INTERNATIONAL MONETARY FUND

IMF Country Report No. 23/406

CÔTE D'IVOIRE

December 2023

FIRST REVIEWS UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR CÔTE D'IVOIRE

In the context of the First Reviews Under the Extended Arrangement Under the Extended Fund Facility and Arrangement Under the Extended Credit Facility, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on December 4, 2023, following discussions that ended on October 2, 2023, with the officials of Côte d'Ivoire on economic developments and policies underpinning the IMF arrangement under the Extended Credit Facility. Based on information available at the time of these discussions, the staff report was completed on November 14, 2023.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the International Development Association.
- A **Statement by the Executive Director** for Côte d'Ivoire.

The documents listed below have been or will be separately released.

* Poverty Reduction and Growth Strategy

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 First Reviews of Côte d'Ivoire's Extended Credit Facility and Extended Fund Facility Arrangements

FOR IMMEDIATE RELEASE

- The IMF Executive Board completed the first reviews under the 40-month ECF/EFF arrangements with Côte d'Ivoire, providing the country with an immediate access to about US$495 million.
- Program implementation has been strong so far with all quantitative criteria and structural benchmarks met. Côte d'Ivoire pursues its commitment for a revenue based fiscal consolidation to ensure fiscal and debt sustainability and to create fiscal space and implement its ambitious structural reforms' agenda.
- The Ivorian authorities have taken measures to strengthen macroeconomic stability and reverse widening fiscal and external imbalances as the economy has been hit hard by the triple shock of the Covid-19 pandemic, global financial tightening, and adverse spillovers from Russia's war in Ukraine.

Washington, DC – **December 4th, 2023:** The Executive Board of the International Monetary Fund (IMF) completed the first reviews under the Extended Credit Facility (ECF)[1] Arrangement and the Extended Arrangement under the Extended Fund Facility (EFF)[2] for Côte d'Ivoire.

The 40-month ECF/EFF arrangements with a total access of SDR 2,601.6 million (about US$3.5 billion or 400 percent of Côte d'Ivoire's IMF quota) were approved by the IMF Executive Board on May 24, 2023. The completion of the first reviews of the ECF/EFF arrangements provides Côte d'Ivoire immediate access to the second disbursement for a total of SDR 371.657 million or US$495.288 million.

Program performance has been strong. The Ivorian economy has faced adverse spillovers from the war in Ukraine and global monetary tightening. Indirect and direct subsidies to curb price pressures, higher security spending, and worsening terms-of-trade amid robust domestic demand had led to a widening of macroeconomic imbalances in 2022. Under the ECF/EFF arrangements, the authorities have started decisive fiscal consolidation in 2023, including through increased domestic revenue mobilization. They also pursued the implementation of their national development plan through important structural reforms to improve business climate and private sector's involvement in the country's development. Growth has remained

[1] The ECF is a lending arrangement that provides sustained program engagement over the medium to long term in case of protracted balance of payments problems.

[2] The EFF was established to provide assistance to countries: (i) experiencing serious payments imbalances because of structural impediments; or (ii) characterized by slow growth and an inherently weak balance of payments position.

resilient, estimated at about 6 ½ percent in 2023, while both the current account and budget deficits are projected to shrink compared to 2022 by 1.6 and 1.1 percent of GDP respectively.

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

“Côte d’Ivoire’s performance under the Fund supported program has been strong, reflecting the authorities’ commitment to entrenching macroeconomic stability. Growth has been among the highest in Africa for more than a decade and the country has delivered the largest fiscal consolidation in the WAEMU region in the last six months. Sustained reform efforts will help maintain a moderate risk of debt distress amid a still difficult external backdrop.

“Continued fiscal consolidation envisaged in the 2024 budget will be underpinned by high-quality and permanent tax policy measures, as well as tax and customs administration reforms. These will support reaching the WAEMU deficit target of 3 percent of GDP by 2025 and reduce the country’s debt sustainability risks.

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

“Safeguarding fiscal space will be aided by the authorities’ commitments to enhance the coverage, transparency, and management of public finances, especially to cover state owned enterprises. The authorities’ continued focus on improving the institutional and legislative framework for debt management remains critical in safeguarding debt sustainability.

