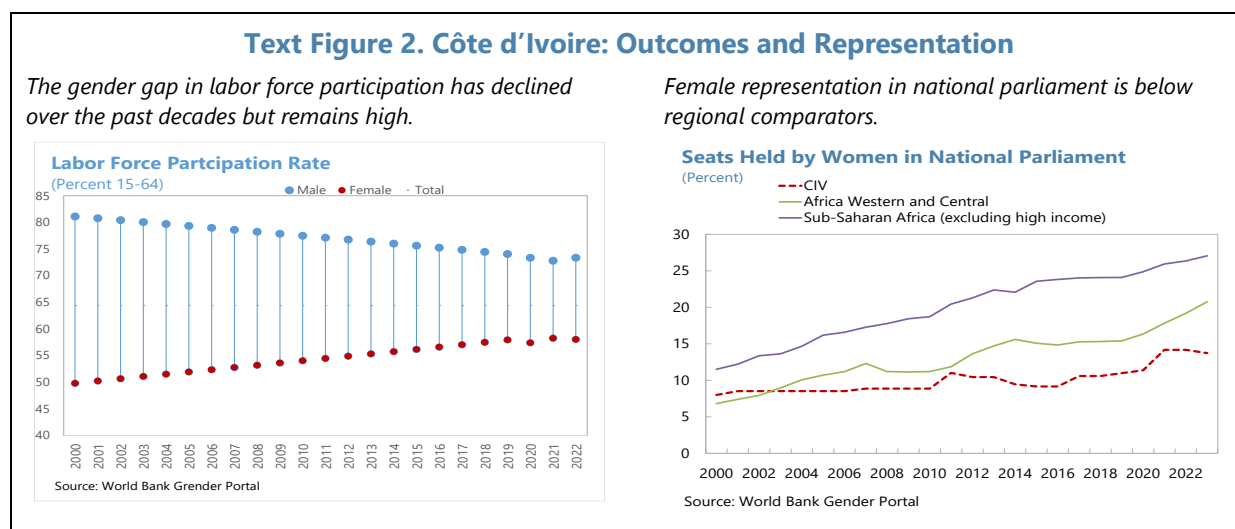
**2. Inequality of outcomes and representation remains an issue (Text Figure 2).** The gap between female and male labor force participation rates has declined but remains sizeable. The share of young women not in education, employment or training is about 25 percent, higher than that of men (about 13 percent), and women are less likely to be wage and salaried workers.<sup>3</sup> The

<sup>1</sup> The GDI captures health (female and male life expectancy at birth), education (female and male expected years of schooling for children; female and male mean years of schooling for adults), and female and male estimated earned income. The GII captures reproductive health (maternal mortality, adolescent fertility), empowerment (education, political representation), and gender gaps in labor force participation. The GGGI benchmarks the state and evolution of gender parity across economic participation and opportunity, educational attainment, health and survival, and political empowerment.

<sup>2</sup> The results derived from the use of Third-Party Indicators (TPIs) will be complemented with qualitative discussion based on other inputs including discussions with country authorities and other stakeholders.

<sup>3</sup> Share of young women and men not in education, employment or training is as of 2022. World Bank Gender Data Portal <https://genderdata.worldbank.org/en/indicator/sl-uem-neet-zs?gender=male>

share of seats held by women in national parliaments has been increasing since 2000 but remains below the SSA average.

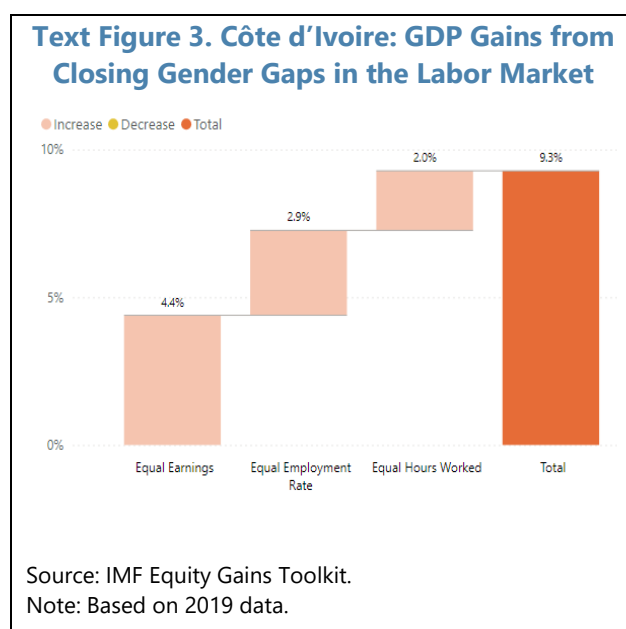


**3. Gains from closing gender gaps in outcomes alone could be substantial (Text Figure 3).** Results from the IMF's Equity Gains Toolkit, which decomposes the GDP losses from gender gaps in employment, hours worked and earnings in Côte d'Ivoire in 2019, suggest that closing gender gaps in the labor market (earnings, employment and hours worked) could yield potential GDP gains of 9.3 percent. This accounting exercise attributes most of this increase to closing gender gaps in equal earnings and employment rate.

**4. Considering the complementarity of female and male labor suggests that gains from closing gender gaps in labor force participation rates could be even higher (Text Figure 4).**

Results from the IMF's Output Gains Toolkit that builds on the methodology by [Ostry and others \(2018\)](#)—which aims to close labor force participation gap only and takes into account the complementarity of female and male skills— suggest that fully closing the gender gap in labor force participation alone could boost GDP by about 12 percent, similar to the gains expected for the average emerging market and developing economy.

**5. Côte d'Ivoire has made good progress in improving gender equality in its legal system over the past decades, but there are areas that call for further improvement (Text Figure 5).** The [World Bank's Women Business and the Law Report \(2024\)](#) highlights an overall legal score of

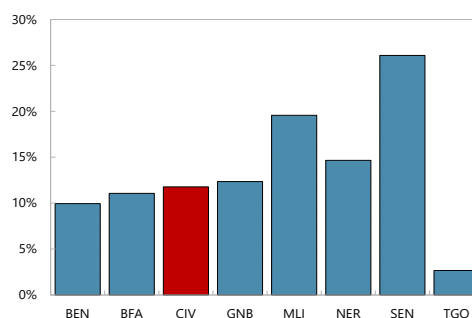


77.5 (out of 100) for Côte d'Ivoire, higher than the global average (64.2) and higher than the Sub-Saharan Africa regional average (57.4). Gaps persist, however, in the areas of safety and childcare services.

**6. There also remain gender gaps in some other areas of opportunities.** Enrollment rates of women in all levels of education are below SSA average. However, adolescent fertility has declined to a level comparable to regional peers, in line with the decline in the incidence of child marriage, which has markedly declined in Côte d'Ivoire (Text Figure 6). More than one in four girls is married by the age of 18, almost one in fifteen by the age of 15. In general, high rates of child marriage contribute to high rates of adolescent (and risky) pregnancy—increasing the risk of maternal death and putting pressure on the health sector, and to lower secondary enrollment rates for girls. According to the IMF's Child Marriage Toolkit, eradicating child marriage could yield a non-negligible increase in per capita growth.

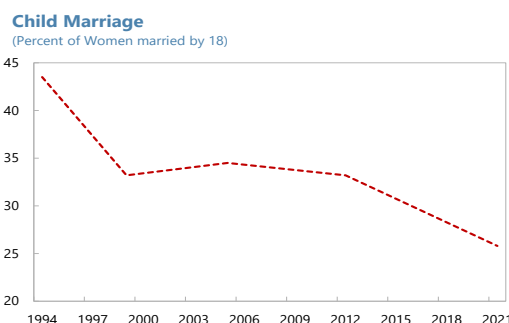
**7. Gender gaps in access to finance are pronounced.** Côte d'Ivoire lags regional comparators in access to finance. Overall, women have lower rates of mobile money account ownership and are less likely to have made or received digital payments (Figure 1).

**Text Figure 4. Côte d'Ivoire: GDP Gains from Closing Labor Force Participation Gaps**  
(Percent 2022)



Source: IMF Output Gains Toolkit based on Ostry and Others (2018).

**Text Figure 5. Côte d'Ivoire: Child Marriage**  
(Percent of Women aged 20-24 First Married by Age 15 or 18)



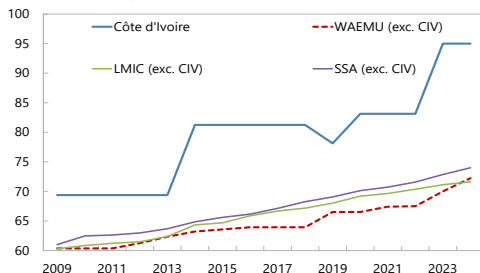
Source: World Bank

**Text Figure 6. Côte d'Ivoire: Legal Rights**

*Legal equity has improved significantly over the past decades in Côte d'Ivoire making it one of the best in the region...*

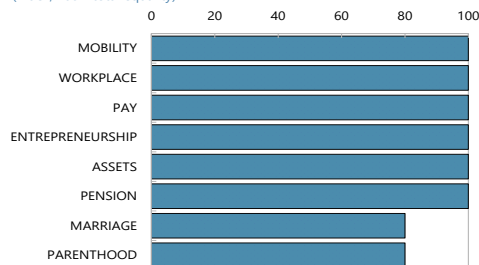
*...but several legal gaps remain in marriage and family categories...*

**Women, Business and the Law**  
(Index 100 = Equality)



Source: World Bank

**Women, Business and the Law Components**  
(Index, 100 = total equality)



**8. Investing in infrastructure and services could disproportionately increase women's economic activity (Figure 1).** Access to electricity and safe drinking water has generally improved in Côte d'Ivoire, but significant gaps remain with respect to drinking water in rural areas even though access is better than for regional peers. These gaps disproportionately burden women's time as they typically undertake unpaid work, including fetching water, cooking, laundry, cleaning, and other household chores. Investments in these types of infrastructure could therefore have a disproportionate impact on women's time and thus economic activity. Similarly, not being able to access safe sanitation facilities exposes girls and women to disproportionate safety risks. Access to contraception has markedly improved over time but unmet demand for contraception by women remains relatively elevated (Figure 2).

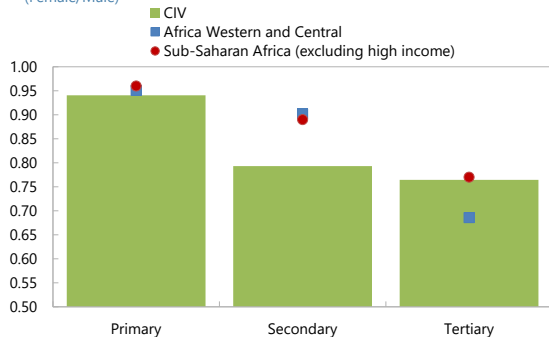
**9. Improving data collection and dissemination on gender inequalities could help track progress.** Table 1 presents selected indicators on gender inequalities for Côte d'Ivoire, while Table 2 shows data availability on macrocritical gender gaps. On data availability, CIV lags regional comparators like Senegal and Togo.

**Figure 1. Côte d'Ivoire: Inequality of Opportunity**

Women have lower enrollment rates at all stages of schooling, and these are lower than regional comparators.

#### School Enrollment

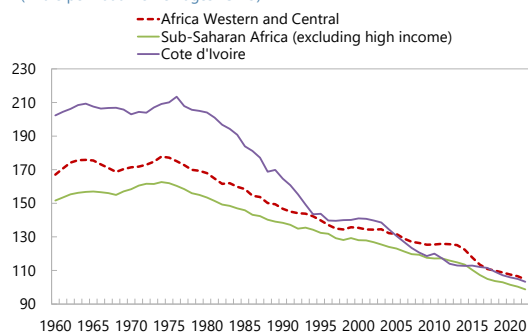
(Female/Male)



Adolescent fertility has been declining in recent decades, making it similar to regional comparators.

#### Adolescent Fertility Rate

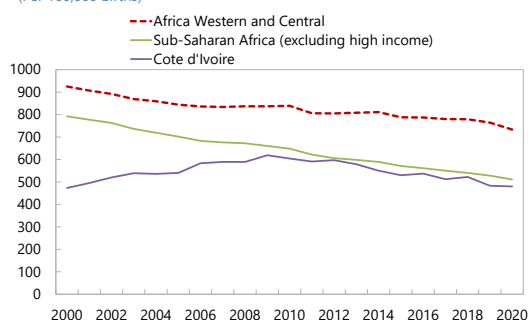
(Births per 1000 women ages 15-19)



The maternal mortality is lower than regional comparators, but it remains higher than in 2000.

#### Maternal Mortality Rate

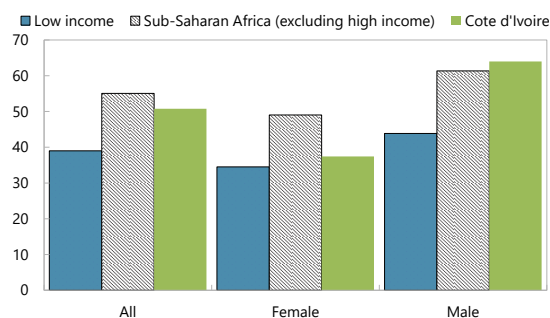
(Per 100,000 births)



Overall, financial account ownership rates are lower than for regional comparators, and a gender gap remains.

#### Account Ownership

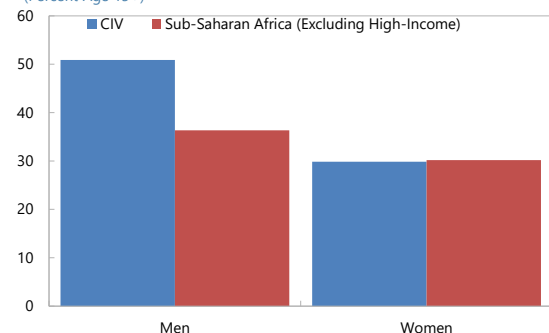
(% of population 15+)



While men in CIV have much higher mobile money account rates than elsewhere in SSA, women oscillate around the same rate, ...

#### Mobile Money Account

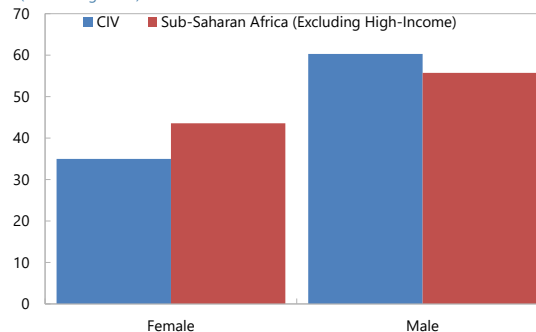
(Percent Age 15+)



...and are a lot less likely to have made or received a digital payment.

#### Made or Received a Digital Payment

(Percent Age 15+)



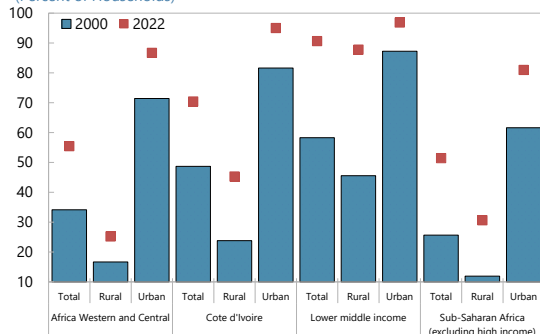
Source: World Bank, Gender Portal

**Figure 2. Côte d'Ivoire: Infrastructure and Services**

Access to electricity has improved and is higher than in neighboring countries but lower than other lower-middle-income countries.

#### Access to Electricity

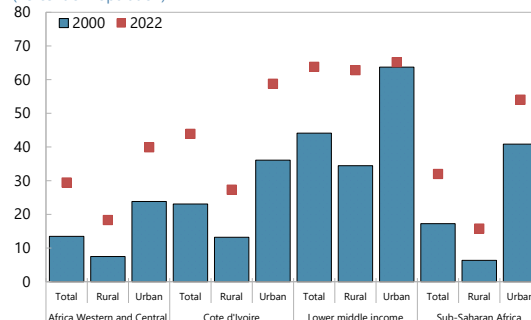
(Percent of Households)



Access to safe drinking water has overall improved but relatively low in rural areas.

#### Access to Safely Managed Drinking Water

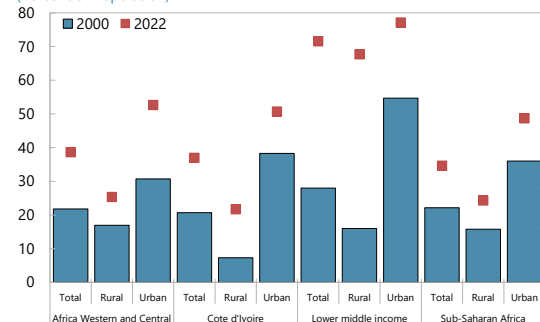
(Percent of Population)



Access to basic sanitation services is lower than in most middle-income countries but in line with the region.

#### Access to Basic Sanitation Services

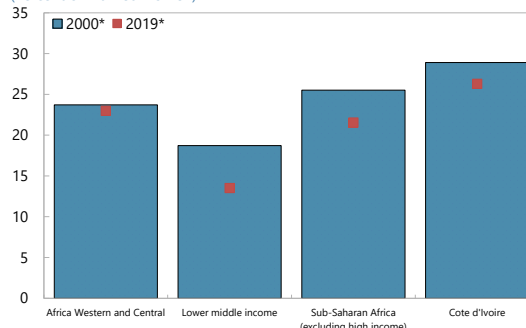
(Percent of Population)



Access to contraception has improved but unmet demand for contraception by women remains relatively elevated.

#### Unmet Access to Contraception

(Percent of married women)



Source: world Development Indicators

\*Values for CIV are for 1999 and 2020 respectively.

Table 1. Côte d'Ivoire: Selected Indicators of Gender Inequality

	AFR Countries 1 /										
	2018	2019	2020	2021	2022	2023	Latest year available	25th Percentile	75th Percentile	Median	Average
Composite Gender Indices											
Female Human Capital Index (HCI) 2/	0.37	...	0.38	...	...	...	2020	0.37	0.43	0.40	0.39
Gender Development Index (GDI)	0.85	0.85	0.86	0.86	0.86	...	2022	0.88	0.95	0.92	0.92
Gender Inequality Index (GII) 3/	0.64	0.62	0.62	0.61	0.61	...	2022	0.50	0.61	0.54	0.54
Global Gender Gap Index 2/	0.63	...	0.61	0.64	0.63	...	2022	0.64	0.73	0.69	0.69
Women Business and the Law Index (WBL) 4/	78.13	83.13	83.13	83.13	95.00	95.00	2023	67.50	83.75	79.38	76.10
Labor and Income											
Female Employment-to-Population Ratio, Modeled ILO Estimate (15+ yrs) (as share of the female population)	53.95	54.57	53.93	54.66	54.59	54.75	2023	45.78	62.61	54.55	58.73
Gender Wage Gap 5/	...	26.87	...	...	...	...	...	...	...	...	...
Female Informal Employment Rate	...	95.93	...	95.35	95.39	...	...	...	...	...	...
Female Labor Force Participation Rate, Modeled ILO Estimate (15+ yrs)	55.86	56.26	55.73	56.55	56.35	56.47	2023	51.55	67.44	57.14	62.77
Female Unemployment Rate, Modeled ILO Estimate (15+ yrs)	3.45	3.01	3.16	3.20	3.06	3.02	2023	3.23	12.37	5.74	6.49
Female Gross Pension Replacement Rate (as share of average worker earnings)	...	...	...	...	...	...	...	...	...	...	...
Leadership and Social											
Proportion of Seats Held By Women in National Parliaments	10.59	10.98	11.37	14.17	14.17	13.73	2023	14.57	33.81	24.49	25.64
Proportion of Women in Managerial Positions	...	...	...	...	...	...	...	...	...	...	...
Prevalence of Intimate Partner Violence among Ever-partnered Women (in percent) 3/	27.00	...	...	...	...	...	2018	26.00	39.00	34.00	32.86
Access to Finance											
Number of Household Loan Accounts with Commercial Banks, Females' Accounts per 1,000 Female Adults	...	...	...	...	...	...	...	...	...	...	...
Number of Household Deposit Accounts with Commercial Banks, Females' Accounts per 1,000 Female Adults	...	...	...	...	...	...	...	...	...	...	...
Share of Female Adults (in Total Female Adults) Who Borrowed From a Financial Institution (in percent)	...	...	...	2.33	...	...	2021	4.69	11.86	6.00	8.82
Share of Female Adults (in Total Female Adults) Who Own a Financial Institution Account (in percent)	...	...	...	13.82	...	...	2021	16.88	31.51	21.39	33.76
Share of Female Adults (in Total Female Adults) with Mobile Money Account (in percent)	...	...	...	29.84	...	...	2021	21.48	40.29	32.43	30.01
Share of Female Adults (in Total Female Adults) Who Made or Received Digital Payments in the Past Year (in percent)	...	...	...	34.97	...	...	2021	34.97	59.43	40.40	43.46
Education											
Female Adult Literacy Rate	...	86.74	...	...	...	...	2022	41.31	80.27	69.44	66.37
Female Mean Years of Schooling	2.92	2.99	3.06	3.06	3.06	...	...	...	...	...	...
Female Primary Gross Enrollment Rate 6/	89.71	90.86	91.49	90.47	92.48	91.70	2021	91.45	113.02	97.25	98.84
Female Secondary Gross Enrollment Rate 6/	43.32	46.89	50.14	53.54	52.22	...	...	...	...	...	...
Female Tertiary Gross Enrollment Rate 6/	...	8.58	8.72	...	...	...	2018	5.24	13.66	8.42	10.28
Health											
Female Adult Mortality Rate per 1,000 Adults 7/	342.04	331.42	335.79	345.39	339.23	...	2022	195.64	273.22	244.00	244.31
Female Life Expectancy at Birth	59.94	60.59	60.35	59.94	60.28	...	2022	61.70	67.99	64.02	64.59
Maternal Mortality Ratio per 100,000 Live Births, Modeled Estimate (15-49 yrs) /3	522.00	483.00	480.00	...	...	...	2020	219.50	487.00	303.00	372.43
Total Fertility Rate (Births Per Woman)	4.61	4.54	4.47	4.42	4.34	...	2022	3.48	4.62	4.08	4.51

Source: GenderDataHub /8

1/ Group aggregates are calculated where data are available for at least 50 percent of countries for a given indicator, and for weighted averages, where the relevant weights are also available. Data are reported for the latest year for which aggregates are available. Detailed metadata, including weights used for averages, are available on the Gender Data Hub.

2/ This index is scored on a scale of 0-1, with a higher score corresponding to better outcomes for women.

3/ A higher value on this indicator corresponds to worse outcomes for women. For example, the Gender Inequality Index is scored on a scale of 0-1, where a higher score indicates higher inequality.

4/ The Women, Business, and the Law Index is reported on a scale of 0-100, with a higher score corresponding to better outcomes for women.

5/ The Gender Wage Gap is the difference between average earnings of men and average earnings of women expressed as a percentage of average earnings of men (as calculated by the International Labor Organization). The gap listed here is for Occupation = "Total" under the ICSO 08 Classification.

6/ Gross enrollment rates can exceed 100% due to the inclusion of over-aged and under-aged pupils/students because of early or late entrants, and grade repetition.

7/ The adult mortality rate refers to the probability that those who have reached age 15 will die before reaching age 60 (shown per 1,000 persons). In other words, a value of 150 means that out of 1,000 persons who have reached age 15, 150 are expected to die before reaching age 60, and 850 are expected to survive to age 60. This is based on a "synthetic cohort": current life table mortality rates are applied to the current cohort of 15 year olds, assuming no changes in mortality.

8/ See Gender Data Hub metadata for original data sources and definitions.



Table 2. Côte d'Ivoire: Availability of Gender-disaggregated Data in WAEMU

Indicator	Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo
Percentage of Adults with Outstanding Housing Loan	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults with Mobile Money Account	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults with Debit Card Ownership	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults with Credit Card Ownership	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Used a Mobile Phone or the Internet to Access An Account	✓	✓	✓	✗	✓	✗	✓	✓
Percentage of Adults Who Sent or Received Domestic Remittances in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Sent Domestic Remittances in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Saved Using a Savings Club or a Person Outside the Family	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Saved to Start or Operate or Expand a Farm or Business	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Saved at a Financial Institution	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Received Government Transfers in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Received Government Payments in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Received Domestic Remittances in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Received Digital Payments in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Received a Public Sector Pension in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Own An Account	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Own a Financial Institution Account	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Made or Received Digital Payments in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Made Digital Payments in the Past Year	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Borrowed From Family or Friends	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Borrowed From a Savings Club	✓	✓	✓	✗	✓	✓	✓	✓
Percentage of Adults Who Borrowed From a Financial Institution	✓	✓	✓	✗	✓	✓	✓	✓
Outstanding Household Sector Loans with Deposit-Taking Microfinance Institutions, Millions of Domestic Currency	✗	✗	✗	✓	✗	✗	✓	✓
Outstanding Household Sector Loans with Commercial Banks, Millions of Domestic Currency	✗	✗	✗	✗	✗	✗	✗	✓
Outstanding Household Sector Deposits with Deposit-Taking Microfinance Institutions, Millions of Domestic Currency	✗	✗	✗	✗	✗	✗	✗	✓
Outstanding Household Sector Deposits with Commercial Banks, Millions of Domestic Currency	✗	✗	✗	✗	✗	✗	✗	✓
Number of Household Sector Loan Accounts with Deposit-Taking Microfinance Institutions	✗	✓	✗	✗	✓	✗	✓	✓
Number of Household Sector Loan Accounts with Commercial Banks	✗	✗	✗	✗	✗	✗	✗	✓
Number of Household Sector Loan Accounts with All Microfinance Institutions per 1,000 Adults	✗	✗	✓	✗	✗	✓	✓	✓
Number of Household Sector Depositors with Deposit-Taking Microfinance Institutions	✓	✓	✓	✓	✓	✓	✓	✓
Number of Household Sector Depositors with Commercial Banks per 1,000 Adults	✓	✓	✓	✓	✓	✓	✓	✓
Number of Household Sector Depositors with Commercial Banks	✓	✓	✓	✓	✓	✓	✓	✓
Number of Household Sector Deposit Accounts with Deposit-Taking Microfinance Institutions	✗	✗	✗	✓	✗	✗	✗	✗
Number of Household Sector Deposit Accounts with Commercial Banks per 1,000 Adults	✗	✗	✗	✗	✗	✗	✗	✓
Number of Household Sector Deposit Accounts with Commercial Banks	✗	✗	✗	✗	✗	✗	✗	✓
Number of Household Sector Borrowers with Non-Deposit Taking Microfinance Institutions	✗	✗	✗	✗	✗	✗	✗	✗
Number of Household Sector Borrowers with Deposit-Taking Microfinance Institutions	✗	✗	✗	✗	✓	✗	✓	✓
Number of Household Sector Borrowers with Commercial Banks	✗	✗	✗	✗	✗	✓	✗	✓
Number of Household Sector Borrowers at Commercial Banks per 1,000 Adults	✗	✗	✗	✗	✗	✓	✓	✓
Number of Household Sector Borrowers at All Microfinance Institutions per 1,000 Adults	✓	✓	✓	✗	✓	✓	✓	✓
Household Sector Loan Accounts with Commercial Banks per 1,000 Adults	✗	✗	✗	✗	✗	✗	✗	✓

Source: IMF Gender Datahub

## Annex II. External Sector Assessment

**Overall Assessment:** Côte d'Ivoire's external position in 2023 was weaker than the level implied by fundamentals and desirable policies. The current account deficit is estimated to have edged up to 7.9 percent of GDP in 2023 from 7.7 percent of GDP in 2022. The assessment takes a medium-term view, with desirable policies set at medium-term levels and temporary factors removed. On this basis, staff finds a cyclically adjusted CA of 7.9 percent of GDP, which is 3.1 percent of GDP lower than the adjusted norm (after rounding).

**Potential Policy Responses:** The ongoing sustained fiscal consolidation driven by domestic revenue mobilization will be instrumental in bringing Côte d'Ivoire's external balance in line with the level implied by fundamentals and desirable policies, promoting external stability in the WAEMU currency union. Sustaining revenue mobilization efforts would also help facilitate greater health spending, which accounts for the largest (gross) contribution to Côte d'Ivoire's policy gap under the EBA lite model. The continued execution of the structural reform agenda should deepen further the diversification and growth of Côte d'Ivoire's export sector, benefiting its external position in the medium-term.

### Foreign Assets and Liabilities: Position and Trajectory

**Background.** Côte d'Ivoire's net international investment position (NIIP) is estimated to have deteriorated to -50 percent of GDP in 2023 from -46 percent of GDP in 2022, driven by the current account deficit. Gross assets remained broadly unchanged while liabilities rose, while debt liabilities have decreased by 1 percent. Foreign direct investment accounts for nearly a quarter of gross external liabilities.

**Assessment.** Côte d'Ivoire's international investment position is sustainable under the baseline. The NIIP is projected to improve over the medium term, reflecting smaller projected current account deficits and strong nominal GDP growth. Risks to external sustainability stem from the possibility of slower than projected fiscal consolidation and a deterioration in the terms of trade as well as external geopolitical shocks.

2023 (% GDP)	NIIP: -50	Gross Assets: 26	Debt Assets: 5	Gross Liab.: 76	Debt Liab.: 20
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### Current Account

**Background.** Amid sustained robust domestic demand the current account deficit edged up to 7.9 percent of GDP in 2023, from 7.7 percent in 2022 and an average of 3.1 percent of GDP in 2019-2021. The merchandise trade surplus is estimated to have risen to about 2.5 percent of GDP from 1.5 percent in 2022, mainly reflecting lower import prices. The services trade deficit widened further to about 5.7 percent of GDP.

**Assessment.** EBA-lite model results suggest that Côte d'Ivoire's external position in 2023 was weaker than the level implied by fundamentals and desirable policies. The CA approach finds that the cyclically adjusted CA was -7.9 percent of GDP after accounting for the model's cyclical factors, disasters, and external conflict shocks which at the end were cancelled out. The cyclically adjusted CA norm, which reflects the CA level that is in line with fundamentals and desirable policy level, stood at -4.9 percent of GDP, indicating a gap

of -3.1 percent (round up) of GDP. The estimated policy gap is 0.2 percent of GDP, with a large positive contribution of 1.4 percent of GDP from low public health expenditure (precautionary savings channel) largely offset by negative contributions from a loss of reserves (1.3 percent) and a less open financial account (private credit growth of -0.2 percent) than desirable. The *REER approach* finds a distinctive CA gap (0.6 percent of GDP), reflecting a REER a gap created by the undervaluation of 3.5 percent. The fit of this model is not as good as that of the CA model; hence the bottom-line assessment is based on the CA model.

### Côte d'Ivoire: Model Estimates for 2023 (In percent of GDP)

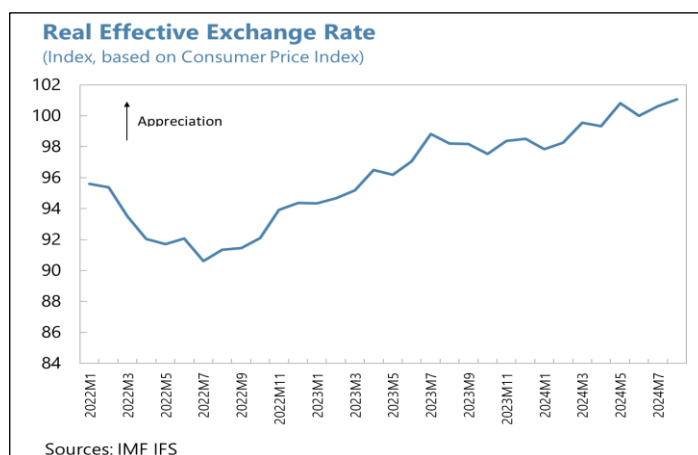
	CA model 1/ (in percent of GDP)	REER model 1/ (in percent of GDP)
<b>CA-Actual</b>	<b>-7.9</b>	
Cyclical contributions (from model) (-)	0.1	
Natural disasters and conflicts (-)	-0.1	
<b>Adjusted CA</b>	<b>-7.9</b>	
<b>CA Norm</b> (from model) 2/	<b>-4.9</b>	
<b>Adjusted CA Norm</b>	<b>-4.9</b>	
<b>CA Gap</b>	<b>-3.1</b>	<b>0.6</b>
o/w Relative policy gap	0.2	
Elasticity	-0.2	
<b>REER Gap</b> (in percent)	<b>18.8</b>	<b>-3.5</b>

1/ Based on the EBA-lite 3.0 methodology  
2/ Cyclically adjusted, including multilateral consistency adjustments.

## Real Exchange Rate

**Background.** Côte d'Ivoire is part of the WAEMU currency union, with the CFA franc pegged to the euro (1 euro = 655.957 CFAF). The country's real effective exchange rate appreciated by 4.4 percent in 2023, driven by the appreciation of the euro against third currencies.

**Assessment.** Côte d'Ivoire maintains its exchange-system obligations under Article VIII. Based on the EBA-lite *CA approach*, the REER gap is estimated at 18.8 percent, using an elasticity of the REER with respect to the current account balance of -0.16 percent. *REER approach* observes 3.5 percent of undervaluation which creates CA gap of 0.6 percent.



## Capital and Financial Accounts: Flows and Policy Measures

**Background.** Capital flows to Côte d'Ivoire from private sector investors are estimated to have slowed further in 2023, against the backdrop of a sharp tightening in global financial conditions and a broad-based reduction in capital flows to emerging and frontier markets. Official financial account data for 2023 are not available yet, but alternative data sources point to robust inflows of loans to the government from multilateral and bilateral creditors, including project loans, as well as from non-resident purchases of local currency government debt. In January 2024, Côte d'Ivoire was the first African country to return to the Eurobond market, issuing \$2.6 billion as external financing conditions improved.

**Assessment.** The recent decline in advanced economy market interest rates and a generally supportive investor risk appetite have led to a notably improved external financing environment in recent months. Côte d'Ivoire's substantial external financing needs are expected to be met through a combination of private sector credit, Fund credit and budget support from multilateral and bilateral creditors. Fiscal consolidation will help reduce external borrowing needs over the medium term.

## FX Intervention and Reserves Level

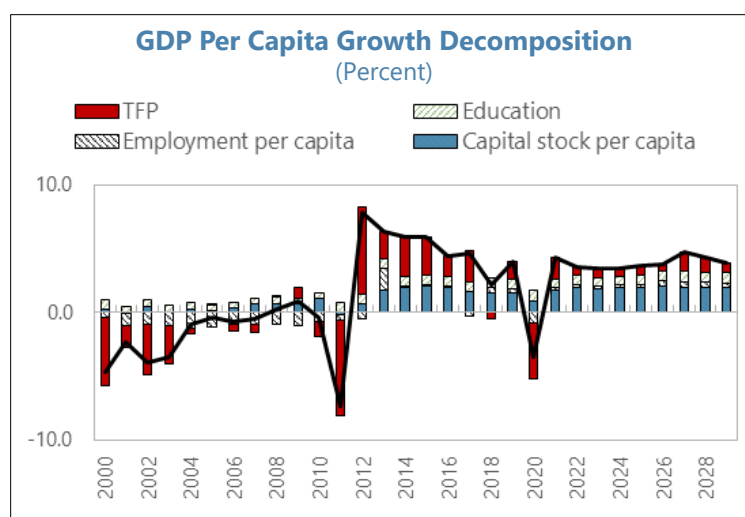
**Background.** The challenging external financing environment resulted in a significant decline of regional WAEMU reserves to about 3.3 months of import cover by end-2023. The reserve import coverage ratio is projected to recover over the medium term. Côte d'Ivoire's contribution to the reserve pool declined substantially since August 2022, which followed a period of substantial reserve accumulation, including during the first two years of the COVID-19 pandemic.

**Assessment.** The Assessment of Reserve Adequacy (ARA) approach for credit constrained economies estimates an adequacy range for the level of reserves of 4.0 to 6.0 months of prospective import coverage for the WAEMU (based on available data for 2022), with the lower end calibrated on fragile states and the higher end calibrated on non-resource rich countries. Based on this model, the level of reserves estimated for end-2023 (3.3 months of imports) is below the level assessed as adequate. The improving current account, coupled with enhanced prospects for financial inflows are expected to contribute to a gradual rebuilding of external reserves towards adequate levels. Growth-friendly fiscal consolidation and implementation of structural reforms to diversify Côte d'Ivoire's export base would help rebuild reserves and make an important contribution to external stability at the WAEMU level.

## Annex III. Potential Growth

*This annex updates previous exercises on decomposing the drivers of long-term growth. Côte d'Ivoire is poised to benefit from increased resource exploitation, a boost in investment and job creation, and improvements in total factor productivity. Côte d'Ivoire can further capitalize on these drivers by improving gender outcomes.*

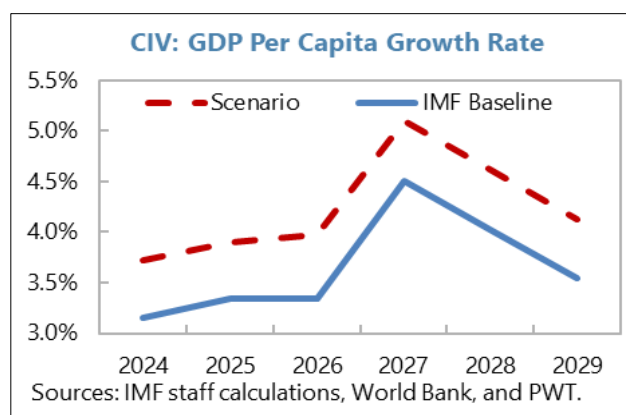
**1. Growth accounting.** Following a Cobb-Douglas production function featuring physical and human capital, labor and total factor productivity, contributions to GDP per capita are analyzed. Data sources include real GDP per capita from the IMF's WEO and capital stock calculations based on a 2.6 initial capital to GDP ratio in 1979 (aligned with Penn World Tables 10.0). Subsequent capital stock estimates use the investment data from IMF's WEO. Employment, human capital, depreciation rates, and population figures are from PWT 10.0. The text figures show growth decomposition from 2001 to 2029. TFP growth was negative during 2001-2011, which was marked by periods of internal conflict, and improved significantly in 2012-15, but slowed in 2020 due to the pandemic. Capital stock's contribution also deteriorated during the initially but improved post-conflict. Education consistently contributed positively, while employment recovered from the conflict but remained weak. Over the medium term, staff project GDP per capita growth to rise from 2 percent between 2020-2023, to nearly 4 percent between 2024-2029, mainly backed by higher capital stock per capita and employment in line with stronger investment in the secondary sector. Total factor productivity and education contributions remain positive but constant, suggesting that the increase in growth is mostly extensive rather than intensive.



**2. The mining sector is expected to contribute significantly to future growth.** The authorities expect production at Calao oil and gas field to commence by 2026. Simultaneously, a major gold deposit has been discovered in the north, reportedly the third largest in West Africa. Named the "Koné Project," this gold mine has an extraction capacity of about 5 million ounces (155 tons) and an initial lifespan of 16 years, with potential for extension. The initial investment is projected to exceed CFAF 400 billion (around 3 percent of current total domestic investment), with an estimated annual capacity of 11 million tons of ore, roughly doubling the current yearly production of gold. The project is expected to create 4,500 direct and indirect jobs and support local social projects. Construction is set to start in the last quarter of 2024, with production anticipated to begin in 2027 and a lifespan of twenty years.

