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Côte d'Ivoire: Letter of Intent, Memorandum of Economic and
Financial Policies, and Technical Memorandum of Understanding

May 20, 2014

The following item is a Letter of Intent of the government of Côte d'Ivoire, which describes the policies that Côte d'Ivoire intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Côte d'Ivoire, is being made available on the IMF website by agreement with the member as a service to users of the [IMF](#) website.

Letter of Intent

Minister at the Prime Minister's Office
in charge of Economy and Finance



Republic of Côte d'Ivoire

Union-Discipline-Work
Office of the Minister

No. 2169 MPMEF/CAB/

Abidjan, May 20, 2014

The Managing Director
International Monetary Fund
Washington, DC 20431

Subject: Letter of intent

Dear Madame Managing Director:

- 1. The economic upturn in Côte d'Ivoire's economic takeoff is now established with a growth performance that is strong, sustained, durable, and set within a peaceful sociopolitical context marked by an improved security situation and supported by the strengthening of the rule of law.** The authority of the central government and the decentralized governments has been restored throughout the country. National reconciliation and political dialogue have made significant progress particularly with the agreed and voluntary return of refugees.
- 2. The attached Memorandum of Economic and Financial Policies (MEFP) describes progress made as of late December 2013 and the principal directions to be taken in 2014.** All the end-December 2013 performance criteria and indicative targets under the program supported by the Extended Credit Facility were met, with the exception of the one Indicative Target related to the net change in accounts payable. The overall fiscal balance and the basic primary balance were also better than expected, thanks to efforts made on revenue collection and expenditure management. In the macroeconomic area, after reaching growth of 9.8 percent in 2012, the 9.1 percent real GDP growth rate in 2013 reinforces Côte d'Ivoire's place among the countries with the strongest growth rates in the world; this growth performance was achieved while keeping the inflation rate at 2.6 percent, i.e., below the WAEMU community norm (3 percent). The government is continuing its efforts to improve the business climate, particularly with the implementation of its new industrialization policy, its strategy to support SME development, and its policy to promote private investment and a stronger business environment.
- 3. The year 2014 should allow the strong growth dynamic that began in 2012 to solidify.** GDP growth in 2014 is projected to reach 10 percent, driven by a substantial increase in both public and private investment. Regarding developments since the adoption of the budget law for 2014, an amended budget law will be drawn up to adjust appropriations to cover the needs of some projects that were only partially funded and to take into account other priority projects that were not covered previously.

4. **In 2014, the government will strive to consolidate the foundation for strong growth to make Côte d'Ivoire an emerging economy by 2020 through the implementation of the National Development Plan (2012-2015 PND).** The 10 percent growth target that is accompanied by a 2.7 percent inflation rate is essentially based on the implementation of structural public investment projects and on the dynamism of the private sector, including a strong increase in foreign direct investment. To that end, the government organized a forum in Abidjan in January 2014 called "Doing Business in Côte d'Ivoire," bringing together more than 3700 participants. The anticipated results of these actions should make it possible to increase the investment rate, which would rise from 13.7 percent of GDP in 2012 to 16.5 percent in 2013, and 20 percent in 2014. Maintaining this growth trajectory over the next few years and the implementation of structural reforms should facilitate a sustained improvement in household living conditions, a reduction of the poverty rate by half, as well as the emergence of Côte d'Ivoire by 2020.
5. **The government intends to accelerate its broad range of structural reforms in order to strengthen the soundness of the macroeconomic framework and to further improve public financial management while maintaining public debt sustainability.** To this end, the government will complete the financial sector reform, taking into account the restructuring of public banks; will consolidate the financial equilibrium in the electricity sector; and will continue to improve public financial management, particularly by implementing its strategy to manage the wage bill, rationalize the expenditure chain, strengthen governance, and combat corruption. The government will continue to improve the business climate so as to maintain its position among the most reforming countries as indicated in the World Bank's 2014 "Doing Business" report.
6. **The government will continue to give priority to concessional financing sources to ensure the sustainability of our public debt.** However, we remain focused on increasing Côte d'Ivoire's access to adequate financing for key structural projects, notably in infrastructure and the energy sector, which are essential for competitiveness and to accelerate the growth of our economy and the region. This may, in some cases, involve recourse to nonconcessional financing. We would therefore be grateful if the Fund would continue to examine in depth this issue in order to find a solution, in the context of the Sixth Review of the ECF Arrangement, to accommodate any necessary new non-concessional borrowing for such projects consistent with maintaining debt sustainability.
7. **The government will continue to broaden its financing sources by taking steps to obtain a sovereign credit rating.** This initiative is part of a new debt strategy the objective of which is to broaden financing sources and improve the maturity structure of domestic and external debt, as well as asset-liability management. For 2014, the government plans a Eurobond issue amounting to USD 500 million.
8. **Côte d'Ivoire believes that the policies set forth in the attached Memorandum of Economic and Financial Policies are adequate to achieve the objectives of the program, but will take any further measures that may become appropriate for this purpose.** Côte d'Ivoire will consult with the IMF on the adoption of these measures and in advance to the revisions to the policies contained in the Memorandum of Economic and Financial Policies in accordance with the IMF's policies on such consultation. In addition, the government requests modifications to two performance criteria and five indicative targets for end-June 2014, and an extension of the ECF arrangement to December 31, 2014 to provide sufficient time to complete the sixth review of the current ECF arrangement.

9. **We ask the International Monetary Fund (IMF) to complete the fifth review of the ECF and to provide financial support to the government under the ECF in an amount equivalent to SDR 48.78 million.**

10. **The Ivoirien authorities consent to the release of this Letter of Intent, and the attached Memorandum of Economic and Financial Policies and Technical Memorandum of Understanding, as well as the IMF staff report on the review under the ECF arrangement.** We hereby authorize their publication and posting on the IMF website, after completion of the review of the program by the IMF Executive Board.

Very truly yours,

_____/s/_____

Nialé KABA

Minister at the Prime Minister's Office
in charge of Economy and Finance

Attachments:

- Supplement to the Memorandum of Economic and Financial Policies (MEFP)
- Technical Memorandum of Understanding

Attachment I. Côte d'Ivoire

Supplement to the Memorandum of Economic and Financial Policies

May 16, 2014

Context

1. Côte d'Ivoire's performance in 2013 establishes its economic takeoff with growth that is strong, sustained, and growth. Thus, after growth of 9.8 percent in 2012, the growth rate of GDP of 9.1 percent in 2013 establishes Côte d'Ivoire's place among the countries with the highest growth rates in the world. Performance under the economic and financial program supported by the Extended Credit Facility was good. The business climate has improved considerably, particularly with the implementation of attractive new investment, mining, and electricity codes consistent with international standards, the startup of the one-stop facility for investments, improved access to real estate, shorter approval times, and streamlined formalities for starting a business. These reforms made possible a significant increase in the volume of foreign direct investment (CFAF 407 billion, or three times the 2012 level) and the number of businesses created 2775 in 2013 compared to 396 in 2012). Thus, in its "Doing Business 2014" report the World Bank ranks Côte d'Ivoire among the ten countries that have made the most progress in implementing reforms. These achievements have made it possible for nominal GDP per capita to increase by more than 15 percent in two years. Maintaining this growth trajectory in the coming years and implementing structural reforms should encourage durable improvements in household living conditions and the emergence of Côte d'Ivoire by 2020.

2. Côte d'Ivoire restored normal political life and is continually strengthening its social cohesion thanks to the respect of democratic rights in an environment of security and a strengthening of respect of the rule of law. The electoral cycle is complete. The authority of the central government and decentralized authorities has been reestablished throughout the country. National reconciliation and political dialogue, particularly through the Dialogue, Truth, and Reconciliation Commission (CDVR) and the Permanent Framework for Dialogue, had made significant progress with the agreed and voluntary return of refugees and political exiles, as well as the release of numerous prisoners that were imprisoned following the post-electoral crisis. Security has been reestablished throughout the country. The overall reform of the security sector being carried out by the National Security Council (CNS) is on track, particularly in the areas of capacity-building for security services (equipment and training), coordination and collaboration among the different enforcement units of the police, gendarmerie, and army, as well as the return of exiled soldiers. The disarmament and reintegration of former combatants by the Authority for Disarmament, Demobilization, and Reintegration (ADDR), is making significant progress thanks to the added involvement of the CNS in restoring the authority of the regular forces. In addition, the activities of the CDVR were renewed by the Head of State on November 21, 2013 for a term of one year. The recommendations from its first term for preserving peace and strengthening social cohesion are being implemented. In addition, the adoption in August 2013 of laws on rural property and nationality, clarifying the conditions and procedures to be granted Ivoirien nationality and property rights, made it possible to reduce the sources of persistent tension among population groups.

This memorandum describes progress made under the economic and financial program in 2013 and presents the principal orientations for 2014.

ECONOMIC DEVELOPMENTS AND IMPLEMENTATION OF THE PROGRAM IN 2013

A. Macroeconomic Developments

3. The dynamism of economic activity was confirmed in 2013.
 - **For the second year in a row, economic growth remained strong in all sectors.** The primary sector grew by 6.7 percent due to the implementation of the National Rice Development Plan with an increase in rice production of 37 percent and good performance in agricultural export production, in particular record cocoa production of 1,671,100 tons thanks to orchard renewal. Growth in the secondary sector was 9.1 percent, sustained by buildings and public works (BPW), manufacturing, and the energy sector. The tertiary sector recorded growth of 10.1 percent largely driven by trade and services.
 - **Average annual inflation was 2.6 percent, below the convergence criterion of the West African Economic and Monetary Union (WAEMU) of 3 percent** thanks to improved market supply and efforts to facilitate transportation.
 - **Foreign trade resulted in a reduction of the current account deficit (CFAF 238.1 billion in 2013 or 1.6% of GDP compared to CFAF 473 billion in 2012 or 3.1% of GDP, due to faster growth of exports than of imports (capital goods and intermediate goods).** Indeed, a gradual substitution of imports by local production has occurred. Exports grew by 12.2 percent, largely due to the increased production of cocoa beans (11.5 percent), seed cotton (24 percent), and rubber (13.9 percent). Imports increased by 8.1 percent, reflecting the growth of cement (371.6 percent), other construction materials (93.9 percent), capital goods (14.2 percent) and intermediate goods (6.2 percent), and despite a decline in rice (33.2 percent).
 - **Monetary developments were marked by an increase in net credit to the economy,** particularly medium- and long-term loans (27.2 percent) and crop loans (19.5 percent), reflecting dynamic economic activity and the return of economic stakeholder's confidence.
 - **Employment in the formal sector** increased by **5.0 percent**, spurred by growth in the public (4.73 percent) and private sectors (5.18 percent).
 - **The stock market experienced renewed vitality with the transition from a price-fixing system to continuous trading as of September 16, 2013.** As a result, the capitalization of shares on the Regional Stock Exchange (BRVM) grew by 37.8 percent with a resulting average increase in the volume of trades of 60.3 percent and in the value of securities of 50.3 percent. This performance reflects the confidence of regional and international investors and increasing opportunities within the WAEMU due to Côte d'Ivoire's improved economic prospects.

