



CÔTE D'IVOIRE

July 2024

SECOND REVIEWS UNDER EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND UNDER THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, AND REQUEST FOR MODIFICATION OF QUANTITATIVE PERFORMANCE CRITERIA, AND THE FIRST REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT—PRESS RELEASE; AND STAFF REPORT

In the context of the Côte d'Ivoire 2024 - 2nd ECF/EFF Reviews and 1st RSF, the following documents have been released and are included in this package:

- A **Press Release**
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on Lapse of Time basis, following discussions that ended on April 6, 2024, with the officials of Côte d'Ivoire on economic developments and policies underpinning the IMF arrangement under the Extended Fund Facility. Based on information available at the time of these discussions, the staff report was completed on June 7, 2024.
- A **Debt Sustainability Analysis** prepared by the staff[s] of the IMF and the International Development Association.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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International Monetary Fund
Washington, D.C.



IMF Executive Board Completes the Second Reviews of the EFF/ECF Arrangements and the First Review of the RSF Arrangement for Côte d'Ivoire.

FOR IMMEDIATE RELEASE

Washington, DC – June 25, 2024: The Executive Board of the International Monetary Fund (IMF) completed the Second Reviews of the [Extended Fund Facility](#) and [Extended Credit Facility](#) Arrangements and the First Review of the [Resilience and Sustainability Facility](#) Arrangement for Côte d'Ivoire on June 25, 2024, and endorsed the staff appraisal without a meeting on a lapse-of-time basis.¹

The EFF/ECF-supported program approved in May 2023 in the amount of SDR 2,601.6 million (equivalent to 400 percent of quota or about US\$3.4 billion), has helped to safeguard macroeconomic stability, as well as a moderate risk rating of debt distress, while growing challenges from climate change are being addressed under the recently approved RSF arrangement for a total amount of SDR975.6 million (equivalent to 150 percent of quota or about US\$1.3 billion). The authorities' ongoing commitment to reforms under both programs should support Côte d'Ivoire's transformation towards upper middle-income status over the medium-term and enhance its resilience to climate change. Program implementation has been strong thus far, with all end-December performance criteria and end-December and end-May structural benchmarks met. The completion of the reviews allows for an immediate disbursement of about US\$ 570 million under the multi-year Fund arrangements.

Côte d'Ivoire's economy remains resilient against a still difficult global backdrop. Notwithstanding lower than expected cocoa production, the medium-term outlook remains favorable and has been boosted by still strong consumption and investment demand, as well as new activity in the hydrocarbon exploration and production sector. Risks have become more balanced, reflected in increased interest from foreign investors along with ratings and outlook upgrades by ratings agencies. For 2024, growth is projected to be 6.5 percent, while inflation is expected to return to within the BCEAO 1 to 3 percent CPI inflation target range by end-2024. The 2024 current account deficit is projected to narrow to 5.7 percent of GDP, and the fiscal deficit is expected to consolidate further to 4 percent of GDP.

The authorities remain firmly committed to boosting tax revenue into the medium term, and to implementing the medium-term revenue strategy (MTRS) approved in May 2024. Sustained effort is expected by the authorities to increase tax revenue to GDP by 0.5 percent of GDP, each year between 2024 and 2026 through new, high quality and permanent tax policy and tax administration measures. This will be buttressed by the authorities' efforts to incorporate into the budget revenues which are being collected by line ministries but not recorded in the fiscal accounts.

¹ The Executive Board takes decisions under its lapse-of-time procedure when the Board agrees that a proposal can be considered without convening formal discussions.

Important structural reforms are underway, to deliver business climate improvements and increase the involvement of the private sector in the country's development. To this end, enhancements in the transparency and accountability of public enterprises, further strengthening governance and financial integrity (particularly the AML/CFT framework), along with investment in human capital, broader financial inclusion, and climate resilience, to support higher productivity growth will be instrumental.

Executive Board Assessment

In completing the Second Reviews under the EFF/ECF Arrangements and the First Review of the RSF Arrangement for Côte d'Ivoire, Executive Directors endorsed the staff's appraisal as follows:

Côte d'Ivoire's economic resilience has been maintained despite consecutive global shocks. Notwithstanding a still difficult external environment, the Ivorian economy has continued to exhibit robust growth and interest from foreign investors has remained strong. This highlights the dividends from the authorities' resolve to sustain important economic reforms. In particular, efforts to boost domestic revenue mobilization are bearing fruit. Further tax policy and administration reforms should be underpinned by the recently adopted MTRS. Moreover, continuing to advance governance and public financial management reforms, along with other structural reforms to induce higher levels of financial inclusion and climate resilience will support rebuilding fiscal buffers, and enhancements to the business environment. All these reform areas remain critical to unlocking the necessary financing for the country's economic transformation.

The authorities' economic program remains on track and appropriately focused. With all performance criteria and SBs for the second reviews having been met, the authorities' track record remains strong. New program commitments on revenue mobilization will support continued increases in tax revenue to close the gap relative to other frontier and emerging market economy peers. Similarly, new PFM and data dissemination structural benchmarks will help boost transparency on fiscal accounts and the conduct of fiscal policy, all of which can help secure public buy-in for the important reforms under the authorities' Fund-supported programs.

Sustaining a revenue-based fiscal consolidation in 2024 and 2025 will also strengthen the country's moderate rating of debt distress, and support convergence to the 3 percent of GDP WAEMU deficit target. The authorities' steadfast commitment to implementing high-quality policy and administrative measures to sustain tax revenue increases of ½ percent of GDP in each of 2024 and 2025 is welcome. Revenue measures already in train in the 2024 budget remain sufficient to reach the revenue floor under the program. Moreover, the authorities should continue to include off-budget revenues from services and fees collected by line ministries into the TOFE. However, these revenues, along with any windfall from more favorable cocoa export prices should not weaken the resolve to reforms. Reprioritizing capital and non-priority expenditure will be essential to safeguard the deficit target, should unanticipated spending pressures arise from deterioration in the regional

security situation. Moreover, the authorities' efforts to continue to streamline non-priority expenditure is welcome.

Adoption of a comprehensive MTRS is a significant reform, which provides an overall vision for tax policy and administration reforms to ensure that domestic revenue mobilization is self-sustaining and commands broad public support. The authorities' MTRS plan is appropriately focused on wide-ranging enhancements in the tax system to boost its transparency, fairness and consequently efficacy in terms of achieving sufficient levels of domestic revenue mobilization to support the country's long-run sustainable and equitable growth and economic transformation objectives. Full implementation of the strategy and a concerted effort at monitoring reform implementation and communicating with the public on the merits and progress on the difficult reforms envisioned under the MTRS will be critical to maintain reform momentum over the coming years—especially on rationalizing tax exemptions and expenditures. Importantly, the MTRS also provides an opportunity to induce higher levels of public confidence in the tax authorities' role in the country's development, while also building a culture of tax compliance.

The debt management operation has been instrumental in ensuring that debt sustainability risks remain within the moderate rating of debt distress. Nevertheless, keeping debt at a level consistent with a moderate rating of debt distress will need to remain a priority. Aligning new investment financing with overall debt carrying capacity remains critical. Staff welcomes the authorities' continued commitment to prudent management of the debt portfolio, along with their efforts to strategically mitigate the effects of higher financing costs, through debt management operations and a focus on concessional financing.

Maintaining momentum on structural reforms under the program will be critical to support the objectives of the national development plan. Efforts towards higher and more inclusive growth will be underpinned by efforts to promote private sector-led growth, including by strengthening governance, financial inclusion, and reducing the cost of doing business. The authorities should carefully monitor potential budgetary risks arising from the electricity sector and accelerate plans to reduce payment arrears to domestic suppliers, including through potential further tariff adjustments. Efforts should also continue to address deficiencies in the AML/CFT framework to help boost transparency and further attract private investment.

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

Population (2021): 29 million

Gini Index (2018): 37.3

Per capita GDP (2021): 2,445 USD

Life Expectancy (2021): 60

Share of population below the poverty line (2018): 39.5%

	2022	2023	2024	2025	2026
	Prel	Proj.	Proj.	Proj.	Proj.
Output					
Real GDP Growth (%)	6.2	6.2	6.5	6.4	6.4
Prices					
Inflation (annual average, %)	5.2	4.4	3.8	3.0	2.2
Central government finances					
Revenues (% GDP)	14.7	15.6	16.3	17.2	17.7
Expenditure (% GDP)	22.1	21.5	20.8	20.7	20.9
Fiscal balance (% GDP)	-6.8	-5.2	-4.0	-3.0	-3.0
Public debt (% GDP)	56.6	58.1	60.0	56.7	55.0
Money and Credit					
Broad money (% change)	9.0	...	...	...	...
Credit to private sector (% change)	7.3	...	...	...	...
Balance of payments					
Current account (% GDP)	-7.7	-7.8	-5.7	-2.3	-2.3
Net FDI Inflows (% GDP)	2.0	1.7	1.8	3.8	1.9
WAEMU reserves (in months of imports)	4.3	...	...	...	...
External public debt (% GDP)	34.5	35.9	37.0	37.5	36.8
Exchange rate					
REER (% change, depreciation –)	-4.9	4.2	...	...	...

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



CÔTE D'IVOIRE

June 7, 2024

SECOND REVIEWS UNDER EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND UNDER THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, AND REQUEST FOR MODIFICATION OF QUANTITATIVE PERFORMANCE CRITERIA, AND THE FIRST REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT

EXECUTIVE SUMMARY

Context: Côte d'Ivoire's economy remains resilient against a still difficult global backdrop. The EFF/ECF-supported program approved in May 2023 (400 percent of quota), has helped to safeguard macroeconomic stability, as well as a moderate rating of debt distress, while growing challenges from climate change are being addressed under the recently approved RSF arrangement (150 percent of quota). The authorities' ongoing commitment to reforms under both programs should support Côte d'Ivoire's transformation towards upper middle-income status over the medium-term and enhance its resilience to climate change. Notwithstanding lower than expected cocoa production, the outlook remains favorable and has been boosted by still strong consumption and investment demand, as well as new activity in the oil exploration and production sector. Risks have become more balanced, reflected in increased interest from foreign investors along with ratings and outlook upgrades by ratings agencies.

Program performance and risks: Program implementation has been strong thus far, with all end-December performance criteria and end-December and end-May structural benchmarks met. The authorities are requesting modifications to some QPCs and ITs to reflect the January 2024 Eurobond issuance and updated macroeconomic projections. Program implementation risks remain mitigated by Côte d'Ivoire's satisfactory track record also confirmed by the two previous Fund supported arrangements.

Main Policy Commitments

- **Fiscal and debt sustainability:** Fiscal consolidation in 2024 and 2025 is underpinned by a strong commitment to implement tax policy and administration measures, which amount to an additional 0.5 percent of GDP of revenue in each year. This will support convergence

to the 3 percent of GDP WAEMU fiscal deficit target by 2025 and help sustain the country's moderate debt distress rating. The policy effort embodied in new, high quality and permanent tax policy and administration reforms will be further buttressed by the authorities' efforts to incorporate into the budget revenues which are being collected by line ministries but not recorded in the fiscal accounts.

- **Domestic revenue mobilization:** The authorities remain firmly committed to boosting tax revenue into the medium term, and to implementing the medium-term revenue strategy (MTRS) approved in May 2024. Implementation of the MTRS will require continued significant engagement with stakeholders, including external technical assistance providers to ensure that the requisite overhaul of the tax system can help finance the country's critical investment and priority spending needs.
- **Structural reforms and climate change:** Important structural reforms are underway, to deliver business climate improvements and increase the involvement of the private sector in the country's development. To this end, enhancements in the transparency and accountability of public enterprises, further strengthening governance and financial integrity (particularly the AML/CFT framework), along with investment in human capital, broader financial inclusion, and climate resilience will all be instrumental in supporting higher productivity growth. Steady progress is also being made to advance reforms under the RSF-supported program with an early emphasis on adaptation.

Approved By
Montfort Mlachila
(African Department)
and Boileau Loko
(Strategy, Policy, and
Review Department)

Discussions were held virtually from March 25 to 29, 2024 and in Abidjan during April 2 to 6, 2024. The mission comprised O. Unterberdoerster (head), C. Gicquel, O. Ibrahim, K. Youssef (all AFR), R. Koepke (SPR), A. Sollaci (FAD), Aminata Touré (Resident Representative). D. Datshkovsky supported the team from headquarters. A. Tall (OED) participated in the policy meetings. The IMF team met with Vice President Tiémoko Koné; Prime Minister Robert Beugré Mambé; Minister of State and Agriculture Kobenan Adjoumani; Minister of Economy Planning and Development Nialé Kaba; Minister of Finance and Budget Adama Coulibaly; Minister of Petroleum, Mines and Energy Sangafowa Coulibaly; and other senior government and BCEAO officials. Edwin Lester Magno provided administrative assistance for the preparation of this report.

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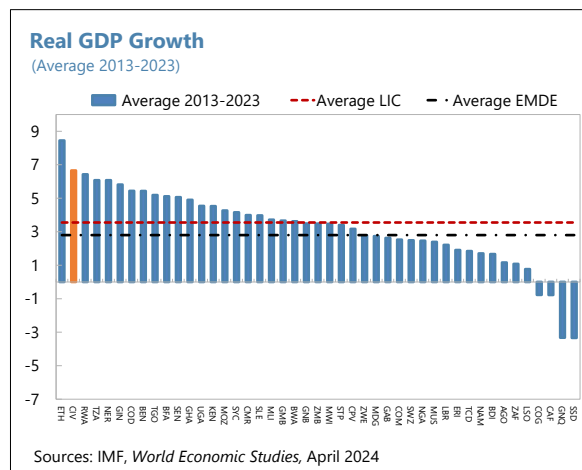
Glossary

AfDB	African Development Bank
BCEAO	Central Bank of West African States
C2D	Debt Reduction and Development contract
C-PIMA	Climate-Public Investment Management Assessment
CNDP	National Public Debt Committee
CNPS	Private Sector Pension Fund
DGD	General Directorate of Customs
DGTCP	General Directorate of the Treasury and Public Accounting
DSA	Debt Sustainability Analysis
ECF	Extended Credit Facility
EFF	Extended Fund Facility
E-GDDS	Enhanced General Data Dissemination System
EPN	National Public Establishments
FDI	Foreign Direct Investment
GFSM	Government Finance Statistics Manual
IHPI	Harmonized Industrial Production Index
MEFP	Memorandum of Economic and Financial Policies
MTBF	Medium-Term Budget Framework
MTDS	Medium-term Debt Strategy
MTEF	Medium-Term Expenditure Framework
MTRS	Medium-term Revenue Mobilization Strategy
NDF	Net Domestic Financing
NDP	National Development Plan
PFM	Public Financial Management
PIMA	Public Investment Management Assessment
PRGF	Poverty Reduction and Growth Facility
RSF	Resilience and Sustainability Facility
SME	Small- or Medium-sized Enterprise
TMU	Technical Memorandum of Understanding
TOFE	Tableau des Opérations Financières de l'État
TSA	Treasury Single Account
UNDP	United Nations Development Program
WAEMU	West African Economic and Monetary Union
WEO	World Economic Outlook

CONTEXT

1. Côte d'Ivoire's economy continues to display notable resilience, against a still difficult global backdrop. The country's growth trajectory has outpaced most peers over the last decade. As recovery from the global pandemic took hold, growth remained buoyed by strong public investment owing to three consecutive National Development Plans (NDP) since 2012, as well as strong demand driving private consumption. The authorities' policy responses to the COVID-19 and war in Ukraine crises buffered the economy against

global shocks but resulted in wider fiscal and current account deficits. As these imbalances were being addressed under the EFF/ECF-supported program approved in May 2023, Côte d'Ivoire became the first sub-Saharan African country to return to international markets since 2022, and the country's credit rating was upgraded to Ba2 by Moody's in March 2024, while S&P reaffirmed the country's credit rating at BB- and upgraded the outlook from stable to positive in May 2024.



2. The Fund-supported programs focus on sustaining near-term macroeconomic stabilization and medium-term economic transformation toward upper middle-income status while addressing growing challenges from climate change. The EFF/ECF and RSF supported programs reflect the authorities' commitment to maintaining a moderate rating of debt distress and meeting the WAEMU fiscal deficit target of 3 percent of GDP by 2025, while protecting critical spending. Domestic revenue mobilization (DRM) is a central pillar of the program and will be supported, beyond the program, by the authorities' medium-term revenue strategy (MTRS). Key structural reforms target strengthened governance, higher financial inclusion, and enhancements to the business environment—all to help boost private sector investment as envisioned in the NDP. In addition, commitments under the RSF-supported program approved in March 2024 strike a balance between ambitious adaptation and mitigation efforts and are designed around six key challenges (i) the integration of climate into PFM; (ii) strengthening the governance of climate policies; (iii) reducing exposure and vulnerability of the agricultural sector; (iv) increasing green and sustainable financing; (v) reducing vulnerability to flooding and coastal erosion; and (vi) reducing greenhouse gas emissions.

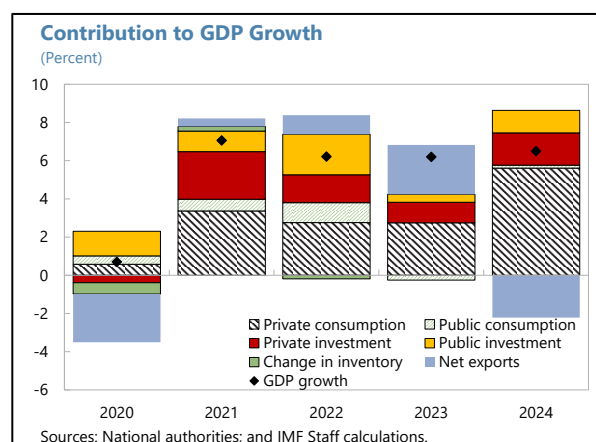
3. The socio-political context remains calm. Social cohesion further strengthened with Côte d'Ivoire hosting and winning the African Cup of Nations (AFCON), which showcased the country's substantial advances in infrastructure, along with cultural diversity, welcoming hospitality, peace, and stability. The governing party enjoyed a strong win in the 2023 municipal, regional, legislative, and senatorial elections. Preparations for the 2025 presidential elections are underway, and the main opposition parties (PDCI and PPA-CI) have chosen their

respective candidates. Regional security issues persist, with the recent influx of migrants from neighboring countries adding to the approximately 6.5 million migrants already living in the country (nearly 22 percent of the total population).

RECENT ECONOMIC DEVELOPMENTS AND PROGRAM PERFORMANCE

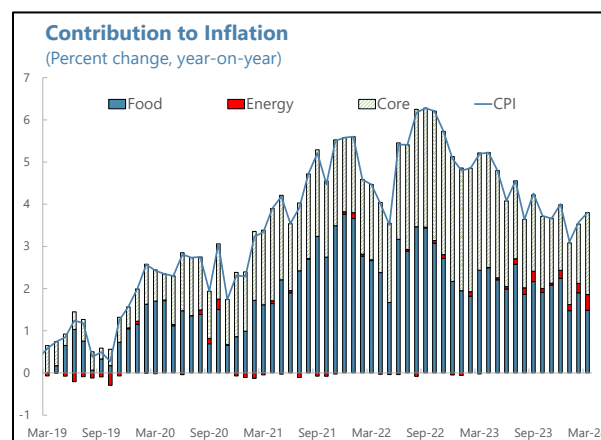
4. Strong consumption and investment demand led robust economic activity in 2023.

Staff estimates 2023 real GDP growth at 6.2 percent, broadly unchanged from 2022 and supported by the completion of infrastructure works to host the CAN 2023. On the supply side, the secondary sector progressed on the back of stronger energy and mining industries with the Baleine oil field coming online in August 2023. Tertiary sector growth remained robust owing to telecommunication and transportation. However, weak external demand, tight financial conditions, weather shocks and disease outbreaks affecting export agriculture, especially cocoa (Box 1), coffee and cotton production, all weighed on activity in 2023H2.



5. Inflation continued to moderate.

2023 headline CPI inflation averaged 4.4 percent, down from 5.2 percent in 2022, and declined to 3.5 percent in 2024Q1, partly reflecting softening commodity prices. However, core inflation has risen somewhat in recent months, mainly due to transport and services.



6. Financial sector resilience continues to improve amid a recovery in private credit.

Following BCEAO policy tightening in 2022 and 2023H1, financial conditions eased from late 2023, with BCEAO sovereign debt purchases in July and September 2023, while interbank rates declined by about 100 basis points. Private sector credit growth rebounded from 7.3 percent in 2022Q4 to 16.2 percent in 2023Q4. Banks' Tier 1 capital reached 13.2 percent in June 2023, while non-performing loans fell by 0.2 percentage points compared to June 2022 to 8.7 percent. At the end of 2023 the authorities finalized terms for divesting most of their ownership of one of the two remaining state-owned banks.

Box 1. Cocoa's Highs and Lows: Terms of Trade Gains Outweigh Production Drop

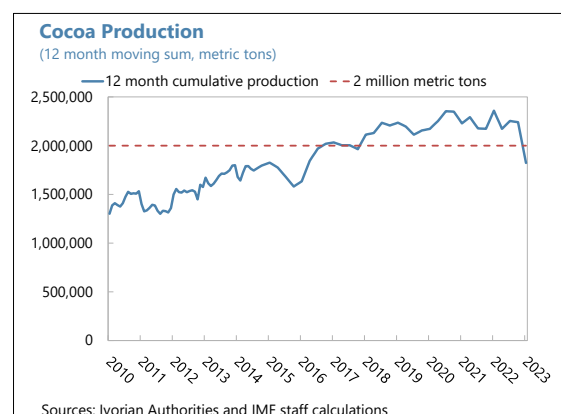
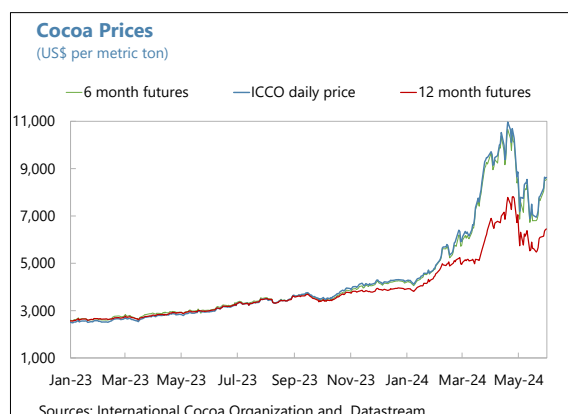
Global cocoa prices have soared due to production shortfalls in Côte d'Ivoire and Ghana. While the drop in cocoa output has weighed on real GDP growth, the large price gains are expected to boost external and fiscal revenue in 2024 and especially 2025.

Côte d'Ivoire is the world's largest cocoa producer, supplying about 40 percent of global cocoa exports. The sector provides income to about one-fifth of its population and accounts for export revenue of 7 percent of GDP, as well as fiscal revenue of about 1.1 percent of GDP. Recent disruptions to cocoa harvests in Ghana and Côte d'Ivoire have triggered a surge in global cocoa prices (though they have receded from their peaks), resulting in major terms of trade gains.

Côte d'Ivoire's cocoa production slumped 23 percent to 1.8 million tons in 2023, mainly due to adverse weather conditions, and to a lesser extent because of aging trees and deforestation. Given the size of the cocoa sector, the estimated drag on 2023 output growth was considerable at about 1.2 percentage points. With the end of the El Niño weather phenomenon, 2024 output is projected to recover to 2 million tons, the level targeted by the authorities and reflecting historical averages.

Most cocoa production is sold well in advance of the harvest season using forward contracts. The Coffee Cocoa Board (CCC) manages the campaigns and generally aims to sell about 80 percent of anticipated production 12 months ahead, with any additional production sold in the spot market. As such, the surge in international prices is only taking effect with a significant lag, especially given that production shortfalls in recent quarters meant that there was hardly any output left to sell in the spot market. The average export price recorded in 2023 was up only about 14 percent (y/y) but is projected to jump almost 50 percent this year and another 30 percent in 2025. This staff baseline projection would correspond to total price increase of about 110 percent in 2025 relative to the 2022 level, a conservative assumption compared to the 180 percent increase in the current 12-month forward price (as of early May) relative to the 2022 average. Meanwhile, the price paid to farmers was recently raised by 50 percent effective April 2024.

Staff projects cocoa-related export proceeds to rise from about 7 percent of GDP in 2023 to 11 percent of GDP in 2025, driving most of the narrowing in the current account deficit of 5.5 percent during that period. Cocoa-related fiscal revenues are projected to rise from about 1.1 percent of GDP in 2023 to 1.8 percent of GDP in 2025, helped in part by increases in the cocoa exporter registration tax.

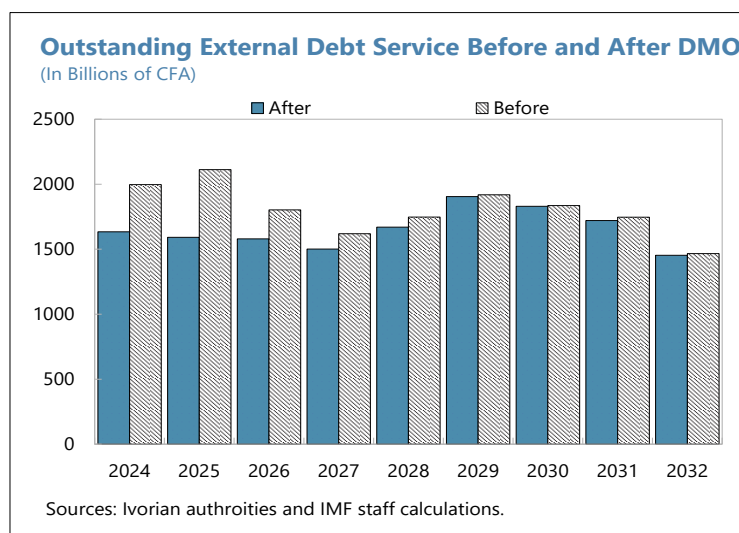


7. Revenue-based fiscal consolidation is proceeding broadly in line with the program. The fiscal deficit fell from 6.8 percent of GDP in 2022, to 5.2 percent in 2023, driven by strong upfront revenue measures in the first year of the program. Tax revenue was CFAF

200 billion higher than the targeted tax revenue floor under the program and is estimated to have reached 13.6 percent of GDP, up from 12.8 percent of GDP in 2022. However, nominal tax revenue for the year was CFAF 130 billion less than anticipated at the first review, mainly due to a shortfall in petrol tax revenue, which reached 0.9 percent of GDP, about 0.2 percent of GDP lower than anticipated under the program. At 21.5 percent of GDP, total expenditure was 0.2 percent of GDP lower than program projections at the first review, mainly due to 0.5 percent of GDP lower than projected capital expenditure, with offsets from higher than projected interest on external debt and marginally higher subsidies and transfers to bakeries and the electricity sector.

8. Debt sustainability remains an important anchor.

The stock of public debt rose to 58.1 percent of GDP in 2023 from 56.6 percent of GDP in 2022 with external debt at about 60 percent of overall debt. In January 2024, the authorities successfully issued two Eurobonds. The issuance was mostly used for a debt management operation (DMO), which helped smooth debt liquidity ratios and improved debt sustainability (see DSA Box 1).



9. The 2023 current account deficit is estimated at 7.8 percent of GDP, little changed from 2022. Notwithstanding lower cocoa export volumes, the goods surplus rose to 2.6 percent of GDP but was more than offset by large services and primary income deficits, in part related to the scaling up of multinationals' investment in oil extraction activities in Côte d'Ivoire. The financial account surplus eased to about 5 percent of GDP, leaving a large negative change in reserves of nearly 2½ percent of GDP. Nevertheless, net foreign assets picked up in early 2024 and Côte d'Ivoire's reserve contribution to the WAEMU pool rose, helped by seasonal factors and the large Eurobond issuance.

10. Program performance under the EFF/ECF and RSF through end-May 2024 has been strong (Tables 9, 10, and 11), and progress is being made on remaining 2024 conditionality.

- **EFF/ECF:** All quantitative performance criteria (QPCs) and almost all indicative targets (ITs) for end-2023 and end-March 2024 were met. The end-December 2023 IT on the floor of the basic primary balance was missed mainly due to lower than anticipated externally financed capital expenditure, and the end-March 2024 IT on the present value of external commercial debt contracted was also missed due to the Eurobond's issuance (see

paragraph 8). All end-September 2023, end-December 2023, and end-May 2024 structural benchmarks (SBs) were also met. The authorities are making good progress towards meeting the June, July and September 2024 SBs, and expect to meet end-June QPCs and ITs.

- **RSF:** The authorities adopted a decree to promote electric mobility in Côte d'Ivoire as planned in May 2024, to help achieve the NDC's goal of a 10 percent share of electric vehicles in the vehicle fleet by 2030 (RM13). The decree expands on the conditions of import, assembly and production of e-transportation vehicles (excluding e-bikes and e-scooters), as well as the planning, development, construction and operation of recharging infrastructure.

11. The authorities are making good progress toward the remaining 2024 reform measures (to be assessed at the second RSF review). They took some of the intermediary steps, especially with the adoption of (i) the road design manual to adopt standardized maintenance methodologies; (ii) the notice to importers on the administrative procedure for energy labelling; and (iii) an inter-ministerial *arrêté* to create a project called climate action transparency in Côte d'Ivoire (ICAT) to introduce a coordination mechanism on the design of a transition taxonomy as a reference for public and private sector climate investments. In addition, this *arrêté* aims to implement a financial information architecture, an MNV system, a transition national taxonomy and a training plan for climate finance and green taxonomy. More specifically on RM3 and RM4, the modifications of the decree 96-894 to incorporate climate considerations and the decree to create the national commission in charge of climate change issues, respectively, have been drafted and are following the review process to be adopted by end-June 2024. The authorities are also progressing on PFM commitments pertaining to RMs 1, 2 and 3 (see ¶ 17).

ECONOMIC OUTLOOK AND RISKS

12. The medium-term outlook remains favorable. Strong private consumption and investment, underpinned by capital deepening and gradually improving external conditions, should support 6.5 percent output growth in 2024. Relative to the authorities' projections of 7.2 percent growth in the medium term, staff expect growth to average around 6.6 percent over 2025 to 2029, with a 7.5 percent growth peak in 2027 due to strong hydrocarbon production, before gradually converging back to potential of around 6 percent. Notwithstanding the recent uptick in core prices, inflation is expected to fall within the BCEAO's 1 to 3 percent target range by end-2024. The 2024 current account deficit is projected to narrow to 5.7 percent of GDP and further to below 3 percent of GDP in 2025, reflecting significant terms of trade gains, and supporting a gradual recovery in international reserves over the medium-term, though the authorities expect a smaller decline in the current account deficit to about 4 percent of GDP. The fiscal deficit is projected to decline to 4 percent of GDP in 2024 amid further improvement in domestic revenue mobilization (DRM) consistent with the 2024 budget, and to reach the WAEMU deficit target of 3 percent of GDP by 2025.

13. Risks are broadly balanced. Sustained high cocoa prices could further boost disposable income as well as cocoa-related export and fiscal revenue, above and beyond what is assumed under the baseline. Regional security challenges could generate spending pressures and weigh on confidence, while renewed oil price spikes could put pressure on tax revenue from petroleum products. However, these would be mitigated by the authorities' commitment to reducing non-priority spending to meet unforeseen additional security spending needs, and to undertake further pump price increases to avoid revenue losses. Weaker-than-anticipated recovery in pooled regional FX reserves could also weigh on investor confidence, as could election-related uncertainty. On the upside, more favorable financing conditions could continue to materialize for Côte d'Ivoire, as with the recent credit ratings upgrade and Eurobond issuance. Growth prospects could further improve from higher than anticipated oil and gas extraction, notably with a new substantial discovery in the Calao field, and the recent discovery of new potentially substantial gold deposits.

EFF/ECF/RSF OBJECTIVES AND POLICIES 2024–26

A. Fiscal Policy

14. Strong revenue-based fiscal consolidation will be sustained in the 2024 budget, so as to support reducing the deficit to 4 percent of GDP.

- On the revenue side, available data indicates that tax revenue and the fiscal deficit as of March 2024 are in line with program targets.
- SB); (ii) continuing tax policy reforms relating to property taxes, the management of tax collection, including relating to transfer pricing, tobacco traceability, and automated management of VAT deduction collected at customs (end-June 2024 SB); and (iii) increasing the registration rate for cocoa. If higher international oil prices were to erode petrol tax revenues, pump price adjustments would be required (MEFP ¶ 25), to ensure maintaining petrol tax revenues at around 1 percent of GDP.

Revenue Measures for 2024 (Percent of GDP)	
Tax Policy	0.31
Tax Administration	0.18
Breakdown by thematic category: 1/	
Property tax	0.12
Elimination of VAT and other exemptions	0.11
Raise Cacao registration from 4 to 5 percent	0.07
Enhanced monitoring of transfer pricing and tobacco traceability	0.06
Enhanced risk analysis and controls (8 new SIGICI modules)	0.06
Other	0.07
Sources: Ivorian authorities and IMF staff calculations.	
1/ Each thematic category contains a mixture of both tax policy and tax administration measures.	

- On the expenditure side, as a share of GDP, total expenditure is expected to fall by 0.8 percent, mainly from further reductions in wasteful subsidies and transfers and lower security spending, in the context of an overall commitment to streamline and increase the efficiency and control of expenditure (MEFP ¶ 28). While the authorities are continuing to monitor the security situation, their commitment to maintain the fiscal consolidation would mean that any unforeseen pressures arising from higher than anticipated security spending would be offset—likely by delaying non-priority capital expenditure.

15. Further revenue-based fiscal consolidation in the 2025 budget will aim to reduce the deficit to the 3 percent of GDP WAEMU target.

- The process of preparing the 2025 budget has already begun. In addition to an expected one-off increase of about 0.3 percent of GDP in tax revenue from high cocoa prices, the 2025 budget will include high quality and permanent tax policy and administration measures amounting to ½ percent of GDP, thus increasing tax revenue to 14.4 percent of GDP.
- Informed by IMF Technical Assistance recommendations, measures to simplify and improve corporate income taxation could be considered to help boost tax revenue in the 2025 budget by: (i) eliminating the cap on the *Impôt Minimum Forfaitaire*; (ii) introducing a standard CIT and a national minimum tax to align with OECD Pillar II; and (iii) consolidating the SME tax regime. Similarly, market values can be used to assess property taxes.
- Efforts to broaden the coverage of fiscal accounts and include off budget government revenue will continue. To that end, the authorities are working to incorporate off-budget service fees and revenues collected by line ministries into the budget, as well as to reclassify some non-tax revenue items as tax revenue, in line with Fund advice. In the process, it is expected that tax revenue recorded in the TOFE will increase by around 0.1 percent of GDP in 2025.¹ However, while these enhancements in coverage improve budget transparency and accountability, the resulting increase in the recorded ratio of tax revenue to GDP is not considered a revenue mobilization effort under the program.

16. Implementing the recently adopted MTRS² will be critical to sustaining higher DRM into the medium-term. The authorities are committed to comprehensive tax policy and administration reforms under the MTRS with the aim to increase tax revenue towards the 20 percent of GDP WAEMU tax revenue target (MEFP, ¶ 24). The authorities have published the grand themes of the MTRS report, which details strategic tax policy and administration objectives, and elements pertaining to its governance structure and accountability (Box 2). On tax policy the MTRS will aim to simplify the tax system by overhauling the general tax code, improving operational procedures, and updating guidelines and manuals in use by various tax collection agencies, continuing to streamline exemptions in both VAT and tax expenditures, and introducing carbon and e-commerce taxation. On tax administration, the MTRS will target reforms to boost public confidence in tax and customs administration, enhance the capacity, staffing and resources of tax collection agencies, and institute permanent consultation mechanisms across both the public and private sector on tax matters.

¹ A similar operation of roughly the same size is expected to add to non-tax revenue in 2024 and will be reflected in government fiscal accounts (TOFE).

² MTRS main themes have been published and can be found at the following [link](#), on the government's website at: [Côte d'Ivoire - Portail officiel du Gouvernement - Notes aux rédacteurs \(www.gouv.ci\)](http://www.gouv.ci).

Box 2. A Strategic Vision for DRM Underpinned by a Comprehensive MTRS

Côte d'Ivoire's comprehensive MTRS aims to ensure that the vision for the country's economic transformation towards upper-middle income status can be sustained with adequate financing—mainly from the country's own tax revenues. To this end, the recently published MTRS presents a unified framework for boosting domestic revenue mobilization, with a high-level roadmap of requisite tax system reforms. It provides for an institutional setup for achieving the WAEMU tax revenue target of 20 percent tax revenue to GDP over the long run. Such a roadmap and institutional setup are critical in garnering public support for important fiscal reforms, by linking the need for higher revenue mobilization to the government's ongoing prioritization of critical spending on infrastructure, education, and health. In turn, the MTRS provides a clear link between the need to induce optimal revenue mobilization, with sustainable and equitable growth, aided by a fairer and more transparent tax system.

Strategic tax policy objectives laid out in the MTRS aim to:

- (i) Simplify the tax system to improve its accessibility to taxpayers by overhauling the general tax code and subsequently revising tax procedure guidelines, finalizing the single declaration for salaries and social security benefits, and adopting streamlined implementation procedures for non-tax revenues and customs.
- (ii) Make improvements in the existing tax and customs system by gradually increasing excise taxes by 2 percentage points each year from 2024 to 2028 to converge to WAEMU standards, strengthening transfer pricing by upgrading capacity of tax authorities, strengthening documentation requirements, as well as harmonizing transfer pricing rules, and reforms to corporate income and property taxation (see paragraph 15).
- (iii) Continue to rationalize tax and customs exemptions beyond tax exemptions removed under the 2021-2024 tax exemption rationalization plan.
- (iv) Strengthen green taxation by creating a carbon tax on CO₂ and greenhouse gas emissions, instituting a tax on pesticides, fertilizers, and hazardous materials, as well as an environmental tax on cigarettes.
- (v) Introduce taxation on e-commerce.