**3. Additionally, one of the most promising strategies for advancing Côte d'Ivoire's development is to enhance economic opportunities for women.** Gender equality enhances economic performance through both direct and indirect channels. Directly, it increases female labor force participation, improves talent allocation efficiency, and accelerates productivity growth. Indirectly, it fosters better intergenerational human capital accumulation, as employed women tend to invest more in their children's education and health. Furthermore, greater economic inclusion of women can drive economic diversification, boost competitiveness, and strengthen financial stability. As of 2022, Côte d'Ivoire lags most countries globally on the UNDP's composite index of gender inequality in outcomes. Cuberes and Teignier (2016)<sup>1</sup> estimate that eliminating gender disparities in the workforce could increase per capita income in Côte d'Ivoire by approximately 10 percent. Pennings (2022)<sup>2</sup> projects that closing these gender gaps could raise per capita GDP in Côte d'Ivoire by 18 to 23 percent. Results from the IMF's Equity Gains Toolkit, which decomposes the GDP losses from gender gaps in employment, hours worked and earnings in Côte d'Ivoire in 2019, suggest that closing gender gaps in the labor market could yield potential GDP gains of around 12 percent. This accounting exercise attributes most of this increase to closing gender gaps in equal earnings and employment rate.

**4. The World Bank's Long-Term Growth Model (LTGM) can be used to simulate a boost to long-term growth in Côte d'Ivoire by improving women labor force participation.** The LTGM is based on the Solow-Swan growth model but adapted to developing/emerging economies. The baseline LTGM is simulated to assess the impact of increasing female labor force participation (FLFP) to the level of males on GDP growth. In the business-as-usual baseline, annual GDP growth is initially at around 6.1 percent which corresponds to 2024 growth rate, increases to 7.5 percent in 2027 due to stronger oil production, then slows over the next 30 years to a trend rate of 5.6 percent. Results show that increasing the level of female labor force participation to the level of males by 2034 can increase GDP per capita growth roughly by 0.6 percentage points.



<sup>1</sup> Cuberes, David, and Marc Teignier. 2016. "Aggregate effects of gender gaps in the labor market: A quantitative estimate." *Journal of Human Capital* 10, no. 1: 1-32.

<sup>2</sup> Pennings, Steven. 2022. "A gender employment gap index (GEGI): A simple measure of the economic gains from closing gender employment gaps, with an application to the Pacific Islands." World Bank Working Paper 9942.

## Annex IV. Risk Assessment Matrix (RAM)<sup>1</sup>

Risks	Relative Likelihood	Impact if Realized	Recommended Policy Response
<b>External risks</b>			
<b>Systemic financial instability</b>	<b>Medium</b>	<p><b>Medium</b></p> <p>This can lead to severe economic downturns, widespread unemployment, banking crises, and the loss of public confidence, with long-lasting effects on public finances and social instability.</p>	Implement robust banking regulations; enhance oversight of systemically important institutions; improve risk management standards; develop orderly bank resolution framework; ensure proper functioning and appropriateness of coverage of the social safety net, inclusive of a well-targeted cash transfers system to protect the most vulnerable; build fiscal space and a set of contingent policies within the budget framework to allow room for policy options in the event of rapid spike in unemployment.
<b>Sovereign debt distress</b>	<b>Medium</b>	<p><b>Medium</b></p> <p>Sovereign debt distress increases borrowing costs, and limits access to international financial markets. It may result in defaults or restructurings that can harm both domestic financial systems and external creditors.</p>	Continue policy reforms to create fiscal space; enhancing revenue collection; active debt management operation; mitigate the impact from external shocks
<b>Geo-economic fragmentation</b>	<b>High</b>	<p><b>Medium</b></p> <p>Geo-economic fragmentation can increase costs of businesses and consumers, ultimately slowing economic growth.</p>	Trade diversification; strengthening domestic resilience by investing in domestic industries; building reserves to safeguard the economy against commodity price shocks; strengthening the fiscal framework to allow counter-cyclical spending to offset inflation shocks. Ensure full application of the fuel pricing mechanism to protect fiscal revenues in the event of international oil price shocks.

<sup>1</sup>The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path (the scenario most likely to materialize in the view of IMF staff). The relative likelihood of risks is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly.

Risks	Relative Likelihood	Impact if Realized	Recommended Policy Response
<b>Intensification of regional conflict(s)</b>	<b>High</b>	<p><b>High</b></p> <p>Even higher commodity prices, refugee migration, tighter financial conditions, and other adverse spillovers could weigh on economic outlook, deplete fiscal resources, increase poverty and lead to social tensions.</p>	Advance reforms to increase domestic revenue mobilization to create fiscal space for support measures. Mitigate the impact on the poor from volatile commodity prices through temporary targeted fiscal transfers.
<b>Commodity price volatility</b>	<b>High</b>	<p><b>Medium</b></p> <p>Large increases in global energy prices could lower fiscal revenues if price changes are not passed through to consumers, while higher domestic energy prices would raise production costs and general prices. Higher commodity prices would reduce disposable income of households, exacerbating poverty.</p>	Adjust the retail fuel price mechanism to reflect world energy prices and monitor inflation. Mitigate the impact on the poor through temporary targeted fiscal transfers. Invest in a more diversified and sustainable energy mix.
<b>Cyberthreats</b>	<b>High</b>	<p><b>Medium</b></p> <p>Successful cyber-attacks on the financial system could result in disruption in the delivery of critical services to citizens, increase the risk of disruption of payment systems and could precipitate damaging disruptions to the economy, as well as loss of confidence and reputational damage.</p>	Develop response and recovery strategies including "cyber mapping" to identify technologies, services and institutions that would be most affected. Incorporate cyber risks into financial stability analysis and stress tests.



Risks	Likelihood	Likelihood	Recommended Policy Response
<b>Extreme climate events</b>	<b>Medium</b>	<b>Medium</b> Adverse weather conditions would reduce agricultural output and exports, lower cocoa tax revenues, increase subsidy needs, and reduce the population's living standards.	Mitigate the impact on the poor through temporary targeted fiscal transfers. Monitor second-round effects on inflation. Invest in education and training of farmers in sustainable and climate-resilient agricultural practices and examine scope for increasing pre-arranged disaster financing (climate risk insurance).
<b>Country-specific risks</b>			
<b>Deterioration of security situation in region</b>	<b>High</b>	<b>High</b> Spillovers from tensions in the Sahel area put pressure on fiscal expenditure to increase security spending and could have adverse socio-economic effects.	Promote security, strengthen social safety nets, and facilitate job creation in the private sector. Create fiscal space by accelerating revenue mobilization reforms and reprioritizing non-priority spending.
<b>Financial difficulties for public enterprises and banks</b>	<b>Medium</b>	<b>Medium</b> Financial difficulties of public enterprises and/or banks could adversely impact the budget, the stock of public debt and the banking sector	Restructure loss-making public companies; enhance monitoring of public enterprises; recapitalize and restructure ailing public banks. Develop bank resolution framework.

## Annex V. Status of the 2022 Article IV Main Recommendations

*Past Article IV recommendations helped guide the design of the EFF/ECF supported program approved in May 2023. As such, where applicable, implementation of past Article IV recommendations has been broadly on track.*

Policy Area	Fund Policy Recommendations	Status
<b>Fiscal sector</b>	1. Contain the increase in the fiscal deficit in 2021, especially if revenue performance is better than expected.	While the revenue performance in 2021 was strong, the revenue windfall was not saved as increased security threats required ramping up spending to secure those areas and to invest into underserved border communities. In addition, the subsequent increase in the deficit from 2021 to 2022 relating to the authorities' response to the war in Ukraine, has since been contained and reduced materially on the back of significant revenue-based consolidation efforts under the Fund supported program, approved in 2023.
	2. Continue efforts to extend the coverage of safety nets and develop a registry of beneficiaries to improve the targeting of assistance.	A government campaign is underway to identify self-employed workers that could benefit from social protection and the authorities are actively increasing the number of households covered by the universal healthcare scheme. In addition, the registry of poor and vulnerable populations is being updated regularly to allow for better targeting of social assistance.
	3. Spell out specific measures that would underpin the strong reform agenda needed to achieve the ambitious goals of the 2021-25 National Development Plan, as well as their budgetary implications, ensuring that they are consistent with medium-term fiscal targets.	The authorities designed a new social program (PSGouv2) that has been implemented, starting in 2022.
	4. Rationalize tax expenditures, broaden the tax base, and strengthen tax administration to improve domestic revenue mobilization to finance productive and social spending in support of strong and inclusive growth and macroeconomic resilience.	An action plan to rationalize tax expenditures between 2020 and 2023 has been implemented. Tax administration measures, including the continued digitalization of tax filing and payment, have been introduced, and the authorities have recently adopted a strategic reform plan based on recommendations from the 2021 TADAT. A comprehensive MTRS has been adopted as part of the EFF/ECF supported program in May 2024.
	5. Increase public spending efficiency and improve public financial management notably through the deployment of the e-procurement module to strengthen the provision of public services.	The use of e-procurement has been increased to over 80 percent of regular transactions under the EFF/ECF-supported program, in the six months up to June 2024
	6. Enhance fiscal transparency by systematically publishing procurement contracts, beneficial ownership, and related audits.	Data on procurement contracts are regularly published although information on beneficial ownership and on audits are not yet available.

Policy Area	Fund Policy Recommendations	Status
Real sector	<p>7. Improve the business environment and strengthen the fight against corruption to boost private participation, including by: improving the provision of public services through digitalization; simplification of administrative processes; development of a single-stop shop with the completion of the rollout of the single tax identification number; enhancing protection of land property rights; improving the efficiency of labor markets; and deepening financial inclusion to support the formalization of the economy.</p>	<p>A government decree was issued in January 2022 to operationalize the single-stop shop. The government has established several structures including a ministry to design, implement, and oversee the national anticorruption strategy. New technologies, including the use of drones, are being used to enhance land property registration. The support system for small and medium-sized enterprises (SMEs) was strengthened in 2023 with the launching of the Single Window for the Development of SMEs (GUDE-PME), comprising two departments, one of which is dedicated to support and the other to financing. The SME Credit Guarantee Company (SGPME) issued its first portfolio guarantees thanks to support from the World Bank. The online search and consultation platform for business permits and licenses became operational in December 2023.</p> <p>The Côte d'Ivoire Export Agency created by Decree No. 2022-123 of February 23, 2022, has been made operational.</p> <p>The Council of Ministers adopted in February and May 2024 two decrees to (i) designate anti-money laundering/combating the financing of terrorism (AML/CFT) supervisory authorities for real estate agents and developers, dealers in precious stones and metals, casinos and gambling establishments, business agents, and providers of services to companies and trusts; and (ii) define their powers and responsibilities to undertake risk-based supervision, in accordance with Financial Action Task Force (FATF) Recommendation 28.</p> <p>Order No. 2023-875 of November 23, 2023, on combating money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction in the country was adopted. The adoption of this order makes it possible to bring the national system into line with the FATF recommendations.</p>
	<p>8. Continue efforts to address gender inequality and violence against women to help promote female labor force participation and increase labor productivity.</p>	<p>The PSGouv2 includes a program to enhance women autonomy and reduce gender inequality, including by providing food support to avoid school dropout of girls and subsidies to promote socio-economic and professional inclusion of young women, especially in rural areas.</p> <p>A mid-term review of the National Financial Inclusion Strategy (SNIF) was also completed in May 2024 with a view to taking into account the government's new priorities in line with the objectives of the NDP, in particular access to financial services for women.</p>

Policy Area	Fund Policy Recommendations	Status
<b>Banking sector</b>	9. Complete the restructuring of public banks and maintain strong supervision to monitor the impact of the pandemic on banks and to strengthen financial stability. Diversification of public banks' deposit base will help ease the integration of government accounts into the single treasury account.	<p>Significant progress has been made and the government expects full implementation of its strategy of restructuring the public banking portfolio by the end of 2024:</p> <ul style="list-style-type: none"> <li>• With regard to the Banque de l'Habitat de Côte d'Ivoire (BHCI), the recapitalization process has been completed and the bank's equity is up to regulatory standards.</li> <li>• As for the Banque Populaire de Côte d'Ivoire (BPCI), the implementation of the commitments arising from the sale of BPCI to Africa Financial Group (AFG) Bank at the end of 2023 has been completed, and the process will be fully completed by the end of 2024 with the certification of the accounts for the 2023 financial year.</li> </ul>
<b>Sustainable Agricultural Development and climate policies</b>	10. Step up efforts to stop deforestation and child labor and implement measures to promote sustainable agriculture notably by helping farmers diversify production and reduce intermediation costs.	They authorities launched the Abidjan Legacy Program in May 2022 to allow Côte d'Ivoire to include approaches for sustainable land management and for restoration of highly degraded forest ecosystems within its development strategies, in response to the challenges of drought and land restoration. Additionally, the Ivorian Government adopted the sustainable cocoa program to progressively restore the forest cover from 11 percent in 2015 to 20 percent by the year 2030 and to eradicate the worst forms of child labor (WFCL) and work under the minimum age for admission to employment in cocoa cultivation by the year 2025.
<b>Statistics</b>	11. Sustain progress in improving the quality, timeliness, and dissemination of economic statistics.	With support of Fund TA, the authorities have rebased the national accounts (NA) for the period 2015-19, produced new high frequency indicators (HFIs), and elaborated a National Statistics Development Strategy (SNDS). However, the production and alignment of quarterly NA with rebased annual estimates, and the production of other HFIs—including the turnover index and the import and export prices indexes—have been delayed due to the pandemic and competing time demands of staff at the National Statistics Institute. The implementation of the SNDS and the publication of the final 2022 and provisional 2023 national accounts estimates have also been delayed.

## Annex VI. Capacity Development Strategy

### CD Strategy

**1. IMF Technical Assistance (TA) continues to support the EFF/ECF-supported program's objectives and will be critical for the success of the RSF-supported program.** The core focus of TA support on the EFF/ECF program side remains domestic revenue mobilization, to help safeguard fiscal and debt sustainability, while creating fiscal space for priority spending. Fund TA is also being provided to strengthen the statistical system and governance. On the RSF side, TA support is expected to help integrate climate change into PFM and develop a national carbon taxation strategy, and potentially to support increase green and sustainable financing by introducing taxonomy in Côte d'Ivoire.

### Key Overall CD Priorities Going Forward

Priorities	Objectives	Horizon
<b>Tax Policy</b>		
Tax Policy Unit (TPU) capacity building.	Equip counterparts with technical skills and tools for tax expenditure estimation and reporting.	FY 2024/25
Corporate income tax reforms	Assistance on the introduction of a national minimum tax of 15 percent	FY2025/2026
Property Tax reforms.	Assistance on updating property values as per market value and switch to capital gains taxation based on actual values.	FY2025/2026
VAT exemption rationalization	Assistance on VAT exemptions, especially relating to agricultural products.	FY2025/2026
<b>Revenue Administration</b>		
<i>Tax administration:</i> (1) strengthening the tax arrears management, (2) expanding the tax base, and (3) supporting the implementation of the MTRS.	Implementing comprehensive tax reforms, combating fraud and informal sector, and mobilizing tax revenue.	FY2024/2025
<i>Customs administration:</i> (1) improving the quality, governance, and use of customs data, and (2) strengthen the administration and control of exemptions.	Improving risk management, combating fraud, strengthening the monitoring of exemptions, and mobilizing tax revenue.	FY2024/2025

Priorities	Objectives	Horizon
<b>PFM</b>		
To be confirmed in the context of the RSF program	i) integrate climate into public financial management / public investment management (RM1, RM2, RM3); (ii) progress toward accrual accounting; and (iii) strengthen the budget and accounting internal control.	FY2024/2025
<b>Fiscal Risks of SOEs</b>		
Capacity building with the quantification and monitoring of fiscal risks. The mission will consist of taking stock of the analysis of budgetary risks and enabling progress on the intra-annual monitoring of risks, the quantification of major risks, as well as the management of these risks and their integration into the budgetary process. The authorities are expected to use the tools for (i) monitoring the financial health of public enterprises (SOE Health Check Tool); (ii) stress-testing public enterprises (SOE Stress Test); and (iii) analyzing guarantees and on-lending to public enterprises (DGLAT).	Better monitoring of fiscal risks.	FY 2024
Climate policy TA/Diagnostic Carbon taxation.		FY2025
<b>STA</b>		
"Government finance and public sector debt statistics. STA will continue its technical assistance (TA) program to support the authorities to improve the timeliness, comprehensiveness, and accuracy of government finance statistics (GFS) and to align the methodologies to the Government Finance Statistics Manual 2014 (GFSM14) and WAEMU's TOFE directives. TA priorities include the progressive expansion of the institutional coverage of GFS to include local governments, extrabudgetary units, and social security funds, aiming for comprehensive data on general government operations. TA support will be also provided to gradually broaden the institutional coverage of public sector debt to include all market SOEs (public nonfinancial corporations). The compilation of SOEs data in line with the GFSM14 will complement FAD technical assistance on the quantification and monitoring of fiscal risks posed by SOEs.	Improve the coverage of SOES in GFS	FY2024/2025

Priorities	Objectives	Horizon
BOP statistics. Continue to support improvements to external sector statistics, to improve consistency between gross external debt liabilities reported in the international investment position and the World Bank's Quarterly External Debt Statistics database, to compile the International Reserves and Foreign Currency Liquidity Template, and to improve the timeliness of annual external sector data.	Improve BOP statistics, including producing higher frequency statistics, and the international investment position, which will support the external balance assessment.	FY 2024
Price Statistics: STA will continue to assist the WAEMU Commission, AFRISTAT, and WAEMU member countries to update and improve the harmonized consumer price index. STA is also working with the authorities to improve the Phoenix software system to not only implement new compilation methodologies, but to correct the aggregation error identified in late 2020. Supported by D4D funding, STA will provide assistance to the National Institute of Statistics to expand producer price index coverage to include services and to develop export-import price indexes.	Disseminate an updated, harmonized CPI, expand coverage of PPI to include services, and dissemination of export-import indexes.	FY2024/2025
AFW and STA will continue assisting the national statistics institute in the development of quarterly national accounts and high-frequency indicators of economic activity.	Improve the quarterly national accounts compilation system for timely dissemination of quarterly GDP estimates.	FY2024/25
<b>LEG</b>		
Continue to implement the key recommended actions highlighted in the IMF-led assessment.	Assist in implementing the priority reforms recommended by the IMF-led AML/CFT assessment.	FY 2024
Reform the asset declarations regime to ensure publication of the asset declarations of officials in positions with higher risk of corruption and disclosure of interests and beneficial ownership.	Strengthen governance and transparency	FY 2024 (Review from HQ)

## Main Risks and Mitigation

**2. The main risks** include weaknesses that have been undermining the tax administration's ability to conduct reforms and deliver better tax revenue outcomes, as stressed in the 2021 TADAT assessment. Stakes are particularly high given that domestic tax revenue constitutes a performance criterion (PC) under the program. Mitigating factors include: (i) a great share of tax revenue measures are already in place before the start of the program; (ii) the program establishes well-targeted and sequenced structural benchmarks, including a strategy to collect tax arrears, and the development and implementation of an MTRS; (iii) the provision of customized training courses to tax officials; and (iv) efficiency from greater coordination with other TA providers.

## Annex VII. Data Issues

Table 1. Côte d'Ivoire: Data Adequacy Assessment Rating for Surveillance<sup>1/</sup>

B							
Questionnaire Results 2/							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	B	B	A	B	B	A	B
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	B	B	B	A	B		
Granularity 3/	B		A	B	B		
			A		B		
Consistency			C	A		A	
Frequency and Timeliness	C	A	A	C	B		
<p>Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.</p> <p>1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and taken into consideration country-specific characteristics.</p> <p>2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF <i>Review of the Framework for Data Adequacy Assessment for Surveillance</i>, January 2024, Appendix I).</p> <p>3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.</p>							
A	The data provided to the Fund are adequate for surveillance.						
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.						
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.						
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.						
<p><b>Rationale for staff assessment.</b> Data provision has some shortcomings but the authorities' cooperative track record and provision of data under the Fund supported program mitigates such shortcomings and thus data provision is broadly adequate for surveillance. Due to limited resources, capacity, there are shortcoming in the coverage and consistency of the government finance statistics, including the presence of non-trivial stock-flow adjustments, though these have been reduced in size in recent years, and the authorities periodically provide information to reconcile above and below the line operations—e.g., timing of debt contracting versus disbursement. The timeliness, coverage and granularity of national accounts statistics can be improved, especially with respect to gender and labor force statistics and alignment between annual and quarterly GDP. Timely production of the balance of payments statistics, improving data quality and granularity of monetary, financial, and external sector data could improve surveillance and sharpen the policy advice.</p>							
<p><b>Changes since the last Article IV consultation.</b> Since the last Article IV, the authorities have embarked on new EFF/ECF and RSF programs. In that context, they have made significant efforts to increase data availability to the team, and the data provided has become more reliable and with increasing coverage and scope to ensure program success. For example, the recently passed debt law will help strengthen the framework for coordination and a centralized debt data and analysis, while the government continues to broaden the perimeter of the budget by including revenue collected by line ministries and agencies which were not previously part of the TOFE.</p>							
<p><b>Corrective actions and capacity development priorities.</b> The ongoing EFF/ECF Fund supported program includes conditionality on data transparency, timeliness and frequency, along with continuing technical assistance on necessary enhancements to national accounts, balance of payments, debt and fiscal statistics. The authorities continue to address data gaps through technical assistance. Capacity development priorities with the Fund include (i) expanding the fiscal data coverage in line with GFSM 2014 and supporting the gradual broadening of the institutional coverage of public debt, (ii) supporting the improvements to external sector statistics, (iii) expanding producer price index coverage to include services and developing export-import price indices, and (iv) supporting the development of quarterly national accounts and high-frequency indicators of economic activity.</p>							
<p><b>Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff.</b> Staff does not use any data and/or estimates in the staff report in lieu of official statistics.</p>							
<p><b>Other data gaps.</b> CIV lags regional comparators on availability of macrocritical gender data.</p>							



**Table 2. Côte d'Ivoire: Data Standards Initiatives**

Côte d'Ivoire participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since December 2017.

**Table 3. Côte d'Ivoire: Table of Common Indicators Required for Surveillance**

As of October 31, 2024

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data <sup>5</sup>	Frequency of Reporting <sup>6</sup>	Expected Frequency <sup>6,7</sup>	Côte d'Ivoire <sup>8</sup>	Expected Timeliness <sup>6,7</sup>	Côte d'Ivoire <sup>8</sup>
Exchange Rates	31-Oct-24	31-Oct-24	D	D	D	30	...	30
International Reserve Assets and Reserve Liabilities of the Monetary Authorities <sup>1</sup>	Aug-24	Oct-24	M	M	M	30	1M	30
Reserve/Base Money	Aug-24	Oct-24	M	M	M	30	2M	60
Broad Money	Aug-24	Oct-24	M	M	M	30	1Q	60
Central Bank Balance Sheet	Aug-24	Oct-24	M	M	M	30	2M	60
Consolidated Balance Sheet of the Banking System	Aug-24	Oct-24	M	M	M	30	1Q	60
Interest Rates <sup>2</sup>	30-Aug-24	27-Sep-24	M	M	M	30	...	30
Consumer Price Index	Sep-24	Oct-24	M	M	M	30	2M	30
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> —General Government <sup>4</sup>	Jul-24	Sep-24	M	M	A	365	3Q	270
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> —Central Government	Jul-24	Sep-24	M	M	Q	30	1Q	120
Stocks of Central Government and Central Government-Guaranteed Debt <sup>5</sup>	Dec-23	Mar-24	A	SA	Q	365	2Q	360
External Current Account Balance	Dec-22	Sep-24	A	A	Q	365	1Q	360
Exports and Imports of Goods and Services	Jun-24	Sep-24	M	M	M	30	12W	84
GDP/GNP	Dec-22	Mar-24	A	I	Q	90	1Q	180
Gross External Debt	Jul-24	Sep-24	M	M	Q	365	2Q	90
International Investment Position	Dec-22	Feb-24	A	A	A	365	3Q	360

<sup>1</sup> Includes reserve assets pledged or otherwise encumbered, as well as net derivative positions.

<sup>2</sup> Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

<sup>3</sup> Foreign, domestic bank, and domestic nonbank financing.

<sup>4</sup> The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

<sup>5</sup> Including currency and maturity composition.

<sup>6</sup> Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semiannual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than.

<sup>7</sup> Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan.

<sup>8</sup> Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (<https://dsbb.imf.org/>). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "...".

## Appendix I. Letter of Intent

Abidjan

November 21, 2024

Ms. Kristalina Georgieva  
Managing Director  
International Monetary Fund  
WASHINGTON D.C., 20431  
USA

Dear Madam Managing Director:

**1. The Ivorian economy remains strong and resilient despite the long-term effects of Covid-19, the consequences of climate change, and the persistence of geopolitical tensions.**

Thanks to the successful implementation of the 2021-2025 National Development Plan (NDP), economic growth is expected to reach 6.1 percent in 2024, after 6.5 percent in 2023. With the implementation of measures to address the high cost of living, inflation is expected to fall to 4.0 percent in 2024, after 4.4 percent in 2023. The budget deficit is expected to decline to 4.0 percent of GDP in 2024 after reaching 5.2 percent of GDP in 2023. The current account deficit is expected to narrow to 4.7 percent of GDP in 2024 after 8.1 percent of GDP in 2023, driven by strong exports, particularly of cacao and crude oil. The risk of debt distress remains moderate with a sovereign financial rating positioning Côte d'Ivoire among the three countries with the best credit quality in sub-Saharan Africa. The soundness of the banking system is being strengthened by an increase in banks' equity capital following the entry into force of a measure to increase minimum share capital from CFAF 10 billion to CFAF 20 billion.

**2. Côte d'Ivoire is a sub-regional economic power, accounting for around 40 percent of GDP in the West African Economic and Monetary Union (WAEMU).**

The country also has the largest industrial base in the area. It remains the world's leading producer of cacao (with a market share of more than 40 percent) and has been the top cashew producer since 2015 (accounting for around 40 percent of global production). The economy's performance and resilience are also based on the monetary stability afforded to it by its membership in the WAEMU, which is reflected in low relative average inflation. Following a path of sustained growth since 2012, the Ivorian economy has begun its structural transformation, as evidenced by the emergence of raw materials processing and the diversification of exports. The 2021-2025 NDP, currently being implemented, aims to accelerate the transformation of the economy with strong and sustained growth and Côte d'Ivoire's joining the ranks of upper-middle-income countries by 2030. This plan provides for total investment over the period of about US\$100 billion, 75 percent of which will be carried out by the private sector.

**3. The private sector, benefiting from continued improvement in the business climate and the strengthening of governance, continues to play a driving force in the economy.** Investors have maintained their confidence in the Ivorian economy, which was evidenced in 2023 by a 9.3 percent increase in the number of companies created and registered investments that exceeded the CFAF 1,000 billion mark. In terms of governance, according to the annual report on the Africa Country Policy and Institutional Assessment (CPIA), the Ivorian government has undertaken considerable efforts that have made it possible, among other things, to increase tax revenues, strengthen fiscal consolidation, and promote transparency and accountability in the public sector. Côte d'Ivoire's CPIA score was raised to 3.8 in 2023, up 0.1 point from 2022, above the International Development Association (IDA) borrower average of 3.1, positioning Côte d'Ivoire among the top five performers in Africa. The improvement in the governance framework has also resulted in a gain of three points in the Corruption Perceptions Index of Transparency International and twelve (12) places in the related ranking. These results contributed to the 2024 upgrade in the country's sovereign rating by Moody's and Standard & Poor's. Côte d'Ivoire was the first country in sub-Saharan Africa to return to international markets after financial conditions tightened in 2022.

**4. The government continues to work to improve the well-being of the population and reduce inequalities through various social programs.** The financial execution of the Government Social Program (PSGouv) in the amount of CFAF 602.1 billion shows a disbursement rate of 55.7 percent in the first half of 2024, with a budget of CFAF 1,081 billion in 2024. Its implementation has made the following possible: (i) increasing electrification in fragile areas and access to drinking water; (ii) rehabilitating, building, and equipping health and education infrastructure facilities; (iii) providing a quarterly allowance to the most vulnerable populations; and (iv) resurfacing roads. Through the Government Youth Program (PJGouv), the government has stepped up its activities in terms of: (i) training, professional integration, and promotion of youth entrepreneurship; (ii) civic engagement and social ethics among youth; and (iii) improvement of conditions for the development and well-being of young people. The budget allocation for this program amounts to CFAF 265.5 billion in 2024. In addition, the government is working to step up its efforts to further reduce gender inequalities through the National Policy on Equality, Equity, and Gender. This policy is focused on the effective integration of gender in all sectors of public and private life, as well as a change in the mentality and behavior of the population to promote respect for the rights of women and men, girls and boys in relation to their specific characteristics. In addition, the aim is to empower women, prevent gender-based violence, boost girls' school enrollment, improve women's access to rural land ownership, and promote better representation of women in elected office.

**5. Strengthening social cohesion and easing the socio-political climate remain at the heart of the government's actions to ensure peaceful and inclusive presidential elections in October 2025.** In this context, with a view to guaranteeing the integrity and transparency of the electoral process, the Independent Electoral Commission launched an operation to revise

the electoral list in the last quarter of 2024 in order to update the voter rolls and ensure the inclusiveness of the electoral process. To strengthen social cohesion, a presidential pardon was granted in the first quarter of 2024 to 51 people convicted of acts committed during previous political crises. The government also intends to continue and maintain a dialogue with political players and the nation's leading forces to ensure the free exercise of democracy. In addition, it is working to strengthen security throughout the country against the backdrop of a tense sub-regional environment. Côte d'Ivoire continues, however, to supply electricity to neighboring countries that depend on it, even though some are accumulating payment arrears that affect the financial position of the electricity company.

**6. The country's economic outlook remains positive, driven by the finalization of the 2021-2025 NDP implementation and the pursuit of a proactive policy of strategic development planning.** The expected growth rate is 6.7 percent on average over the period 2025-2029, supported by the strength of: (i) the extractive industries with the discovery and development of new oil fields; (ii) the energy sector through power plant construction projects aimed at making Côte d'Ivoire an energy hub; and (iii) the manufacturing industry through the development of industrial clusters and agricultural hubs. The 2026-2030 NDP is expected to build on the achievements of the current NDP and move the country towards upper middle-income status by 2030. In this context, emphasis will be placed on the continued development of critical infrastructure and the strengthening of human capital.

**7. The macroeconomic framework will be supported by the successful implementation of the 2023-2026 Economic and Financial Program (EFP), which is focused, in particular, on fiscal consolidation and the successful implementation of key structural reforms.** As of end-June 2024, all the performance criteria and indicative benchmarks of the program have been met. Likewise, all the structural benchmarks have been achieved. The government will maintain a fiscal stance consistent with the program's objectives and carry out the necessary structural reforms to strengthen the resilience of the macroeconomic framework and support the implementation of its development strategy. Thus, it reiterates its commitment to: (i) maintain the sustainability of government finances and debt through an increase in the tax burden of 0.5 percentage point of GDP per year based on tax reforms in particular and convergence of the budget deficit to the WAEMU community norm of 3 percent of GDP in 2025; (ii) combat poverty and stimulate job creation, for young people in particular; (iii) shift Côte d'Ivoire's growth model towards one focused on private-sector productivity and vertical diversification; (iv) develop the financial sector and strengthen financial inclusion; and (v) improve resilience to climate change.

**8. To improve resilience to climate change, the government has begun implementing a program of reforms under the Resilience and Sustainability Facility (RSF) approved in March 2024.** In this respect, the reform measures with a deadline of end-September 2024 have all been implemented. Progress has also been made in implementing other measures for 2024.

In particular, the governance framework for climate action has been strengthened with the creation and operationalization of the National Commission to Combat Climate Change. In addition, the first annual report assessing the progress of the climate transition in Côte d'Ivoire was adopted by the Council of Ministers in October 2024. The government will continue its efforts to implement the other actions contained in the reform matrix, which are divided into six (6) pillars. These consist of: (i) integrating climate into the government finance and public investment management process; (ii) strengthening the governance and coordination of climate policies; (iii) enhancing the climate resilience of agriculture; (iv) mobilizing green and sustainable financing for private and state-owned enterprises; (v) reducing vulnerability to flooding and coastal erosion; and (vi) reducing greenhouse gas emissions.

**9. The supplement to the Memorandum of Economic and Financial Policies (MEFP) adds to that of May 2023 and its supplements of December 2023, March 2024 (for the RSF request), and June 2024.** It reports on recent macroeconomic developments and details the progress made as of end-June 2024 in the execution of the economic and financial program supported by the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF), the progress in the implementation of RSF reform measures as of end-September 2024, as well as the macroeconomic outlook for 2024 and the medium term. In addition, the government remains committed to the diligent achievement of the program's updated quantitative targets as defined by the IMF. The government requests a modification of the QPC regarding the ceiling on the present value of new external debt to exclude potential future debt management operations from the definition of external debt. This will be reflected in the TMU. Therefore, the government requests that the IMF Executive Board complete the third review of the program supported by the ECF and the EFF, with the fourth disbursement under the ECF/EFF in the amount of SDR 371.657 million. In addition, in support of actions to combat climate change, the government requests that the IMF Executive Board complete the second review under the RSF, accompanied by a second disbursement of SDR 243.9 million. Moreover, the government requests that the IMF Executive Board conclude the 2024 Article IV Consultation. It remains convinced that the policies and measures set out in the attached MEFP are adequate to achieve the objectives of the ECF/EFF-supported program. It will take any additional measures that may be necessary to achieve them.

**10. The Ivoirian authorities agree to provide the IMF with information on the implementation of the agreed measures and the execution of the program, as provided for in the attached Technical Memorandum of Understanding, on dates agreed upon by both parties.** In addition, the government authorizes the IMF to publish and post this letter and its attachments on its website, as well as the staff report, following approval of the review by the IMF Executive Board.

Yours sincerely,

\_\_\_\_\_/s/\_\_\_\_

**Adama COULIBALY**  
**Minister of Finances and Budget**

***Attachments:***

- Memorandum of Economic and Financial Policies (MEFP)
- Technical Memorandum of Understanding (TMU)

## Attachment I. Supplement to the Memorandum of Economic and Financial Policies 2023–2026 Under the Third Review of the ECF/EFF Arrangements and the Second Review of the RSF Arrangement

### BACKGROUND

**1. The Ivorian economy remains strong and resilient despite the long-term effects of Covid-19, the consequences of climate change, and the persistence of geopolitical tensions.**

Thanks to the successful implementation of the 2021–2025 National Development Plan (NDP), economic growth is expected to reach 6.1 percent in 2024, after a rate of 6.5 percent in 2023. Inflation is expected to fall to 4.0 percent in 2024, after reaching 4.4 percent in 2023, with the implementation of measures to address the high cost of living. The budget deficit is expected to narrow to 4.0 percent of GDP in 2024 after reaching 5.2 percent of GDP in 2023. The current account deficit is expected to decline to 4.7 percent of GDP in 2024 after recording 8.1 percent of GDP in 2023, driven by strong exports, particularly of cocoa and crude oil. The risk of debt distress remains moderate with a sovereign financial rating positioning Côte d'Ivoire among the three countries with the best credit quality in sub-Saharan Africa. The soundness of the banking system is being strengthened by an increase in banks' equity capital following the entry into force of a measure to increase minimum share capital from CFAF 10 billion to CFAF 20 billion.

**2. Côte d'Ivoire is a sub-regional economic power, accounting for around 40 percent of GDP in the West African Economic and Monetary Union (WAEMU).** The country also has the largest industrial base in the area. It remains the world's leading producer of cocoa (with a market share of more than 40 percent) and has been the leading cashew producer since 2015 (accounting for around 40 percent of global production). The economy's performance and resilience are also based on the monetary stability afforded to it by its membership in the WAEMU, which is reflected in low relative average inflation. Following a path of sustained growth since 2012, the Ivorian economy has begun its structural transformation, as evidenced by the emergence of raw materials processing and the diversification of exports. The 2021–2025 NDP, currently being implemented, aims to accelerate the transformation of the economy with strong and sustained growth and Côte d'Ivoire's joining the ranks of upper-middle-income countries by 2030. This plan provides for total investment over the period of about US\$100 billion, three-quarters of which will be carried out by the private sector.

**3. The private sector, benefiting from continued improvement in the business climate and the strengthening of governance, continues to play a leading role in the economy.** Investors have maintained their confidence in the Ivorian economy, which was evidenced in 2023 by a 9.3 percent increase in the number of companies created and registered investments that exceeded the CFAF 1,000 billion mark. In terms of governance, according to the annual report on the Africa Country Policy and Institutional Assessment (CPIA), the Ivorian government has undertaken

considerable efforts that have made it possible, in particular, to increase tax revenues, strengthen fiscal consolidation, and promote transparency and accountability in the public sector. Côte d'Ivoire's CPIA score was raised to 3.8 in 2023, up 0.1 point from 2022, above the International Development Association (IDA) borrower average of 3.1, positioning Côte d'Ivoire among the top five performers in Africa. The improvement in the governance framework has also resulted in a gain of three points in the Corruption Perceptions Index of Transparency International and twelve (12) places in the related ranking. These results contributed to the 2024 upgrade of the country's sovereign rating by Moody's and Standard & Poor's. Côte d'Ivoire was the first country in sub-Saharan Africa to return to international markets after financial conditions tightened in 2022.

**4. The government continues to work to improve the well-being of the population and reduce inequalities through various social programs.** The financial execution of the Government Social Program (PSGouv) in the amount of CFAF 602.1 billion shows a disbursement rate of 55.7 percent in the first half of 2024, with a budget of CFAF 1,081 billion in 2024. Its implementation has made the following possible: (i) increasing electrification in fragile areas and access to drinking water; (ii) rehabilitating, building, and equipping health, and education infrastructure facilities; (iii) providing a quarterly allowance to the most vulnerable populations; and (iv) resurfacing roads. Through the Government Youth Program (PJGouv), the government has stepped up its activities in terms of: (i) training, professional integration, and promotion of youth entrepreneurship; (ii) civic engagement and social ethics among youth; and (iii) improvement of conditions for the development and well-being of young people. The budget allocation for this program amounts to CFAF 265.5 billion in 2024. In addition, the government is working to intensify its efforts to further reduce gender inequalities through the National Policy on Equality, Equity, and Gender. This policy is focused on the effective integration of gender in all sectors of public and private life as well as a change in the mentality and behavior of the population to promote respect for the rights of women and men, girls, and boys in relation to their specific characteristics. In addition, the aim is to empower women, prevent gender-based violence, boost girls' school enrollment, improve women's access to rural land ownership, and promote better representation of women in elected office.

**5. Strengthening social cohesion and calming the socio-political climate remain at the heart of the government's actions to ensure peaceful and inclusive presidential elections in October 2025.** In this context, with a view to guaranteeing the integrity and transparency of the electoral process, the Independent Electoral Commission launched an operation to revise the electoral list in the last quarter of 2024 to update the voter database and ensure the inclusiveness of the electoral process. To strengthen social cohesion, a presidential pardon was granted in the first quarter of 2024 to 51 people convicted of acts committed during previous political crises. The government also intends to continue and maintain a dialogue with political players and the nation's leading forces to ensure the free exercise of democracy. In addition, it is working to strengthen security throughout the country, in a tense sub-regional environment. Côte d'Ivoire continues, however, to supply electricity to neighboring countries that depend on it, even though some are accumulating payment arrears that affect the financial position of the electricity company.