4. Measures adopted by the government to improve the business climate by combating corruption and promoting good governance have strengthened the private sector's confidence and contributed to a sharp increase in investments.

Thus, foreign direct investment recorded strong growth (300 percent) with a significant share (CFAF 60 billion, 14 percent) in agriculture. The targeted productive sectors include BPW (cement factories), agricultural processing (breweries, rice processing plants), services (including financial institutions), and extractive industries. As a result, the private investment rate increased from 9.1 percent of GDP in 2012 to 10.3 percent of GDP in 2013, providing increased private sector support for the economic recovery.

5. The 2013 budget year recorded positive results.

- Revenues reached CFAF 2,838 billion (18.5percent of GDP), exceeding the target by CFAF 73.5 billion. This favorable performance owed to additional revenues from export duties and taxes, income tax, services, and social security contributions. This offset shortfalls in revenues from domestic VAT and import taxes on general merchandise.
- Total budgetary expenditures were kept within the limits of appropriations. Regular expenditures remained in line with program targets. Capital expenditures (excluding post-crisis expenditures) reached CFAF 934.2 billion, with an execution rate of 85.3 percent compared to the program's target. The execution rate of domestically funded projects was 94.2 percent compared to 72.6 percent for externally funded projects. Despite falling below the targets, these outcomes were better than in 2012, with an increase of 34.5 percent. The overall budget deficit and basic budgetary balance improved, reaching 2.3 percent of GDP and 0.1 percent of GDP, respectively compared to the program targets of 3.2 percent of GDP and 0.3% of GDP.
- This overall budget deficit was financed through recourse to the regional market in the amount of CFAF 863.2 billion and external financing of CFAF 403.6 billion.
- External borrowing and project grants were lower CFAF 499.7 billion than planned CFAF 569.3 billion primarily due to incomplete mobilization of some budget support, drawdowns on grants, and project loans.
- The debt repayments falling due at end-2013, stemming from the restructuring of Treasury bills were paid in full.

6. The government continued to implement social projects, to promote employment and help the most vulnerable sectors of the population.

The Agency for Employment Research and Employment (AGEPE) supported employment for young graduates, an emphasis was also placed on self-employment through training in project preparation for 520 recipients. The Women's Support Fund of Côte d'Ivoire (FAFCI), with a budget of CFAF one billion, was able to finance several projects through microloans at a reduced rate of interest (1 percent per month). This fund acts as a tool for gender promotion and an instrument for increasing the income of those most in need. In rural areas, the system of guaranteed prices and the introduction of price control brigades made it possible to ensure a good return for producers of coffee, cocoa, and cashew nuts. In education, the construction and equipping of [36,000] classrooms, as well as the policy of "free schooling for all", provided improved access to education for all children, particularly in rural areas. Finally, the construction of 65,000 social housing units has begun. All these efforts are reflected in a sharp increase (23.8 percent) in pro-poor expenditures between 2012 and 2013.

B. Program Implementation

7. Budget execution in 2013 was consistent with the objectives of the economic and financial program. All the performance criteria and indicative targets were met, with the exception of the net change in payables. Specifically, the basic primary balance as of end-December 2013 showed a deficit of CFAF 11.7 billion, less than the planned objective of CFAF 43.9 billion. The level of “pro-poor” expenditures reached CFAF 1337.1 billion, above the target floor of CFAF 1309.1 billion, and the level of cash advances remained at CFAF 106.1 billion, below the ceiling of CFAF 114.4 billion. The government cleared 56.5 billion in arrears from 2010 and earlier compared to the projected 10 billion. However, the 2013 budget resulted in a floating debt level higher than projected 300.1 billion, leading to a net increase in payables of CFAF 89.7 billion compared to a targeted floor of a net reduction of CFAF 50 billion.

8. The government made partial use of the nonconcessional lending window capped at a ceiling of USD 800 million in 2013. This partial utilization totaled USD 712 million and helped to implement the vast investment program under the National Development Program (PND 2012–15), particularly the Soubré hydroelectric power plant project with USD 500 million granted in the form of a loan.

9. The government implemented a set of structural measures to accelerate and sustain the economic recovery. The principal measures are presented below:

- A procedural manual for customs inquiries to strengthen controls at the firm level was adopted by decree No. 2013-858 of the Council of Ministers dated December 19, 2013;
- A standard public procurement plan was prepared and disseminated among appropriations managers for 2014 budget execution. An expenditure commitment plan was set up in February 2014 for programming the use of budgetary appropriations.
- A Medium-Term Debt Management Strategy (2013–17 MTDS), in line with international standards, was adopted by the Council of Ministers on December 19, 2013. It is consistent with the Debt Sustainability Analysis (DSA) that was updated at end-October 2013 with IMF technical assistance.
- Domestic arrears as of end-2010 were audited to get a better understanding of the debt submitted for settlement. Of CFAF 356 billion of claims, CFAF 152.9 billion was validated by the audit. On this basis, a plan for the settlement of domestic arrears was adopted by the Council of Ministers on November 14, 2013. Implementation of this plan began with the payment of CFAF 56.5 billion in 2013.
- Pursuant to the provisions of the communication adopted in March 2012 presenting the strategic options for a 25 percent reduction in the government portfolio, studies to evaluate methods for privatizing public banks as well as the strategy and operational arrangements for possible mergers were completed.
- The overall Medium-Term Expenditure Plan (MTEF) for 2014–16 and the Multiyear Budget and Economic Programming Paper (DPBEP) were annexed to the 2014 budget law.

- The National Assembly passed the organic laws on the transparency code and the budget law in December 2013. These laws will be promulgated after the observations from the Constitutional Court are taken into account.
- A strategy for the reform of the VAT was developed to strengthen management, control, and collections. In this context, measures were taken, in particular the creation of a VAT control brigade, stronger audits of the standardized invoice, and the rationalization of exemptions.
- The Electricity Code was passed by the National Assembly on February 27, 2014. It includes a better framework for managing the sector's physical and financial flows based on (i) a better definition of electricity sector activities and their legal framework; (ii) greater flexibility in the options for organizational management structures for the segments now under government monopoly, which can now be transferred, as applicable, to one or more private operators; (iii) the coverage of new and renewable energies as well as energy management; (iv) a strengthening of the system for preventing fraud and criminal actions prejudicial to the sector; and (v) the creation by law of an independent regulatory commission;
- An interministerial decision was adopted on November 29, 2013 governing the use of provisional payments orders (*mandats provisions*, payment orders to reserve appropriations for operations not finalized during the current budget period). This decision (i) creates an authorization committee for such provisional payment orders, (ii) defines the modalities of their use as of year-end 2013, (iii) provides for the elimination of the use of these provisions, and (iv) cancels those not used as of end-December 2014. In consequence, no request for such provisions was accepted as of end-2013.

10. The government has introduced an attractive legal and institutional framework to improve the business climate and promote the emergence of SMEs. The government's efforts led to an improvement in Côte d'Ivoire ranking in the World Bank's "Doing Business 2014" publication and puts it among the world's top reforming countries. In addition, to ensure the sustained economic growth of the economy, the Ivoirien government has undertaken reforms that aim at making SMEs a pillar of economic renewal (see Box 1).

Box 1. Côte d'Ivoire: Measures Implemented in 2013 to Improve the Business Climate

In order to make Côte d'Ivoire an emerging economy by 2020, the government has developed a strategy based on a policy of promoting private investment and improving the business climate. Thus, a plan based on the Doing Business indicators was developed and its implementation was entrusted to a committee reporting to the Prime Minister. A three-year program for 2013–15 was adopted for the implementation of a series of reforms covering all the Doing Business indicators. In 2013, the government's efforts prioritized six indicators related to starting a business, property transfer, cross-border trade, paying taxes, construction permits, and contract enforcement. In this context, the measures taken by the government involved eleven (11) reforms as follows:

- The creation of the One-Stop Window for starting businesses to reduce the time it takes to create a company to a maximum of 48 hours (with a minimum of 24 hours) and to streamline procedures;
- A reduction in the costs of starting a business from CFAF 661,613 to CFAF 182,400;
- A reduction in tax fees on the documents needed for starting a business (fees for recording the articles of incorporation, the notary's statement (DNSV), and stamp duties) from CFAF 140,174 to CFAF 30,600;

Box 1. Côte d'Ivoire: Measures Implemented in 2013 to Improve the Business Climate

(concluded)

- A reduction in tax requirements prior to real estate transactions to reduce the time needed to complete the tax formalities associated with all real estate transactions;
- A reduction in the cost of property transfer procedures to CFAF 90,000 including all taxes, a 70 percent reduction on the previous cost of CFAF 300 per square meter;
- A reduction in the rate of the recordation fee on property transfers from 10 percent to 7 percent;
- The creation of the One-Stop Window for Foreign Trade to simplify import formalities for, reduce the number of documents and time needed;
- The simplification of tax payment declaration forms and putting tax declaration procedures on line in to significantly reduce the time devoted to these operation;
- A reduction in the number of procedures (from 17 to 11) of time needed (from 475 to 93 days) and cost from (CFAF 428,890 to CFAF 376,886) for the issuance of construction permits;
- A reduction in the costs of court actions as set out in the related regulations to avoid incidental court expenses.