On the administrative and management side strategic objectives of reforms include:

- (vi) **Boosting public confidence** in tax and customs authorities by improving governance, autonomy, and efficiency of the relevant agencies by providing adequate resources, undertaking performance contracts and audits to ensure staff integrity and compliance with rules and regulations and establish ethics and conduct monitoring.
- (vii) **Strengthening capacity** with staff training and reviews of recruitment and retention plans, improving working conditions with upgraded facilities.
- (viii) **Digitalization** of tax and customs administration, including through electronic invoicing, collection of information especially on VAT paid by non-residents, and finalizing interoperability of information systems across tax and customs authorities as well as IT linkages with all public service entities.

Improving cooperation between public and private sectors on tax matters by establishing a permanent consultation mechanism and establishing a framework for collaboration between tax authorities and the financial sector.

Strengthening communication and citizen education on both the MTRS and tax matters more broadly, through education modules and intensive communication campaigns aimed at both public servants and the public.

Box 2. A Strategic Vision for DRM Underpinned by a Comprehensive MTRS (concluded)

Ensuring successful implementation of the MTRS will rely on a well-articulated implementation mechanism, a continuous communication process and periodic monitoring. To this end, a Tax Policy Council which will serve as a steering committee responsible for strategic oversight, implementation and key decision making for the MTRS. The Tax Policy Council will be chaired by the Minister of Finance and Budget and will include representation from various other ministries and tax and key-stakeholders from the various tax and non-tax collection agencies. An MTRS Coordination Unit under the purview of the Minister of Finance and Budget will be charged with the daily coordination and implementation of the strategy and will be responsible for managing communication and quarterly progress monitoring, including an annual review of MTRS implementation. Finally, various thematic working groups will be formed to focus on specific technical areas such as tax administration, tax base broadening, corporate taxation, and combating fraud.

17. Further PFM improvements will support better governance, reduce budgetary risks, and integrate climate policies.

- The authorities are committed to continuing to enforce the use of e-procurement by increasing the average number of operations for which the procurement procedure will start from January 2024 from 10 percent to 25 percent, and to increase the use of e-procurement from 50 to 80 percent of all ordinary operations (i.e., larger than CFAF 100 million) between July 2024 and June 2025 (end-July 2025 SB).
- In addition, to continue improving the efficiency and transparency of public investment and limit fiscal risks, the authorities have committed to publishing annual reviews of the PPP portfolio in coordination with the contracting agencies (end-February 2025 SB).
- The authorities continue to independently evaluate SOE boards and periodically audit underperforming public bodies with a majority government ownership.
- To allow the budget and institutional processes to be responsive to climate change issues, the authorities have committed to several reform measures under the RSF supported program (RMs 1, 2 and 3). These will (i) establish and integrate into the budget a system for tagging climate-related investment at the programming stage and to integrate and prioritize projects, based on climate considerations at the appraisal stage; (ii) prepare and publish a climate budget statement on related investment expenditure in the 2026 budget law; and (iii) establish a modelling framework to integrate quantitative analysis of climate-related fiscal risks in the fiscal risk statement from October 2025.

18. Debt remains at a moderate risk of debt distress rating. Côte d'Ivoire's debt rating remains at moderate risk of debt distress. The debt ratios, especially the liquidity ratios, have improved compared to the last DSA thanks to the DMO financed by the January 2024 Eurobond's issuance and the efforts to pursue domestic revenue mobilization and increase the revenue coverage. The authorities are committed to keeping to actively manage the debt portfolio. They also intend to favor domestic debt over external debt over the medium term in line with their medium-term debt strategy.

Box 3. Stock-Flow Adjustments and Fiscal Risks

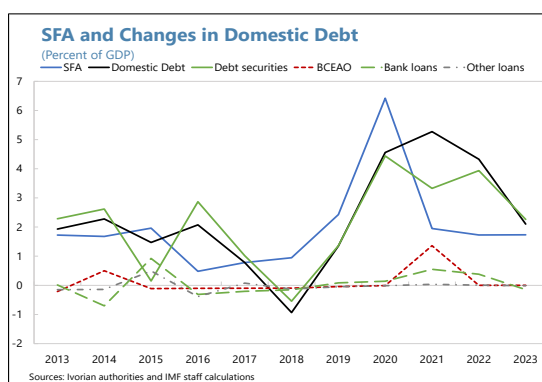
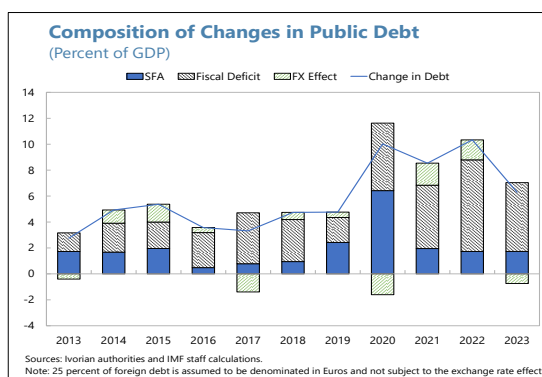
Stock-flow adjustments (SFA) are historically important in Côte d'Ivoire's public debt dynamics. Persistent and positive SFA may pose a challenge to strengthening debt sustainability and could undermine the authorities' fiscal consolidation efforts—which makes understanding the reasons behind those adjustments an important goal.

SFAs are a key component of Côte d'Ivoire's public debt and potentially undermine the consistency with the trajectory of the country's fiscal position and policy stance. Calculated as the residual of the change of debt to GDP minus the fiscal deficit and exchange rate effects, the SFA measures inconsistencies between the change in a country's public debt stock and its fiscal position. SFA in Côte d'Ivoire is in general not higher than in other countries in the region, although it saw a spike in 2020 due to Covid-related spending.

SFAs could be explained by several factors but appear to be driven by domestic debt. Factors that impact SFA include differences in accounting methods (i.e., fiscal accounts record accrual basis borrowing and disbursement commitments, while debt is recorded on a cash basis), differences in face-value and book-value of debt, or differences in the coverage (e.g., perimeter of government) between the fiscal accounts and the debt department. The presence of SFAs could also be the result of accumulation of assets by the government. The available data points to a positive correlation between changes in SFA and changes in domestic debt, in particular debt securities—which are mostly comprised of treasury loans.

Adopting the GFSM 2014, could also help reduce the presence of SFAs over the medium term. The transition to GFSM 2014 accounting standards would provide a better understanding of the sources of high and recurring SFAs. This is because GFSM 2014 requires stock and flow consistency on government accounts, which would help trace the source of debt accumulation at levels higher than warranted by fiscal deficits. Finally, the GFSM 2014 standard expands the coverage of the TOFE beyond the central government, which would also facilitate a better understanding of the role of asset accumulation by the government in the formation of SFAs.

The persistently positive SFA may pose challenges to reducing debt sustainability risks. The presence of large, positive, and recurring SFAs (in the order of 1-2 percent of GDP even before the spike in 2020) can undermine efforts on fiscal consolidation. In this regard, SFAs may be masking a policy inconsistency with the authorities' objective of reducing debt sustainability risks—in particular, the need to reduce the ratio of debt service to government revenue in the debt sustainability analysis. In addition, SFAs can represent significant fiscal commitments in the form of future debt service payments, increasing the fiscal burden going forward. It is thus important to understand the origins of these unexplained/below-the-line changes in public debt, and to minimize their occurrence in the future.



19. Improving fiscal data transparency could help resolve high and persistent Stock-Flow Adjustment (SFA) issues. The presence of persistent and large SFAs has contributed to debt sustainability risks beyond the central government's above-the-line fiscal stance (see Box 3) and thus undermines the efficacy of important and ongoing fiscal consolidation efforts. Maintaining regular and timely publication of up-to-date central government operations and debt data, would help shed light on the factors underpinning the presence of SFAs, while also improving data dissemination and transparency to help boost confidence and garner broader public awareness and buy-in on important reforms. The authorities are thus committed to publishing quarterly central government debt data in line with the enhanced general data dissemination system (e-GDDS),³ within one quarter after the end of the reference quarter on Côte d'Ivoire's National Summary Data Page established under the IMF Data Standards Initiatives (end-September 2024 SB).

B. Inclusive and Private Sector Led-Growth

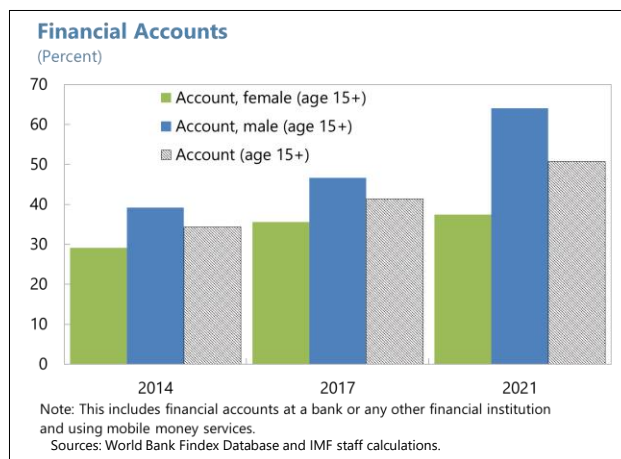
20. Private sector investment is expected to be instrumental in the implementation of the 2021-25 NDP, and the country's economic transformation. To achieve Côte d'Ivoire's ambitious development objectives, structural reforms to improve the business environment, safeguard financial stability and the viability of public enterprises, promote financial inclusion, boost human capital, and strengthen governance and fight corruption (MEFP, ¶ 39, 45, 46 and 47) will all be critical.

21. Reliable electricity delivery across the country plays a foundational role in economic transformation. Côte d'Ivoire's energy sector is a regional leader and full electrification of the country is within reach. The government is committed to ensuring commercial viability of the sector (MEFP ¶ 17). To this end, electricity tariffs were adjusted upwards in July and December 2023, with the aim of gradually restoring the financial viability of the electricity company (CIE) and preserving its capacity to continue necessary investments for increasing and maintaining high quality of electricity production. However, recurring shortfalls have hampered CIE's ability to cover costs, pay its suppliers, including independent power producers, while also having sufficient levels of profitability to cover necessary investment. This could in part reflect the implications of a weak electricity regulator and static electricity tariffs. It is also worth noting that non-payment by neighboring countries for electricity exports continues to accumulate. The authorities are committed to continue monitoring potential budgetary risks arising from the electricity sector and are devising plans to reduce CIE's payment arrears outstanding to domestic suppliers.

22. Higher private sector investment requires continued financial development and inclusion. Financial inclusion has improved on the back of the 2019-24 National Financial Inclusion strategy (SNIF), which targets vulnerable groups, through financial literacy modules in

³ Côte d'Ivoire is a participant in eGDDS and is thus encouraged to disseminate central government debt broken down by foreign and domestic components according to the residency of the creditors. Additional useful breakdown could also be disseminated, including by original maturity (short-term, long-term); by instrument; by currency of issue, though these are not required.

rural areas, with support from the ILO ACCEL Africa project. At the end of 2021, the financial inclusion rate recorded an increase of 10 percentage points to 51 percent compared to 41 percent in 2017. However, this overall improvement masks the widening discrepancy between male and female access to finance. The authorities identified initiatives targeting women's financial integration through developing microfinance institutions to broaden financial access. The revised WAEMU Uniform Law integrating fintech providers into the payments system, and recent regulations on developing new products under the Financial Sector Development Plan are also expected to promote financial inclusion. Following the completion of the mid-term review of the SNIF (May 2024 SB), the government is committed to making greater access of women to a wide range of financial services a priority as part of a new national strategy on financial inclusion and develop measures in this area (MEFP, ¶48).



23. Strengthening governance and addressing AML/CFT framework deficiencies should help contain corruption, fiscal risks, and foster private investment. An IMF-led assessment of Côte d'Ivoire's AML/CFT framework showed poor technical compliance with the FATF Standards and a limited level of effectiveness, notably on supervision of financial institutions and high-risk non-financial businesses and professions. The authorities are taking actions to address some of the key deficiencies identified and avoid grey listing by FATF, including a recently adopted decree by the Council of Ministers, designating AML/CFT supervision authorities, their attributions, and the terms and conditions of sectoral risk assessment, and its financing arrangements (end-May 2024 SB). Other measures include including the transposition of a new WAEMU AML/CFT uniform law and the submission to Parliament of several new laws, notably in the areas of asset recovery, international cooperation, and CFT. Moreover, the authorities continue to strengthen the governance framework of SOEs, and increase transparency of public spending and fight corruption, notably through the soon to be adopted 2023-27 National Strategy for the Fight Against Corruption and the System of Detection and Prevention of Acts of Corruption and Related Offenses (SPACIA). The authorities remain committed to adopting measures to raise the compliance rate of public officials with asset declaration to 90 percent by end 2024.

C. Addressing Challenges from Climate Change

24. The authorities are committed to an ambitious climate change reform agenda with both mitigation and adaption measures (Figure 5). The Fund-supported RSF should aid the authorities' efforts to include climate into key aspects of PFM, strengthen governance of climate policies, reinforce safeguards for the agricultural sector, create a framework for green and sustainable financing, build resilience to climate hazards, and control and reduce greenhouse gas

emissions. It should also serve as a catalyst for official and private financing and enhanced collaboration with development partners.

25. Côte d'Ivoire is advancing its reform agenda with the cooperation of development partners. The authorities have already made strides in the RSF reform agenda and are pursuing their efforts to build resilience against climate change. They are also seeking to exploit synergies with development partners to advance on critical reform areas such as reforestation, cocoa traceability, energy efficiency, and climate finance. To that end, the authorities have requested Fund engagement in a roundtable to enhance climate financing—to be co-convened with the World Bank, along with coordination efforts amongst development partners and the local private sector. In addition, the authorities are assessing their technical assistance (TA) needs and coordinating with the different TA providers to best fulfill their reform commitments.

FINANCING AND PROGRAM MODALITIES

26. The program remains fully financed, with financing assurances from multilateral and bilateral partners for the next 12 months and good prospects for the remainder of the program. The cumulative financing gap projected for 2024-26 of about CFAF 2.5 trillion (or 4.4 percent of GDP) will be covered by budget support from bilateral creditors (about CFAF 437 billion), the World Bank (about CFAF 366 billion), AfDB (CFAF 172 billion) and other multilateral creditors. Gross financing under the EFF/ECF supported program would cover about 60 percent of the gap over 2024-26 (about 25 percent when including project financing).

27. Enterprise and program implementation risks are manageable. Program implementation risks remain mitigated by Côte d'Ivoire's satisfactory track record also confirmed by the two previous Fund supported arrangements. Debt stays at moderate risk of debt distress over the twenty-year projection period. Risks to program implementation could increase, mainly due to regional instability. If risks materialize, proactive adjustment in macroeconomic policies would be needed to keep the program on track. The 2025 presidential election could also pose some implementation risks.

28. Capacity to repay the Fund remains adequate but subject to risks, as indicated by standard metrics (Table 6). Elevated Fund credit outstanding and debt service indicators for government revenue and exports (above the 75th percentile) are mitigated by Côte d'Ivoire's moderate risk of debt distress rating, solid economic fundamentals, and one of the best credit ratings in sub-Saharan Africa. Fund credit outstanding is projected to rise from 4.2 percent of GDP to 5.3 percent of GDP at its peak in 2026, above the 75th percentile of PRGT comparator countries.

29. Program monitoring and conditionality. Program performance will continue to be monitored through semi-annual program reviews based on QPCs, ITs (Table 9), and SBs (Table 10). Modifications are proposed to increase the June, September, and December 2024 QPCs and ITs on the ceiling on the present value of external debt contracted or guaranteed by the central

government, to reflect the Eurobond issuance (see paragraph 18). Modifications to marginally increase the nominal fiscal balance and the nominal basic primary balance targets for end-December 2024 are also proposed to reflect updated estimates. An increase on the targeted social spending IT is also proposed reflecting progress in implementing the universal health insurance. Structural conditionality has been augmented to include new SBs on DRM, PFM, and data dissemination (Table 10, and MEFP Table 2).

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

31. Implementation of policies under the EFF/ECF and RSF supported programs will continue to benefit from substantial Fund TA. Further TA to support the authorities' reform efforts will be provided by the Fund in the areas of domestic revenue mobilization, especially tax policy reform, carbon taxation, as well as PFM and upgrades to the statistical system.

Côte d'Ivoire: External Financing Requirements, 2019-26									
(Billions of CFA francs)									
	2019	2020	2021	2022	2023	2024	2025	2026	2024-26
						Projections			Cumulative
A. External Financing Requirements	2,131	1,987	3,587	3,966	4,091	5,604	4,120	4,272	13,995
Current account deficit excl. official transfers	1,065	1,328	1,778	3,591	4,032	3,234	1,520	1,514	6,268
Official sector amortization + net acquisition of fin assets	441	474	691	963	1,208	2,566	1,400	1,442	5,408
of which: Fund repayments	85	84	103	98	196	291	229	158	678
Change in official reserves (without RSF, + = increase)	625	185	1,118	-588	-1,149	-196	1,200	1,316	2,319
B. External Financing Sources	3,369	3,403	4,823	3,943	2,923	4,533	3,161	3,783	11,477
Capital flows to private sector, net	1,846	705	2,172	200	735	1,474	1,372	1,825	4,671
Project financing	415	574	840	1,433	1,737	1,033	1,338	1,225	3,596
Capital transfers	105	100	92	39	117	50	68	106	224
Government gross borrowing from private sector	820	1,923	1,627	2,231	217	1,926	315	521	2,762
of which: Eurobonds	17	578	768	0	0	1,577	0	350	1,927
of which: other commercial	873	1,423	1,014	0	217	350	315	171	835
Official transfers (project grants only)	183	101	92	40	117	50	68	106	224
C. Financing Gap (= A - B)	0	0	0	0	1,168	1,071	958	489	2,518
D. Prospective Financing	...	...	...	...	1,168	1,071	958	489	2,518
IMF ECF/EFF	...	...	...	...	601	601	605	304	1,509
World Bank	...	...	...	...	182	122	122	122	366
AfDB	...	...	...	...	28	74	49	49	172
Other multilateral creditors	...	...	...	...	3	5	14	14	33
Bilateral creditors	...	...	...	...	355	269	168	0	437
E. Exceptional Financing/Residual Gap (C - D)					0	0	0	0	0
RSF disbursements					0	246	347	199	793
F. Reserve accumulation (with RSF)					-1,149	50	1,547	1,515	3,112
Memorandum Items:									
Change in official reserves excl. all IMF financing	695	777	1,011	-691	-1,750	-797	595	1,012	810
Nominal GDP	36,278	40,367	43,771	47,843	47,843	52,368	57,057	61,922	...

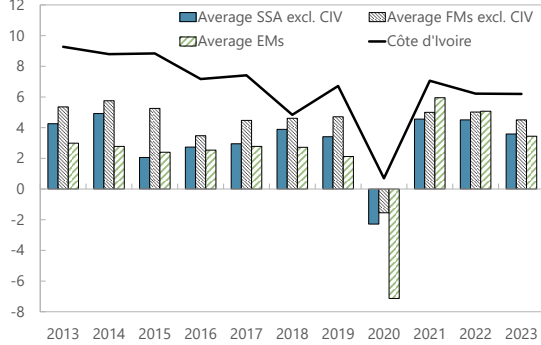
Sources: Ivorian authorities and IMF staff calculations.

Figure 1. Côte d'Ivoire: Long-term Economic Trends, 2012-24

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

Real GDP Growth

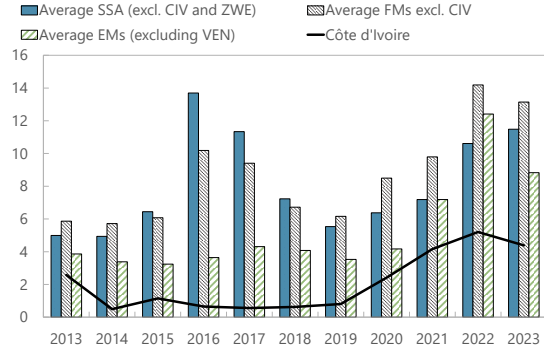
(in percent)



Inflation moderated in 2023, and remains lower than peers.

CPI Inflation

(in percent)

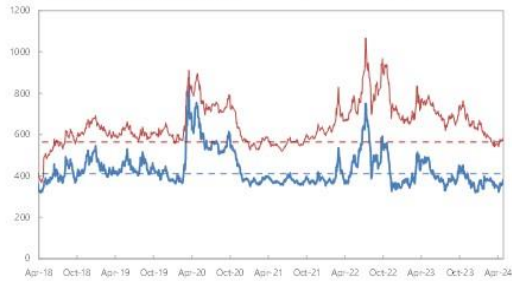


Sovereign spreads have fallen...

EMBI and EMBIG

(Last Series Daily)

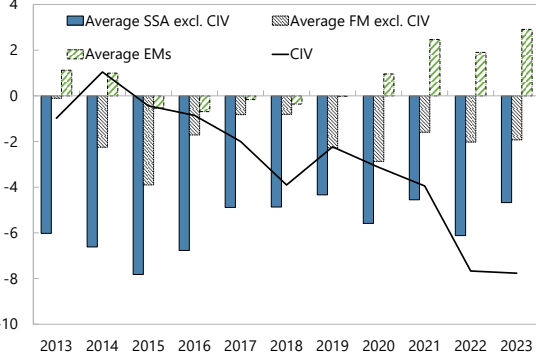
— J.P. Morgan EMBIG Sovereign Spread — J.P. Morgan Euro EMBI Global Diversified
— EMBIG Average pre-March 2020 — EMBI Average pre-March 2020



but the current account deficit remained elevated in 2023.

Current Account Balance

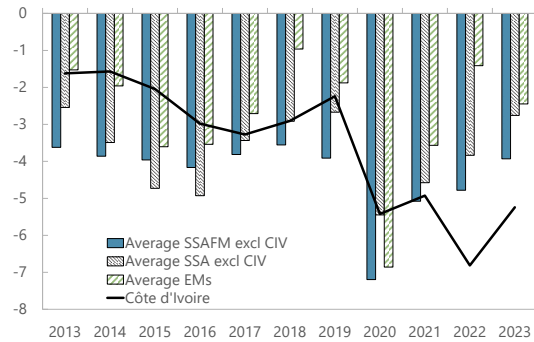
(Percent of GDP)



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

Central Government Net Lending/Borrowing

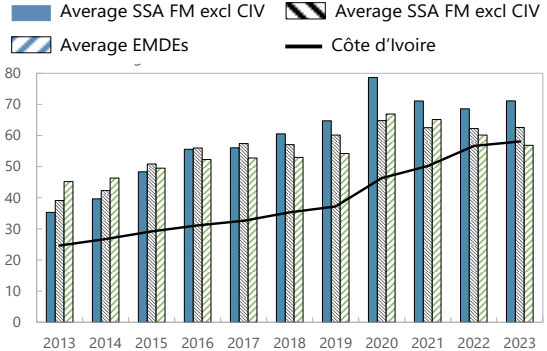
(Percent of GDP)



slowing the increase of public debt burdens.

General Government Gross Debt

(Percent of GDP)



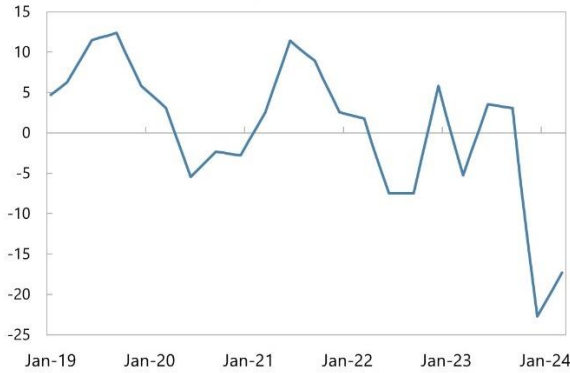
Sources: WEO, Bloomberg and IMF staff calculations.

Figure 2. Côte d'Ivoire: Selected Economic Activity Indicators, 2019-Latest

The production of cocoa has suffered a decrease...

Cacao Production

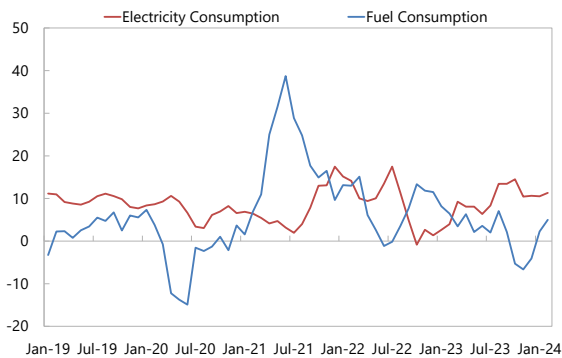
(Percent Change, 12-month moving average)



Demand for electricity continues to trend upwards, while other fuel consumption has fallen.

Domestic Consumption of Electricity and Fuel

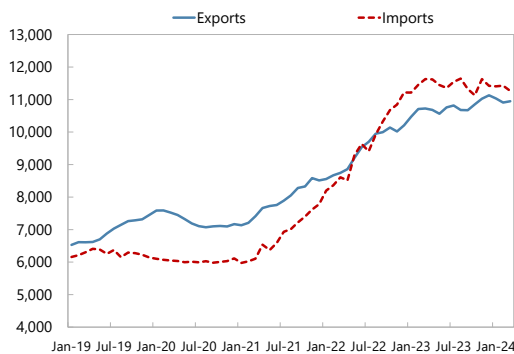
(YoY Percent Change, 3-month moving average)



and the trade balance improved...

Trade

(CFAF Billions, 12-month moving sum)

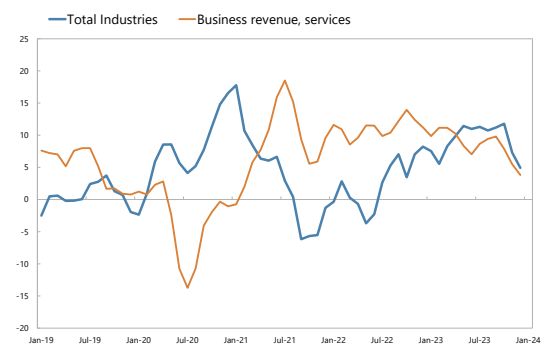


Sources: Ivorian authorities and IMF staff calculations.

though telecom, transportation and business revenue remained robust.

Industrial Production Index

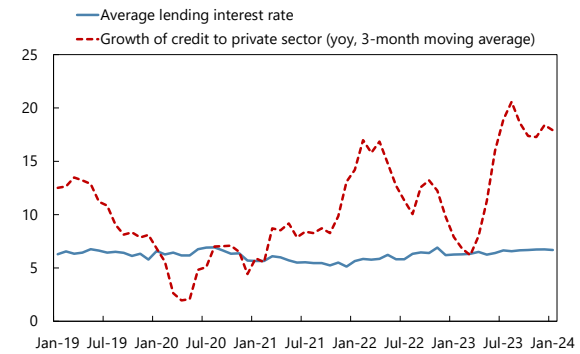
(YoY Percent Change, 3-month moving average)



Credit to the economy has rebounded strongly...

Financial Indicators

(Percent)



as CPI inflation has moderated on the back of lower food and energy inflation.

Contribution to Inflation

(Percent change, year-on-year)

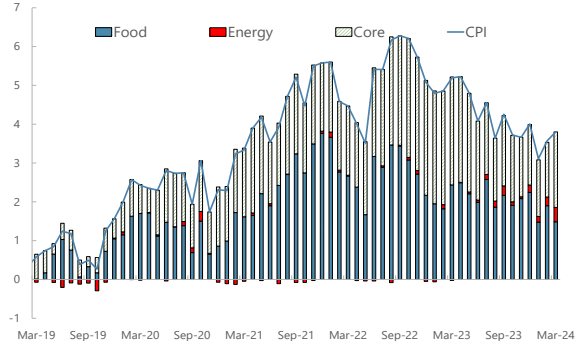
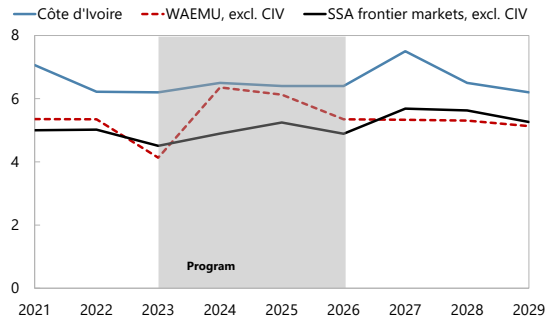


Figure 3. Côte d'Ivoire: Medium Term Outlook, 2021–29

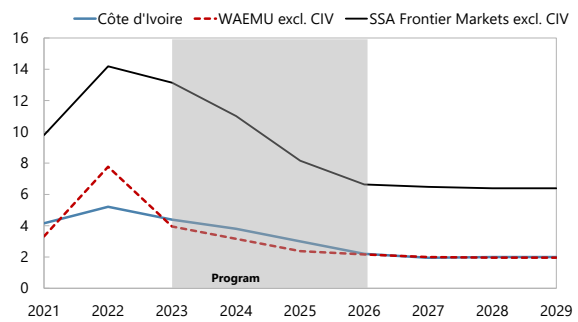
Gross Domestic Product

(Percent change)



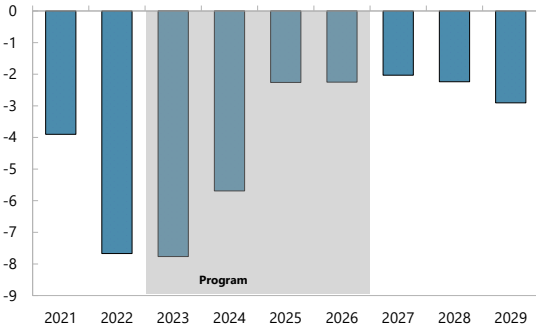
Consumer Price Index

(Percent change)



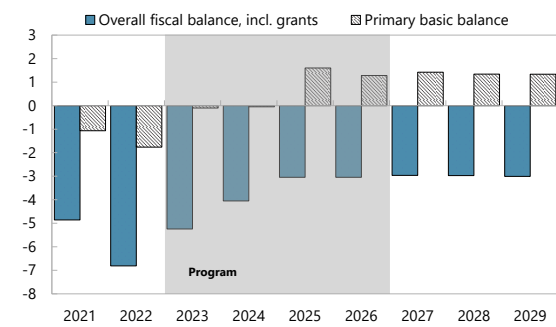
Current Account Balance

(Percent of GDP)



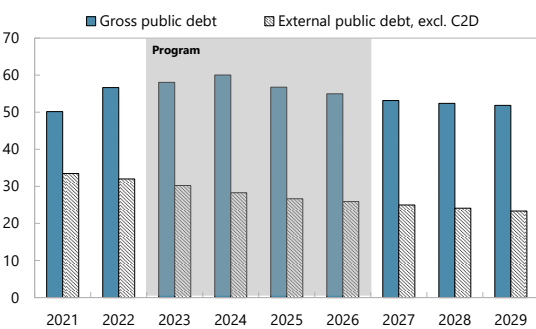
Fiscal Performance

(Percent of GDP)



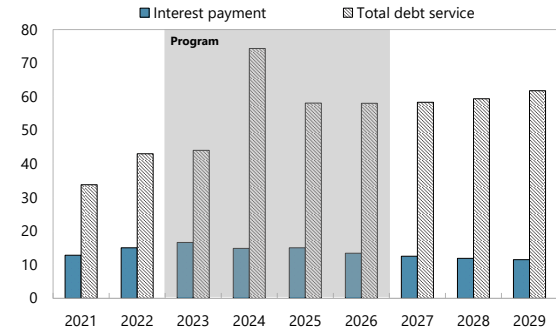
Public Debt Stock

(Percent of GDP)



Total Public Debt Interest and Service

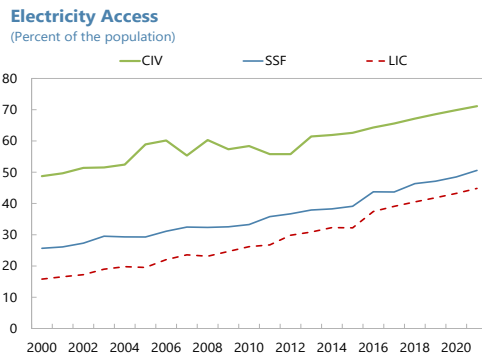
(Percent of government revenue)



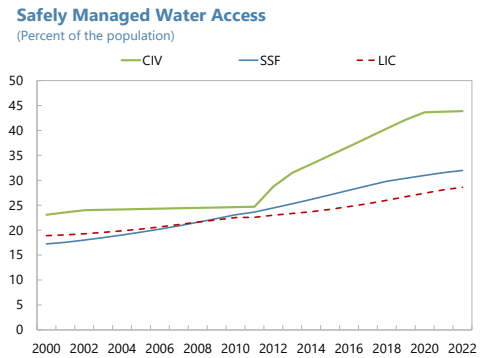
Sources: Ivorian authorities and IMF staff calculations.

Figure 4. Côte d'Ivoire: Social Indicators

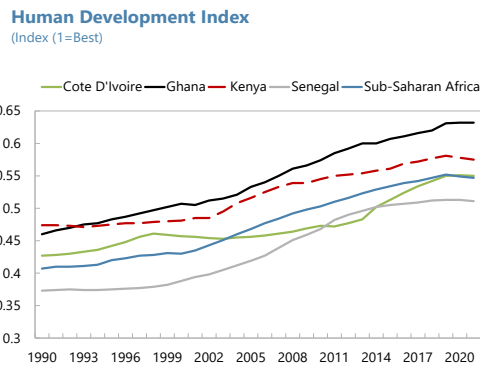
Côte d'Ivoire performs better than its peers in access to electricity...



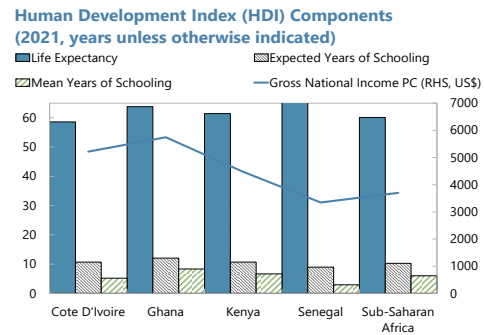
and has surpassed them in the access to clean water in the last decade.



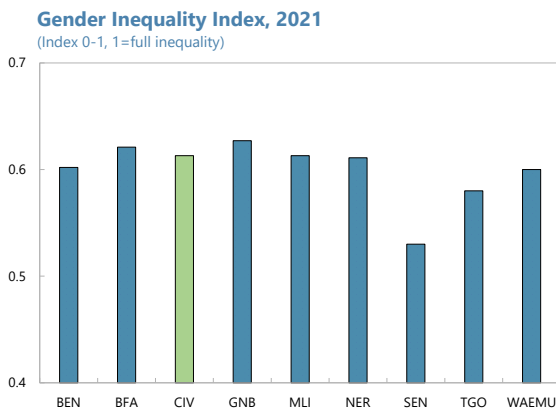
But it still trails below some peers in its Human Development Index...



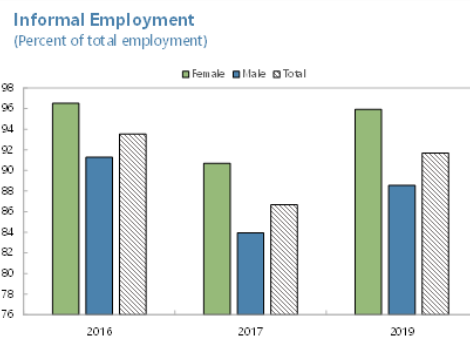
with lower life expectancy and years of schooling.



Gender inequality is slightly higher than WAEMU average...



and is more pronounced in informal employment.



Sources: World Development Indicators, United Nations Development Program and International Labour Organization.