**6. The country's economic outlook remains positive, driven by implementation of the 2021-2025 NDP and pursuit of a proactive policy of strategic development planning.** The expected growth rate is 6.8 percent on average over the period 2025-2029, supported by the strength of: (i) the extractive industries with the discovery and development of new oil deposits; (ii) the energy sector through power plant construction projects aimed at making Côte d'Ivoire an energy hub; and (iii) the manufacturing industry through the development of industrial clusters and agricultural hubs. The 2026-2030 NDP is expected to build on the achievements of the current NDP and move the country towards upper-middle-income status by 2030. In this context, emphasis will be placed on the continued development of critical infrastructure and the strengthening of human capital.

**7. The macroeconomic framework will be supported by the successful implementation of the 2023-2026 Economic and Financial Program (EFP), which is focused, in particular, on fiscal consolidation and the successful implementation of key structural reforms.** As of end-June 2024, all the performance criteria and indicative benchmarks of the program have been met. Similarly, all the structural benchmarks have been achieved. The government will maintain a fiscal stance consistent with the program's objectives and carry out the necessary structural reforms to strengthen the resilience of the macroeconomic framework and support the implementation of its development strategy. Thus, it reiterates its commitment to: (i) maintain the sustainability of government finances and debt through an increase in the tax burden of 0.5 percentage point of GDP per year based on tax reforms in particular and convergence of the budget deficit to the WAEMU community standard of 3 percent of GDP in 2025; (ii) combat poverty and stimulate job creation, for young people in particular; (iii) shift Côte d'Ivoire's growth model towards one focused on private-sector productivity and vertical diversification; (iv) develop the financial sector and deepen financial inclusion; and (v) improve resilience to climate change.

**8. To improve resilience to climate change, the government has begun implementing a program of reforms under the Resilience and Sustainability Facility (RSF) approved in March 2024.** In this respect, the reform measures with a deadline of end-September 2024 have all been implemented. Progress has also been made in implementing other measures for 2024. In particular, the governance framework for climate action has been strengthened with the creation and operationalization of the National Commission to Combat Climate Change. In addition, the first annual report assessing the progress of the climate transition in Côte d'Ivoire was adopted by the Council of Ministers in October 2024. The government will continue its efforts to implement the other actions contained in the reform matrix, which are divided into six (6) pillars. These consist of: (i) integrating climate into the government finance and public investment management process; (ii) strengthening the governance and coordination of climate policies; (iii) enhancing the climate resilience of agriculture; (iv) mobilizing green and sustainable financing for private and public enterprises; (v) reducing vulnerability to flooding and coastal erosion; and (vi) reducing greenhouse gas emissions.

**9. This document updates the May 2023 Memorandum of Economic and Financial Policies (MEFP) and its supplements of December 2023, March 2024 (for the RSF request), and June 2024.** It reports on recent macroeconomic developments and details the progress made as of end-June 2024 under the economic and financial program supported by the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF). In addition, it outlines progress in the implementation of RSF reform measures as of end-October 2024. It also presents the outlook for 2024 and the medium term.

## RECENT MACROECONOMIC DEVELOPMENTS AND PROGRAM IMPLEMENTATION

### A. Recent Macroeconomic Developments and Outlook to End-2024

#### *Economic and Financial Position at End-June 2024*

**10. Economic performance was generally strong in the first half of 2024.**

- Economic trends show, on the one hand, strong growth, particularly in the extractive industries, electricity, gas, and water, telecommunications, and transport activities, and on the other hand, a downturn in construction and trade activities. At the same time, there is a mixed picture for export agriculture, with a decline in cocoa bean and cashew nut production due to unfavorable weather conditions, and an increase in coffee, rubber, and cottonseed production.
- The rate of increase in consumer prices fell, on average, from 4.4 percent at end-December 2023 to 3.8 percent at end-June 2024, thanks in particular to the continued control of prices for staple food products and better market supply.
- The terms of trade improved significantly as the real effective exchange rate rose by an average of 5.9 percent compared with end-June 2023, reflecting the appreciation of the euro despite a favorable inflation differential.
- The trade surplus more than doubled due to a combination of higher export values and lower imports. The rate of coverage of imports by exports rose to 111.6 percent.
- Despite a tightening of the key rate of the Central Bank of West African States (BCEAO), the banking system remains sound and has allowed for adequate growth in aggregates in line with the deepening of the financial sector.

**11. Budget execution at end-June 2024 is characterized by a budget deficit of CFAF 962.8 billion, which is lower than expected despite the underperformance in mobilization of tax revenues, thanks to good fiscal regulation.** Total revenue and grants amounted to CFAF 4,213.7 billion, compared with a target of CFAF 4,342.3 billion, representing a shortfall of

CFAF 128.6 billion. This shortfall is the result of a CFAF 185 billion gap in tax revenues, mainly attributable to income tax, VAT, taxes on general merchandise, and export duties and taxes, offset by a CFAF 57 billion gain in non-tax revenues. As for total expenditure and net loans, they reached CFAF 5,176.5 billion, which was below the target of CFAF 5,322.1 billion. This result is mainly due to lower-than-expected investment expenditures (-CFAF 165.5 billion) and operating expenditures (-CFAF 22.1 billion). The financing needs were covered by recourse to the sub-regional money and capital markets and external financing (including IMF financing and the Eurobond issued in February 2024).

**12. At end-June 2024, the stock of central government debt, including on-lending and government-guaranteed debt, was estimated at 56.1 percent of GDP, compared with 59.1 percent at end-2023.** External debt represented 35.2 percent of GDP at end-June 2024, compared to 35.9 percent at end-2023. Guaranteed external debt amounted to CFAF 365.0 billion, or 0.7 percent of GDP. As for domestic debt, it was equal to 20.0 percent of GDP at end-June 2024, compared to 22.2 percent in 2023. Guaranteed domestic debt totaled CFAF 83.5 billion, or 0.2 percent of GDP. As for the stock of debt of state-owned enterprises (guaranteed and non-guaranteed debt), it amounted to CFAF 919.7 billion, or 1.8 percent of GDP, of which 0.9 percent was guaranteed debt. The debt sustainability analysis (DSA) shows that Côte d'Ivoire remains among the countries at moderate risk of debt distress.

**13. The Ivorian financial sector has been characterized by a more robust banking system and improved financial inclusion.** The average risk-weighted capital ratio of all banks has seen steady improvement, rising from 13.6 percent at end-June 2023 to 13.9 percent at end-December 2023. In addition, the quality of the banking system's credit portfolio shows a clear improvement with a net portfolio deterioration rate of 2.4 percent at end-March 2024, compared to 2.8 percent at end-2023; the gross rate stood at 7.2 percent at end-March 2024, compared to 7.3 percent at end-December 2023. In terms of these portfolio quality indicators, Ivorian banks are performing better than the WAEMU average (posting an average gross rate of 9.0 percent and an average net rate of 3.6 percent at end-December 2024). As for financial inclusion, the rate of strict banking penetration was 31.2 percent at end-2023, compared to 29.5 percent at end-2022. Regarding the expanded banking penetration rate, it was 43.6 percent in 2023, compared to 43.2 percent in 2022. The overall rate of use of financial services stood at 84.7 percent, which is 1.13 percent above the WAEMU target of 75 percent.

**Outlook to End-2024**

**14. Economic growth is expected to remain strong at 6.1 percent in 2024, after reaching 6.5 percent in 2023, against a backdrop of controlled inflation. The main trends are as follows:**

- On the supply side, growth would be driven by all sectors. The primary sector is expected to grow by 7.2 percent in line with the increase in export agriculture (+10.7 percent) and subsistence agriculture (+3.1 percent). The secondary sector is expected to grow by 2.8 percent thanks to the solid performance of mining (+8.7 percent), petroleum products (+5.8 percent), energy (+2.6 percent), food processing industries (+1.2 percent), and other manufacturing industries (+3.9 percent). On the other hand, construction is expected to decline (-1.1 percent). The tertiary sector is expected to grow by 6.6 percent, driven by transport (+6.3 percent), telecommunications (+6.8 percent), trade (+5.9 percent), and other services (+7.5 percent).
- On the demand side, growth is expected to be driven by both final consumption (+3.4 percent) and investment (+8.1 percent). The overall investment rate stands at 26.2 percent of GDP, compared to 25.6 percent in 2023.
- The inflation rate is expected to be 4.0 percent at end-December 2024, compared to 4.4 percent at end-December 2023, in line with the measures taken by the government to combat the high cost of living. Nevertheless, inflationary pressures persist, particularly on energy and food prices.

**15. The current account deficit is expected to improve to 4.7 percent of GDP in 2024, compared to 8.1 percent in 2023.** This result would be attributable to a rise in the surplus in the balance of goods, mainly due to an increase in the value of exports, particularly cocoa and crude oil, as well as a decrease in import bills. On this basis, and thanks to net capital inflows, including an increase in foreign direct investment (FDI), the overall balance is expected to be in surplus.

**16. In line with the program's objectives, the fiscal deficit should be reduced by 1.2 percentage points of GDP compared to 2023 to 4.0 percent of GDP in 2024.** Total revenues and grants remain in line with the initial target of CFAF 8,775.9 billion (16.8 percent of GDP). The tax burden is expected to remain unchanged at 14.4 percent of GDP, following a figure of 13.6 percent in 2023. As for total expenditure and net loans, they are expected to amount to CFAF 10,896.5 billion, or 20.8 percent of GDP. The government is planning to mobilize CFAF 697.8 billion through the tax on petroleum products in 2024. It will continue to closely monitor monthly revenue collection from petroleum products and will raise or lower prices at the pump, if necessary, to meet the program's revenue targets while continuing to protect vulnerable populations. In addition, it intends to cap recourse to new external loans at a present value of US\$6,063.0 million.

## B. Status of Program Implementation

**17. At end-June 2024, all the performance criteria for implementation of the program have been met (see Table 1).** Tax revenues amounted to CFAF 3,559.3 billion, against a target floor of CFAF 3,538 billion, representing a positive difference of CFAF 21.3 billion. The overall budget balance amounted to -CFAF 962.8 billion, or CFAF 122 billion above the target floor of -CFAF 1,085 billion. The net present value of new external debt stood at US\$3,895 million, against a target ceiling of US\$4,422 million. In addition, no external or domestic arrears have been accumulated. Net domestic financing stood at -CFAF 61.1 billion, below the anticipated ceiling of CFAF 594 billion.

**18. All indicative targets at end-June 2024 were also met (see Table 1).** The stock of amounts payable was reduced by CFAF 42.6 billion, with a floor of CFAF 41.0 billion. Expenditures made by cash advance procedures amounted to CFAF 144.2 billion, with a ceiling of CFAF 192.0 billion. Specific social expenditures amounted to CFAF 491.6 billion, compared with a floor of CFAF 463.0 billion. As for the basic primary balance, it was CFAF 179.6 billion above the minimum target of CFAF 86.0 billion.

**19. All the structural benchmarks of the program were achieved at end-June, end July, and end-September 2024 (see Table 2).**

- The module for automated VAT management has been enhanced to include control of the VAT deduction at the customs border. The digital VAT administration module went live on June 28, 2024. The first VAT declarations received in July 2024 through the improved module indicate an amount of VAT not allowed for deduction of 95.9 billion. These invoice rejections are due to several factors, including difficulties with using the new module experienced by some taxpayers, but also suspicions of illegal VAT deductions. The net gain for the month of July is 25 billion.
- The use of e-procurement has been made compulsory for at least 50 percent of conventional public procurement operations (amounts above 100 million) between January and June 2024. For the first half of 2024, a total of 1,059 contracts were concluded, of which 948 were handled electronically via the Integrated Management System for Public Procurement Operations (SIGOMAP) and 111 outside SIGOMAP. Thus, at end-July 2024, the SIGOMAP utilization rate was 89.6 percent, exceeding the target of 50 percent. All procurement operations based on the national budget are conducted exclusively through SIGOMAP. On the other hand, since the main donors have not yet signed up to use the application, the majority of donor financing operations are still performed outside the application.
- An ordinance revising provisions relating to the scope and tax exemptions of the Investment Code was adopted in September 2024. In particular, this ordinance excludes a number of activities from the scope of tax benefits granted under the Investment Code. In addition, it establishes a 50 percent reduction for category 2 of customs duty exemptions specified by the provisions of Article 14 of Ordinance No. 2019-1088 of December 18, 2019, on the revised Investment Code. All of these new

measures should significantly reduce the tax costs of approvals in the investment and operating phase.

- Central government debt data as at end-June 2024 were published in September 2024 on the National Summary Data Page (<https://mof-cotedivoire.opendataforafrica.org/taqipgd/central-government-debt>).

**20. Major progress has also been made in the implementation of reform measures under the RSF (see Table 3).**

- Under Reform Measure (RM) 3, Decree No. 2024-595 determining the rules and procedures applicable to environmental and social assessments was adopted by the Council of Ministers on June 26, 2024, amending Decree No. 96-894 on environmental impact studies.
- Under RM 4, Decree No. 2024-594 of June 26, 2024, on the creation, responsibilities, organization, and operation of the National Commission to Combat Climate Change was adopted by the Council of Ministers on June 26, 2024, and the members of the Commission have been appointed. In addition, in view of the importance of climate and disaster risk management, a procedural manual was developed and approved by Order 000599/MINEDDTE/CAB in October 2024, specifying the consideration of disaster risk management within the CNLCC and the role of the various actors in this field, in particular that of the National Platform for Disaster Risk Reduction and Management, created by Decree No. 2012-988. The first annual report assessing the progress of the climate transition, including short- and medium-term recommendations, was produced by said commission, then adopted by the government represented by the Council of Ministers on October 30<sup>th</sup>, 2024, and published <https://environnement.gouv.ci/wp-content/uploads/2015/08/rapport-national-sur-levaluation-de-laction-climatique-en-cote-divoire-2024.pdf>.
- Under RM 8, the Decree establishing the Green Finance Platform was adopted in October 2024. In addition, a training and capacity development plan for national actors in the use of climate finance instruments was adopted in October 2024. The implementation of this plan began with training workshops on the various tools put in place. As for the Measurement, Reporting, and Verification (MRV) system, designed on the basis of the UNDP open source model, it is operational through the <https://finance.mnv-cotedivoire.ci/> website.
- As for RM 9, the launch of the pilot phase of the early warning system in the department of Adzopé took place on June 13, 2024. The first report on the environmental component was produced in late July 2024.
- With regard to RM 10, after the methodological guide was drawn up in February 2024, the follow-up report on implementation of the manual's requirements for the design and sizing of new pavement for interurban roads was produced in October 2024.

- Under RM 11, after the signing in March 2024 of Opinion No. 0435/MMPE/MCI/DGE on implementation of the energy labelling requirement for new electric lightbulbs, air conditioners, refrigerators, and freezers imported into Côte d'Ivoire, the mandatory energy labelling system has been in operation since July 15, 2024, through the Single Window for Foreign Trade (GUCE) ([www.guce.gouv.ci](http://www.guce.gouv.ci)) platform. As at end-September 2024, with this system, 43 Prior Import Authorizations had been granted for 50,965 air conditioners and 36,753 refrigerators subject to labelling.
- Under RM 15, the integration of funding from the United Nations Framework Convention on Climate Change windows, as well as associated environmental taxes and reserved fees, continued in the 2025 budget (see Paragraph 34). Regarding the water tax, the government will take the necessary steps to integrate this tax into the 2026 budget.
- Follow-up to RM 13: after the adoption of Decree No. 2024-326 on May 22, 2024, promoting the use of electric vehicles and the establishment of charging infrastructure, the results show that at end-September 2024, there were more than 200 electric vehicles in use, 60 charging stations had been installed in the city of Abidjan, with an extension in the city of Bouaké. A digital platform, called NEO, has been set up to facilitate the geolocation of charging stations and the monitoring and management of charging stations in real time. In addition, the sector will benefit from the implementation, as of late 2025, of the pilot project *"Integration of renewable energies in electric mobility in Côte d'Ivoire,"* which is being financed by the Global Environment Facility (GEF) and the United Nations Industrial Development Organization (UNIDO). Thanks to the decree on electric mobility, several partnerships and direct investment initiatives have been created. The sector's dynamic development and the commitment of private actors contribute to the achievement of the objectives set by the decree while offering new economic opportunities.

## C. Budget Execution for the Remainder of 2024

**21. The government's continued efforts in tax policy and administration reforms had brought in about CFAF 66 billion by end-June 2024 (see Text Table 1).** The bulk of the measures identified in the 2024 budget relate to gradual improvement of the property tax regime and limits on the use of reduced VAT rates, the optimization of exemptions including VAT, and a reduction in tax expenditures provided for in the Investment Code.

**Text Table 1. Expected Results and Returns of Existing Program Measures in 2024**

Measure	Initial estimated full-year impact (in billions of CFAF)	Estimated impact at end-June 2024 (in billions CFA)	Status
<b>Fiscal Policy</b>			
Raise cocoa's registration fees from 4% to 5%	36	12.5	Completed
Adjust the provisions of the General Tax Code concerning real estate taxation, particularly for the valuation of developed and undeveloped land.	60	0	Legal provision adopted in the 2024 Fiscal Annex. Operational implementation of the reform now under way.
Rationalization of exemptions	51	15	
<i>To monitor and strengthen the implementation of the plan to rationalize exemptions.</i>	20	-	Completed
<i>Reform the provisions relating to exemptions under the investment code (SB end-September 2024).</i>	5	-	In progress
<i>Extend VAT to non-essential food products</i>	2	0.3	Completed; 2024 Tax Annex, Article 1. DGD Circular No. 2285/MFB/DGD of February 20, 2024.
Eliminate tax benefits for economic and social housing	1	1	Completed; Article 7, 2024 Tax Annex.
Increase in the rate of the fixed registration fee for the formalization of various civil deeds (creation of companies, transfer of shares) from 18,000 to 25,000 CFA francs.	2	0	Completed; Article 2, 2024 Tax Annex.
Introduce 4% registration fee on non-notarized land transfers	5	0	Completed; Article 2, 2024 Tax Annex. Implementation in the last quarter of 2024.
Establish a unified declaration for salary taxes and social contributions	10	1.1	Completed; Article 5, Tax Annex 2024. The technical framework to accompany the reform is currently being finalized.
VAT for public transport companies	2	1	Completed; Article 3, Tax Annex 2024. In practice, the target population of this measure turned out to be smaller than expected because most taxpayers had already opted to be subject to VAT.
Introduction of a tax on online sports betting			Completed; Article 4, Fiscal Annex 2024. Rather, it is a question of extending the scope of the tax on gambling.
<b>Tax administration</b>			
Issue a decree ( <i>arrêté</i> ) applying the reduced VAT rate on imports of luxury rice.	4	0	In progress
Issue a decree ( <i>arrêté</i> ) applying the reduced VAT rate on imported offal.	4	0	In progress
Improve transfer pricing monitoring	13	7.5	Actions are underway to effectively recover the duties issued following the transfer pricing audit in the cocoa sector.
Establishment of a traceability mechanism for tobacco to combat smuggling.	20	0	Article 6, 2024 Tax Annex. Operational mechanism being implemented.
Expand tax base	16	8	The use of the results of cadastral projects carried out with the support of the technical and financial partners is ongoing. In addition, the use of cross-check forms and the VAT deduction module have made it possible to identify certain taxpayers and to adjust the tax base. An electronic census of plots of land and economic activities is also underway.
Improvement of the performance of management agencies by strengthening risk analysis and implementing eight new SIGICI modules (VAT deduction, geographic information system, control, exemptions, real estate taxation).	30	20	The module for the automated management of the VAT deduction was strengthened with methods taking into account the VAT collected at customs.
<b>Total</b>	<b>256</b>	<b>66.4</b>	

**22. To compensate for the shortfall in tax revenues at end-June 2024, the government will take additional measures (Text Table 2).**



**Text Table 2. Expected Results and Returns of Additional Revenue**

	Measure	Estimated annual impact (in billions of CFAF)
1	Stepping up efforts to collect tax debts owed by the public sector	30
2	Reinforcement of real estate surveys and revaluation of tax bases in certain localities	13
3	Revaluation and reclassification of taxpayers covered by flat-rate regimes (TEE and TME) - 284 taxpayers to be reclassified - 989 contributions to be revalued	5
4	Special control program for selected taxpayers based on intensive cross-checking of information	10
5	Combating tax fraud in the timber, mining, concrete reinforcing steel and cement sectors	7
6	Diligent handling of high-stakes litigation	15
7	Declarations by e-commerce platforms, in particular GAFAMs (Google, Apple, Facebook, Amazon, and Microsoft).	8
8	Improving assessment through the use of external databases	11
9	Reinforce the clearance of suspensive regimes by authorizing the release for consumption of 50% of the products of companies benefiting from ATPA ( <i>Admission Temporaire pour Perfectionnement Actif</i> )	1
10	Strengthening the recovery of contentious cases	5
	<b>Total</b>	<b>105</b>

**23. In addition, while responding to social and infrastructure needs, the government will continue its efforts to control spending.** The 2024 budget will aim to keep total spending to 20.8 percent of GDP while continuing to increase enrollment in the Universal Health Coverage (UHC) program and other ongoing social programs aimed at improving education and health outcomes, including for young people.

**24. Several other actions have been undertaken to improve public financial management, the business climate, the governance and anti-corruption framework, the financial sector and financial inclusion, public sector governance, and the national statistical system.**

#### ***Public Financial Management***

- The 2024 Citizen Budget has been developed and publicized among the population. Its digital version is available on the following website: <https://www.dgbf.ci>.
- The annual assessment of fiscal risks, including a climate dimension, was carried out in 2024 and integrated into the 2025-2027 Statement of Fiscal Risk document, annexed to the draft Budget Law for the year 2025.
- As part of the implementation of stock accounting, an “*asset entry*” module of the Integrated Stock Accounting Management System was finalized in June 2024.
- At end-June 2024, the amount related to private contracts approved represented 9.3 percent of the total amount of contracts, compared to 14.8 percent at end-December 2023, below the ceiling of 20 percent.

- Use of the SIGOMAP application was extended in the 2024 fiscal year to all structures subject to the Public Procurement Code.
- The average time taken to award contracts at end-June 2024 was 99.1 days, compared with a regulatory deadline of 114 days prescribed by the Public Procurement Code.
- The implementation of the Treasury Single Account (TSA) closing schedule made it possible to close 694 accounts as at end-June 2024 (out of 1,071 accounts), including 488 accounts with a zero balance (out of 502), 204 accounts with credit balance (out of 559), and 2 accounts with a debit balance (out of 10).

### ***Business Climate and Private Sector***

- The activities of the Office for the Marketing of Food Products have been strengthened since its transformation into an enforcement agency by Decree No. 2023-771 of September 28, 2023. Out of 155 local markets planned for the 2022-2030 period, 15 were completed in the first half of 2024 out of 18 market construction projects underway.
- A map of partners and resource providers was drawn up in the first half of 2024 to support small and medium-sized enterprises (SMEs) in export operations.
- Out of an annual target of 5,750 companies, 5,562 have benefited from technical or managerial support provided to SMEs by Côte d'Ivoire. Specifically with regard to access to financing, 388 support missions were carried out in the first half of 2024 to upgrade SMEs.
- A draft law laying down the rules applicable to industrial zones and land intended for the performance of industrial activity was adopted by the government on June 12, 2024.
- An African Continental Free Trade Area (AfCFTA) strategy for SMEs was developed and approved in May 2024 with a view to strengthening their capacities and having more means to make the most of the opportunities offered by the AfCFTA.
- The AfCFTA Protocol on Women and Youth was approved by the country in February 2024 and is expected to help address the challenges faced by women producers and exporters, as well as young entrepreneurs. Similarly, the Women's Initiative Network - AfCFTA was established in July 2024 with a view to increasing the participation of women producers and exporters in regional trade within the AfCFTA.
- The World Trade Organization's Joint Initiative on the Investment Facilitation for Development Agreement was signed in February 2024. It aims to improve the international business climate and facilitate investor activities in all sectors.

- Five (5) bilateral trade cooperation agreements were signed in the first half of 2024 with Congo, Liberia, Angola, the United States, and South Korea, to promote business relations and facilitate and increase trade in goods and services.

### ***Governance and Anti-Corruption Efforts***

- The National Anti-Corruption Strategy was adopted by the Council of Ministers on June 12, 2024.
- The asset declaration rate of taxable persons stood at 84.4 percent in the first half of 2024, with a target of 90 percent by the end of the year.
- The crackdown on acts of corruption was intensified in the second half of 2024 through the operation of the SIGNALIS platform for complaints and tips, which resulted in the opening of fifteen (15) criminal investigations. These investigations have led to the arrest and referral of thirty-two (32) public officials to the Economic and Financial Criminal Division of the Public Prosecutor's Office.
- Tools, mechanisms, and measures to prevent and combat corruption have been developed and approved for five (5) target administrations based on an assessment of the integrity system of the administrations.
- The legal framework for combating money laundering and the financing of terrorism has been strengthened with the adoption of several regulatory documents. These include:
  - o Interministerial Order No. 0448/MFB/MEPD of June 13, 2024, on the responsibilities, organization, and operation of national statistics services in anti-money laundering and combating the financing of terrorism and the proliferation of weapons of mass destruction;
  - o Interministerial Order No. 0482/MFB/MAEIAIE of June 28, 2024, establishing the procedures for the dissemination of lists of targeted financial sanctions related to the financing of terrorism and the proliferation of weapons of mass destruction;
  - o Order No. 0415/MFB/CAB of May 2, 2024, on the appointment of members of the National Sanctions Commission and members of the administrative secretariat of the National Sanctions Commission on Anti-Money Laundering and Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, abbreviated as NSC-AML/CFT;
  - o Order No. 487/MFB/CAB of June 7, 2024, on the responsibilities, composition, and operation of the Advisory Commission on Administrative Freezing of Assets, abbreviated as CCGA; and

- o Order No. 0717/MFB/CAB of August 20, 2024, on the appointment of inspectors for anti-money laundering and combating the financing of terrorism and the proliferation of weapons of mass destruction.

### ***Financial Sector and Financial Inclusion***

- The operation to recapitalize the Housing Bank of Côte d'Ivoire (BHCI) was completed in June 2024, bringing the bank into compliance with capital and solvency ratio standards.
- Progress has been made in the implementation of the Agricultural Commodities Exchange (BMPA) with the adoption on April 18, 2024, of Interministerial Order No. 0286/MEMINADERPV/MFB/MCI on the creation, organization, and operation of the institutional framework for the pilot phase for operationalization of the BMPA.

### ***Public Sector***

- The annual review of the Public-Private Partnership (PPP) portfolio was carried out in May 2024 in conjunction with the contracting authorities. This review indicates that the PPP portfolio includes 107 projects at various stages of maturity.
- At end-July 2024, ten (10) addenda to the Performance Contracts (COP) of state-owned enterprises that had expired were signed. In addition, ten (10) second-generation COPs were signed, six (6) of which were renewed.
- To improve access to electricity through the promotion and use of decentralized energy solutions, an Off-Grid Electrification Action Plan (PAEHR) has been developed.

### ***National Statistics System***

- The final 2022 and provisional 2023 Annual National Accounts (ANAs) were produced in September 2024 and are awaiting publication.
- The institutional framework of the national statistical system has been strengthened with the establishment of the following bodies provided for in the Law on Statistics:
  - o National Statistics Council (CNStat): Decree No. 2024-373 of June 12, 2024, on the creation, responsibilities, composition, organization, and operation of CNStat;
  - o National Statistics Agency (ANStat): Decree No. 2024-371 of June 12, 2024, on dissolving the National Statistics Institute and Decree No. 2024-370 of June 12, 2024, on the creation, responsibilities, composition, organization, and operation of the National Statistics Agency; and

- o National Fund for the Development of Statistics (FNDS): Decree No. 2024-372 of June 12, 2024, on the creation, responsibilities, composition, organization, and operation of the National Fund for the Development of Statistics.

## MEDIUM-TERM OUTLOOK, ECONOMIC POLICIES, AND STRUCTURAL REFORMS

### A. Program Objectives and Medium-term Macroeconomic Outlook

**25. The government will continue to focus on the implementation of its development strategy built around the Côte d'Ivoire 2030 Strategic Plan with the vision of building a unified nation by 2030.** It is determined to continue its actions to enable Côte d'Ivoire to join the group of upper-middle-income countries by 2030, to reduce extreme poverty by half, and to increase life expectancy by 10 years compared to 2020. In accordance with this strategy and based on a comprehensive review of the 2021-2025 NDP, the government will develop the 2026-2030 NDP to continue the structural transformation of the economy and reduce inequalities. In particular, emphasis will be placed on the deployment of industrial clusters and accelerating the establishment of agricultural hubs spread throughout the country. In addition, concerned about sustainable and harmonious economic development, the government will step up its actions to meet its climate-related commitments in terms of mitigation and adaptation, as contained in its Nationally Determined Contributions (NDCs).

**26. Over the period 2025-2026, the government will continue to implement the economic and financial program (EFP 2023-2026) with a view to consolidating internal and external balances without compromising growth momentum.** From 2025, the budget deficit is expected to reach 3 percent of GDP, and the current account deficit will be kept below 4.0 percent of GDP over the medium term. Price trends will be gradually contained with inflation expected to fall below 3 percent on average by 2025, compared to 4.4 percent in 2023. Given these trends, implementation of the program, coupled with reform measures under the RSF, will make it possible to maintain macroeconomic stability on the one hand, and strengthen the economy's long-term resilience in the face of climatic phenomena on the other. The economic policies and structural reforms identified as part of the medium-term program, and detailed below, are aimed at: (i) maintaining the sustainability of public finances and debt; (ii) boosting domestic revenue mobilization and strengthening public financial management (PFM) and debt management; (iii) deepening structural reforms for inclusive growth driven by private sector productivity and vertical diversification; (iv) deepening financial inclusion; (v) investing in human capital; and (vi) building resilience to climate change.

**27. The macroeconomic outlook remains strong, with average growth of 6.8 percent over the 2025-2028 period supported by inflation control, despite the risks associated with the international environment and the sub-regional geopolitical situation.** Indeed, the Ivorian economy should benefit from a continuation of the proactive policy of investment in key productive

sectors and the structural reforms in favor of private sector development initiated as part of the implementation of the 2021–2025 NDP. The exacerbation of geopolitical tensions, including sub-regional ones, could, however, jeopardize economic performance if they persist. On the other hand, the launching of phases 2 and 3 of the Baleine field, and the discovery of a new oil field called Calao, would be positive factors boosting economic activity.

- On the supply side, growth is expected to be supported primarily by the secondary and tertiary sectors. The secondary sector should grow on average by 8.8 percent, supported primarily by construction and public works, energy, the food processing industry, and other manufacturing industries. The tertiary sector is expected to grow by 6.7 percent on average thanks to all its components. As for the primary sector, it is expected to post an average growth rate of 3.1 percent.
- On the demand side, growth will be driven by the strength of investments and final consumption by households. Overall investment is expected to grow by 10.2 percent on average over the period, with private and public investment rising by 21.1 percent and 7.1 percent, respectively.
- Inflation should be gradually contained over the period, so that it falls below the WAEMU community standard of 3 percent, on average, by 2025.
- The external situation will be characterized by a current account deficit. The current account deficit should decline from 8.1 percent of GDP in 2023 to 4.7 percent in 2024 and then to 2.2 percent in 2028. As for the overall balance, it is expected to have an average surplus equal to 1.3 percent of GDP over the period, thus contributing to a strengthening of foreign exchange reserves.
- The broad money supply is expected to increase by an average of 12.1 percent as a result of the combined effect of an increase in net claims on the central government and claims on the economy driven by increased financial penetration as well as an improvement in bank liquidity.

## B. Fiscal Policy

### *Maintaining the Sustainability of Public Finances and Debt*

**28. Fiscal policy for 2025–2026 will consist of pursuing fiscal consolidation efforts through increased revenue mobilization, continued control of operating expenditures, and efficient management of capital expenditures.** This policy aims to maintain debt sustainability, and to provide sufficient fiscal space to cover essential expenditures, including social spending, with a view to continuously improving the well-being of the population. To achieve these objectives, the government will continue to take the necessary measures to boost the mobilization of domestic revenues in the short and medium term. These steps, combined with active public debt management, will keep the risk of debt distress at a moderate level. The anticipated increase in tax revenues,

together with the commitment to continue to optimize current expenditures, including non-targeted subsidies, will enable the government to continue implementing its investment and poverty reduction policy in line with its development strategy. Given the uncertainty of the global economic environment, the government will pursue prudent public financial management through fiscal regulation, which is intended to align spending with available resources, with a view to achieving the budget deficit target while preserving priority spending.

**29. Fiscal consolidation will focus on increasing the pace of revenue mobilization, which will play a central role in achieving the program's objectives.** The government is determined to reduce the fiscal deficit to 3 percent of GDP by 2025. The adjustment will be based in particular on an increase in tax revenues from 13.6 percent of GDP in 2023 to 15.9 percent of GDP in 2026.

### ***Tax Revenues and Fiscal Consolidation in 2025-2026***

**30. The government has begun to implement a medium-term revenue mobilization strategy.**

- This comprehensive medium-term domestic revenue mobilization strategy (MTRS)<sup>1</sup> includes a set of reforms and measures to be carried out in terms of tax policy and administration, accompanied by a timetable for their implementation. Its objective is to raise the tax burden with a view to gradually moving towards the WAEMU tax burden target of at least 20 percent of GDP.
- The MTRS is centered around: (i) simplification of the tax system; (ii) broadening the tax base (*by raising the level of taxation in under-taxed sectors, reducing tax exemptions and other deviations from the standard tax system, and taxing new taxable items, in particular international digital products and new types of transport using user-contact applications*); (iii) combating tax fraud, smuggling, tax evasion, and tax avoidance; (iv) strengthening the transfer pricing policy; (v) strengthening environmental taxation in line with the RSF-supported reform program; (vi) continued modernization of tax administration; and (vii) taking account of the necessary reforms to the legal framework and guidelines for international and regional taxation.
- The MTRS includes a detailed action plan with a timeline for implementation. In the area of tax policy, implementation measures, including the revision of the General Tax Code, the Investment Code, and VAT-related policies, will aim to simplify the tax and customs system to make it more effective, efficient, and equitable, while significantly broadening the tax base. At the same time, the continued implementation of tax administration reforms, including in the areas of governance, capacity development, digitization, public-private sector collaboration, and citizen education, will

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<sup>1</sup> <https://finances.gouv.ci/publications?download=699:strategie-nationale-de-mobilisation-des-recettes-a-moyen-terme-srmt-2024-2028>

contribute to improving administrative and operational capacities, and further improving tax compliance, thus consolidating the mobilization of tax revenues in a sustainable way.

- To this end, the government has established a governance structure to help manage the MTRS reform program and a working group to liaise closely with the IMF and other technical assistance providers. In addition, the government will consult with key stakeholders from the private sector and civil society to ensure broad support for the reform.
- In this context, criteria and procedures for the granting and elimination of reduced VAT rates and exemptions will be established and published (*structural benchmark for end-June 2025*).

## 2025 Budget

**31. In 2025, the budget will be in line with the actions undertaken to improve the living conditions of the population while continuing structural investments.** To this end, the government is committed to strengthening fiscal consolidation through a gradual increase in the tax burden, supported by the MTRS. The target set for 2025 is to reduce the budget deficit by 1 percentage point of GDP, from 4.0 percent of GDP in 2024 to 3.0 percent of GDP in 2025. This reduction is based on an approach combining the implementation of more effective tax policy and tax administration measures, allowing for a gradual increase in the tax burden. This approach aims to maintain a sustainable fiscal trajectory while mobilizing more domestic resources to finance debt and structural investments, reduce poverty and social disparities, and step-up actions for resilience to climate change.

- The government intends to continue efforts to increase tax revenues from 14.4 percent of GDP in 2024 to 15.4 percent of GDP in 2025. This increase will be supported by tax policy and administration measures (*see Text Table 3*), a gradual expansion of the budget perimeter (*see Table 2 of the TMU*), and higher revenue from improved terms of trade. The new tax policy measures identified in the 2025 budget focus on continuing efforts to improve property taxes, further optimization of exemptions, including on VAT, and reducing tax expenditures resulting from the Investment Code. The tax administration measures will focus on further digitization of the tax system, modernization of goods inspection facilities, and closer cooperation between tax and customs authorities. In addition, the government intends to mobilize CFAF 704 billion, or 1.2 percent of GDP, through taxes on petroleum products (*see paragraph 16*). In addition, it will apply market valuation as the basis for property taxation, and this should cover all types of real estate parcels, irrespective of built or unbuilt classification (SB end May 2025). Furthermore, it will improve estimates of tax expenditures, particularly those resulting from the Investment Code, including by improving primary data to include tax credits and tax holidays on all taxes covered by the Investment Code (SB end September 2025).
- The government intends to keep total spending at 20.7 percent of GDP, while holding investment spending to around 6.8 percent of GDP, which is 2.2 percentage points higher than pre-Covid-19



levels. In addition, improvements currently being made to the Single Social Registry and the expansion of the productive cash transfer program will make it possible to better target social protection to help the most vulnerable. With assistance from the World Bank, the government plans to expand coverage of the cash transfer program by enrolling 100,000 additional households per year in the Single Social Registry over the next two years. More broadly, social spending targeted to help the poor will continue to be tracked as part of the program, in particular in the health, education, social protection, and youth employment sectors, which account for around 29.3 percent of pro-poor spending (see Table 3 of the TMU). Pro-poor spending will continue to be monitored to ensure its effectiveness and increase transparency of spending.

**Text Table 3. Expected Results and Returns of 2025 Revenue Measures**

	Measure	Estimated annual impact (in billions of CFAF)
<b>Tax Policy</b>		
1	Rationalization of tax exemptions	3.3
2	Adjustment of the provisions of the general tax code relating to excise duties applicable to tobacco (from 49 to 70 percent)	32
3	Adjustment to the provisions of the general tax code regarding property tax	21
4	Adjustment to the rates of certain schedular taxes (income from securities, capital gains from real estate transfers).	12.6
5	Increase in the tax rate on the industrial and commercial profits of companies in the gambling sector	2
6	Increase in the ad valorem tax on gold exports from 5 to 7 percent	41.4
<b>Revenue Administration</b>		
7	Implementation of electronic invoicing	50
8	Strengthening joint DGD-DGI controls	10
9	Strengthening border offices with non-intrusive control equipment, video surveillance of nautical resources and axle weighing	15
10	Strengthening the risk analysis system through the use of artificial intelligence	20
11	Implementation of the single ITS declaration	5
12	Implementation of control of the invoicing period and payment of VAT on behalf of third parties in the deduction	38
13	Implementation of judicial litigation on customs cases	25
14	Implementation of tobacco traceability	20
<b>Total</b>		<b>295.3</b>

**32. The 2025 budget will also mark the continuity of reforms and investments for sustainable and inclusive growth, consolidating the country's social and economic stability.** It will make it possible to continue the implementation of the structural and economic reforms provided for in the 2021-2025 NDP, with a focus on improving private sector productivity, accelerating vertical diversification and industrialization, as well as strengthening financial inclusion and the governance framework. The government will also continue its efforts to step up investment in human capital, accelerate major infrastructure projects, and improve the living conditions of the population. Consolidation of the security framework, social cohesion, and peace will remain priorities, particularly in the context of the 2025 presidential election.