“Sustaining structural reform momentum and continuous improvements in safeguarding financial integrity and governance are important for unlocking the private sector’s potential. Completing the review of the financial inclusion strategy and advancing related reforms will enhance financial access to vulnerable groups and women. Moreover, addressing the recommendations made by the Financial Action Task Force to improve the effectiveness of Côte d’Ivoire’s AML/CFT system, and strengthening both public procurement and the asset declaration framework for public officials will strengthen governance. Further investments in human capital development, especially amongst youth and women, will make growth more inclusive. Strengthening resilience to climate change, including through a possible future Resilience and Sustainability Facility (RSF) arrangement, will also be important for a sustainable transformation of Côte d’Ivoire’s economy.”

Côte d'Ivoire: Selected Economic Indicators (2019-2023)

Population (2021): 29 million — Gini Index (2018): 37.2

Per capita GDP (2021): 2,445 USD — Life Expectancy (2020): 59

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

	2019	2020	2021	2022 Prel	2023 Proj.
Output					
Real GDP Growth (%)	6.7	0.9	7.4	6.7	6.4
Prices					
Inflation (annual average, %)	0.8	2.4	4.2	5.2	4.7
Central government finances					
Revenues (% GDP)	14.2	14.4	15.3	14.8	15.8
Expenditure (% GDP)	17.2	20.4	20.7	22.1	21.7
Fiscal balance (% GDP)	-2.2	-5.4	-4.9	-6.8	-5.2
Public debt (% GDP)	37.2	46.3	50.9	56.8	58.0
Money and Credit					
Broad money (% change)	10.8	21.1	18.7	9.0	…
Credit to private sector (% change)	6.1	9.2	12.5	7.3	…
Balance of payments					
Current account (% GDP)	-2.2	-3.1	-4.0	-6.9	-5.8
Net FDI Inflows (% GDP)	1.2	1.1	1.5	1.4	1.5
WAEMU reserves (in months of imports)	5.6	5.5	5.2	4.1	…
External public debt (% GDP)	24.7	29.7	30.9	34.5	35.0
Exchange rate					
REER (% change, depreciation –)	-3.9	5.1	-0.6	-5.2	…

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

INTERNATIONAL MONETARY FUND

CÔTE D'IVOIRE

November 14, 2023

FIRST REVIEWS UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY

EXECUTIVE SUMMARY

Context: Following consecutive global shocks and widening imbalances, the EFF/ECF-supported program aims to safeguard macroeconomic stability and support Côte d'Ivoire's transformation towards upper middle-income status over the medium-term. The economic setting remains broadly unchanged relative to projections at program approval in May 2023, with growth remaining resilient and inflationary pressures receding, although external headwinds and pressures on regional reserves continue to weigh on the outlook. Program implementation so far has been strong with all performance criteria and structural benchmarks met.

Main Policy Commitments

- **Fiscal and debt sustainability**: Further significant fiscal consolidation in the 2024 budget is underpinned by a strong commitment to increase tax revenue by an additional 0.5 percent of GDP. 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. Improving spending efficiency, including by unwinding crisis-era blanket subsidies, will complement efforts at fiscal consolidation.

- **Domestic revenue mobilization**: The authorities remain firmly committed to boosting tax revenue into the medium term, and to developing and implementing a medium-term revenue strategy (MTRS). Implementation of the MTRS will require significant engagement with stakeholders to ensure buy-in for the requisite overhaul of the tax system to help finance the country's critical investment and priority spending needs and support its development and economic transformation.

- **Structural reforms**: 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 and broader financial inclusion, and climate resilience will all be instrumental in supporting higher productivity growth.

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

Discussions were held in Abidjan during September 19 to October 2, 2023. The mission comprised O. Unteroberdoerster (head), C. Gicquel, B. Gruss, B. Stadler (virtual), K. Youssef (all AFR), R. Koepke (SPR), W. Oman (MCM), A. Touré (Resident Representative), K. Kouao (local economist). D. Datshkovsky supported the team from headquarters. F. Sylla and A. Tall (OED) participated in some of the policy meetings. The IMF team met with Vice President Tiémoko Koné; Prime Minister Patrick Achi; Minister of State and Agriculture Kobenan Adjoumani; Minister of Planning and Development Nialé Kaba; Minister of Petroleum, Mines and Energy Sangafowa Coulibaly; Minister of Economy and Finance Adama Coulibaly; Minister of Budget and State Holdings Moussa Sanogo; Minister of Commerce and Industry Souleymane Diarrassouba; Minister and Secretary General of the Presidency Abdourahmane Cissé; and other senior government and BCEAO officials. Lester Magno provided administrative assistance in the preparation of this report.