Figure 5. Côte d'Ivoire: Status of RSF Reform Measures


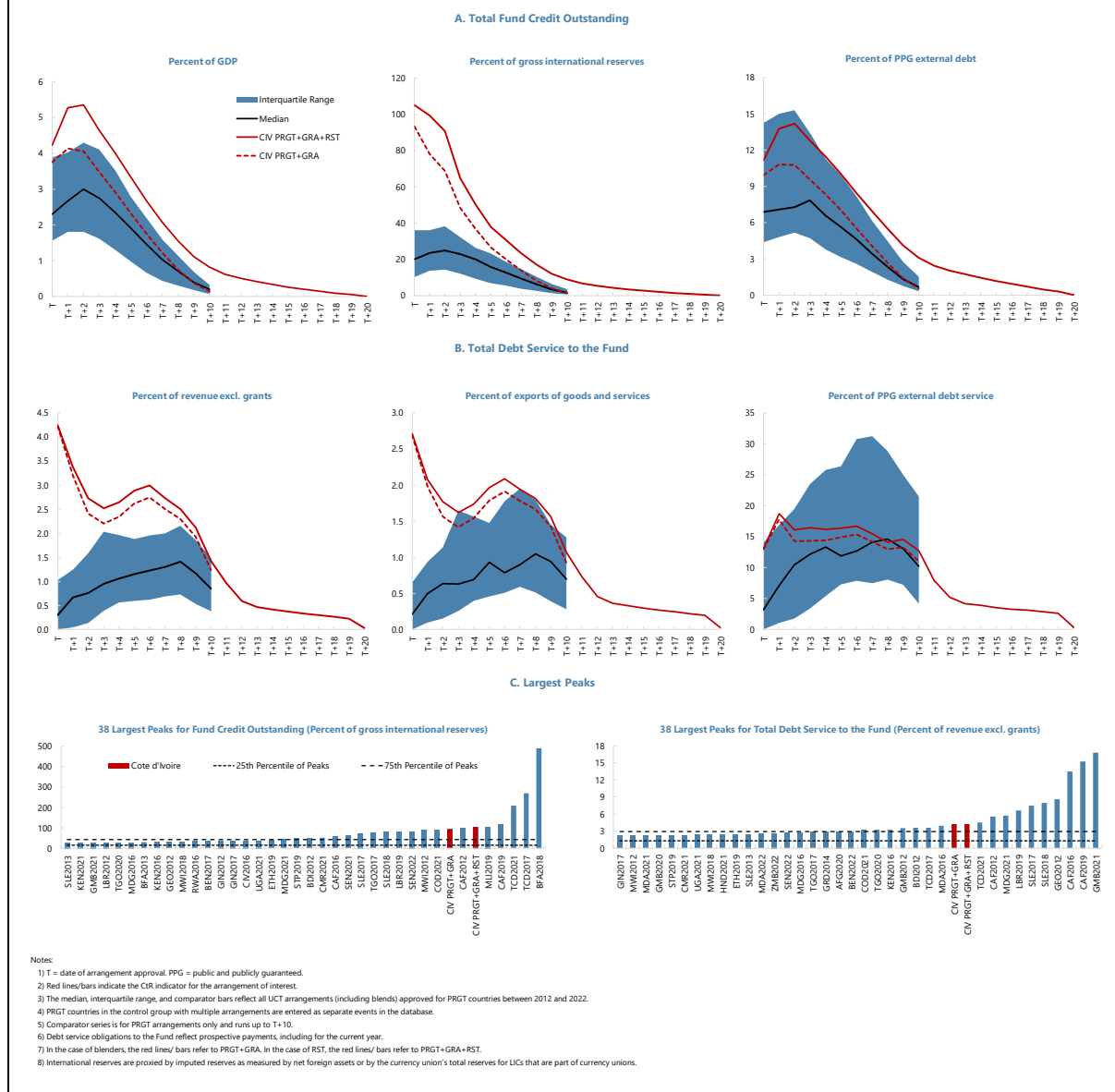
Key Challenges	2nd EFF/ECF Review	3rd EFF/ECF Review	4th EFF/ECF Review	5th EFF/ECF Review	6th EFF/ECF Review
 <p>Lack of integration of climate into public financial management</p>				<p>RM 1. Establish a system for tagging of climate-related investment expenditure and integrate and publish it with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

Figure 6. Côte d'Ivoire: Capacity to Repay the Fund



STAFF APPRAISAL

32. Côte d'Ivoire's economic resilience has been maintained despite a series of consecutive global shocks. Notwithstanding a still difficult external environment, the Ivorian economy has continued to exhibit robust growth and interest from foreign investors has remained strong. This highlights the dividends from the authorities' resolve to sustain important economic reforms. In particular, efforts to boost domestic revenue mobilization are bearing fruit. Further tax policy and administration reforms should be underpinned by the recently adopted MTRS. Moreover, continuing to advance governance and PFM reforms, along with

other structural reforms to induce higher levels of financial inclusion and climate resilience will support rebuilding fiscal buffers, and enhancements to the business environment. All these reform areas remain critical to unlocking the necessary financing for the country's economic transformation.

33. The authorities' economic program remains on track and appropriately focused.

With all performance criteria and SBs for the second review having been met, the authorities' track record remains strong. New program commitments on revenue mobilization will support continued increases in tax revenue to close the gap relative to other frontier and emerging market economy peers. Similarly, new PFM and data dissemination structural benchmarks will help boost transparency on fiscal accounts and the conduct of fiscal policy, all of which can help secure public buy-in for the important reforms under the authorities' Fund supported programs.

34. Sustaining a revenue-based fiscal consolidation in 2024 and 2025 will also strengthen the country's moderate rating of debt distress, and support convergence to the 3 percent of GDP WAEMU deficit target.

The authorities' steadfast commitment to implementing high-quality policy and administrative measures in order to sustain tax revenue increases of ½ percent of GDP in each of 2024 and 2025 is welcome. Revenue measures already in train in the 2024 budget remain sufficient to reach the revenue floor under the program. Moreover, the authorities should continue to include off-budget revenues from services and fees collected by line ministries into the TOFE. However, these revenues, along with any windfall from more favorable cocoa export prices should not weaken the resolve to reforms. Reprioritizing capital and non-priority expenditure will be essential to safeguard the deficit target, should unanticipated spending pressures arise from deterioration in the regional security situation. Moreover, the authorities' efforts to continue to streamline non-priority expenditure is welcome.

35. Adoption of a comprehensive MTRS is a significant reform, which provides an overall vision for tax policy and administration reforms to ensure that domestic revenue mobilization is self-sustaining and commands broad public support.

The authorities' MTRS plan is appropriately focused on wide-ranging enhancements in the tax system to boost its transparency, fairness and consequently efficacy in terms of achieving sufficient levels of domestic revenue mobilization to support the country's long-run sustainable and equitable growth and economic transformation objectives. Full implementation of the strategy and a concerted effort at monitoring reform implementation and communicating with the public on the merits and progress on the difficult reforms envisioned under the MTRS will be critical to maintain reform momentum over the coming years—especially on rationalizing tax exemptions and expenditures. Importantly, the MTRS also provides an opportunity to induce higher levels of public confidence in the tax authorities' role in the country's development, while also building a culture of tax compliance.

36. The DMO has been instrumental in ensuring that debt sustainability risks remain within the moderate rating of debt distress. Nevertheless, keeping debt at a level consistent

with a moderate rating of debt distress will need to remain a priority. Aligning new investment financing with overall debt carrying capacity remains critical. Staff welcomes the authorities' continued commitment to prudent management of the debt portfolio, along with their efforts to strategically mitigate the effects of higher financing costs, through DMOs and a focus on concessional financing.

37. Maintaining momentum on structural reforms under the program will be critical to support the objectives of the NDP. Efforts towards higher and more inclusive growth will be underpinned by efforts to promote private sector-led growth, including by strengthening governance, financial inclusion, and reducing the cost of doing business. The authorities should carefully monitor potential budgetary risks arising from the electricity sector and accelerate plans to reduce payment arrears to domestic suppliers, including through potential further tariff adjustments. Efforts should also continue address deficiencies in the AML/CFT framework to help boost transparency and further attract private investment.

38. Staff supports the authorities' request for QPC modifications, and for completion of the second review of the EFF/ECF arrangements, and the first review of the RSF. This will unlock access of 57.143 percent of quota (equivalent to SDR 371.657 million) under the EFF/ECF, and 9.375 percent of quota (equivalent to SDR 60.975 million) under the RSF. The Letter of Intent and the Memorandum of Economic and Financial Policies set out appropriate policies to pursue program objectives. Financing from the Fund will continue to have a strong catalytic role, and the capacity to repay the Fund is adequate. Risks to program implementation remain manageable, in light of the authorities' strong implementation track record under Fund-supported programs.

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

Population (2021): 29 million
 Per capita GDP (2021): 2,445 USD
 Share of population below the poverty line (2018): 39.5%

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

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Prel.		Program					
(Annual percentage changes, unless otherwise indicated)									
National Income									
GDP at constant prices	7.1	6.2	6.2	6.5	6.4	6.4	7.5	6.5	6.2
GDP deflator	3.9	2.1	2.9	2.8	2.4	2.0	2.0	2.0	2.0
Consumer price index (annual average)	4.2	5.2	4.4	3.8	3.0	2.2	1.9	2.0	2.0
External Sector (on the basis of CFA francs)									
Exports of goods, f.o.b., at current prices	18.2	19.5	3.4	19.9	20.0	5.6	11.6	6.9	6.8
Imports of goods, f.o.b., at current prices	24.3	39.4	-2.6	4.5	6.7	7.2	8.0	8.0	10.2
Export volume	10.2	8.0	4.6	0.2	6.9	8.2	10.0	6.7	6.6
Import volume	7.8	3.8	7.7	6.8	7.1	6.7	7.3	6.9	10.1
Terms of trade (deterioration –)	-16.8	-18.2	7.4	22.6	12.5	-2.8	0.8	-0.5	0.0
Nominal effective exchange rate	1.2	-2.3	5.8	...	...	...	...	...	...
Real effective exchange rate (depreciation –)	2.0	-4.9	4.2	...	...	...	...	...	...
Central Government Operations									
Total revenue and grants	16.1	6.2	16.3	12.9	14.5	10.2	11.2	9.5	0.0
Total expenditure	11.7	17.1	6.3	6.0	8.1	9.9	10.5	9.4	0.0
(Changes in percent of beginning-of-period broad money unless otherwise indicated)									
Money and Credit									
Money and quasi-money (M2)	18.7	9.0	3.3	...	...	...	...	...	...
Net foreign assets	8.2	-2.1	-7.4	...	...	...	...	...	...
Net domestic assets	10.6	11.1	10.7	...	...	...	...	...	...
Of which: government	5.4	8.2	2.2	...	...	...	...	...	...
private sector	7.8	4.3	9.4	...	...	...	...	...	...
Credit to the economy (annual percentage change)	12.5	7.3	16.2	...	...	...	...	...	...
(Percent of GDP unless otherwise indicated)									
Central Government Operations									
Total revenue and grants	15.6	15.3	16.2	16.8	17.6	17.9	18.1	18.3	18.6
Total revenue	15.1	14.7	15.6	16.3	17.2	17.7	17.8	18.0	18.4
Total expenditure	20.5	22.1	21.5	20.8	20.7	20.9	21.1	21.2	21.6
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0	-3.0
Basic primary balance ^{1/}	-1.1	-1.8	-0.1	0.0	1.6	1.3	1.4	1.3	1.3
Investment and Savings									
Gross investment	23.6	26.4	25.1	25.6	26.0	26.2	26.4	26.5	26.6
Of which: Central government	5.7	7.2	6.8	7.3	6.7	7.4	7.6	7.8	8.0
Gross national saving	19.1	18.2	17.4	20.0	23.8	23.9	24.4	24.3	23.7
Of which: Central government	0.9	0.4	1.6	3.2	3.7	4.3	4.7	4.9	5.0
External Sector Balance									
Current account balance (including official transfers)	-3.9	-7.7	-7.8	-5.7	-2.3	-2.3	-2.0	-2.2	-2.9
Current account balance (excluding official transfers)	-4.4	-8.2	-8.4	-6.2	-2.7	-2.4	-2.3	-2.5	-3.2
Overall balance	2.5	-1.6	-3.7	-1.5	1.0	1.6	2.6	2.2	2.2
Public Sector Debt^{2/}									
Central government debt, gross	50.2	56.6	58.1	60.0	56.7	55.0	53.1	52.4	51.8
External debt	30.4	34.5	35.9	37.0	37.5	36.8	35.5	34.2	32.7
External debt-service due (CFAF billions)	803	973	1,280	2,764	1,770	1,851	1,852	2,158	2,579
Percent of exports of goods and services	8.9	9.1	11.5	20.7	11.1	11.0	9.8	10.7	12.0
Percent of government revenue	13.1	15.1	17.2	32.4	18.0	16.9	15.3	16.3	17.6
Memorandum Items									
Nominal GDP (CFAF billions)	40,367	43,771	47,843	52,368	57,057	61,922	67,898	73,757	79,897
Nominal exchange rate (CFAF/US\$, period average)	554	622	...	...	...	...	...	...	...
Nominal GDP at market prices (US\$ billions)	73	70	79	86	93	101	111	120	130
Population (million)	29.4	30.2	31.1	32.0	32.9	33.8	34.8	35.8	36.8
Nominal GDP per capita (CFAF thousands)	1,374	1,448	1,539	1,637	1,734	1,830	1,951	2,060	2,170
Nominal GDP per capita (US\$)	2,478	2,326	2,537	2,692	2,838	2,991	3,184	3,359	3,537
Real GDP per capita growth (percent)	4.1	3.3	3.2	3.5	3.4	3.4	4.5	3.5	3.2

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

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

2/ Does not include debt guarantees.

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

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Est.							
			Program						
Current account	-1,593	-3,357	-3,716	-2,979	-1,289	-1,394	-1,378	-1,652	-2,321
Current account excl. grants	-1,778	-3,591	-4,032	-3,234	-1,520	-1,514	-1,593	-1,873	-2,545
Trade balance	1,692	669	1,260	2,938	4,816	4,922	5,887	6,166	6,135
Exports, f.o.b.	8,491	10,144	10,485	12,575	15,095	15,940	17,784	19,018	20,302
Of which: cocoa	3,314	3,087	3,344	4,509	6,332	6,177	6,536	6,769	7,016
Of which: crude oil and refined oil products	957	1,841	1,790	1,803	1,983	2,304	2,949	3,145	3,333
Imports, f.o.b.	6,799	9,475	9,225	9,637	10,280	11,018	11,898	12,851	14,167
Of which: crude oil and refined oil products	1,278	3,010	2,820	2,848	3,055	3,240	3,442	3,619	3,827
Services (net)	-1,670	-2,373	-2,727	-3,352	-3,366	-3,096	-3,327	-3,540	-3,835
Primary Income (net)	-1,240	-1,431	-1,962	-2,147	-2,282	-2,725	-3,395	-3,688	-3,982
Of which: interest on public debt	-435	-525	-718	-733	-833	-879	-917	-939	-968
Secondary Income (net)	-375	-222	-287	-419	-456	-495	-543	-590	-639
General Government	11	100	200	205	162	14	61	0	0
Other Sectors	-385	-322	-487	-624	-619	-509	-604	-590	-639
Capital and financial account	2,682	2,601	1,965	2,182	1,884	2,406	3,162	3,298	4,055
Capital account	92	39	117	50	68	106	153	221	224
Financial account (excl. exceptional financing)	2,591	2,562	1,848	2,132	1,816	2,300	3,009	3,076	3,832
Foreign direct investment	614	891	813	1,990	2,168	2,043	1,697	1,881	2,077
Portfolio investment, net	363	-261	-543	858	-463	-49	13	-42	157
Acquisition of financial assets	-413	-461	-430	-467	-474	-483	-500	-544	-589
Incurrence of liabilities	776	200	-113	1,326	12	433	514	502	746
Of which: Eurobonds	608	0	0	1,577	0	350	350	400	500
Other investment, net	1,631	1,952	2,166	131	1,063	809	1,298	1,237	1,597
Official, net	1,018	2,353	1,744	223	1,237	894	1,210	1,227	969
Project loans	802	1,440	1,433	1,030	1,338	1,224	1,524	1,604	1,783
Central government amortization due	-330	-686	-632	-1,814	-707	-813	-776	-1,025	-1,347
Net acquisition of financial assets	-12	0	-13	-13	-13	-13	-14	-14	-14
Nonofficial, net	173	-382	422	-92	-174	-85	88	11	628
Errors and omissions	-78	65	0	0	0	0	0	0	0
Overall balance	1,011	-691	-1,750	-797	595	1,012	1,784	1,646	1,734
Financing	-1,011	691	1,149	196	-1,200	-1,316	-1,784	-1,646	-1,734
Reserve flow (-=increase, without RSF)	-1,011	691	1,149	196	-1,200	-1,316	-1,784	-1,646	-1,734
Financing Gap	0	0	601	601	605	304	0	0	0
Use of Fund Credit: ECF/EFF	0	0	601	601	605	304	0	0	0
Residual Gap	0	0	0	0	0	0	0	0	1
RSF Disbursement	0	0	0	246	347	199	0	0	0
Memorandum items:									
Overall balance (percent of GDP)	2.5	-1.6	-3.7	-1.5	1.0	1.6	2.6	2.2	2.2
Current account inc. grants (percent of GDP)	-3.9	-7.7	-7.8	-5.7	-2.3	-2.3	-2.0	-2.2	-2.9
Current account exc. grants (percent of GDP)	-4.4	-8.2	-8.4	-6.2	-2.7	-2.4	-2.3	-2.5	-3.2
Trade balance (percent of GDP)	4.2	1.5	2.6	5.6	8.4	7.9	8.7	8.4	7.7
WAEMU gross official reserves (billions of US\$)	24.2	18.5	...	...	...	...	...	...	...
(percent of broad money)	...	...	...	...	...	...	...	...	...
(months of WAEMU imports of GNFS)	5.2	4.3	...	...	...	...	...	...	...
Nominal GDP	40,367	43,771	47,843	52,368	57,057	61,922	67,898	73,757	79,897
Exchange rate (CFAF/US\$) average	580	619	...	...	...	...	...	...	...
Exchange rate (CFAF/US\$) end-of-period	554	622	...	...	...	...	...	...	...

Sources: Ivorian authorities and IMF staff estimates and projections.

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

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Est.							
			Program						
Current account	-3.9	-7.7	-7.8	-5.7	-2.3	-2.3	-2.0	-2.2	-2.9
Current account excl. grants	-4.4	-8.2	-8.4	-6.2	-2.7	-2.4	-2.3	-2.5	-3.2
Trade balance	4.2	1.5	2.6	5.6	8.4	7.9	8.7	8.4	7.7
Exports, f.o.b.	21.0	23.2	21.9	24.0	26.5	25.7	26.2	25.8	25.4
Of which: cocoa	8.2	7.1	7.0	8.6	11.1	10.0	9.6	9.2	8.8
Of which: crude oil and refined oil products	2.4	4.2	3.7	3.4	3.5	3.7	4.3	4.3	4.2
Imports, f.o.b.	16.8	21.6	19.3	18.4	18.0	17.8	17.5	17.4	17.7
Of which: crude oil and refined oil products	3.2	6.9	5.9	5.4	5.4	5.2	5.1	4.9	4.8
Services (net)	-4.1	-5.4	-5.7	-6.4	-5.9	-5.0	-4.9	-4.8	-4.8
Primary Income (net)	-3.1	-3.3	-4.1	-4.1	-4.0	-4.4	-5.0	-5.0	-5.0
Of which: interest on public debt	-1.1	-1.2	-1.5	-1.4	-1.5	-1.4	-1.3	-1.3	-1.2
Secondary Income (net)	-0.9	-0.5	-0.6	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
General Government	0.0	0.2	0.4	0.4	0.3	0.0	0.1	0.0	0.0
Other Sectors	-1.0	-0.7	-1.0	-1.2	-1.1	-0.8	-0.9	-0.8	-0.8
Capital and financial account	6.6	5.9	4.1	4.2	3.3	3.9	4.7	4.5	5.1
Capital account	0.2	0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.3
Financial account (excl. exceptional financing)	6.4	5.9	3.9	4.1	3.2	3.7	4.4	4.2	4.8
Foreign direct investment	1.5	2.0	1.7	3.8	3.8	3.3	2.5	2.6	2.6
Portfolio investment, net	0.9	-0.6	-1.1	1.6	-0.8	-0.1	0.0	-0.1	0.2
Acquisition of financial assets	-1.0	-1.1	-0.9	-0.9	-0.8	-0.8	-0.7	-0.7	-0.7
Incurrence of liabilities	1.9	0.5	-0.2	2.5	0.0	0.7	0.8	0.7	0.9
Of which: Eurobonds	1.5	0.0	0.0	3.0	0.0	0.6	0.5	0.5	0.6
Other investment, net	4.0	4.5	4.5	0.3	1.9	1.3	1.9	1.7	2.0
Official, net	2.5	5.4	3.6	0.4	2.2	1.4	1.8	1.7	1.2
Project loans	2.0	3.3	3.0	2.0	2.3	2.0	2.2	2.2	2.2
Central government amortization due	-0.8	-1.6	-1.3	-3.5	-1.2	-1.3	-1.1	-1.4	-1.7
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonofficial, net	0.4	-0.9	0.9	-0.2	-0.3	-0.1	0.1	0.0	0.8
Errors and omissions	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	2.5	-1.6	-3.7	-1.5	1.0	1.6	2.6	2.2	2.2
Financing	-2.5	1.6	2.4	0.4	-2.1	-2.1	-2.6	-2.2	-2.2
Reserve flow (-=increase, without RSF)	-2.5	1.6	2.4	0.4	-2.1	-2.1	-2.6	-2.2	-2.2
Financing Gap	0.0	0.0	1.3	1.1	1.1	0.5	0.0	0.0	0.0
Use of Fund Credit: ECF/EFF	0.0	0.0	1.3	1.1	1.1	0.5	0.0	0.0	0.0
Residual Gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF Disbursement	0.0	0.0	0.0	0.5	0.6	0.3	0.0	0.0	0.0
Memorandum items:									
Overall balance (percent of GDP)	2.5	-1.6	-3.7	-1.5	1.0	1.6	2.6	2.2	2.2
Current account inc. grants (percent of GDP)	-3.9	-7.7	-7.8	-5.7	-2.3	-2.3	-2.0	-2.2	-2.9
Current account exc. grants (percent of GDP)	-4.4	-8.2	-8.4	-6.2	-2.7	-2.4	-2.3	-2.5	-3.2
Trade balance (percent of GDP)	4.2	1.5	2.6	5.6	8.4	7.9	8.7	8.4	7.7
WAEMU gross official reserves (billions of US\$)	24.2	18.5	...	...	...	...	...	...	...
(percent of broad money)	...	...	...	...	...	...	...	...	...
(months of WAEMU imports of GNFS)	5.2	4.3	...	...	...	...	...	...	...
Nominal GDP (billions of CFA francs)	40,367	43,771	47,843	52,368	57,057	61,922	67,898	73,757	79,897
Exchange rate (CFAF/US\$) average	580	619	...	...	...	...	...	...	...
Exchange rate (CFAF/US\$) end-of-period	554	622	...	...	...	...	...	...	...

Sources: Ivorian authorities and IMF staff estimates and projections.

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

	2021	2022	2023		2024	2025	2026	2027	2028	2029
			1st Rev.	Outturn						
			Program							
Total revenue and grants	6,295	6,684	7,872	7,771	8,776	10,046	11,068	12,304	13,475	14,894
Total revenue	6,110	6,451	7,550	7,454	8,521	9,816	10,948	12,090	13,254	14,670
Tax revenue	5,251	5,617	6,638	6,508	7,534	8,750	9,829	10,861	11,919	13,225
Non-earmarked taxes	5,042	5,260	6,243	6,069	7,076	8,305	9,301	10,319	11,330	12,569
Direct taxes	1,402	1,630	1,857	1,945	2,291	2,615	3,039	3,327	3,607	3,931
Indirect taxes	3,640	3,630	4,386	4,124	4,785	5,690	6,262	6,992	7,723	8,638
of which taxes on project spending	155	166	178	169	161	212	226	147	155	172
Earmarked taxes	209	356	395	438	458	445	528	543	589	655
Nontax revenue 1/	860	834	912	947	987	1,066	1,119	1,229	1,335	1,446
Grants, of which	185	234	322	317	255	231	120	214	221	224
Project grants	92	40	119	117	50	68	106	153	221	224
Total expenditure	8,257	9,666	10,382	10,279	10,897	11,784	12,953	14,317	15,668	17,297
Current expenditure	5,930	6,526	6,876	7,022	7,081	7,945	8,391	9,124	9,890	10,885
Wages and salaries	1,860	2,007	2,246	2,246	2,341	2,533	2,648	2,904	3,169	3,433
Social security benefits	371	390	422	410	444	474	513	672	767	831
Subsidies and other current transfers	907	768	648	695	602	666	723	876	951	1,031
Other current expenditure	1,548	1,873	1,695	1,691	1,905	1,967	2,271	2,372	2,577	2,940
Expenditure corresponding to earmarked taxes	209	356	395	438	458	445	528	543	589	655
Security and elections-related expenditure	250	162	303	302	64	384	239	244	259	309
Interest due	785	970	1,166	1,239	1,267	1,476	1,468	1,514	1,578	1,687
On domestic debt	330	448	540	527	532	642	589	597	637	718
On external debt	455	523	626	712	735	833	880	917	940	969
Capital expenditure	2,327	3,141	3,506	3,258	3,816	3,839	4,562	5,193	5,778	6,412
Domestically financed	1,394	1,668	1,650	1,719	2,733	2,433	3,231	3,515	3,951	4,403
of which counterpart funds for project taxes	155	166	178	169	161	212	226	147	155	172
Foreign-financed, of which	932	1,473	1,856	1,538	1,083	1,406	1,331	1,678	1,827	2,009
Foreign loan-financed	840	1,433	1,737	1,421	1,033	1,338	1,225	1,525	1,605	1,785
Basic primary balance	-429	-772	191	-47	-26	914	794	964	990	1,069
Overall balance, including grants	-1,962	-2,982	-2,510	-2,508	-2,121	-1,737	-1,885	-2,013	-2,193	-2,403
Overall balance, excluding grants	-2,146	-3,216	-2,832	-2,825	-2,376	-1,968	-2,005	-2,227	-2,414	-2,627
Change in float (excl. on debt service)	-11	-111	-25	-26	-25	0	0	0	0	0
Overall balance (cash basis)	-1,973	-3,093	-2,535	-2,534	-2,146	-1,737	-1,885	-2,013	-2,193	-2,403
Financing 2/	1,973	3,093	1,569	2,534	370	833	1,410	2,013	2,193	2,403
Domestic financing	659	1,820	205	1,350	140	-113	478	592	891	1,294
Bank financing (net) 2/	709	1,565	-42	1,116	-24	-136	370	453	703	1,036
of which RSF disbursement	--	--	--	--	246	347	199	--	--	--
Nonbank financing (net)	-50	255	246	234	164	23	108	139	188	257
External financing	1,330	1,293	1,364	1,171	231	946	932	1,421	1,302	1,109
Financing gap (+ deficit / - surplus)	--	--	966	--	1,775	905	475	--	--	--
Expected financing (excluding IMF)	--	--	364	--	1,174	300	171	--	--	--
Residual gap, of which	--	--	601	--	601	605	304	--	--	--
IMF-ECF 3/	--	--	200	--	200	202	101	--	--	--
IMF-EFF 3/	--	--	401	--	401	403	202	--	--	--
Memorandum items:										
Nominal GDP	40,367	43,771	47,825	47,843	52,368	57,057	61,922	67,898	73,757	79,897

Sources: Ivorian authorities and IMF staff estimates and projections.

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

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

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

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

	2021	2022	2023	2023	2024	2025	2026	2027	2028	2029
			1st Rev.	Outturn						
	Program									
Total revenue and grants	15.6	15.3	16.5	16.2	16.8	17.6	17.9	18.1	18.3	18.6
Total revenue	15.1	14.7	15.8	15.6	16.3	17.2	17.7	17.8	18.0	18.4
Tax revenue	13.0	12.8	13.9	13.6	14.4	15.3	15.9	16.0	16.2	16.6
Non-earmarked taxes	12.5	12.0	13.1	12.7	13.5	14.6	15.0	15.2	15.4	15.7
Direct taxes	3.5	3.7	3.9	4.1	4.4	4.6	4.9	4.9	4.9	4.9
Indirect taxes	9.0	8.3	9.2	8.6	9.1	10.0	10.1	10.3	10.5	10.8
of which taxes on project spending	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.2	0.2	0.2
Earmarked taxes	0.5	0.8	0.8	0.9	0.9	0.8	0.9	0.8	0.8	0.8
Nontax revenue 1/	2.1	1.9	1.9	2.0	1.9	1.9	1.8	1.8	1.8	1.8
Grants, of which	0.5	0.5	0.7	0.7	0.5	0.4	0.2	0.3	0.3	0.3
Project grants	0.2	0.1	0.2	0.2	0.1	0.1	0.2	0.2	0.3	0.3
Total expenditure	20.5	22.1	21.7	21.5	20.8	20.7	20.9	21.1	21.2	21.6
Current expenditure	14.7	14.9	14.4	14.7	13.5	13.9	13.6	13.4	13.4	13.6
Wages and salaries	4.6	4.6	4.7	4.7	4.5	4.4	4.3	4.3	4.3	4.3
Social security benefits	0.9	0.9	0.9	0.9	0.8	0.8	0.8	1.0	1.0	1.0
Subsidies and other current transfers	2.2	1.8	1.4	1.5	1.1	1.2	1.2	1.3	1.3	1.3
Other current expenditure	3.8	4.3	3.5	3.5	3.6	3.4	3.7	3.5	3.5	3.7
Expenditure corresponding to earmarked taxes	0.5	0.8	0.8	0.9	0.9	0.8	0.9	0.8	0.8	0.8
Security and elections-related expenditure	0.6	0.4	0.6	0.6	0.1	0.7	0.4	0.4	0.4	0.4
Interest due	1.9	2.2	2.4	2.6	2.4	2.6	2.4	2.2	2.1	2.1
On domestic debt	0.8	1.0	1.1	1.1	1.0	1.1	1.0	0.9	0.9	0.9
On external debt	1.1	1.2	1.3	1.5	1.4	1.5	1.4	1.4	1.3	1.2
Capital expenditure	5.8	7.2	7.3	6.8	7.3	6.7	7.4	7.6	7.8	8.0
Domestically financed	3.5	3.8	3.4	3.6	5.2	4.3	5.2	5.2	5.4	5.5
of which counterpart funds for project taxes			0.4	0.4	0.3	0.4	0.4	0.2	0.2	0.2
Foreign-financed, of which	2.3	3.4	3.9	3.2	2.1	2.5	2.1	2.5	2.5	2.5
Foreign loan-financed	2.1	3.3	3.6	3.0	2.0	2.3	2.0	2.2	2.2	2.2
Basic primary balance	-1.1	-1.8	0.4	-0.1	0.0	1.6	1.3	1.4	1.3	1.3
Overall balance, including grants	-4.9	-6.8	-5.2	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0	-3.0
Overall balance, excluding grants	-5.3	-7.3	-5.9	-5.9	-4.5	-3.4	-3.2	-3.3	-3.3	-3.3
Change in float (excl. on debt service)	0.0	-0.3	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (cash basis)	-4.9	-7.1	-5.3	-5.3	-4.1	-3.0	-3.0	-3.0	-3.0	-3.0
Financing 2/	4.9	7.1	3.3	5.3	0.7	1.5	2.3	3.0	3.0	3.0
Domestic financing	1.6	4.2	0.4	2.8	0.3	-0.2	0.8	0.9	1.2	1.6
Bank financing (net) 2/	1.8	3.6	-0.1	2.3	0.0	-0.2	0.6	0.7	1.0	1.3
of which RSF disbursement	--	--	--	--	0.5	0.6	0.3	--	--	--
Nonbank financing (net)	-0.1	0.6	0.5	0.5	0.3	0.0	0.2	0.2	0.3	0.3
External financing	3.3	3.0	2.9	2.4	0.4	1.7	1.5	2.1	1.8	1.4
Financing gap (+ deficit / - surplus)	--	--	2.0	--	3.4	1.6	0.8	--	--	--
Expected financing (excluding IMF)	--	--	0.8	--	2.2	0.5	0.3	--	--	--
Residual gap, of which	--	--	1.3	--	1.1	1.1	0.5	--	--	--
IMF-ECF 3/	--	--	0.4	--	0.4	0.4	0.2	--	--	--
IMF-EFF 3/	--	--	0.8	--	0.8	0.7	0.3	--	--	--

Sources: Ivorian authorities and IMF staff estimates and projections.

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

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

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

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

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Prel.		Program					
(Billions of CFA francs)									
Net foreign assets	4,206	3,886	2,634	2,721	4,275	5,797	7,589	9,249	10,985
Central bank	2,944	2,304	1,642	2,081	2,974	3,591	4,800	5,763	6,891
Other depository corporations	1,262	1,582	992	641	1,301	2,207	2,788	3,486	4,094
Net domestic assets	11,281	12,993	14,806	16,543	17,188	17,989	19,108	20,452	21,985
Net credit to the government 1/	4,617	5,894	6,264	6,841	7,309	7,983	8,436	9,140	10,176
Central Bank	1,505	1,459	1,863	2,419	3,129	3,461	3,291	3,086	2,812
Other depository corporations	3,112	4,435	4,399	4,420	4,178	4,520	5,143	6,051	7,360
Credit to the economy	9,139	9,807	11,399	12,830	13,286	13,703	14,726	15,717	16,580
Crop credits	672	589	672	916	1,284	1,253	1,325	1,373	1,423
Other credit (including customs bills)	8,468	9,218	10,726	11,913	12,002	12,450	13,401	14,344	15,157
Other items (net) (assets = +)	-2,475	-2,708	-2,857	-3,127	-3,407	-3,698	-4,054	-4,404	-4,771
Broad money	15,487	16,879	17,440	19,265	21,463	23,786	26,697	29,701	32,970
Currency in circulation	3,721	3,973	4,019	4,247	4,732	5,267	5,952	6,666	7,417
Deposits	11,762	12,901	13,417	15,013	16,727	18,513	20,738	23,028	25,546
Deposits at the Central Bank	4.1	4.1	4.3	4.7	5.3	5.9	6.6	7.3	8.1
Memorandum item:									
Velocity of circulation	2.6	2.6	2.7	2.7	2.7	2.6	2.5	2.5	2.4
(Changes in percent of beginning-of-period broad money)									
Net foreign assets	8.2	-2.1	-7.4	0.5	8.1	7.1	7.5	6.2	5.8
Net domestic assets	10.6	11.1	10.7	10.0	3.3	3.7	4.7	5.0	5.2
Net credit to the government	5.4	8.2	2.2	3.3	2.4	3.1	1.9	2.6	3.5
Central bank	5.5	-0.3	2.4	3.2	3.7	1.5	-0.7	-0.8	-0.9
Other depository corporations	-0.1	8.5	-0.2	0.1	-1.3	1.6	2.6	3.4	4.4
Credit to the economy	7.8	4.3	9.4	8.2	2.4	1.9	4.3	3.7	2.9
Broad money	18.7	9.0	3.3	10.5	11.4	10.8	12.2	11.3	11.0
(Changes in percent of previous end-of-year)									
Net foreign assets	34.0	-7.6	-32.2	3.3	57.1	35.6	30.9	21.9	0.0
Net domestic assets	13.9	15.2	14.0	11.7	3.9	4.7	6.2	7.0	0.0
Net credit to the government	18.0	27.7	6.3	9.2	6.8	9.2	5.7	8.3	0.0
Central bank	91.7	-3.1	27.7	29.9	29.4	10.6	-4.9	-6.2	0.0
Other depository corporations	-0.5	42.5	-0.8	0.5	-5.5	8.2	13.8	17.6	0.0
Credit to the economy	12.5	7.3	16.2	12.6	3.6	3.1	7.5	6.7	0.0
Broad money	18.7	9.0	3.3	10.5	11.4	10.8	12.2	11.3	0.0

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

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
									June
Capital Adequacy									
Regulatory capital to risk-weighted assets (CAR)	8.7	7.9	9.0	9.5	10.5	11.6	12.6	13.1	13.2
Regulatory tier 1 capital to risk-weighted assets	7.1	6.9	7.9	8.6	9.7	10.9	12.1	12.7	12.6
General provisions to risk-weighted assets	9.5	7.1	6.6	5.7	6.0	6.1	5.7	5.2	6.1
Capital to total assets	3.9	4.3	5.1	6.3	6.2	6.5	7.2	7.3	6.7
Asset Quality									
Total loans to total assets	57.1	57.3	57.3	58.8	57.0	53.5	52.0	51.2	52.1
Concentration: Loans to the 5 biggest borrowers to capital	145.8	129.1	108.9	87.4	66.5	53.8	53.0	84.2	104.8
Sectoral composition of loans									
Agriculture, forestry and fisheries	5.9	6.4	8.0	9.2	4.7	5.8	4.0	5.7	4.1
Extractive industries	2.3	2.2	1.5	0.5	0.4	0.3	0.7	0.2	2.0
Manufacturing industries	25.1	24.1	23.9	23.0	20.5	18.7	16.5	15.6	11.7
Electricity, water, gas	6.3	8.4	11.2	13.2	9.0	10.7	11.5	16.0	6.1
Construction, public works	3.3	5.9	6.0	5.4	6.4	5.4	5.8	5.9	9.2
Commerce, restaurants, hotels	31.6	27.3	21.9	25.9	30.2	32.0	35.7	31.5	28.4
Transport, storage and communications	9.3	11.4	13.9	9.3	12.9	11.3	8.9	9.3	7.6
Insurance, real estate, business services	11.4	8.5	7.9	9.0	9.9	11.3	10.1	9.3	8.5
Miscellaneous services	4.8	5.8	5.7	4.5	6.1	4.6	6.9	6.5	22.4
Non-performing loans to total gross loans	10.4	9.1	9.8	9.3	8.4	8.8	8.9	7.8	8.7
General provisions to non-performing loans	66.6	70.5	63.0	64.9	70.2	68.8	66.3	69.5	64.5
Non-performing loans net of provisions to total loans	3.7	2.9	3.8	3.5	2.7	2.9	3.2	2.5	3.3
Non-performing loans net of provisions to capital	54.2	37.6	43.0	32.5	24.4	23.7	22.1	17.2	25.5
Earnings and Profitability 1/									
Average cost of borrowed funds	2.0	2.1	2.1	1.9	0.6	1.8	1.7	1.6	...
Average interest rate on loans	9.2	8.9	8.6	7.7	7.5	7.1	6.7	6.7	...
Average interest rate margin 2/	7.2	6.8	6.5	5.8	6.9	5.3	5.0	5.1	...
Return on assets (ROA) net of tax	1.4	1.6	1.4	1.3	1.6	1.4	1.8	1.7	...
Return on average equity (ROE) net of tax	24.5	29.2	21.5	16.5	19.0	16.9	20.7	19.9	...
Non-interest expenses to net banking income	59.6	57.5	55.6	59.3	57.1	55.8	53.2	49.1	...
Personnel expenses to net banking income	26.3	25.5	23.8	25.4	24.6	24.2	22.7	21.4	...
Liquidity									
Liquid assets to total assets	35.5	33.7	32.0	31.7	29.6	29.6	28.7	26.0	23.6
Liquid assets to total deposits	48.6	48.1	46.9	46.0	42.6	41.4	38.3	36.2	35.2
Total loans to total deposits	84.1	87.2	89.5	90.7	87.2	79.7	73.8	75.2	82.2
Total deposits to total liabilities	72.9	70.2	68.2	68.9	69.4	71.4	74.9	71.9	67.2

Source: BCEAO.