11. Implementing six of the 15 structural reforms planned for the fifth review of the program took longer than anticipated. This concerned the following reforms:

- The order on the organization and operation of the Debt Directorate, in particular its restructuring onto front office, middle office, and back office, was signed on January 2, 2014. A staff reorganization plan based on this new structure is now being implemented.
- The medium-term debt management strategy was adopted by the Council of Ministers on December 19, 2013.
- The orders on strengthening the Large Enterprises Directorate by broadening its scope of activities were signed on March 26, 2014.
- Regarding the financial sector development strategy, an initial draft prepared with the technical assistance from the FIRST initiative was adopted by the Council of Ministers on April 16, 2014.
- On the restructuring of public banks, an action plan has been formulated and adopted by the Council of Ministers on May 05, 2014.
- A wage bill management strategy was developed and adopted by the Council of Ministers on May 05, 2014.

ECONOMIC AND FINANCIAL PROGRAM FOR 2014 AND MEDIUM-TERM OBJECTIVES

12. In 2014, the economic and financial program aims to strengthen macroeconomic stability and to continue improving public finance management by implementing ambitious structural reforms. The growth rate should reach 10 percent with inflation kept to 1.6 percent. This growth target is essentially based on the implementation of key investment projects. To that end, a forum, "Doing Business in Côte d'Ivoire" brought together more than 3,700 participants from January 29 to February 1, 2014 in Abidjan. The anticipated results from these actions should improve the investment rate, which would increase from 13.6 percent of GDP in 2012 to 16.5 percent in 2013, and 20 percent in 2014, including an increase in private investment from 80.8 percent in 2012 to 22 percent in 2013 and 34 percent in 2014. The government will continue to focus on policies of redistribution to the entire population, particularly the most vulnerable sectors. The government also plans to complete the reform of the financial sector, including the restructuring of public banks; achieve financial equilibrium in the electricity sector; and improve public financial management. Efforts will also be taken to improve governance and ensure the sustainability of external debt.

A. Macroeconomic Framework

13. The government reaffirms its intention to reduce poverty and consolidate the foundations for Côte d'Ivoire becoming an emerging country by 2020, through implementation of the National Development Plan (2012–15 NDP). These objectives are based on strong, sustained, and inclusive growth that respects gender and the environment, creates jobs, and helps to reduce poverty. Specifically, these objectives are:

- A growth rate of 10 percent in 2014 and 2015, notably due to the continuation of the National Agricultural Investment Program, the introduction of a new industrial policy, and the promotion of SME/SMIs. Investment should continue to increase substantially, from 13.6 percent of GDP in 2012 to 22 percent of GDP in 2015, with private investment increasing from 9.1 percent in 2012 to 14.4 percent in 2015;
- To be among the leading African countries in terms of the United Nations Development Programme's Human Development Index;
- Significant progress toward achieving the Millennium Development Goals in 2015;
- One of the best business climates in Africa to strengthen the competitiveness of the economy and keep Côte d'Ivoire among the world's top reforming countries; and
- Substantial improvement in governance and in combating corruption in order to rejoin the group of top African countries in this area.

14. To do this, the government endorsed the conclusions of the report on implementation of the NDP (2012–15) in 2013 and continues to take measures to improve its implementation. The report on implementation of the NDP (2012–15) for 2013 was adopted by the Council of

Ministers on February 18, 2014. The principal recommendations taken on board advocate: (i) setting up Planning Directorates within the sectoral ministries; (ii) conducting the General Population and Housing Census so as to have updated statistics; (iii) improving the rate of execution of investments; (iv) expanding technical studies related to projects identified in the context of the NDP (2012–15); (v) strengthening sectoral and inter-ministry coordination for project monitoring and implementation; and (vi) finalizing sectoral policy documents related to the NDP (2012–15). To this end, an inter-ministry order adopted on March 12, 2014 provides for a disbursement of funds for the physical execution of projects to permit better physical and financial monitoring of investment projects.

15. Consistent with implementation of the NDP (2012–15), in 2014 the government aims to achieve a growth rate of 10 percent. This projection takes into account the positive effect of continued implementation of structural reforms, particularly to improve the business climate, and a substantial increase in public and private investment. Nominal GDP per capita should continue to rise strongly by 8.3 percent in 2014 for the third year in a row, eliminating the cumulative decline in per capita income over the last decade.

16. The economy's dynamism would be driven by good performance in all sectors:

- **Primary sector expansion** based on good performance in subsistence agriculture primarily in conjunction with the National Rice Development Plan (PNDR) in the context of the National Agricultural Investment Program. In addition, continued reform of the coffee and cocoa sector and the implementation of a plan to reform the cashew and cotton sectors will make it possible to better structure these sectors and improve their productivity.
- **Secondary sector growth**, in particular owing to the strong performance in construction and public works, and the expansion of the basic agro-food industry to improve the value chain of local products. In addition, the dynamics of private demand and continued public demand should permit sustained growth in this sector.
- **Favorable tertiary sector growth due to the strong performance in the primary and secondary sectors.** In addition, the implementation of the government's strategy for developing SME/SMIs, the revitalization of the Abidjan Transport Company (SOTRA), and the opening of lagoon water operations, as well as the anticipated return of the African Development Bank (AfDB) to its headquarters in Abidjan will contribute to a significant increase in tertiary sector activity in 2014.

17. Projected inflation should level out at an annual average of 1.6 percent in 2014. This would reflect, in particular, an increase in the supply of foodstuffs and the improved supply of the markets due to the repair of rural roads and various programs to develop subsistence agriculture.

18. The current account balance would record a deficit of CFAF 65.4 billion in 2014. This would reflect increased imports of capital and intermediate goods stemming from dynamic economic activity. The capital and financial operations account would show a surplus, due to project grants and the rebound in foreign direct investment and portfolio investment. This would result in a total overall balance of payments surplus of CFAF 18.7 billion.

19. The money supply would increase by 9 percent. This would reflect, in particular, increased credit to the private sector in connection with SME/SMIs' improved access to bank loans. Moreover, net foreign assets should increase due to inward foreign direct investment.

20. Thanks to implementation of a results-based management policy, the government will ensure the achievement of its macroeconomic objectives. The main risks identified are: (i) a deterioration in the terms of trade; (ii) a poor rainy season; (iii) weak mobilization of financing; and (iv) a lower-than-expected investment execution rate. To mitigate the impact of these risks, the government will adapt its policies to account for exogenous shocks and will maximize its revenue potential, in particular through an expansion of the tax base and strengthened collection methods, improve expenditure planning, better monitor the execution of public investments, follow a sustainable debt policy, expand financing options, and improve the management of public procurement and the business climate.

B. Public Finances

21. Budget policies for 2014 and for the medium term are centered on the objectives of the National Development Plan. These policies take into account the actions that are given priority in the 2012–15 NDP as set out in the Public Investment Program (PIP) and included in the 2014 budget. The priorities of the 2014 budget are primarily to improve living standards and strengthen the foundations of economic growth, in particular through the rehabilitation and extension of the road network, improved access to drinking water, health services, electricity, and education, the construction of basic socioeconomic infrastructures, and enhanced security.

22. The primary basic balance is expected to be CFAF 26.7 billion, or -0.2 percent of GDP compared to -0.1 percent of GDP in 2013. The overall budget deficit including grants (excluding grants for settling arrears) would rise to CFAF 379.8 billion or 2.2 percent of GDP compared to 2.3 percent of GDP in 2013.

23. A supplementary budget bill will be adopted by the government and submitted to the National Assembly. Since the initial budget law was adopted in December 2013, developments in the national economic environment have led to the revision of budgetary objectives to account for: (i) the rise in cashew prices; (ii) a fall in oil production; (iii) increases in cocoa production and the government's share of gas; (iv) spending to set up the fund for Universal Health Insurance; and (v) the capitalization of Air Côte d'Ivoire.

24. Total revenues in 2014 are projected to be CFAF 3,110.1 billion (18.3 percent of GDP), an increase of 1.9 percent over the initial 2014 projections. The additional revenues relate to developments in the production of cocoa and gas, higher dividends, and an increase in signature bonuses.

25. In accordance with WAEMU requirements, the government will implement a series of measures to strengthen potential tax revenue collection. Measures have already been adopted, particularly with respect to: (i) a change in the regulations on excise taxes on beverages and tobacco to correct the taxable base and applicable rates to make them consistent with WAEMU practices; (ii) harmonization of the rates applicable to capital gains in order to align Ivoirien taxation with WAEMU norms; (iii) improving the taxation of telecommunications; (iv) the gradual reduction of VAT

exemptions within the limit of the WAEMU directive; and (v) the introduction of a minimum tax for taxpayers under the simplified itemized tax system (*régime du réel simplifié d'imposition*). For 2014, measures include:

- Reorganizing the Large Enterprises Directorate (DGE) by broadening the scope of its activities (taxable threshold increased from CFAF 1 to 3 billion in sales including all taxes, intervention and coverage throughout the country for all assessment, control, and collection operations), creating a tax inspection sub-directorate at the DGE, and establishing modalities for the management of medium-sized enterprises by creating two (2) medium-sized enterprise centers in Abidjan.
- Providing support to the Ivoirien customs administration in the implementation of measures to improve the recording of goods by: (i) connecting the customs information system with the system of the Port of Abidjan and (ii) putting into operation a simplified system of recording the transshipment of containers in the customs information system. In addition, customs will step up its anti-fraud efforts by (i) making optimum use of scanners on imports and exports based on risk analysis; (ii) increasing surveillance of the sea coast and lagoon shores; and (iii) strengthening capacity to combat fraud and smuggling across land borders.

26. Expenditures in 2014 would amount to CFAF 3,867.9 billion (22.7 percent of GDP), an increase of 2 percent compared to the initial objective. The additional expenditure is primarily due to Universal Health Insurance, the restructuring of public banks, budgeting the cost of the additional consumption of HVO (Heavy Vacuum Oil) in 2013, and the capital increase for Air Côte d'Ivoire, and the Road Maintenance Fund.

