Dear Ms. Georgieva,

1. In recent years, Côte d’Ivoire has made significant progress towards macroeconomic stability, with strong and sustained growth, subdued inflation, lower government deficits, and an improved external position. The Government has made strides in implementing its National Development Plan and Social Plan aimed at creating a resilient, inclusive and diversified economy that provides opportunities, jobs, and prosperity to all living in Côte d’Ivoire.

2. However, the COVID-19 pandemic spreading rapidly across the world is placing our economy under severe stress. Since Côte d’Ivoire recorded its first case on March 11, 2020, the number of confirmed cases has been rising rapidly to reach 444 as of April 9. The pandemic, which is expected to cause extensive human suffering in Côte d’Ivoire, especially among the most vulnerable, will have a significant negative economic impact. This is coming from lower demand for exports by trading partners, lower foreign investment flows, and supply chain disruptions.

3. We have introduced swift measures that, while needed to contain the epidemic, will exacerbate the economic impact. These measures include declaring a state of emergency and establishing curfew from 9 pm to 5 am, banning all international travels (with an exception for humanitarian aid purpose), prohibiting public gatherings of more than 50 people, closing schools, restaurants and recreational facilities, launching a vast disinfection operation in Abidjan, imposing restrictions on public transportation and movements between regions in the country and putting in place confinement measures in Abidjan. We put in place an emergency health response plan of FCFA 95.88 bn, aimed at providing free care for infected people, equipping intensive care units,
strengthening epidemiological and biological surveillance, and reinforcing capacities of the pharmaceutical industry. We have also prepared an ambitious economic support plan to prop the income of the most vulnerable segments of the population through agricultural support and expanded cash transfers, provide relief to hard-hit sectors and firms, and support public entities in the transport and port sectors to ensure continuity in supply chains, for a total budgetary cost of about FCFA 550 bn in 2020.

4. **Our preliminary assessment suggests that the economic impact of this crisis will be substantial.** Growth for 2020 is now expected to be substantially below the 7.3 percent that was projected in December 2019 in the context of the 6th review of the ECF and EFF-supported program. In addition, as already mentioned, FDI flows are expected to decline, and capital market financing conditions to tighten. However, a strong growth rebound is forecasted in 2021 with the end of the pandemic expected in 2020.

5. **This situation will have a substantial impact on the budget.** Lower growth and the sharp decline in imports will affect tax revenues, which is projected to create a shortfall of about 1 percentage point of GDP compared to pre-crisis forecasts. Together with the estimated cost of our emergency health response plan and economic support package, this will push the overall deficit to 5.2 percent of GDP in 2020, compared to the 2.3 percent of GDP targeted at the time of the 6th review (taking into account the rebasing of national accounts). We recognized that there is substantial uncertainty surrounding our fiscal projections. Should fiscal revenue underperform compared to the current projection, we are committed to adjusting some spending lines. In particular, the implementation of some public investment projects could be slowed down in the context of the crisis and of the necessary containment measures. We are committed to preparing a revised budgetary framework by end April so as to amend the 2020 budget and we are setting up specific procedures to track in a transparent manner crisis-mitigation exceptional expenditures, including to ensure that the support reaches the most vulnerable segments of the population and, to the extent possible, to prevent this shock from undermining our poverty reduction achievements of recent years.

6. **The country’s external position is expected to worsen too.** The current account deficit is projected to widen to 3.3 percent of GDP, reflecting lower exports of agricultural and manufactured goods, notwithstanding some import compression. Furthermore, the uncertainty at the global level caused by the pandemic is expected to lead to a decline in FDI and other private investment inflows while access to capital market financing could become more difficult.

7. **Against this backdrop, the Government of Côte d’Ivoire requests emergency financial support from the IMF under the Rapid Credit Facility (RCF) and Rapid Financing Instrument (RFI), in the amount of SDR 650.4 million (100 percent of Côte d’Ivoire’s quota), to ease the fiscal and BOP pressure.** We would request that the funds be disbursed as direct budget support to the Ministry of Economy and Finance, and that the disbursement be made to the Treasury account at the Banque des États de l’Afrique de l’Ouest (BCEAO). The BCEAO’s latest safeguards assessment was finalized in 2018 and remains valid. The Fund’s disbursement, along with anticipated financing from the World Bank, will help fill the identified financing gap in 2020. IMF support is also expected to play a catalytic role in securing additional financing from development partners.
8. The Government of Côte d’Ivoire remains committed to the ECF and EFF-supported program and to pursuing policies consistent with medium-term macroeconomic stability and debt sustainability. From 2021 onwards, and as the effects of the crisis are assumed to recede both globally and domestically, growth to resume and the need for exceptional spending to subside, we are committed to returning to pre-crisis deficit path achieved in 2019, so as to maintain the gains realized during the program and to preserve debt sustainability. We are requesting that the 7th and 8th reviews of the ECF and EFF-supported program be combined in the fall 2020.

9. The Government of Côte d’Ivoire is convinced that the policies and measures set forth herein are adequate to address the immediate needs resulting from the COVID-19 pandemic. However, the Government is committed to take any additional measures that prove necessary to that end. The Government will not introduce measures or policies, including exchange and trade restrictions, that would compound Côte d'Ivoire’s balance of payments difficulties and will provide the IMF with any information required to monitor the implementation of measures.

10. In line with our commitment to transparency in government operations, we agree to the publication of all the documents submitted to the Executive Board in relation to this request.

Sincerely yours,

__________________/s/________________

Adama Coulibaly
Minister of Economy and Finance