1 / Income statement items at semi-annual frequency.

2 / Excluding tax on banking transactions.

Table 6. Côte d'Ivoire: Capacity to Repay the Fund, 2024-44

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Fund Obligations Based on Existing Credit																					
(In millions of SDRs)																					
Principal	360.1	281.8	193.4	193.1	233.0	235.7	188.2	132.1	132.1	99.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Charges and interest	77.6	65.6	59.0	54.3	48.5	41.4	35.5	30.4	26.1	21.9	19.6	19.4	19.5	19.4	19.4	19.4	19.5	19.4	19.4	19.4	19.5
Fund Obligations Based on Existing and Prospective Credit																					
(In millions of SDRs)																					
Principal	360.1	281.8	193.4	193.1	253.6	351.4	436.0	450.1	462.5	429.5	300.4	207.9	121.5	97.6	97.6	97.6	97.6	97.6	97.6	97.6	94.5
Charges and interest	87.4	125.5	171.7	178.7	171.2	162.5	143.3	123.1	108.2	93.4	80.6	71.3	64.4	59.2	54.5	49.8	45.1	40.3	35.6	30.9	26.1
Total Obligations Based on Existing and Prospective Credit																					
In millions of SDRs																					
In billions of CFA francs	447.5	407.3	365.1	371.8	424.9	513.9	579.3	573.2	570.7	522.8	380.9	279.1	185.8	156.8	152.1	147.3	142.6	137.9	133.2	128.4	120.7
In percent of government revenue	361.7	331.4	298.2	304.7	349.7	422.9	476.8	471.8	469.7	430.3	313.5	229.7	152.9	129.0	125.1	121.3	117.4	113.5	109.6	105.7	99.3
In percent of exports of goods and services	4.1	3.3	2.7	2.5	2.6	2.8	2.9	2.7	2.5	2.1	1.4	1.0	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.2	0.2
In percent of external debt	2.7	2.1	1.8	1.6	1.7	2.0	2.1	1.9	1.8	1.6	1.1	0.7	0.5	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2
In percent of GDP	2.3	2.2	2.1	2.3	2.9	4.1	5.3	6.2	7.4	7.7	6.0	4.7	3.3	3.0	3.2	3.4	3.6	3.6	3.6	3.7	3.6
In percent of quota	0.7	0.6	0.5	0.4	0.5	0.5	0.6	0.5	0.5	0.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
of which: PRGT	68.8	62.6	56.1	57.2	65.3	79.0	89.1	88.1	87.7	80.4	58.6	42.9	28.6	24.1	23.4	22.7	21.9	21.2	20.5	19.7	18.6
of which: GRA	47.1	31.9	18.3	17.1	17.0	22.7	25.5	27.8	29.7	27.8	20.1	12.5	4.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
of which: RSF	21.4	27.5	31.3	32.8	41.0	49.1	56.4	53.1	50.8	45.4	30.7	16.6	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: RSF	0.3	3.2	6.5	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.7	13.8	20.4	21.1	20.4	19.7	18.9	18.2	17.5	16.8	15.6
Outstanding Fund Credit																					
In millions of SDRs																					
In billions of CFA francs	2,736.8	3,686.1	4,047.3	3,854.2	3,600.6	3,249.2	2,813.2	2,363.1	1,900.6	1,471.1	1,170.8	962.9	841.5	743.9	646.3	548.8	451.2	353.7	256.1	158.5	64.0
In percent of government revenue	2,212.2	2,999.0	3,306.0	3,159.2	2,963.5	2,674.3	2,315.4	1,945.0	1,564.3	1,210.8	963.6	792.5	692.6	612.3	532.0	451.7	371.4	291.1	210.8	130.5	52.7
In percent of exports of goods and services	25.2	29.8	29.9	25.7	22.0	18.0	14.3	11.1	8.2	5.9	4.3	3.3	2.7	2.2	1.8	1.4	1.1	0.8	0.5	0.3	0.1
In percent of external debt	16.6	18.8	19.6	16.8	14.7	12.4	10.1	8.0	6.0	4.4	3.3	2.5	2.1	1.7	1.4	1.1	0.9	0.6	0.4	0.2	0.1
In percent of GDP	14.0	20.2	23.8	24.3	25.0	25.6	25.7	25.6	24.5	21.7	18.6	16.3	15.0	14.0	13.4	12.5	11.3	9.3	7.0	4.5	1.9
In percent of quota	4.2	5.3	5.3	4.7	4.0	3.3	2.7	2.1	1.6	1.1	0.8	0.6	0.5	0.4	0.3	0.3	0.2	0.1	0.1	0.1	0.0
of which: PRGT	420.8	566.7	622.3	592.6	553.6	499.6	432.5	363.3	292.2	226.2	180.0	148.0	129.4	114.4	99.4	84.4	69.4	54.4	39.4	24.4	9.8
of which: GRA	162.1	171.3	175.0	160.9	146.9	127.2	104.8	80.0	53.3	28.6	11.4	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: RSF	211.8	273.6	297.3	281.7	256.7	222.4	177.8	133.3	88.9	47.6	19.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: RSF	46.9	121.9	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	149.5	143.0	129.4	114.4	99.4	84.4	69.4	54.4	39.4	24.4	9.8
Net Use of Fund Credit (millions of SDRs)																					
Disbursements	688.0	888.3	422.2	-193.1	-253.6	-351.4	-436.0	-450.1	-462.5	-429.5	-300.4	-207.9	-121.5	-97.6	-97.6	-97.6	-97.6	-97.6	-97.6	-97.6	-94.5
Repayments and Repurchases	1,048.2	1,170.1	615.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:	360.1	281.8	193.4	193.1	253.6	351.4	436.0	450.1	462.5	429.5	300.4	207.9	121.5	97.6	97.6	97.6	97.6	97.6	97.6	97.6	94.5
Exports of goods and services (billions of CFA francs)	13,360.3	15,951.3	16,869.0	18,802.9	20,124.2	21,500.5	22,875.5	24,307.9	25,866.7	27,518.0	29,357.0	31,302.2	33,367.2	35,588.4	37,997.5	40,612.5	43,421.5	46,404.3	49,642.3	53,158.3	56,923.3
Government revenue and grants (billions of CFA francs)	8,775.9	10,050.2	11,067.8	12,304.2	13,474.9	14,894.0	16,171.0	17,537.1	19,002.5	20,505.5	22,215.0	23,971.7	25,919.6	28,027.5	30,300.2	32,712.6	35,318.9	38,143.4	41,344.6	47,607.8	54,819.9
External debt (billions of CFA francs)	15,773.9	14,869.4	13,918.4	12,999.2	11,869.7	10,438.8	9,005.9	7,599.3	6,383.6	5,590.3	5,192.3	4,865.7	4,601.8	4,358.6	3,958.5	3,610.0	3,273.4	3,141.4	3,014.7	2,893.1	2,776.5

Sources: IMF staff estimates and projections.

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

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

Source: Ivorian authorities

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

By the type of interest rate

Fixed Interest Rate	3289.3
Variable Interest Rate	3179.2
Unconventional Loans	0.0

By currency

USD Denominated Loans	3300.0
Loans Denominated in Other Currency	3168.5

Source: Ivorian authorities.

Table 7c. Côte d'Ivoire: Decomposition of Public Debt Stock and Debt Service by Creditors, 2023-26¹

	Debt Stock (end of period)			Debt Service					
	2023			2024	2025	2026	2024	2025	2026
	(In US\$ billions)	(Percent total debt)	(Percent GDP)	(In US\$ billions)			(Percent GDP)		
Total	46.2 #	100.0	58.1	6.8	5.9	6.6	7.9	6.4	6.5
External	28.5 #	61.8	35.9	2.6	2.6	2.5	3.1	2.7	2.5
Multilateral creditors ^{2,3}	9.4	20.4	11.8	0.8	0.8	0.7	1.0	0.8	0.6
IMF	2.8	6.0	3.5						
World Bank	3.9	8.4	4.9						
AfDB	1.2	2.6	1.5						
Other Multilaterals	1.6	3.4	2.0						
o/w: IDB	0.8	1.6	0.9						
o/w: BOAD	0.3	0.7	0.4						
Others	0.5	1.0	0.6						
Bilateral Creditors ²	4.9	10.6	6.1	0.3	0.4	0.4	0.3	0.4	0.4
Paris Club	1.8	3.8	2.2	0.1	0.1	0.1	0.1	0.1	0.1
o/w: France	1.1	2.3	1.3						
o/w: Germany	0.4	0.9	0.5						
Others	0.3	0.7	0.4						
Non-Paris Club	3.1	6.8	3.9	0.2	0.3	0.3	0.3	0.3	0.3
o/w: China	0.1	0.1	0.1						
o/w: India	0.2	0.3	0.2						
Others	2.9	6.3	3.7						
Bonds	8.6	18.7	10.8	0.6	0.6	0.8	0.7	0.6	0.8
Commercial creditors	5.6	12.2	7.1	0.9	0.9	0.7	1.0	0.9	0.7
o/w: MUFG	0.8	1.7	1.0						
o/w: SGF	0.7	1.5	0.9						
Others	4.1	9.0	5.2						
Domestic	17.6	38.2	22.2	4.2	3.4	4.0	4.9	3.6	4.0
Held by residents, total	n/a	n/a	n/a						
Held by non-residents, total	n/a	n/a	n/a						
T-Bills	1.2	2.7	1.6	1.2	0.0	0.0	1.4	0.0	0.0
Bonds	5.0	10.8	6.2	0.9	1.4	1.9	1.1	1.5	1.9
Loans, and others	11.4	24.8	14.4	2.0	2.0	2.1	2.4	2.2	2.1
Memo Items:									
Collateralized debt ^{4,6}	n/a	n/a	n/a						
Contingent liabilities ^{5,6}	n/a	n/a	n/a						
Nominal GDP	78.9								

Sources: Ivorian authorities and IMF staff calculations.

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

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

3/Multilateral creditors⁴ are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

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

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

6/ Not available because of capacity constraints.

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

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

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

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

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

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

Table 9. Côte d'Ivoire: Quantitative Performance Criteria and Indicative Targets Under the EFF/ECF, June 2023–June 2025¹

	2023								2024								2025		
	September			December					March			June		September		December		March	June
	IT	Outturn	Status	PC	Adjusted	Outturn	Status	IT	Outturn	Status	PC		IT		PC		IT	IT	
											1st review	Revised	1st review	Revised	1st review	Revised			
A. Performance Criteria																			
Floor on the overall fiscal balance (incl. grants)	(2,007)	(1,507)	MET	(2,514)	...	(2,508)	MET	(507)	(504)	Met	(1,085)	...	(1,505)	...	(2,110)	(2,121)	(554)	(950)	
Ceiling on net domestic financing (incl. the issuance of securities in CFAF)	952	952	MET	1,160	1,420	1,364	MET	14	(197)	Met	594	...	1,036	...	1,355	...	387	650	
Ceiling on the present value of new external debt (with a maturity of more than one year) contracted or guaranteed by the central government (millions of US\$)	4,242	2,451	MET	4,650	...	2,642	MET	1,157	3,286	Not Met 3/	2,205	4,422	3,233	5,505	4,286	6,063	1,781	2,667	
Floor on government tax revenue	4,620	4,791	MET	6,306	...	6,507	MET	1,643	1,646	Met	3,538	...	5,299	...	7,156	...	1,855	3,976	
Performance Criteria on Continuous Basis																			
Ceiling on accumulation of new external arrears by the central government (continuous basis)	-	-	MET	-	...	-	MET	-	-	Met	-	...	-	...	0	...	0	0	
Ceiling on accumulation of new domestic arrears by the central government (continuous basis)	-	-	MET	-	...	-	MET	-	-	Met	-	...	-	...	0	...	0	0	
B. Indicative Targets																			
Floor on targeted social spending	700	736	MET	949	...	970	MET	230	264	Met	462	463	765	767	989	994	241	481	
Ceiling on expenditure by treasury advance	263	259	MET	345	...	342	MET	82	75	Met	192	...	307	...	446	449	93	223	
Floor on net reduction of central government amounts payable (- = reduction)	(78)	(82)	...	(25)	...	(26)	MET	(54)	(176)	Met	(41)	...	(33)	...	(25)	...	(80)	(85)	
Floor on basic primary balance	(130)	295	MET	187	...	(47)	Not Met	55	118	Met	86	...	150	...	(20)	(26)	119	262	
Memorandum Items:																			
Program grants (millions of US\$) 2/	160	97	...	324	...	322	...	-	-	...	160	170	160	170	329	331	0	141	
Program loans (millions of US\$) 2/	169	439	...	930	...	608	...	957	-	...	982	3,169	1,022	3,209	1,265	3,537	508	508	
Project grants (millions of US\$) 2/	126	77	...	191	...	189	...	17	9	...	36	28	53	44	70	80	28	39	
Project loans (millions of US\$) 2/	1,860	934	...	2,785	...	2,294	...	354	224	...	952	983	1,284	1,248	1,656	1,667	384	864	
Cumulative C2D	100	...	...	200	...	141	...	20	3	...	80	...	140	...	200	...	15	60
Total pro-poor spending	2,403	...	...	3,318	...	3,497	...	748	838	...	1,655	...	2,467	...	3,405	...	770	1,750

Sources: Ivorian authorities; and IMF staff estimates.

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

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

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

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

Reform Area	Proposed New Structural Benchmark	Rationale	Status	Due Date
Revenue Mobilization	Informed by the MTRS, establish, and publish clear criteria and procedures for granting and eliminating reduced VAT rates and or exemptions, including mandatory impact evaluation for the largest tax expenditures with distributional impact, to be used in rationalizing existing and future use of reduced VAT rates.	Boost domestic revenue to preserve fiscal and debt sustainability and create fiscal space for public investment and poverty reduction.		end-June 2025
PFM	Continue to enforce e-procurement use by at least 80 percent of all ordinary operations (those with larger than 100 million CFAF) between July 1, 2024, and June 30, 2025.	Improve the efficiency and transparency in procurement.		end-July 2025
	To further enhance the published annual assessment of fiscal risks related to PPP contracts, publish annual reviews of the PPP portfolio in coordination with the contracting authorities, including information on the PPP portfolio in accordance with article 24 of Decree No. 2018- 358 setting out the rules for PPP contracts.	Improve the efficiency and transparency of public investment and limit fiscal risks		end-February 2025
Data Dissemination and Transparency	Publish quarterly central government debt data within one quarter after the end of the reference quarter on Côte d'Ivoire's National Summary Data Page (https://nso-cotedivoire.opendataforafrica.org/awirqf/national-summary-data-page-nsdp).	Improve data dissemination and transparency to help boost confidence and garner broader public awareness and buy-in on reforms.		end-September 2024
	Current Structural Benchmark			
Revenue Mobilization	Prepare and implement a plan to manage and collect outstanding tax arrears.	Boost domestic revenue to preserve fiscal, debt sustainability and create fiscal space for public investment and poverty reduction.	Met	end-September 2023
	Cabinet approval of a Medium-Term Revenue Mobilization strategy (MTRS), with revenue targets and a timeline, and publication of a comprehensive summary. ¹		Met	end-May 2024
	Strengthen the module relating to automated VAT management by incorporating the control of the VAT deduction collected at customs.	Boost domestic revenue and strengthen 2024 budget measures.		end-June 2024
	Issue an ordinance to streamline the provisions relating to exemptions linked to the investment code.			end-September 2024
¹ See https://www.tax-platform.org/medium-term-revenue-strategy for examples of such publications.				

Table 10. Côte d'Ivoire: Structural Benchmarks, 2023–25 (concluded)

Reform Area	Current Structural Benchmark	Rationale	Status	Due Date
PFM	Adopt by the council of ministers the draft law on national debt policy.	(i) Define general objectives for public debt and prudential rules; (ii) establish public debt commitment procedures for ministerial departments and state agencies; (iii) rationalize the framework for debt operation and debt management; (iv) clarify the rules and purposes for government on-lending; (v) and strengthen the institutional framework for public debt management.	Met	end-September 2023
	Treasury Single Account (TSA): Adopt by the government a timetable for closing accounts with commercial banks.	Improve cash management and minimize financial cost.	Met	end-December 2023
	Enforce e-procurement to be used by an average of at least 10 percent of the operations for which the procurement procedures will start from October 2023.	Improve the efficiency and transparency in procurement.	Met	end-December 2023
	Enforce e-procurement to be used by at least 50 percent of all ordinary operations (those with value larger than 100 million CFAF) between January 1, 2024, and June 30, 2024.	Improve the efficiency and transparency in procurement.		end-July 2024
Governance	Approve a ministerial decree by the Council of Ministers to (i) designate the AML/CFT supervisors for the real estate agents, dealers in precious metals and stones, casinos and gambling establishments, business agents (<i>agents d'affaires</i>), and trust and company service providers; and (ii) set out their powers and responsibilities to undertake risk-based supervision in line with FATF Recommendation 28.	Improve the effectiveness of the AML/CFT framework.	Met	end-May 2024
Financial sector	Complete a mid-term review of the National Strategy for Financial Inclusion to take into account the government's new priorities in relation to the objectives of the NDP, particularly access to financial services for women.	Improve the access to financial services, particularly for disadvantaged populations.	Met	end-May 2024

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

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Integration of climate into public financial management	<p>RM1. Adopt a ministerial <i>arrêté</i> establishing a system for tagging climate-related investment expenditure at the stage of public investment programming, then integrate this system into the 2026 budget preparation process with coverage initially limited to five (5) ministries including those in charge of energy, agriculture, environment and sustainable development, <i>hydraulique et assainissement</i>, and water and forests.</p> <p>Prepare and publish on this basis a first climate budget statement attached to the 2026 budget law, presenting the climate-related investment expenditure expected for these entities</p>	C-PIMA and green PFM TA report	End of October 2025; 5th EFF/ECF Review	<ul style="list-style-type: none"> - Ministerial <i>arrêté</i> establishing a system for tagging climate-related capital expenditure (October 2024); - Climate budget statement attached to the 2026 budget law. 	GCA/ IMF TA
	<p>RM2. Establish a modeling framework and integrate quantitative analysis of climate-related fiscal risks into the fiscal risk statement for end-October 2025</p>	C-PIMA and green PFM TA report	End of October 2025; 5th EFF/ECF Review	<ul style="list-style-type: none"> - Annex to the 2026 budget law on the declaration of budgetary risks incorporating the quantification of climate risks 	IMF TA
	<p>RM3. Adopt an interministerial <i>arrêté</i> in application of decree N°2022-742 on the management of public investment projects, making it mandatory and explicit to integrate climate considerations into the appraisal and selection of public investment projects; and modify decree 96-894 on environmental impact assessments to integrate climate considerations, in order to promote low-carbon/climate-resilient investments and discourage high-carbon/climate-vulnerable investments.</p>	C-PIMA and green PFM TA report	End of October 2025; 5th EFF/ECF Review	<ul style="list-style-type: none"> - Interministerial <i>arrêté</i> implementing decree no. 2022-742 on the management of public investment projects (end October 2025); - Decree 96-894 on the environmental impact study to incorporate climate considerations modified (end June 2024). 	

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

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

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

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Increasing green and sustainable financing for private and public companies (develop financial information architecture)	RM6. Develop the architecture for climate-related financial information, and adopt a decree on the introduction of two complementary frameworks and the timetable for their implementation, namely (i) a transition taxonomy (reference framework for public and private sector climate investments) covering the country's mitigation and adaptation needs across key sectors, and (ii) introducing an inter-ministerial coordination mechanism on the design of the taxonomy.	CCDR C-PIMA and green PFM TA report AfDB country report on mobilizing climate financing in the private sector WAEMU FSAP World Bank TN on Climate Risks and Opportunities	End of April 2025; 4 th EFF/ECF Review	<ul style="list-style-type: none"> - Interministerial <i>arrêté</i> on the introduction of a coordination mechanism (March 2024); - Decree on transition taxonomy (end of April 2025) 	IMF/ World Bank TA available
	RM7. Based on the taxonomy introduced as part of RM6, adopt a decree that includes: (i) the introduction of a climate risk disclosure framework for state-owned enterprises and private non-financial private companies, connected to the taxonomy; and (ii) a disclosure requirement that is integrated within the financial reporting of state-owned enterprises and non-financial companies, based on the climate risk disclosure framework, as well as their implementation timeline.	CCDR	End of April 2025; 4 th EFF/ECF Review	<ul style="list-style-type: none"> - Decree introducing a climate risk disclosure framework and requirement (end April 2025) 	IMF/ World Bank TA available

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

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

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

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

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

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

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

Annex I. Risk Assessment Matrix¹

Risks	Likelihood	Impact if Realized	Recommended Policy Response
External risks			
Intensification of regional conflict(s).	High	High Even higher commodity prices, refugee migration, tighter financial conditions, and other adverse spillovers could weigh on economic outlook, deplete fiscal resources, increase poverty and lead to social tensions.	Advance reforms to increase domestic revenue mobilization to create fiscal space for support measures. Mitigate the impact on the poor from volatile commodity prices through temporary targeted fiscal transfers.
Commodity price volatility	Medium	Medium Large increases in global energy prices could lower fiscal revenues if price changes are not passed through to consumers, while higher domestic energy prices would raise production costs and general prices. Higher commodity prices would reduce disposable income of households, exacerbating poverty.	Adjust the retail fuel price mechanism to reflect world energy prices and monitor inflation. Mitigate the impact on the poor through temporary targeted fiscal transfers. Invest in a more diversified and sustainable energy mix.
Social discontent	High	High Social discontent and political instability in other countries could lower trade flows, reduce exports and FDI, and negatively affect growth and tax revenue.	Continue policy reforms to alleviate poverty, create jobs, and generate more inclusive growth outcomes, while continuing to enhance the provision of public services.
Abrupt global slowdown or recession	Medium	Medium Abrupt global slowdown or recession could weaken global demand, negatively impact trade flows, especially exports, and could slow growth and decrease revenues.	Build resilience to shocks by creating fiscal space to increase buffers and pursuing reforms to transform the economy through diversification and industrialization policies.

¹The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Risks	Likelihood	Impact if Realized	Recommended Policy Response
Monetary policy miscalibration	Medium	Medium Tightening global financial conditions and spiking risk premia would raise borrowing costs and increase debt vulnerabilities, with knock-on effects on growth. These effects could result in financial difficulties for SMEs and state-owned enterprises, as well as disrupt progress on increasing financial access and deepening. Persistently high global inflation could affect food security, exacerbating poverty.	Advance reforms to increase domestic revenue mobilization to create room for a likely increase in food prices. Provide targeted support to vulnerable population to ensure appropriate living standards. Monitor solvency of state-owned enterprises and government guaranteed debt (including for SME access to credit programs) and develop a bank resolution framework.
Cyberthreats	Medium	Medium Successful cyber-attacks on the financial system could result in disruption in the delivery of critical services to citizens, increase the risk of disruption of payment systems and could precipitate damaging disruptions to the economy, as well as loss of confidence and reputational damage.	Develop response and recovery strategies including “cyber mapping” to identify technologies, services and institutions that would be most affected. Incorporate cyber risks into financial stability analysis and stress tests.
Extreme climate events	Medium	Medium Adverse weather conditions would reduce agricultural output and exports, lower cocoa tax revenues, increase subsidy needs, and reduce the population’s living standards.	Mitigate the impact on the poor through temporary targeted fiscal transfers. Monitor second-round effects on inflation. Invest in education and training of farmers in sustainable and climate-resilient agricultural practices and examine scope for increasing pre-arranged disaster financing (climate risk insurance).
Country-specific risks			
Deterioration of security situation in region	High	High Spillovers from tensions in the Sahel area, especially in Niger, put pressure on fiscal expenditure to increase security spending and could have adverse socio-economic effects.	Promote security, strengthen social safety nets, and facilitate job creation in the private sector. Create fiscal space by accelerating revenue mobilization reforms and reprioritizing non-priority spending.
Financial difficulties for public enterprises and banks	Medium	Medium Financial difficulties of public enterprises and/or banks could adversely impact the budget, the stock of public debt and the banking sector	Restructure loss-making public companies; enhance monitoring of public enterprises; recapitalize and restructure ailing public banks. Develop bank resolution framework.

Annex II. Capacity Development Strategy

CD Strategy

IMF Technical Assistance (TA) continues to support the EFF/ECF-supported program's objectives and will also target key reforms supported by the RSF. The core focus of TA support remains domestic revenue mobilization, to help safeguard fiscal and debt sustainability, while creating fiscal space for priority spending. Fund TA is also being provided to strengthen the statistical system and governance.

Key Overall CD Priorities Going Forward

Priorities	Objectives	Horizon
Tax policy		
Tax Policy Unit (TPU) capacity building	Equip counterparts with technical skills and tools for tax policy design and implementation.	FY 2024/25
Property Tax reforms	Update property values as per market value.	FY2024
PFM		
Conduct the C-PIMA and green PFM.	Take account of climate change in the process of selecting, budgeting, and implementing investment budgets.	FY 2024
Fiscal risks of SOEs		
Capacity building with the quantification and monitoring of fiscal risks. The mission will consist of taking stock of the analysis of budgetary risks and enabling progress on the intra-annual monitoring of risks, the quantification of major risks, as well as the management of these risks and their integration into the budgetary process. The authorities are expected to use the tools for (i) monitoring the financial health of public enterprises (SOE Health Check Tool); (ii) stress-testing public enterprises (SOE Stress Test); and (iii) analyzing guarantees and on-lending to public enterprises (DGLAT).	Better monitoring of fiscal risks.	FY 2024
Climate policy TA/Diagnostic Carbon taxation to be discussed during the mission.		FY2024

Priorities	Objectives	Horizon
STA		
<p>“Government finance and public sector debt statistics. STA will continue its technical assistance (TA) program to support the authorities to improve the timeliness, comprehensiveness, and accuracy of government finance statistics (GFS) and to align the methodologies to the Government Finance Statistics Manual 2014 (GFSM14) and WAEMU’s TOFE directives. TA priorities include the progressive expansion of the institutional coverage of GFS to include local governments, extrabudgetary units, and social security funds, aiming for comprehensive data on general government operations. TA support will be also provided to gradually broaden the institutional coverage of public sector debt to include all market SOEs (public nonfinancial corporations). The compilation of SOEs data in line with the GFSM14 will complement FAD technical assistance on the quantification and monitoring of fiscal risks posed by SOEs.</p>	<p>Improve the coverage of SOES in GFS</p>	<p>FY2024/2025</p>
<p>BOP statistics. Continue to support improvements to external sector statistics, to improve consistency between gross external debt liabilities reported in the international investment position and the World Bank’s Quarterly External Debt Statistics database, to compile the International Reserves and Foreign Currency Liquidity Template, and to improve the timeliness of annual external sector data,</p>	<p>Improve BOP statistics, including producing higher frequency statistics, and the international investment position, which will support the external balance assessment.</p>	<p>FY 2024</p>
<p>Price Statistics: STA will continue to assist the WAEMU Commission, AFRISTAT, and WAEMU member countries to update and improve the harmonized consumer price index. STA is also working with the authorities to improve the Phoenix software system to not only implement new compilation methodologies, but to correct the aggregation error identified in late 2020. Supported by D4D funding, STA will provide assistance to the National Institute of Statistics to expand producer price index coverage to include services and to develop export-import price indexes.</p>	<p>Disseminate an updated, harmonized CPI, expand coverage of PPI to include services, and dissemination of export-import indexes.</p>	<p>FY2024/2025</p>

Priorities	Objectives	Horizon
AFW and STA will continue assisting the national statistics institute in the development of quarterly national accounts and high-frequency indicators of economic activity.	Improve the quarterly national accounts compilation system for timely dissemination of quarterly GDP estimates.	FY2024/25
LEG		
Continue to implement the key recommended actions highlighted in the IMF-led assessment.	Assist in implementing the priority reforms recommended by the IMF-led AML/CFT assessment.	FY 2024
Reform the asset declarations regime to ensure publication of the asset declarations of officials in positions with higher risk of corruption and disclosure of interests and beneficial ownership	Strengthen governance and transparency	FY 2024 (Review from HQ)

Main Risks and Mitigation

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

Appendix I. Letter of Intent

**MINISTRY OF FINANCE AND THE
BUDGET**

THE MINISTER



REPUBLIC OF CÔTE D'IVOIRE

Unity-Discipline-Work

No. MFB/YAF

Abidjan, June 7, 2024

Madam Kristalina Georgieva
Managing Director
International Monetary Fund
WASHINGTON DC, 20431

Subject: Letter of Intent

Dear Madam Managing Director:

1. Côte d'Ivoire has strengthened its macroeconomic framework in spite of a difficult international environment marked by tighter financing conditions and geopolitical tensions.

Economic growth remained strong at 6.5 percent in 2023 after growth of 6.2 percent in 2022, benefiting from the implementation of the National Development Plan (NDP) for 2021-2025 and the continuation of structural reforms. Inflation was kept at 4.4 percent in 2023, after a rate of 5.2 percent in 2022. In addition, with a view to fiscal consolidation in 2025, the budget deficit was reduced by 1.6 percentage points of GDP in one year, from 6.8 percent of GDP in 2022 to 5.2 percent in 2023. As for the current account balance, its deficit reached 7.9 percent of GDP in 2023, after 7.5 percent in 2022, driven by the deficit in services and primary income, despite an increase in the surplus on goods. The risk of debt distress remained moderate and ratios continued to improve, thanks to liability management operations.

2. This remarkable economic performance has been made possible by the continuous improvement of the business climate and the strengthening of good governance. An

assessment of national policies and institutions by the World Bank resulted in a Country Policy and Institutional Assessment (CPIA) score of 3.7 in 2022. This is above the average for sub-Saharan Africa, which is 3.1. Moody's has also upgraded the country's sovereign rating from Ba3 with a positive outlook in 2023 to Ba2 with a stable outlook in 2024. This places Côte d'Ivoire alongside South Africa as the country with the second highest credit rating in sub-Saharan Africa after Botswana, joining countries such as Brazil and Vietnam in the same rating category. Progress was

also made in combating corruption. According to Transparency International's 2023 ranking, Côte d'Ivoire moved from 99th place in 2022 to 87th place in 2023 in terms of perception and corruption.

3. On the social front, the national economy is benefiting from the government's proactive poverty reduction policy. In 2023, the continuation of the Government Social Program (PSgouv2) enabled us to repair roads, build health and school infrastructure facilities, electrify several localities, and improve the rate of access to drinking water. The "fight against the fragility of northern border areas" component helped to bring the overall security situation under control throughout the country, against a backdrop of sub-regional terrorist threats. As for the Government Youth Program (PJ Gouv 2023-2025), the implementation of priority actions has enabled the professional integration of young people and the strengthening of their autonomy with a view to reducing inequalities. In addition, the organization of the Africa Cup of Nations soccer tournament, known as the "CAN of Hospitality," won by the Elephants of Côte d'Ivoire, further consolidated the region's achievements in terms of social cohesion and tourism.

4. In terms of gender policy, Côte d'Ivoire has pursued actions aimed at advancing equality between men and women in all sectors of public and private life, in order to empower women economically, socially, and politically and achieve a more egalitarian society. In addition, the government has undertaken to step up actions to promote girls' education, increase access rates, ensure that girls stay in school, combat all forms of violence against women, and strengthen the governance of girls' education.

5. Successful implementation of the 2023-2026 economic and financial program should help consolidate fiscal sustainability and ensure sustained, inclusive growth. As of end-December 2023, all performance criteria have been met and structural measures have been completed. In terms of indicative benchmarks, only the floor target for the basic primary balance was not met. The government will continue its efforts to (i) maintain the sustainability of public finances and debt through a gradual increase in the tax burden of 0.5 points of GDP per year and convergence of the budget deficit to the West African Economic and Monetary Union (WAEMU) community standard of 3 percent by 2025; (ii) combat poverty and stimulate job creation for young people; (iii) shift Côte d'Ivoire's growth paradigm towards one focused on private-sector productivity and vertical diversification; (iv) develop the financial sector and deepen financial inclusion; and (v) improve resilience to climate change.

6. To improve resilience to climate change, the government has begun implementing an ambitious program of reforms under the Resilience and Sustainability Facility (RSF) approved in March 2024. Within this framework, actions will focus on the measures set out in the matrix of reform measures (RMs), which are divided into six (6) pillars. These consist of (i) integrating climate into the public finance and investment management process; (ii) strengthening the governance and coordination of climate policies; (iii) enhancing the climate resilience of agriculture; (iv) mobilizing

green and sustainable financing for private and public enterprises; (v) reducing vulnerability to flooding and coastal erosion; and (vi) reducing greenhouse gas emissions. In particular, for the year 2024, it will focus on continuing efforts to complete the five (5) planned RMs, namely RM4, RM8, RM10, RM13, and RM15 (see Annex 3 to the Memorandum of Economic and Financial Policies, or MEFP).

7. As part of the implementation of its Nationally Determined Contributions (NDCs), Côte d'Ivoire is planning to organize a donor roundtable. The implementation of these NDCs is based on (i) an investment and financing plan that specifies costs; (ii) a partnership plan that will highlight the key sectoral needs; (iii) a monitoring and evaluation plan to ensure optimal and efficient implementation of the measures defined; and (iv) a communication strategy to disseminate the results. Implementing these projects requires substantial investment, which in turn calls for enhanced cooperation among the Ivorian government, the private sector, and international financial institutions, including new climate financing mechanisms such as the Green Climate Fund (GCF) and the financial instruments of multilateral development banks.

8. The supplementary Memorandum of Economic and Financial Policies adds to the September 2023 memorandum, while presenting the progress made since the RSF was launched. It reports on recent macroeconomic developments, progress in implementing the economic and financial program supported by the Extended Credit Facility/Extended Fund Facility (EFF/ECF), and progress in implementing the RMs agreed upon within the framework of the RSF, in particular for the year 2024. It also presents the outlook for 2024 and the medium term. In this connection, the government requests modifications to the June and December 2024 performance criteria and September 2024 indicative target of the ceiling on the present value of new external debt contracted or guaranteed by the central government. The government also solicits modifications of the December 2024 performance criterion on the floor on the overall fiscal balance and the June, September, and December 2024 indicative targets on the floor on targeted social spending, and the December 2024 indicative target on the floor on basic primary balance. The proposed modification to the indicative targets and performance criteria for June, September, and December 2024 reflect the issuance of Eurobonds at the start of 2024, the acceleration of social protection programs, and the change in the nominal amount of the budget deficit from 2,109.6 billion to 2,120.6 billion following the updating of the data, the deficit as a percentage of GDP remaining unchanged at 4.0 percent in 2024. The government requests the IMF Executive Board completion of the second reviews under the EFF/ECF arrangements with the third disbursement under the ECF and EFF in the amount of SDR 371.657 million. In addition, in support of actions to combat climate change, the government requests the IMF Executive Board to complete the first review under the RSF, accompanied by an initial disbursement of SDR 60.975 million. It remains convinced that the policies and measures set out in the attached MEFP are adequate to achieve the objectives of the EFF/ECF-supported program. It will take any additional measures that may be necessary to achieve them. In this process, the government will consult with the IMF prior to the adoption of such measures and prior to any revision of the policies

contained in the MEFP in accordance with the IMF's consultation policies in this regard. At the same time, the government is committed to the proper implementation of the RMs, which would consistently support its climate policy built around the Nationally Determined Contributions.

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

Yours sincerely,

_____/s/_____

Adama COULIBALY

Minister of Finance and the Budget

Annexes:

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

Attachment I. Supplement to the Memorandum of Economic and Financial Policies 2023–2026

BACKGROUND

1. The strength of Côte d'Ivoire's macroeconomic framework has increased in spite of a difficult international environment marked by tighter financing conditions and geopolitical tensions. Benefiting from the implementation of the National Development Plan (NDP) for 2021–2025, economic growth remained strong at 6.5 percent in 2023, following growth of 6.2 percent in 2022. Inflation was kept at 4.4 percent in 2023, after a rate of 5.2 percent in 2022. In addition, with a view to fiscal consolidation in 2025, the budget deficit was reduced to 5.2 percent¹ of GDP in 2023 from 6.8 percent in 2022. As for the current account balance, its deficit reached 8.1 percent of GDP in 2023, after 7.7 percent in 2022, driven by the deficit in services and primary income, despite an increase in the surplus on goods. The risk of debt distress remains moderate.

2. This remarkable economic performance has been made possible by the continuous improvement of the business climate and the strengthening of good governance. An assessment of national institutions and policies by the World Bank resulted in a Country Policy and Institutional Assessment (CPIA) rating of 3.7 in 2022, which is above the average for sub-Saharan Africa of 3.1. Furthermore, Moody's upgraded its sovereign rating for the country from Ba3 with a positive outlook in 2023 to Ba2 with a stable outlook in 2024. This rating places Côte d'Ivoire alongside South Africa as the country with the second highest credit rating in sub-Saharan Africa after Botswana, joining countries such as Brazil and Vietnam in the same rating category. Progress was also made in combating corruption. According to Transparency International's 2023 ranking, Côte d'Ivoire moved from 99th place in 2022 to 87th place in 2023 in terms of the perception of corruption.

3. On the social front, the national economy is benefiting from the government's proactive poverty reduction policy. In 2023, the continuation of the Government Social Program (PSgouv2) allowed to repair roads, build health and school infrastructure facilities, electrify several localities, and improve the rate of access to drinking water. The "fight against the fragility of northern border areas" component helped bring the overall security situation under control throughout the country, against a backdrop of sub-regional terrorist threats. As for the Government Youth Program (PJ Gouv 2023–2025), the implementation of priority actions has enabled the professional integration of young people and the strengthening of their autonomy with a view to reducing inequalities. In addition, the organization of the Africa Cup of Nations soccer tournament, known as the "CAN of Hospitality," won by the *Elephants of Côte d'Ivoire*, further consolidated the region's achievements in terms of social cohesion and tourism. Finally, to

¹ The ratios referring to GDP are based on data from the Ivorian authorities.

strengthen cohesion among all the nation's vital constituencies, a presidential pardon was granted to 51 prisoners, most of them convicted of acts committed during previous political crises.