**33. The 2025 budget will also aim to strengthen social and economic development through strategic initiatives for food self-sufficiency, improved health services, socio-economic empowerment, and the development of essential infrastructure.** To achieve food self-sufficiency, it provides for actions to promote food security, autonomy in livestock production, nutrition, and the efficiency of agricultural production, while optimizing marketing channels. Improving access to quality

health care will also be a priority, with a strengthening of health infrastructure, the expansion of Universal Health Coverage, and increased support for vulnerable populations. At the same time, the promotion of entrepreneurship, youth employment, women's empowerment, digital innovation, and digitization of the government will be encouraged. The budget will also support the construction of social housing, development of the private sector with the creation of new industrial zones, construction of local markets in the main cities, as well as sanitation projects.

**34. The government has submitted to Parliament a draft budget for 2025 that includes the above-mentioned commitments and is in line with the objectives of the IMF-supported program.** The budget for the year 2025 was also drawn up taking into account the commitments under the Resilience and Sustainability Facility. In accordance with Reform Measure 15, the 2025 budget includes funding through channels provided by the United Nations Framework Convention on Climate Change, as well as environmental taxes and associated dedicated fees for a total amount of CFAF 3.02 billion. In addition, on July 5, 2024, the government organized an international round table that saw a strong mobilization of technical and financial partners to launch the process of mobilizing green financing with a target of at least US\$16 billion by 2030, and it is expected to deliver its conclusions at COP29 in November 2024.

## C. Debt Policy and Debt Management

**35. The debt policy aims to meet the government's financing needs while preserving debt sustainability and maintaining sovereign credit quality to facilitate access to international financial markets.** The most recent debt sustainability analysis indicates that Côte d'Ivoire is still classified at "moderate risk of overall and external debt distress." The external debt portfolio, however, remains vulnerable to a negative shock to non-grant fiscal revenues. The medium-term debt policy will consist of containing the evolution in the various ratios below their thresholds and strengthening resistance to external shocks by creating fiscal buffers.

**36. The government will continue to update and implement the Medium-Term Debt Management Strategy (MTDS) to ensure prudent debt management.** In accordance with the guidelines of the latest updated MTDS for the period 2024-2028, the government plans to use domestic borrowing more than external borrowing to meet its financing needs. Thus, it will request on average domestic and external financing instruments in proportions of 58 percent/42 percent over the period 2024-2028. In addition, the government will continue to actively manage the debt, including through liability management operations, such as the Debt for Development (D4D) swap transaction currently under discussion with the World Bank.

**37. It intends to limit the use of external borrowing over the period 2025-2026 in accordance with the MTDS.** For 2025, the government will continue to give preference to concessional and semi-concessional borrowing, and it intends to cap recourse to new external loans at a present value of US\$4,238.1 million.

**38. The government intends to take advantage of the improvement in the quality of sovereign credit ratings.** In particular, the upgrade of the country's credit rating in April 2024 by the Multilateral Investment Guarantee Agency (MIGA) from B+ to BB- offers an opportunity to benefit from preferred guarantee products, namely "*non-honoring of financial obligations*" or NHFO, as well as political risk insurance (PRI) and trade finance products. These instruments should enable the country to access different types of financing at a lower cost. The government also intends to pursue various green financing options.

**39. The public debt management framework will continue to be strengthened in accordance with international best practices and WAEMU community standards.** At the institutional level, after the adoption by Parliament of Law No. 2020-350 of June 6, 2024, on national debt policy and public debt management, the government will adopt the various implementing texts of said law. These are: (i) a draft decree regulating the use of public borrowing by the government and its branches; (ii) a draft decree on the responsibilities, organization, and operation of the National Committee on Public Debt (CNDP); and (iii) a draft decree regulating the conditions for issuing and managing public guarantees and procedures for the on-lending of funds borrowed by the government. Operationally, in accordance with the provisions of Regulation No. 09/2007/CM/WAEMU establishing the reference framework for public debt policy and public debt management adopted on July 4, 2007, by the Member States of the WAEMU, a debt sustainability analysis (DSA) will be produced on a quarterly basis using the Debt Sustainability Framework (DSF) to monitor changes in the debt sustainability indicators. The assessment, monitoring, and management of risks related to public debt, including the monitoring of fiscal risks related to state-owned enterprises, will continue to benefit from IMF technical assistance. In addition, debt coverage will be gradually extended to state-owned enterprises in accordance with the *Public Sector Debt Statistics: Guide for Compilers and Users (PSDSG 2011)*

## D. Social Policy and Development of Human Capital

**40. The government's development strategy will rely more heavily on human capital development to increase labor productivity.** To this end, the actions envisaged should make it possible to strengthen infrastructure and human resources in the fields of health and education and training. In terms of the health care system, the 2023-2027 Hospital Program provides for an increase in the capacity of health care worker training centers and investments in the different levels of the health care pyramid, as well as improved governance in the health care system. In the education system, the government's actions are aimed at improving access to the national education system and the quality and performance of the system through the implementation of major reforms and projects. In this context, it will continue to implement the recommendations of the Education Summit, including the national strategy for the digitization of education, the introduction of a multi-criteria evaluation system for private schools, and the updating of the Education Law. In terms of technical education and vocational training, the efforts should make it possible to increase the job placement rate of graduates by around 80 percent and reach nearly

400,000 people trained and placed through the Second Chance School (E2C) and the Talent Academy by 2025.

**41. Social policy aims to reduce poverty and social inequality, in particular through the implementation of the Government Social Program.** In particular, the government will work to reduce people's vulnerability by continuing the Universal Health Coverage program and the Productive Social Safety Net (PSN) program, to facilitate access to health care while ensuring a decent standard of living.

- In terms of the UHC, enrollment efforts were stepped up in the first half of 2024, which made it possible to add nearly 3,240,937 people, bringing the number of people enrolled to 13,388,044. This meant that 595,533 poor people were enrolled out of a target of 1,662,594, representing an enrollment rate of 36 percent. For the second half of 2024, with the financial support of the World Bank through the HNECDP<sup>2</sup> program, a vast operation to target poor households coupled with the systematic enrollment of PSN beneficiaries should help improve this rate. At the same time, efforts will continue to strengthen access to services and expand the UHC care network, including the recruitment of new reception staff to bring their number to 5,600 by the end of 2025 compared to 1,500 in 2024.
- As for the PSN, as at end-2023 efforts had enabled 327,000 households to benefit from cash transfers covering 3,671 villages in 108 communes in the 31 regions. For 2024, priorities include the registration of 75,000 new beneficiary households under cohort 6, and 30,000 under cohort 7 under the Productive Cash Transfer Program, financed from the national budget. It will also launch modules of the Unified Social Registry Information Management System (SIG-RSU) to monitor poor and vulnerable households.

**42. The government also remains committed to continuing efforts to reduce gender inequality in all sectors of public and private life.** Previous efforts in the area of equity and gender have increased the proportion of women in elected positions and in high-level decision-making bodies. Thus, the proportion of women in the government has increased from 7.69 percent in 2011 to 18.18 percent in 2024, from 28.57 percent in 2014 to 42.86 percent in 2021 in the Office of the Constitutional Council, from 9.02 percent in 2011 to 12.60 percent in the National Assembly, and from 6.82 percent in 2018 to 14.29 percent in 2022 in the Chamber of Traditional Kings and Chiefs. In addition, 88 platforms to combat gender-based violence have been set up, and 70 gender units (64 in the public sector and 6 in the private sector) were established between 2007 and 2023. Looking ahead, the aim is to step up actions to promote girls' schooling and education, strengthen the governance of girls' education, combat all forms of violence against women, and empower women economically, socially, and politically to achieve a more egalitarian society. In this context, it

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<sup>2</sup> Health, Nutrition and Early Childhood Development Program.

will adopt the 2024-2030 National Policy on Equality, Equity, and Gender (PNEEG) before the end of 2024, the strategic directions, and objectives of which are set out below (*see Box 1*).

## E. Structural Reforms

### *Improvement of Public Financial Management*

**43. The government is committed to continuing PFM reforms to enable maximum efficiency in the use of public resources.** *In terms of current expenditure*, the actions consist of continuing (i) the implementation of fiscal regulation; (ii) the holding of program performance conferences; (iii) the implementation of actions contained in the payroll strategy; (iv) the categorization of companies and the updating of the reference price database. *Regarding investment expenditure*, this will involve continuing efforts to reduce the time taken to award public contracts, consolidating the gains made in digitizing public procurement procedures, and continuing efforts to improve the absorption capacity of capital expenditure.

#### **Box 1. Strategic Objectives and Directions of the 2024-2030 PNEEG**

The PNEEG is focused on the effective integration of gender in all sectors of public and private life, as well as a change in the mentality and behavior of the population to promote respect for the rights of women and men, girls, and boys in relation to their specific characteristics. The objectives sought by the PNEEG are to:

- promote gender mainstreaming in all areas, inclusive governance, leadership, and human rights;
- promote inclusive economic and financial development, ensuring equitable access to the means of production and infrastructure and economic empowerment;
- promote equal rights to education, opportunity, social protection, and basic social services;
- develop and promote mechanisms for the sustainable management of natural resources and the adaptation of men and women to the effects of climate change;
- develop mechanisms to promote gender norms, information, and awareness-raising among all actors for a change in behavior in favor of equity and equality in relations between men and women; and
- develop capacity-building mechanisms and institutional mechanisms to promote gender equity and equality.

The strategic directions of the PNEEG constitute a set of priority choices in response to an analysis of the gender situation and the achievement of the CEDAW<sup>1</sup> objectives and the SDGs<sup>2</sup> by 2030.

<sup>1</sup> United Nations Convention on the Elimination of All Forms of Discrimination Against Women.

<sup>2</sup> Sustainable Development Goals.

**44. In addition to these measures, the following actions will strengthen PFM.** These actions include:

- continuing the implementation of stock accounting through the development of the “asset monitoring” module in the Stock Accounting management application, the implementation of the “asset entry” module, and training of the persons involved;
- continuing the implementation of management control within the ministries through a complete review of the system in place, as well as the development and implementation of the plan to strengthen its deployment;
- continuing the deployment of Internal Budgetary Control (IBC) within other ministries in 2025;
- consolidating initiatives to strengthen transparency in public financial management, in particular through the production and publication of reports on budget execution, as well as by raising awareness among citizens through the 2025 Citizen Budget document;
- developing a framework for monitoring climate-related budget spending and integrating it into budget documentation;
- continuing to strengthen the analysis of climate-related fiscal risks in the context of the development of the Statement of Fiscal Risk; and
- strengthening the efficiency of public investment in line with the recommendations of the 2017 and 2021 Public Investment Management Assessment (PIMA), 2023 Climate PIMA (C-PIMA), and Green PFM, which will contribute to taking climate change into account in the process of the selection, budgeting, and implementation of project investments.

**45. The government will continue its efforts to improve the efficiency and transparency of spending, in particular through the digitization of the public procurement chain.** In this context, the introduction of SIGOMAP version 2, incorporating the actions of economic operators, will ensure shorter procurement times and greater transparency in the awarding of contracts. To this end, the use of e-procurement will be made mandatory for at least 80 percent of transactions involving conventional procedures (amounts in excess of CFAF 100 million) between July 1, 2024, and June 30, 2025 (structural benchmark for end-July 2025). It will also continue to implement its policy for managing the use of direct public procurement procedures by capping this type of contract at 20 percent of all contracts. In addition, it will continue its ongoing efforts to make procurement contracts more transparent, in particular by publishing a list of approved contracts identifying their holders, as well as reports on procurement audits.

**46. The government will continue to have recourse to public-private partnerships while limiting the related fiscal risks.** The National PPP Steering Committee (CNP-PPP) will ensure that these commitments do not expose the government to near-term fiscal risks. In addition, it will continue to improve the published annual assessment of fiscal risks associated with PPP contracts and publish annual reviews of the PPP portfolio in coordination with the contracting authorities, including

information on the PPP portfolio in accordance with Article 24 of Decree No. 2018-358 setting out the rules for PPP contracts (*structural benchmark for end-February 2025*). The government will also continue to improve the effectiveness of public investments in accordance with the 2017 and 2021 PIMA recommendations. Specifically, it will improve coordination between the central government and local governments, PPP management, the alignment of current and capital expenditures, and asset reporting.

### ***Promoting a Viable and Sustainable Energy Sector***

**47. The government is committed to making the necessary efforts to consolidate the electricity sector and make Côte d'Ivoire a sub-regional energy hub.** These efforts, aimed at ensuring an abundant, high-quality, and low-cost supply of electricity, will focus on the following areas: (i) universal access to electricity; (ii) the balance of electricity supply and demand; and (iii) the financial sustainability of the electricity sector.

**48. Electricity access programs<sup>3</sup> will be stepped up to ensure full access to electricity for all segments of the population.** The national access and coverage rates will thus increase from 97.2 percent and 88.1 percent, respectively, in 2023 to 100 percent in 2025. As for the service rate, it will reach 75 percent in 2025, compared to 64 percent in 2023. For the year 2025, the actions will consist of: (i) adopting the remaining four (4) implementing texts of the Electricity Code; (ii) adopting and operationalizing the regulatory framework applicable to off-grid electrification; (iii) finalizing the model for private sector involvement in off-grid electrification; and (iv) setting up a framework for the coordination of electricity sector strategies for the grid and off-grid service.

**49. The government will ensure that electricity is balanced between supply and demand while respecting international commitments in terms of energy transition.** In this context, it will implement the Electric Power Generation and Transmission Master Plan covering investment needs up to 2040, which aims to increase generation capacity from 2,907 MW at end-2023 to 5,128 MW in 2030, and to develop the transmission and distribution network to meet sustained growth in demand. It intends to accelerate the operationalization of the Sectoral Policy for the Development of Renewable Energies and Energy Efficiency 2020-2030 (PSDEREE) to meet the energy mix commitments, namely 45 percent renewable energy by 2030.

**50. The financial viability of the electricity sector will be ensured so that it is able to sustainably support the country's industrial development.** In the first half of 2024, the sector's operating and cash balances showed a deficit, due to the use of HVO and HFO liquid fuels, which are more expensive than gas, to deal with damage to thermal production facilities, and the accumulation of unpaid receivables from certain countries in the sub-region amounting to CFAF 143.482 billion.

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<sup>3</sup> National Rural Electrification Program (PRONER), Electricity for All Program (PEPT), and National Electricity Grid Extension Program (PRONEX)



Despite this situation, Côte d'Ivoire continues to supply electricity to these countries. In this context, the government intends to adopt a comprehensive plan to reorganize the sector in the first half of 2025, including studies to optimize the current pricing grid for electricity distribution. At the end of these studies, a timetable for introduction of the changes will be adopted, with implementation expected to start in 2026 at the earliest. Concerning the frequency of price adjustments, a text supplementing the regulatory framework of Decree No. 2016-786 of October 16, 2016, will be adopted during the first half of 2025 with a view to making annual price adjustments systematic, with implementation procedures staggered according to the options for applying measures to optimize the pricing grid.

**51. The energy sector will also benefit from the implementation of PETROCI Holding's 2024-2028 strategic plan (PS2428).** This plan is structured around four (4) strategic directions and aims to: (i) institutionalize the governance system; (ii) improve operational and technical performance; (iii) improve financial performance; and (iv) ensure the sustainability and responsibility of the company. Implementation of this plan should help to boost the company's financial strength by increasing the company's net income tenfold over the period 2024-2028 and promote the development of an integrated and diversified oil economy.

### ***Improving the Business Climate and Developing the Private Sector***

**52. The government will step up actions to further increase private investment, promote domestic entrepreneurship, and attract foreign direct investment to create decent job opportunities and reduce inequality.** Within this framework, capitalizing on the achievements and lessons learned from the Business Climate Reform Agenda 2020-2022, a new three-year Reform Agenda 2025-2027 based on the World Bank's Business Ready (B-Ready) index will be adopted in the last quarter of 2024. In addition, particular emphasis will be placed on: (i) developing industrial clusters and agricultural hubs; (ii) making businesses more competitive; (iii) supporting small and medium-sized enterprises; and (iv) promoting the creation of formal businesses.

**53. In addition to the launching of the Three-Year Reform Agenda 2025-2027, the business climate will benefit from projects to expand the use of the unique business identifier (UBI) and digitize business permits and licenses.** The government plans to expand the issuance of the UBI to the 10 competitive economic hubs in the interior of the country by 2026. This expansion will facilitate operations between the private sector and local governments and ensure their traceability. Regarding business permits and licenses, after collecting and posting online information on all business licenses and permits in the Ivorian ecosystem on the [www.225invest.ci](http://www.225invest.ci) portal, it will, on the one hand, launch an e-license platform for the submission of applications and renewal of business licenses and permits and, on the other hand, streamline the process of issuing business licenses and permits.

**54. In addition, to facilitate foreign trade, the Single Window for Foreign Trade (GUCE) will be strengthened with the introduction of six (6) new modules by end-December 2024.** The



modules are: (i) E-Visit to facilitate the booking of appointments for joint and individual inspections of goods; (ii) EXEMPTION for the issuance of certificates of exemption from customs duties and taxes; (iii) E-CO for the issuance of Certificates of Origin; (iv) E-MOVEMENT for monitoring the movement of goods, records of loading/unloading, entry/exit, and tracking of containers at terminals; (v) E-RELEASE for invoicing and cargo exit authorizations; and (vi) E-BOOKING for export procedures, reservation, and confirmation of holds on ships.

**55. In line with its industrialization policy, the government intends to accelerate the development of industrial clusters and agricultural hubs while strengthening the ecosystem for the management and development of industrial infrastructure.** Regarding industrial clusters, the development strategies and action plans for operationalization of the various clusters have been finalized and will be submitted to the Council of Ministers for adoption before end-2024. As for the agricultural hubs, the nine (9) hubs identified will be gradually deployed following the launching of Agricultural Hubs 1 and 2 in the center of the country (2PAI-Bélier at Yamoussoukro) and in the north (2PAI-Nord in Sinématiali), respectively. In terms of reforming the ecosystem for the management and development of industrial infrastructure, a draft law on the creation and management of industrial zones, adopted by the Council of Ministers in June 2024, will be presented to the Parliament for review and adoption before end-December 2024. This law, once it is passed, will help boost the development of industrial zones by giving the government the ability to turn over the management, construction, and operation of industrial zones to the private sector.

**56. The industrial sector should benefit from the implementation of the Diversification, Industrial Acceleration, Competitiveness, and Jobs (DAICE) program and the Industrial Development Fund.** This program covering a four-year period was launched in August 2024 with funding from the African Development Bank (AfDB) in the amount of €165 million, or CFAF 116.16 billion, and it aims to support economic diversification, acceleration of industrialization, and job creation by improving: (i) the competitiveness of value chains; (ii) access to finance for SMEs; and (iii) the promotion of investments. In addition, the government will do the necessary due diligence for the creation and operationalization of the Industrial Development Fund, an essential lever to facilitate the financing of the industrial sector and compensate for the lack of resources allocated to the development of industrial enterprises. To ensure the traceability and quality of industrial products, it will also issue a decree setting out the conditions and procedures applicable to the affixing of bar codes to products intended for consumption.

**57. The government will continue its efforts to support SMEs to make them the essential lever for growth and sustainable and inclusive job creation.** To this end, it intends to capitalize on the operationalization of the Single Window for Business Development (GUDE-PME) to accelerate the technical and managerial support of SMEs to facilitate their access to public contracts, and their expansion. Through the Small and Medium-Sized Enterprise Credit Guarantee Company (SGPME), partial portfolio and individual guarantee products will be made available to SMEs to reduce their credit risk and leverage their access to financing. In addition, work with the private sector (banks,

microfinance institutions, investment funds) will make it possible to jointly develop financing and investment products tailored to SMEs.

**58. The SME ecosystem should benefit from the reform of the SME Development Policy Framework Law, as well as the implementation of a National Strategy for the Development of Entrepreneurship and Innovation.**

- The government intends to adopt a draft reform of the SME Development Policy Framework Law in the first half of 2025. This draft law introduces a more global and integrated approach by taking into account the development constraints of SMEs, new socio-economic issues, and entrepreneurial challenges of SMEs, as well as new principles, namely: (i) the international concept of "*thinking small*," which aims to ensure that the specific characteristics, needs, and interests of SMEs are adequately taken into account in the drafting of development laws and initiatives; (ii) the promotion of innovation, environmental protection, and the green economy; (iii) the effectiveness and coherence of policy coordination in support of SMEs; (iv) the protection of SME assets; (v) the promotion of good governance; (vi) the empowerment of SMEs in wealth creation; and (vii) the extension of local content to the SME sector. This reform will introduce a new status of Intermediate-Sized Enterprise, whose objective is to support companies with an annual turnover between CFAF 3 billion and CFAF 5 billion to make them "*National Champions*." It also raises the thresholds for the various categories of SMEs to take into account the dynamic growth of the Ivorian economy in accordance with the results of studies conducted among government departments and the private sector.
- In addition, a National Strategy for the Development of Entrepreneurship and Innovation (2024-2028 SNDEI) will be adopted before the end of the first quarter of 2025. It is designed to foster, over the period 2024-2028, a class of dynamic, innovative, and high-impact local entrepreneurs. The SNDEI is organized around five (5) strategic directions: (i) developing a culture of innovation and entrepreneurial skills among the Ivorian population; (ii) optimizing the dissemination of important information; (iii) increasing the participation of local entrepreneurs in public and private procurement; (iv) facilitating access to adequate financing for local entrepreneurs; and (v) strengthening the connection between the research community and the private sector. Ultimately, the SNDEI should enable a tenfold increase in the number of public contracts awarded to SMEs, as well as in the number of SMEs and project developers benefiting from the Ivorian Innovation Fund and the Guarantee Fund.

**59. The government will also continue to implement initiatives to reduce the share of the informal sector in the economy and promote more inclusive growth.** As part of this effort, it initiated an operation to register and identify entrepreneurs in Côte d'Ivoire cities, with a view to building a database and putting a digital solution into place. The pilot project, which was launched on March 11, 2024, in the city of San Pedro, has registered 25,720 entrepreneurs. The registration efforts were focused in particular on craftspeople and people engaged in small-scale trade in various sectors

who could be geolocated. The expansion phase in 2025 will make it possible to extend this operation to several other cities (Bouaké, Yamoussoukro, Man, Gagnoa, Daloa, Odienné, Korhogo, Abidjan, Dabou, and Abengourou). This project will ultimately offer a tool for broadening the tax base and for better targeting initiatives to support and strengthen the capacities of entrepreneurs and will facilitate the movement of businesses into the formal economy. At the same time, efforts to reduce informal employment are continuing through the initiatives below (see Box 2).

### Box 2. Initiatives to Address the Problem of Informal Employment

Various initiatives have been undertaken by the government to address the problem of informal employment, which represents one of the major challenges of the labor market in Côte d'Ivoire. These initiatives include:

- the development of an Integrated National Strategy for the Transition to the Formal Economy (SNIT-EF) with the implementation of a pilot phase over the period 2020-2024. This project aims to encourage actors in the informal economy to move into the formal sector, in particular through administrative registration and social protection;
- the establishment of the Social Security Plan for Self-Employed Workers (RSTI), which provides mandatory social coverage for all self-employed workers in Côte d'Ivoire, offering protection in the event of illness, accident, maternity, and retirement. The RSTI is a supplementary plan in addition to the basic National Social Security Fund (CNPS) plan. While the basic social protection plan covers only salaried employment, the RSTI covers all other workers so that all workers in the country have access to social protection. It does not have a defined quantitative target, even though it is intended for all workers who do not have access to the basic social protection plan (around 7,000,000 people in 2019);
- the promotion of the digitization of social protection services (CNPS, UHC), thus facilitating access to online business registration and social contributions;
- the adoption of the status of entrepreneur and the issuance of identification certificates to SMEs; and
- the operationalization of the Labor Market Information System, which will make it possible to formulate targeted actions to accelerate the transition to the formal economy. The system is operational and managed by the National Observatory of Employment and Training.

### Improving the Governance Framework

**60. The government will work to implement the National Anti-Corruption Strategy (2024-2028 NACS) and will continue efforts related to the handling of asset declarations to further strengthen the governance framework.** The NACS provides in particular for increasing the financial autonomy of structures responsible for combating corruption and alignment of the legal framework for combating corruption with international standards, in particular the United Nations Convention. As part of this process, it will be necessary to: (i) amend Ordinance No. 2013-660 of September 20, 2013, which provides the organizational framework for combating corruption; (ii) update the law on the handling of gifts; (iii) strengthen the framework for the protection of whistleblowers; and (iv) adopt specific regulations for anti-corruption bodies. After its adoption in June 2024, the 2024-2028 NACS will be widely disseminated to the public before end-2024 and will

be put into effect over the period 2025-2028 through a national program. As a prerequisite for implementation of the strategy, the governance bodies and steering, monitoring, and evaluation tools will be put in place in the last half of 2024. In addition, with regard to asset declarations, efforts, in particular the application of sanctions with regard to asset declarations since November 13, 2023, have made it possible to significantly increase the declaration rate, which stood at 84.4 percent at end-June 2024 and is expected to reach 90 percent at end-2024. In the future, actions will focus on strengthening the processing and verification of asset declarations of persons subject to reporting requirements. In this respect, an evaluation of the current asset declaration system will make it possible to define the institutional and organizational framework and the information system necessary for the processing and verification of these declarations.

**61. In terms of anti-money laundering and combating the financing of terrorism (AML/CFT), efforts are aimed at complying with the FATF's<sup>4</sup> 40 recommendations.** As part of the first follow-up report on the second cycle of the mutual evaluation of Côte d'Ivoire, GIABA<sup>5</sup> gave new ratings to nine recommendations in May 2024. Thus, out of the 40 recommendations, the country is largely compliant with fourteen (14), in compliance with four (4), partially in compliance with fifteen (15), and not in compliance with seven (7). Actions are continuing to increase the number of recommendations with which the country is compliant or largely compliant at the end of the next GIABA session. In this respect, the country has put on the agenda of the next plenary session 13 recommendations that should be subject to a rating review. In addition, the management of beneficial ownership registers will be strengthened through the deployment of an information system that will interconnect all courts, the Directorate General of Taxes (DGI), and the Ivorian Centre for the Promotion of Investments in Côte d'Ivoire (CEPICI) by end-2025. In addition, the Government will make the legal framework compliant with FATF Recommendation #6 to continue implementing the targeted UN financial sanctions related to terrorism and its financing, and, in accordance with FATF Recommendation #8, pursue a risk-based monitoring of non-profit organizations exposed to the risk of being exploited for terrorist financing purposes (SB end December 2025).

### ***Developing the Financial Sector and Financial Inclusion***

**62. Efforts to strengthen the banking sector will be continued so that it can continue to play a role in supporting the financing of the economy.** In this context, restructuring the portfolio of state-owned banks has made it possible to bring all state-owned banks up to standard in 2024. The fulfillment of commitments resulting from the sale at end-2023 of Banque Populaire de Côte d'Ivoire (BPCI) to Africa Financial Group (AFG) Bank has been completed and the process will be finalized at the end of the year through the certification of the accounts for the 2023 financial year. The government will continue to closely monitor state-owned banks to consolidate their position in

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<sup>4</sup> Financial Action Task Force.

<sup>5</sup> Inter-Governmental Action Group against Money Laundering in West Africa.

the banking market. In addition, the entry into force of the WAEMU Council of Ministers decision of December 21, 2023, raising the minimum share capital of banks from CFAF 10 billion to CFAF 20 billion should contribute to strengthening the soundness of the banking sector. This measure is intended to promote the emergence of sound and competitive banks and to meet the growing financing needs of the economy. Banks licensed before January 1, 2024, have a period of three years to comply with this new threshold. Furthermore, in conjunction with the BCEAO, the government will work to mitigate the major risks to the Ivorian financial system, notably those associated with climate change and cybercrime.

**63. The government will pay particular attention to measures aimed at deepening the financial market, diversifying financial instruments, and promoting financial inclusion.** In this connection, it will continue the effective implementation of the Financial Sector Development Strategy (FSDS). To this end, it will provide for: (i) the continued promotion of factoring following the enactment of Law No. 2023-423 of May 22, 2023, on factoring activity in Côte d'Ivoire; (ii) more intensive efforts to develop financial instruments and products adapted to the financing of SMEs (leasing and Islamic finance) in conjunction with the Single Window for the Development of SMEs (GUDE-PME); (iii) the launching of the Agricultural Commodity Exchange (BMPA); (iv) an increase in the mobilization of long-term resources through an intensification of the activities of the Deposit and Consignment Fund; (v) an increase in the insurance penetration rate through innovative products such as micro-insurance and agricultural or index insurance; and (vi) the promotion of financial technologies (Fintech) that are transforming the financial landscape by offering innovative and accessible solutions. In addition, a review of the 2019–2024 National Financial Inclusion Strategy (NFIS) was performed in May 2024. This review highlighted the need to take into account the gender, environment, digital finance, and customer protection dimensions, as well as innovative financing of the agricultural sector. Based on the conclusions of this review, a new NFIS for the period 2025–2029 will be developed in 2025. In addition, the introduction of a coffee-cocoa producer's card with a bank chip allowing financial transactions involving the sale of products should significantly improve access to financial services by rural populations.

**64. The development of financial inclusion is expected to accelerate thanks to the introduction of a platform for the interoperability of financial services and instant payments.** Indeed, as part of the promotion of access to financial services for WAEMU populations and in view of the rapid growth in innovative electronic financial services products, the BCEAO has initiated a project aimed at the interoperability of digital financial services to support the market and further boost financial inclusion (*see Box 3*).

### Box 3. Financial Services Interoperability Platform

The Financial Services Interoperability Platform is an instant, interoperable payment system that is in continuous operation 24/7. Through this system, users will now be able to instantly carry out transactions of any kind (payments, transfers, etc.), regardless of the type of account, the bank, the financial institution, the microfinance institution, the electronic money issuer, or the payment institution connected to the interoperable system. Also, it will allow payments to be made to any merchant with an interoperable QR Code or capable of sending a payment request.

The pilot phase of the WAEMU interoperable instant payment system was launched on July 22, 2024. This pilot phase involves 90 financial institutions, including 67 banks, 9 electronic money institutions, and 14 decentralized financial systems.

Ultimately, this platform should revolutionize financial services through:

- a reduction in transaction costs for the customer, by pooling the processing costs of interoperable services;
- secure clearing and settlement mechanisms for inter-network transactions; and
- diversification of the range of services on offer by extending financial services to all account types and acceptance networks.

## Strengthening Resilience to Climate Change

### 66. The government maintains its commitment to continue efforts to complete the reform measures scheduled for 2025 (see Table 3).

- Under RM 1, a document review and mapping of actors and partners with climate standards and green finance instruments were carried out in 2024. The next steps will be to: (i) make a choice and define the markers; (ii) issue an interministerial order instituting marking; (iii) incorporate these markers into the tools for preparing projects and developing the Public Investment Program (PIP); and (iv) transpose the marking grid into the PIP information system.
- Under RM 2, to date three macroeconomic models integrating climate variables, developed by the IMF, the World Bank, and the Millennium Institute, have been identified as candidates for the analysis and quantification of climate-related fiscal risks. These require adaptation to the country's macroeconomic, environmental, and climatic contexts and the capacities of staff involved in this exercise need to be developed. In particular, a request for technical assistance was submitted to the IMF in October 2024 for the implementation of RM 2.
- Under RM 3, an interministerial order will be adopted in 2025 pursuant to Decree No. 2022-742 on the management of public investment projects, making it explicitly mandatory to include climate considerations in the assessment and selection of public investment projects.
- Under RM 5, the work that has been initiated should make it possible to launch the Project Management Unit in the first quarter of 2025 through the recruitment of key positions. Subsequently, capacity development and awareness-raising activities for stakeholders should be

carried out in the second half of 2025. The stakeholders concerned are, among others, the meteorological data management body (SODEXAM), stakeholders in the insurance sector (regulator, insurance companies, and professional organizations), and stakeholders in the cotton sector.

- Under RM 6 and RM 7, Interministerial Order No. 000136/MINEDDTE/MFB of March 28, 2024, establishing the Initiative for Climate Action Transparency (ICAT) project also introduces a coordination mechanism for design of the taxonomy as part of the development of the climate financial reporting architecture. Thus, as part of the ICAT project, the transition taxonomy will be developed based on the European green taxonomy and the taxonomy put in place by the WAEMU circular. Based on this taxonomy, the government will issue a decree to: (i) introduce a climate risk reporting framework for state-owned enterprises and private non-financial corporations; and (ii) make financial reporting by state-owned enterprises and private non-financial companies based on the climate risk reporting framework mandatory.
- Under RM 11, in accordance with the timetable established for energy audits, the Authorizations and Approvals Commission met on August 22, 2024, to approve the first energy auditors. Tenders for five energy audits of public sector buildings will be launched between October and November 2024, with the audits to be carried out in 2025.
- Under RM 12, the government requested technical assistance from the IMF in October 2024, which should lead to work on developing the carbon tax strategy in 2025. This strategy will be adopted by the Council of Ministers by end-December 2025 at the latest.
- Under RM 16, the finalization of decrees approving the concession agreements for two solar power plants with a total capacity of more than 100 MWp is underway and will be completed in the second half of 2025.

### ***Strengthening the National Statistical System***

**67. The government will continue to take action to strengthen the institutional and organizational framework of the national statistical system.** After the adoption of various decrees implementing Law No. 2020-950 of December 7, 2020, on the organization of the national statistical system, it will ensure that the bodies created are operational, namely the National Statistics Council (CNStat), the National Statistics Agency (ANStat), and the National Fund for the Development of Statistics (FNDS). In addition, it will adopt a decree on the organization and operation of the National Authority for Official Statistics (ANSP).

**68. The production and dissemination of statistical data will continue to be strengthened. In this connection, it will continue work on: (i) the introduction of new indicators; (ii) the strengthening of national accounts; (iii) the improvement of the company database; and**



**(iv) adherence to the Special Data Dissemination Standard (SDDS) by end-2025 at the latest.**

This will involve:

- Conducting the General Census of Companies and Businesses in Côte d'Ivoire (2022-2023 RGEE-CI) planned as part of the Program for the Harmonization and Improvement of Statistics (PHAS). The aim of the 2022-2023 RGEE-CI is, on the one hand, to obtain an up-to-date and comprehensive economic and financial database covering enterprises and businesses in the formal and informal sectors in Côte d'Ivoire and, on the other hand, to establish a Geographic Information System (GIS);
- Completing work on the alignment of the Quarterly National Accounts (QNAs) with the new rebased Annual National Accounts (ANAs) and beginning production of QNAs in line with the demand approach;
- Continuing the production, on the one hand, of high-frequency indicators, in particular the revamped Construction and Public Works Leading Indicator, balances of opinion in industry, the Services Sales Index, and the Services Producer Price Index, and on the other hand, unit value indices for exports and imports;
- Continuing to publish quarterly data on central government debt in the quarter following the end of the reference quarter on Côte d'Ivoire's National Summary Data Page (<https://nso-cotedivoire.opendataforafrica.org/awirqrf/national-summary-data-page-nsdp>);
- Disseminating historical annual general government operations data up to year 2023 by end-December 2024 through the National Summary Data Page (SB end March 2025); and
- Continuing efforts to adhere to the SDDS no later than end-2025 and thus become the sixth sub-Saharan African country to join the SDDS.

## **F. Program Financing and Monitoring**

**69. The government estimates that the funding needs of the 2024–2026 program will be met, and funding sources have been identified for the next 12 months.** Additional financing will be mobilized on the regional money market and with external partners. Domestically, it will optimize the use of fund-raising on the regional market to preserve private sector access to credit. Externally, it will have recourse to the international market, depending on financial conditions, and will give preference to the donor community to contribute to the strengthening of regional exchange reserves.

**70. The program will be subject to semi-annual monitoring by the IMF's Executive Board, based on quantitative indicators and criteria, structural benchmarks (SBs), and reform measures (RMs)** (Tables 1, 2, and 3). These criteria and indicators are defined in the attached Technical Memorandum of Understanding containing a summary of the projection assumptions, which serve as a basis for the assessment of certain performance aspects. The fifth and sixth semi-annual reviews will



take place on or after November 15, 2025, and May 15, 2026, and based respectively, on end-June 2025 and end-December 2025 test dates for periodic performance criteria and indicative targets. The quantitative performance criteria (QPCs) and indicative targets (ITs) were added for end-June and end-December 2025, as well as ITs for end-September 2025. Modification of the QPC of the ceiling on the present value of new external debt is being proposed to exclude potential future debt management operations (DMOs) from the definition of external debt for the QPC calculation. Structural conditionality has been augmented to include new SBs on domestic revenue mobilization (DRM), governance, and data dissemination (Table 2). To this end, the government plans to:

- Refrain from accumulating new domestic arrears and all types of advances on revenue and from contracting non-concessional external loans other than those specified in the TMU;
- Issue public securities through auctions held by the BCEAO or any other form of public securities issue on the WAEMU financial market, in consultation with IMF staff for any new financing;
- Refrain from introducing or tightening restrictions on payments and transfers for current international transactions, introducing multiple currency practices, entering into bilateral payment arrangements that are inconsistent with Article VIII of the IMF Articles of Agreement, or introducing or tightening import restrictions for balance of payments purposes; and
- Adopt any new financial or structural measures that may be necessary for the success of its policies, in consultation with the IMF.