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TABLES

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Glossary

AfDB	African Development Bank
BCEAO	Central Bank of West African States
C2D	Debt Reduction and Development contract
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
RHDP	Rassemblement des houphouëtistes pour la démocratie et la paix
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. **The effects of recent crises on Côte d'Ivoire's economic development have been contained**. Côte d'Ivoire has enjoyed strong economic development for a decade. Three consecutive National Development Plans (NDP) 2012-2015, 2016-2020, and 2021-2025, have supported real growth averaging 8 percent for the 8 years preceding the pandemic and well above peers, while inflation averaged under 2 percent. The authorities' policy responses to the war in Ukraine and COVID-19 avoided deeper economic losses but led to higher financing needs and widening imbalances.

2. **The external environment remains challenging**. The current account deficit is projected to start declining from an elevated level this year as the full effect of surging cocoa prices begin improving terms of trade. Financing conditions remain difficult amid high global interest rates and cautious investor behavior vis-à-vis emerging and frontier markets, while pooled FX reserves have continued to decline so far in 2023.

3. **Local elections in September were peaceful**. All major political parties participated in municipal and regional elections and voters' participation was the highest in a decade. The ruling party, RHDP emerged with a strong lead, while opposition parties lost several strongholds. The government continues to provide support and prioritize investment in vulnerable communities through its Government Social Program (PSGouv2) including in the northern border regions. Despite further deterioration in regional security and high refugee arrivals during 2023, the security situation in Côte d'Ivoire has remained stable.

4. **The May 2023 Fund-supported program aims at ensuring near-term macroeconomic stability and laying the foundation for deeper medium-term economic transformation towards upper-middle-income status**. The program reflects the authorities' commitment to anchor debt sustainability in a moderate rating of debt distress, and to meet the WAEMU fiscal deficit target of 3 percent of GDP by 2025, while also protecting critical social and infrastructure spending. Upfront domestic revenue mobilization (DRM) is a central pillar of the program and will be further aided by the development of a comprehensive medium-term revenue strategy (MTRS) to help build the necessary fiscal buffers to withstand future shocks, while also providing financing for deeper economic transformation over the medium term. Key structural reforms aim to promote private sector led and inclusive growth, through improvements in the business climate, strengthening governance and the AML/CFT framework, boosting financial inclusion and investment in human capital. Strengthening resilience to climate change will also complement the EFF/ECF reform agenda.

RECENT ECONOMIC DEVELOPMENTS AND PROGRAM PERFORMANCE

5. **The Ivorian economy remains resilient despite the adverse external environment**. Economic activity was robust in the first half of 2023, led by stronger-than-expected domestic demand and despite weather shocks affecting cocoa and coffee crops and disease outbursts affecting

cotton production. Weak external demand and tighter financial conditions are estimated to weigh on industrial and service activity in the second half of the year. Against this backdrop, staff project real GDP growth at about 6.4 percent for 2023, down from 6.7 percent in 2022.

6. Inflation continued to decline. After some renewed pressure over the summer, food price inflation resumed its downward trend and reached 5.6 percent in August while overall consumer price inflation, which averaged 4.8 percent in 2023H1, fell to 4.2 percent by September. Inflation is expected to average 4.7 percent this year, as some increase in energy and certain food prices—including due to security-related disruptions in regional markets—are expected to temporarily revert the downward trend in inflation.

7. The fiscal deficit is narrowing on the back of revenue-based consolidation. At end-June 2023, tax revenues stood at 8 percent of GDP, a 0.7 percent increase over the 2016–22 average for the same period. This is in part due to further gains from ongoing tax policy and administration reforms, as well as early yield from strong upfront policy measures under the program. The authorities responded to higher international oil prices by increasing petrol and diesel pump prices by about 7 and 9 percent, respectively, in October. The 2023 fiscal deficit is expected to fall by 1.6 points to 5.2 percent of GDP. On the expenditure side, consolidation is aided by phasing out of crisis-era food and fuel subsidies.