27. The government will take measures to continue improving budget execution. These measures seek to keep current expenditure within the limits of the appropriations and to improve the execution rate of investment pro-poor spending, continuing efforts begun in 2013. An audit of government subsidies to public institutions and enterprises is under way. The normal and simplified procedures are governed by Decree 98-716 of December 16, 1998 on reforms of the expenditure chain. In 2014, the government will adopt regulatory and management measures to: (i) streamline its normal expenditure procedures and eliminate redundant controls; (ii) limit the use of cash advances to emergencies; (iii) reduce the categories of expenditures eligible for cash advances and imprest accounts; (iv) reduce the threshold on initial advances and allocations to the imprest accounts; (v) specify the criteria for using these procedures, particularly the criteria for justifying service and emergency needs; and (vi) regulating the conditions for the transfer of warrants. Finally, the government will take steps to settle the balances of suspense accounts and the remaining spending provisions (*mandats provisions*) will be cancelled as of end-2014.

28. The government will continue to implement public finance management reforms. To this end, for 2014 a standard consolidated plan for government procurement and an expenditure commitment plan have been prepared and disseminated. The government will continue its efforts to decentralize public finance management by connecting five (5) new locations to the SIGFiP network. The four proposed decrees on the transposition of the WAEMU public financial management directives will be adopted so that domestic legislation can be made consistent with the community norm. Finally, the government will adopt a strategy to implement a single Treasury account to improve the traceability of government operations. In this regard, a census of government entity

accounts held in commercial banks and the Central Bank and their balances as of December 31, 2013 is available. The government will also continue its efforts to strengthen controls on the public sector through more effective monitoring of its financial transactions. The collection of data on public sector operations will be put on line with the installation of software, so as to have data reports in real time.

29. The government will continue to strengthen good governance and step up its efforts to combat corruption. Implementation of the 2009–13 Program in Support of Good Governance, with funding of USD 83.8 million, has been completed. This program made it possible to develop a National Good Governance and Anti-Corruption Plan (PNBGLC). Execution of the plan resulted in the following specific measures and actions:

- A High Authority for Good Governance and a National Anti-Corruption Secretariat were created by presidential decree on November 20, 2013;
- Communication campaigns for various political, economic, and social stakeholders were developed over the course of 2013 to raise their awareness of the harmful effects of corruption. These campaigns will be publicized through the activities of new institutions set up to both prevent and punish such conduct;
- The anti-corruption observatory and the Special Court to prevent and fight corruption will be set up after the regulations for their operation are received;
- The government will strengthen government procurement management. Since 2012, a report to the Council of Ministers periodically presents the situation in procurement operations. Regular monitoring of delays in the procurement chain was set up to identify corrective actions to streamline the flow of investment expenditures over the course of the year;
- The government will take measures to better regulate the conditions for applying the procurement code single source contracting procedure, particularly to rationalize the regularization of contracts granted on non-competitive basis.

C. Improving the Management and Strengthening the Long-Term Sustainability of Public Finances

30. The government remains committed to the modernization and strengthening of public finance management as well as to maintaining macroeconomic stability. This commitment includes improving the revenue mobilization, rationalizing expenditures, and implementing a debt policy that is sustainable in terms of short- and medium-term economic objectives.

31. The medium-term wage bill strategy has been finalized and was adopted by the Council of Ministers before on May 5, 2014. Primarily, it includes a recruitment profile in line with increased staffing needs, especially in the education, training and health sectors, and the unblocking and resumption of the index-based promotion process. Implementation of the strategy would also allow the wage bill to tax revenue ratio to converge to the WAEMU community norm by 2022.

32. The government intends to reduce subsidies to the electricity sector in the short term by restructuring the sector and through major investments. Investment totaling CFAF 5.3 trillion to build new hydraulic and thermal power plants and to improve the transmission network will make it possible to respond to rising domestic demand as well as demand from neighboring countries. In addition, implementation of the strategy to reduce the sector's deficit has led to an improved financial situation, which should reach equilibrium by as early as 2016. However, the shortage of water and rising demand for electricity in the countries of the sub-region has required the sector to generate more electricity using HVO fuel. To cover the higher production cost, the sector was given a government subsidy amounting to CFAF 31 billion. In addition, negotiations are under way with neighboring countries for billing additional demand for electricity at the marginal cost of production using HVO.

33. The government will continue its efforts to strengthen its financial relations with its suppliers as well as its institutional partners. To achieve this, the domestic debt settlement plan, which began on December 6, 2103, will continue to be implemented. Payments of the amounts due, which are based on the criteria of the age of the debt, the nature of the expenditure (pro-poor, etc.), as well as specified discount levels and the tax status of the creditor, will make it possible to settle the government's domestic debt and support private sector activity. On the basis of audits conducted in 2013 on the arrears owed to private schools prior to 2010, the government will continue its analyses of the more recent period with a view to settling these arrears in due time. It will continue its discussions with the BCEAO with a view to settling its debt. The government will reduce its floating debt by CFAF 100 billion by the end of the year.

D. The Rehabilitation and Development of the Financial Sector

34. The government plans to accelerate the development of the financial sector. A Financial Sector Development Committee (CODESFI) together with the sector's various stakeholders has developed a strategy to better meet the economy's financing needs. Priority sectors are housing, SME/SMIs, and agriculture. It also covers: (i) the government's role in the sector; (ii) contractual savings; (iii) access to financial services; (iv) the cost of credit; (v) the rehabilitation of the banking and microfinance sector; and (vi) the sector's legal and judicial framework. The draft strategy was adopted on April 16, 2014, and will be quickly implemented to support the government's policy.

35. The government plans to complete the restructuring of public banks. The action plan for restructuring public banks was adopted on May 5, 2014. The full implementation of this plan will make it possible to clean up the banking sector by ensuring compliance with WAEMU prudential regulations and to support the government's sectoral policies (housing, SME/SMI, and agriculture). The restructuring of public banks together with efforts in 2013 to clean up some troubled, small private banks, will strengthen the soundness of the banking system.

36. The government intends to improve supervision of the microfinance sector. The rehabilitation of the microfinance sector is part of an action plan based on four pillars: (i) the consolidation of the regulatory and institutional framework; (ii) the strengthening of surveillance; (iii) the restructuring and recovery of troubled institutions; and (iv) the liquidation of decentralized financial structures for which approval has been withdrawn. The implementation of this plan will make it possible to improve the supervision of the sector and promote access to financing for the most disadvantaged social groups.

37. The government will encourage the development and dissemination of new financial instruments. The instruction regarding the general rules applicable to primary dealers (SVT) as well as the charter governing relations between issuers and SVTs on public debt markets of member states of the West African Economic and Monetary Union (WAEMU) have been finalized. The entirety of this new regulatory framework was sent to members of the banking and financial system for their information. In addition, the regulations regarding repurchase operations and government securities issued through auction or syndication were adopted at the June 28, 2013 session of the WAEMU Council of Ministers. These different measures and the development of information systems (credit bureaus and registers) will contribute to the deepening of the sub-regional financial market. Moreover, there are plans to develop the secondary market in order to increase the volume of trades on the regional financial market and to strengthen financial transactions between the WAEMU and CEMAC regions.

E. Debt Policy and Strategy

38. The government will continue to improve public debt management. A medium-term debt management strategy (2013–17 MTDS) and a debt sustainability analysis were adopted in December 2013, to maintain the sustainability of public debt over the medium and long term in line with international norms. The strategy aims to manage debt-related risks, especially exchange and refinancing risks. To this end the government will favor the mobilization of external concessional financing and will improve its communication with the market. The MTDS will be updated in 2014 based on an evaluation of changes in the debt over the course of 2014. A revised MTDS will be annexed to the Draft Budget Law for 2015. In addition, to ensure better and broader monitoring of the government's foreign debt, the Ministry of the Economy and Finance will initiate the creation of a centralized database on the debt of public enterprises as well as government guarantees on that debt. In addition, a project to reorganize the public debt management unit to include front, middle, and back offices was adopted by the authorities and will be implemented in 2014 with IMF technical assistance to ensure an integrated and rational management of public debt.

39. The government will continue to expand its financing sources. The government has taken steps to obtain a sovereign credit rating. This initiative is part of a new debt strategy aimed at widening financing sources and improving the maturity structure of domestic and external debt as well as asset/liability management. In 2014, the intention is to issue a Eurobond for USD 500 million. In addition, the government is seeking financing (USD 1.7 billion) for two key projects (the expansion and modernization of the Autonomous Port of Abidjan and the rehabilitation and expansion of the electricity transmission network). The government intends to seek loans on concessional terms, particularly for key investments.

F. The Leading Role of the Private Sector in the National Economy

40. The government will continue to promote a framework favorable to the development of private sector activity to support strong and sustained growth. The strengthening of the network of economic infrastructures (telecommunications, roads, energy, and ports) will continue, which will further open the northern borders with adjacent countries due to increased public investment and the development of inter-State projects. The creation and/or expansion of industrial zones will also make effective infrastructures available to support the government's industrialization

policy. Health policy will focus on the development of a pharmaceutical industry for generic medicines and on making Côte d'Ivoire a sub-regional hub for hospital services. The strengthening of research, training, and educational structures, and the employment policy carried out through the activities of the Agency for Employment Studies and Promotion (AGEPE), will give companies access to skilled workers. Improving the potential output of agriculture through projects supporting export crop producers and implementing the National Agricultural Investment Program (PNIA) will strengthen food security and promote the development of a basic agro-industrial sector. In addition, the completion of the census of producers in the coffee-cocoa sector will make it possible to develop a map of production and to better assure the implementation of the reform of the sector. The reforms will be extended to other sectors, particularly cotton and cashew, to ensure an integrated management of production. Finally, the government organized a forum from January 14 to February 1, 2014 called "Doing Business in Côte d'Ivoire; ICI 2014," bringing together more than 3,700 participants, of which 270 exhibitors from 71 countries; in addition on February 24–25, 2014, on the occasion of the promoting the fraternity and working visit of His Majesty the King of Morocco, which allowed private Moroccan operators to create partnerships with their Ivoirien counterparts, and to strengthen South-South cooperation.

41. As regards the business climate, the government will implement new measures to develop the existing environment and thus improve the Doing Business indicators (Box 2).