Table 1. Côte d'Ivoire: Quantitative Performance Criteria and Indicative Targets Under the EFF/ECF, 2023-2025<sup>1/</sup>

	2023								2024								2025			
	September				December				March			June			September	December	March	June	September	December
	IT	Outturn	Status	PC	Adjusted	Outturn	Status	IT	Outturn	Status	2nd review	Outturn	Status	IT	2nd review	PC	IT	PC	IT	PC
<b>A. Performance Criteria</b>																				
Floor on the overall fiscal balance (incl. grants)	(2,007)	(1,507)	MET	(2,514)	...	(2,508)	MET	(507)	(504)	MET	(1,085)	(963)	MET	(1,505)	(2,121)	(637)	(1,058)	(1,459)	(1,737)	
Ceiling on net domestic financing (incl. the issuance of securities in CFAF)	952	952	MET	1,160	1,420	1,364	MET	14	(197)	MET	594	(61)	MET	1,036	1,355	420	794	1,206	883	
Ceiling on the present value of new external debt (with a maturity of more than one year) contracted or guaranteed by the central government (millions of US\$)	4,242	2,451	MET	4,650	...	2,642	MET	1,157	3,286	NOT MET 3/	4,422	3,895	MET	5,505	6,063	1,781	2,667	3,626	4,238	
Floor on government tax revenue	4,620	4,791	MET	6,306	...	6,507	MET	1,643	1,646	MET	3,538	3,559	MET	5,299	7,156	1,868	4,107	6,087	8,363	
<b>Performance Criteria on Continuous Basis</b>																				
Ceiling on accumulation of new external arrears by the central government (continuous basis)	0	0	MET	0	...	0	MET	0	0	MET	0	0	MET	0	0	0	0	0	0	0
Ceiling on accumulation of new domestic arrears by the central government (continuous basis)	0	0	MET	0	...	0	MET	0	0	MET	0	0	MET	0	0	0	0	0	0	0
<b>B. Indicative Targets</b>																				
Floor on targeted social spending	700	736	MET	949	...	970	MET	230	264	MET	463	491	MET	767	994	244	491	858	1,128	
Ceiling on expenditure by treasury advance	263	259	MET	345	...	342	MET	82	75	MET	192	144	MET	307	449	106	247	361	464	
Floor on net reduction of central government amounts payable (- = reduction)	(78)	(82)	MET	(25)	...	(26)	MET	(54)	(176)	MET	(41)	(43)	MET	(33)	(25)	(80)	(85)	(55)	(25)	
Floor on basic primary balance	(130)	295	MET	187	...	(47)	NOT MET	55	118	MET	86	180	MET	150	(26)	65	154	356	884	
<b>Memorandum Items:</b>																				
Program grants (millions of US\$) 2/	160	97	...	324	...	322	...	0	0	...	170	161	...	170	331	0	141	141	262	
Program loans (millions of US\$) 2/	169	439	...	930	...	608	...	957	-	...	3,110	3,134	...	3,110	3,523	541	573	606	969	
Project grants (millions of US\$) 2/	126	77	...	191	...	189	...	17	8	...	29	36	...	45	81	43	68	102	170	
Project loans (millions of US\$) 2/	1,860	934	...	2,785	...	2,294	...	354	221	...	925	844	...	1,135	1,539	384	864	1,512	2,160	
Cumulative C2D	100	...	...	200	...	141	...	20	3	...	80	100	...	140	200	0	88	88	149	
Total pro-poor spending	2,403	...	...	3,318	...	3,497	...	748	838	...	1,655	1,661	...	2,467	3,405	845	1,869	2,786	3,845	

Sources: Ivorian authorities; and IMF staff estimates.

1/ Cumulative amount from January 1, 2023 for 2023 targets, from January 1, 2024 for 2024 targets, and from January 1, 2025 for 2025 targets.

2/ Converted with US\$/CFAF program exchange rate.

3/ This is due to the January 2024 Eurobond issuance.

**Table 2. Côte d'Ivoire: Prior Action and Structural Benchmarks Under the ECF/EFF, 2023-25**

<b>Proposed Prior Action and New Structural Benchmarks</b>				
<b>Reform Area</b>		<b>Rationale</b>	<b>Status</b>	<b>Due Date</b>
<b>Revenue Mobilization</b>	<b>Prior Action:</b> Submit to parliament 2025 budget in line with program objectives, including new revenue measures	Boost domestic revenue to preserve fiscal and debt sustainability and create fiscal space for public investment and poverty reduction.		
	Apply market valuation as a basis for property taxation, and this should cover all types of real estate parcels irrespective of built or unbuilt classification.			End-May 2025
	Improve estimates of tax expenditures, particularly those resulting from the Investment Code, including by improving primary data to include tax credits and tax holidays on all taxes covered in the investment code.			End-September 2025
<b>Governance</b>	Make the legal framework compliant with FATF Recommendation 6 to continue implementing targeted UN financial sanctions related to terrorism and its financing, and, in accordance with FATF Recommendation 8, pursue a risk-based monitoring of non-profit organizations exposed to the risk of being exploited for terrorist financing purposes.	Facilitate a swift exit from the FATF grey list in order to mitigate potential negative macroeconomic repercussions.		End-December 2025
<b>Data Dissemination and Transparency</b>	Disseminate historical annual general government operations data up to year 2023 by end-December 2024 through the National Summary Data Page	Improve data dissemination and transparency to help boost confidence and garner broader public awareness and buy-in on reforms.		End-March 2025

Table 2. Côte d'Ivoire: Prior Action and Structural Benchmarks Under the ECF/EFF, 2023-25 (continued)

Current Structural Benchmarks				
Reform Area		Rationale	Status	Due Date
Revenue Mobilization	Informed by the MTRS, establish, and publish clear criteria and procedures for granting and eliminating reduced VAT rates and or exemptions, including mandatory impact evaluation for the largest tax expenditures with distributional impact, to be used in rationalizing existing and future use of reduced VAT rates.	Boost domestic revenue to preserve fiscal and debt sustainability and create fiscal space for public investment and poverty reduction.		end-June 2025
	Prepare and implement a plan to manage and collect outstanding tax arrears.		Met	end-September 2023
	Cabinet approval of a Medium-Term Revenue Mobilization strategy (MTRS), with revenue targets and a timeline, and publication of a comprehensive summary. <sup>1</sup>		Met	end-May 2024
	Strengthen the module relating to automated VAT management by incorporating the control of the VAT deduction collected at customs.		Met	end-June 2024
	Issue an ordinance to streamline the provisions relating to exemptions linked to the investment code.		Met	end-September 2024
<sup>1</sup> See <a href="https://www.tax-platform.org/medium-term-revenue-strategy">https://www.tax-platform.org/medium-term-revenue-strategy</a> for examples of such publications.				

**Table 2. Côte d'Ivoire: Prior Action and Structural Benchmarks Under the ECF/EFF, 2023-25 (continued)**

Reform Area		Rationale	Status	Due Date
PFM	Continue to enforce e-procurement use by at least 80 percent of all ordinary operations (those with larger than 100 million CFAF) between July 1, 2024, and June 30, 2025.	Improve the efficiency and transparency in procurement.		end-July 2025
	To further enhance the published annual assessment of fiscal risks related to PPP contracts, publish annual reviews of the PPP portfolio in coordination with the contracting authorities, including information on the PPP portfolio in accordance with article 24 of Decree No. 2018- 358 setting out the rules for PPP contracts.	Improve the efficiency and transparency of public investment and limit fiscal risks		end-February 2025
	Adopt by the council of ministers the draft law on national debt policy.	Define general objectives for public debt and prudential rules; (ii) establish public debt commitment procedures for ministerial departments and state agencies; (iii) rationalize the framework for debt operation and debt management; (iv) clarify the rules and purposes for government on-lending; (v) and strengthen the institutional framework for public debt management.	Met	End-September 2023
	Treasury Single Account (TSA): Adopt by the government a timetable for closing accounts with commercial banks.	Improve cash management and minimize financial cost	Met	End-December 2023

**Table 2. Côte d'Ivoire: Prior Action and Structural Benchmarks Under the ECF/EFF, 2023-25 (concluded)**

Reform Area		Rationale	Status	Due Date
<b>PFM</b> (continued)	Enforce e-procurement to be used by an average of at least 10 percent of the operations for which the procurement procedures will start from October 2023.	Improve the efficiency and transparency in procurement	Met	End-December 2023
	Enforce e-procurement to be used by at least 50 percent of all ordinary operations (those with value larger than 100 million CFAF) between January 1, 2024, and June 30, 2024.		Met	End-July 2024
<b>Governance</b>	Approve a ministerial decree by the Council of Ministers to (i) designate the AML/CFT supervisors for the real estate agents, dealers in precious metals and stones, casinos and gambling establishments, business agents (agents d'affaires), and trust and company service providers; and (ii) set out their powers and responsibilities to undertake risk-based supervision in line with FATF Recommendation 28.	Improve the effectiveness of the AML/CFT framework.	Met	End-May 2024
<b>Data Dissemination and Transparency</b>	Publish quarterly central government debt data within one quarter after the end of the reference quarter on Côte d'Ivoire's National Summary Data Page ( <a href="https://nso-cotedivoire.opendataforafrica.org/awirqrf/national-summary-data-page-nsdp">https://nso-cotedivoire.opendataforafrica.org/awirqrf/national-summary-data-page-nsdp</a> ).	Improve data dissemination and transparency to help boost confidence and garner broader public awareness and buy-in on reforms.	Met	end-September 2024
<b>Financial Sector</b>	Complete a mid-term review of the National Strategy for Financial Inclusion to take into account the government's new priorities in relation to the objectives of the NDP, particularly access to financial services for women.	Improve the access to financial services, particularly for disadvantaged populations	Met	end-May 2024

Table 3. Côte d'Ivoire: RSF Reform Measure Matrix

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Integration of climate into public financial management	RM1. - Adopt a ministerial <i>arrêté</i> establishing a system for tagging climate-related investment expenditure at the stage of public investment programming, then integrate this system into the 2026 budget preparation process with coverage initially limited to five (5) ministries including those in charge of energy, agriculture, environment and sustainable development, <i>hydraulique et assainissement</i> , and water and forests. - Prepare and publish on this basis a first climate budget statement attached to the 2026 budget law, presenting the climate-related investment expenditure expected for these entities	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	- Ministerial <i>arrêté</i> establishing a system for tagging climate-related capital expenditure (October 2024). - Climate budget statement attached to the 2026 budget law.	GCA/ IMF TA
	RM2. - Establish a modeling framework and integrate quantitative analysis of climate-related fiscal risks into the fiscal risk statement for end-October 2025	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	- Annex to the 2026 budget law on the declaration of budgetary risks incorporating the quantification of climate risks	IMF TA
	RM3. - Adopt an interministerial <i>arrêté</i> in application of decree N°2022-742 on the management of public investment projects, making it mandatory and explicit to integrate climate considerations into the appraisal and selection of public investment projects, and modify decree 96-894 on environmental impact assessments to integrate climate considerations, in order to promote low-carbon/climate-resilient investments and discourage high-carbon/climate-vulnerable investments.	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	- Interministerial <i>arrêté</i> implementing decree no. 2022-742 on the management of public investment projects (end October 2025). - Decree 96-894 on the environmental impact study to incorporate climate considerations modified (end June 2024).	

Table 3. Côte d'Ivoire: RSF Reform Measure Matrix (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Strengthening the governance of climate policies	<p>RM4.</p> <ul style="list-style-type: none"> <li>- Set up a national commission in charge of climate change issues under the auspices of the Prime Minister's Office, with a mandate to ensure that Côte d'Ivoire complies with its international commitments to combat climate change, and that climate issues are taken into account in sectoral policies, climate-sensitive economic planning and disaster risk management.</li> <li>- This commission will be responsible for producing an annual progress report on the status of the climate transition in Côte d'Ivoire, which will include short- and medium-term recommendations to the government to improve climate action, and which will be published. An official communication on the report will be presented in the Council of Ministers.</li> </ul>	<p>CCDR</p> <p>AfDB report on mobilizing climate financing in the private sector</p>	<p>End of October 2024, 3rd EFF/ECF review</p> <p><b>MET</b></p>	<ul style="list-style-type: none"> <li>- Decree creating the National Commission in charge of climate change issues (end June 2024).</li> <li>- Official communication on the report at the Council of Ministers on the annual progress report on the climate transition (end October 2024).</li> <li>- Publication of the annual progress report on the climate transition.</li> </ul>	
Exposed and vulnerable agriculture sector	<p>RM5.</p> <ul style="list-style-type: none"> <li>- Gradually implement an insurance system against climate hazards. As a first step, a pilot insurance system for the cotton sector will be set up through capacity-building for stakeholders (producers and cooperatives) and preparations for the introduction of insurance products for the sector's stakeholders by the end of December 2025.</li> </ul>	CCDR	<p>End of December 2025; 6<sup>th</sup> EFF/ECF review</p>	<ul style="list-style-type: none"> <li>- Report on awareness-raising and capacity-building activities.</li> <li>- Information notes on the insurance product for the cotton sector available (end December 2025).</li> </ul>	<p>BOAD:</p> <p>Supervision of the implementation of activities in line with procedures; partial financial contribution to subsidize insurance premiums for the second stage of the project.</p>



Table 3. Côte d'Ivoire: RSF Reform Measure Matrix (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Increasing green and sustainable financing for private and public companies (develop financial information architecture)	RM6. - Develop the architecture for climate-related financial information, and adopt a decree on the introduction of two complementary frameworks and the timetable for their implementation, namely (i) a transition taxonomy (reference framework for public and private sector climate investments) covering the country's mitigation and adaptation needs across key sectors, and (ii) introducing an inter-ministerial coordination mechanism on the design of the taxonomy.	CCDD C-PIMA and green PFM TA report AfDB country report on mobilizing climate financing in the private sector WAEMU FSAP World Bank TN on Climate Risks and Opportunities	End of April 2025; 4 <sup>th</sup> EFF/ECF review	- Interministerial <i>arrêté</i> on the introduction of a coordination mechanism (March 2024). - Decree on transition taxonomy (end of April 2025)	IMF/ World Bank TA available
	RM7. Based on the taxonomy introduced as part of RM6, - Adopt a decree that includes: (i) the introduction of a climate risk disclosure framework for state-owned enterprises and private non-financial private companies, connected to the taxonomy; and (ii) a disclosure requirement that is integrated within the financial reporting of state-owned enterprises and non-financial companies, based on the climate risk disclosure framework, as well as their implementation timeline.	CCDD	End of April 2025; 4 <sup>th</sup> EFF/ECF review	- Decree introducing a climate risk disclosure framework and requirement (end April 2025)	IMF/ World Bank TA available

Table 3. Côte d'Ivoire: RSF Reform Measure Matrix (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Increasing green and sustainable financing for private and public companies (develop financial information architecture) (continued)	RM8. - Adopt a decree that comprises two actions: (i) making the green finance platform operational by (1) setting up a website where domestic and international climate finance actors can find key information on the main pillars of the National Climate Finance Mobilization Strategy, Nationally Determined Contributions, the National Adaptation Plan, the National Development Plan, quantified targets for mobilizing domestic and international climate finance and the role envisaged for the various financial instruments, and the involvement of multilateral donors and other international partners in the National Climate Finance Mobilization Strategy, and (2) the development and implementation of a training and capacity-building plan for national actors on climate finance instruments, taxonomies and disclosure frameworks for climate risks; (ii) design and implement a framework for monitoring and tracking climate finance through a finance Measurement, Reporting and Verification (MRV) system for the said platform	CCDR	End of October 2024, 3rd EFF/ECF review  <b>MET</b>	- Decree on the operationalization of the Green Finance Platform <ul style="list-style-type: none"> <li>Website.</li> <li>Training and capacity-building plan for national players on climate finance instruments, taxonomies and reporting frameworks for climate risks.</li> </ul> - Framework for monitoring and tracking operational green finance through the Measurement, Reporting and Verification (MRV) system	Regarding (ii) on the monitoring and traceability framework for green financing, ICAT will support the conceptualization of the MRV tool, the training of stakeholders and the development of a roadmap for its operationalization.
Vulnerability to flooding and coastal erosion	RM9. - Strengthen the environment and climate change component and deploy the multi-hazard early warning system in the Adzopé department. This early warning system will enable rapid responses to and mitigation of the impact of disasters, both in the short and long term. Prior to nationwide implementation, the early warning system will be tested in a pilot phase in the Adzopé department. A report summarizing the first alerts will be produced in December 2024.	CCDR	End of December 2024; 4 <sup>th</sup> EFF/ECF review.	- Report summarizing the first alerts (December 2024)	AFD, WMO (World Meteorological Organization) in the framework of Climate Risk Early Warning Systems initiative from the UN, World Bank.

Table 3. Côte d'Ivoire : RSF Reform Measure Matrix (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Vulnerability to flooding and coastal erosion (continued)	RM10. - Design and adopt standardized maintenance methodologies for road infrastructure that take into account the impact of climate change; and pilot their implementation in the Greater Abidjan area.	C-PIMA and green PFM TA report	End of October 2024, (3 <sup>rd</sup> EFF/ECF review) <b>MET</b>	- Road design manual (end March 2024). - Stocktaking report (end October 2024).	
Reducing greenhouse gas emissions	RM11. - Implement plans to operationalize the mandatory energy audit system for entities with annual energy consumption equal to or greater than a benchmark <sup>1</sup> for the industrial, tertiary and transportation sectors in 2025, and complete the first 5 audits by the end of September 2025 and an energy labeling system for new air conditioners, refrigerators and electric lamps by December 2024.		End of September 2025 (5 <sup>th</sup> EFF/ECF review)	- First five audits completed (end September 2025) - List of approved energy auditors (end March 2025); - List of organizations subject to energy audits (end March 2025); - Notice to importers on the administrative procedure for applying for an energy label (end December 2024).	KFW, World Bank and EU
	RM12. - Continue to apply the existing fuel pricing mechanism with automatic adjustment to smooth price volatility and preserve tax revenues. In addition, given that the mechanism already includes a carbon taxation component ( <i>Conformité aux Normes de Qualité</i> (CNQ)), the Government undertakes to develop a carbon taxation strategy tailored to Côte d'Ivoire's needs and in line with IMF technical assistance, and to make any necessary adjustments to fuel prices in line with this strategy by the end of December 2025 at the latest.	World Bank reports, Fund TA	End of December 2025; 6 <sup>th</sup> EFF/ECF review	- Request technical assistance from IMF staff (October 2024). - Strategy on carbon taxation adopted by the Government (end December 2025); - If necessary, adopt a legislative text to adjust fuel prices	IMF TA to elaborate the strategy on carbon taxation

<sup>1</sup> Industry: 1500 ton of oil equivalent (toe) or 2000 MWh; Tertiary and Transportation: 500 toe or 1000 MWh.

Table 3. Côte d'Ivoire: RSF Reform Measure Matrix (continued)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Reducing greenhouse gas emissions (continued)	RM13. - Adopt a decree to promote electric mobility in Côte d'Ivoire. In order to help achieve the 10 percent target for electric vehicles in the vehicle fleet by 2030, as set out in the NDCs, the government plans to adopt this decree on electric mobility by the end of April 2024. The decree will address issues such as the installation of electric charging stations, technical inspections of electric vehicles, insurance for electric vehicles, and compliance with standards for battery charging stations.	World Bank reports	End of April 2024, 2nd EFF/ECF review  <b>MET</b>	- Decree to promote electric mobility in Côte d'Ivoire (end-April 2024)	GIZ
	RM14. - As part of the carbon taxation strategy, the government will examine the existing environmental tax system on combustion engine vehicles and, if necessary, adopt reforms to the taxation of these vehicles in line with the objectives of the NDCs. More specifically, the Government intends to put in place a legal framework that ensures coherence between the different parts of the system, notably between the application of registration fees, import duties, taxes, and other regulations relevant in terms of their impact on the promotion of cleaner, more efficient cars.		End of December 2025; 6 <sup>th</sup> EFF/ECF review.	- Strategy on carbon taxation adopted by the Government (end December 2025); - If necessary, issue regulations for environmental vehicle tax reforms	IMF TA to elaborate the strategy on carbon taxation
	RM15. - Continue to integrate funding from the windows ( <i>guichets</i> ) of the United Nations Framework Convention on Climate Change (UNFCCC) windows (Global Environment Facility (GEF), Green Climate Fund (GCF) and Adaptation Fund (AF)), associated environmental taxes and earmarked fees, listed in MEFP Annex I, into the State budget, and align them with NDCs where applicable.	World Bank reports	End of October 2024, 3rd EFF/ECF review.  <b>MET</b>	- Draft 2025 budget law (end October 2024);	

**Table 3. Côte d'Ivoire: RSF Reform Measure Matrix** (concluded)

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Reducing greenhouse gas emissions (continued)	<p>RM16.</p> <ul style="list-style-type: none"> <li>- Finalize the tendering process for the development, construction, and operation of solar power plants to help achieve the NDC targets. In this context, the competitive procurement process for the independent power producers selected as a result of the above-mentioned tenders must be completed by the end of 2025 for a solar power capacity to be installed equivalent to at least 100 MW.</li> </ul>	CCDR IFC report "Unlocking Private Investment: A Roadmap to achieve Côte d'Ivoire's 42 percent renewable energy target by 2030"	End of December 2025; 6 <sup>th</sup> EFF/ECF review	- Two decrees approving agreements for the construction, operation, and transfer of two solar photovoltaic power plants (end December 2025)	EU, World Bank

## Attachment II. Technical Memorandum of Understanding

### Arrangements Under the Extended Credit Facility and Extended Fund Facility, 2023–26

1. **This Technical Memorandum of Understanding (TMU) describes the quantitative and structural assessment criteria established by the Ivoirian authorities and the staff of the International Monetary Fund (IMF) to monitor the program supported by the Fund's Extended Credit Facility (ECF) and Extended Fund Facility (EFF).** It also specifies the periodicity and the deadlines for the transmission of data to Fund staff for program monitoring purposes. The projection assumptions underlying key macroeconomic variables are shown in Table 6.

2. **Unless otherwise specified,** the government is defined in this TMU as the central government of Côte d'Ivoire, including the National Social Security Fund (Caisse Nationale de Prévoyance Sociale, CNPS) and the Civil Service Pension Fund (Caisse Générale de Retraite des Agents de l'État, CGRAE), and Treasury operations for public companies in liquidation; it does not include any local government authorities, the Central Bank of West African States (BCEAO), or any other government-owned entity with separate legal status.

3. **Unless otherwise indicated,** public entities are defined in this TMU as majority government-owned companies, the Société Ivoirienne de Raffinage (SIR), and other public entities receiving earmarked tax and quasi-tax revenues.

## QUANTITATIVE INDICATORS

4. **For program monitoring purposes, performance criteria (PCs) and indicative targets (ITs) are set for, June 30, 2025, and December 31, 2025; the same variables are indicative targets for September 30, 2025.**

The PCs include:

- (a) a floor on the overall fiscal balance (including grants);
- (b) a ceiling on net domestic financing (including the issuance of securities in francs of the Financial Community of Africa (CFA)—or *Communauté Financière Africaine* in French);
- (c) a ceiling on the present value of new external debt (with a maturity of more than one year) contracted or guaranteed by the central government;
- (d) a floor on government tax revenue;
- (e) a zero ceiling on the accumulation of central government new external arrears; and

- (f) a zero ceiling on the accumulation of central government new domestic arrears.

The ITs are:

- a) a floor on targeted social spending;
- b) a ceiling on expenditures by treasury advance;
- c) a floor on the net reduction of central government amounts payable; and
- d) a floor on the basic primary balance.

5. The PCs, ITs and adjustors are calculated as the cumulative change from January 1, 2024 for the 2024 targets and from January 1, 2025 for the 2025 targets (Table 1 of the Memorandum of Economic and Financial Policies, or MEFP).

## A. Overall Fiscal Balance (Including Project Grants) (PC)

6. **The overall fiscal balance is the difference between** the government's fiscal revenue (including project grants only) and total expenditure (including expenditure corresponding to earmarked revenue and net lending). Government expenditures are defined as expenditures for which payment orders have been issued and taken over by the Treasury:

{Total government revenue (tax and nontax) + (Project grants)} – {Expenditure + Net lending (on a payment order basis)}

## B. Net Domestic Financing (PC)

7. **The net domestic financing of the central government is defined** as the sum of (i) the banking system's net claims on the government (including C2D deposits); (ii) net non-bank financing (including proceeds from privatizations and sales of assets, and of correspondent sub-accounts of the Treasury); and (iii) any financing denominated and serviced in francs of the Financial Community of Africa (CFAF), excluding BOAD loans denominated in CFAF, which are classified as external debt. This ceiling includes a margin of CFAF 15 billion above the net cumulative flow projected for each quarter.

Net domestic financing (NDF) = Variation of banking system's net claims on the government (TOFE) + Net non-bank domestic financing (excluding the net variation of amounts payable) + Borrowing denominated and serviced in francs of the Financial Community of Africa (CFAF), excluding BOAD loans + Financing margin of CFAF 15 billion.

**8. For any new borrowing over and above a cumulative amount of CFAF 50 billion,** the government undertakes to issue government securities only by auction through the BCEAO or through other form of government securities on the WAEMU financial market registered with the WAMU Financial Market Authority (AMF-UMOA), in consultation with Fund staff.

**9. The adjustor for the performance criterion on the net domestic financing.** The NDF ceiling will be adjusted upward by the full amount of the difference between the effectively disbursed and the projected budget support (MEFP, Table 1). Specifically, the NDF ceiling will be adjusted upwards by the amount of C2D grant expected for that quarter, but not yet deposited by AFD into the C2D account (Compte C2D) at the BCEAO, on the test date (MEFP, Table 1).

### C. External Debt (PC)

**10. For program purposes, the definition of debt is set out in paragraph 8(a) of the Guidelines on Public Debt Conditionality in Fund Arrangements, adopted by Decision No. 16919-(20/103), of the Executive Board adopted on October 28, 2020.<sup>1</sup>**

- (a) For the purpose of these guidelines, the term “debt” will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:
  - (i) loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers’ credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);
  - (ii) suppliers’ credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

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<sup>1</sup> See Reform of the Policy on Public Debt Limits in Fund-Supported Programs 15688-(14/107), available at: <https://www.imf.org/en/Publications/Selected-Decisions/Description.aspx?decision=15688-%2814/107%29>



(iii) leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of these guidelines, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

(b) Under the definition of debt set out in this paragraph, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

**11. External debt is defined as debt contracted or serviced in a currency other than the franc of the Financial Community of Africa (CFAF), except for CFAF-denominated debt owed to the BOAD which is also considered external debt.**

**12. The performance criterion (PC) concerning the present value (PV) of new external debt contracted or guaranteed by the central government applies to all new external debt (whether or not concessional),** including commitments contracted or guaranteed for which no value has been received. This performance criterion does not apply to:

- normal import-related commercial debts having a maturity of less than one year;
- rescheduling agreements;
- debt operations that restructure existing loan and/or make early payments of existing loans or bonds, and that result in a reduction of the present value (present value savings) compared with the initial debt and/or in improvement of the overall public external debt service profile will be excluded from the ceiling. In the calculation of the present value savings for the debt operations, the discounted future stream of payments of debt service due on the newly issued debt instrument (including all costs associated with the operation) will be compared with the discounted future stream of debt service due on the instrument it replaces using a discount rate of 5 percent
- IMF disbursements.

**13. For program monitoring purposes, external debt is deemed to be contracted or guaranteed once all conditions for its entrance into effect have been met, including approval of the relevant agreement by the government of Côte d'Ivoire (Council of Ministers) if necessary.** In the case of the issuance of eurobonds, the amount deemed contracted is the amount subscribed/purchased at the end of the subscription/purchase period as specified in the final clauses of the exchange. For program purposes, the value in U.S. dollars of new external debt

is calculated using the average exchange rate for December 2022 in the IMF's International Financial Statistics (IFS) database, which are 619.481 FCFA per U.S. dollar, 1.059 U.S. dollar per euro, 135.42 Japanese Yen per U.S. dollar, and 1.329 U.S. dollar per SDR.

**14. The PV of new external debt is calculated by discounting all future debt service payments (principal and interest) on the basis of a program discount rate of 5 percent** and taking account of all loan conditions, including the maturity, grace period, payment schedule, front-end fees and management fees. The PV is calculated using the IMF model for this type of calculation<sup>2</sup> based on the amount of the loan. A debt is considered concessional if on the date on which it is contracted the ratio of its present value to its face value is less than 65 percent (equivalent to a grant element of at least 35 percent). In the case of loans for which the grant element is zero or less than zero, the PV is set at an amount equal to the face value.

**15. In the case of variable interest rate debt in the form of a reference interest rate plus a fixed margin, the PV of the debt is calculated on the basis of the program reference rate plus a fixed margin (in basis points) specified in the loan agreement.** The program reference rate for the euro six-month FIRF is 2.63 percent and will remain unchanged for the duration of the program. The spread of the US\$ six-month FIRF over the euro six-month FIRF is 50 basis points.

**16. The adjustors for the performance criterion on the PV of new external debt:**

The program ceiling applicable to the PV of new external debt is adjusted upward up to a maximum of 5 percent of the ceiling on the PV of external debt in cases in which differences vis-à-vis the PC on the PV of new debt are caused by a variation in financing conditions (interest, maturity, grace period, payment schedule, front-end fees, management fees) of the debt or debts. The adjustor may not be applied when the differences are the result of an increase in the face value of the total debt contracted or guaranteed.

**17. The authorities will inform IMF staff of any planned external borrowing and the conditions on such borrowing before the loans are either contracted or guaranteed by the government.**

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<sup>2</sup> [Debt Limits Policy \(imf.org\)](https://www.imf.org/external/pubs/ft/2012/01/01/eng/20120101.htm).

Table 1. Côte d'Ivoire: External Borrowing Plan (2024–December 2025)

PPG External Debt	January–December 2024		January–March 2025		January–June 2025		January–September 2025		January–December 2025	
	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/
<b>By Sources of Debt Financing</b>	<b>6468.5</b>	<b>6063.1</b>	<b>1925.0</b>	<b>1780.9</b>	<b>2945.2</b>	<b>2667.1</b>	<b>4015.4</b>	<b>3625.7</b>	<b>4729.3</b>	<b>4238.1</b>
<b>Concessional Debt</b>	<b>122.1</b>	<b>59.7</b>	<b>0.0</b>	<b>0.0</b>	<b>13.3</b>	<b>7.4</b>	<b>94.6</b>	<b>48.3</b>	<b>103.9</b>	<b>53.5</b>
Multilateral debt	103.9	53.5	0.0	0.0	13.3	7.4	94.6	48.3	103.9	53.5
Bilateral debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	18.1	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-Concessional Debt 2/</b>	<b>6346.4</b>	<b>6003.4</b>	<b>1925.0</b>	<b>1780.9</b>	<b>2931.9</b>	<b>2659.7</b>	<b>3920.8</b>	<b>3577.4</b>	<b>4625.3</b>	<b>4184.7</b>
Semi-concessional debt 3/	2658.2	2315.2	1100.6	956.5	1962.9	1690.7	2568.3	2224.9	3211.8	2771.1
Commercial terms 4/	3688.2	3688.2	824.4	824.4	969.0	969.0	1352.5	1352.5	1413.6	1413.6
<b>Uses of Debt Financing</b>	<b>6468.5</b>	<b>6063.1</b>	<b>1925.0</b>	<b>1780.9</b>	<b>2945.2</b>	<b>2667.1</b>	<b>4015.4</b>	<b>3625.7</b>	<b>4729.3</b>	<b>4238.1</b>
Infrastructure	191.3	157.3	1311.5	1245.7	1649.9	1554.1	2505.5	2361.1	2745.7	2577.9
Social expenditure	1570.2	1329.5	393.7	339.9	796.6	673.6	996.6	813.1	1470.2	1208.7
Budget financing	2639.9	2634.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2067.2	1942.3	219.8	195.3	498.7	439.4	513.3	451.5	513.3	451.5

Source: Ivorian authorities.

1/ Contracting and guaranteeing of new debt. The present value of debt is calculated using the terms of individual loans and

2/ Concessional debt is defined as debt with a grant element that exceeds the minimum threshold of 35 percent.

3/ Debt with a positive grant element which does not meet the minimum grant element.

4/ Debt without a positive grant element. For commercial debt, the present value would be defined as the nominal/face value

## D. Floor on Central Government Tax Revenue (PC)

**18. Total tax revenue is defined as all fungible tax revenue** collected by the General Directorate of Taxes (DGI), the General Directorate of the Treasury and Public Accounting (DGTCP) and the General Directorate of Customs (DGD), as well as earmarked tax revenue as defined in the fiscal reporting table (TOFE). It excludes all revenues from asset sales, grants, and non-tax revenues. To gauge the impact of tax policy reforms and improvements in tax administration, the program will have a floor on central government tax revenues which will be set at 95 percent of the projected tax revenue for the rest of the current year to take into account fluctuations in revenue due to unforeseen factors beyond the government's control.<sup>3</sup> The revenue target is calculated as the cumulative flow from the beginning of the calendar year.

**19. Starting with the 2024 budget, inclusion of previously off-budget revenue items as tax revenue in the budget, or reclassification of non-tax revenue to tax revenue, are subject to specific monitoring.** As of end-October 2024, off-budget items newly integrated into tax revenue, or reclassified as tax revenue include only the following list (see Table 2). To aid continuous monitoring by staff, the authorities will notify the Fund of any changes resulting from the aforementioned operations, by updating Table 2 below at each review.

	Name of tax revenue item	Source of revenue (ministry or agency)	Earmarked or not	Requalified from Non-Tax to Tax revenue	Year in which brought onto budget from off-budget	Amount collected in previous year	Amount estimated for year of inclusion	Amount estimated for following year
1	Peréquation produit et transport	SIR	Yes	No	2023	180	150	162
2	Taxes d'inspection et de contrôle des établissements dangereux, insalubres ou incommodes	Ministry of Environment, Sustainable Development and Ecological Transition	Yes	Yes	2024	0.06	1.42	1.44
3	Taxes d'environnement applicables aux navires de mer et pétroliers en escale en Côte d'Ivoire	Ministry of Environment, Sustainable Development and Ecological Transition	Yes	Yes	2024	0.05	0.05	0.05
4	Taxe forestière, redevance au titre des travaux d'intérêt général	Ministry of Water and Forests	Yes	Yes	2024	0.07	0.09	0.09
5	Taxe environnementale et redevance environnementale annuelle sur les établissements classés	Ministry of Environment, Sustainable Development and Ecological Transition	Yes	Yes	2024	0.04	1.42	1.44

<sup>3</sup> The margin of 95 percent does not apply to realized quarterly tax revenue.

## E. External Payments Arrears (PC)

**20. External arrears correspond to the nonpayment of any interest or principal amounts on their due dates (taking into account any contractual grace periods).** This performance criterion applies to arrears accumulated on external debt contracted by the government and external debt guaranteed by the government for which the guarantee has been called by the creditors. This continuous performance criterion will be monitored continuously by the authorities and any non-observance will be reported promptly to the Fund.

## F. Amounts Payable, Including Domestic Payment Arrears (IT and PC)

**21. “Amounts payable” (or “balances outstanding”) include domestic arrears and floating debt and represent the government’s overdue obligations.** They are defined as expenditures assumed (*prise en charge*) by the public accountant, but yet to be paid. For purposes of the program, these obligations include (i) bills due and not paid to nonfinancial public and private companies; and (ii) the domestic debt service.

**22. For program purposes, domestic payment arrears are balances outstanding to suppliers and on domestic debt service.** Arrears to suppliers are defined as overdue obligations of the government to nonfinancial and private companies for which the payment delay exceeds the regulatory delay of 90 days; arrears on the domestic debt service refer to debt service obligations for which the payment delay exceeds 30 days beyond the time stipulated in the contracts, including any applicable grace period.

**23. Floating debt refers to balances outstanding** for which the payment delay does not exceed the regulatory delay (90 days for debt to nonfinancial companies and 30 days for debt service).

**24. Balances outstanding are broken down** by payer and type, as well as by maturity and length of time overdue (< 90 days, 90–365 days, > 1 year for amounts owing to nonfinancial companies, and <30 days, 30–365 days, > 1 year for amounts owing to financial institutions).

**25. For program purposes, the ceiling on the accumulation of new domestic payments arrears is zero.** This continuous performance criterion will be monitored continuously by the authorities and any non-observance will be reported promptly to the Fund.

## G. Targeted Social Spending (IT)

**26. Targeted social spending is derived** from the detailed list of targeted programs in the SIGOBE system (see Table 3) and described as follows:

- **Social protection:** productive cash-transfer program and social registry budget.

- **Health:** will cover the following Régime d'Assistance Médicale de la Couverture Maladie Universelle (RAM-CMU), operating costs of primary health facilities, and Caisse Nationale d'Assurance Maladie (CNAM)
- **Education**
- **Youth employment**

**Table 3. Côte d'Ivoire: Targeted Social Spending**  
(in billions of FCFA)

	2024		2025			
	Q3	Q4	Q1	Q2	Q3	Q4
<b>Social Protection</b>	<b>18.5</b>	<b>29.4</b>	<b>3.7</b>	<b>9.5</b>	<b>26.3</b>	<b>40.9</b>
National social safety net support program	4.8	8.0	0.8	1.6	10.0	16.0
Regional women's empowerment and demographic dividend in the Sahel program	0.3	0.4	0.0	0.3	0.9	1.0
Universal Health Insurance for the destitute support program	7.9	13.2	2.9	4.4	7.9	13.2
Universal Health Insurance operational support	5.5	7.8	0.0	3.2	7.5	10.7
Universal Health Insurance	2.1	3.0	0.0	1.6	3.8	5.4
Insurance Premiums support for Universal Health Insurance	3.4	4.8	0.0	1.6	3.7	5.3
<b>Health</b>	<b>211.9</b>	<b>280.1</b>	<b>76.7</b>	<b>143.0</b>	<b>250.2</b>	<b>331.3</b>
Health administrators	184.9	237.4	68.7	128.7	216.4	277.8
Strengthening the intervention capacities of health centers	0.7	1.1	0.0	0.1	0.8	1.2
Strengthen the intervention capacities of general hospitals	1.5	2.4	0.0	0.2	1.6	2.5
Strengthen the intervention capacities of central and regional health units	2.0	3.2	0.0	0.3	2.0	3.2
Strengthen the intervention capacities of university hospital centers	4.1	6.5	1.6	2.2	4.9	7.7
Free targeted care (malaria, childbirth, caesarean section, etc.) and sanitary evacuation	6.3	10.0	0.9	4.7	9.3	14.7
Specialized health structures (SAMU, CNTS, CNOR, ICA, CNPTIR, etc.)	9.3	14.7	3.9	5.0	11.3	17.9
Medicines' supply	3.0	4.8	1.5	1.9	3.9	6.1
<b>Education</b>	<b>532.1</b>	<b>679.4</b>	<b>162.3</b>	<b>336.0</b>	<b>577.8</b>	<b>750.6</b>
Management of Preschool, Primary and Secondary Schools (SMCs)	12.9	17.5	2.9	5.9	12.9	17.5
Primary and preschool education	490.5	628.4	159.2	311.6	529.1	687.2
School cafeterias program	2.0	2.3	0.0	1.6	3.2	3.7
Acquisition and distribution of school kits, textbooks and educational kits	3.3	3.9	0.0	1.8	8.1	9.5
Support for the payment of school fees in private and religious elementary schools	5.6	6.5	0.0	3.7	5.6	6.5
Pre-school and primary school administrators	479.6	615.7	159.2	304.5	512.2	667.5
Technical education and vocational training	28.8	33.6	0.3	18.5	35.8	45.9
Implementation of the Second Chance School	1.8	2.1	0.0	2.0	2.5	2.9
Coverage of school fees for students in private technical secondary schools	4.8	5.6	0.0	2.6	5.7	6.7
Support for the AGEFOP and IPNEPT 1/	0.5	0.6	0.3	0.5	0.9	1.1
Support for vocational training through the French Development Training Fund (FDFP)	21.6	25.2	0.0	13.3	26.7	35.3
<b>Youth Employment</b>	<b>4.3</b>	<b>5.0</b>	<b>1.3</b>	<b>2.1</b>	<b>4.1</b>	<b>5.1</b>
Youth employment program	3.5	4.1	1.2	1.7	3.3	4.1
Youth employment and skill training program	0.4	0.4	0.0	0.2	0.3	0.4
Youth promotion and employment	0.2	0.2	0.0	0.1	0.2	0.2
Youth employment agency operational support	0.2	0.2	0.1	0.1	0.3	0.3
<b>TOTAL</b>	<b>766.8</b>	<b>993.9</b>	<b>244.0</b>	<b>490.6</b>	<b>858.3</b>	<b>1,127.9</b>

Source: Ivorian authorities.  
1/ AGEFOP: Operation of Agricultural Agent Francophone Fund; and IPNEPT: National Public Institute of Workers.