8. Public and external debt remain sustainable. The updated debt sustainability analysis confirmed that Côte d'Ivoire's overall and external risk rating remains at moderate risk of debt distress. Similar to the May 2023 DSA,[1] the rating was supported by the country's strong track record of market access, sustained active debt management, and improvement of institutional and legislative frameworks. Nevertheless, adverse financial conditions in the regional and international markets have resulted in higher interest cost and shorter amortization periods, and the authorities have resorted to more external borrowing than originally planned in 2023.[2] The authorities confirmed that they have not incurred any external arrears since program inception.

9. The financial sector remains robust while private credit growth recovered. Average interbank interest rates—a proxy for regional financial conditions—increased by about 300 basis points between early 2022 and mid 2023 on the back of the BCEAO's gradual increase in policy rates and the discontinuation of the bank refinancing facility introduced during the Covid crisis.[3] Financial conditions eased somewhat after the BCEAO conducted sovereign debt purchases in July and September 2023, with regional interbank rates declining by about 100 basis points. Growth of credit to the private sector rebounded from 7.9 percent year-on-year in 2022Q4 to 18.9 percent in 2023Q2, while credit to the public sector slowed in line with fiscal consolidation. Bank solvency continued

[1]See the Debt Sustainability Analysis of Country Report No. 2023/204.

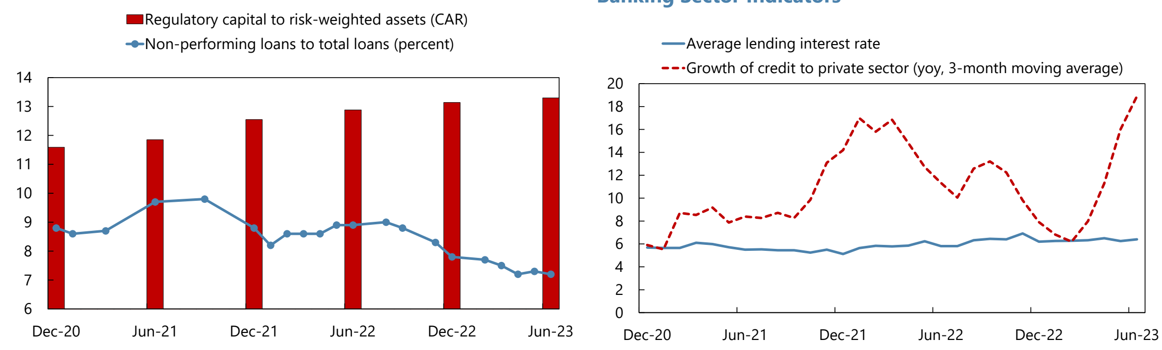
[2]External financing is expected to reach 63 percent and domestic financing 37 percent of total financing against a goal of 44 and 56 percent, respectively, during the 2023-2026 period under the latest MTDS. The authorities contracted a partial guarantee from the AfDB to finance ESG projects to diversify financing sources.

[3]In February 2023, the BCEAO shifted back from the fixed rate full allotment bank refinancing system to a fixed quantity variable rate auction system.

strengthening, with the Tier 1 capital to risk-weighted assets ratio increasing to 13.3 percent in June 2023 (from 13.1 percent at end-2022) while the ratio of non-performing loans in total loans decreased further to 7.2 percent (from 7.8 percent in December 2022).

Financial Sector

Financial Soundness Indicators | **Banking Sector Indicators**



Sources: BCEAO and IMF staff calculations.

Sources: BCEAO and IMF staff calculations.

10. Recent terms of trade gains should benefit external sustainability. A 30 percent jump in the price of cocoa, the country's main export commodity, is projected to boost export earnings in 2023-24, while import prices have receded from 2022 highs. The current account deficit is estimated to have peaked at 6.9 of GDP percent last year and is on track to fall below 6 percent in 2023. That said, capital inflows have been insufficient to finance the still elevated current account deficit, in part reflecting lower than expected inflows to the private sector. Against this backdrop, official reserves have remained under pressure so far in 2023, with Côte d'Ivoire contributing to the decline in FX reserves at the regional level.