4. The favorable economic outlook is supported by the continuation of the 2021-2025 NDP, which aims to place Côte d'Ivoire among the upper-middle-income countries by around 2030. The expected growth rate is 7.2 percent on average over the 2024-2028 period, driven mainly by (i) food-producing agriculture, which is benefiting from the national agricultural investment program; (ii) the mining industry with the discovery and development of major oil fields; and (iii) the manufacturing industry through the development of industrial clusters and agricultural hubs. The construction of structurally important socio-economic infrastructure, development of human capital, modernization of public administration, improvement of living standards, and implementation of structural reforms should also contribute to economic performance. With a view to making growth more inclusive, the government will continue to implement its social program.

5. Successful implementation of the 2023-2026 Economic and Financial Program should help consolidate fiscal sustainability and ensure sustained, inclusive growth. As of end-December 2023, all performance criteria have been met and the structural benchmarks have been achieved. In terms of indicative targets, only the target on the floor for the basic primary balance was not reached due to a lower than expected level of investment financed from external resources. The government will continue its efforts to (i) maintain the sustainability of public finances and debt through a gradual increase in the tax burden of 0.5 percentage points of GDP per year and convergence of the budget deficit to the West African Economic and Monetary Union (WAEMU) community standard of 3 percent of GDP by 2025; (ii) combat poverty and stimulate job creation for young people; (iii) shift Côte d'Ivoire's growth paradigm towards one focused on private-sector productivity and vertical diversification; (iv) develop the financial sector and deepen financial inclusion; and (v) improve resilience to climate change.

6. To improve resilience to climate change, the government has begun implementing an ambitious program of reforms under the Resilience and Sustainability Facility (RSF) approved in March 2024. Within this framework, actions will focus on the measures set out in the matrix of reforms, which are divided into six (6) pillars. These consist of (i) integrating climate into the public finance and investment management process; (ii) strengthening the governance and coordination of climate policies; (iii) enhancing the climate resilience of agriculture; (iv) mobilizing green and sustainable financing for private and public enterprises; (v) reducing vulnerability to flooding and coastal erosion; and (vi) reducing greenhouse gas emissions.

7. This document updates the May 2023 Memorandum of Economic and Financial Policies (MEFP) and its December and March 2024 supplements (for the RSF request). It reports on recent macroeconomic developments and details the progress made under the Economic and Financial Program as of end-December 2023. It also presents the outlook for 2024 and the medium term. In addition, it outlines the progress made in the implementation of the RSF reforms by end-May 2024 as part of the first review of the RSF.

RECENT MACROECONOMIC DEVELOPMENTS AND PROGRAM IMPLEMENTATION

A. Macroeconomic and Financial Framework at End-2023

8. Economic activity has been dynamic despite the difficult international and sub-regional environment in 2023. The economy benefited from (i) the continued implementation of the 2021-2025 NDP supported by the 2023-2026 Economic and Financial Program, as well as the acceleration of infrastructure works, particularly for the organization of the Africa Cup of Nations. The continuation of measures to combat the high cost of living has also contributed to supporting household consumption, in particular through the financial support granted to players in the flour production sector in the first quarter of 2023.

- **The growth rate** was estimated at 6.5 percent in 2023, after reaching 6.2 percent in 2022. Growth in 2023 was revised down from 7.0 to 6.5 percent, mainly due to the decline in cocoa and seed cotton production and construction and public works activity. On the supply side, growth was supported mainly by the secondary and tertiary sectors. The secondary sector grew by 10.3 percent thanks to the strong performance of all its components, particularly petroleum products and mining. The tertiary sector grew by 8.4 percent, driven by all its branches. As for the primary sector, it fell by 4.1 percent due to the combined effect of the contraction of export agriculture (-11.8 percent) and the performance of subsistence agriculture (+8.5 percent). On the demand side, growth was mainly driven by household consumption and private investment. The overall investment rate stands at 25.5 percent of GDP, compared to 25.2 percent in 2022.
- **The inflation rate** was 4.4 percent, after reaching 4.8 percent in 2022, thanks to better supply of markets and the continuation of measures to combat the high cost of living.
- **The external competitiveness** of Côte d'Ivoire prices improved as of end-December 2023. The real effective exchange rate contracted by an average of 2.8 percent in 2023 compared to 2022 due to a favorable inflation differential, despite the depreciation of the U.S. dollar against the euro. The terms of trade also improved by 8.1 percent compared to -6.9 percent in 2022.
- **Foreign trade** resulted in a current account deficit equal to 8.1 percent of GDP after reaching 7.7 percent in 2022, due to weaker performance of exports in value terms and an increase in imports of technical services, particularly in the extractive sector for the development of various oil fields, including Baleine.
- **The monetary situation** at end-December 2023 was characterized by an increase in domestic claims and a contraction in net external assets linked to lower mobilization of external resources against a backdrop of tightening international financial conditions. Claims on the economy rose by 16.2 percent compared to 2022.

9. Budget execution at end-2023 is characterized by a deficit of 5.2 percent of GDP, in line with the program target. This result was achieved thanks to the close management of budget execution, despite the underperformance recorded in the mobilization of tax revenues.

- Total revenues and grants came to CFAF 7,771.7 billion, against a target of CFAF 7,871.6 billion, representing a shortfall of CFAF 99.9 billion attributable to port revenues (-CFAF 211 billion) and grants (-CFAF 4.8 billion), despite solid parafiscal revenues (+CFAF 43 billion), domestic tax revenues (+CFAF 37.9 billion), and non-tax revenues (+CFAF 35 billion). The tax burden came in at 13.6 percent of GDP, against a target of 13.9 percent, following a rate of 12.8 percent in 2022.
- Total expenditures and net loans amounted to CFAF 10,279.4 billion, below the target of CFAF 10,382 billion, due to tight controls on spending. This was mainly due to a lower than expected level of investment expenditures financed by project loans (-CFAF 315.9 billion) and operating expenses (-CFAF 23.6 billion).
- Financing requirements were met by recourse to the subregional money and capital markets and external financing, including financing from the International Monetary Fund.

10. At end-December 2023, the stock of central government debt, including on-lending and government-guaranteed debt, was estimated at 59.1 percent of GDP, compared to 57.9 percent at end-2022. External debt was equal to 35.9 percent of GDP, compared to 34.4 percent of GDP at end-2022. Guaranteed external debt amounted to CFAF 388.2 billion, or 0.8 percent of GDP. As for domestic debt, it remained stable at 22.2 percent of GDP. Guaranteed domestic debt totaled CFAF 97.7 billion, or 0.2 percent of GDP. As for the stock of debt of state-owned enterprises, it amounted to CFAF 979.7 billion, or 2.0 percent of GDP, of which 1.0 percent was guaranteed debt. The debt sustainability analysis (DSA) shows that Côte d'Ivoire remains among the countries at moderate risk of debt distress.

11. The Ivoirian banking system remains sound despite tighter monetary conditions in 2023. Indeed, the average risk-weighted capital ratio of all banks has seen steady improvement, rising from 12.4 percent at end-December 2021, to 13.1 percent at end-December 2022 and 13.8 percent at end-December 2023. These levels are above the West African Monetary Union (WAMU) prudential minimum of 11.5 percent. At end-December 2023, just two (2) banks did not meet the solvency standard. These banks hold 1.1 percent of the sector's total balance sheet, 1.2 percent of outstanding loans, and 1.7 percent of deposits. In addition, the quality of the banking system's credit portfolio improved significantly, with a gross portfolio deterioration rate of 7.3 percent at end-December 2023, compared with 7.8 percent at end-2022. The net rate was 2.8 percent, following a rate of 2.5 percent in 2022. In terms of these portfolio quality indicators, Ivoirian banks are performing better than the WAMU average (with a gross rate of 8.7 percent and net rate of 3.4 percent at end-December 2023).

B. Status of Program Implementation

12. All of the program's performance criteria were met at end-December 2023. Tax revenues amounted to CFAF 6,507.5 billion, against a target floor of CFAF 6,306.0 billion, representing a positive difference of CFAF 201.5 billion. The overall budget balance amounted to -CFAF 2,508.1 billion, or CFAF 5.7 billion above the target floor of -CFAF 2,513.9 billion. The net present value of new external debt stood at US\$2,641.5 million, against a ceiling of US\$4,650.3 million. In addition, no external or domestic arrears have been accumulated. Net domestic financing amounted to CFAF 1,363.6 billion, below the ceiling adjusted for the lower than expected level of external budget support (as agreed in the Technical Memorandum of Understanding, or TMU).

13. With the exception of the basic primary balance, all indicative targets were met at end-December 2023. The stock of receivables was reduced by CFAF 26.3 billion, with a floor of CFAF 25.0 billion. Expenditures made by cash advance procedures amounted to CFAF 342.4 billion, with a ceiling of CFAF 345.0 billion. Specific social expenditures amounted to CFAF 970.3 billion, compared with a floor of CFAF 949.2 billion. The basic primary balance, however, came out at -CFAF 47.4 billion, below the target floor of CFAF 187.0 billion, due to a lower than expected level of investment financed from external resources.

14. All the structural benchmarks of the program for end-December 2023 and end-May 2024 were met (see Table 2).

- A timeline for the closure of residual accounts at commercial banks as part of the Treasury Single Account (TSA) process was adopted by the Government Council on December 19, 2023. This timeline foresees five (5) steps and aims initially to identify all public accounts and to gradually close all these accounts by mid-2025 at the latest.
- The use of e-procurement has been made compulsory for at least 10 percent of conventional public procurement operations starting from October 2023. At end-December 2023, the e-procurement take-up rate was 14.8 percent for the Bidding, Opening, Analysis, and Decision stages, and 50.29 percent and 29.6 percent, respectively, for the Tender File Review and Tender Notice Publication/Scheduling stages.
- The Council of Ministers adopted in February and May 2024 two decrees to (i) designate anti-money laundering/combating the financing of terrorism (AML/CFT) supervisory authorities for real estate agents and developers, dealers in precious stones and metals, casinos and gambling establishments, business agents, and providers of services to companies and trusts; and (ii) define their powers and responsibilities to undertake risk-based supervision, in accordance with Financial Action Task Force (FATF) Recommendation 28.

- A comprehensive medium-term domestic revenue mobilization strategy (MTRS) was adopted and published in May 2024 (see below). The objective is to increase domestic revenues to preserve fiscal and debt sustainability, and to create fiscal space for public investment and poverty reduction with a view to achieving our goal of becoming an upper-middle-income country around 2030.
- A mid-term review of the National Financial Inclusion Strategy (SNIF) was also completed in May 2024 with a view to taking into account the government's new priorities in line with the objectives of the NDP, in particular access to financial services for women.

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

- The draft decree establishing the framework for the energy transition in the transport sector provided for by Reform Measure 13 (RM13) has been developed and it was adopted in May 2024.
- A guide to standardized maintenance methodologies incorporating the impact of climate change for road infrastructure was adopted in February 2024, in line with the provisions of RM10.
- A draft decree establishing the National Commission on Combating Climate Change has also been drawn up as part of RM4. The validation process will be completed within the agreed timeframe.
- As for the other two reform measures to be carried out in 2024, actions are underway to meet the deadlines.

16. The government has continued reforms in tax policy and administration, with an estimated impact on revenue in 2024 of approximately CFAF 243 billion.

Tax Policy

- The cocoa registration duty rate was raised from 4 percent to 5 percent in September 2023, following an increase from 3 percent to 4 percent in April 2023;
- The provisions of the General Tax Code relating to real estate taxation have been reorganized (see Article 7 of the 2024 Tax Annex) to establish the market value of real estate as the minimum basis for taxation;
- The preferential tax regime applicable to low-income and subsidized housing has been abolished (see Article 7 of the 2024 Tax Annex);

- The fixed amount of the registration fee for the formalization of various civil acts (creation of companies, transfer of shares) has been increased from CFAF 18,000 to CFAF 25,000 (see Article 2 of the 2024 Tax Annex);
- A registration fee of 4 percent has been introduced on land transfers that are not made before a notary (see Article 2 the 2024 Tax Annex);
- A tax of 5 percent has been introduced on the net revenues of online gambling operators, including sports betting (see Article 4 of the 2024 Tax Annex);
- A single tax return for wages and social security contributions has been introduced (see Article 5 of the 2024 Tax Annex);
- Public passenger and/or freight transport companies subject to a real tax regime are now automatically subject to value-added tax (see Article 3 of the 2024 Tax Annex); and
- The VAT base has been extended to certain food products that are not basic necessities (see Article 1 of the 2024 Tax Annex).

Tax Administration

- A tax stamp has been introduced on tobacco products (see Article 6 of the 2024 Tax Annex) to ensure the traceability of tobacco and combat smuggling;
- An order on application of the reduced VAT rate on premium rice imports will be adopted in June 2024;
- An order on application of the reduced VAT rate on imported offal will be adopted in July 2024;
- Ensure better monitoring of transfer pricing;
- Expansion of the tax base;
- Improvement of the performance of real estate agencies by strengthening risk analysis and introducing eight new modules in the Integrated Tax Management System, or SIGICI (VAT deduction, Geographic Information System, control, exemptions, real estate taxation).

17. Several other sectoral reforms have been undertaken since the first review.

Public Financial Management

- The Integrated System for the Management of State Budget Operations (SIGOBE) has been extended to all national public institutions and national representations abroad since the first quarter of 2023;

- The annual assessment of fiscal risks was carried out in 2023 and included in the 2024-2026 Fiscal Risk Statement appended to the 2024 Budget Law;
- In 2023, the amount of approved private contracts represented 14.8 percent of the total amount of approved contracts over the period, below the ceiling threshold of 20 percent;
- The list of approved contracts identifying the contractors and the contract audit reports are published on the public procurement website (<http://www.marchespublics.ci/>) to ensure the transparency of the procurement contracts;
- Order No. 0116/MFB of January 31, 2024, on the reform of the procedures and channels for the execution of state budget revenues and expenditures and implementation of SIGOBE, which updates the previous order, was adopted in January 2024;
- The implementation of material accounting continued with the development of the “asset entry management” module of the material accounting management system (SIGESCOM), and the training of asset managers in material management procedures and tools.

Business Climate and Governance

- The Office for the Marketing of Food Products (OCPV) was reorganized as an agency pursuant to Decree No. 2023-771 of September 28, 2023, in order to improve the effectiveness of measures to combat the high cost of living;
- The online search and consultation platform for business permits and licenses became operational in December 2023. The e-license data will be accessible on the www.225invest.ci portal;
- The Côte d'Ivoire Export Agency created by Decree No. 2022-123 of February 23, 2022, has been made operational with the establishment of its governing bodies, the allocation of a headquarters, and the organization of open days on November 27-28, 2023;
- The establishment of the seven (7) industrial clusters has seen significant progress through (i) the adoption by the Council of Ministers on December 21, 2023, of the white paper on the promotion and development of an automotive assembly industry; (ii) the adoption by the Government Council of recommendations resulting from strategic studies on the revival of the textile industry; and (iii) the completion of five studies on the establishment of clusters;
- The support system for small and medium-sized enterprises (SMEs) was strengthened in 2023 with the launching of the Single Window for the Development of SMEs (GUDE-PME), comprising two departments, one of which is dedicated to support and the other to financing. The SME Credit Guarantee Company (SGPME) issued its first portfolio guarantees thanks to support from the World Bank;

- The evaluation criteria for candidates for the Economic Program for Business Innovation and Transformation (PEPITE) have been established and the selection of the first cohort of PEPITE beneficiaries has been completed. As a reminder, the PEPITE program is designed to provide customized support to innovative small and medium-sized businesses with high potential;
- Decree No. 2024-58 implementing Order No. 2022-237 of March 30, 2022, on the system of administrative sanctions applicable to combating money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction, and the organization of monitoring of those subject to such sanctions, was adopted on February 14, 2024;
- Order No. 2023-875 of November 23, 2023, on combating money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction in the country was adopted, thus enabling the internal application of Directive No. 04/31/03/2023/CM/UMOA of March 31, 2023. The adoption of this order makes it possible to bring the national system into line with the FATF recommendations; and
- The first progress report on the National Action Plan linked to the African Peer Review Mechanism (APRM) was prepared by the APRM National Commission and officially transmitted to His Excellency the President of the Republic during the official handover ceremony held on January 25, 2024. The findings of the report should help identify the progress made by Côte d'Ivoire and the challenges to be addressed with regard to governance.

Public Sector

- In December 2023, the government made a second rate adjustment of 10 percent to electricity prices, which came into force in January 2024, following the adjustment made in July 2023. This adjustment affects all customers, including those who were subject to the 10 percent increase in July 2023. This will allow for an increase in the general average rate from CFAF 73/kWh to CFAF 87/kWh, and will help achieve the objective of gradually restoring the sector's financial equilibrium and preserving the production capacity and quality of the electricity supply.
- In 2023, seven (7) second-generation Performance Contracts (COPs) were signed between the government and state-owned enterprises; a further nine (9) extensions of expired COPs were signed. From 2017 to 2023, the contracting process between the state and state-owned enterprises led to the signing of thirty-seven (37) COPs out of a target number of forty-seven (47) companies, i.e., an execution rate of 79 percent, for a total of fifty-three (53) state-owned enterprises in 2024, including six² newly created ones; and

² These are: the National Housing Agency (ANAH), the Government Property Management Company (SONAPIE), the Côte d'Ivoire SME Agency (CI PME), SGPME, the Industrial Infrastructure Management and Development Company (SOGEDI), and the Agricultural Processing Company (SOCITA).

- Audits of state-owned enterprises continued with the completion of nine (9) audit engagements in 2023. To date, a total of forty-two (42) SOEs have been audited.

National Statistics System

- The final annual national accounts (ANA) for 2020 and 2021, as well as the provisional ANA for 2022, were shared by the authorities in February 2024;
- Infra-annual indicators, including the industrial producer price index (IPPI), the harmonized index of industrial production (HIIP), the harmonized index of consumer prices (HICP), and the business turnover index (BTI), have been regularly produced and disseminated.

MEDIUM-TERM ECONOMIC AND FINANCIAL OUTLOOK AND POLICIES

A. Medium-term Macroeconomic Framework

18. The government will continue to focus on the implementation of its development strategy built around the Côte d'Ivoire 2030 Strategic Plan with the vision of building an united nation by 2030. The goal is still to join the group of upper-middle-income countries by 2030, and to reduce extreme poverty by half and increase life expectancy by 10 years compared to the year 2020. In line with this strategy, it will redouble its efforts in the implementation of the 2021-2025 NDP to ensure the industrial transformation of the economy. The implementation of the NDP should thus ensure higher and more inclusive growth by accelerating industrialization, improving the quality of human capital, increasing factor productivity, and strengthening the overall governance framework. In particular, it has taken the necessary steps to deploy industrial clusters and develop a strong and competitive industrial base. These actions focus in particular on the development of nine (9) agricultural hubs spread across the country, with a view to accelerate the processing of agricultural products. In addition, concerned about sustainable and harmonious economic development, the government will step up its actions to meet its climate-related commitments in terms of mitigation and adaptation, as contained in its Nationally Determined Contributions (NDCs).

19. Thus, over the period 2024-2026, the government is committed to continuing the implementation of the Economic and Financial Program, as well as the program supported by the Resilience and Sustainability Facility. These programs will support the implementation of the 2021-2025 NDP while preserving macroeconomic stability, on the one hand, and on the other hand, they will strengthen the economy's long-term resilience to climate events. In this context, the economic policies and structural reforms identified within the framework of the Medium-Term Program, and detailed below, are aimed at (i) preserving the sustainability of public finances and debt; (ii) boosting domestic revenue mobilization and strengthening public financial management (PFM) and debt management; (iii) deepening structural reforms for

inclusive growth driven by private sector productivity and vertical diversification; (iv) deepening financial inclusion; (v) investing in human capital; and (vi) building resilience to climate change.

20. Internal and external balances will be restored without compromising the growth dynamic.

- The budget deficit should gradually decline from 5.2 percent of GDP in 2023 to 4 percent in 2024, and then to 3 percent of GDP in 2025;
- Inflation should be kept below the community standard at 2.5 percent by 2026; and
- The current account deficit should be gradually reduced to 4.3 percent of GDP in 2026.

21. In line with the current policies, the macroeconomic outlook remains strong, with average growth of 7.0 percent over the 2024-2026 period supported by inflation control, despite the risks associated with the international environment and the sub-regional geopolitical situation.

Indeed, the Ivorian economy should benefit from a continuation of the proactive policy of investment in key productive sectors and the structural reforms in favor of private sector development initiated as part of the implementation of the 2021-2025 NDP. Disruptions in global supply chains, heightened global inflationary pressures, tighter financing conditions in international financial markets, and sub-regional political instability could, however, undermine economic performance if they persist. On the other hand, the launching of phases 2 and 3 of the Baleine field, and the discovery of a new oil field called Calao, would be positive factors boosting economic activity.

- On the supply side, growth is expected to be supported primarily by the secondary and tertiary sectors. The secondary sector should grow on average by 7.9 percent, supported primarily by construction and public works, energy, the agricultural food industry, and other manufacturing industries. The tertiary sector is expected to grow by 7.1 percent on average thanks to all its components. The primary sector is expected to post an average growth rate of 5.4 percent.
- On the demand side, growth will be driven by the strength of investments and final consumption by households. Overall investment is expected to grow by 12.7 percent on average over the period, with private and public investment rising by 20 percent and 7.4 percent, respectively.
- Inflation should be gradually contained over the period 2024-2026, so that it is below the WAEMU community ceiling of 3 percent.
- The external situation will be characterized by a gradual reduction in the current account deficit to below 5 percent of GDP during the period 2025-2026. The current account deficit should decline from 8.1 percent of GDP in 2023 to 4.8 percent in 2026. As for the overall balance, it should show a deficit of about ½ percent of GDP on average over the same period.

- The broad money supply is expected to increase by an average of 12 percent as a result of the combined effect of an increase in net claims on the central government and claims on the economy driven by increased financial penetration. Claims on the economy are thus expected to increase from 24.9 percent of GDP in 2024 to 26.4 percent in 2026.

B. Fiscal Policy

Preserve the Sustainability of Public Finances and Debt

22. Fiscal policy for 2024-2026 will aim to continue fiscal consolidation over the medium term by increasing revenue mobilization, keeping operating expenditures under control, and maintaining debt sustainability, while providing sufficient fiscal space to cover key expenditures, including social spending, to achieve the priority objectives of the program. The government is determined to achieve the WAEMU fiscal deficit target of 3 percent of GDP by 2025 and to ensure fiscal sustainability by maintaining Côte d'Ivoire's moderate risk of debt distress. To achieve these objectives, the government will take the necessary measures to boost domestic revenue mobilization in the short and medium term. These steps, combined with active public debt management, will keep the risk of debt distress at a moderate level. The anticipated increase in tax revenues, together with the commitment to continue to optimize current expenditures, including non-targeted subsidies, will enable the government to continue implementing its investment and poverty reduction policy in line with the 2021-2025 NDP. Given the uncertainty of the global economic environment, the government will pursue prudent public financial management through fiscal operation, which is intended to align spending with available resources, with a view to achieve the budget deficit target while preserving priority spending. As part of this process, the budgetary approach will be characterized by:

- Continued improvement of tax policies and administration;
- Streamlining and efficient management of expenditures;
- Continued investment in growth sectors;
- Increased spending on poverty reduction;
- Public debt sustainability.

23. The government intends to increase the mobilization of total tax revenues by 0.8 percentage point of GDP in 2024 in order to reduce the fiscal deficit in 2024 by 1.2 percentage points of GDP compared to 2023, bringing it to 4.0 percent of GDP. Fiscal consolidation by increasing the pace of revenue mobilization will play a central role in achieving the program's objectives. The government is determined to reduce the fiscal deficit to 3 percent of GDP by 2025. This adjustment will be based in particular on an increase in tax

revenues, bringing them up from 13.6 percent of GDP in 2023 to 15.6 percent of GDP in 2026, and continued efforts to control debt, giving priority to concessional borrowing while complying with the best public investment practices recommended by the Public Investment Management Assessment (PIMA).

Tax Revenues and Fiscal Consolidation in 2024-2026

24. The government has adopted and will implement a medium-term revenue mobilization strategy.

- This comprehensive medium-term domestic revenue mobilization strategy (MTRS) includes a set of reforms and measures to be carried out in terms of tax policy and administration, accompanied by a timetable for their implementation. Its objective is to raise the tax burden with a view to gradually moving towards the WAEMU tax burden target of at least 20 percent of GDP.
- The MTRS is centered around: (i) simplification of the tax system; (ii) broadening the tax base (by raising the level of taxation in under-taxed sectors, reducing tax exemptions and other deviations from the standard tax system, and taxing new taxable items, in particular international digital products and new types of transport using user-contact applications); (iii) combating tax fraud, smuggling, tax evasion, and tax avoidance; (iv) strengthening the transfer pricing policy; (v) strengthening environmental taxation in line with our RSF-supported reform program; (vi) continued modernization of tax administration; and (vii) consideration of the necessary reforms to the legal framework and guidelines for international and regional taxation.
- To this end, the government has established a governance structure to help manage the MTRS reform program and a working group to liaise closely with the IMF and other technical assistance providers. In order to do this, consultations will be held with key stakeholders from the private sector and civil society to ensure broad support for the reform.
- In this context, the government will establish and publish criteria and procedures for the granting and elimination of reduced VAT rates and exemptions (structural benchmark for end-June 2025).

25. In order to reduce the overall fiscal deficit in 2024 by 1.2 percent of GDP compared to 2023, bringing it down to 4.0 percent of GDP, the government is committed to increasing total tax revenues by 0.8 percent of GDP. In addition to the measures already adopted as part of the 2024 budget (see above), the government has reinstated the tax base on the sale of petroleum products to ensure that a floor for associated tax revenues is safeguarded in line with the principles of the petroleum price adjustment mechanism. The government is committed to mobilizing CFAF 624 billion through the tax on petroleum

products in 2024. It will continue to closely monitor monthly revenue collection from petroleum products and will raise or lower prices at the pump, if necessary, in order to meet the program's revenue targets while continuing to protect vulnerable populations.

26. In addition to the measures already described above, it intends to:

Domestic Taxation

- Continue to implement a plan to collect tax arrears;
- Continue work on digitizing procedures by (i) finalizing the real estate and personal property tax management module (SIGEFIM); (ii) improving the tax control and automated VAT deduction management modules; (iii) improving SIGICI performance; and (iv) improving the performance of e-Cadastre Côte d'Ivoire by incorporating data from the Infrastructure for Urban Development and Competitiveness of Secondary Cities Project (PIDUCAS) and the Economic and Financial Management Support Project (PAGEF);
- Improve collaboration with other tax administrations and other structures, in particular the National Social Security Fund (CNPS) and the National Statistics Institute (INS), with a view to facilitating the exchange of data; and
- Strengthen the local management of services.

Port Taxation

- Finalize the redesign of the Automated Goods Customs Clearance System by putting all modules into production in 2024;
- Put the new ASYVAL valuation module into production in 2024 in order to strengthen verification of the value of goods released for consumption;
- Interconnect the General Customs Directorate (DGD) and the Public Treasury for the accounting of customs revenues by the Chief Customs Collector in 2024;
- Deploy the video surveillance system at three (3) sites on the north coast (Laleraba, Pogo, and Ouangolodougou) in 2024; and
- Strengthen the valuation of new vehicles using the VIN decoder system in 2024.

27. Tax policy and administration measures will increase the tax burden revenue ratio by 0.5 percentage point of GDP in line with program commitments. The bulk of the measures identified in the 2024 budget revolve around the government's commitment to progressively improve the tax regime for property tax and to limit the use of reduced VAT rates, to reduce exemptions, including those pertaining to the VAT, and to lower tax expenditures provided for in the investment

codes³ and through special agreements. In addition, the government will revise the provisions pertaining to exemptions related to the Investment Code (*structural benchmark for end-September 2024*).

28. In addition, while responding to social and infrastructure needs, the government will continue its efforts to control spending. The 2024 budget will aim to keep total spending at no more than 20.6 percent of GDP. Improvements currently being made to the social registry and the expansion of the productive cash transfer program (PTMP) will also make it possible to better target social protection to help the most vulnerable. With assistance from the World Bank, the government plans to expand coverage of the PTMP by enrolling 100,000 additional households per year in the Single Social Registry (RSU) over the next three years. More broadly, social spending targeted to help the poor will be tracked as part of the program, notably in the health, education, social protection, and youth employment sectors, which account for around 28.8 percent of pro-poor spending (see Table 1 of the TMU). Total spending on the poor will continue to be tracked to maintain its effectiveness and increase spending transparency. Total capital expenditures will represent 7.4 percent of GDP on average during the program period, which is 2.8 percentage points higher than the pre-COVID-19 level in 2019.

2025 Budget

29. The government intends to pursue fiscal consolidation in 2025 through a continued increase in the tax revenue ratio, backed by the MTRS. Thus, the government plans to reduce the budget deficit by 1 percentage point of GDP, from 4.0 percent of GDP in 2024 to 3.0 percent of GDP in 2025. To this end, it will take tax policy and administrative measures to increase the tax revenue ratio by 0.5 percentage point of GDP. It also anticipates an additional increase in revenues of around 0.4 percentage point of GDP, due to the inclusion of revenues from services and the favorable trend in cocoa prices.

C. Debt Policy and Debt Management

30. For 2024, the government intends to cap recourse to new loans at a present value of US\$6,493.2 million. The beginning of 2024 was marked by a return to the international financial markets with bond issues (environment, social, and governance (ESG) and conventional bonds) amounting to US\$2.6 billion. These issues were largely used for liability management operations to strengthen debt sustainability. In line with the financing strategy, financing needs should be covered on average based on a ratio of 44 percent to 56 percent of external and domestic financing instruments over the period 2024-2026. The government will continue to give preference to concessional and semi-concessional borrowing.

31. The debt policy will aim to preserve debt sustainability and maintain sovereign credit

³ Investments code, mining code, procurement code, electricity code, environmental code, petroleum code, telecommunications code, and maritime code.

quality in order to facilitate access to international financial markets and limit financing costs. The most recent debt sustainability analysis indicates that Côte d'Ivoire remains classified as having “moderate risks of overall and external debt distress.” The external debt portfolio, however, remains vulnerable to a negative shock to GDP growth, total revenues, exports, the euro/U.S. dollar exchange rate, and contingent liabilities. The medium-term debt policy will consist of keeping the changes in the various ratios below their thresholds and strengthening resistance to external shocks.

32. The government will continue to fine-tune the public debt management framework in accordance with best international practices and WAEMU community standards.

- At the institutional level, a draft law on a national public debt policy was adopted by the Council of Ministers in September 2023 and approved by Parliament in March 2024. Subsequently, the government will adopt all implementing legislation that would strengthen the institutional and legal framework for debt management.
- At the operational level, in accordance with the provisions of Regulation No. 09/2007/CM/UEMOA on the reference framework for public debt policy and management, adopted on July 4, 2007, by WAEMU member states, the National Public Debt Committee (CNDP) will continue to update the medium-term debt management strategy (MTDS) covering the next five years, and append it to the Budget Law for the following year. Moreover, a debt sustainability analysis will be produced quarterly using the Debt Sustainability Framework (DSF) to monitor changes in the debt sustainability indicators. The assessment, monitoring, and management of risks related to public debt, including the monitoring of fiscal risks related to state-owned enterprises, will continue to benefit from IMF technical assistance. In addition, debt coverage will be gradually extended to state-owned enterprises in accordance with the Public Sector Debt Statistics Guide (2011).

D. Social Policy and Development of Human Capital

33. The government recognizes that strengthening human capital is essential to improve growth in productivity and achieve the status of an upper-middle-income country. To this end, the actions envisaged must improve the quality and performance of the national health care and education systems. The aim will be to strengthen infrastructure and human resources in health care and education, respectively, without compromising the sustainability of public finances.

34. The government will ensure that Universal Health Coverage (CMU) continues to facilitate access to health care for all segments of the population. In 2023, nearly 6,425,088 people were enrolled in the CMU, bringing the total number of people enrolled to 10,147,107 at end-2023. This significant increase in the number of persons enrolled in 2023 was made possible by the large-scale identification operations that were initiated. The introduction of the In Situ production of CMU cards, enabling applicants to receive their CMU cards immediately

after enrollment, should increase the rate at which cards are issued from 2024 onwards. To this end, after the opening of 11 enrollment and In Situ card production sites in 2023, there are plans to open In Situ enrollment and production sites in each regional capital in 2024. With a view to enrolling 60 percent of the population by 2027, equal to some 20.7 million people, enrollment operations will continue to be strengthened with the application of the decree of September 28, 2022, on introduction of the obligation to enroll in the CMU, self-enrollment, and the strengthening of enrollment capacities. In terms of collection, efforts will be made to (i) increase the rate of collection of contributions from private sector employees from 42 percent in 2022 to 85 percent in 2027; and (ii) increase the collection rate for persons in the informal sector who are enrolled from 1 percent in 2022 to 37.3 percent in 2027 through the establishment of mechanisms for the payment of contributions by various management and regulatory structures in agricultural sectors. At the same time, the legal framework for the collection of contributions from covered individuals in the informal sector will be strengthened with the adoption of a regulation defining sustainable mechanisms for the collection of contributions from the agricultural sector, in particular the payment of contributions from coffee-cocoa, palm-rubber, and cotton-cashew producers by their respective councils.

35. In addition, it will continue its proactive social policy to reduce poverty and social inequalities through the implementation of the PSGouv 2022-2024 program. The actions of the PSGouv program are based on five (5) strategic directions, namely (i) combating fragility in the northern border areas; (ii) improving the learning environment at primary and secondary schools; (iii) improving the living conditions of households; (iv) professional integration of young people and community service; and (v) strengthening support for vulnerable populations. For the year 2024, the funding allocated to the PSGouv program is estimated at CFAF 561.3 billion, 62.1 percent of which is financed by the state budget.

36. In particular, Côte d'Ivoire is committed to advancing equality between men and women in all sectors of public and private life, in order to empower women economically, socially, and politically and thereby achieve a more egalitarian society. In addition, the government has undertaken to step up actions to promote girls' education, increase access rates, ensure that girls stay in school, combat all forms of violence against women, and strengthen the governance of girls' education.

E. Structural Reforms for Inclusive Growth That is Driven by the Private Sector

Improvement of Public Financial Management (PFM)

37. The government is committed to continuing PFM reforms to enable maximum efficiency in the use of public resources.

- In terms of current expenditures, the actions consist of:

- Continuing to implement the budget regulations;
- Continuing to hold program performance conferences;
- Continuing to implement the measures included in the wage bill strategy;
- Continuing the classification of enterprises and the updating of the reference price database; and
- Concerning capital expenditures
 - Continuing efforts to reduce public procurement contracting delays;
 - Gradually digitizing public procurement procedures; and
 - Continuing efforts to improve the capital expenditure absorption capacity.

It also plans to:

- Set up a system for coordinating and improving the reliability of ministries' management control systems. The aim of this reform is to strengthen the ministries' management control systems. In 2024, the analytical tools for financial control within the context of budgetary reform will be designed and put into operation;
- Continue work on the implementation in 2024 of a single budget management system that covers both the aspects handled by the General Directorate of the Budget, as well as those covered by the General Directorate of the Treasury and Public Accounting;
- Adopt, in September 2024, a Communication to the Council of Ministers aimed at putting in place a stronger system for the collection of service revenues;
- Strengthen the mechanism for monitoring the debt of state-owned enterprises;
- Complete the digitization of the public procurement contracting process, specifically through the deployment of version 2 of the Integrated Public Procurement Operations Management System (SIGOMAP), incorporating the actions of economic operators to reduce procurement times and improve the transparency of the awarding of contracts. As part of this process, the government will continue to ensure that e-procurement is used for, on average, at least 50 percent of transactions for which procurement procedures begin from January to June 2024 (structural benchmark for end-July 2024) and to require the use of e-procurement for at least 80 percent of all conventional transactions (structural benchmark for end-June 2025);
- Continue to strengthen the effectiveness of public investment in line with the recommendations of the 2017 and 2021 PIMA, 2023 Climate PIMA (C-PIMA), and Green PFM,

which will contribute to taking climate change into account in the process of the selection, budgeting, and implementation of project investments;

- Government financial flows have been digitized through the introduction of the Public Treasury platform called TresorPay - TresorMoney in December 2020 to expedite payments and secure the collection of public resources by reducing losses from fees payable to private operators and those due to the handling of cash. The funds recovered through TresorPay - TresorMoney increased from CFAF 16.9 billion in 2022 to CFAF 26.9 billion in 2023. In view of the results achieved in non-tax revenue collection and the provisions of Law No. 2023-996 of December 18, 2023, on the non-tax revenue procedure manual, this platform will be rolled out across all ministries and public institutions as a unique tool for non-tax revenue collection in Côte d'Ivoire.

38. The government will continue to have recourse to public-private partnerships (PPP) while limiting the related fiscal risks. The National PPP Steering Committee (CNP-PPP) will ensure that these commitments do not expose the government to near-term budgetary risks. In addition, it will continue to improve the published annual assessment of fiscal risks associated with PPP contracts and publish annual reviews of the PPP portfolio in coordination with the contracting authorities, including information on the PPP portfolio in accordance with Article 24 of Decree No. 2018-358 setting out the rules for PPP contracts (*structural benchmark for end-February 2025*). The government will also continue to improve the effectiveness of public investments in accordance with the 2017 and 2021 PIMA recommendations. Specifically, it will improve coordination between the central government and local governments, PPP management, the alignment of current and capital expenditures, and asset reporting.