## H. Treasury Advances (IT)

**27. Within the framework of the program, Treasury advances are defined as spending paid for by the Treasury outside normal and simplified execution and control procedures (see Decree No. 1998-716) that have not been subject to prior commitment and authorization.** They exclude the *"régies d'avances"*, as set out in the ministerial decree n° 2013-762, as well as the extraordinary procedures set out in decree n° 1998-716 for expenditures financed by external resources, wages, subsidies and transfers, and debt service. The cumulative amount of expenditures by treasury advance as defined by the program will not exceed the cumulative quarterly ceilings representing 10 percent of quarterly budget allocations (excluding externally financed expenditures, wages, subsidies and transfers, and debt service). The nominative and restrictive list of expenditures eligible as treasury advances is as defined by ministerial Decree No. 178/MEF/CAB-01/26 of March 13, 2009.

## I. Primary Basic Fiscal Balance (IT)

**28. The primary basic balance is the difference between** the government's total revenue (excluding grants) and total expenditure (including expenditure corresponding to earmarked revenues) plus net lending, excluding interest payments and externally financed capital expenditure. Government expenditures are defined as expenditures for which payment orders have been issued and which have been assumed by the Treasury:

Fiscal revenue (tax and nontax revenue, excluding grants) – {Total expenditure + Net lending – Interest payments – Externally financed capital expenditure (on a payment order basis for all expenditure items)}

# MEMORANDUM ITEMS

## A. Net Banking System Claims on the Government

**29. Net banking system claims on the government are defined** as the difference between government debts and government claims vis-à-vis the central bank and commercial banks, (including the C2D deposits). The scope of net banking system claims on the government is that used by the BCEAO and is the same as that shown in the Net Government Position (NGP) (including the C2D deposits).

## B. External Financing (Definitions)

**30. Within the framework of the program, the following definitions apply:** (i) project grants refer to non-repayable money or goods intended for the financing of a specific project; (ii) program grants refer to non-repayable money or goods not intended for the financing of a

specific project; (iii) project loans refer to repayable money or goods on which interest is charged, received from a donor to finance a specific project; and (iv) program loans are repayable money or goods on which interest is charged, received from a donor and not intended for the financing a specific project.

### C. Program Monitoring and Data Reporting

**31. A quarterly assessment report on the monitoring of the quantitative performance criteria, indicative targets, and structural benchmarks** will be provided by the authorities no later than 45 days following the end of each quarter.

**32. The government will report the information specified in Table 5** no later than 45 days following the month-end or quarter-end, except in the case of the information that will be provided later, as specified in Table 5.

**33. The government will report final data provided by the BCEAO within 45 days following the month-end.** The information provided will include a complete, itemized listing of public sector assets and liabilities vis-à-vis: (i) the BCEAO; (ii) the National Investment Bank (*Banque Nationale d'Investissement*, or BNI); and (iii) the banking system (including the BNI).

**34. The authorities will consult with Fund staff on any proposed new external debt.** The authorities will inform Fund staff of the signature of any new external debt contracted or guaranteed by the government, including the conditions on such debt. Data on new external debt, the amount outstanding, and the accumulation and repayment of external payments arrears will be reported monthly within six weeks of the end of each month.

**35. More generally, the authorities will report to the IMF staff any information needed for effective monitoring of the implementation of economic policies.**

### D. Pro-poor Spending

**36. The pro-poor spending is defined as the list of “pro-poor expenditures” in the SIGFIP system as detailed in Table 4.**



**Table 4. Côte d'Ivoire: Pro-Poor Spending (incl. Social Spending)**  
(Billions of CFA Francs)

	2024	2025			
	Q4	Q1	Q2	Q3	Q4
<b>Agriculture and rural development</b>	<b>97.5</b>	<b>24.3</b>	<b>47.2</b>	<b>60.2</b>	<b>103.4</b>
General administration	15.3	4.3	9.6	12.7	16.6
Agriculture promotion and development program	23.5	6.2	12.3	18.3	25.5
Training of supervisory staff	39.7	9.4	17.0	17.4	41.0
Water system works	8.7	2.2	4.3	5.8	9.5
Other investments in the rural area (FRAR, FIMR)	10.4	2.1	4.2	6.3	10.9
<b>Fishing and animal husbandry</b>	<b>16.2</b>	<b>3.2</b>	<b>9.7</b>	<b>14.2</b>	<b>17.6</b>
General administration	10.1	2.8	5.4	8.1	11.0
Milk production and livestock farming	2.3	0.2	1.5	2.2	2.5
Fishing and aquaculture	3.8	0.3	2.9	3.9	4.2
<b>Education</b>	<b>1 646.2</b>	<b>452.6</b>	<b>1 042.7</b>	<b>1 482.3</b>	<b>1 885.2</b>
General administration	99.9	31.5	67.3	100.4	124.4
Pre-schooling and primary education	691.9	151.6	369.6	562.5	752.0
Literacy	0.7	0.2	0.4	0.6	0.7
Secondary education and vocational training	591.6	184.0	393.4	580.7	703.8
University and research	262.0	87.8	215.3	240.9	304.4
<b>Health</b>	<b>627.0</b>	<b>131.8</b>	<b>310.0</b>	<b>494.7</b>	<b>767.8</b>
General administration	299.9	66.6	165.3	225.8	367.6
Primary health system	190.1	21.9	42.4	107.1	181.5
Preventive healthcare (enlarged vaccination program)	2.1	0.6	1.1	1.6	2.1
Disease and pandemic combat programs	49.1	22.3	96.0	122.9	124.0
Infant/mother health and nutrition	23.5	0.7	0.7	1.7	4.1
HIV/Aids	6.8	11.8	13.4	28.0	29.4
Health centers and specialized programs	55.4	14.8	29.2	43.5	59.1
<b>Water and Sanitation</b>	<b>203.7</b>	<b>33.1</b>	<b>78.0</b>	<b>119.2</b>	<b>213.1</b>
Access to drinking water and sanitation	106.9	21.2	54.5	84.2	111.1
Environmental protection and pollution combat	96.7	11.8	23.2	34.7	102.0
<b>Energy</b>	<b>121.9</b>	<b>42.4</b>	<b>86.6</b>	<b>108.3</b>	<b>127.3</b>
Access to electricity	121.9	42.4	86.6	108.3	127.3
<b>Roads and Public Works</b>	<b>420.3</b>	<b>94.8</b>	<b>168.7</b>	<b>300.5</b>	<b>422.0</b>
Rural road maintenance	22.0	1.4	2.8	4.2	8.7
Construction of public works	136.9	12.6	46.5	90.0	143.6
Other road projects	261.4	81.2	120.2	209.1	269.8
<b>Social spending</b>	<b>88.4</b>	<b>20.7</b>	<b>40.8</b>	<b>63.0</b>	<b>91.8</b>
General administration	14.7	5.5	10.8	16.2	17.8
Women's vocational training	4.0	1.0	1.9	2.8	4.4
Orphanages, day nurseries, and social centers	27.2	7.7	15.1	22.4	28.5
Training of support staff	1.6	0.4	0.9	1.3	1.5
<b>Decentralization (excl. education, health and agriculture)</b>	<b>134.3</b>	<b>29.2</b>	<b>70.1</b>	<b>122.9</b>	<b>165.3</b>
Decentralization	134.3	29.2	70.1	122.9	165.3
<b>Reconstruction</b>	<b>5.5</b>	<b>2.3</b>	<b>4.6</b>	<b>5.5</b>	<b>6.0</b>
Reconstruction and rehabilitation	1.4	0.6	1.2	1.4	1.5
Social housing	4.1	1.7	3.5	4.0	4.4
<b>Other poverty-fighting spending</b>	<b>43.9</b>	<b>7.1</b>	<b>11.9</b>	<b>16.7</b>	<b>45.6</b>
Promotion and insertion of youth	40.9	5.8	9.2	13.8	42.4
Development of tourism and craftsmanship	3.0	1.4	2.7	2.9	3.2
<b>TOTAL</b>	<b>3 404.8</b>	<b>844.8</b>	<b>1 868.6</b>	<b>2 785.5</b>	<b>3 845.1</b>

Source: Ivorian authorities.

**Table 5. Côte d'Ivoire: Document Transmittal for Program Monitoring**

Sector	Type of data	Frequency	Transmittal deadline
Real sector	Cyclical indicators	Monthly	End of month + 45 days
	Provisional national accounts	Annually	End of year + 9 months
	Final national accounts	Variable	60 days after revision
	Disaggregated consumer price indices	Monthly	End of month + 45 days
Energy sector	Crude oil: offtake report	Quarterly	End of quarter + 45 days
	Oil product price structure	Monthly	End of month + 45 days
Public finances	Fiscal reporting table (TOFE)	Monthly	End of month + 45 days
	Budget execution report	Quarterly	End of quarter + 45 days
	Report on the public procurement operations	Quarterly	End of quarter + 45 days
	Estimated tax revenue	Monthly	End of month + 45 days
	Summary statement of VAT credit refunds	Monthly	End of month + 45 days
	Summary statement of tax and customs exemptions	Monthly	End of month + 45 days
	Pro-poor expenditures	Monthly	End of month + 45 days
	Treasury advances	Monthly	End of month + 45 days
	Central government domestic arrears	Monthly	End of month + 45 days
	Consolidated Treasury balances outstanding	Monthly	End of month + 45 days
	Annual cash flow plan	Annually	End of year + 45 days
	Execution of cash flow plan	Quarterly	End of quarter + 45 days
	Treasury consolidated trial balance	Quarterly	End of quarter + 45 days
Domestic debt	Detailed domestic debt statement	Monthly	End of month + 45 days
	Breakdown of new domestic loans and guarantees	Monthly	End of month + 45 days

**Table 5. Côte d'Ivoire: Document Transmittal for Program Monitoring (concluded)**

Sector	Type of data	Frequency	Transmittal deadline
Domestic debt (continued)	Detailed projected domestic debt service	Quarterly	End of quarter + 45 days
	Statement of issuances and redemptions of securities	Monthly	End of month + 45 days
External debt	Detailed external debt statement	Monthly	End of month + 45 days
	Breakdown of new external loans and guarantees	Monthly	End of month + 45 days
	Table of disbursements on new loans	Monthly	End of month + 45 days
	Projected external debt service	Quarterly	End of quarter + 45 days
Public companies	Debt statement of public companies	Quarterly	End of quarter + 90 days
	List of public companies	Quarterly	End of quarter + 45 days
Balance of payments	Provisional balance of payments	Annually	End of year +9 months (provisional); end of year + 12 months (final)
	Final balance of payments	Variable	TBD
Monetary and financial sectors	Banking survey	Monthly	End of month + 45 days (provisional); end of month + 60 days (final)
	Summary BCEAO position	Monthly	End of month + 45 days (provisional); end of month + 60 days (final)
	Integrated monetary survey	Monthly	End of month + 45 days (provisional); end of month + 60 days (final)
	Net government position	Monthly	End of month + 45 days
	Bank prudential ratios	Monthly	End of month + 45 days
	Financial soundness indicators	Quarterly	End of month + 45 days
	Borrowing and lending rates, BCEAO intervention rate, required reserves	Monthly	End of month + 45 days

Table 6. Côte d'Ivoire: Selected Economic Indicators

	2021	2022	2023	2024	2025	2026
		Prel.		Program		
(Annual percentage changes, unless otherwise indicated)						
<b>National income</b>						
GDP at constant prices	7.1	6.2	6.2	6.1	6.3	6.3
Consumer price index (annual average)	4.2	5.2	4.4	4.0	3.0	2.2
<b>External sector (on the basis of CFA francs)</b>						
Exports of goods, f.o.b., at current prices	18.2	19.5	4.3	21.8	17.5	2.1
Imports of goods, f.o.b., at current prices	24.3	39.4	-1.0	3.0	3.8	5.8
Export volume	8.3	4.5	4.7	1.9	6.9	9.8
Import volume	12.4	30.3	6.7	4.3	6.3	5.8
(Percent of GDP unless otherwise indicated)						
<b>Central government operations</b>						
Total revenue and grants	15.6	15.3	16.2	16.8	17.8	18.1
Total revenue	15.1	14.7	15.6	16.3	17.3	17.8
Tax revenue	13.0	12.8	13.6	14.4	15.4	16.0
Total expenditure	20.5	22.1	21.5	20.8	20.8	21.2
Current expenditure	14.7	14.9	14.7	13.7	14.1	13.4
Capital expenditure	5.8	7.2	6.8	7.2	6.7	7.7
Basic primary balance	-1.1	-1.8	-0.1	-0.2	1.5	1.6
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0
<b>External Sector</b>						
Current account balance	-3.9	-7.7	-7.9	-5.1	-1.7	-2.4
Non-interest current account balance	-2.8	-6.5	-6.4	-3.7	-0.3	-1.0
<b>Memorandum item</b>						
Nominal GDP (CFAF billions)	40,367	43,771	47,843	52,356	57,068	61,876
Sources: Ivorian authorities, and IMF staff estimates and projections.						



# CÔTE D'IVOIRE

November 21, 2024

## STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION, THIRD REVIEWS UNDER EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR MODIFICATION OF A QUANTITATIVE PERFORMANCE CRITERION, AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT—DEBT SUSTAINABILITY ANALYSIS<sup>1</sup>

Approved by

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Prepared by the International Monetary Fund  
and the International Development Association

Côte d'Ivoire: Joint Bank-Fund Debt Sustainability Analysis	
Risk of external debt distress	Moderate
Overall risk of debt distress	Moderate
Granularity in the risk rating	Limited space to absorb shocks
Application of judgement	No

*Côte d'Ivoire's overall and external public debt remain at moderate risk of debt distress and show significant improvements compared to the DSA prior to the debt management operation (DMO) completed in S1 2024. Mainly owing to this DMO, the external debt service-to-revenue indicator breaches the threshold in 2024, but the ratio remains below the threshold during the remainder of the projection period as do all other projected external debt burden indicators under the baseline. All indicators are susceptible to breaches under stress scenarios, the most extreme of which involves a shock to exports. The PV of overall debt-to-GDP ratio is below its threshold, but exceeds it in most stress scenarios, the most extreme of which involves the shock to exports. A customized stress test shows that the natural disaster shock is the most extreme shock to public debt. The space to absorb shocks remains limited.*

<sup>1</sup> Under the revised Debt Sustainability Framework for Low-Income Countries, Côte d'Ivoire's Composite Indicator (CI) is 2.94 based on the April 2024 WEO and the 2022 CPIA, corresponding to a medium debt carrying capacity.

## PUBLIC DEBT COVERAGE

**1. Public debt covers both the debt of the central government, as well as the guarantees provided by the central government, including those guarantees that pertain to state-owned enterprise (SOE) debt** (Text Table 1). The DSA classifies external and domestic debt based on the currency criterion, given data constraints that prevent the use of the residency criterion.<sup>2</sup> Until now, local administrations had no authorization to borrow debt; however, the law on national debt policy, passed in June 2024, grants the capacity to borrow to local administrations. The terms of their borrowing will be specified in an implementing decree currently being validated and therefore no local governments have yet used this authorization to borrow. In addition, a statistical system will be established to capture the debt of local administrations and ensure its monitoring. On SOE debt, the authorities have continued to improve debt coverage and monitoring in recent years. At end-2023, both SOE guaranteed and non-guaranteed commercial debt amounted to 1 percent of GDP. In the context of the current DSA, the following approach is taken:

- All *guaranteed* SOE debt and *on-lent* debt is included in the debt stock in the baseline.<sup>3</sup>
- *Non-guaranteed* SOE debt is captured as a contingent liability shock—this shock is set at 1 percent of GDP.<sup>4</sup>

**Text Table 1. Côte d'Ivoire: Coverage of Public Sector Debt**

Subsectors of the public sector	Check box
1 Central government	X
2 State and local government	X
3 Other elements in the general government	
4 o/w: Social security fund	X
5 o/w: Extra budgetary funds (EBFs)	
6 Guarantees (to other entities in the public and private sector, including to SOEs)	X
7 Central bank (borrowed on behalf of the government)	X
8 Non-guaranteed SOE debt	

**2. Efforts to increase the government's capacity to record and monitor public debt and contingent liabilities continue.** The authorities are committed to further enhancing data coverage of SOEs in the DSA baseline, including consolidating the general government fiscal accounts with the financial statements of the SOEs (on revenue, expenditure, and financing) and corresponding

<sup>2</sup> The debt owed to the West-African Development Bank (BOAD) was reclassified from domestic to external debt to harmonize the treatment of BOAD debt in the WAEMU region. The CFAF issuance in the regional market is still classified as domestic due to lack of data. This DSA continues to exclude external private debt from external debt due to limited information on the outstanding stock of external private debt and related payments. The SDR use is recorded as domestic debt due to the lending arrangement between the government and the BCEAO.

<sup>3</sup> The amount corresponding to the debt service due by the Port Autonome d'Abidjan (PAA) is added to the revenue for the calculation of the external debt service to revenue ratio to take into account that the PAA has been servicing its debt and is in financially sound situation.

<sup>4</sup> Non-guaranteed SOE debt (equivalent to 1 percent of GDP, of which 0.06 percent represents external debt) and local government debt are not included in the baseline because of limited information.

20-year projections. The authorities see this consolidation as a prerequisite for incorporating SOE debt into total debt (in the baseline) and have received technical assistance (TA) to advance this task. As part of the IDA Sustainable Development Finance Policy (SDFP), the authorities have been implementing reforms (Performance and Policy Actions or PPAs) in the areas of debt transparency (by publishing on-lent loans to SOEs on a quarterly basis), fiscal sustainability (by adopting a legal framework for collection and oversight of non-tax revenue), and debt management (by adopting a mechanism for approving on-lending to SOEs).

**3. The magnitude of the shock in the contingent liability stress test applied in the sensitivity analysis reflects potential additional liabilities.** The LIC-DSF default settings are applied for the contingent liabilities shock. They could emanate from SOE debt not captured in the data coverage, especially from non-guaranteed debt and domestic arrears, public-private partnership agreements, and the financial sector. Total contingent liabilities for the CL test are estimated at 8.3 percent of GDP (Text Table 2). The stock of public private partnerships represents about 6.45 percent of GDP as of end-2023. The tailored stress test includes a 1 percent of GDP shock for risks related to SOEs and a financial sector shock of 5 percent of GDP.

**Text Table 2. Côte d'Ivoire: Magnitude of the Contingent Liability Stress Test**

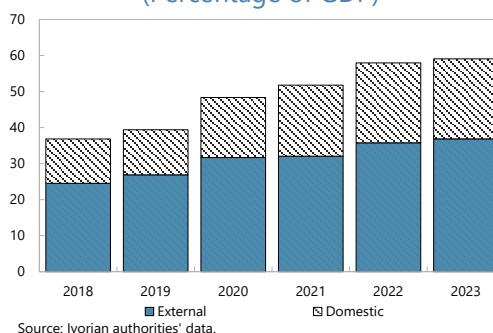
1 The country's coverage of public debt	The central, state, and local governments plus social security, central bank, government-guaranteed debt		
	Default	Used for the analysis	Reasons for deviations from the default settings
2 Other elements of the general government not captured in 1.	0 percent of GDP	0	
3 SoE's debt (guaranteed and not guaranteed by the government) 1/	1.0 percent of GDP	1	To reflect the share of non-guaranteed debt not included in the DSA
4 PPP	35.0 percent of PPP stock	2	To reflect the share of outstanding PPP stock in Côte d'Ivoire
5 Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5	
<b>Total (2+3+4+5) (in percent of GDP)</b>		<b>8.3</b>	

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

## DEBT BACKGROUND

**4. Public debt increased significantly over the last few years, with external debt growing as a share of total debt.**<sup>5</sup> The increase in indebtedness over 2018-2023 was driven by higher recourse to external debt including to finance an increase in investment and social spending in the context of the National Development Plan 2021-2025, the COVID-19 pandemic as well as economic spillovers from the Russian invasion of Ukraine and adverse external financing conditions. The medium-term

**Text Figure 1. Côte d'Ivoire: Evolution of Public Debt (Percentage of GDP)**



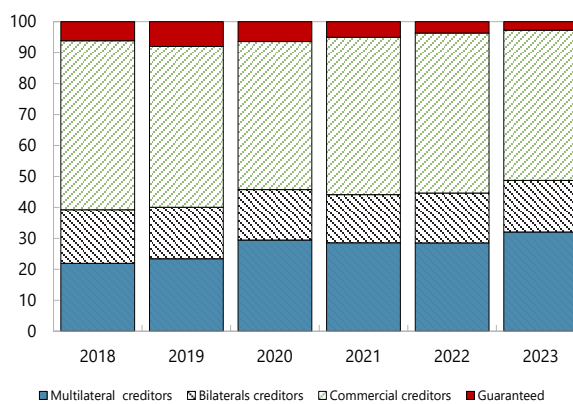
<sup>5</sup> In this DSA, Public and Publicly Guaranteed external debt excludes claims under Debt Reduction-Development Contract (C2D), which were cancelled in the context of HIPC debt relief. The C2D is a debt restructuring tool under which Côte d'Ivoire continues to service its bilateral debts to France and Spain until repayment. The amount corresponding to this bilateral debt service is transferred back to the country as grants to finance poverty reduction programs. Flows associated with the C2D process are included by IMF staff in the external and fiscal accounts to capture gross cash flows (debt service and grants). See IMF Country Report no14/358 and Supp.1, 11/21/2014 for a detailed discussion.

debt strategy 2023-2026 envisaged that on average 44 percent of new financing would come from external sources and favor borrowing in euros and CFA francs to limit exchange rate risk. Already a large share of external borrowing is denominated in euros. Public debt stood at 59.1 percent of GDP at end-2023, compared with 36.8 percent in 2018. External debt stood at 36.9 percent of GDP, compared to 24.5 percent in 2018—representing 62.4 percent of total debt at end-2023, well below the peak of 68.5 percent in 2019. The successful eurobond issuance in January 2024 in the amount of US\$2.6 billion marks an important milestone after two years of adverse external financing conditions.

**5. Most of the domestic debt is in the form of CFAF-denominated securities.** Those securities have a maturity between 3 months and 15 years and are held by domestic and other WAEMU investors. Debt financing has shifted to shorter term debt issuance in 2023 at substantially higher interest rates as regional market conditions have tightened. The BCEAO increased its policy interest rate to 3.5 percent in December 2023, the sixth increase since June 2022.

**6. Within external debt (excluding guarantees), commercial creditors hold about half of the external debt stock.** Close to 60 percent of commercial debt is in the form of eurobonds. Multilateral creditors have increased their share of debt since 2018 and represented 32 percent of external debt in 2023, as Côte d'Ivoire mobilized substantial concessional external financing to fund its response to the pandemic. On the other hand, the share of bilateral creditors stayed broadly stable since 2018, accounting for about 17 percent of the external debt stock at end-2023. The remaining shares are associated with commercial creditors (about 49 percent) and guaranteed debt (2.8 percent) (see Table 5 for details).

**Text Figure 2. Côte d'Ivoire: Composition of External Debt**



Source: Ivorian authorities' data.

## RECENT DEVELOPMENTS AND UNDERLYING ASSUMPTIONS

**7. The Ivorian economy continues to display impressive resilience.** Strong consumption and investment demand underpin robust economic activity in 2024. Staff projects 2024 real GDP growth at 6.1 percent, slightly lower than 6.2 percent in 2023, and reflecting weaker agriculture and construction activity in first half of the year. Nevertheless, agriculture is expected to recover with the waning of El Niño weather conditions, with cocoa production projected to increase by 12.5 percent. Growth is expected to be further supported by stronger mining and energy activity, the latter of



which will be buoyed by needed investment to upgrade equipment,<sup>6</sup> as well as the Baleine oil field. In addition, growth will be supported by robust activity in telecommunication and transportation. Headline annual average CPI inflation fell from 5.2 percent (y/y) in 2022 to 4.4 percent (y/y) in 2023, partly reflecting softening commodity prices.

**8. The assumptions in the baseline scenario are consistent with the macroeconomic framework of the third review of the EFF/ECF arrangements and second review of the RSF.**

(Text Tables 2 and 3). The performance under the third review of the EFF/ECF arrangements and second review of the RSF is strong with all quantitative performance criteria as of June 2024, all structural benchmarks (SB) as of September 2024 and reform measures (RM) under the RSF as of October 2024 met. The authorities are making progress towards meeting the rest of the year SBs and RMs and beginning of 2025. The baseline macro assumptions reflect climate change risks and mitigation, adaptation, and transition measures.

**9. GDP growth is projected to range between 6 and 6.5 percent through the medium term, similar to the previous DSA.** Real GDP growth is projected at 6.1 percent in 2024, supported by strong private consumption and investment, underpinned by capital deepening and gradually improving external conditions, and around 6.3 percent in 2025-26. Growth is expected to reach 7.5 percent in 2027 due to strong hydrocarbon production in phase 3 of the Baleine oilfield. Then it is expected to gradually converge to potential of around 6 percent over the medium-term thanks to continued investments in human capital and infrastructure as well as reforms to improve competition in the digital, telecom, financial and transport sectors, supported in part by the World Bank Development Policy Financing series. Growth is expected to be supported by industry and services as reforms improve competition on the supply side and by investments in infrastructure and human capital on the demand side.

**10. Gradual return to low inflation over the medium term.** Annual average inflation (CPI) is projected to ease further to 4 percent in 2024, reflecting a downward trend of global food and commodity prices and the BCEAO's monetary tightening. Inflation is expected to reach the BCEAO's 1 to 3 percent target range by 2025 and remain low at around 2 percent in the medium term, benefiting from the exchange rate peg to the euro.

**11. Budget deficits will remain wider than the WAEMU target in the short term but will converge in 2025.** Primary and overall fiscal deficits decreased to, respectively, 2.7 and 5.2 percent of GDP in 2023 from 4.6 and 6.8 percent of GDP in 2022, due to strong upfront revenue measures in the first year of the program. Tax revenue reached 13.6 percent of GDP in 2023 from 12.8 in 2022. While the NDP prominently focuses on an increase in private sector investment, it also has goals for public investment and debt financed public investment projects. The authorities are committed to further fiscal consolidation to the regional target of 3 percent of GDP for the overall fiscal deficit in

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<sup>6</sup> Regular equipment upgrades are essential to sustain thermal and hydraulic energy input production. These updates help prevent the need to import expensive inputs like heavy fuel oils (HFO), as seen in 2021 and 2024, which negatively impacted the value added of the energy sector.

2025, through strong consolidation efforts, especially by raising domestic revenue, while preserving priority spending.

**12. Higher tax revenue projections.** One of the authorities' key goals under the EFF/ECF arrangements is to keep Côte d'Ivoire's debt rating at moderate risk of debt distress. This requires significant and sustained efforts to mobilize revenues during the program period and beyond. A quantitative performance criterion monitors the tax revenue level through a floor. Continued improvements are expected through strengthened digitalization and tax administration but also through tax policy, supported by implementation of the comprehensive medium-term revenue mobilization strategy (MTRS) adopted in May 2024 and technical assistance of the Fund, the World Bank and other donors. Tax revenue is expected to increase from 12.8 percent of GDP in 2022 to 16 percent of GDP in 2026, reaching close to 19 percent by the end of the projection period. Efforts under the MTRS should include eliminating VAT tax exemptions, accelerating the removal of business tax exemptions, streamlining the personal income tax regime, improving property regime, fully rolling out a new IT system and pursuing public financial management reforms.

**13. Revenue coverage.** It remains the same as the three last DSAs consistent with the Government Finance Statistics Manual 2014 (GFSM 2014) and WAEMU directives.<sup>7</sup> As part of their efforts to broaden revenue coverage and increase transparency, the authorities are in the process of including services revenues, which were accounted off budget, into the revenue perimeter.

**14. A still wide current account deficit.** The external current account deficit is estimated to have remained broadly stable at 7.9 percent in 2023 after 7.7 percent of GDP in 2022, and is expected to narrow to about 2.6 percent of GDP by 2028. Exports values are boosted by sharply higher cocoa prices, lifting the merchandise trade surplus. Exports volumes are expected to benefit from increased hydrocarbon output and the implementation of NDP and Côte d'Ivoire 2030 policies, especially on private sector development and export diversification. Fiscal consolidation should also support a narrowing of the current account deficit over the medium term and bolster the merchandise trade surplus. Official reserves remained under pressure in 2023, with Côte d'Ivoire contributing to the decline in FX reserves at the regional level, but are expected to recover in line with the sharp rebound in the current account deficit and improved access to external financing, in part reflecting an easing of global financial conditions.

**15. Risks remain balanced.** Regional security challenges could generate spending pressures and weigh on confidence, while renewed oil price spikes could put pressure on tax revenue from petroleum products. Adverse weather conditions and crop disease could delay recovery in cocoa production. Weaker-than-anticipated recovery in pooled regional FX reserves could also weigh on investor confidence, as could the recent FATF grey listing, election-related uncertainty and social tensions in the run up to the October 2025 presidential elections. On the upside, sustained high cocoa prices could further boost disposable income, as well as cocoa-related export and fiscal

<sup>7</sup> It includes off-budget earmarked revenues collected by public enterprises, specifically the retroactive inclusion of the Perequation Produit revenue collected by the refinery (SIR) and taxes paid for and collected by the state in relation to donor externally financed projects.

revenue. More favorable financing conditions could continue to materialize for Côte d'Ivoire, as with the recent credit ratings upgrade and Eurobond issuance. Growth prospects could further improve from higher than anticipated oil and gas extraction, notably with a new substantial discovery in the Calao field, and the recent discovery of new potentially substantial gold deposits.

**16. The authorities' debt management strategy aims to meet gross financing needs while ensuring debt sustainability, based on a mix of external and domestic financing instruments.** The authorities intend to rely more on domestic financing over time as stated in their 2023-2026 medium-term debt strategy. The authorities borrowed externally around 70 percent of total financing in 2023 due to the tightening of domestic financing conditions and to reduce the external borrowing to 36 percent by 2026. The level of external commercial borrowing is set close to projected external commercial debt service. Multilateral and bilateral financing is projected to gradually decline from 4.6 percent of GDP in 2023 to 1.5 percent in 2044. In the short term, the government is expected to rely on both concessional and non-concessional borrowing to meet its financing needs. The debt service on Eurobonds represents about 30 percent of external debt service over the next three years. The authorities are committed to continue to actively manage their debt portfolio, including by operations such as the debt for development swap being discussed with the World Bank (Box 1), to improve the country's debt sustainability.

#### Box 1. Côte d'Ivoire: Debt for Development Swap<sup>1</sup>

*Côte d'Ivoire is preparing to use a World Bank Group's Policy-Based Guarantee (PBG) to implement a Debt-for-Development (D4D) swap. The D4D will be the first application of the new approach to these transactions under the joint WB-IMF framework for debt for development swaps.<sup>2</sup>*

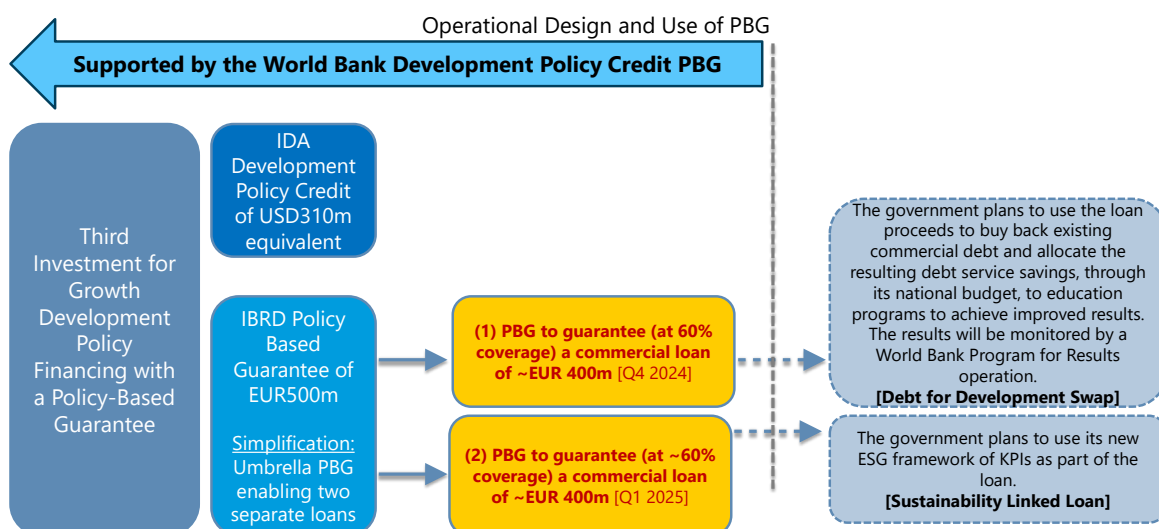
**The D4D maximizes development outcomes for Côte d'Ivoire while supporting the country in mobilizing private capital.** The PBG, expected to mobilize commercial financing (at 60 percent guarantee coverage), will enable the government to conduct a DMO to buy back around EUR 400 million of expensive commercial debt. As part of the program, the government intends to invest the generated savings in debt service in scaling up education sector development outcomes. The second component of the D4D swap program would be an ongoing Program for Results (PforR) in the education sector. The PforR would be used to monitor the achievement of the more ambitious education outcomes.<sup>3</sup> Taken together, the PBG-supported DMO and the PforR would constitute the first application of the new WB-IMF framework for debt for development swaps. This innovative approach helps the government mobilize private capital for development and prioritizes transparency and accountability in the use of resources while applying country systems for implementation and results, in strong alignment with the national priorities.

<sup>1</sup> The described operation is not part of the baseline as it has not been executed yet.

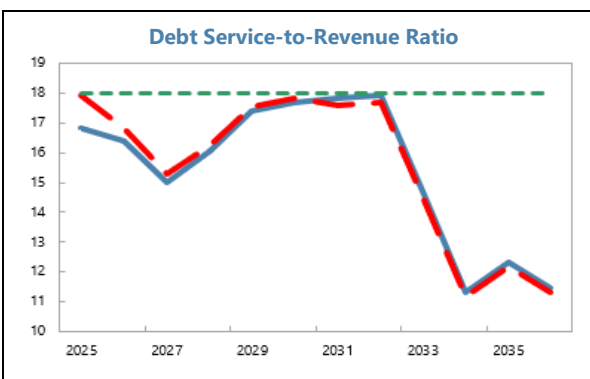
<sup>2</sup> World Bank. Debt for Development Swaps: An Approach Framework (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/099080524122596875/BOSIB170e4732504619bc417c0d0996ec21>

<sup>3</sup> The Côte d'Ivoire Strengthening Basic Education System Operation (P177800) will be used for monitoring of debt for development swap commitments. The government has separately requested a restructuring of the Côte d'Ivoire Strengthening Basic Education System Operation (P177800) to show higher ambition in disbursement linked indicators achieved thanks to the additional resources freed up by the D4D.

### Box 1. Côte d'Ivoire: Debt for Development Swap (concluded)



**The DMO is expected to improve debt sustainability by easing liquidity pressures in 2025-2028,** thanks to the lower interest rate and longer average maturity of the new loan, leading to over one percentage point reduction in the debt service-to-revenue ratio from its peak in 2025. The debt buy back will target external commercial loans maturing between 2029 and 2033 and carrying variable interest rates, with a total cost currently higher than 8 percent p.a. Replacing these loans with a PBG-backed one is expected to generate savings in net present value terms of about EUR 60 million and freeing up important cash-flow in the short term of up to EUR 300 million in 2025-2028, given the longer average maturity of the new debt (8.5 vs. 2.3 years of the previous portfolio).



**The DMO will only utilize a portion of a EUR 500 million PBG envelope approved by the World Bank, which will be deployed over two sequential transactions.** The PBG structure, encompasses two sequential transactions, that will also enable the government to mobilize financing through the first sustainability-linked loan (SLL) guaranteed by the World Bank in sub-Saharan Africa. A Sustainability Linked Loan (SLL) of about EUR 400 million is planned for CY2025 subject to market conditions and the issuance by second-party opinion provider of a second-party opinion on the KPI sustainability-linked financing framework.

Text Table 3. Côte d'Ivoire: LIC DSA Macroeconomic Assumptions

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Prel.	Prel.	Projections					
(Annual percentage changes, unless otherwise indicated)									
<b>National income</b>									
GDP at constant prices	7.1	6.2	6.2	6.1	6.3	6.3	7.5	7.0	6.5
GDP deflator	3.9	2.1	2.9	3.1	2.5	2.0	2.0	2.0	2.0
<b>External sector (on the basis of CFA francs)</b>									
Exports of goods, f.o.b., at current prices	18.2	19.5	4.3	21.8	17.5	2.1	12.1	6.1	7.0
Imports of goods, f.o.b., at current prices	24.3	39.4	-1.0	3.0	3.8	5.8	7.9	9.1	5.2
Export volume	8.3	4.5	4.7	1.9	6.9	9.8	13.5	7.4	7.1
Import volume	12.4	30.3	6.7	4.3	6.3	5.8	5.8	6.2	5.6
(Percent of GDP unless otherwise indicated)									
<b>Central government operations</b>									
Total revenue and grants	15.6	15.3	16.2	16.8	17.8	18.1	18.4	18.6	18.9
Total revenue	15.1	14.7	15.6	16.3	17.3	17.8	18.2	18.4	18.7
Total expenditure	20.5	22.1	21.5	20.8	20.8	21.2	21.4	21.6	21.9
Primary expenditure	18.5	19.9	18.9	18.4	18.2	18.8	19.1	19.5	19.8
Primary balance	-2.9	-4.6	-2.7	-1.6	-0.5	-0.7	-0.7	-0.9	-0.9
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0	-3.0
<b>External Sector</b>									
Current account balance	-3.9	-7.7	-7.9	-5.1	-1.7	-2.4	-2.0	-2.6	-2.5
Non-interest current account balance	-2.8	-6.5	-6.4	-3.7	-0.3	-1.0	-0.7	-1.4	-1.3
Sources: Ivorian authorities, World Bank, and IMF staff estimates and projections.									

Sources: Ivorian authorities, World Bank, and IMF staff estimates and projections.

Text Table 4. Côte d'Ivoire: Changes in Economic Assumptions

	Previous DSA			Current DSA		
	2024-2029	2030-2034	2035-2044	2024-2029	2030-2034	2035-2044
Nominal GDP (USD Billion)	107.0	165.0	294.0	109.8	170.6	304.0
Real GDP (y/y % change)	6.6	5.8	5.6	6.6	5.8	5.6
(Percent of GDP unless otherwise noted)						
<b>Fiscal (Central Government)</b>						
Revenue and grants	17.9	18.8	19.5	18.1	18.8	19.3
of which grants	0.3	0.2	0.1	0.3	0.2	0.0
Primary expenditure	18.7	18.0	19.3	19.0	19.3	19.9
Primary balance	-0.9	0.8	0.2	-0.9	-0.6	-0.4
<b>Balance of Payments</b>						
Exports of goods and services	25.6	24.2	22.4	25.2	23.4	21.7
Imports of goods and services	17.8	16.6	14.9	17.2	15.5	13.9
Non-interest current account balance	-1.5	-2.0	-2.2	-1.4	-1.7	-1.9
Current account balance	-2.9	-2.9	-2.9	-2.7	-2.6	-2.5
Foreign direct investment (net inflows)	3.1	2.8	3.1	3.1	2.7	3.1

Sources: Ivorian authorities, World Bank and IMF staff estimates and projections.

### 17. The authorities also intend to rebalance the recourse from regional to international markets given the potential crowding-out effect at the regional level.