Box 2. Côte d'Ivoire: Reforms to be Undertaken in the Context of Improving the Business Climate

The measures to be implemented by the Investment Promotion entity through a series of thirty-four (34) reforms focus on: (i) the simplification or reduction of procedures, the time taken, and costs of the steps involved in creating businesses (legal, import-export, and energy); (ii) broadening the channels for preparing and disseminating notices of establishing companies; (iii) the reduction of tax costs and removal of the minimum capital requirement for SMEs (for those with capital not exceeding CFAF ten million); (iv) broadening the jurisdiction of the President of the Commercial Court and the establishment of a legal framework for commercial mediation; (v) strengthening the system for the recovery of troubled companies; and (vi) strengthening compliance with legally prescribed appeal and expiration deadlines.

The reforms to be implemented are as follows:

- Publish the company establishment notice on line via the CEPICI website;
- Reduce tax costs for creating businesses with respect to recording fees for a Limited Liability Corporation (LLC) with capital stock not exceeding CFAF ten million;
- Publicize model articles of incorporation for company;
- Reduce the time it takes to start a company from eight days (according to Doing Business) to two days;
- Make the use of a notary to establish articles of incorporation for LLCs optional;
- Reduce the number of procedures for granting building permits from 16 to 11 and the time it takes from 364 to 83 days;
- Set up a virtual one-stop window for granting building permits;
- Continue the computerization of the submission, processing, and issuance system for building permits at the Ministry of Construction;
- Reduce the time taken for processing requests to the Ivoirien Electricity Company (CIE), for the SECUREL compliance certificate, the subcontractor's study, and CIE's validation from 24 days to 14 days. Reduce the time to connect to the CIE from 14 to 5 days;
- Reduce the time for the issuance of authorization from the AGEROUTE and the Municipal Council from 7 to 4 days;
- Reduce the time to draw up notarized acts from 10 days to 2 days and the combined procedure for registration and publication of the bill of sale by the land registrar from 25 to 15 days;
- Reduce the rate for recording fees on property transfers from 7 percent to 6 percent;
- Put the electronic land registry on line. Carry out the tele-publication project between the Chamber of Notaries and the Land Registrar for property transfer formalities;
- Start publishing information from the BCEAO Central Risk Division for the last three years instead of the last year;
- Give the Trade and Personal Property Credit Register (RCCM) a computerized system for gathering and disseminating securities information and data on line.

**Box 2. Côte d'Ivoire: Reforms to be Undertaken in the Context of
Improving the Business Climate** (concluded)

- Institute private credit bureaus responsible for gathering data on credit and monitoring borrowers;
- Institute a procedure on abuse of majority powers and abuse of equality rights;
- Allow shareholders to hold managers liable for damage to the company, in the event of profits improperly received for transactions concluded and approved by governing bodies;
- Simplify tax payment procedures by reducing the number of payments and processing time;
- Make the One-Stop Window for Foreign Trade (GUCE) fully operational;
- Develop supporting information for users on documents related to cross-border transactions to ensure transparency of customs operations procedures and certainty regarding costs and the documents to be used;
- Reduce border crossing costs for import/export goods;
- Reduce border crossing times for goods and the number of import/export documents;
- Appoint a sufficient number of delegated Enforcement Judges at the courts;
- Ensure compliance with hearing and judgment periods for litigation of a maximum of 120 days (at the Commercial Court level);
- Revise Articles 31 and 39 of Decision No. 01/PR on the creation, organization, and operations of the Commercial Courts to give the President of the Commercial Court jurisdiction in the area of enforcing decisions;
- Institute a legal framework for commercial mediation in Côte d'Ivoire;
- Strengthen compliance with legally prescribed appeal and expiration deadlines;
- Strengthen the system for recovery of troubled companies and limit the completion of insolvency procedures to 20 months;
- Allow the on-line creation of companies;
- Reduce costs for connecting to electricity by 17 percent (or a reduction of CFAF 3.4 million) and procedures from 8 to 5.

42. The government will implement its new industrial policy. It undertook a diagnostic of the industrial sector in 2012 and developed a strategy to increase the industrial sector's share of GDP from about 30 percent in 2012 to 40 percent in 2020. To do so, the government will support increasing the share of processing of farm products (cocoa, cashew nut, cotton, rice) and the diversification of the manufacturing sector by promoting SMEs (Box 3). To that end, a National Program on Restructuring and Upgrading (PNRMN) of industries was launched for a total amount of CFAF 152 billion. In addition, to facilitate the establishment of companies, the government plans to set up quality industrial infrastructures. The measures adopted for this purpose include rehabilitating existing industrial zones and rapidly developing new industrial zones for a total cost of CFAF 75 billion. To that end, some sites have been declared zones of public interest in order to accelerate their development for those who are waiting to invest.

Box 3. Côte d'Ivoire: SMEs, a Sector of the Future

The government has developed a strategy to support the effective implementation of the vision of an emerging Côte d'Ivoire. The strategy involves implementing a series of measures to facilitate the creation and development of, and improved credit access for, SMEs 50,000 companies representing 98 percent of the formal economy, 20 percent of GDP, 12 percent of domestic investment, and 23 percent of the labor force.

To achieve this, the government developed an ambitious policy to support SMEs by implementing a program called "PHOENIX" to provide an overall strategy to support SME development. The coherence of this strategy is ensured through the adoption of a draft framework law for the promotion and development of SMEs and the creation of an SME development agency. The agency's role is to coordinate all policy and actions in favor of SMEs. The program is based on four strategic pillars: (i) facilitating access to financing and to public and private markets; (ii) strengthening technical and managerial capacities; (iii) improving the business climate in favor of SMEs; and (iv) developing the culture of entrepreneurship and innovation. In addition, this program encourages the strengthening of SME organizations and federations in order to give them the means to fully play their role and ensure the search for partnerships with stakeholders able to

needed for the success of the program. The draft framework law was adopted by the Council of Ministers on February 25, 2014 and will be submitted to Parliament before end-April 2014. The program, totaling between CFAF 150 and 250 billion, should over time help to facilitate the creation and development of a web of innovative, dynamic, and successful SMEs numbering between 100,000 and 120,000 by 2020, which will make a sustainable contribution to the creation of jobs and wealth.

The government also plans to accelerate financial sector development. This includes creating credit bureaus, developing and publicizing new instruments adapted to the needs of SMEs such as equipment leasing and Product Programs (factoring and purchase order, etc.) to ensure effective management of their business, as well as establishing guarantee funds with banks to expand the overall envelope allocated for financing SMEs. A strategy developed with World Bank assistance and involving the various financial sector stakeholders (banks, insurance companies, Decentralized Financing Structures, BCEAO, the State) as partners will be adopted for this purpose.

There are also many private sector initiatives, reflecting renewed interest among various stakeholders in financing for SMEs. On January 23, 2014, the regional stock exchange (*Bourse régionale des valeurs mobilières* - BRVM) and the Chamber of Commerce and Industry of Côte d'Ivoire (CCI-CI) signed a partnership agreement to facilitate Ivoirien companies' access to the regional financial market. The IFC and the *Société Ivoirienne de Banque* (SIB) also signed an agreement for USD 40 million to increase market financing for SMEs, particularly those in reconstruction, being managed by women, or in the area of agriculture. Finally, the South Africa PIC Fund also has a USD 100 million share in the capital of Phoenix Capital Management for the financing of SMEs.

All these actions will make it possible to strengthen the role of SMEs at the heart of strong and sustained economic growth for the sustainable development of Côte d'Ivoire.

FINANCING AND MONITORING OF THE PROGRAM

43. The government believes that the financing needs of the program in 2014 will be met.

Financing over and above the domestic revenues capacity will be mobilized on the monetary and financial markets and from external partners. On the sub-regional monetary and financial markets, the government plans to mobilize CFAF 516 billion in Treasury bills and bonds, compared to CFAF 643 billion in 2013. External financing, including budgetary support, would amount to CFAF 587.8 billion thanks to the main donors and lenders, particularly the World Bank, IMF, AfDB, EU,

AFD, IDB, and the Exim-Bank of China. In addition, the government will continue bilateral discussions with the remaining creditors that have yet to grant debt relief under the HIPC initiative of the World Bank and IMF.

44. The program will continue to be monitored on a biannual basis by the IMF Executive Board on the basis of quantitative indicators (Table 1) and structural benchmarks (Table 2).

The quantitative indicators are defined in the attached Technical Memorandum of Understanding (TMU). The sixth and final biannual review will be based on end-June 2014 performance criteria and indicative targets. The sixth review is expected to be completed on November 3, 2014.

45. The government requests an extension of the ECF arrangement to December 31, 2014.

This is to ensure the availability of the final disbursement of the program supported by the IMF's Extended Credit Facility (ECF) after the conclusion of the sixth review.

STATISTICS AND CAPACITY BUILDING

46. The statistics system will be developed to provide factual and current information on the implementation of governmental policies.

The legal framework and regulatory provisions of the national statistics system were introduced through the law on the organization, regulation, and coordination of the National Statistics System passed by the National Assembly on June 10, 2013. A 2012–15 statistics Master Plan, consistent with the NDP (2012–15) is being implemented with respect to: (i) conducting national and sector surveys; (ii) strengthening and monitoring short-term indicators; (iii) setting up the database for the Integrated Information Management System; (iv) changing the base year of the national accounts and preparing quarterly national accounts; (v) updating the Harmonized Consumer Price Index (HCPI); and (vi) preparing a directory of ministerial statistical staff. In this context, the final 2011 accounts and provisional 2012 national accounts should be available during the first half of 2014. The work on changing the base for the annual national accounts has already begun with the revision of classifications, as well as those of the General Population and Housing Census (RGPH) for 2013/2014. The government will also launch the General Census of Agriculture and standard of living and employment surveys. The government plans to produce before the end of 2014 the Government Financial Operations Table according to the 2001 Government Finance Statistics Manual. Ultimately, Côte d'Ivoire plans to migrate toward the Special Data Dissemination Standard, which will allow it to have regular and improved access to international capital markets.