39. The government is committed to improving the financial viability of state-owned enterprises and limiting their fiscal risks. As such, it will continue to strengthen budgetary control and the management of state-owned enterprises. From 2017 to end-2022, a total of 37 performance contracts were signed and they have been regularly monitored. This work will continue in 2024 with the signing of five (5) new contracts. It will also follow up on the evaluation of the 2023 mission letter between the managing directors and the Boards of Directors, as well as the recommendations of the mission by independent firms to evaluate Boards of Directors. In terms of control, in accordance with the Communication to the Council of Ministers on fiscal risks adopted in 2018, it will continue to carry out audits, of which 15 are provided for in the 2024 audit plan. It will also follow up on the implementation of the recommendations of the audits conducted over the last three (3) years. Finally, it will adopt a decree on oversight of the recruitment process for certain key positions in state-owned enterprises.

40. Progress made with the Treasury Single Account will continue to be consolidated. An additional survey to identify any new accounts opened at commercial banks was carried out and confirmed that no new accounts had been opened. The closure of inactive accounts is ongoing, with 50 accounts closed by end-March 2024. Implementation of the timetable for closing public accounts held with commercial banks will continue as quickly as possible. In addition, in the medium term, expenditures on public debt repayment and operations involving co-financed projects will be included in the TSA, based on arrangements to be defined with the technical and financial partners concerned.

41. The government intends to continue improving the efficiency and transparency of expenditures as part of its implementation of the 2019 public procurement code. To this end, the government plans to make the use of e-procurement mandatory for at least 50 percent of operations under conventional procedures from January to June 2024 (structural benchmark for end-July 2024). The government will also continue to implement its policy for managing recourse to exceptional public procurement procedures by capping this type of contract at 20 percent of all contracts. It will also continue its ongoing efforts to make procurement contracts more transparent, in particular by publishing a list of approved contracts identifying their holders, as well as contract audit reports.

42. Work will continue on extending the scope of the Table of Government Financial Operations (TOFE) in accordance with the *Government Finance Statistics Manual 2014 (GFSM 2014)*, with the aim of gradually producing a consolidated Table of Financial Operations (TOF) for the public sector. The general government TOFE according to *GFSM 2014* for the year 2023 will be produced in June 2024. For the gradual expansion of the consolidated public sector TOF, after the inclusion in the scope of the TOFE of five (5) state-owned enterprises and fourteen (14) extrabudgetary units, other than national public institutions, work will continue in 2024 with a view to its extension to four (4) new entities depending on the availability of accounting data. In addition, the government will continue to produce the quarterly TOFE for the budgetary central government in accordance with *GFSM 2014* within ninety (90) days of the end of the quarter. With regard to the treatment of benefits in kind, following the preliminary work that has been performed, the government plans to establish a methodology for valuing benefits in kind related to government vehicles with technical assistance from AFRITAC West. It thus plans to gradually implement the provisions contained in *GFSM 2014*, which will help to gradually control stock adjustment flows and strengthen fiscal consolidation.

Improving the Business Climate and Governance

43. The government will step up actions to further encourage and increase private investment, promote national entrepreneurship, and attract foreign direct investment in order to create employment opportunities for an ever-growing population, and thus reduce territorial inequalities. In this context, capitalizing on the achievements and lessons learned from

Action Plan 2020-2022, a new three-year reform action plan for 2024-2026 focusing on the World Bank's Business Ready (B-Ready) index will be adopted in 2024 by the Council of Ministers.

- As part of the widespread introduction of the unique business identifier (UBI), it will adopt an order amending the law on the widespread introduction of the unique registration identifier in the interior of the country, exclusive of the UBI for businesses in Côte d'Ivoire, issue a circular through the Prime Minister requiring the UBI, and take steps to enable the UBI to be issued in the 10 competitive economic hubs in the interior of the country by November 2024. In addition, the Council of Ministers is expected to adopt a communication on strengthening the mobilization of private investment (domestic and foreign).
- With regard to business permits and licenses, it will finalize the development and launching of the e-license platform for the submission of business license and permit applications and renewals by users in November 2024.
- In addition, with a view to facilitating trade and strengthening government controls on trade flows and transactions, the Single Window for Foreign Trade (GUCE) will be strengthened through the implementation of six (6) new modules over the period 2023-2027. The modules are: (i) E-visit to facilitate appointments for joint and single inspection of goods in June 2024; (ii) EXEMPTION for the issuance of certificates of exemption from customs duties and taxes in June 2024; (iii) E-COO for the issuance of Certificates of Origin in December 2024; (iv) E-MOVEMENT for monitoring the movement of goods, records of loading/ unloading, entry/exit, and tracking of containers at terminals in December 2024; (v) E-RELEASE for invoicing and cargo exit authorizations in December 2024; and (iv) E-BOOKING for export procedures, reservation and confirmation of holds on ships in December 2024.

44. In line with its industrialization policy, the government intends to accelerate the development of industrial clusters and agricultural hubs while strengthening the ecosystem for the management and development of industrial infrastructure.

- Regarding industrial clusters, after the two (2) "automotive" and "textile" clusters, the government intends to finalize the development strategies for the other five (5) clusters, namely "Agro-industry," "Chemicals and plastics," "Building materials, furniture and equipment," "Pharmaceutical industry," and "Packaging." As part of this process, studies were completed, along with proposed strategies accompanied by action plans. The findings of these studies will be presented and adopted by the Council of Ministers in 2024.
- As for the agricultural hubs, the nine (9) hubs identified will be gradually deployed following the launching of Agricultural Hubs 1 and 2 in the center of the country (2PAI-Bélier at Yamoussoukro) and in the north (2PAI-Nord in Sinématiali), respectively.
- In terms of reforming the ecosystem for the management and development of industrial

infrastructure, a draft law on the creation and management of industrial zones will be adopted by the Council of Ministers in 2024. This law, once it is passed by Parliament, will boost the development of industrial zones by giving the government the ability to turn over the management, construction, and operation of industrial zones in Côte d'Ivoire to the private sector. At the same time, in order to facilitate the financing of industrial development, an Industrial Development Fund dedicated to the financing of industry in Côte d'Ivoire will be set up with support from donors.

45. Efforts to strengthen governance and combat corruption will continue. As part of this process, the National Anti-Corruption Strategy for the period 2023-2027 will soon be adopted by the Council of Ministers. With regard to asset declarations, the High Authority for Good Governance (HABG) has taken several measures to improve compliance with the corresponding standard, including (i) the implementation of an integrated IT system for control of the number of persons subject to reporting and (ii) a targeted awareness-raising policy focusing on the groups of persons subject to reporting who have the lowest declaration rates. Having completed the awareness-raising campaign throughout the country, the government, through the HABG, has begun the application of sanctions related to asset declaration as of November 13, 2023. The government will continue the necessary actions, including application of the regulations in force on penalties related to asset declaration, to improve the rate of declarations and bring it up to 90 percent by end-December 2024.

46. Specifically, government measures will focus on strengthening institutions, extractive industry transparency, and anti-money laundering and combating the financing of terrorism (AML/CFT) actions. This will primarily involve:

- Implementing the recommendations resulting from the 2019 assessment of Côte d'Ivoire by the International Secretariat for the Extractive Industries Transparency Initiative (EITI);
- Implementing the AML/CFT supervision, control, and administrative penalties regime adopted by the Order of March 2022 for Designated Non-Financial Businesses and Professions (DNFBP), including real estate agents and developers, dealers in precious stones and metals, casinos and gambling establishments, account managers, corporate and trust service providers, aligned with the priority reforms of the IMF's AML/CFT assessment (structural benchmark for end-May 2024);
- Adopting the other priority reforms identified in the assessment. As part of this process, a matrix of specific measures to be implemented has been defined to improve compliance with the 40 FATF recommendations and the effectiveness of Côte d'Ivoire's AML/CFT system.

Financial Development and Inclusion

47. The government will continue its efforts to strengthen the financial system and promote

financial inclusion with a view to enabling the financial sector to continue to play its role in supporting the economy. As part of this process, it will pursue its strategy of restructuring the public banking portfolio in order to consolidate it:

- With regard to the Banque de l'Habitat de Côte d'Ivoire (BHCI), the government will complete the recapitalization process in order to bring the bank's equity up to regulatory standards by end-December 2024;
- As for the Banque Populaire de Côte d'Ivoire (BPCI), it will ensure the fulfillment of the various commitments resulting from the sale at the end of 2023 to Africa Financial Group (AFG) Bank through the partial contribution of assets.

48. The government will pay particular attention to measures aimed at deepening the financial market, diversifying financial instruments, and promoting financial inclusion. To this end, and in line with the Financial Sector Development Strategy (FSDS), it will (i) ensure the application of the Factoring Act, adopted in December 2022; (ii) step up the promotion of leasing among participants in the financial ecosystem; (iii) make the Agricultural Commodities Exchange (BMPA) operational through the adoption of the related legal framework and the launching of its activities in 2023; (iv) increase the mobilization of long-term resources by stepping up the activities of the Deposit and Consignment Fund; and (v) continue the implementation of the National Strategy for Financial Inclusion (SNIF 2019-2024), which aims to increase the financial inclusion rate from 41 percent in 2017 to 60 percent in 2024. As part of this process, a mid-term review of the strategy was conducted in May 2024 (structural benchmark for end-May 2024) to take account of the government's new priorities related to the NDP objectives, particularly access to financial services for women. Based on the conclusions of this review, a new SNIF for the period 2025-2029 will be prepared by end-2024.

Strengthening Resilience to Climate Change

49. For the year 2024, it will strive to continue efforts to complete the five (5) planned reform measures (RMs) (see Table 3).

- With regard to RM10, the manual for the design and construction of new roads for interurban routes was adopted in February 2024. For the remainder of the year, the aim will be to monitor its implementation and produce the first steering report by end-October 2024 at the latest.
- Under RM13, good progress has been made on the draft decree promoting electric mobility in Côte d'Ivoire. The text was adopted in May 2024.
- Under RM4, the draft decree establishing the National Commission is expected to be adopted by the government before end-June 2024. Once the decree has been adopted, the National Commission will be put into operation so that it can produce the annual report on climate change before end-2024. In addition, the draft law on climate change was finalized end-July 2024.

- Under RM8, a committee has been created by inter-ministerial decree to initiate work on the recruitment of consultants for the Initiative for Climate Action Transparency (ICAT) project. These consultants will be responsible for developing the following tools: (i) a financial reporting architecture; (ii) a Measurement Reporting Verification (MRV) system for the traceability of green financing; (iii) a national transition taxonomy; and (iv) a training plan for climate finance and the green taxonomy.
- Under RM15, the government will take all necessary steps to ensure that funding from the United Nations Framework Convention on Climate Change (UNFCCC) is included in the draft 2025 budget.

Strengthening the Statistical System

50. The government remains committed to continuing its efforts to improve the production and dissemination of statistics in Côte d'Ivoire. The government will adopt the various implementing regulations for Law No. 2020-950 of December 7, 2020, amending and supplementing Law No. 2013-537 of July 30, 2013, on the organization of the National Statistical System. This includes the draft decree on the organization and operation of the National Public Statistics Authority (ANSP); the draft decree on the creation, responsibilities, composition, organization, and operation of the National Statistics Council (CNStat); the draft decree on the creation, responsibilities, organization, and operation of the National Statistics Agency (ANStat); and the draft decree on the creation, responsibilities, organization, and operation of the National Statistics Development Fund (FNDS).

51. The production and dissemination of statistical data will be enhanced through (i) the introduction of new indicators; (ii) the strengthening of national accounts; (iii) the improvement of the company database; and (iv) adherence to the Special Data Dissemination Standard (SDDS) by end-2025. In this connection, the government plans to:

- Complete the work on the alignment the Quarterly National Accounts (QNA) with the rebased Annual National Accounts (ANA) and begin production of the expenditure-based QNA, building on the recent progress achieved with support from a West AFRITAC technical assistance mission in April 2024;
- Continue the work on developing high-frequency indicators, particularly the revamped Construction and Public Works Leading Indicator (IA BTP), opinion surveys in industry, the Services Sales Index (ICA), and the Services Producer Price Index (IPPS);
- Complete the updating of the Harmonized Index of Consumer Prices with a new base year of 2023, continue the regular production of the IPPI and HIIP, and develop the unit value indices (UVI) for exports and imports;
- Conduct the General Census of Companies and Establishments in Côte d'Ivoire (RGEE-CI)

2022-2023) planned as part of the Program for the Harmonization and Improvement of Statistics (PHAS). The aim of the RGEE-CI 2022-2023 is, on the one hand, to obtain an up-to-date and comprehensive economic and financial database on enterprises and establishments in the formal and informal sectors in Côte d'Ivoire and, on the other hand, to establish a Geographic Information System (GIS);

- Complete the work on overhauling the INS website to make it more user-friendly and to disseminate all available indicators;
- Publish quarterly data on central government debt in the quarter following the end of the reference quarter on Côte d'Ivoire's national summary data page (<https://nso-cotedivoire.opendataforafrica.org/awirqrf/national-summary-data-page-nsdp>) (structural benchmark for end-September 2024); and
- Continue efforts to adhere to the SDDS in 2025 and thus become the sixth sub-Saharan African country to do so.

F. Program Financing and Monitoring

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

53. The program will be subject to semi-annual monitoring by the IMF's Executive Board, on the basis of quantitative criteria and indicators, structural benchmarks, and reform measures (Tables 1, 2, and 3). These criteria and indicators are defined in the attached Technical Memorandum of Understanding (TMU) containing a summary of the projection assumptions, which serve as a basis for the assessment of certain performance aspects. Modifications are proposed to increase the June, September, and December 2024 QPCs and ITs on the ceiling on the present value of external debt contracted or guaranteed by the central government, to reflect the Eurobond issuance. Modifications to marginally increase the overall fiscal balance and the basic primary balance targets for end-December 2024 are also proposed to reflect updated estimates. An increase on the targeted social spending IT is also proposed reflecting progress in implementing the universal health insurance. To this end, the government plans to:

- Refrain from accumulating new domestic arrears and all types of advances on revenue and from contracting non-concessional external loans other than those specified in the TMU;

- Issue public securities through auctions held by the Central Bank of West African States (BCEAO) or any other form of public securities issue on the WAEMU financial market, in consultation with IMF staff for any new financing;
- Refrain from introducing or tightening restrictions on payments and transfers for current international transactions, introducing multiple currency practices, entering into bilateral payment arrangements that are inconsistent with Article VIII of the IMF Articles of Agreement, or introducing or tightening import restrictions for balance of payments purposes; and
- Adopt any new financial or structural measures that may be necessary for the success of its policies, in consultation with the IMF.

Table 1. Côte d'Ivoire: Quantitative Performance Criteria and Indicative Targets Under the EFF/ECF, June 2023–June 2025¹

	2023								2024								2025		
	September			December					March			June		September		December		March	June
	IT	Outturn	Status	PC	Adjusted	Outturn	Status	IT	Outturn	Status	PC		IT		PC		IT	IT	
											1st review	Revised	1st review	Revised	1st review	Revised			
A. Performance Criteria																			
Floor on the overall fiscal balance (incl. grants)	(2,007)	(1,507)	MET	(2,514)	...	(2,508)	MET	(507)	(504)	Met	(1,085)	...	(1,505)	...	(2,110)	(2,121)	(554)	(950)	
Ceiling on net domestic financing (incl. the issuance of securities in CFAF)	952	952	MET	1,160	1,420	1,364	MET	14	(197)	Met	594	...	1,036	...	1,355	...	387	650	
Ceiling on the present value of new external debt (with a maturity of more than one year) contracted or guaranteed by the central government (millions of US\$)	4,242	2,451	MET	4,650	...	2,642	MET	1,157	3,286	Not Met 3/	2,205	4,422	3,233	5,505	4,286	6,063	1,781	2,667	
Floor on government tax revenue	4,620	4,791	MET	6,306	...	6,507	MET	1,643	1,646	Met	3,538	...	5,299	...	7,156	...	1,855	3,976	
Performance Criteria on Continuous Basis																			
Ceiling on accumulation of new external arrears by the central government (continuous basis)	-	-	MET	-	...	-	MET	-	-	Met	-	...	-	...	0	...	0	0	
Ceiling on accumulation of new domestic arrears by the central government (continuous basis)	-	-	MET	-	...	-	MET	-	-	Met	-	...	-	...	0	...	0	0	
B. Indicative Targets																			
Floor on targeted social spending	700	736	MET	949	...	970	MET	230	264	Met	462	463	765	767	989	994	241	481	
Ceiling on expenditure by treasury advance	263	259	MET	345	...	342	MET	82	75	Met	192	...	307	...	446	449	93	223	
Floor on net reduction of central government amounts payable (- = reduction)	(78)	(82)	...	(25)	...	(26)	MET	(54)	(176)	Met	(41)	...	(33)	...	(25)	...	(80)	(85)	
Floor on basic primary balance	(130)	295	MET	187	...	(47)	Not Met	55	118	Met	86	...	150	...	(20)	(26)	119	262	
Memorandum Items:																			
Program grants (millions of US\$) 2/	160	97	...	324	...	322	...	-	-	...	160	170	160	170	329	331	0	141	
Program loans (millions of US\$) 2/	169	439	...	930	...	608	...	957	-	...	982	3,169	1,022	3,209	1,265	3,537	508	508	
Project grants (millions of US\$) 2/	126	77	...	191	...	189	...	17	9	...	36	28	53	44	70	80	28	39	
Project loans (millions of US\$) 2/	1,860	934	...	2,785	...	2,294	...	354	224	...	952	983	1,284	1,248	1,656	1,667	384	864	
Cumulative C2D	100	...	...	200	...	141	...	20	3	...	80	...	140	...	200	...	15	60
Total pro-poor spending	2,403	...	...	3,318	...	3,497	...	748	838	...	1,655	...	2,467	...	3,405	...	770	1,750

Sources: Ivorian authorities; and IMF staff estimates.

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

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

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

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

Reform Area	Proposed New Structural Benchmark	Rationale	Status	Due Date
Revenue Mobilization	Informed by the MTRS, establish, and publish clear criteria and procedures for granting and eliminating reduced VAT rates and or exemptions, including mandatory impact evaluation for the largest tax expenditures with distributional impact, to be used in rationalizing existing and future use of reduced VAT rates.	Boost domestic revenue to preserve fiscal and debt sustainability and create fiscal space for public investment and poverty reduction.		end-June 2025
PFM	Continue to enforce e-procurement use by at least 80 percent of all ordinary operations (those with larger than 100 million CFAF) between July 1, 2024, and June 30, 2025.	Improve the efficiency and transparency in procurement.		end-July 2025
	To further enhance the published annual assessment of fiscal risks related to PPP contracts, publish annual reviews of the PPP portfolio in coordination with the contracting authorities, including information on the PPP portfolio in accordance with article 24 of Decree No. 2018- 358 setting out the rules for PPP contracts.	Improve the efficiency and transparency of public investment and limit fiscal risks		end-February 2025
Data Dissemination and Transparency	Publish quarterly central government debt data within one quarter after the end of the reference quarter on Côte d'Ivoire's National Summary Data Page (https://nso-cotedivoire.opendataforafrica.org/awirqrf/national-summary-data-page-nsdp).	Improve data dissemination and transparency to help boost confidence and garner broader public awareness and buy-in on reforms.		end-September 2024
Current Structural Benchmark				
Revenue Mobilization	Prepare and implement a plan to manage and collect outstanding tax arrears.	Boost domestic revenue to preserve fiscal, debt sustainability and create fiscal space for public investment and poverty reduction.	Met	end-September 2023
	Cabinet approval of a Medium-Term Revenue Mobilization strategy (MTRS), with revenue targets and a timeline, and publication of a comprehensive summary. ¹		Met	end-May 2024
	Strengthen the module relating to automated VAT management by incorporating the control of the VAT deduction collected at customs.	Boost domestic revenue and strengthen 2024 budget measures.		end-June 2024
	Issue an ordinance to streamline the provisions relating to exemptions linked to the investment code.			end-September 2024
¹ See https://www.tax-platform.org/medium-term-revenue-strategy for examples of such publications.				

Table 2. Côte d'Ivoire: Structural Benchmarks, 2023–25 (concluded)

Reform Area	Current Structural Benchmark	Rationale	Status	Due Date
PFM	Adopt by the council of ministers the draft law on national debt policy.	(i) Define general objectives for public debt and prudential rules; (ii) establish public debt commitment procedures for ministerial departments and state agencies; (iii) rationalize the framework for debt operation and debt management; (iv) clarify the rules and purposes for government on-lending; (v) and strengthen the institutional framework for public debt management.	Met	end-September 2023
	Treasury Single Account (TSA): Adopt by the government a timetable for closing accounts with commercial banks.	Improve cash management and minimize financial cost.	Met	end-December 2023
	Enforce e-procurement to be used by an average of at least 10 percent of the operations for which the procurement procedures will start from October 2023.	Improve the efficiency and transparency in procurement.	Met	end-December 2023
	Enforce e-procurement to be used by at least 50 percent of all ordinary operations (those with value larger than 100 million CFAF) between January 1, 2024, and June 30, 2024.	Improve the efficiency and transparency in procurement.		end-July 2024
Governance	Approve a ministerial decree by the Council of Ministers to (i) designate the AML/CFT supervisors for the real estate agents, dealers in precious metals and stones, casinos and gambling establishments, business agents (<i>agents d'affaires</i>), and trust and company service providers; and (ii) set out their powers and responsibilities to undertake risk-based supervision in line with FATF Recommendation 28.	Improve the effectiveness of the AML/CFT framework.	Met	end-May 2024
Financial sector	Complete a mid-term review of the National Strategy for Financial Inclusion to take into account the government's new priorities in relation to the objectives of the NDP, particularly access to financial services for women.	Improve the access to financial services, particularly for disadvantaged populations.	Met	end-May 2024

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

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Integration of climate into public financial management	RM1. Adopt a ministerial <i>arrêté</i> establishing a system for tagging climate-related investment expenditure at the stage of public investment programming, then integrate this system into the 2026 budget preparation process with coverage initially limited to five (5) ministries including those in charge of energy, agriculture, environment and sustainable development, <i>hydraulique et assainissement</i> , and water and forests. Prepare and publish on this basis a first climate budget statement attached to the 2026 budget law, presenting the climate-related investment expenditure expected for these entities	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	<ul style="list-style-type: none"> - Ministerial <i>arrêté</i> establishing a system for tagging climate-related capital expenditure (October 2024); - Climate budget statement attached to the 2026 budget law. 	GCA/ IMF TA
	RM2. Establish a modeling framework and integrate quantitative analysis of climate-related fiscal risks into the fiscal risk statement for end-October 2025	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	<ul style="list-style-type: none"> - Annex to the 2026 budget law on the declaration of budgetary risks incorporating the quantification of climate risks 	IMF TA
	RM3. Adopt an interministerial <i>arrêté</i> in application of decree N°2022-742 on the management of public investment projects, making it mandatory and explicit to integrate climate considerations into the appraisal and selection of public investment projects, and modify decree 96-894 on environmental impact assessments to integrate climate considerations, in order to promote low-carbon/climate-resilient investments and discourage high-carbon/climate-vulnerable investments.	C-PIMA and green PFM TA report	End of October 2025 (5th EFF/ECF review)	<ul style="list-style-type: none"> - Interministerial <i>arrêté</i> implementing decree no. 2022-742 on the management of public investment projects (end October 2025); - Decree 96-894 on the environmental impact study to incorporate climate considerations modified (end June 2024). 	

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

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

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

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Increasing green and sustainable financing for private and public companies (develop financial information architecture)	RM6. Develop the architecture for climate-related financial information, and adopt a decree on the introduction of two complementary frameworks and the timetable for their implementation, namely (i) a transition taxonomy (reference framework for public and private sector climate investments) covering the country's mitigation and adaptation needs across key sectors, and (ii) introducing an inter-ministerial coordination mechanism on the design of the taxonomy.	CCDR C-PIMA and green PFM TA report AfDB country report on mobilizing climate financing in the private sector WAEMU FSAP World Bank TN on Climate Risks and Opportunities	End of April 2025; 4 th EFF/ECF review	<ul style="list-style-type: none"> - Interministerial <i>arrêté</i> on the introduction of a coordination mechanism (March 2024); - Decree on transition taxonomy (end of April 2025) 	IMF/ World Bank TA available
	RM7. Based on the taxonomy introduced as part of RM6, adopt a decree that includes: (i) the introduction of a climate risk disclosure framework for state-owned enterprises and private non-financial private companies, connected to the taxonomy; and (ii) a disclosure requirement that is integrated within the financial reporting of state-owned enterprises and non-financial companies, based on the climate risk disclosure framework, as well as their implementation timeline.	CCDR	End of April 2025; 4 th EFF/ECF review	<ul style="list-style-type: none"> - Decree introducing a climate risk disclosure framework and requirement (end April 2025) 	IMF/ World Bank TA available

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

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

Table 3. Côte d'Ivoire : RSF Reform Measure Matrix (continued)					
Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
Reducing greenhouse gas emissions	RM11. Implement plans to operationalize the mandatory energy audit system for entities with annual energy consumption equal to or greater than a benchmark ¹ for the industrial, tertiary and transportation sectors in 2025, and complete the first 5 audits by the end of September 2025 and an energy labeling system for new air conditioners, refrigerators and electric lamps by December 2024.		End of September 2025 (5 th EFF/ECF review)	<ul style="list-style-type: none"> - First five audits completed (end September 2025) - List of approved energy auditors (end March 2025); - List of organizations subject to energy audits (end March 2025); - Notice to importers on the administrative procedure for applying for an energy label (end December 2024). 	KFW, World Bank and EU
	RM12. Continue to apply the existing fuel pricing mechanism with automatic adjustment to smooth price volatility and preserve tax revenues. In addition, given that the mechanism already includes a carbon taxation component (Conformité aux Normes de Qualité (CNQ)), the Government undertakes to develop a carbon taxation strategy tailored to Côte d'Ivoire's needs and in line with IMF technical assistance, and to make any necessary adjustments to fuel prices in line with this strategy by the end of December 2025 at the latest.	World Bank reports (Fund TA)	End of December 2025; 6 th EFF/ECF review	<ul style="list-style-type: none"> - Request technical assistance from IMF staff (October 2024). - Strategy on carbon taxation adopted by the Government (end December 2025); - If necessary, adopt a legislative text to adjust fuel prices 	IMF TA to elaborate the strategy on carbon taxation

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

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

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

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

Key Challenge	Reform Measure	Diagnostic Reference	Proposed Timing	Expected Outcome	Development Partner Role/IMF CD
	<p>RM16. Finalize the tendering process for the development, construction and operation of solar power plants to help achieve the NDC targets. In this context, the competitive procurement process for the independent power producers selected as a result of the above-mentioned tenders must be completed by the end of 2025 for a solar power capacity to be installed equivalent to at least 100 MW.</p>	<p>CCDR IFC report "Unlocking Private Investment: A Roadmap to achieve Côte d'Ivoire's 42 percent renewable energy target by 2030"</p>	<p>End of December 2025; 6th EFF/ECF review</p>	<p>- Two decrees approving agreements for the construction, operation and transfer of two solar photovoltaic power plants (end December 2025)</p>	<p>EU, World Bank</p>

Attachment II. Technical Memorandum of Understanding

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) and Extended Fund Facility (EFF). It also specifies the periodicity and the deadlines for the transmission of data to Fund staff for program monitoring purposes. The projection assumptions underlying key macroeconomic variables are shown in Table 6.

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

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

QUANTITATIVE INDICATORS

4. For program monitoring purposes, performance criteria (PCs) and indicative targets (ITs) are set for June 30, 2024, December 31, 2024, and June 30, 2025; the same variables are indicative targets for September 30, 2024 and March 31, 2025.

The PCs include:

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

The ITs are:

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

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

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

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

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

B. Net Domestic Financing (PC)

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

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

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

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

C. External Debt (PC)

10. For program purposes, the definition of debt is set out in paragraph 8(a) of the Guidelines on Public Debt Conditionality in Fund Arrangements, adopted by Decision No. 16919-(20/103), of the Executive Board adopted on October 28, 2020.¹

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

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

lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

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

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

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

- normal import-related commercial debts having a maturity of less than one year;
- rescheduling agreements;
- IMF disbursements.

For program monitoring purposes, external debt is deemed to be contracted or guaranteed once all conditions for its entrance into effect have been met, including approval of the relevant agreement by the government of Côte d'Ivoire (Council of Ministers) if necessary. In the case of the issuance of eurobonds, the amount deemed contracted is the amount subscribed/purchased at the end of the subscription/purchase period as specified in the final clauses of the exchange. For program purposes, the value in U.S. dollars of new external debt is calculated using the average exchange rate for December 2022 in the IMF's International Financial Statistics (IFS) database, which are 619.481 FCFA per U.S. dollar, 1.059 U.S. dollar per euro, and 1.329 U.S. dollar per SDR.

13. The PV of new external debt is calculated by discounting all future debt service payments (principal and interest) on the basis of a program discount rate of 5 percent and taking account of all loan conditions, including the maturity, grace period, payment schedule, front-end fees and management fees. The PV is calculated using the IMF model for this type of calculation² based on the amount of the loan. A debt is considered concessional if on the date on which it is contracted the ratio of its present value to its face value is less than 65 percent

² [Debt Limits Policy \(imf.org\)](https://www.imf.org/external/pubs/ft/2016/02/01/20160201.htm).

(equivalent to a grant element of at least 35 percent). In the case of loans for which the grant element is zero or less than zero, the PV is set at an amount equal to the face value.

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

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

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

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

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

PPG External Debt	January-June 2024		January-September 2024		January-December 2024		January-March 2025		January-June 2025	
	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/	Volume of New Debt, US\$ million 1/	PV of New Debt, US\$ million 1/
By Sources of Debt Financing	4613.6	4422.1	5768.5	5505.2	6468.5	6063.1	1925.0	1780.9	2945.2	2667.1
Concessional Debt	42.1	19.6	42.1	19.6	122.1	59.7	0.0	0.0	13.3	7.4
Multilateral debt	23.9	13.3	23.9	13.3	103.9	53.5	0.0	0.0	13.3	7.4
Bilateral debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	18.1	6.3	18.1	6.3	18.1	6.3	0.0	0.0	0.0	0.0
Non-Concessional Debt 2/	4571.6	4402.5	5726.4	5485.6	6346.4	6003.4	1925.0	1780.9	2931.9	2659.7
Semi-concessional debt 3/	1594.9	1425.8	2038.2	1797.4	2658.2	2315.2	1100.6	956.5	1962.9	1690.7
Commercial terms 4/	2976.6	2976.6	3688.2	3688.2	3688.2	3688.2	824.4	824.4	969.0	969.0
Uses of Debt Financing	4613.6	4422.1	5768.5	5505.2	6468.5	6063.1	1925.0	1780.9	2945.2	2667.1
Infrastructure	164.7	134.6	191.3	157.3	191.3	157.3	1311.5	1245.7	1649.9	1554.1
Social expenditure	870.2	771.6	870.2	771.6	1570.2	1329.5	393.7	339.9	796.6	673.6
Budget financing	2639.9	2634.0	2639.9	2634.0	2639.9	2634.0	0.0	0.0	0.0	0.0
Other	938.9	881.8	2067.2	1942.3	2067.2	1942.3	219.8	195.3	498.7	439.4

Source: Ivoirian authorities.

1/ Contracting and guaranteeing of new debt. The present value of debt is calculated using the terms of individual loans and applying the 5 percent program discount rate.

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

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

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

D. Floor on Central Government Tax Revenue (PC)

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

18. Earmarked tax revenues are subject to specific monitoring. As of end-April 2024, earmarked tax revenues include only the following list of earmarks (see Table 2). The authorities will notify the Fund with respect to any changes in the list of earmarks.

Table 2. Côte d'Ivoire: List of Earmarked Tax Revenues 2024

- Recettes affectées aux collectivités
- Redevances Café Cacao Part CCC- Sacherie brousse
- Fonds d'Investissement Agricole (2QC)
- Parafiscalité anacarde
- Péréquation
- FER
- FIMR
- Taxe pour l'enlèvement des ordures ménagères (TEOM)
- FDFP
- Taxe de sureté (ex SGS)
- TSU SIR
- PCC-PCS et PUA
- Impôt foncier reversé
- Reversement TVA électricité
- Autres dépenses liées aux taxes affectées DGI (hors TEOM)

E. External Payments Arrears (PC)

19. External arrears correspond to the nonpayment of any interest or principal amounts on their due dates (taking into account any contractual grace periods). This performance criterion applies to arrears accumulated on external debt contracted by the government and external debt guaranteed by the government for which the guarantee has been called by the

³ The margin of 95 percent does not apply to realized quarterly tax revenue.

creditors. This continuous performance criterion will be monitored continuously by the authorities and any non-observance will be reported promptly to the Fund.

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

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

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

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

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

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

G. Targeted Social Spending (IT)

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

- **Social protection:** productive cash-transfer program and social registry budget.
- **Health:** will cover the following Régime d’Assistance Médicale de la Couverture Maladie Universelle (RAM-CMU), operating costs of primary health facilities, and Caisse Nationale d’Assurance Maladie (CNAM)
- **Education**
- **Youth employment**

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

	2024				2025	
	Q1	Q2	Q3	Q4	Q1	Q2
Social Protection	3.8	8.9	18.5	29.4	3.8	8.9
National social safety net support program	1.2	2.4	4.8	8.0	1.2	2.4
Regional women's empowerment and demographic dividend in the Sahel program	0.0	0.2	0.3	0.4	0.0	0.2
Universal Health Insurance for the destitute support program	2.6	4.0	7.9	13.2	2.6	4.0
Universal Health Insurance operational support	0.0	2.3	5.5	7.8	0.0	2.3
Universal Health Insurance	0.0	0.9	2.1	3.0	0.0	0.9
Insurance Premiums support for Universal Health Insurance	0.0	1.4	3.4	4.8	0.0	1.4
Health	66.1	128.4	211.9	280.1	75.5	141.9
Health administrators	60.0	115.0	184.9	237.4	66.6	124.7
Strengthening the intervention capacities of health centers	0.0	0.3	0.7	1.1	0.0	0.4
Strengthen the intervention capacities of general hospitals	0.0	0.8	1.5	2.4	0.0	0.8
Strengthen the intervention capacities of central and regional health units	0.0	1.0	2.0	3.2	0.0	1.1
Strengthen the intervention capacities of university hospital centers	1.4	2.1	4.1	6.5	3.0	4.1
Free targeted care (malaria, childbirth, caesarean section, etc.) and sanitary evacuation	0.3	3.2	6.3	10.0	0.3	3.2
Specialized health structures (SAMU, CNTS, CNOR, ICA, CNPTIR, etc.)	3.2	4.6	9.3	14.7	4.3	6.1
Medicines' supply	1.2	1.5	3.0	4.8	1.2	1.5
Education	158.6	323.5	532.1	679.4	159.9	327.7
Management of Preschool, Primary and Secondary Schools (SMCs)	2.9	5.5	12.9	17.5	2.9	5.5
Primary and preschool education	155.5	303.6	490.5	628.4	156.9	306.0
School cafeterias program	0.0	1.0	2.0	2.3	0.0	1.1
Acquisition and distribution of school kits, textbooks and educational kits	0.0	1.7	3.3	3.9	0.0	2.0
Support for the payment of school fees in private and religious elementary schools	0.0	2.8	5.6	6.5	0.0	2.9
Pre-school and primary school administrators	155.5	298.1	479.6	615.7	156.9	300.1
Technical education and vocational training	0.2	14.4	28.8	33.6	0.1	16.2
Implementation of the Second Chance School	0.0	0.9	1.8	2.1	0.0	0.5
Coverage of school fees for students in private technical secondary schools	0.0	2.4	4.8	5.6	0.0	2.9
Support for the AGEFOP and IPNEPT 1/	0.2	0.3	0.5	0.6	0.1	0.2
Support for vocational training through the French Development Training Fund (FDFP)	0.0	10.8	21.6	25.2	0.0	12.6
Youth Employment	1.2	2.1	4.3	5.0	1.2	2.2
Youth employment program	1.2	1.7	3.5	4.1	1.2	1.7
Youth employment and skill training program	0.0	0.2	0.4	0.4	0.0	0.2
Youth promotion and employment	0.0	0.1	0.2	0.2	0.0	0.1
Youth employment agency operational support	0.1	0.1	0.2	0.2	0.1	0.1
TOTAL	229.7	462.9	766.8	993.9	240.5	480.7

Source: Ivorian authorities.

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

H. Treasury Advances (IT)

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

I. Primary Basic Fiscal Balance (IT)

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

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

MEMORANDUM ITEMS

A. Net Banking System Claims on the Government

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

B. External Financing (Definitions)

29. Within the framework of the program, the following definitions apply: (i) project grants refer to non-repayable money or goods intended for the financing of a specific project; (ii) program grants refer to non-repayable money or goods not intended for the financing of a specific project; (iii) project loans refer to repayable money or goods on which interest is charged, received from a donor to finance a specific project; and (iv) program loans are repayable money or goods on which interest is charged, received from a donor and not intended for the financing a specific project.