11. Program implementation has been strong with all performance criteria and structural benchmarks met. All quantitative performance criteria (QPCs) and indicative targets (ITs) as of June 2023, and the two end-September structural benchmarks (SB) were met. The authorities prepared and started to implement a plan to manage and collect outstanding tax arrears in line with Fund advice and the council of ministers adopted the draft law on national debt policy on September 28, 2023. Progress was noted towards meeting the remaining SBs for end-December 2023, with a timetable being developed for closing government accounts with commercial banks and with progress on the use of e-procurement. Moreover, the authorities are engaging stakeholders and international partners in preparation for developing a comprehensive medium term revenue mobilization strategy (MTRS).

ECONOMIC OUTLOOK AND RISKS

12. The outlook remains favorable, underpinned by a strong implementation of the NDP and a gradual improvement in the external environment.

- **Near term**: 2024 output growth is projected to increase to 6.5 percent due to still strong private consumption and investment—as improving terms of trade offset scarcer and more expensive financing. On the supply side, the primary sector is expected to recover from the adverse weather and sanitary shocks in 2023, while construction activity gradually slows from the very high growth in 2023 as large projects are completed and financial conditions remain tight. Inflation is expected to fall within the BCEAO's 1–3 percent target range by end-2024, with an annual average of 3.8 percent, on the back of high oil prices and persistent global inflation. The 2024 current account deficit is projected to narrow to 4.3 percent of GDP reflecting significant terms of trade gains. The overall fiscal deficit including grants is projected to decline to 4 percent of GDP in 2024 amid further improvement in domestic revenue mobilization. The authorities' growth forecast is unchanged at 7 percent for 2024 and underpinned by stronger investment growth compared to staff projections, with inflation to average 4.1 percent and the current account deficit to decline to 5.3 percent of GDP.[4]

- **Medium term**: Output growth is expected to remain high at around 6.4 percent over 2025-26, underpinned by capital deepening on the back of NDP reforms and the gradual improvement in external conditions, before converging to its estimated long-term potential of around 6 percent. Inflation is expected to average about 2.5 percent in 2025-26 and remain in the BCEAO target range while the current account deficit would narrow further to about 3 percent of GDP by 2026. The fiscal deficit is projected to reach the WAEMU deficit target of 3 percent of GDP by 2025. The authorities maintain a more upbeat forecast over the medium term based on stronger domestic demand growth and lower persistence of structural bottlenecks, with average GDP growth over 2025-26 at 6.8 percent, consumer price inflation at 3.2 percent, and the current account deficit reaching 3.7 percent of GDP by 2026.

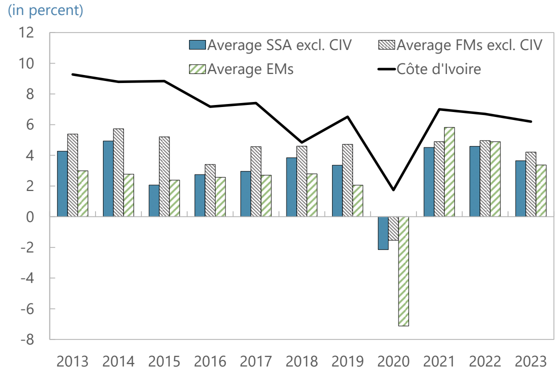
13. Risks are tilted to the downside. Sustained adverse or worsening external financing conditions could increase debt service costs over time, making it challenging to roll over maturing debt and finance still-elevated deficits (Annex I). A continued decline in regional FX reserves, including from a potential reversal of cocoa prices, could also weigh on investor confidence. Further spikes in international oil prices could worsen terms-of-trade and put pressure on tax revenue from petroleum products. Moreover, regional security challenges could generate spending pressures and weigh on confidence. On the upside, global inflation pressures could subside faster than anticipated, leading to more favorable financing conditions, and facilitating an earlier return to international markets. Moreover, potentially higher oil and gas extraction could boost longer-term growth prospects.

[4] All program targets are based on staff projections.