47. The government will continue to strengthen public administration capacity.

The National Secretariat for Governance and Capacity Building seeks to translate government's willingness to take action into measures by identifying needs and seeking the institutional and financial support needed for a modern and effective management of public administration. Technical assistance needs for this year relate, *inter alia*, to: (i) the development of a Single Treasury Account; (ii) support for the introduction of quarterly national accounts; (iii) strengthening tax management, particularly for the VAT; (iv) preparation of provisional balances of payment; (v) management and budgeting of the wage bill; (vi) support for the production of the Government Financial Operations Table according to the 2001 Government Finance Statistics Manual; and (vii) support for the preparation of short-term indicators on the real sector.

Table 1. Côte d'Ivoire: Performance Criteria (PC) and Indicative Targets (IT), ECF 2013–14¹
(Billions of CFA)²

	2013									2014						
	June			Sept.			Dec.			March	June		Sept.		Dec.	
	PC	Actual	Status	IT	Actual	Status	PC	Actual	Status	IT	Original PC	New PC	Original IT	New IT	IT	New IT
A. Performance criteria																
Floor on primary basic balance	-55.5	116.3	Met	-112.1	32.1	Met	-44.0	-11.6	Met	7.3	-66.4	-135.4	-52.7	-80.1	-9.9	-26.8
Ceiling on net domestic financing (incl. WAEMU paper) ^{5/}	210.1	132.7	Met	346.9	160.7	Met	300.6	169.4	Met	43.6	220.4	315.3	289.5	360.2	339.7	391.2
Ceiling on new nonconcessional external debt (in \$ million) ^{3/4/5}	800.0	521.0	Met	800.0	680.0	Met	800.0	712.0	Met	900.0	900.0	900.0	900.0	900.0	900.0	900.0
Ceiling on accumulation of new external arrears ^{4/}	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ceiling on accumulation of new domestic arrears ^{4/}	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Indicative targets																
Floor on the overall fiscal balance (including grants)	-183.5	-60.6	Met	-391.3	-202.9	Met	-453.4	-346.1	Met	-76.1	-263.6	-310.6	-336.3	-364.5	-364.5	-379.9
Ceiling on expenditures by treasury advance	59.0	52.8	Met	93.7	91.7	Met	114.3	106.1	Met	19.8	50.1	55.6	79.9	81.5	115.2	119.7
Floor on pro-poor expenditure	588.8	590.5	Met	916.0	920.1	Met	1309.1	1337.1	Met	259.4	676.7	676.7	1022.3	1022.3	1517.7	1521.8
Floor on net reduction of government amounts payable (- = reduction)	-10.0	-88.5	Met	-25.0	-36.5	Met	-50.0	39.7	Not Met	-5.0	-10.0	-50.0	-25.0	-70.0	-50.0	-100.0
Floor on government revenue	1,338.7	1,361.8	Met	2,031.9	2,043.4	Met	2,764.5	2,838.0	Met	621.8	1,374.4	1,392.1	2,148.0	2,167.9	3,051.0	3,110.1
Memorandum items:																
Net banking sector claims on government	83.6	28.0		123.4	106.0		108.8	134.2		11.3	-1.0	129.0	37.8	17.3	77.7	137.5
Program grants	49.2	56.0		49.2	56.0		105.2	105.2		0.0	73.8	82.8	73.8	82.8	156.6	156.6
Program loans	0.0	0.0		0.0	0.0		88.7	61.2		0.0	0.0	0.0	0.0	0.0	47.6	56.6
Project grants	51.5	76.9		77.2	93.4		122.3	96.2		44.3	132.8	123.3	166.0	166.0	221.3	221.3
Project loans	82.5	140.3		197.9	161.6		313.4	219.9		61.3	183.9	170.7	229.9	229.9	306.5	306.5

Sources: Ivoirien authorities and IMF staff.

Note: The terms in this table are defined in the TMU.

1/ Cumulative change from December 31, 2012 for 2013 targets, and from December 31, 2013 for 2014 targets.

2/ Except for the ceiling on new nonconcessional external debt

3/ Continuous performance criteria.

4/ The new window in 2013 will be used for infrastructure, energy, and transport projects.

5/ In the event of the issuance of an Eurobond, the 2014 ceiling will be adjusted upward by an amount up to the equivalent of US\$500 million, and the ceiling on net domestic financing will be adjusted downward by the same amount.

Table 2a. Côte d'Ivoire: Structural Benchmarks, 2013–14, ECF

Fifth Program Review			
Measures	Macroeconomic Rationale	Timeframe	Status
Tax policy/Tax administration			
Strengthen the large taxpayer office by broadening its scope to cover the whole country and by focusing its activity on the largest corporations, and implement a medium-sized taxpayer office	Mobilize revenue	SB End-December 2013	Not met (implemented with delay, regulations adopted on March 26 2014)
Adopt a decree pertaining to Customs' controls and audits methodology, to allow for post-clearance audits	Enhance transparency and counter fraud	SB End-December 2013	Met: Adopted by the council of ministers on December 19, 2013
Public expenditure management			
Adopt by the Council of Ministers a medium-term strategy for controlling the wage bill	Contain the size of the civil service and the wage bill	SB End-December 2013 (rescheduled from end-October 2013)	Not met (implemented with delay on May 05, 2014)
No new injection of public funds in the five public banks in difficulty outside a restructuring plan approved by the authorities	Improve financial sector governance and management	SB continuous	Met
Reorganize the debt management framework, including a functional structure (front-, middle-, and back-office)	Improve public debt management.	SB End-December 2013	Not met (implemented with delay in January 2014)

Table 2a. Côte d'Ivoire: Structural Benchmarks, 2013–14, ECF (continued)

Fifth Program Review			
Measures	Macroeconomic Rationale	Timeframe	Status
Prepare and adopt by the Council of Ministers the medium-term debt management strategy	Improve debt management	SB end-September 2013 (rescheduled from end-June 2013)	Not met (implemented with delay on December 19, 2013)
Adopt an instruction limiting the use of provisional payment orders. This instruction will (i) create a committee in charge of authorizing provisional payment orders; (ii) lay down the procedures for reducing the recourse to provisional payment orders by end-December 2013; and (iii) forbid provisional payment orders by end-December 2014	Improve fiscal management	SB End-November 2013	Met: the instruction was issued on November 30, 2013
Prepare consolidated commitment and procurement plans for 2014	Smooth budget execution and facilitate cash management	SB End-January 2014	Not met (implemented with delay in February and March 2014)
Finalize and adopt by the Council of Ministers draft regulations transposing the remaining four WAEMU directives on public finance	Improve fiscal management	SB End-March 2014	Not met
Identify the bank accounts of all public entities held in commercial banks and at the Central Bank, and determine their balances	Improve fiscal management	SB End-March 2014	Met

Table 2a. Côte d'Ivoire: Structural Benchmarks, 2013–14, ECF (concluded)

Fifth Program Review			
Measures	Macroeconomic Rationale	Timeframe	Status
Energy sector reform			
Submit the electricity code to the National assembly	Improve governance in the electricity sector	SB End-December 2013	Not met (implemented with delay in February 2014)
Financial sector reform			
Adopt in the Council of Ministers a time-bound action plan for restructuring the public banks based on the recommendations of the audits	Improve governance and intermediation in the financial sector	SB End-December 2013 (rescheduled from end-September 2013)	Not met (implemented with delay on May 05, 2014)
Prepare a financial sector reform and development strategy	Improve governance and intermediation in the financial sector	SB End-December 2013	Met
Improving the business environment			
Limit the current fiscal year's VAT arrears pending refund to under CFAF 10 billion	Improve the business climate and the confidence of enterprises	SB continuous	Met
Adopt in the Council of Ministers a plan to pay arrears based on the results of the audits in progress	Improve the business climate and the confidence of enterprises	SB End-November 2013 (rescheduled from end-September 2013)	Met

Table 2b. Côte d'Ivoire: Structural Benchmarks, 2013–14, ECF

Sixth Program Review		
Measures	Macroeconomic rationale	Timeframe
Public expenditure management		
No new injection of public funds in the five public banks in difficulty outside a restructuring plan approved by the authorities	Improve financial sector governance and management	SB continuous
Finalize and adopt by the Council of Ministers draft regulations transposing the remaining four WAEMU directives on public finance	Improve fiscal management	SB End-June 2014 (Proposed new date)
Adoption by the Minister of Finance the strategy for putting in place a single Treasury account, choice of the implementation model and adoption of a time-bound action plan	Improve fiscal management	SB End-June 2014
Review the expenditure chain and the end-of-year budgetary procedures, with IMF technical assistance	Improve fiscal management	SB End-June 2014
Improving the business environment		
Limit the current fiscal year's VAT arrears pending refund to under CFAF 10 billion	Improve the business climate and the confidence of enterprises	SB continuous

Attachment II. Côte d'Ivoire

Technical Memorandum of Understanding—Arrangement Under the Extended Credit Facility 2011–14

May 16, 2014

1. This Technical Memorandum of Understanding (TMU) describes the quantitative and structural assessment criteria established by the Ivorian authorities and the staff of the International Monetary Fund (IMF) to monitor the program supported by the Fund's Extended Credit Facility (ECF). It also specifies the periodicity and the deadlines for the transmission of data to Fund staff for program monitoring purposes. Unless otherwise specified, the government is defined 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.

QUANTITATIVE INDICATORS

2. For program monitoring purposes, the performance criteria (PC) and indicative targets (IT) are set for June 30, 2014; the same variables are indicative targets for these variables for March 31, 2014 and September 30, 2014.

The performance criteria include:

- (a) a floor on the primary basic fiscal balance;
- (b) a ceiling for 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 new nonconcessional external debt;
- (d) a zero ceiling for the accumulation of new external arrears; and
- (e) a zero ceiling for the accumulation of new domestic arrears.

The indicative targets are:

- a) a floor on the overall fiscal balance (including grants);
- b) a ceiling on expenditures by treasury advance;
- c) a floor on "pro-poor" expenditures;
- d) a floor on the net reduction of the government amounts payables;
- e) a floor on total government revenue.

3. The PCs, the ITs, and the adjustors are calculated as the cumulative change from December 31, 2013 for the 2014 targets, with the exception of new nonconcessional external loans for which the cumulative change starts from December 31, 2012 (Table 1 of the Memorandum of Economic and Financial Policies, or the MEFP).