C. Program Monitoring and Data Reporting

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

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

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

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

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

D. Pro-poor Spending

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

Table 4. Côte d'Ivoire: Pro-Poor Spending (incl. Social Spending), 2023–24
(Billions of CFA Francs)

	2023				2024
	Q1	Q2	Q3	Q4	Q1
Agriculture and rural development	21.8	44.6	65.4	87.2	22.9
General administration	3.8	8.6	11.4	15.2	4.0
Agriculture promotion and development program	5.5	10.9	16.4	21.9	5.7
Training of supervisory staff	8.7	17.3	26.0	34.7	9.1
Water system works	1.9	3.8	5.7	7.6	2.0
Other investments in the rural area (FRAR, FIMR)	2.0	3.9	5.9	7.8	2.1
Fishing and animal husbandry	2.8	8.7	13.0	17.4	3.0
General administration	2.4	4.8	7.3	9.7	2.5
Milk production and livestock farming	0.1	1.3	1.9	2.6	0.2
Fishing and aquaculture	0.3	2.6	3.8	5.1	0.3
Education	376.4	881.9	1,261.2	1,674.1	395.2
General administration	24.1	52.4	78.6	104.8	25.3
Pre-schooling and primary education	132.9	329.4	504.4	658.7	139.5
Literacy	0.2	0.3	0.5	0.7	0.2
Secondary education and vocational training	147.3	320.3	475.7	640.6	154.7
University and research	72.0	179.5	202.1	269.4	75.6
Health	110.1	262.6	425.8	640.3	115.6
General administration	51.7	130.6	179.5	287.0	54.3
Primary health system	21.9	43.0	109.3	167.5	23.0
Preventive healthcare (enlarged vaccination program)	0.5	1.1	1.6	2.1	0.6
Disease and pandemic combat programs	8.4	36.9	55.3	73.7	8.8
Infant/mother health and nutrition	4.1	4.2	9.7	16.3	4.3
HIV/Aids	10.2	20.4	30.6	40.9	10.7
Health centers and specialized programs	13.2	26.5	39.7	52.9	13.9
Water and Sanitation	30.1	72.2	111.0	140.4	31.6
Access to drinking water and sanitation	19.4	50.8	79.0	97.7	20.4
Environmental protection and pollution combat	10.7	21.4	32.0	42.7	11.2
Energy	38.7	80.3	101.0	154.7	40.6
Access to electricity	38.7	80.3	101.0	154.7	40.6
Roads and Public Works	89.9	162.8	258.4	382.7	94.4
Rural road maintenance	3.5	7.0	10.5	14.0	3.7
Construction of public works	11.5	42.9	54.4	85.9	12.0
Other road projects	75.0	112.9	193.6	282.8	78.7
Social spending	19.0	38.0	59.1	76.1	20.0
General administration	4.3	8.7	13.0	17.3	4.6
Women's vocational training	0.8	1.7	2.5	3.4	0.9
Orphanages, day nurseries, and social centers	7.0	13.9	20.9	27.8	7.3
Training of support staff	0.4	0.8	1.3	1.7	0.4
Decentralization (excl. education, health and agriculture)	22.6	55.1	82.7	110.3	23.7
Decentralization	22.6	55.1	82.7	110.3	23.7
Reconstruction	2.0	6.1	9.1	12.2	2.1
Reconstruction and rehabilitation	0.5	1.1	1.6	2.1	0.6
Social housing	1.5	5.0	7.5	10.0	1.6
Other poverty-fighting spending	6.5	11.1	16.6	22.2	6.9
Promotion and insertion of youth	5.3	8.6	13.0	17.3	5.6
Development of tourism and craftsmanship	1.2	2.5	3.7	4.9	1.3
TOTAL	720.0	1,623.4	2,403.4	3,317.6	756.0

Source: Ivorian authorities.

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

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

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

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

Table 6. Côte d'Ivoire: Selected Economic Indicators

	2021	2022	2023	2024	2025	2026
		Prel.		Program		
	(Annual percentage changes, unless otherwise indicated)					
National income						
GDP at constant prices	7.1	6.2	6.2	6.5	6.4	6.4
Consumer price index (annual average)	4.2	5.2	4.4	3.8	3.0	2.2
External sector (on the basis of CFA francs)						
Exports of goods, f.o.b., at current prices	18.2	19.5	3.4	19.9	20.0	5.6
Imports of goods, f.o.b., at current prices	24.3	39.4	-2.6	4.5	6.7	7.2
Export volume	10.2	8.0	4.6	0.2	6.9	8.2
Import volume	7.8	3.8	7.7	6.8	7.1	6.7
	(Percent of GDP unless otherwise indicated)					
Central government operations						
Total revenue and grants	15.6	15.3	16.2	16.8	17.6	17.9
Total revenue	15.1	14.7	15.6	16.3	17.2	17.7
Tax revenue	13.0	12.8	13.6	14.4	15.3	15.9
Total expenditure	20.5	22.1	21.5	20.8	20.7	20.9
Current expenditure	14.7	14.9	14.7	13.5	13.9	13.6
Capital expenditure	5.8	7.2	6.8	7.3	6.7	7.4
Basic primary balance	-1.1	-1.8	-0.1	0.0	1.6	1.3
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0
External Sector						
Current account balance	-3.9	-7.7	-7.8	-5.7	-2.3	-2.3
Non-interest current account balance	-2.8	-6.5	-6.3	-4.3	-0.8	-0.8
Memorandum item						
Nominal GDP (CFAF billions)	40,367	43,771	47,843	52,368	57,057	61,922

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



CÔTE D'IVOIRE

June 7, 2024

SECOND REVIEW UNDER THE EFF/ECF ARRANGEMENTS AND FIRST REVIEW OF THE ARRANGEMENT UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY—DEBT SUSTAINABILITY ANALYSIS¹

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Prepared by the International Monetary Fund and the International Development Association

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

Côte d'Ivoire's overall and external public debt remain at moderate risk of debt distress. Côte d'Ivoire successfully returned to international capital markets after a 3-year hiatus and used the proceeds to improve their short-term maturities through a debt management operation (DMO). Compared to the last DSA, the debt sustainability has improved as evidenced by lower debt ratios, especially external debt liquidity ratios. The mechanical risk rating shows a moderate risk of debt distress unlike the previous DSA assessed at moderate risk only when judgement was applied. The external debt service-to-revenue indicator breaches the threshold once, in 2024 mainly owing to the DMO financed by the January 2024 Eurobond issuance. The ratio remains below the threshold during the remainder of the projection period as do all other projected external debt burden indicators under the baseline. All indicators are susceptible to breaches under stress scenarios, the most extreme of which involves a shock to exports. The PV of overall debt-to-GDP ratio is below its threshold, but exceeds it in most stress scenarios, the most extreme of which involves the shock to exports. A customized stress test shows that the natural disaster shock is the most extreme shock of public debt. The space to absorb shocks remains limited.

¹ Under the revised Debt Sustainability Framework for Low-Income Countries, Côte d'Ivoire's Composite Indicator (CI) is 2.94 based on the October 2023 WEO and the 2022 CPIA, corresponding to a medium debt carrying capacity.

PUBLIC DEBT COVERAGE

1. Public debt covers both the debt of the central government, as well as the guarantees provided by the central government, including those guarantees that pertain to state-owned enterprise (SOE) debt (Text Table 1). The DSA classifies external and domestic debt based on the currency criterion, given data constraints that prevent the use of the residency criterion.² The debt of local governments is excluded from the DSA coverage. Local governments are authorized to borrow within limits and under conditions set by decree. There is no information available on this debt. On SOE debt, the authorities have continued to improve debt coverage and monitoring in recent years. At end-2023, both SOE guaranteed and non-guaranteed commercial debt amounted to 1 percent of GDP. In the context of the current DSA, the following approach is taken:

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

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

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

2. Efforts to increase the government's capacity to record and monitor public debt and contingent liabilities continue. The authorities are committed to further enhancing data coverage of SOEs in the DSA baseline, including consolidating the general government fiscal accounts with the financial statements of the SOEs (on revenue, expenditure, and financing) and corresponding 20-year projections. The authorities see this consolidation as a prerequisite for incorporating SOE debt into total debt (in the baseline) and have received technical assistance (TA) to advance this task. As part of the IDA Sustainable Development Finance Policy (SDFP), the authorities have been

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

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

⁴ Non-guaranteed SOE debt and local government debt are not included in the baseline because of limited information.

implementing reforms (Performance and Policy Actions or PPAs) in the areas of debt transparency (by publishing on-lent loans to SOEs on a quarterly basis), fiscal sustainability (by adopting a legal framework for collection and oversight of non-tax revenue), and debt management (by adopting a mechanism for approving on-lending to SOEs).

3. The magnitude of the shock in the contingent liability stress test applied in the sensitivity analysis reflects potential additional liabilities. The LIC-DSF default settings are applied for the contingent liabilities shock. They could emanate from SOE debt not captured in the data coverage, especially from non-guaranteed debt and domestic arrears, public-private partnership agreements, and the financial sector. Total contingent liabilities for the CL test are estimated at 6 percent of GDP (Text Table 2). The stock of public private partnerships represents about 2 percent of GDP as of October 2023. The tailored stress test includes a 1 percent of GDP shock for risks related to SOEs and a financial sector shock of 5 percent of GDP.

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

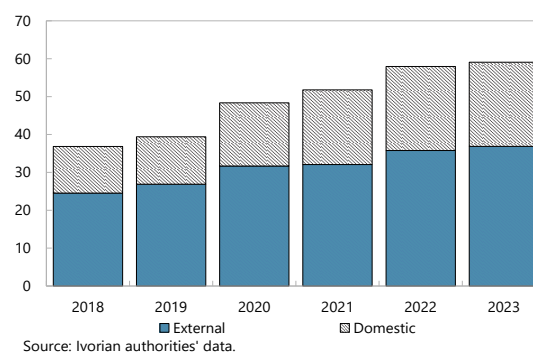
1 The country's coverage of public debt	The central government plus social security, central bank, government-guaranteed debt		
	Default	Used for the analysis	Reasons for deviations from the default settings
2 Other elements of the general government not captured in 1.	0 percent of GDP	0	
3 SoE's debt (guaranteed and not guaranteed by the government) 1/	1.0 percent of GDP	1	To reflect the share of non-guaranteed debt not included in the DSA
4 PPP	35.0 percent of PPP stock	0	To reflect the share of outstanding PPP stock in Côte d'Ivoire
5 Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5	
Total (2+3+4+5) (in percent of GDP)		6.0	

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

DEBT BACKGROUND

4. Public debt increased significantly over the last few years, with external debt growing as a share of total debt.⁵ The increase in indebtedness over 2018-2023 was driven by higher recourse to external debt including to finance an increase in investment and social spending in the context of the National Development Plan 2021-2025, the COVID-19 pandemic as well as economic spillovers from the war in Ukraine and adverse external financing conditions. The medium-term debt strategy 2023-2026 envisaged that on average 44 percent of new financing would come from

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



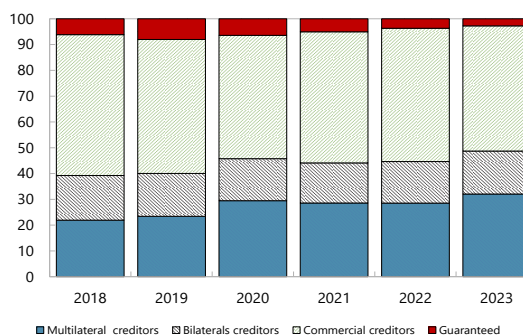
⁵ In this DSA, Public and Publicly Guaranteed external debt excludes claims under Debt Reduction-Development Contract (C2D), which were cancelled in the context of HIPC debt relief. The C2D is a debt restructuring tool under which Côte d'Ivoire continues to service its bilateral debts to France and Spain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

external sources and favor borrowing in euros and CFA francs to limit exchange rate risk. Already a large share of external borrowing is denominated in euros. Public debt stood at 59.1 percent of GDP at end-2023, compared with 36.8 percent in 2018. External debt stood at 36.9 percent of GDP, compared to 24.5 percent in 2018—representing 62.4 percent of total debt at end-2023, well below the peak of 68.5 percent in 2019. The successful eurobond issuance in January 2024 in the amount of US\$2.6 billion marks an important milestone after two years of adverse external financing conditions (see Box 1).

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

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

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



Source: Ivorian authorities' data.

RECENT DEVELOPMENTS AND UNDERLYING ASSUMPTIONS

7. The Ivorian economy continues to display resilience in a still difficult global environment. Despite weather shocks affecting cocoa and coffee crops and disease outbursts affecting cotton production, weak external demand and tight financial conditions, economic activity was robust in 2023 led by a strong consumption and investment demand. The secondary sector improved thanks to strong energy and mining industry and the tertiary sector remained robust in the back of telecommunication and transportation. Real GDP growth is estimated to remain at 6.2 percent in 2023. Inflation eased to an estimated 4.4 percent in 2023 from 5.2 percent in 2022, reflecting lower import prices.

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

(Text Tables 2 and 3). The second review of the EFF/ECF arrangements and first review of the RSF showed strong performance with all quantitative performance criteria as of December 2023, all structural benchmarks (SB) as of May 2024 and the reform measure (RM) under the RSF as of May 2024 met. The authorities are making progress towards meeting the rest of the year SBs and RMs.

9. GDP growth is projected to range between 6 and 6.5 percent through the medium term, similar to the previous DSA. Real GDP growth is projected at 6.5 percent in 2024, supported by strong private consumption and investment, underpinned by capital deepening and gradually improving external conditions, and around 6.4 percent in 2025-26. Growth is expected to reach 7.5 percent in 2027 due to strong hydrocarbon production in phase 3 of the Baleine oilfield. Then it is expected to gradually converge to potential of around 6 percent over the medium-term thanks to continued investments in human capital and infrastructure as well as reforms to improve competition in the digital, telecom, financial and transport sectors, supported in part by the World Bank Development Policy Financing series. Growth is expected to be supported by industry and services as reforms improve competition on the supply side and by investments in infrastructure and human capital on the demand side. The implementation of a strong reform agenda from the NDP could, however, catalyze stronger business confidence and investment, and further lift productivity and growth, while persistent insecurity in the north of the country, still tight financing conditions, and uncertain global developments represent downside risks.

10. Gradual return to low inflation over the medium term. Annual average inflation (CPI) is projected to ease further to 3.8 percent in 2024, reflecting a downward trend of global food and commodity prices and the BCEAO's monetary tightening. It is expected to remain low at around 2 percent in the medium term, benefiting from the exchange rate peg to the euro.

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

12. Higher tax revenue projections. One of the authorities' key goals under the ECF/EFF arrangements is to keep Côte d'Ivoire's debt rating at moderate risk of debt distress. This requires significant and sustained efforts to mobilize revenues during the program period and beyond. A quantitative performance criterion monitors the tax revenue level through a floor. Continued improvements are expected through strengthened digitalization and tax administration but also through tax policy, supported by implementation of the comprehensive medium-term revenue mobilization strategy (MTRS) and technical assistance of the Fund, the World Bank and other donors (structural benchmark). Tax revenue is assumed to increase from 12.5 percent of GDP in

2022 to 15.6 percent of GDP in 2026, reaching close to 18 percent by the end of the projection period. Efforts should include eliminating VAT tax exemptions, accelerating the removal of business tax exemptions, streamlining the personal income tax regime, improving property regime, fully rolling out a new IT system and pursuing public financial management reforms.

13. Revenue coverage. It remains the same as the three last DSAs consistent with the Government Finance Statistics Manual 2014 (GFSM 2014) and WAEMU directives.⁶ As part of their efforts to broaden revenue coverage and increase transparency, the authorities are in the process of including services revenues, which were accounted off budget, into the revenue perimeter.

14. A still wide current account deficit. The external current account deficit is estimated to remain broadly stable at 7.8 percent in 2023 after 7.7 percent of GDP in 2022, and is expected to narrow to about 2 percent of GDP in 2028. Exports are expected to grow more than imports from 2025 onwards helped by increased hydrocarbon output and the implementation of NDP and Côte d'Ivoire 2030 policies, especially on private sector development and export diversification. Exports also benefit from higher prices in key export crops, especially cocoa. Fiscal consolidation should also support a narrowing of the current account deficit over the medium term and boost the merchandise trade surplus. Official reserves remained under pressure in 2023, with Côte d'Ivoire contributing to the decline in FX reserves at the regional level.

15. Risks. The balance of risks has improved and the risks are now assessed as broadly balanced. Regional security challenges could generate spending pressures and weigh on confidence, while a renewed spike in international oil prices could put pressure on tax revenue from petroleum products. Notwithstanding the recent successful bond issuance, a renewed deterioration in external financing conditions could increase debt service costs over time, making it challenging to meet significant financing needs. A weaker-than-anticipated recovery in regional FX reserves could also weigh on investor confidence, as could a deteriorating regional security situation. The upside risks consist mainly of the strict implementation of the NDP, higher-than-anticipated oil and gas extraction, notably with a substantial new discovery in the Calao field, and global inflationary pressures subsidizing faster than anticipated, which could lead to more favorable financing conditions. Moreover, sustained high cocoa prices could further boost disposable income, as well as cocoa-related export and fiscal revenue, above and beyond what is assumed under the baseline.

16. The authorities' debt management strategy aims to meet gross financing needs while ensuring debt sustainability, based on a mix of external and domestic financing instruments.

The authorities intend to rely more on domestic financing over time as stated in their 2023-2026 medium-term debt strategy. The authorities borrowed externally around 70 percent of total financing in 2023 due to the tightening of domestic financing conditions and to reduce the external borrowing to 36 percent by 2026. The level of external commercial borrowing is set close to projected external commercial debt service. Multilateral and bilateral financing is projected to

⁶ It includes off-budget earmarked revenues collected by public enterprises, specifically the retroactive inclusion of the Perequation Produit revenue collected by the refinery (SIR) and taxes paid for and collected by the state in relation to donor externally financed projects.

gradually decline from 4.3 percent of GDP in 2023 to 1.6 percent in 2044. In the short term, the government is expected to rely on both concessional and non-concessional borrowing to meet its financing needs. The debt service on Eurobonds represents 28 percent of external debt service over the next three years, including the DMO cost.

	2021	2022	2023	2024	2025	2026	2027	2028	2029
		Prel.	Prel.	Projections					
(Annual percentage changes, unless otherwise indicated)									
National income									
GDP at constant prices	7.1	6.2	6.2	6.5	6.4	6.4	7.5	6.5	6.2
GDP deflator	3.9	2.1	2.9	2.8	2.4	2.0	2.0	2.0	2.0
External sector (on the basis of CFA francs)									
Exports of goods, f.o.b., at current prices	18.2	19.5	3.4	19.9	20.0	5.6	11.6	6.9	6.8
Imports of goods, f.o.b., at current prices	24.3	39.4	-2.6	4.5	6.7	7.2	8.0	8.0	10.2
Export volume	10.2	8.0	4.6	0.2	6.9	8.2	10.0	6.7	6.6
Import volume	7.8	3.8	7.7	6.8	7.1	6.7	7.3	6.9	10.1
(Percent of GDP unless otherwise indicated)									
Central government operations									
Total revenue and grants	15.6	15.3	16.2	16.8	17.6	17.9	18.1	18.3	18.6
Total revenue	15.1	14.7	15.6	16.3	17.2	17.7	17.8	18.0	18.4
Total expenditure	20.5	22.1	21.5	20.8	20.7	20.9	21.1	21.2	21.6
Primary expenditure	18.5	19.9	18.9	18.4	18.1	18.5	18.9	19.1	19.5
Primary balance	-2.9	-4.6	-2.7	-1.6	-0.5	-0.7	-0.7	-0.8	-0.9
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0	-3.0
External Sector									
Current account balance	-3.9	-7.7	-7.8	-5.7	-2.3	-2.3	-2.0	-2.2	-2.9
Non-interest current account balance	-2.8	-6.5	-6.3	-4.3	-0.8	-0.8	-0.7	-1.0	0.0

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

	Previous DSA			Current DSA		
	2024-2029	2030-2034	2035-2043	2024-2029	2030-2034	2035-2043
Nominal GDP (USD Billion)	106.6	162.6	278.0	107.0	165.0	282.1
Real GDP (y/y % change)	6.2	5.8	5.6	6.6	5.8	5.6
(Percent of GDP unless otherwise noted)						
Fiscal (Central Government)						
Revenue and grants	17.8	18.9	19.4	17.9	18.9	19.3
of which grants	0.3	0.2	0.1	0.3	0.2	0.1
Primary expenditure	18.6	18.5	19.6	18.6	18.0	19.1
Primary balance	-0.8	0.4	-0.2	-0.9	0.5	0.4
Balance of Payments						
Exports of goods and services	23.9	21.9	19.3	25.6	24.2	22.5
Imports of goods and services	18.0	16.4	15.0	17.8	16.6	15.0
Non-interest current account balance	-1.6	-2.4	-3.7	-1.5	-2.0	-2.2
Current account balance	-2.8	-3.2	-4.3	-2.9	-2.9	-2.9
Foreign direct investment (net inflows)	2.0	2.4	2.7	3.1	2.8	3.1

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

17. The authorities also intend to balance the recourse to the international and regional markets given the potential crowding-out effect at the regional level. Domestic financing is assumed to rely on issuances of CFAF securities with the following maturities from 2024 onwards: less than one-year (24 percent of issuances), one to three years (6 percent), three to seven years

(37 percent) and more than seven years (33 percent). The authorities are continuing to strengthen processes related to debt management, with World Bank support and have shown gradual and steady improvement in the World Bank Debt Transparency Heatmap since 2020. Moreover, debt management has been further strengthened by upgrading the institutional and legislative framework with the creation of the new debt department, *la Direction Générale des Financements*, which was finalized in late 2023, and the new law on public debt policies submitted to Parliament in September 2023.

18. While setting ambitious policy targets, the macroeconomic framework is broadly plausible (Figure 4). The realism tool shows that the macroframework will require relatively strong fiscal consolidation efforts from the authorities to meet the ambitious targets. The projected medium-term debt-creating flows are below those observed in the past five years, which were driven by a sizable residual.⁷ The 2.3 percent of GDP residual calculated for 2023 mostly reflects a different recording of project loan disbursements in the fiscal accounts and the debt statistics, as well as the non-integration in the fiscal accounts of the flows associated with new debt contracted by the government and on-lent to SOEs, which is included in public debt.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

19. Côte d'Ivoire is assessed to have medium debt-carrying capacity. Based on the October 2023 WEO macroeconomic framework and the World Bank's 2022 CPIA index, Côte d'Ivoire's composite indicator is 2.94 (above the lower cut-off of 2.69 but below the strong capacity cut-off value of 3.05) confirming the medium debt carrying capacity assessment used in previous DSA.⁸ The relevant thresholds are used to assess debt risk rating.

20. Given Côte d'Ivoire's reliance on global capital markets, a tailored test for international market financing was conducted. In addition to the issuance of sizeable Eurobonds of 2020 and early 2021 (for about US\$1.2 billion and US\$1 billion, respectively), the country issued US\$2.6 billion of Eurobonds mainly for liability management operations in January 2024 (Box 1). Moody's raised the country's credit rating one notch to Ba2 in March 2024. Côte d'Ivoire's debt management strategy aims at leveraging global capital markets to finance part of the country's gross financing needs when market conditions are favorable. A tailored test for market financing assumes a temporary increase in the cost of new commercial external borrowing by 400 basis

⁷ See Box 3. Stock-Flow Adjustments and Fiscal Risks of IMF Country Report No. 24/223.

⁸ The other variables from the macroeconomic framework consist of five variables: real GDP growth, remittances, import coverage of reserves, the square of import coverage of reserves, and world economic growth. The composite indicator uses ten years of data (five years of history and five years of projections) to smooth out economic cycles.

points combined with a nominal depreciation of 15 percent of the CFAF vis-à-vis the US\$ and a shortening of maturities and of grace periods.⁹

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

Text Table 5. Côte d'Ivoire: CI Score

Debt Carrying Capacity		Medium		
Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage	
Medium	Medium 2.94	Medium 2.90	Medium 2.94	
APPLICABLE		APPLICABLE		
EXTERNAL Debt Burden Thresholds		TOTAL Public Debt Benchmark		
PV of Debt in % of Exports	180	PV of total public debt in percent of GDP		
GDP	40	55		
Debt Service in % of Exports	15			
Revenue	18			
Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.661	1.41	48%
Real growth rate (in percent)	2.719	5.840	0.16	5%
Import coverage of reserves (in percent)	4.052	39.591	1.60	55%
Import coverage of reserves ² (in percent)	-3.990	15.674	-0.63	-21%
Remittances (in percent)	2.022	0.276	0.01	0%
World economic growth (in percent)	13.520	2.889	0.39	13%
CI Score			2.943	100%
CI rating			Medium	

EXTERNAL DEBT SUSTAINABILITY ANALYSIS

22. The country remains at moderate risk of debt distress. Unlike the previous DSA where judgment was applied to assess Côte d'Ivoire at moderate risk of debt distress against a mechanical

⁹ The share of USD denominated debt is estimated to be decreasing over time. The considered shortening of maturities of commercial external borrowing are as follows: if the original maturity is greater than five years, the new maturity is set to five years; if the original maturity is less than five years, the new maturity is shortened by two-thirds.

risk rating at high risk, this DSA did not use judgement. The debt service-to-revenue ratio remains below the 18 percent threshold during the projection period, except for one breach at 31.8 percent in 2024, mainly owing to early repayments and debt service of existing debt associated with the DMO.¹⁰ The ratio is projected to steadily decline well below the threshold under the Fund-supported program before returning closer to the threshold around 2030. In the long run, it would decrease steadily until the end of projections. The debt service-to-export ratio is also projected to breach the 15 percent threshold to 20.7 percent in 2024 due to the DMO.¹¹ The external debt service ratios improved from the last DSA thanks to the DMO operation which was finalized in April 2024.

23. All other PPG debt indicators are below their corresponding thresholds for the next ten years in the baseline scenario. The PV of external debt-to-GDP is expected to decrease from 32 percent in 2024 and 2025 to 19 percent in 2034 (Table 1 and Figure 1), well below the relevant threshold of 40. The PV of external debt to exports peaks at 126 percent at the beginning of the projection period before decreasing and the debt service-to-exports ratio is expected to drop to 11 percent in 2025 and stay below the 15 percent threshold. After the 2024 spike, the debt-service-to-revenue ratio is expected to remain below the threshold throughout the following years. The trajectory of the debt-service-to-revenue ratio underscores the criticality of improving domestic revenue mobilization to provide a sustainable source of funding for important development needs and to provide buffers on debt service and carefully managing the debt portfolio including debt conditionality and investment prioritization.

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

PUBLIC DEBT SUSTAINABILITY ANALYSIS

25. Under the baseline scenario, the PV of public debt-to-GDP ratio is below its threshold of 55 percent (Figure 4). The PV of public debt-to-GDP is expected to slightly decline over the projection period, to around 33 percent by 2034. Meanwhile, the PV of debt-to-revenue and grants ratio would decline from around 317 percent in 2024 to 172 percent in 2034. Finally, the debt service-to-revenue and grants ratio is projected to soar to 61 percent in 2024 and decline back to around 15 percent at the end of the projection period. This again underscores the importance of strengthening domestic revenue mobilization.

¹⁰ The ratio would reach 18.8 percent without the DMO operation due to higher interest rates and shorter maturities contracted during the recent crisis.

¹¹ It would stay at 12.2 percent without the DMO.

26. Standard stress tests highlight that Côte d'Ivoire's most extreme public debt vulnerability would emerge from a shock to exports (Figure 2 and Table 4). Under the standard exports stress test, the PV of public debt-to-GDP would breach its corresponding threshold of 55 percent starting in 2024 and would continue increasing until 2026. This shock would lead to an explosive pattern of the two debt indicators, namely PV of public debt-to-GDP and PV of debt-to-revenue ratios, which could be exacerbated if exports were to decrease even further. It confirms the country's dependence on exports, as in the case of external debt, hence the importance of accelerating diversification policies.

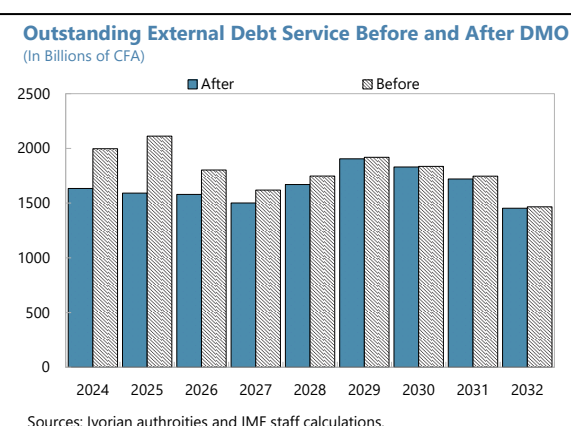
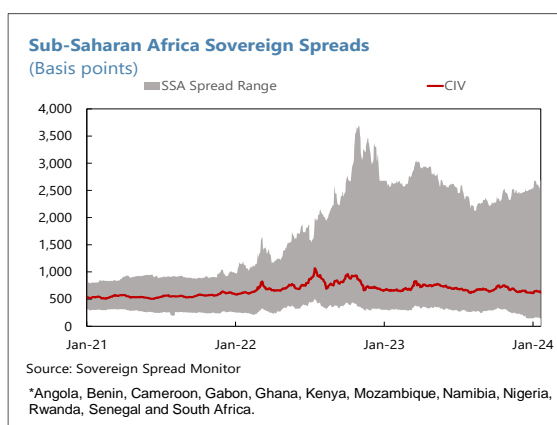
Box 1. Côte d'Ivoire: Eurobond Issuance and Debt Management Operation

On January 23, 2024, Côte d'Ivoire placed \$2.6 billion Eurobond issuances in international markets, which represents the country's first international issuance since early 2021, and the first issuance for any SSA country since April 2022. The new bonds were mainly used for debt management operations (DMO).

After a three-year hiatus, the successful US\$-denominated international bond issuance marks an important turning point for Côte d'Ivoire. Over three times the planned issuance amount, the placement drew significant interest from both existing and new investors. The issuance comprises a \$1.5 billion traditional Eurobond with a 13-year maturity at a yield of 8.5 percent, a \$1.1 billion ESG bond with a 9-year maturity at 7.875 percent, and an EUR-USD hedge that results in effective interest rates in euro terms of 6.85 percent and 6.3 percent, respectively. The country's EMBIG spreads have fallen and remained well below 600 basis points since the issuance.

The issuance highlights markets' positive view of Côte d'Ivoire's prospects, as well as its beneficial introduction of an ESG framework. The inclusion of an ESG bond in the issuance comes after the country publicized an updated ESG framework in late 2023. Strong investor interest in the issuance highlights markets' confidence in the country's political and macroeconomic stability, sustained by the authorities' ongoing reforms and successful track record, including under the Fund-supported EFF/ECF program. In March 2024, Moody's raised the country's credit rating one notch to Ba2 and in May 2024 Standards & Poor upgraded Côte d'Ivoire outlook from stable to positive and kept the credit rating to BB-.

About \$1.9 billion, representing over 70 percent of the issuance was used for a debt management operation (DMO). The DMO included the partial buyback of the 2025 and 2032 Eurobonds, as well as both total and partial early repayments of 16 commercial loans from 8 creditors. The DMO was finalized in April 2024. The operation generated a cumulated gross debt service saving of 2.3 percent of GDP between 2024 and 2032 with a peak of 0.9 percent of GDP in 2025.



CLIMATE CHANGE RISKS

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

28. Economic vulnerabilities to climate change are mostly due to heavy reliance on agriculture, and the concentration of industrial and services activity in coastal areas. Agriculture employs about half of the workforce and contributes about 17 percent of GDP and 10 percent of tax revenues. Climate change would affect the debt sustainability indicators through its negative impact on (i) output due to a productivity decrease and loss of suitable land; (ii) the fiscal balance owing to weaker revenue mobilization as, notably, agriculture becomes more vulnerable, and increased spending due to rising natural disaster cost and spending needs to build resilient infrastructure; and (iii) the balance of payments.

29. Côte d'Ivoire's Nationally Determined Contributions (NDC) address exposure and vulnerability to climate change and imply significant costs. The NDC emphasizes the importance of increasing resilience in agriculture, improving water resource governance, addressing health challenges by building capacity and increasing health surveillance, and increasing the resilience of coastal zones. The implementation cost of climate policies is estimated at US\$22 billion (US\$12 billion in adaptation and US\$10 billion in mitigation). Private financing is expected to play a major role in financing (assumed to cover 74 percent of the National Development Plan), as well as international sources such as the Green Climate Fund and the Adaptation Fund.

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

31. A severe natural disaster could occur in the form of flooding impacting coastal populations' livelihoods and the agriculture and tourism sectors. Fifty-six percent of population of Côte d'Ivoire live in an urban coastal area. According to the World Bank,¹² floods are extremely damaging in the country with an estimated annual cost (expected value) of about 3 percent of GDP

¹² [The Cost of Coastal Zone Degradation in West Africa: Benin, Cote d'Ivoire, Senegal, and Togo \(worldbank.org\)](https://www.worldbank.org/).

due to fluvial and pluvial floods (not accounting for seawater due to a lack of data) along the coast through the cost of mortality and the damage to assets and economic production.

32. A customized stress test shows that the natural disaster shock is the most extreme shock of public debt. The natural disaster stress test is informed by the World Bank flooding cost estimates. The calibration assumes one-off 9 percentage points decline in real GDP growth and a standard size of associated export growth shock of 3.5 percentage points. The debt service-to-revenue ratio would surge to 61 percent in 2024 and the PV of debt to GDP ratio would spike to 60 percent in 2025 (Figure 2, table 4). The results highlight the urgent need for addressing climate change challenges. Additionally, as shown in the DIGNAD modeling of EBS/24/17 Sup1, Côte d'Ivoire would benefit from investments in resilient infrastructure and greater revenue mobilization to attenuate the negative effect of natural disasters on debt sustainability.

RISK RATING AND VULNERABILITIES

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

34. This DSA indicates that the overall risk of debt distress also remains moderate, and stress tests highlight high vulnerabilities of external and total debt to shocks. While the overall debt sustainability risk remains moderate, the PV of public debt-to-GDP breaches its threshold of 55 percent starting in 2025 under the most extreme shock (exports) arising from the standard stress tests. Three out of four external debt indicators would breach their threshold under the most extreme shocks (exports and depreciation). Risks have been exacerbated by the post-pandemic environment, the war in Ukraine, and global monetary tightening, as the global growth recovery, and hence that of Ivorian exports, could prove weaker than currently projected, even if it benefits from high cocoa prices in the current environment.

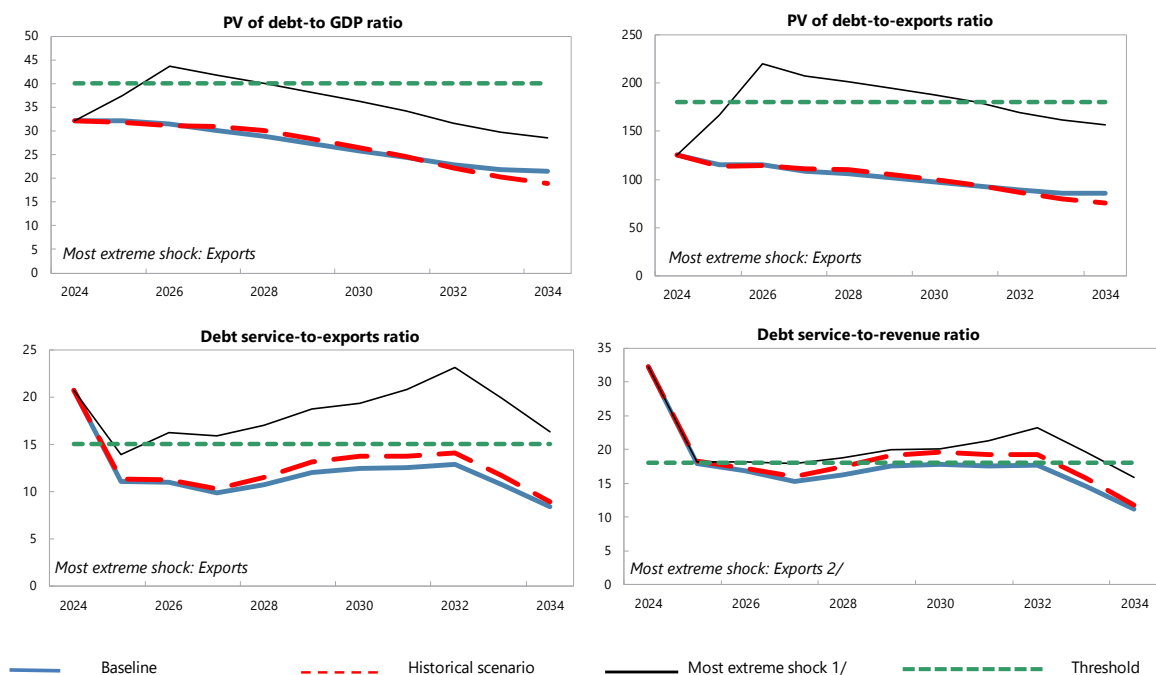
35. The granularity assessment indicates that there is limited space to absorb shocks (Figure 6). Under the module, which allows qualifying the moderate risk of debt-distress, Côte d'Ivoire is assessed as having limited space to absorb shocks, especially when considering the debt service ratios, both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

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

AUTHORITIES' VIEWS

37. The authorities agreed that Côte d'Ivoire remains at moderate risk of debt distress. They are strongly committed to keeping the country's debt at moderate risk. They are aware that the external debt service to revenue ratio and the debt service to export ratio (the latter only due to the extensive liabilities management exercise in Q1 2024) temporarily breach their respective thresholds in 2024 before remaining below them for the rest of the projection period. The authorities continue to show strong commitment to active debt management, notably with the January Eurobond issuance. As intended, the issuance and liabilities management exercise strengthened debt sustainability, including liquidity indicators, and reduced debt vulnerabilities and Côte d'Ivoire credit ratings improved. The authorities are closely monitoring their debt portfolio, including the composition between external and domestic borrowing, the concessionality of loans, and the investment prioritization and pace of disbursement. As shown in the satisfactory EFF/ECF performance so far, the authorities are strongly committed to the policies and targets under the Fund arrangements for increasing domestic revenue mobilization. In addition, the authorities have committed to improving the quality of their credit ratings, as evidenced by the recent rating upgrade by Moody's to Ba2, and by the change in rating outlook by S&P from BB- stable to BB- positive.