Figure 1. Côte d'Ivoire: Economic and Social Trends, 2013-23

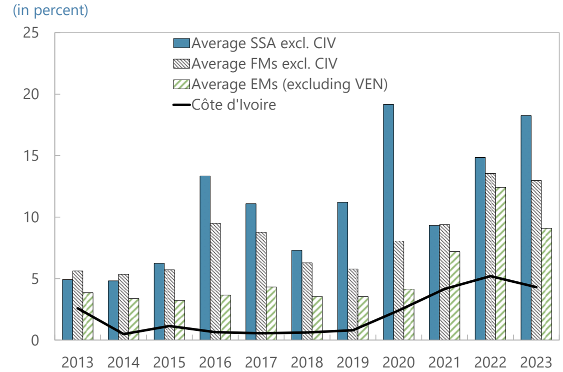
The post pandemic recovery has softened, but growth continues to outperform peers.

Real GDP Growth
(in percent)



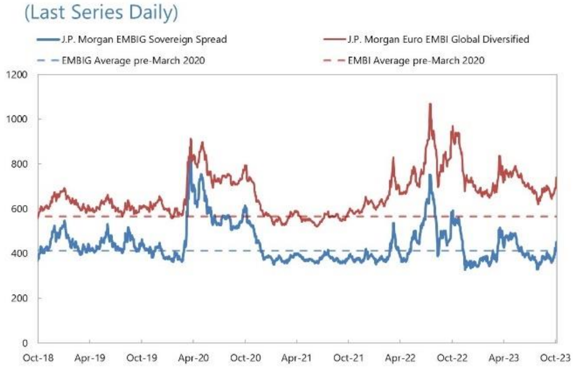
Inflation spiked in 2022, albeit less than for peers.

CPI Inflation
(in percent)



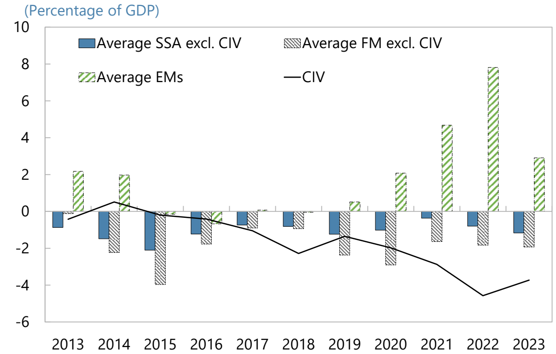
Sovereign spreads remain elevated....

EMBI and EMBIG
(Last Series Daily)



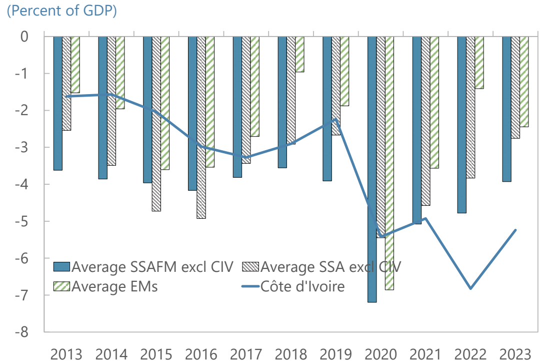
while the current account widened in 2022....

Current Account Balance
(Percentage of GDP)



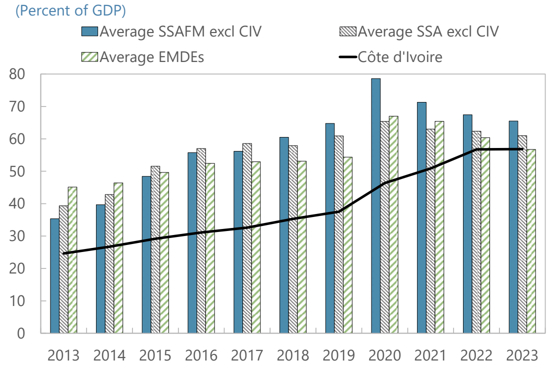
along with a higher fiscal deficit...

Central Government Net Lending/Borrowing
(Percent of GDP)



and debt. Imbalances have started to reverse in 2023.