A. Government Revenue (IT)

4. **Total government revenue is defined as all revenue collected by the Tax Administration (DGI), the Directorate-General of the Treasury and Public Accounting Administration (DGTCP), the Customs Administration (DGD), the CNPS, and the CGRAE, and other nontax revenue as defined in the fiscal reporting table (TOFE).**

B. Pro-poor Expenditures (IT)

5. **Pro-poor expenditures are derived from the detailed list of “pro-poor expenditures” in the SIGFIP system (see Table 1).**

C. Treasury Advances (IT)

6. **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, and which 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.

D. Primary Basic Fiscal Balance (PC)

7. **The primary basic fiscal balance is the difference between the government’s total revenue (excluding grants) and total expenditure plus net lending, excluding interest payments and externally-financed capital expenditure (on a payment order basis for all expenditure items):**

Tax and nontax revenue (excluding grants) – {Expenditure + Net lending – Interest payments – Externally-financed capital expenditure (on a payment order basis for all expenditure items)}

8. **The floor on the primary basic fiscal balance will be adjusted downward (upward) for an excess (shortfall) of external budget support (program grants/loans) relative to the programmed amount.**

E. Overall Fiscal Balance (Including Grants) (IT)

9. The overall fiscal balance is the difference between the government's total revenue (including grants except World Bank budget support grants- AfDB budget support grants) and total expenditure plus net lending (on a payment order basis):

Tax and nontax revenue + (Grants – World Bank budget support grants – AfDB budget support grants) – {Expenditure + Net lending (on a payment order basis for all expenditure items)}

10. The floor on the overall fiscal balance will be adjusted downward (upward) for an excess (shortfall) of project loans relative to the programmed amount.

F. Net Domestic Financing (PC)

11. The net domestic financing by the central government is defined as the sum of (i) the banking system's net claims on the government (including C2D deposits); and (ii) net non-bank financing (including proceeds from privatization and sales of assets, and of correspondant sub-account of the Treasury and excluding the net variation of the amounts payable); and (iii) any financing borrowed and serviced in Francs of the Financial Community of Africa (FCFA). This ceiling includes a margin of CFAF 10 billion above the net cumulative flow projected for each quarter.

Net domestic financing = Variation of banking system's net claims on the government (TOFE) + net non-bank domestic financing (excluding the variation of the amounts payable) + borrowing denominated and serviced in Francs of the Financial Community of Africa (FCFA) + financing margin of CFAF 10 billion.

This ceiling does not apply to either new agreements on restructuring domestic debt and securitization of domestic arrears or to new project loans from the Bank for Investment and Development (BIDC) of the Economic Community of West African States (ECOWAS). For any new borrowing over and above a cumulative amount of CFAF 35 billion during 2014, the government undertakes not to issue government securities except by auction through the BCEAO or through competitive public auction (appel d'offres compétitif) on the WAEMU financial markets registered with the Regional Council for Public Savings and Financial Markets (CREPMF), in consultation with Fund staff. This ceiling will be lowered by an amount equal to the eventual issuance of an Eurobond (for a maximum equivalent to US\$500 million).

G. New Nonconcessional External Debt (PC)

12. The definition of debt is set out in Executive Board Decision No.6230-(79/140), Point 9, as revised on August 31, 2009 (Decision No. 14416-(09/91)): 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, according to a specific schedule; these payments will discharge the obligor of 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 (iii) leases, i.e., arrangements under which property is provided that 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 this guideline, 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 necessary for the operation, repair, or maintenance of the property. Under the definition of debt set out above, 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.

13. External debt is defined as debt borrowed or serviced in a currency other than the CFA franc of the Financial Community of Africa (FCFA).

14. The quantitative performance criterion concerning external debt applies to all nonconcessional external debt, irrespective of maturity, and whether it has been contracted or guaranteed by the government. It applies not only to the debt as defined above, but also to 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;
- debts to the BIDC, up to the equivalent of CFAF 20 billion, for the period from January 1 to December 31, 2014;
- drawings on the IMF.

15. A debt is considered concessional if its grant element is at least 35 percent, the net present value (NPV) of the debt being calculated with a 5 percent discount rate. The government undertakes not to contract or guarantee nonconcessional external debt under the conditions defined in paragraphs 12–15, with the exception of debt constituting rescheduling of maturities and new debt contracted or guaranteed by the government as specified in paragraphs 14 and 17. To this end, the government undertakes to consult with IMF staff on the terms and concessional nature of any proposed new debt in advance of contracting such external debt.

16. A cumulative ceiling for 2013–14 of US\$900 million for the period from January 1, 2014 to December 31, 2014, applies to new nonconcessional external loans other than those specified in paragraph 14 (performance criteria). This ceiling would be applicable to debt-financing of projects, in the energy, infrastructure and transport sectors. The government will

inform staff in a timely manner before contracting any debt of this type and provide information on the terms of the new debt as well as a brief summary of the projects to be financed and their profitability, including an independent evaluation. The government will report on the use of funds and project implementation (in subsequent MEFPs or to staff). The US dollar value of eligible loans subject to this ceiling will be calculated using the exchange rates at end-August 2013 in the IFS (*International Financial Statistics*) database of the IMF. The ceiling on new nonconcessional external debt will be increased by the amount of the eventual issuance of a Eurobond for a maximum amount equivalent to US\$500 million. The amount of Eurobond deemed contracted will be the amount subscribed/purchased at the end of the subscription/purchase period as specified under the final terms of exchange; and the performance criteria (the ceiling on non new concessional external debt and net domestic financing) will be adjusted upward and downward at that time by the amount of the subscription/purchase. The amounts subscribed/purchased of the Eurobond prior to the end of the subscription/purchase period of the Eurobond will not impact the performance criterion on external debt (paragraph 14).

H. External Payment Arrears (PC)

17. External arrears are considered to be the nonpayment of any interest or principal amounts on their due dates (taking into account relevant contractual grace periods, if any).

This performance criterion applies to arrears accumulated under external debt of the government and external debt guaranteed by the government for which the guarantee has been called by creditors, consistent with the definitions given under the external debt criterion (paragraph 15). This performance criterion is monitored on a continuous basis.

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

18. The “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 the program definition, these obligations represent (i) bills due and not paid to non financial public and private companies; and (ii) the domestic debt service (excluding the BCEAO).

19. For program purposes, domestic payment arrears are those balances outstanding to nonfinancial public and private companies and the domestic debt service (excluding the BCEAO). Arrears to non financial and private companies are defined as overdue obligations to non financial and private companies for which the payment date exceeds the deadline for payment stipulated by the administrative regulations of 90 days; arrears on the domestic debt service refer to debt service obligations for which the payment date exceeds 30 days.

20. Floating debt refers to those balances outstanding for which the payment date does not exceed the deadline for payment stipulated by the administrative regulations (90 days for debt to nonfinancial public and private companies and 30 days for debt service to commercial banks, insurance companies, and other financial institutions).

21. The balances outstanding are broken down by payer and type, as well as by maturity and length of overdue period (< 90 days, 90–365 days, > 1 year for nonfinancial companies, and <30 days, 30-365 days, > 1 year for financial companies).

22. For program purposes, the government undertakes: (i) to reduce the stock of amounts payable by at least CFAF 100 billion in 2014 ; and (ii) to not accumulate new domestic arrears in fiscal year 2014.

MEMORANDUM ITEMS

J. Net Bank Claims on the Government

23. Net bank claims on the government are defined as the difference between government debts and government claims with the central bank and commercial banks, (including the C2D deposits). The coverage of net bank 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).

K. External Financing (Definitions)

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

L. Program Monitoring and Data Reporting

25. A quarterly assessment report on the monitoring of the quantitative performance criteria, indicative targets, and structural benchmarks will be produced by the authorities at the latest within 45 days of the end of each quarter.

26. The government will report the information specified in Table 2 on a monthly basis, at the latest within 45 days of month-end or quarter-end, unless otherwise indicated. Tables F.3.1, F.3.2, and F.3.3 are updated to take into account the expanded coverage of arrears.

27. The government will report final data provided by the BCEAO within 45 days of the end of the period in question. The information provided will include a complete, itemized listing of public sector liabilities and assets with: (i) the BCEAO; (ii) the National Investment Bank (Banque Nationale d'Investissement, or BNI); and (iii) the banking sector (including the BNI).

28. The authorities will consult with the Fund staff on any proposed new external debt contracts or government guarantees on new external debt, including leases. The authorities will inform the Fund staff, following signature, of any new external debt contracted or guaranteed by the government, including the terms of these contracts or guarantees. Data on new external debt, the amount outstanding, and the accumulation and repayment of external payment arrears will be reported monthly within six weeks of the end of each month.