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



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

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

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

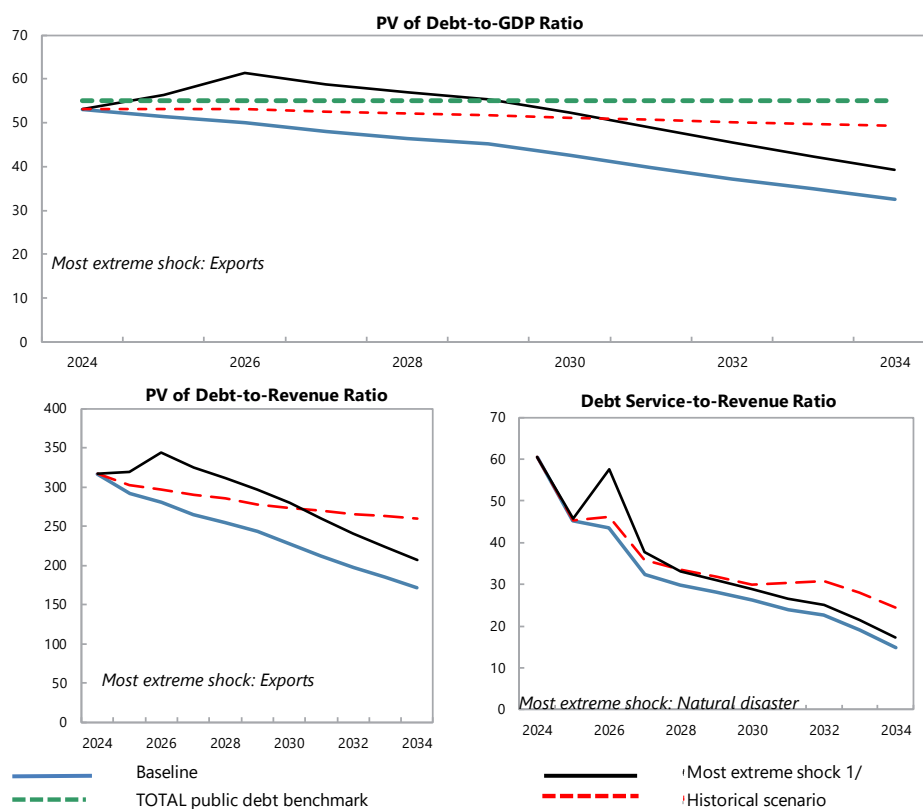
* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

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

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

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



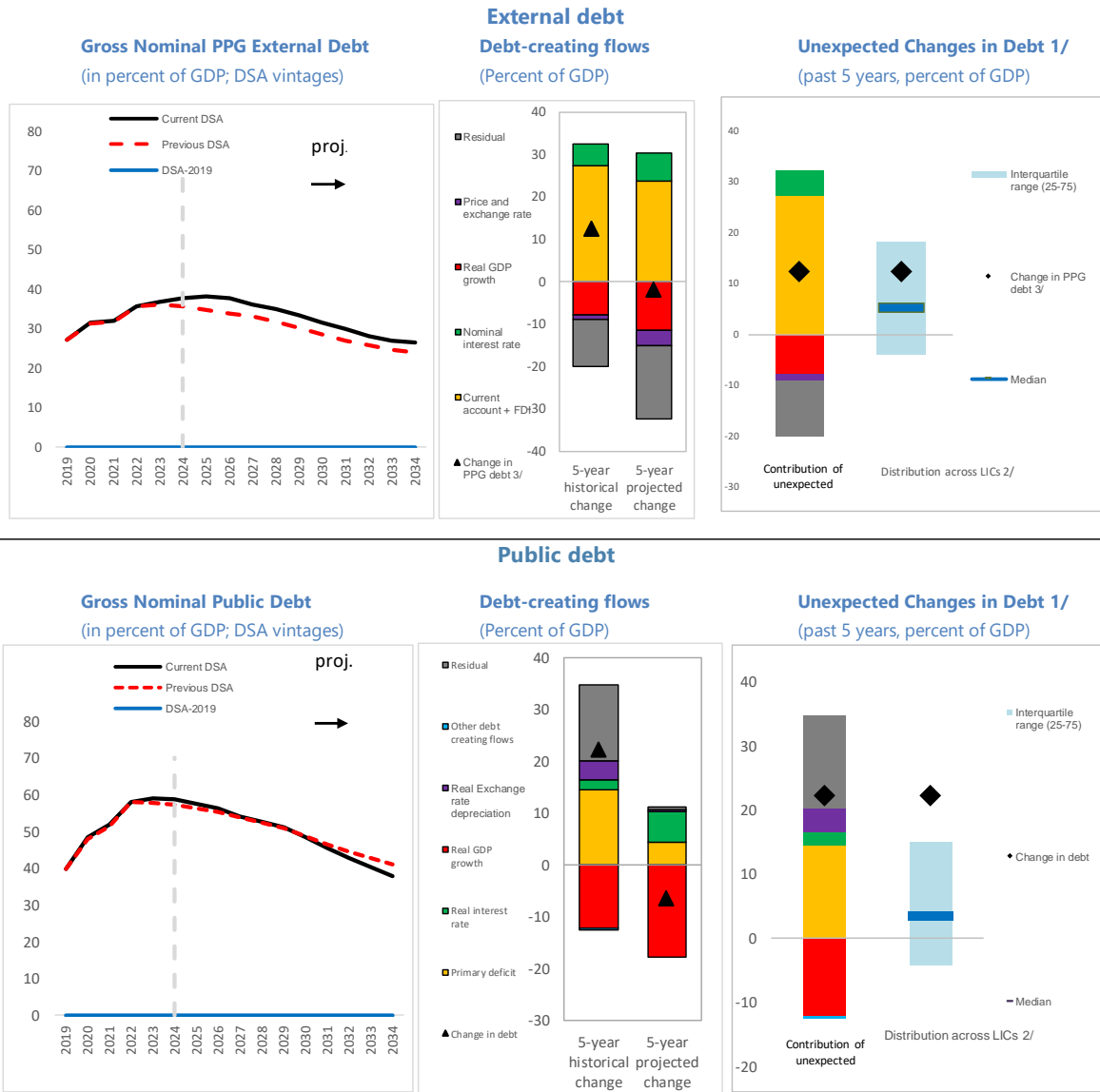
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	75%	75%
Domestic medium and long-term	21%	21%
Domestic short-term	3%	3%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	3.4%	3.4%
Avg. maturity (incl. grace period)	18	18
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	3.6%	3.6%
Avg. maturity (incl. grace period)	1	1
Avg. grace period	0	0
Domestic short-term debt		
Avg. real interest rate	3.5%	3.5%

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

Sources: Country authorities; and staff estimates and projections.

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

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



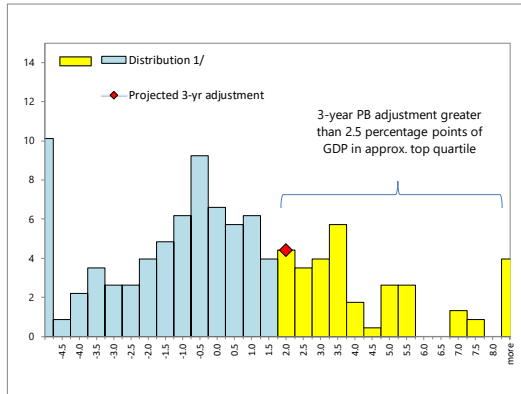
1/ Difference between anticipated and actual contributions on debt ratios.

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

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

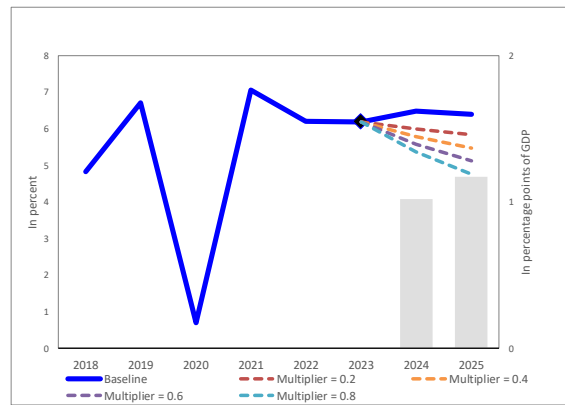
Figure 4. Côte d'Ivoire: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



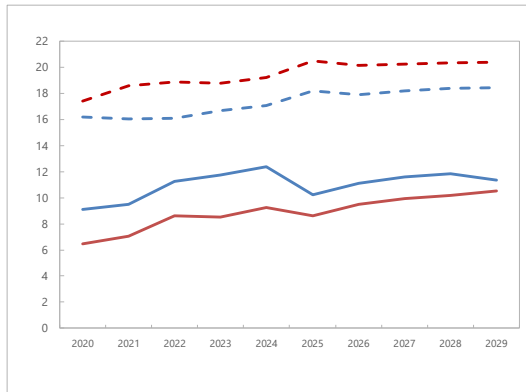
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



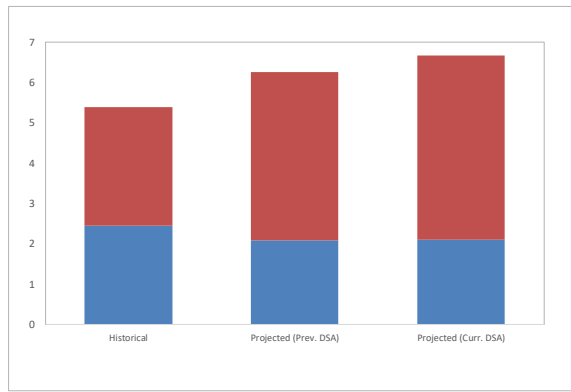
1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(Percent of GDP)



— Gov. Invest. - Prev. DSA — Gov. Invest. - Curr. DSA
- - - Priv. Invest. - Prev. DSA - - - Priv. Invest. - Curr. DSA

Contribution to Real GDP growth
(Percent, 5-year average)



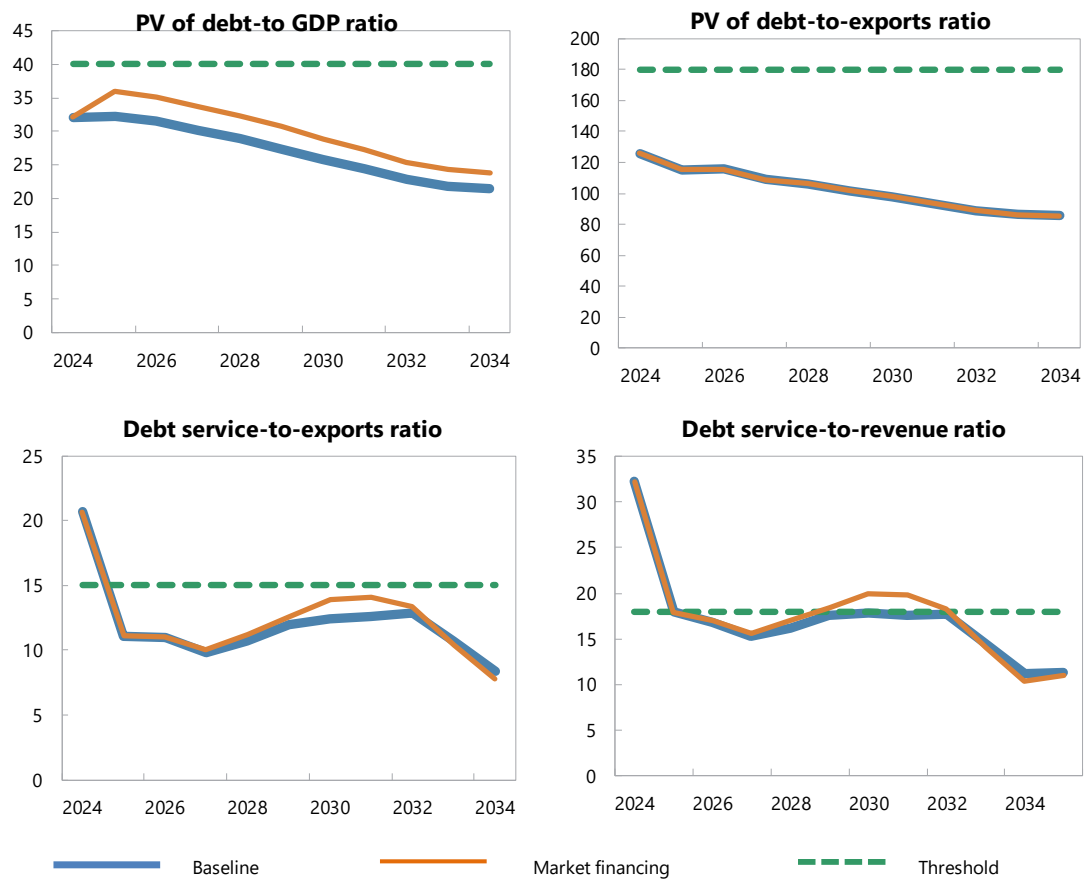
■ Contribution of other factors
■ Contribution of government capital

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

	GFN	1/	EMBI	2/
Benchmarks	14		570	
Values	12		572	
Breach of benchmark	No		Yes	
Potential heightened liquidity needs	Moderate			

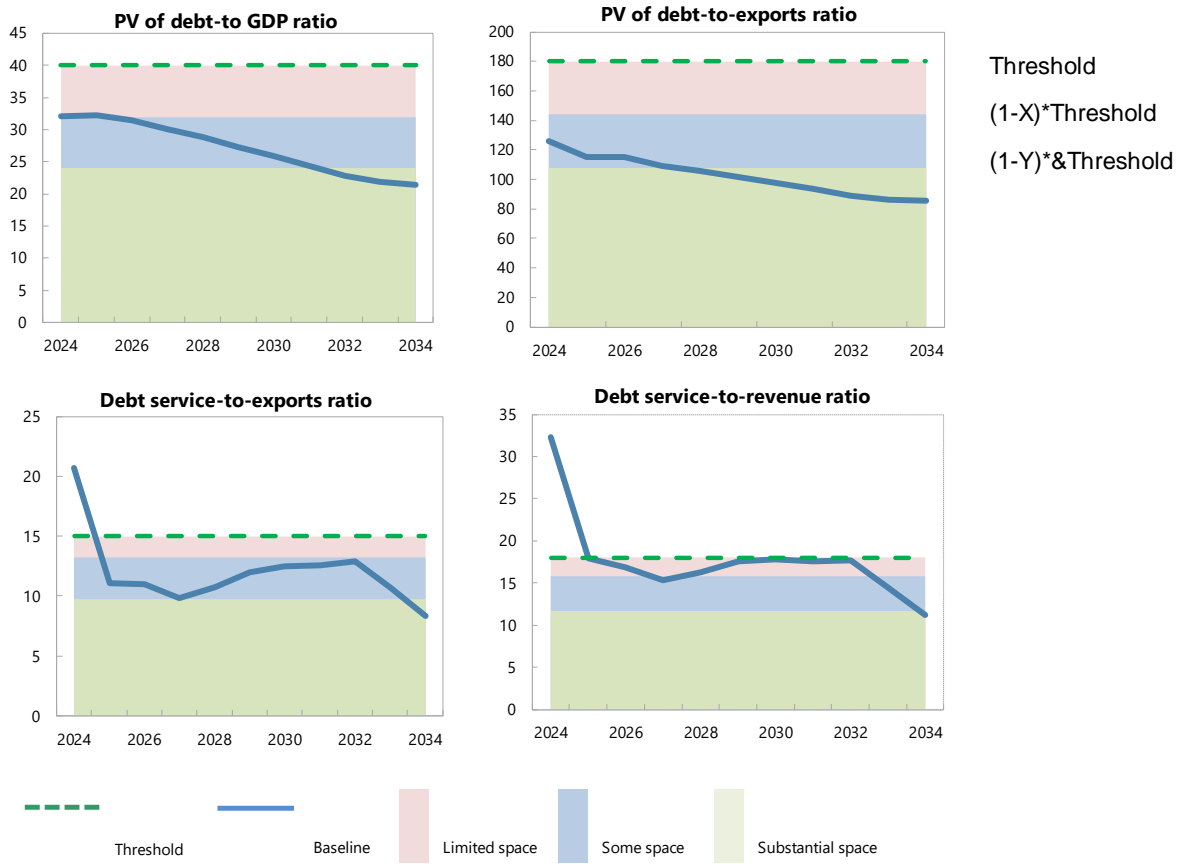
1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.

2/ EMBI spreads correspond to the latest available data.



Sources: Country authorities; and staff estimates and projections.

Figure 6. Côte d'Ivoire: Qualification of the Moderate Category, 2024-34¹



Sources: Country authorities; and staff estimates and projections.

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

Table 1. Côte d'Ivoire: External Debt Sustainability Framework, Baseline Scenario, 2021–44

(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
External debt (nominal) 1/	32.1	35.8	36.9	37.9	38.3	37.7	36.3	35.0	33.3	26.5	19.2	25.4	32.9
<i>of which: public and publicly guaranteed (PPG)</i>	32.1	35.8	36.9	37.9	38.3	37.7	36.3	35.0	33.3	26.5	19.2	25.4	32.9
Change in external debt	0.4	3.7	1.1	1.0	0.4	-0.6	-1.4	-1.3	-1.6	-0.6	-0.7		
Identified net debt-creating flows	1.2	10.8	5.6	7.3	3.8	3.3	1.9	2.6	3.5	4.4	4.6	2.9	3.9
Non-interest current account deficit	2.8	6.6	6.7	4.4	0.8	0.8	0.7	1.0	1.7	2.2	1.7	2.3	1.8
Deficit in balance of goods and services	-0.1	3.9	3.1	0.8	-2.5	-2.9	-3.8	-3.6	-2.9	-2.7	-3.2	-0.6	-2.6
Exports	22.3	24.5	23.2	25.5	28.0	27.2	27.7	27.3	26.9	25.1	23.1		
Imports	22.2	28.4	26.3	26.3	25.4	24.3	23.9	23.7	24.0	22.4	19.9		
Net current transfers (negative = inflow)	0.9	0.5	0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<i>of which: official</i>	0.0	-0.2	-0.4	-0.4	-0.3	0.0	-0.1	0.0	0.0	0.0	0.0		
Other current account flows (negative = net inflow)	1.9	2.2	3.1	2.9	2.5	3.0	3.6	3.7	3.8	4.1	4.1	2.0	3.6
Net FDI (negative = inflow)	1.5	2.0	1.7	3.8	3.8	3.3	2.5	2.6	2.6	2.9	3.4	1.2	2.9
Endogenous debt dynamics 2/	-3.1	2.2	-2.9	-0.9	-0.8	-0.8	-1.2	-0.9	-0.8	-0.7	-0.5		
Contribution from nominal interest rate	1.1	1.0	1.0	1.2	1.5	1.4	1.4	1.3	1.2	0.8	0.6		
Contribution from real GDP growth	-1.9	-2.1	-2.0	-2.2	-2.2	-2.3	-2.6	-2.2	-2.0	-1.5	-1.0		
Contribution from price and exchange rate changes	-2.3	3.2	-1.9	...	...	...	...	...	...	...	...
Residual 3/	-0.9	-7.1	-4.5	-6.2	-3.4	-3.9	-3.4	-3.9	-5.1	-5.0	-5.3	-0.5	-4.8
<i>of which: exceptional financing</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	31.7	32.1	32.2	31.5	30.1	28.9	27.4	21.4	15.6		
PV of PPG external debt-to-exports ratio	...	...	136.7	125.8	115.2	115.5	108.8	105.8	101.7	85.5	67.6		
PPG debt service-to-exports ratio	8.9	9.1	11.5	20.7	11.1	11.0	9.9	10.7	12.0	8.4	7.5		
PPG debt service-to-revenue ratio	13.1	15.1	17.1	32.2	17.93	16.8	15.3	16.2	17.5	11.1	8.3		
Gross external financing need (Million of U.S. dollars)	4604.8	7670.4	8762.3	11638.2	7191.0	7207.2	6546.5	7744.5	9795.4	13708.8	27414.8		
Key macroeconomic assumptions													
Real GDP growth (in percent)	7.1	6.2	6.2	6.5	6.4	6.4	7.5	6.5	6.2	5.8	5.6	6.4	6.2
GDP deflator in US dollar terms (change in percent)	7.8	-9.1	5.6	2.5	1.9	1.9	1.8	1.9	2.0	2.0	2.0	0.1	2.0
Effective interest rate (percent) 4/	4.1	3.1	3.2	3.7	4.2	4.0	3.9	3.8	3.8	3.2	3.0	3.7	3.7
Growth of exports of G&S (US dollar terms, in percent)	22.7	6.0	6.4	19.9	18.8	5.6	11.3	6.9	6.8	6.7	7.2	3.9	9.2
Growth of imports of G&S (US dollar terms, in percent)	27.9	23.2	3.9	9.2	4.8	3.6	7.8	7.6	9.7	6.6	6.4	6.1	6.8
Grant element of new public sector borrowing (in percent)	...	...	...	12.0	18.0	17.5	18.4	17.4	16.4	16.3	18.0	...	16.3
Government revenues (excluding grants, in percent of GDP)	15.1	14.7	15.6	16.4	17.3	17.8	17.9	18.0	18.4	18.8	20.9	14.1	18.1
Aid flows (in Million of US dollars) 5/	333.1	375.5	522.3	1223.1	1213.5	1063.7	1249.5	1292.0	780.4	766.3	502.7		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.4	1.3	0.9	0.9	0.9	0.8	0.6	0.4	...	0.9
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	17.2	24.0	21.4	25.7	24.6	23.3	21.5	18.8	...	22.3
Nominal GDP (Million of US dollars)	72,833	70,324	78,887	86,091	93,371	101,219	110,820	120,246	130,256	191,006	401,502		
Nominal dollar GDP growth	15.4	-3.4	12.2	9.1	8.5	8.4	9.5	8.5	8.3	7.9	7.7	6.4	8.4
Memorandum items:													
PV of external debt 7/	...	...	31.7	32.1	32.2	31.5	30.1	28.9	27.4	21.4	15.6		
In percent of exports	...	...	136.7	125.8	115.2	115.5	108.8	105.8	101.7	85.5	67.6		
Total external debt service-to-exports ratio	8.9	9.1	11.5	20.7	11.1	11.0	9.9	10.7	12.0	8.4	7.5		
PV of PPG external debt (in Million of US dollars)			25037.6	27633.4	30059.7	31843.3	33382.1	34713.8	35646.2	40900.3	62788.7		
(Pvt-Pvt-1)/GDPT-1 (in percent)			3.3	2.8	1.9	1.5	1.2	0.8	1.3	0.6	0.6		
Non-interest current account deficit that stabilizes debt ratio	2.4	2.9	5.6	3.4	0.4	1.5	2.1	2.3	3.3	2.8	2.5		

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

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

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

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

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

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

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

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

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

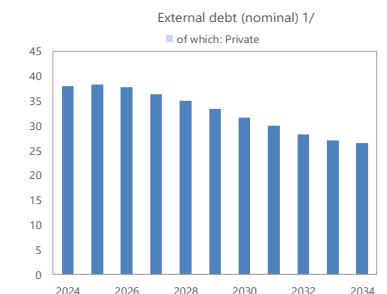
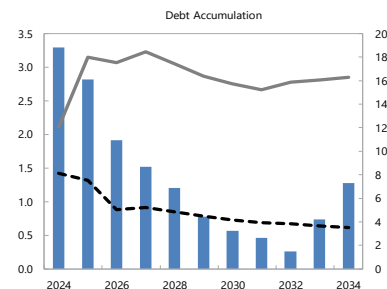


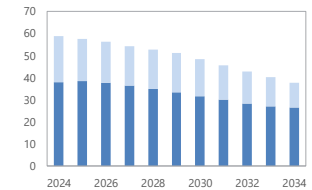
Table 2. Côte d'Ivoire: Public Sector Debt Sustainability Framework, Baseline Scenario, 2021–44
(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
	Public sector debt 1/	51.8	57.9	59.1	58.8	57.6	56.3	54.1	52.5	51.2	37.8	23.9	41.4	49.5
of which: external debt	32.1	35.8	36.9	37.9	38.3	37.7	36.3	35.0	33.3	26.5	19.2	25.4	32.9
Change in public sector debt	3.4	6.2	1.1	-0.3	-1.3	-1.3	-2.2	-1.6	-1.3	-2.4	-1.1		
Identified debt-creating flows	2.2	4.3	-1.2	-1.1	-1.7	-1.4	-1.9	-1.3	-1.0	-1.8	-0.7	1.1	-1.6
Primary deficit	2.9	4.6	2.7	1.6	0.5	0.7	0.7	0.8	0.9	-0.9	-0.1	2.1	0.1
Revenue and grants	15.6	15.3	16.2	16.8	17.6	17.9	18.1	18.3	18.6	19.0	20.9	14.9	18.3
of which: grants	0.5	0.5	0.7	0.5	0.4	0.2	0.3	0.3	0.3	0.2	0.0		
Primary (noninterest) expenditure	18.5	19.9	18.9	18.4	18.1	18.5	18.9	19.1	19.5	18.1	20.8	17.1	18.4
Automatic debt dynamics	-0.7	0.0	-3.9	-2.7	-2.1	-2.1	-2.7	-2.1	-1.9	-1.0	-0.6		
Contribution from interest rate/growth differential	-3.2	-3.5	-3.1	-2.7	-2.1	-2.1	-2.7	-2.1	-1.9	-1.0	-0.6		
of which: contribution from average real interest rate	0.0	-0.4	0.3	0.9	1.4	1.3	1.3	1.2	1.1	1.2	0.7		
of which: contribution from real GDP growth	-3.2	-3.0	-3.4	-3.6	-3.5	-3.5	-3.9	-3.3	-3.1	-2.2	-1.3		
Contribution from real exchange rate depreciation	2.5	3.5	-0.7	...	...	...	...	...	...	...	...
Other identified debt-creating flows	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Privatization receipts (negative)	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	1.2	1.9	2.3	0.8	0.4	0.2	-0.3	-0.3	-0.3	-0.6	-0.4	2.4	-0.3
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	53.7	53.1	51.4	50.1	47.9	46.4	45.2	32.7	20.3		
PV of public debt-to-revenue and grants ratio	...	...	330.6	316.8	292.1	280.1	264.4	254.2	242.6	172.6	97.2		
Debt service-to-revenue and grants ratio 3/	32.8	41.5	42.2	60.5	45.2	43.5	32.4	29.8	28.1	15.0	9.6		
Gross financing need 4/	8.0	10.6	9.5	11.8	8.4	8.4	6.6	6.3	6.1	2.0	1.9		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	7.1	6.2	6.2	6.5	6.4	6.4	7.5	6.5	6.2	5.8	5.6	6.4	6.2
Average nominal interest rate on external debt (in percent)	3.8	3.2	3.2	3.7	4.2	4.0	3.9	3.8	3.8	3.2	3.0	3.8	3.7
Average real interest rate on domestic debt (in percent)	1.5	3.5	2.0	2.1	2.8	3.3	3.3	3.3	3.3	3.4	3.6	3.2	3.2
Real exchange rate depreciation (in percent, + indicates depreciation)	8.3	11.9	-2.2	...	...	...	...	...	...	...	...	3.3	...
Inflation rate (GDP deflator, in percent)	3.9	2.1	2.9	2.8	2.4	2.0	2.0	2.0	2.0	2.0	2.0	1.9	2.1
Growth of real primary spending (deflated by GDP deflator, in percent)	6.9	14.0	1.0	3.6	4.5	9.2	9.3	7.9	8.6	5.4	6.0	9.1	5.9
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-0.5	-1.6	1.5	1.9	1.7	1.9	3.0	2.4	2.2	1.6	1.0	-0.2	2.0
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

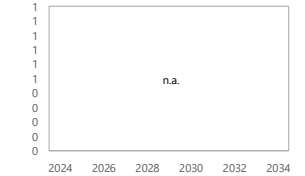
Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	Yes

Public sector debt 1/

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



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



Sources: Country authorities; and staff estimates and projections.

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

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

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

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

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

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

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

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of debt-to GDP ratio											
Baseline	32	32	31	30	29	27	26	24	23	22	21
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	32	32	31	31	30	28	26	24	22	20	19
B. Bound Tests											
B1. Real GDP growth	32	33	34	32	31	29	28	26	25	23	23
B2. Primary balance	32	34	37	36	35	33	31	30	28	27	26
B3. Exports	32	37	44	42	40	38	36	34	32	30	29
B4. Other flows 3/	32	33	33	31	30	28	27	25	24	23	22
B5. Depreciation	32	41	38	36	35	33	31	29	27	26	26
B6. Combination of B1-B5	32	39	37	36	34	32	31	29	27	26	25
C. Tailored Tests											
C1. Combined contingent liabilities	32	38	38	37	35	33	32	30	28	27	27
C2. Natural disaster	32	39	39	38	37	35	34	32	31	30	29
C3. Commodity price	32	33	32	31	30	29	27	26	24	23	23
C4. Market Financing	32	36	35	34	32	31	29	27	25	24	24
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of debt-to-exports ratio											
Baseline	126	115	115	109	106	102	98	93	89	86	85
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	126	114	114	111	110	105	100	94	86	80	75
B. Bound Tests											
B1. Real GDP growth	126	115	115	109	106	102	98	93	89	86	85
B2. Primary balance	126	122	137	130	127	123	118	114	108	105	104
B3. Exports	126	166	220	207	202	195	188	180	169	161	156
B4. Other flows 3/	126	117	120	113	110	105	101	97	92	89	88
B5. Depreciation	126	115	110	104	101	97	93	89	85	82	82
B6. Combination of B1-B5	126	155	126	151	147	142	136	130	123	119	117
C. Tailored Tests											
C1. Combined contingent liabilities	126	134	139	132	129	124	120	115	110	107	106
C2. Natural disaster	126	140	146	140	137	133	129	125	121	119	118
C3. Commodity price	126	116	119	113	111	107	104	100	95	92	92
C4. Market Financing	126	115	116	109	106	102	98	94	89	86	85
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt service-to-exports ratio											
Baseline	21	11	11	10	11	12	12	13	13	11	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	21	11	11	10	11	13	14	14	14	12	9
B. Bound Tests											
B1. Real GDP growth	21	11	11	10	11	12	12	13	13	11	8
B2. Primary balance	21	11	12	11	12	13	14	14	15	13	10
B3. Exports	21	14	16	16	17	19	19	21	23	20	16
B4. Other flows 3/	21	11	11	10	11	12	13	13	13	11	9
B5. Depreciation	21	11	11	10	11	12	12	12	12	10	8
B6. Combination of B1-B5	21	13	15	13	14	16	16	18	18	15	12
C. Tailored Tests											
C1. Combined contingent liabilities	21	11	12	11	12	13	13	13	14	11	9
C2. Natural disaster	21	11	12	11	12	13	14	14	14	12	10
C3. Commodity price	21	11	11	10	11	12	13	13	14	11	9
C4. Market Financing	21	11	11	10	11	13	14	14	13	10	8
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt service-to-revenue ratio											
Baseline	32	18	17	15	16	18	18	18	18	15	11
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	32	18	17	16	17	19	20	19	19	16	12
B. Bound Tests											
B1. Real GDP growth	32	19	18	16	17	19	19	19	19	16	12
B2. Primary balance	32	18	18	17	18	19	19	20	20	17	14
B3. Exports	32	18	18	18	19	20	20	21	23	20	16
B4. Other flows 3/	32	18	17	15	16	18	18	18	18	15	12
B5. Depreciation	32	23	21	19	20	22	22	22	21	18	13
B6. Combination of B1-B5	32	19	19	17	18	20	20	21	21	17	13
C. Tailored Tests											
C1. Combined contingent liabilities	32	18	18	17	18	19	19	19	19	16	12
C2. Natural disaster	32	18	18	17	18	19	19	19	19	16	12
C3. Commodity price	32	19	18	17	18	19	19	18	19	15	12
C4. Market Financing	32	18	17	16	17	18	20	20	18	14	10
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.

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

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

3/ Includes official and private transfers and FDI.

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

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of Debt-to-GDP Ratio											
Baseline	53	51	50	48	46	45	43	40	37	35	33
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	53	53	53	53	52	52	51	51	50	50	49
B. Bound Tests											
B1. Real GDP growth	53	54	56	54	54	54	52	50	48	46	45
B2. Primary balance	53	54	57	54	52	51	48	45	42	40	37
B3. Exports	53	56	61	59	57	55	52	49	46	42	39
B4. Other flows 3/	53	52	51	49	47	46	44	41	38	36	33
B5. Depreciation	53	58	55	51	48	46	42	38	34	31	27
B6. Combination of B1-B5	53	52	53	50	49	47	44	41	38	36	33
C. Tailored Tests											
C1. Combined contingent liabilities	53	57	55	53	51	50	47	44	41	39	36
C2. Natural disaster	53	60	59	56	55	54	51	48	45	43	41
C3. Commodity price	53	54	55	55	55	56	54	52	50	49	47
C4. Market Financing	53	51	50	48	47	45	43	40	37	35	33
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	317	292	280	264	254	243	227	212	197	185	173
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	317	302	297	290	285	277	274	270	266	263	260
B. Bound Tests											
B1. Real GDP growth	317	306	310	299	294	287	276	264	254	246	237
B2. Primary balance	317	307	317	299	287	274	257	240	225	212	198
B3. Exports	317	320	344	324	311	297	279	260	241	224	207
B4. Other flows 3/	317	295	286	270	260	248	233	216	202	189	176
B5. Depreciation	317	332	308	283	264	244	222	200	180	162	145
B6. Combination of B1-B5	317	295	297	279	266	253	236	219	203	189	175
C. Tailored Tests											
C1. Combined contingent liabilities	317	323	308	291	279	266	250	234	219	206	192
C2. Natural disaster	317	343	329	311	300	287	271	255	240	228	215
C3. Commodity price	317	327	328	324	318	308	294	277	266	258	248
C4. Market Financing	317	292	280	265	255	243	228	212	197	185	173
Debt Service-to-Revenue Ratio											
Baseline	61	45	44	32	30	28	26	24	23	19	15
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	61	45	46	36	34	32	30	30	31	28	25
B. Bound Tests											
B1. Real GDP growth	61	47	48	37	35	33	32	30	29	26	22
B2. Primary balance	61	45	48	39	33	31	28	27	26	23	18
B3. Exports	61	45	44	35	32	30	28	27	28	24	19
B4. Other flows 3/	61	45	44	33	30	28	26	24	23	20	15
B5. Depreciation	61	45	46	35	33	32	31	28	27	22	17
B6. Combination of B1-B5	61	44	44	36	31	29	27	24	23	19	15
C. Tailored Tests											
C1. Combined contingent liabilities	61	45	53	35	31	29	27	25	24	20	16
C2. Natural disaster	61	46	58	38	33	31	29	27	25	22	17
C3. Commodity price	61	49	50	41	38	36	33	30	29	27	23
C4. Market Financing	61	45	44	33	31	29	28	26	23	19	14

Sources: Country authorities; and staff estimates and projections.

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

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

3/ Includes official and private transfers and FDI.

Table 5. Côte d'Ivoire: Decomposition of Public Debt Stock and Debt Service by Creditors, 2023-26¹

	Debt Stock (end of period)			Debt Service								
	2023			2024			2025			2026		
	(In US\$ billions)	(Percent total debt)	(Percent GDP)	(In US\$ billions)			(Percent GDP)					
Total	46.2	100.0	58.1	6.8	5.9	6.6	7.9	6.4	6.5			
External	28.5	61.8	35.9	2.6	2.6	2.5	3.1	2.7	2.5			
Multilateral creditors ^{2,3}	9.4	20.4	11.8	0.8	0.8	0.7	1.0	0.8	0.6			
IMF	2.8	6.0	3.5									
World Bank	3.9	8.4	4.9									
AfDB	1.2	2.6	1.5									
Other Multilaterals	1.6	3.4	2.0									
<i>o/w: IDB</i>	0.8	1.6	0.9									
<i>o/w: BOAD</i>	0.3	0.7	0.4									
Others	0.5	1.0	0.6									
Bilateral Creditors ²	4.9	10.6	6.1	0.3	0.4	0.4	0.3	0.4	0.4			
Paris Club	1.8	3.8	2.2	0.1	0.1	0.1	0.1	0.1	0.1			
<i>o/w: France</i>	1.1	2.3	1.3									
<i>o/w: Germany</i>	0.4	0.9	0.5									
Others	0.3	0.7	0.4									
Non-Paris Club	3.1	6.8	3.9	0.2	0.3	0.3	0.3	0.3	0.3			
<i>o/w: China</i>	0.1	0.1	0.1									
<i>o/w: India</i>	0.2	0.3	0.2									
Others	2.9	6.3	3.7									
Bonds	8.6	18.7	10.8	0.6	0.6	0.8	0.7	0.6	0.8			
Commercial creditors	5.6	12.2	7.1	0.9	0.9	0.7	1.0	0.9	0.7			
<i>o/w: MUFG</i>	0.8	1.7	1.0									
<i>o/w: SGF</i>	0.7	1.5	0.9									
Others	4.1	9.0	5.2									
Domestic	17.6	38.2	22.2	4.2	3.4	4.0	4.9	3.6	4.0			
Held by residents, total	n/a	n/a	n/a									
Held by non-residents, total	n/a	n/a	n/a									
T-Bills	1.2	2.7	1.6	1.2	0.0	0.0	1.4	0.0	0.0			
Bonds	5.0	10.8	6.2	0.9	1.4	1.9	1.1	1.5	1.9			
Loans, and others	11.4	24.8	14.4	2.0	2.0	2.1	2.4	2.2	2.1			
Memo Items:												
Collateralized debt ^{4, 6}	n/a	n/a	n/a									
Contingent liabilities ^{5, 6}	n/a	n/a	n/a									
Nominal GDP	78.9											

Sources: Ivorian authorities and IMF staff calculations.

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

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

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

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

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

6/ Not available because of capacity constraints.