Domestic financing is assumed to rely on issuances of CFAF securities with the following maturities from 2024 onwards: less than one-year (24 percent of issuances), one to three years (6 percent), three to seven years (37 percent) and more than seven years (33 percent). The authorities are continuing to strengthen processes related to debt management, with World

Bank support and IMF TA and have shown gradual and steady improvement in the World Bank Debt Transparency Heatmap since 2020.

**While setting ambitious policy targets, the macroeconomic framework is broadly plausible** (Figure 4). The realism tool shows that the macroeconomic framework will require relatively strong fiscal consolidation efforts from the authorities to meet the ambitious targets. The projected medium-term debt-creating flows are below those observed in the past five years, which were driven by a sizable residual.<sup>8</sup> The 2.3 percent of GDP residual calculated for 2023 mostly reflects a different recording of project loan disbursements in the fiscal accounts and the debt statistics, as well as the non-integration in the fiscal accounts of the flows associated with new debt contracted by the government and on-lent to SOEs, which is included in public debt.

## COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

**18. Côte d'Ivoire is assessed to have medium debt-carrying capacity.** Based on the April 2024 WEO macroeconomic framework and the World Bank's 2022 CPIA index, Côte d'Ivoire's composite indicator is 2.94 (above the lower cut-off of 2.69 but below the strong capacity cut-off value of 3.05) confirming the medium debt carrying capacity assessment used in previous DSA.<sup>9</sup> The relevant thresholds are used to assess debt risk rating.

**19. Given Côte d'Ivoire's reliance on global capital markets, a tailored test for international market financing was conducted.** In addition to the issuance of sizeable Eurobonds of 2020 and early 2021 (for about US\$1.2 billion and US\$1 billion, respectively), the country issued US\$2.6 billion of Eurobonds mainly for liability management operations in January 2024. Moody's raised the country's credit rating one notch to Ba2 in March 2024 and Standard and Poor's (S&P) to BB in October 2024. Côte d'Ivoire's debt management strategy aims at leveraging global capital markets to finance part of the country's gross financing needs when market conditions are favorable. A tailored test for market financing assumes a temporary increase in the cost of new commercial external borrowing by 400 basis points combined with a nominal depreciation of 15 percent of the CFAF vis-à-vis the US\$ and a shortening of maturities and of grace periods.<sup>10</sup>

<sup>8</sup> See Box 3. Stock-Flow Adjustments and Fiscal Risks of IMF Country Report No. 24/223.

<sup>9</sup> The other variables from the macroeconomic framework consist of five variables: real GDP growth, remittances, import coverage of reserves, the square of import coverage of reserves, and world economic growth. The composite indicator uses ten years of data (five years of history and five years of projections) to smooth out economic cycles.

<sup>10</sup> The share of USD denominated debt is estimated to be decreasing over time. The considered shortening of maturities of commercial external borrowing are as follows: if the original maturity is greater than five years, the new maturity is set to five years; if the original maturity is less than five years, the new maturity is shortened by two-thirds.

**20. Standard stress tests on real GDP growth, primary balance, exports, current transfers, foreign exchange (FX) depreciation, and a tailored test on commodity prices have also been applied.** The first four shocks set each of the above variables to the lower of its historical average minus one standard deviation, or its baseline projection minus one standard deviation. The FX depreciation considers a nominal depreciation of 30 percent of the CFAF vis-à-vis the US\$ in the first year of the projection. The commodity price shock captures the impact of a sudden one standard deviation decline in commodity prices.

Text Table 5. Côte d'Ivoire: CI Score

Debt Carrying Capacity		Medium	
Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage
Medium	Medium 2.94	Medium 2.94	Medium 2.90
APPLICABLE		APPLICABLE	
EXTERNAL debt burden thresholds		TOTAL public debt benchmark	
PV of debt in % of		PV of total public debt in percent of GDP	
Exports	180		55
GDP	40		
Debt service in % of			
Exports	15		
Revenue	18		

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.661	1.41	48%
Real growth rate (in percent)	2.719	5.885	0.16	5%
Import coverage of reserves (in percent)	4.052	39.392	1.60	54%
Import coverage of reserves^2 (in percent)	-3.990	15.517	-0.62	-21%
Remittances (in percent)	2.022	0.238	0.00	0%
World economic growth (in percent)	13.520	2.909	0.39	13%
CI Score			2.945	100%
CI rating			Medium	

## EXTERNAL DEBT SUSTAINABILITY ANALYSIS

**21. The country remains at moderate risk of debt distress.** Similar to the June 2024 DSA, Côte d'Ivoire debt is assessed at moderate risk of debt distress. The debt service-to-revenue ratio remains below the 18 percent threshold during the projection period, except for one



breach at 32.8 percent in 2024, mainly owing to early repayments and debt service of existing debt associated with the DMO.<sup>11</sup> The ratio is projected to steadily decline well below the threshold under the Fund-supported program before returning closer to the threshold around 2030. In the long run, it would decrease steadily until the end of projections. The debt service-to-export ratio is also projected to breach the 15 percent threshold to 20.5 percent in 2024 due to the DMO.<sup>12</sup> The external debt service ratios have improved since 2023 thanks to the DMO operation which was finalized in April 2024.

**22. All other PPG debt indicators are below their corresponding thresholds for the next ten years in the baseline scenario.** The PV of external debt-to-GDP is expected to decrease from around 33 percent in 2024 to about 21 percent in 2034 (Table 1 and Figure 1), well below the relevant threshold of 40. The PV of external debt to exports peaks at around 127 percent at the beginning of the projection period before decreasing and the debt service-to-exports ratio is expected to drop to around 11 percent in 2025 and stay below the 15 percent threshold. After the 2024 spike, the debt-service-to-revenue ratio is expected to remain below the threshold throughout the following years. The trajectory of the debt-service-to-revenue ratio underscores the criticality of improving domestic revenue mobilization to provide a sustainable source of funding for important development needs and to provide buffers on debt service and carefully managing the debt portfolio including debt conditionality and investment prioritization.

**23. A shock to exports would have a significant negative impact on Côte d'Ivoire's external debt sustainability.** It would cause the debt service-to-export ratio to breach the threshold from 2026 onward and, most shocks would cause the debt-service-to-revenue indicator to breach the threshold starting in 2024. This highlights the importance of continuing policies aiming at active debt management to moderate reliance on external borrowing to address liquidity management in order to strengthen the resilience of the Ivorian economy to shocks.

## PUBLIC DEBT SUSTAINABILITY ANALYSIS

**24. Under the baseline scenario, the PV of public debt-to-GDP ratio is below its threshold of 55 percent** (Figure 2). The PV of public debt-to-GDP is expected to slightly decline over the projection period, to around 40 percent by 2034. Meanwhile, the PV of debt-to-revenue and grants ratio would decline from around 323 percent in 2024 to 210 percent in 2034. Finally, the debt service-to-revenue and grants ratio is projected to soar to 61 percent in 2024 (again mostly as a result of the DMO) and decline back to around 17 percent at the end of

<sup>11</sup> The ratio would reach 19.3 percent without the DMO operation due to higher interest rates and shorter maturities contracted during the recent crisis.

<sup>12</sup> It would stay at 12.3 percent without the DMO.



the projection period. This again underscores the importance of strengthening domestic revenue mobilization.

**25. Standard stress tests highlight that Côte d'Ivoire's most extreme public debt vulnerability would emerge from a shock to exports** (Figure 2 and Table 4). Under the standard exports stress test, the PV of public debt-to-GDP would breach its corresponding threshold of 55 percent starting in 2025 and would continue increasing until 2026. This shock would lead to an explosive pattern of the two debt indicators, namely PV of public debt-to-GDP and PV of debt-to-revenue ratios, which could be exacerbated if exports were to decrease even further. It confirms the country's dependence on exports still concentrated in a few commodities, as in the case of external debt, hence the importance of accelerating diversification policies.

**26. Pursuing consolidation is essential to moderate domestic debt level.** Domestic debt has increased over the past five years reflecting higher fiscal deficits as a consequence of the recent crisis episodes. As progress in fiscal consolidation materializes, the domestic debt to GDP stabilizes and should moderate further over the medium term (Figure 7). Net issuance increased in 2020-2021 but declined since as the authorities began their consolidation efforts and turned to more external financing than expected due to the tightening of the regional financial market conditions in 2023. During that episode, auctions in the regional market witnessed significantly reduced demand from investors, with much higher yields and shorter maturities. However, the authorities did not have difficulty rolling over maturing debt by contracting external commercial debt on cheaper terms than the regional market—due to the country's strong fundamentals. The domestic debt service to revenue ratio is expected to moderate steadily as domestic revenues rise thanks to the ambitious MTRS adopted by the authorities in 2024 which should support increasing fiscal revenue towards the WAEMU target of 20 percent of GDP.

## CLIMATE CHANGE RISKS

**27. Côte d'Ivoire is highly exposed to climate change through rising temperatures and sea levels, as well as rain pattern changes.** With temperatures already on the rise and weather patterns becoming more extreme, studies project that by 2050, Côte d'Ivoire could face the combined effects of hotter average temperatures, greater variability in rainfall, and higher sea levels, as well as associated risks of flooding and coastal erosion.<sup>13</sup>

**28. Economic vulnerabilities to climate change are mostly due to heavy reliance on agriculture, and the concentration of industrial and services activity in coastal areas.** Agriculture employs about half of the workforce and contributes about 17 percent of GDP and 10 percent of tax revenues. Climate change would affect the debt sustainability indicators through its negative impact on (i) output due to a productivity decrease and loss of suitable

<sup>13</sup> World Bank Group, Country Climate and Development Report, 2023.

land; (ii) the fiscal balance owing to weaker revenue mobilization as, notably, agriculture becomes more vulnerable, and increased spending due to rising natural disaster cost and spending needs to build resilient infrastructure; and (iii) the balance of payments.

**29. Côte d'Ivoire's Nationally Determined Contributions (NDC) address exposure and vulnerability to climate change and imply significant costs.** The NDC emphasizes the importance of increasing resilience in agriculture, improving water resource governance, addressing health challenges by building capacity and increasing health surveillance, and increasing the resilience of coastal zones. The implementation cost of climate policies is estimated at US\$22 billion (US\$12 billion in adaptation and US\$10 billion in mitigation). Private financing is expected to play a major role in financing (assumed to cover 74 percent of the National Development Plan), as well as international sources such as the Green Climate Fund and the Adaptation Fund. The authorities held a climate finance roundtable on July 5, 2024 to catalyze financing for the country's climate reform agenda. Over 40 multilateral organizations and private sector financial entities attended the roundtable and expressed interest in collaborating with Côte d'Ivoire in enhancing green and climate-related financing. Specific commitments are expected by November 2024.

**30. Raising adequate financing at affordable rates to build resilience is a major challenge.** The Ivorian authorities would need to develop a full green finance strategy to cover the above-mentioned financing needs. Given limitations in the domestic financing system, all sources of financing would need to be considered, traditional donors but also international climate funds, which could unlock significant private financing, as well as different types of financing. The authorities have already used blended financing through guarantees and ESG bonds provided by regional banks. Reform measures to address financing will thus likely play an important role to maximize the catalytic impact of Fund financial support through the RSF. To that matter, a financing roundtable should take place in mid-year to kick start the process of catalyzing donors and private sector financing efforts to build resilience against climate change.

**31. A severe natural disaster could occur in the form of flooding impacting coastal populations' livelihoods and the agriculture and tourism sectors.** Fifty-six percent of population of Côte d'Ivoire live in an urban coastal area. According to the World Bank,<sup>14</sup> floods are extremely damaging in the country with an estimated annual cost (expected value) of about 3 percent of GDP due to fluvial and pluvial floods (not accounting for seawater due to a lack of data) along the coast through the cost of mortality and the damage to assets and economic production.

**32. A customized stress test shows that the natural disaster shock is the most extreme shock to public debt.** The natural disaster stress test is informed by the World Bank flooding cost estimates. The calibration assumes one-off 9 percentage points decline in real GDP growth and a standard size of associated export growth shock of 3.5 percentage points. The debt service-to-revenue ratio would surge to 67 percent in 2026 and the PV of debt to GDP ratio

<sup>14</sup> [The Cost of Coastal Zone Degradation in West Africa: Benin, Cote d'Ivoire, Senegal, and Togo \(worldbank.org\).](https://www.worldbank.org/en/publications/working-paper/2023/07/the-cost-of-coastal-zone-degradation-in-west-africa-benin-cote-d-ivoire-senegal-and-togo)

would spike to 61 percent in 2025 (Figure 2, table 4). The results highlight the urgent need for addressing climate change challenges. Additionally, as shown in the DIGNAD modeling of EBS/24/17 Sup1, Côte d'Ivoire would benefit from investments in resilient infrastructure and greater revenue mobilization to attenuate the negative effect of natural disasters on debt sustainability.

## RISK RATING AND VULNERABILITIES

**33. The new debt sustainability analysis indicates that Côte d'Ivoire remains at moderate risk of external debt distress with limited capacity to absorb shocks.** Except for one temporary breach in 2024 due to the DMO, the debt service-to-revenue ratio remains below but close to its corresponding threshold under the baseline scenario and the debt service-to-export ratio also breaches the 15 percent threshold only once due to the DMO in early 2024. The other debt indicators stay below their thresholds. By reducing debt service falling due, especially during the first years of projections, the DMO enhances debt sustainability and mitigates debt related vulnerabilities, especially liquidity ratios. Standard stress tests show that the PV of external debt-to-exports ratio, external debt service-to-export ratio, and external debt service-to-revenue ratio would cross the threshold in the most extreme shock scenarios. The space to absorb shocks is limited with the external debt-service-to-revenue ratio breaching and then remaining below but close to the threshold during the projection period (Figure 5). This reinforces the focus under the EFF/ECF-arrangements of policy commitments to intensify revenue mobilization and promote private-sector led economic transformation, including diversifying the export base. It is also crucial to have a prudent external borrowing strategy aimed at balancing the costs and risks of new loans to preserve Côte d'Ivoire's borrowing space and medium-term debt sustainability. The recent successful Eurobond issuance marks an important turning point after two years of adverse external financing conditions. The EFF/ECF and the RSF arrangements, along with the World Bank DPO should catalyze other donors' financing at concessional terms.

**34. This DSA indicates that the overall risk of debt distress also remains moderate, and stress tests highlight high vulnerabilities of external and total debt to shocks.** While the overall debt sustainability risk remains moderate, the PV of public debt-to-GDP breaches its threshold of 55 percent starting in 2025 under the most extreme shock (exports) arising from the standard stress tests. All four external debt indicators would breach their threshold under the most extreme shocks (exports).

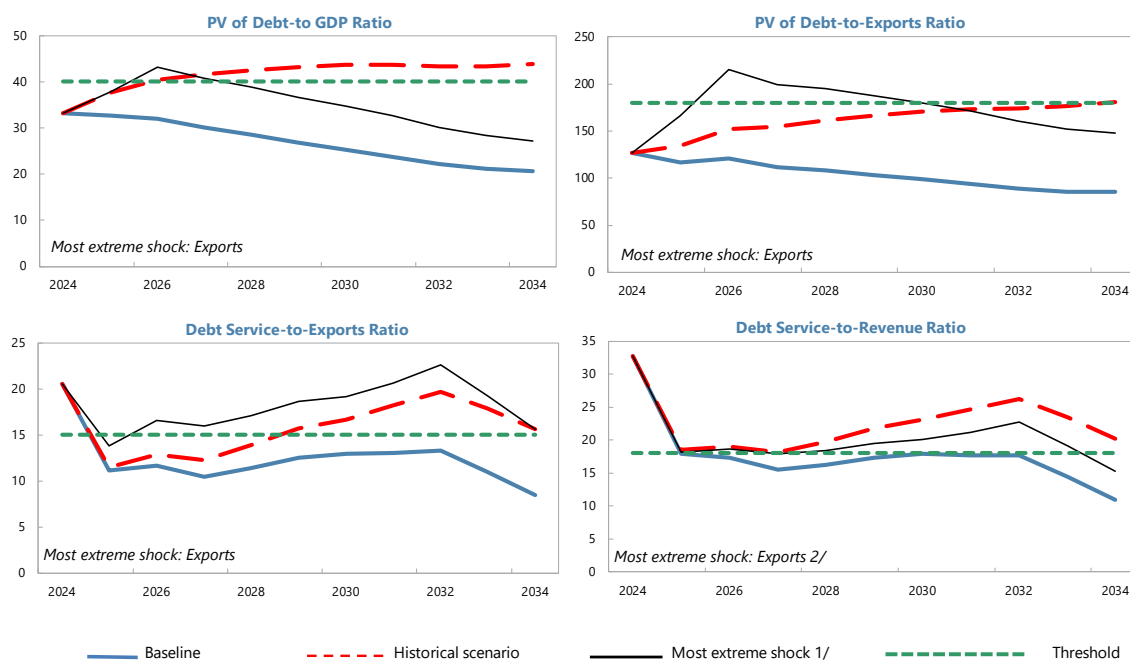
**35. The granularity assessment indicates that there is limited space to absorb shocks** (Figure 6). Under the module, which allows qualifying the moderate risk of debt-distress, Côte d'Ivoire is assessed as having limited space to absorb shocks, especially when considering the debt service ratios, both to exports and to revenue, stressing the liquidity vulnerability of the country and the importance of strengthening DRM and diversifying exports.

**36. The authorities are appropriately focused on building resilience against shocks to debt sustainability.** Keeping the country at moderate risk of debt distress is a priority for the authorities and is therefore an anchor under the EFF/ECF arrangements. The authorities' effort to consolidate through continued and sustained domestic revenue mobilization is paramount while remaining committed to containing medium-term public expenditure, to reach the WAEMU target of 3 percent of GDP fiscal deficit, another anchor under the Fund-supported program. Additionally, the DSA results highlight the need to carefully monitor debt indicators, use prudent GDP growth assumptions, create fiscal space, implement judicious policies to preserve macroeconomic stability, and have full oversight of SOE debt contracting. Within this context, the authorities are committed toward fully integrating SOE debt in their debt sustainability assessment. A careful and active debt management, including balancing domestic and external debt, will be crucial to preserve debt sustainability and keep the country at moderate risk of debt distress.

## AUTHORITIES' VIEWS

**37. The authorities agreed that Côte d'Ivoire remains at moderate risk of debt distress.** They are strongly committed to keeping the country's debt at moderate risk. They are aware that the external debt service to revenue ratio and the debt service to export ratio (the latter only due to the extensive liabilities management exercise in Q1 2024) temporarily breach their respective thresholds in 2024 before remaining below them for the rest of the projection period. However, these breaches are considered to be one-off and do not call into question the medium-term debt sustainability trajectory. The authorities continue to show strong commitment to active debt management, notably with the January Eurobond issuance. As intended, the Eurobond issuance and liabilities management exercise strengthened debt sustainability, including liquidity indicators, and reduced debt vulnerabilities. The authorities are closely monitoring their debt portfolio, including the composition between external and domestic borrowing, the concessionality of loans, and the investment prioritization and pace of disbursement. The authorities are strongly committed to the program's objectives, in particular increasing domestic revenue mobilization and reducing debt sustainability risks as evidenced by the latest country's risk rating upgrade of Moody's in March 2024 from Ba3 with positive outlook to Ba2 with stable outlook and S&P in October 2024 from BB- with positive outlook to BB+ with stable outlook. These rating upgrades attest to investors' growing confidence in the country's macroeconomic management and its ability to maintain a sustainable development path.

**Figure 1. Côte d'Ivoire: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2024–34**



Customization of Default Settings		
	Size	Interactions
<b>Tailored Stress</b>		
Combined CL	No	
Natural disaster	Yes	No
Commodity price	No	No
Market financing	No	No

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

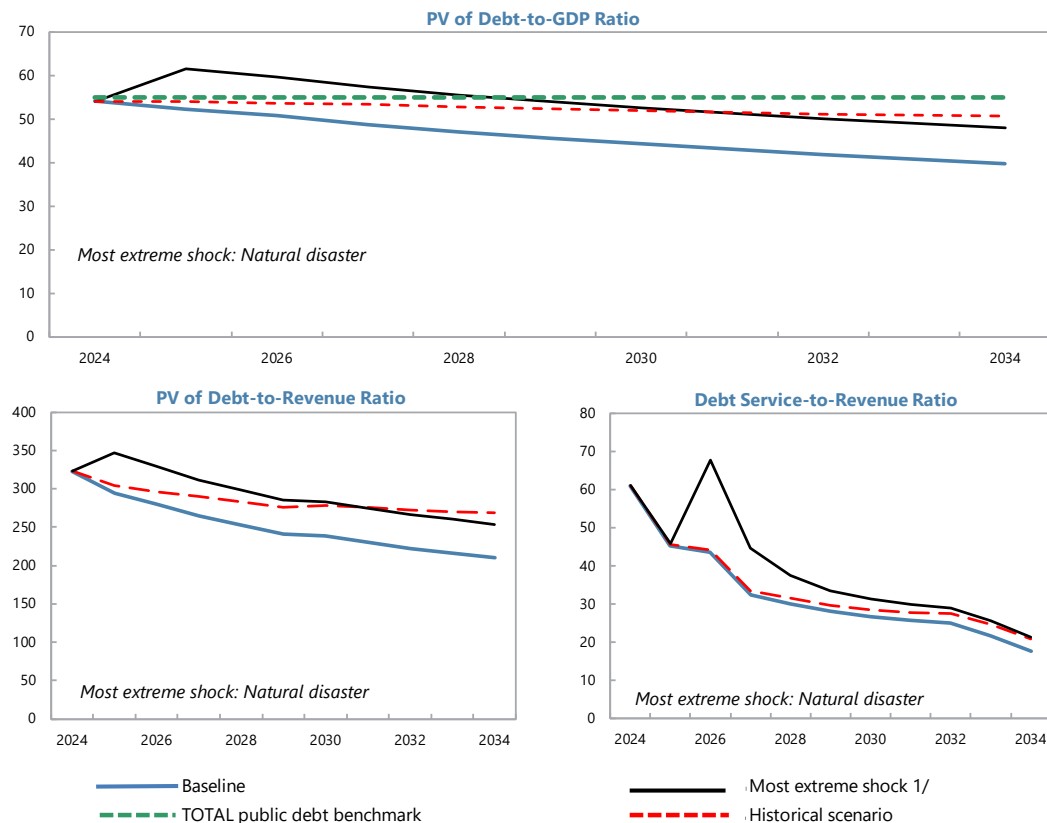
Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Default	User defined
<b>Shares of marginal debt</b>		
External PPG MLT debt	100%	
<b>Terms of marginal debt</b>		
Avg. nominal interest rate on new borrowing in USD	3.4%	3.4%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	18	18
Avg. grace period	5	5

\* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

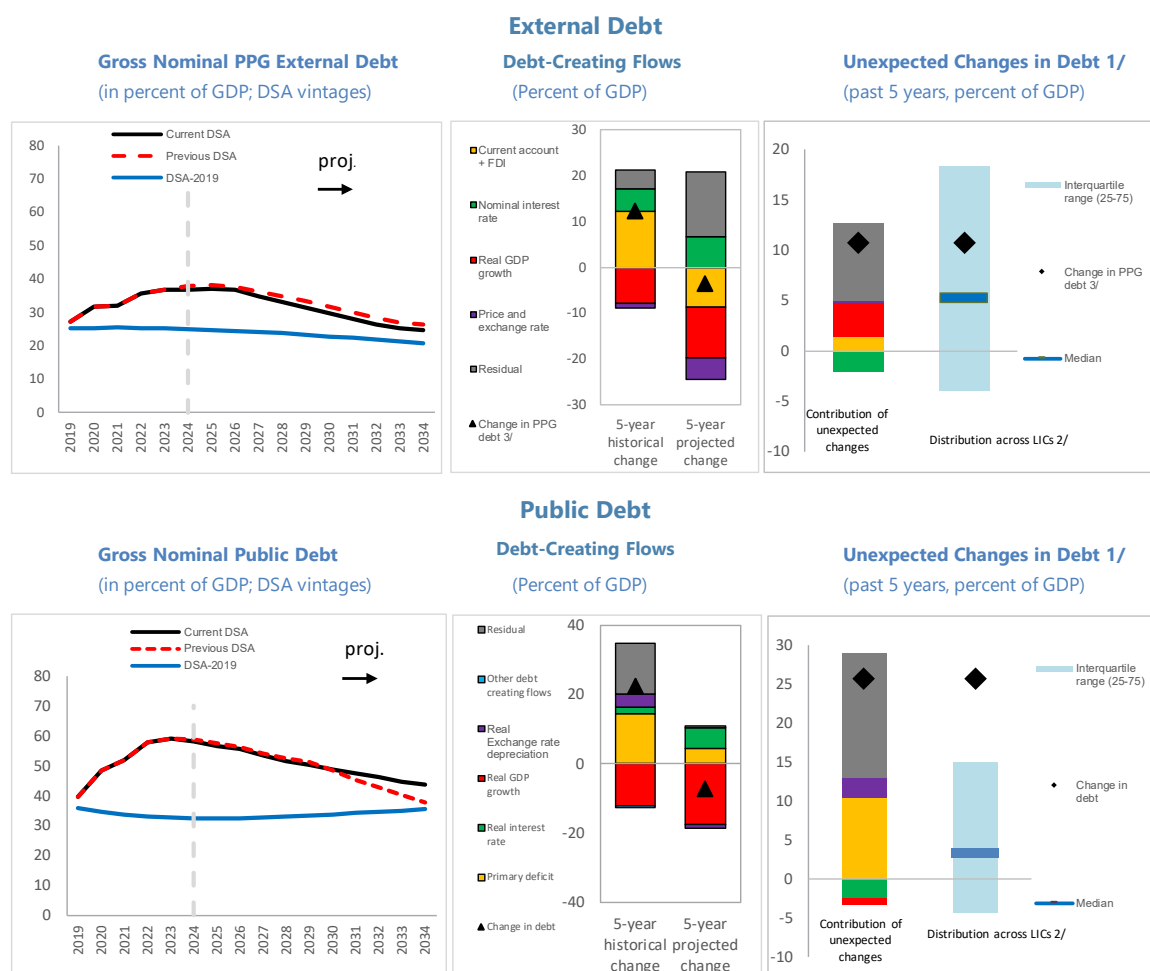
**Figure 2. Côte d'Ivoire: Indicators of Public Debt Under Alternative Scenarios, 2024–34**

Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
<b>Shares of marginal debt</b>		
External PPG medium and long-term	55%	55%
Domestic medium and long-term	39%	39%
Domestic short-term	6%	6%
<b>Terms of marginal debt</b>		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	3.4%	3.4%
Avg. maturity (incl. grace period)	18	18
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	3.6%	3.6%
Avg. maturity (incl. grace period)	1	1
Avg. grace period	0	0
Domestic short-term debt		
Avg. real interest rate	3.5%	3.5%

\* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

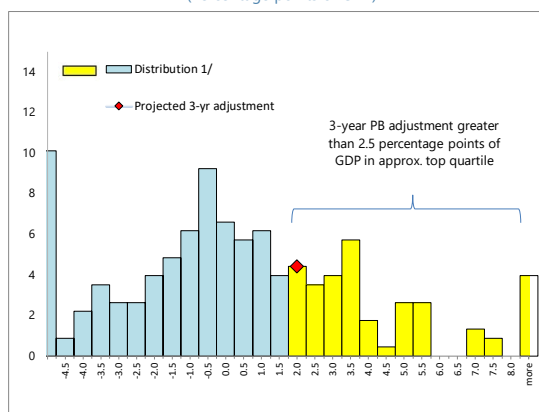
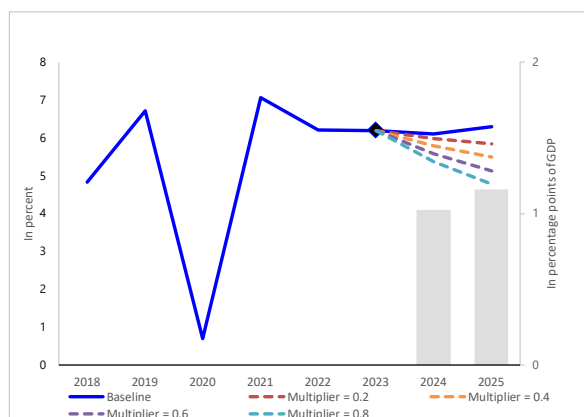
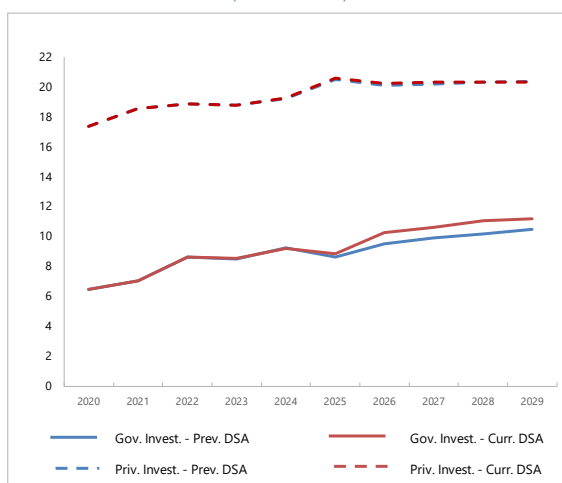
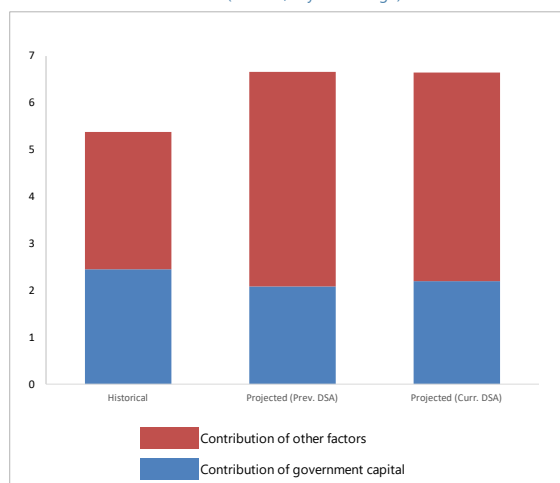
1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

**Figure 3. Côte d'Ivoire: Drivers of Debt Dynamics – Baseline Scenario**

1/ Difference between anticipated and actual contributions on debt ratios.

2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

**Figure 4. Côte d'Ivoire: Realism Tools****3-Year Adjustment in Primary Balance**  
(Percentage points of GDP)**Fiscal Adjustment and Possible Growth Paths 1/****Public and Private Investment Rates**  
(Percent of GDP)**Contribution to Real GDP growth**  
(Percent, 5-year average)

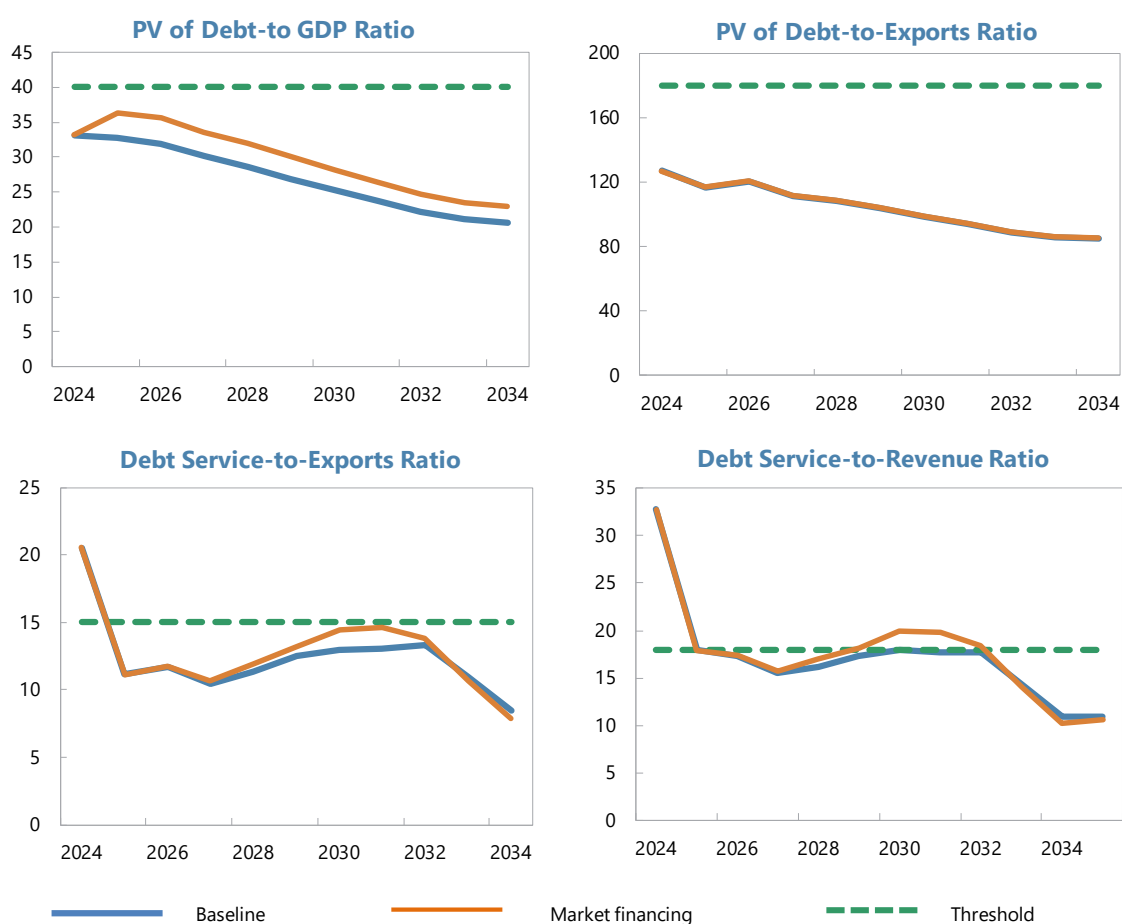


**Figure 5. Côte d'Ivoire: Market-Financing Risk Indicators**

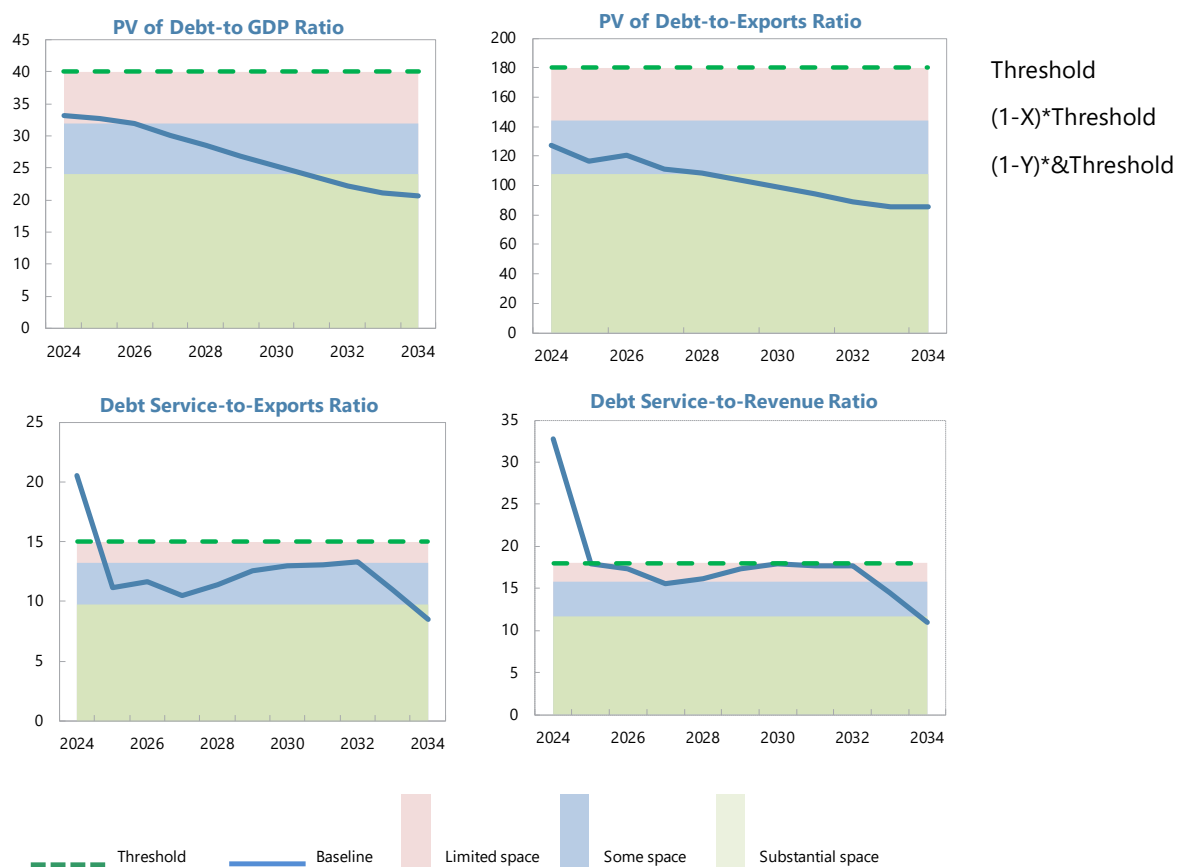
	GFN	1/	EMBI	2/
Benchmarks	14		570	
Values	12		568	
Breach of benchmark	No		No	
Potential heightened liquidity needs	Low			

1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.

2/ EMBI spreads correspond to the latest available data.



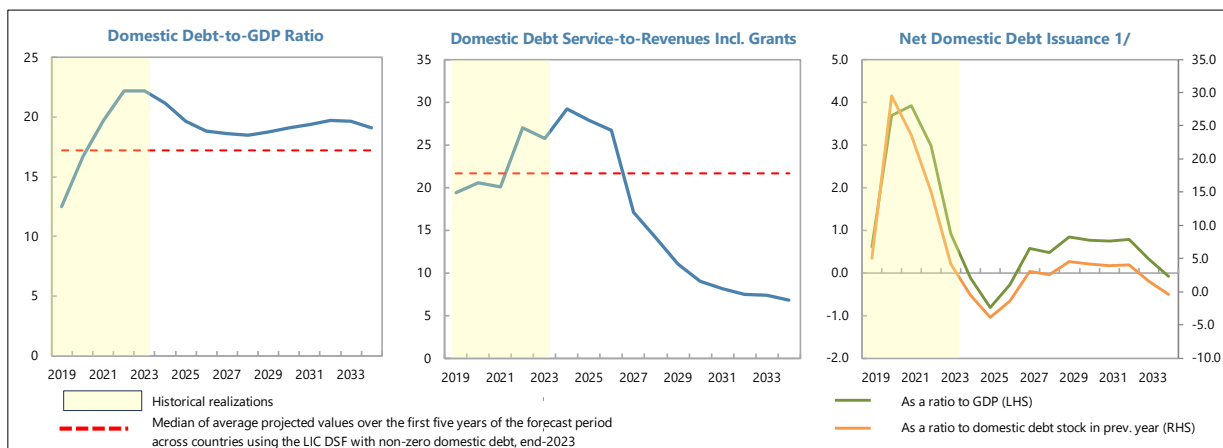
Sources: Country authorities; and staff estimates and projections.