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

Table 1. Côte d'Ivoire: Pro-Poor Spending (incl. Social Spending), 2009–14

	2009	2010	2011	2012		2013		2014
				Budget	Actual	SBL ^{1/}	Actual	
Agriculture and rural development	49.2	39.1	35.2	41.4	68.2	72.1	81.7	81.9
General administration	8.5	9.2	7.0	7.7	10.0	16.3	21.4	28.0
Agriculture promotion and development program	10.6	10.8	10.8	12.0	18.7	15.1	15.9	17.8
Training of supervisory staff	8.4	8.3	10.3	8.4	13.5	15.7	18.4	16.9
Water system works	1.5	4.0	3.0	3.4	26.0	16.6	18.3	19.3
Other investments in the rural area (FRAR, FIMR)	20.2	6.8	4.1	10.0	0.0	8.4	7.7	0.0
Fishing and animal husbandry	6.7	5.9	4.0	4.7	7.2	5.9	7.5	8.0
General administration	3.5	3.9	2.7	2.7	4.0	3.8	4.4	4.5
Milk production and livestock farming	2.3	1.8	1.2	1.5	2.9	0.9	1.7	1.7
Fishing and aquaculture	1.0	0.2	0.1	0.5	0.4	1.2	1.4	1.9
Education	533.1	590.1	529.2	628.6	651.2	754.6	756.3	836.3
General administration	19.6	24.9	24.7	23.6	19.8	19.5	19.5	20.6
Pre-schooling and primary education	336.7	366.7	301.1	398.2	379.2	454.4	449.2	316.6
Literacy	0.2	0.2	0.5	0.6	0.5	0.5	0.4	0.4
Secondary education and vocational training	83.0	83.8	74.2	80.3	74.8	83.7	87.7	296.8
University and research	93.7	114.5	117.0	113.0	140.0	153.0	156.1	155.4
Emergency/Presidential program/Education	0.0	0.0	11.7	12.8	36.9	43.5	43.5	46.5
Health	118.4	113.6	120.2	138.0	169.2	205.1	197.9	267.4
General administration	45.8	47.7	49.2	55.4	63.9	89.5	71.4	123.0
Primary health system	30.7	30.0	25.2	34.8	47.5	53.9	70.5	38.7
Preventive healthcare (enlarged vaccination program)	1.9	1.4	0.4	0.8	2.3	2.6	1.6	2.9
Disease-fighting programs	1.7	1.5	1.1	1.4	4.0	1.2	1.7	24.8
Infant/mother health and nutrition	0.8	0.4	0.4	0.6	1.4	0.6	0.8	18.1
HIV/Aids	10.8	5.9	6.9	8.0	6.4	5.4	1.6	5.6
Health centers and specialized programs	26.6	26.6	25.7	25.1	31.8	33.9	32.3	34.2
Emergency/Presidential program/Health	0.0	0.0	11.3	12.0	12.0	18.0	18.0	20.0
Water and De-contamination	20.4	19.8	36.3	39.9	49.5	73.5	118.4	82.1
Access to drinking water and de-contamination	4.9	6.0	10.2	10.7	10.8	25.4	69.9	37.0
Environmental protection spending	15.5	13.8	13.1	13.0	22.4	23.6	24.0	18.1
Emergency/Presidential program/healthiness and de-contamination	0.0	0.0	13.1	16.2	8.0	11.5	11.5	13.5
Emergency/Presidential program/drinking water	0.0	0.0	0.0	0.0	8.2	13.0	13.0	13.5
Energy	16.5	9.7	8.8	17.0	18.8	26.7	25.5	30.1
Access to electricity	16.5	9.7	8.9	9.0	10.8	13.7	12.5	16.6
Emergency/Presidential program/Electricity	0.0	0.0	0.0	8.0	8.0	13.0	13.0	13.5
Roads and Art Works	39.1	45.4	33.4	47.1	51.4	101.7	80.2	112.7
Road maintenance	0.5	2.4	2.1	5.1	2.3	11.4	8.7	6.0
Construction of art works	3.0	2.5	1.1	7.5	4.0	22.2	5.6	23.3
Other road projects	35.6	40.6	22.2	23.5	34.1	52.2	49.9	65.5
Emergency/Presidential program/maintenance and development	0.0	0.0	8.0	11.0	11.0	16.0	16.0	18.0
Social spending	13.6	15.0	24.7	14.1	20.0	18.1	24.3	22.4
General administration	8.6	9.8	8.9	9.0	15.1	13.4	19.1	16.1
Training for women	0.6	0.7	0.5	0.7	0.7	0.5	0.6	0.9
Orphanages, day nurseries, and social centers	1.5	2.0	1.9	2.5	2.2	2.1	2.3	3.1
Training of support staff	1.7	1.9	1.6	1.3	1.6	1.8	1.9	2.0
Indigents and victims of war or disaster	1.2	0.5	11.8	0.7	0.5	0.4	0.4	0.4
Decentralization (excl. education, health and agriculture)	35.1	32.0	29.0	32.1	31.7	31.8	34.5	60.0
Decentralization	35.1	32.0	29.0	32.1	31.7	31.8	34.5	60.0
Reconstruction	1.4	2.6	5.6	1.2	0.3	13.0	2.9	10.4
Reconstruction and rehabilitation	1.4	2.6	4.6	1.2	0.3	0.1	0.1	0.0
Emergency/Presidential program	0.0	0.0	1.0	0.0	0.0	12.9	2.9	10.4
Other poverty-fighting spending	9.6	11.9	16.2	15.9	13.0	6.7	7.9	10.5
Promotion and insertion of youth	8.4	8.9	13.7	13.4	7.6	5.1	5.4	8.1
Support and follow-up of DSRP	0.3	0.2	0.4	0.4	0.5	0.0	0.2	0.6
Development of tourism and craftsmanship	0.9	2.8	2.0	2.1	4.9	1.6	2.3	1.8
TOTAL	843.0	885.2	842.7	980.0	1,080.5	1,309.1	1,337.1	1,521.8

Source: Ivorian authorities.

1/ Supplementary Budget Law.

Table 2. Côte d'Ivoire: Document Transmittals

Detailed tables to be transmitted monthly, quarterly, or annually to the IMF staff. Examples of each of these tables have been provided for illustration. The documents expected monthly are indicated by "M," those expected quarterly by "Q," and those expected annually by "AN." This list is not necessarily exhaustive.

Real sector (R)

General:

Table R.1: Cyclical Indicators (M)

Table R.2.1: Macroeconomic Framework (AN)

Table R.2.2: Supply-use accounts, current francs (AN)

Table R.2.3: GDP in francs (n-1): annual variation in volume (AN)

Table R.2.4: GDP deflators year (n-1) (AN)

Table R.2.5: Macroeconomic framework, underlying assumptions (AN)

Table R3: Price index (M)

Energy:

Table R.4.1: Summary crude oil and gas production (M)

Table R.4.2: Crude oil and gas production – CI11 (M)

Table R.4.3: Crude oil and gas production – CI26 (M)

Table R.4.4: Crude oil and gas production – CI27 (M)

Table R.4.5: Crude oil and gas production – CI40 (M)

Table R.4.6: Crude oil and gas – volume, price, and financial flows (M)

Table R.4.7: Ivorian Refinery (SIR) activities (M)

Table R.4.8: SIR: transfers to warehouses and exports (M)

Table R.4.9: Activities of marketers (M)

Table R.4.10: Goods released to market by type of tax (M)

Table R.4.11: Financial flows in cash, Electricity Sector Asset Management Company (*Société de Gestion du Patrimoine du Secteur Electricité, SOGEPE*) (M)

Table R.4.12: Operating financial flows, SOGEPE (Q)

Table R.4.13: Crude oil: Shipment report (Q)

Table R.4.14: Petroleum revenue: Structure of maximum sales prices (M).

Coffee/cocoa:

Table R.5.1: Quasi-fiscal levies and fees, and utilization – operations (Q)

Table R.5.2: Quasi-fiscal levies and fees, and utilization – investment (Q)

Table R.5.3: Investments in funds managed by the Coffee/Cocoa Committee (Q)

Table R.5.4: Bank accounts (Q)

Balance of Payments sector (B)

Table B.1.1: Summary table of foreign trade (AN)

Table B.1.2: Imports (source DGD - monthly) (M)

Table B.1.3: Exports (source DGD - monthly) (M)

Table B2.1: Detailed balance of payments (including capital account) CFA francs (AN)

Table B.2.1.a: Exports – quantities (Q)

Table B.2.1.b: Exports – unit prices (Q)

Table B.2.2.a: Imports – quantities (Q)

Table B.2.2.b: Imports – unit prices (Q)

Table B.3: Balance of Payments: Summary presentation (AN)

Monetary sector (M)

Table M.1: Banks (M)

Table M.2: Summary BCEAO position (M)

Table M.3: Net government position (M)

Table M.4: Changes in net foreign assets (NFA) (M)

Table M.5: Integrated Monetary Survey (M)

Table M.6: Government liabilities to banks (M)

Fiscal sector (F)

Table F.1: Table of government financial operations (TOFE) (M)

Table F.2: Estimated government tax revenue (M)

Domestic arrears:

Table F.3.1: Domestic arrears (M)

Table F.3.2: Consolidated Treasury balances outstanding (M)

Table F.3.3: Treasury balances outstanding - targets/execution (M)

Table F.3.4: Clearings and securitizations (M)

Domestic and foreign debt:

Table F.4.1: Domestic debt (M)

Table F.4.2: Total domestic debt (M)

Table F.4.3: Negotiable instruments (M)

Table F.4.4: Explanation of variances in domestic debt service (M)

Table F.5.1: Foreign debt (M)

Table F.5.2: Details of foreign debt (M)

Table F.5.3: Analysis of projected foreign debt service variances (M)

Table F.5.4: Projected debt service (Q)

Post-crisis:

Table F.6: Crisis- and election-related expenditures (M)

Treasury advances:

Table F.7.1: Advances from the Treasury (M)

Table F.7.2: Treasury advances reclassified (M)

Investment:

Table F.8: Investment expenditures (M)

Social/pro-poor expenditures:

Table F.9.1: Education and health expenditures – other (M)

Table F.9.2: Education and health expenditures – personnel/operations/transfers/
investments (M)

Table F.9.3: Subsidies and transfers: Targeted social expenditures (M)

Table F.9.4: Execution of social expenditures (M)

Table F.9.5: Execution of pro-poor expenditures (M)

Table F.9.6: Budget execution report (SIGFIP) detail/category (Q)

Other revenue and expenditures:

Table F.10: Other operating expenses (M)

Table F.11: CNPS and CGRAE social security and civil service pension contributions (M) Table F.12:
Summary table of expenditures (M)

Table F.13: Summary table of nontax revenue and grants (M)

VAT credits:

Table F.14.1: Summary statistical statement of VAT credit refunds (monthly) (M)

Financing:

Table F.15.1: Issues/redemptions of public debt (M)

Table F.15.2: Bridge loans and other Treasury advances (M)

Wage bill:

Table F.16.1: Projected wage bill (Q)

Table F.16.2: Changes in wage bill (Q)

Table F.16.3: Wage bill framing (AN)

Table F.16.4: Projected new recruits (AN)

Special accounts:

Table F.17.1: ECOWAS levy (PCC) (AN)

Table F.17.2: WAEMU levy (PCS) (AN)

Table F.18: Proceeds from privatization and sale of assets (AN)

Cash flow plan:

Table F.20.1: Annual cash flow, resources/expenditures plan (AN)

Table F.20.2: Execution of cash flow plan (M)

Table F.20.3: Overall balance of Treasury account