**Figure 6. Côte d'Ivoire: Qualification of the Moderate Category, 2024-34<sup>1</sup>**

Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

**Figure 7. Côte d'Ivoire: Indicators of Domestic Public Debt 2019-34**  
(Percent)



Borrowing Assumptions (average over 10-year projection)	Value
<b>Shares in new domestic debt issuance</b>	
Medium and long-term	87%
Short-term	13%
<b>Borrowing terms</b>	
<b>Domestic MLT debt</b>	
Avg. real interest rate on new borrowing	3.6%
Avg. maturity (incl. grace period)	1
Avg. grace period	0
<b>Domestic short-term debt</b>	
Avg. real interest rate	3.5%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

**Table 1. Côte d'Ivoire: External Debt Sustainability Framework, Baseline Scenario, 2021–44**  
(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/ Historical Projections	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
External debt (nominal) 1/	32.1	35.8	36.9	36.9	37.1	36.7	34.8	33.2	31.5	24.7	18.0	25.4	31.3
of which: public and publicly guaranteed (PPG)	32.1	35.8	36.9	36.9	37.1	36.7	34.8	33.2	31.5	24.7	18.0	25.4	31.3
Change in external debt	0.4	3.7	1.1	0.0	0.2	-0.4	-2.0	-1.6	-1.7	-0.6	-0.7		
Identified net debt-creating flows	-1.8	6.8	2.3	-0.7	-4.2	-3.1	-3.0	-2.1	-2.1	-1.4	-2.3	0.5	-2.1
Non-interest current account deficit	2.8	6.6	6.9	3.9	0.3	1.0	0.7	1.4	1.3	2.0	1.5	2.3	1.5
Deficit in balance of goods and services	-0.1	3.9	3.2	0.2	-3.1	-2.8	-3.8	-3.2	-3.3	-2.9	-3.4	-0.5	-2.9
Exports	22.3	24.5	23.4	26.1	28.0	26.5	27.0	26.3	25.9	24.2	22.6		
Imports	22.2	28.4	26.6	26.4	25.0	23.6	23.3	23.2	22.6	21.3	19.2		
Net current transfers (negative = inflow)	0.9	0.5	0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
of which: official	0.0	-0.2	-0.4	-0.4	-0.3	0.0	-0.1	0.0	0.0	0.0	0.0		
Other current account flows (negative = net inflow)	1.9	2.2	3.1	2.8	2.6	3.0	3.7	3.8	3.8	4.1	4.2	2.0	3.6
Net FDI (negative = inflow)	-1.5	-2.0	-1.7	-3.8	-3.8	-3.3	-2.5	-2.6	-2.6	-2.9	-3.4	-1.2	-2.9
Endogenous debt dynamics 2/	-3.1	2.2	-2.9	-0.8	-0.7	-0.7	-1.2	-1.0	-0.8	-0.6	-0.4		
Contribution from nominal interest rate	1.1	1.0	1.0	1.3	1.4	1.4	1.3	1.2	1.2	0.8	0.5		
Contribution from real GDP growth	-1.9	-2.1	-2.0	-2.0	-2.1	-2.2	-2.5	-2.2	-2.0	-1.4	-1.0		
Contribution from price and exchange rate changes	-2.3	3.2	-1.9	...	...	...	...	...	...	...	...		
Residual 3/	2.2	-3.1	-1.2	0.7	4.4	2.7	1.0	0.6	0.4	0.9	1.6	1.9	1.0
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Sustainability indicators</b>													
PV of PPG external debt-to-GDP ratio	...	...	33.5	33.2	32.7	31.9	30.1	28.6	26.9	20.7	15.1		
PV of PPG external debt-to-exports ratio	...	...	143.1	127.1	116.7	120.6	111.4	108.6	103.6	85.3	66.6		
PPG debt service-to-exports ratio	8.9	9.1	11.4	20.5	11.1	11.7	10.5	11.4	12.6	8.5	7.4		
PPG debt service-to-revenue ratio	13.1	15.1	17.1	32.8	17.9	17.3	15.5	16.2	17.4	11.0	8.1		
Gross external financing need (Million of U.S. dollars)	4604.8	7670.4	8870.0	11337.0	6886.1	7624.4	6849.3	8612.9	9641.5	13638.4	27146.5		
<b>Key macroeconomic assumptions</b>													
Real GDP growth (in percent)	7.1	6.2	6.2	6.1	6.3	6.3	7.5	7.0	6.5	5.8	5.6	6.4	6.3
GDP deflator in US dollar terms (change in percent)	7.8	-9.1	5.6	3.9	3.3	2.3	1.8	1.9	2.0	2.0	2.0	0.1	2.3
Effective interest rate (percent) 4/	4.1	3.1	3.2	3.8	4.3	4.1	4.0	3.9	3.8	3.3	3.1	3.7	3.7
Growth of exports of G&S (US dollar terms, in percent)	22.7	6.0	7.3	23.0	17.9	2.7	11.7	6.2	7.1	6.4	7.3	3.9	9.2
Growth of imports of G&S (US dollar terms, in percent)	27.9	23.2	5.2	9.2	4.0	3.0	7.7	8.6	6.1	6.8	6.5	6.3	6.5
Grant element of new public sector borrowing (in percent)	...	...	...	12.3	19.1	18.5	17.4	17.2	17.8	16.1	17.8	...	16.4
Government revenues (excluding grants, in percent of GDP)	15.1	14.7	15.6	16.4	17.4	17.9	18.3	18.5	18.8	18.8	20.6	14.1	18.2
Aid flows (in Million of US dollars) 5/	333.1	375.5	522.3	1324.4	1264.9	1193.8	1121.6	1196.4	1213.6	627.6	473.7		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.4	1.4	1.1	0.7	0.8	0.8	0.5	0.3	...	0.8
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	17.6	26.0	24.5	23.6	23.2	23.5	19.8	18.7	...	21.8
Nominal GDP (Million of US dollars)	72,833	70,324	78,887	86,973	95,481	103,863	113,674	123,970	134,667	197,475	415,100		
Nominal dollar GDP growth	15.4	-3.4	12.2	10.2	9.8	8.8	9.4	9.1	8.6	7.9	7.7	6.4	8.7
<b>Memorandum items:</b>													
PV of external debt 7/	...	...	33.5	33.2	32.7	31.9	30.1	28.6	26.9	20.7	15.1		
In percent of exports	...	...	143.1	127.1	116.7	120.6	111.4	108.6	103.6	85.3	66.6		
Total external debt service-to-exports ratio	8.9	9.1	11.4	20.5	11.1	11.7	10.5	11.4	12.6	8.5	7.4		
PV of PPG external debt (in Million of US dollars)	...	...	26428.5	28875.7	31235.7	33176.4	34221.7	35424.1	36168.2	40828.3	62491.4		
(Pvt-Pvt-1)/GDPt-1 (in percent)	...	...	...	3.1	2.7	2.0	1.0	1.1	0.6	1.2	0.6		
Non-interest current account deficit that stabilizes debt ratio	2.4	2.9	5.8	3.8	0.1	1.3	2.6	3.0	3.0	2.5	2.2		

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as  $[r - g - p(1+g)]/(1+g+p+g)$  times previous period debt ratio, with  $r$  = nominal interest rate;  $g$  = real GDP growth rate, and  $p$  = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief; changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

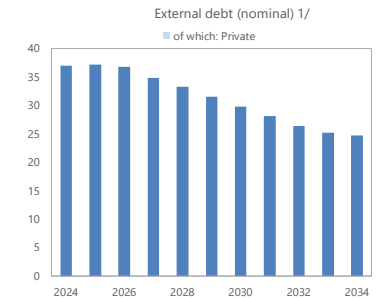
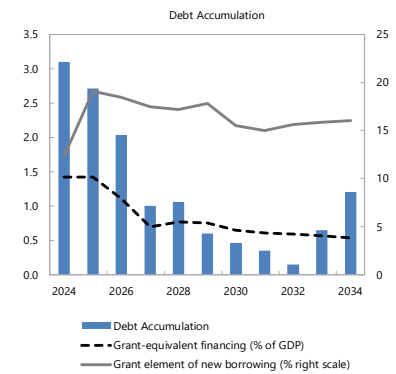
5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	Yes



**Table 2. Côte d'Ivoire: Public Sector Debt Sustainability Framework, Baseline Scenario, 2021-44**  
(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
Public sector debt 1/	51.8	57.9	59.1	58.1	56.8	55.6	53.4	51.7	50.2	43.8	35.4	41.4	50.6
of which: external debt	32.1	35.8	36.9	36.9	37.1	36.7	34.8	33.2	31.5	24.7	18.0	25.4	31.3
Change in public sector debt	3.4	6.2	1.1	-1.0	-1.3	-1.2	-2.1	-1.7	-1.5	-1.1	-0.9		
Identified debt-creating flows	2.2	4.3	-1.2	-0.9	-1.6	-1.3	-1.9	-1.4	-1.1	-0.5	-0.5	1.1	-1.0
Primary deficit	2.9	4.6	2.7	1.6	0.5	0.7	0.7	0.9	0.9	0.6	0.2	2.1	0.7
Revenue and grants	15.6	15.3	16.2	16.8	17.8	18.1	18.4	18.6	18.9	18.9	20.7	14.9	18.4
of which: grants	0.5	0.5	0.7	0.5	0.5	0.3	0.2	0.2	0.2	0.1	0.0		
Primary (noninterest) expenditure	18.5	19.9	18.9	18.4	18.2	18.8	19.1	19.5	19.8	19.5	20.9	17.1	19.1
Automatic debt dynamics	-0.7	0.0	-3.9	-2.6	-2.1	-2.0	-2.6	-2.3	-2.0	-1.0	-0.8		
Contribution from interest rate/growth differential	-3.2	-3.5	-3.1	-2.6	-2.1	-2.0	-2.6	-2.3	-2.0	-1.0	-0.8		
of which: contribution from average real interest rate	0.0	-0.4	0.3	0.8	1.4	1.4	1.3	1.2	1.2	1.4	1.2		
of which: contribution from real GDP growth	-3.2	-3.0	-3.4	-3.4	-3.4	-3.4	-3.9	-3.5	-3.2	-2.5	-1.9		
Contribution from real exchange rate depreciation	2.5	3.5	-0.7	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Privatization receipts (negative)	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	1.2	1.9	2.3	-0.1	0.3	0.1	-0.3	-0.3	-0.4	-0.6	-0.4	2.4	-0.4
<b>Sustainability indicators</b>													
PV of public debt-to-GDP ratio 2/	...	...	55.4	54.1	52.3	50.8	48.8	47.1	45.6	39.8	32.4		
PV of public debt-to-revenue and grants ratio	...	...	341.3	322.7	294.3	280.1	264.9	252.4	240.9	210.5	156.9		
Debt service-to-revenue and grants ratio 3/	32.8	41.5	42.2	61.0	45.4	43.7	32.5	30.1	28.2	17.7	13.3		
Gross financing need 4/	8.0	10.6	9.5	11.9	8.5	8.6	6.7	6.5	6.2	3.9	3.0		
<b>Key macroeconomic and fiscal assumptions</b>													
Real GDP growth (in percent)	7.1	6.2	6.2	6.1	6.3	6.3	7.5	7.0	6.5	5.8	5.6	6.4	6.3
Average nominal interest rate on external debt (in percent)	3.8	3.2	3.2	3.8	4.2	4.1	4.0	3.9	3.8	3.3	3.1	3.8	3.7
Average real interest rate on domestic debt (in percent)	1.5	3.5	2.0	1.7	2.7	3.3	3.3	3.3	3.3	3.5	3.7	3.2	3.2
Real exchange rate depreciation (in percent, + indicates depreciation)	8.3	11.9	-2.2	...	...	...	...	...	...	...	...	3.3	...
Inflation rate (GDP deflator, in percent)	3.9	2.1	2.9	3.1	2.5	2.0	2.0	2.0	2.0	2.0	2.0	1.9	2.2
Growth of real primary spending (deflated by GDP deflator, in percent)	6.9	14.0	1.0	3.3	5.4	9.5	9.6	9.1	8.2	6.6	6.5	9.1	6.6
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-0.5	-1.6	1.5	2.6	1.8	1.9	2.9	2.6	2.3	1.6	1.1	-0.2	2.1
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central, state, and local governments plus social security, central bank, government-guaranteed debt. Definition of external debt is Currency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

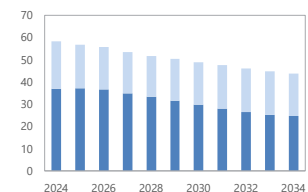
5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio (-): a primary surplus, which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

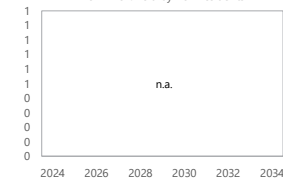
Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	Yes

Public sector debt 1/

■ of which: local-currency denominated  
■ of which: foreign-currency denominated



■ of which: held by residents  
■ of which: held by non-residents



**Table 3. Côte d'Ivoire: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2024–34**  
(Percent)

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of Debt-to GDP Ratio											
Baseline	33	33	32	30	29	27	25	24	22	21	21
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	33	38	40	42	43	43	44	44	43	43	44
B. Bound Tests											
B1. Real GDP growth	33	34	34	32	31	29	27	25	24	23	22
B2. Primary balance	33	34	36	35	34	32	30	29	27	25	25
B3. Exports	33	38	43	41	39	37	35	33	30	28	27
B4. Other flows 3/	33	36	37	35	33	31	30	28	26	24	24
B5. Depreciation	33	41	38	36	34	32	30	28	26	25	25
B6. Combination of B1-B5	33	42	42	40	38	36	34	32	30	28	27
C. Tailored Tests											
C1. Combined contingent liabilities	33	37	37	36	34	33	31	29	27	26	26
C2. Natural disaster	33	38	39	37	36	34	33	31	30	29	28
C3. Commodity price	33	33	33	32	30	29	27	26	24	23	23
C4. Market Financing	33	36	36	34	32	30	28	26	25	23	23
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of Debt-to-Exports Ratio											
Baseline	127	117	121	111	109	104	99	94	89	86	85
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	127	134	152	154	162	166	171	173	174	176	181
B. Bound Tests											
B1. Real GDP growth	127	117	121	111	109	104	99	94	89	86	85
B2. Primary balance	127	122	138	130	128	123	118	113	107	104	103
B3. Exports	127	166	216	200	195	187	180	171	160	152	148
B4. Other flows 3/	127	127	140	129	126	121	116	110	103	99	97
B5. Depreciation	127	117	115	106	104	99	94	90	85	82	82
B6. Combination of B1-B5	127	165	148	168	164	157	151	143	134	128	125
C. Tailored Tests											
C1. Combined contingent liabilities	127	130	141	133	131	126	121	116	110	107	106
C2. Natural disaster	127	136	148	140	139	135	130	126	121	118	118
C3. Commodity price	127	118	124	117	115	111	107	102	97	94	94
C4. Market Financing	127	117	121	112	109	104	99	94	89	86	85
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt Service-to-Exports Ratio											
Baseline	21	11	12	10	11	13	13	13	13	11	9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	21	11	13	12	14	16	17	18	20	18	16
B. Bound Tests											
B1. Real GDP growth	21	11	12	10	11	13	13	13	13	11	9
B2. Primary balance	21	11	12	11	12	14	14	14	15	13	10
B3. Exports	21	14	17	16	17	19	19	21	23	19	16
B4. Other flows 3/	21	11	12	11	12	13	14	14	15	13	10
B5. Depreciation	21	11	12	10	11	12	13	13	13	11	8
B6. Combination of B1-B5	21	13	15	14	15	17	17	19	19	16	13
C. Tailored Tests											
C1. Combined contingent liabilities	21	11	12	11	12	13	14	14	14	12	9
C2. Natural disaster	21	11	13	12	13	14	14	14	15	12	10
C3. Commodity price	21	11	12	11	12	13	14	14	14	12	9
C4. Market Financing	21	11	12	11	12	13	14	15	14	11	8
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt Service-to-Revenue Ratio											
Baseline	33	18	17	16	16	17	18	18	18	14	11
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	33	19	19	18	20	22	23	25	26	24	20
B. Bound Tests											
B1. Real GDP growth	33	19	19	17	17	19	19	19	19	16	12
B2. Primary balance	33	18	18	17	18	19	19	19	20	17	13
B3. Exports	33	18	19	18	18	20	20	21	23	19	15
B4. Other flows 3/	33	18	18	17	17	18	19	19	20	17	13
B5. Depreciation	33	23	22	19	20	21	22	22	21	17	13
B6. Combination of B1-B5	33	19	20	19	19	20	21	23	23	19	15
C. Tailored Tests											
C1. Combined contingent liabilities	33	18	18	17	17	19	19	19	19	15	12
C2. Natural disaster	33	18	18	17	17	19	19	19	19	16	12
C3. Commodity price	33	20	19	18	18	19	19	19	19	16	12
C4. Market Financing	33	18	17	16	17	18	20	20	18	14	10
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

**Table 4. Côte d'Ivoire: Sensitivity Analysis for Key Indicators of Public Debt, 2024–34**  
(Percent)

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>PV of Debt-to-GDP Ratio</b>											
<b>Baseline</b>	54	52	51	49	47	46	44	43	42	41	40
<b>A. Alternative Scenarios</b>											
A1. Key variables at their historical averages in 2024-2034 2/	54	54	54	53	53	52	52	52	51	51	51
<b>B. Bound Tests</b>											
B1. Real GDP growth	54	55	<b>56</b>	<b>55</b>	55	54	54	53	53	53	53
B2. Primary balance	54	<b>55</b>	<b>57</b>	55	53	51	50	48	47	45	44
B3. Exports	54	<b>57</b>	<b>61</b>	<b>59</b>	<b>57</b>	55	53	51	49	47	46
B4. Other flows 3/	54	<b>55</b>	<b>56</b>	54	52	50	49	47	45	44	43
B5. Depreciation	54	<b>59</b>	<b>56</b>	52	49	46	43	41	38	36	34
B6. Combination of B1-B5	54	53	54	52	50	48	46	45	44	42	41
<b>C. Tailored Tests</b>											
C1. Combined contingent liabilities	54	<b>60</b>	<b>58</b>	<b>55</b>	53	52	50	49	47	46	45
C2. Natural disaster	54	<b>62</b>	<b>60</b>	<b>57</b>	<b>55</b>	54	53	51	50	49	48
C3. Commodity price	54	55	<b>56</b>	<b>57</b>	<b>58</b>	<b>58</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>56</b>
C4. Market Financing	54	52	51	49	47	46	44	43	42	41	40
<b>TOTAL public debt benchmark</b>	55	55	55	55	55	55	55	55	55	55	55
<b>PV of Debt-to-Revenue Ratio</b>											
<b>Baseline</b>	323	294	280	265	252	241	238	230	223	216	210
<b>A. Alternative Scenarios</b>											
A1. Key variables at their historical averages in 2024-2034 2/	323	304	296	290	283	276	279	275	272	270	268
<b>B. Bound Tests</b>											
B1. Real GDP growth	323	308	310	300	292	285	288	285	282	280	279
B2. Primary balance	323	310	316	298	283	270	267	258	249	241	234
B3. Exports	323	321	338	319	303	289	286	275	262	252	242
B4. Other flows 3/	323	310	308	291	277	264	261	252	242	233	226
B5. Depreciation	323	335	309	284	263	243	233	218	204	191	180
B6. Combination of B1-B5	323	297	297	280	266	253	250	241	231	224	217
<b>C. Tailored Tests</b>											
C1. Combined contingent liabilities	323	337	319	301	286	273	270	261	252	245	238
C2. Natural disaster	323	346	329	312	298	285	283	274	266	260	254
C3. Commodity price	323	340	342	340	331	320	318	307	303	300	298
C4. Market Financing	323	294	280	265	253	242	239	231	223	216	210
<b>Debt Service-to-Revenue Ratio</b>											
<b>Baseline</b>	61	45	44	32	30	28	27	26	25	22	18
<b>A. Alternative Scenarios</b>											
A1. Key variables at their historical averages in 2024-2034 2/	61	46	44	34	31	30	28	28	28	25	21
<b>B. Bound Tests</b>											
B1. Real GDP growth	61	47	49	39	38	36	36	35	35	32	28
B2. Primary balance	61	45	52	44	36	32	30	29	29	26	22
B3. Exports	61	45	45	34	32	30	29	29	30	26	22
B4. Other flows 3/	61	45	44	33	31	29	28	27	27	24	20
B5. Depreciation	61	45	47	35	34	32	31	30	29	25	19
B6. Combination of B1-B5	61	44	45	39	34	31	28	27	26	23	18
<b>C. Tailored Tests</b>											
C1. Combined contingent liabilities	61	45	65	42	36	32	29	28	27	24	19
C2. Natural disaster	61	46	68	45	38	34	31	30	29	26	21
C3. Commodity price	61	50	55	48	47	44	41	39	38	35	31
C4. Market Financing	61	45	44	33	31	29	29	28	26	21	17

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

**Table 5. Côte d'Ivoire: Decomposition of Public Debt Stock and Debt Service by Creditors, 2023-26<sup>1</sup>**

	Debt Stock (end of period)			Debt Service					
	2023			2024			2025		
	(In US\$ billions)	(Percent total debt)	(Percent GDP)	(In US\$ billions)	(Percent GDP)		(In US\$ billions)	(Percent GDP)	
<b>Total</b>	46.2	100.0	58.1	7.0	6.2	6.9	8.0	6.4	6.6
<b>External</b>	28.5	61.8	35.9	2.8	2.7	2.8	3.2	2.8	2.7
Multilateral creditors <sup>2,3</sup>	9.4	20.4	11.8	0.8	0.8	0.7	1.0	0.8	0.6
IMF	2.8	6.0	3.5						
World Bank	3.9	8.4	4.9						
AfDB	1.2	2.6	1.5						
Other Multilaterals	1.6	3.4	2.0						
o/w: IDB	0.8	1.6	0.9						
o/w: BOAD	0.3	0.7	0.4						
Others	0.5	1.0	0.6						
Bilateral Creditors <sup>2</sup>	4.9	10.6	6.1	0.3	0.4	0.4	0.3	0.4	0.4
Paris Club	1.8	3.8	2.2	0.1	0.1	0.1	0.1	0.1	0.1
o/w: France	1.1	2.3	1.3						
o/w: Germany	0.4	0.9	0.5						
Others	0.3	0.7	0.4						
Non-Paris Club	3.1	6.8	3.9	0.2	0.3	0.3	0.3	0.3	0.3
o/w: China	0.1	0.1	0.1						
o/w: India	0.2	0.3	0.2						
Others	2.9	6.3	3.7						
Bonds	8.6	18.7	10.8	0.6	0.6	0.8	0.7	0.6	0.8
Commercial creditors	5.6	12.2	7.1	1.0	0.9	0.8	1.1	1.0	0.8
o/w: MUFG	0.8	1.7	1.0						
o/w: SGF	0.7	1.5	0.9						
Others	4.1	9.0	5.2						
<b>Domestic</b>	17.6	38.2	22.2	4.3	3.5	4.1	4.9	3.6	4.0
Held by residents, total	n/a	n/a	n/a						
Held by non-residents, total	n/a	n/a	n/a						
T-Bills	1.2	2.7	1.6	1.2	0.0	0.0	1.4	0.0	0.0
Bonds	5.0	10.8	6.2	1.0	1.4	2.0	1.1	1.5	1.9
Loans, and others	11.4	24.8	14.4	2.1	2.1	2.1	2.4	2.2	2.1
<b>Memo Items:</b>									
Collateralized debt <sup>4</sup>	0.0	0.0	0.0						
Contingent liabilities <sup>5</sup>	0.0	0.0	0.0						
Nominal GDP	78.9								

Sources: Ivorian authorities and IMF staff calculations.

1/As reported by Country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA, except for guaranteed debt.

2/Some public debt is not shown in the table due to limited availability of information. This includes non-guaranteed SOE debt and local government debt.

3/Multilateral creditors<sup>2</sup> are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

4/Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.

5/Includes other one-off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims, payments resulting from PPP arrangements).





# CÔTE D'IVOIRE

## STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION, THIRD REVIEWS UNDER EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR MODIFICATION OF A QUANTITATIVE PERFORMANCE CRITERION, AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT — INFORMATIONAL ANNEX

November 21, 2024

Prepared By

African Department  
(In Consultation with other departments)

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## RELATIONS WITH THE FUND

(As of November 11th, 2024)

Membership Status: Joined March 11, 1963

Article VIII

<b>General Resources Account:</b>	<b>SDR Million</b>	<b>%Quota</b>
Quota	650.40	100.00
Fund holdings of currency (Exchange Rate)	1,841.51	283.13
Reserve tranche position	83.41	12.82

<b>SDR Department:</b>	<b>SDR Million</b>	<b>% Allocation</b>
Net cumulative allocation	934.28	100.00
Holdings	690.05	73.86

<b>Outstanding Purchases and Loans</b>	<b>SDR Million</b>	<b>% Quota</b>
RCF loans	216.80	33.33
Emergency Assistance <sup>1</sup>	108.40	16.67
ECF Arrangements	640.00	98.40
Extended Arrangements	1,165.94	179.27
RSF Arrangements	60.98	9.38

<sup>1</sup>Emergency Assistance may include ENDA, EPCA, and RFI

### Arrangements:

<u>Type</u>	<u>Date of Arrangement</u>	<u>Expiration Date</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
ECF	May 24, 2023	Sep 23, 2026	867.20	371.66
EFF	May 24, 2023	Sep 23, 2026	1,734.40	743.31
RSF	Mar 15, 2024	Sep 23, 2026	975.60	60.98

### Outright Loans:

<u>Type</u>	<u>Date of Commitment</u>	<u>Date Drawn/Expired</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
RCF	Apr 17, 2020	Apr 21, 2020	216.80	216.80
RFI	Apr 17, 2020	Apr 21, 2020	433.60	433.60
RCF	Jul 08, 2011	Jul 18, 2011	81.30	81.30

**Overdue Obligations and Projected Payments to Fund<sup>1</sup>**

(SDR Million; based on existing use of resources and present holdings of SDRs):

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Principal	70.85	281.85	193.40	193.06	253.62
Charges/Interest	18.58	62.37	56.45	52.35	47.29
<b>Total</b>	<b>89.43</b>	<b>344.22</b>	<b>249.85</b>	<b>245.41</b>	<b>300.91</b>

<sup>1</sup>When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

**Implementation of HIPC Initiative:**

	<u>Original</u>	<u>Enhanced</u>	
	<u>Framework</u>	<u>Framework</u>	<u>Total</u>
I. Commitment of HIPC assistance			
Decision point date	Mar 1998	April 2009	
Assistance committed			
by all creditors (US\$ Million) <sup>1</sup>	345.00	3,109.58	
<i>of which</i> : IMF assistance (US\$ Million)	22.50	38.66	
(SDR equivalent in millions)	16.70	25.85	
Completion point date:	--	June 2012	
II. Disbursement of IMF assistance (SDR Million)			
Assistance disbursed to the member	--	25.85	25.85
Interim assistance	--	15.13	15.13
Completion point balance	--	10.72	10.72
Additional disbursement of interest income <sup>2</sup>	--	0.57	0.57
<b>Total disbursements</b>	--	26.42	26.42

<sup>1</sup>Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

<sup>2</sup>Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

**Implementation of Multilateral Debt Relief Initiative (MDRI): Not Applicable****Implementation of Post-Catastrophe Debt Relief (PCDR): Not Applicable**

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

**Decision Point**—point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decide on the amount of assistance to be committed.

**Interim Assistance**—amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

**Completion Point**—point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as defined in footnote 4 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

### **Safeguards Assessments**

The Central Bank of West African States (BCEAO) is a common central bank of the countries of the West African Economic and Monetary Union (WAEMU). An update safeguards assessment of the BCEAO, completed in 2023, found that the institution continues to have a robust control environment and assurance functions, supported by strong governance arrangements. In particular, financial reporting and external audit arrangements remain in line with international practices. All recommendations from the 2018 safeguards assessment have been implemented.

### **Exchange Arrangements**

Côte d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU). The union's common currency, the CFA franc, is pegged to the Euro at a rate of CFAF 655.957 = EUR 1, consistent with the official conversions rate of the French franc to the Euro and the previous fixed rate of the CFA franc to the French franc of CFAF 100= F 1. The de-jure and de facto exchange rate arrangements are a conventional peg. As of June 1, 1996, Côte d'Ivoire, and other members of WEAMU accepted the obligations of Articles VIII, section 2, 3, and 4 of the Fund's Articles of Agreement. Côte d'Ivoire's exchange system has no restrictions on making payments or transfers for current international transactions and the country does not engage in multiple currency practices.

### **Article IV Consultation**

Côte d'Ivoire is on the 24-month Article IV consultation cycle. The Executive Board concluded the last Article IV consultation with Côte d'Ivoire in July 1st 2022.

### **Resident Representative**

A Fund resident representative was first posted in Abidjan in 1984. There were interruptions for security reasons in 2005–06 and 2010–11, but a resident representative has been continuously assigned since May 2011.

## RELATIONS WITH OTHER INTERNATIONAL ORGANIZATIONS

As of November 11<sup>th</sup>, 2024, Côte d'Ivoire collaborates with the World Bank Group and the African Development Bank. Further information may be obtained from the following websites:

World Bank Group

<https://www.worldbank.org/en/country/cotedivoire>

African Development Bank

<https://www.afdb.org/en/countries/west-africa/cote-divoire>

**Statement by Mr. Ouattara Wautabouna, Executive Director for Côte d'Ivoire,  
Mr. Marcellin Koffi Alle, and Mr. Abdoulaye Tall, Senior Advisors to Executive Director  
December 11, 2024**

On behalf of our Ivoirian authorities, I would like to thank the Board, Management and Staff for the Fund's continued support to Côte d'Ivoire. The authorities are appreciative for the constructive policy dialogue held with Staff in Abidjan in the context of the program reviews and the 2024 Article IV consultation; as well as for Management's support and contribution to the success of the climate finance roundtable in Abidjan and on the margins of the COP29 summit in Baku, Azerbaijan.

**Recent Economic Developments and Outlook**

Côte d'Ivoire's economy remains resilient with an expected robust growth outturn of 6.1 percent in 2024, driven by the recovery of the cocoa sector and investments. Inflation is projected to decrease to 4.0 percent in 2024 and to remain within the Central Bank's target range going forward. The fiscal deficit is anticipated to narrow to 4.0 percent of GDP in 2024, down from 5.2 percent in 2023. The current account deficit is expected to improve to 4.7 percent of GDP in 2024 from 8.1 percent in 2023, driven by strong exports, particularly mining, cocoa and oil and gas.

The risks to the outlook are balanced. Downside risks include those stemming from the impact of climate change, an escalation of geopolitical tensions, and a deterioration of the security situation in the neighboring countries. Upside risks include larger than anticipated exports proceeds from mining, and the recently developed oil and gas fields.

**Program Implementation**

The authorities' policies aimed at consolidating macroeconomic stability, rebuilding buffers, strengthening resilience to climate change, and achieving their structural transformation goals as laid out in their National Development Plan 2021-2025 and the Vision 2030. All the quantitative performance criteria, indicative targets, and structural benchmarks set for the third reviews of the ECF and EFF arrangements have been met.

As well, all the RSF reform measures planned for September 2024 have been implemented. Notably, a National Commission on Climate Change was established under the Office of the Prime Minister and delivered its first climate change report. A Climate Change Law has also

been adopted by the Government creating a National Climate Agency. A sound framework for climate finance has been put in place with the adoption of Decrees to operationalize the Green Finance Platform, and the Carbon Market Bureau which will oversee carbon mechanisms. With the IMF's participation, the authorities organized a roundtable on climate finance aimed at mobilizing the financing needed for adaptation and mitigation reforms.

## Fiscal Policy

The authorities' fiscal policy has been geared toward ensuring fiscal and debt sustainability, including through higher revenue mobilization, containing spending, and prudently managing debt. Going forward, they are committed to staying the course on the back of the revenue-based fiscal consolidation plans underway, with the view to creating the fiscal space needed to advance their National Development Plan while maintaining fiscal and debt sustainability.

Policies will be anchored by the WAEMU regional convergence criterion of a fiscal deficit target of 3 per cent of GDP. Due to recent external shocks such as the pandemic and global economic uncertainties, the fiscal deficit grew relatively higher than target, particularly during the pandemic, reaching 6.8 percent of GDP in 2020.

However, the authorities' forceful response and commitment to fiscal discipline, has helped to control public expenditures, and bring the deficit to 4 percent of GDP in 2024; on track to reach the 3 percent convergence target in 2025.

**On revenue mobilization**, the authorities will continue to pursue the implementation of the Medium-Term Revenue Strategy (MTRS) to increase the tax revenue by 0.5 percent of GDP per year. They will also implement various tax reforms to streamline tax processes and broaden the tax base including by reducing tax exemptions and curbing tax evasion. This entails further leveraging digitalization, modernizing customs and tax administrations, and improving enforcement mechanisms.

**On spending**, the authorities will continue prioritizing investments in critical infrastructure and human capital development, with a focus on achieving higher, sustainable, and inclusive growth. This includes investments in transport, renewable energy, and digital infrastructure. They will also continue investing in education and healthcare to build a skilled and healthy workforce, which is essential for long-term economic development. The authorities will also continue their efforts to significantly raise the living standards of the population in the medium term.

The Government's Social Program (*PSGouv*) and Government's Youth Program (*PJGouv*) are key initiatives in that regard. The overall goal is to turn Côte d'Ivoire into an upper middle-income country in the medium term.

**On Public Financial Management (PFM)**, the authorities' reforms aim at improving the efficiency and transparency of public spending. This includes the adoption of e-procurement systems to reduce corruption and ensure value for money in public contracts. The authorities are also implementing strict expenditure controls to prevent budget overruns and ensure that spending is aligned with fiscal targets.

**On Debt Sustainability**, our authorities are committed to maintaining debt at sustainable levels and Côte d'Ivoire's ranking of moderate risk of debt distress. This involves pursuing prudent debt policies, including the recourse to concessional financing to the extent possible, the careful monitoring of debt indicators, sound debt management practices, and increased revenue mobilization and expenditure control policies.

Owing to the authorities' track record of sound policies, the rapidly improving fiscal and external balances, as well as the credible medium-term fiscal frameworks, Moody's and Standard & Poor's recently upgraded Côte d'Ivoire's sovereign debt rating to one of the best ratings in the region, with a stable outlook.

### **Monetary and Financial Sector Policies**

Monetary policy is conducted at the regional level by the BCEAO, which is tasked to maintain price stability and to conduct the foreign exchange and reserves policies on behalf of the WAEMU member countries. Over the past period, the BCEAO has made successive policy rate increases thus helping to firmly anchor inflation within the 3 percent target range. The region's reserves coverage has also improved, thanks to Côte d'Ivoire's IMF-supported programs and Eurobond issuance.

The authorities also took measures that helped strengthen the banking sector and improve financial sector indicators. Banks's regulatory capital requirements have been doubled, and the few remaining publicly held banks have been strengthened.

The authorities made inroads in financial inclusion, thanks to initiatives like the Financial Services Interoperability Platform and the implementation of the financial inclusion strategy.

### **Structural Reforms and 2024 Article IV Consultation**

The 2024 Article IV consultation provided the opportunity for thorough discussions on structural reforms which are key to further transform the Ivorian economy. Our authorities are committed to continue advancing quality structural reforms and policies to achieve their ambitious vision for Côte d'Ivoire. In this regard, they plan to continue implementing enhanced governance reforms, promoting gender inclusion and equality, and climate policies aimed at strengthening the country's resilience to climate change and leveraging renewables to foster a sustainable growth path.

Regarding private sector development and competitiveness, a new three-year reform agenda has recently been adopted to support businesses including SMEs.

### **State-Owned-Enterprises**

The authorities have maintained their actions to improve the financial health and governance of state-owned enterprises. In the period ahead, amongst other measures, they plan to implement the recently adopted legal framework for SOE management, which has been hailed as a model for the



region and reflects best practices recommended by the IMF and the World Bank. This includes an enhanced oversight role and accountability framework for the Board of Directors of SOEs, managerial independence, financial transparency with mandatory periodic external audits, and close monitoring of SOEs' financial performance.

## **Governance**

### **Climate Policies**

As reported by the World Bank's diagnostic report, Côte d'Ivoire is amongst the most vulnerable countries to climate change, although its contribution to global warming has been very limited. To protect the lives and livelihood of the population, the authorities have been at the forefront of international initiatives, including the Paris Climate Agreement, Abidjan Legacy Initiative and the recent COP29 summit held in Baku, Azerbaijan.

The authorities are implementing the IMF's Resilience and Sustainability Facility (RSF) to advance their adaptation and mitigation reform measures. This six-axis RSF is built around a strategy informed by World Bank and IMF technical assistance diagnostic reports.

**All reform measures planned for the second RSF review to strengthen climate resilience were implemented**, including the creation of the National Commission to Combat Climate Change and the operationalization of the Green Finance Platform.

With the IMF support, the authorities also organized, in Abidjan in July 2024, a roundtable on climate finance with development partners and the private sector during which a wide range of climate-related initiatives and associated financing options were explored. The cost of the adaptation and mitigation efforts was estimated at 22 billion US dollars by 2030. The authorities plan to cover part of the amount and seek to mobilize the remaining 16 billion US dollars. In addition to the catalytic role of the IMF's RSF and the World Bank, other partners include the African Development Bank, the Asian Infrastructure Investment Bank, the European Union, Germany/KfW Development Bank, and *Agence Française de Développement*.

### **Addressing Informality**

The authorities welcome the 2024 Article IV discussions held on informality, which also covered a broad range of cross-cutting issues that they are already addressing such as gender policies, financial inclusion, the promotion of small and medium enterprises, and the main remaining constraints to business competitiveness. They note that policies aimed at addressing informality, promoting financial inclusion, and gender are also essential to enhancing productivity, social protection, and economic growth. Our authorities have proposed to Staff a few changes in the Selected Issues Paper before their publication.

To facilitate the transition from informal to formal economic activities, the authorities envisage implementing a comprehensive set of strategies including the **Integrated National Strategy for Transition to the Formal Economy (SNIT-EF)**, regulatory reforms, incentives for formalization, and support for small and medium enterprises (SMEs). They also intend to streamline and simplify regulations to facilitate formalization, provide incentives for formalization including tax incentives, capacity building and support to SMEs, and to facilitate access to finance and broaden social protection schemes to include informal workers.

**On gender policies**, the authorities' efforts are aimed at promoting gender equality and reducing gender-based disparities. Amongst others, they are implementing the **National Policy on Equality, Equity, and Gender**. **Specific programs aimed at empowering women, included in the Government's Social Program (PSGouv) and the Government's Youth Program (PJGouv)**, seek to i) improve women's access to financial services and credit; ii) support women entrepreneurs and promote female participation in the workforce, and iii) ensure equal access to education and provide vocational training.

## **Conclusion**

The Ivorian authorities have preserved their track record of strong program performance of the past decades. The period under review was marked by the implementation of all performance criteria and structural reforms under the EFF/ECF arrangements on the one hand, and all reform measures under the RSF on the other hand. Going forward, the authorities are determined to maintain macroeconomic stability and the reform momentum for advancing their economic transformation agenda.

In view of the authorities' strong performance, their commitment to reforms and to the program objectives, we would appreciate Executive Directors' favorable conclusion of the third reviews of the arrangements under the Extended Fund Facility and the Extended Credit Facility, and of the second review under the Resilience and Sustainability Facility arrangement.