General Government Gross Debt
(Percent of GDP)

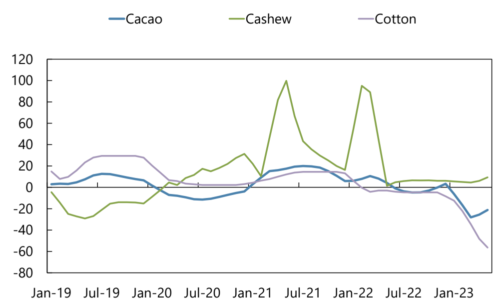


Sources: Ivorian authorities, Bloomberg and IMF staff calculations.

Figure 2. Côte d'Ivoire: High Frequency Indicators of Activity, 2019-23Q2

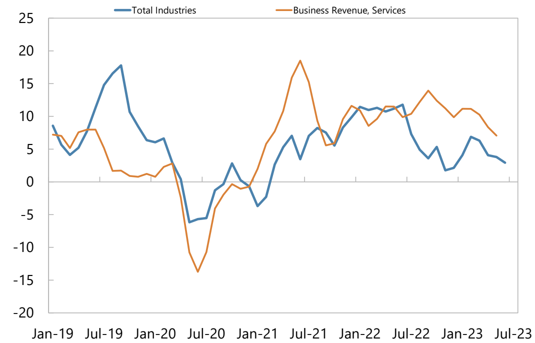
Adverse weather and disease outbursts affected production of key export crops this year….

Agricultural Production
(YoY Percent Change, 3 month-moving average)



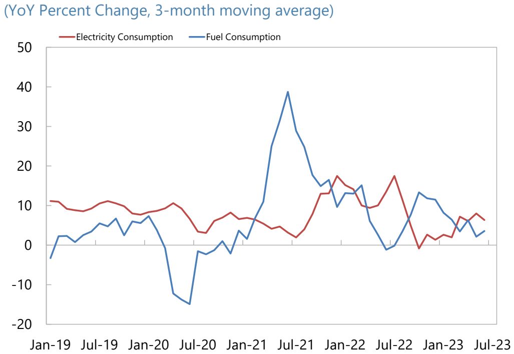
… while momentum in industrial and service activities softened in 2023Q2

Secondary and Tertiary Sectors
(YoY Percent Change, 3-month Moving Average)



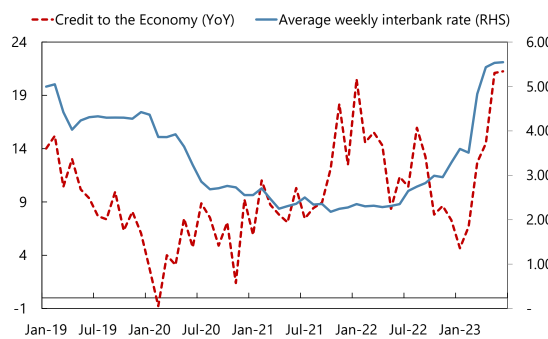
The rebound in domestic consumption and energy demand in end-2022 and early 2023 has softened somewhat…

Domestic Consumption of Electricity and Fuel
(YoY Percent Change, 3-month moving average)



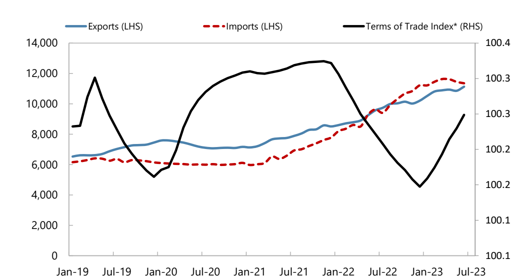
… while the recovery of credit to the private sector has strengthened more recently.

Financial Indicators
(Percent)



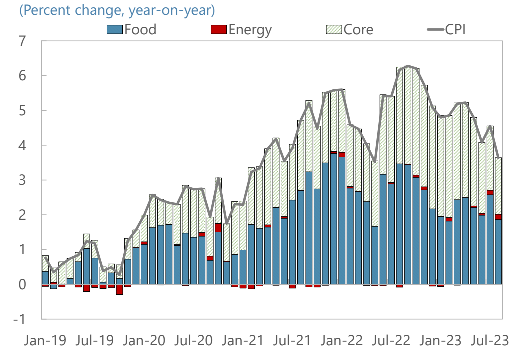
The improvement in terms of trade helped contain the deterioration in the trade balance in 2023H1.

Trade
(CFAF millions, 12-month moving sum)



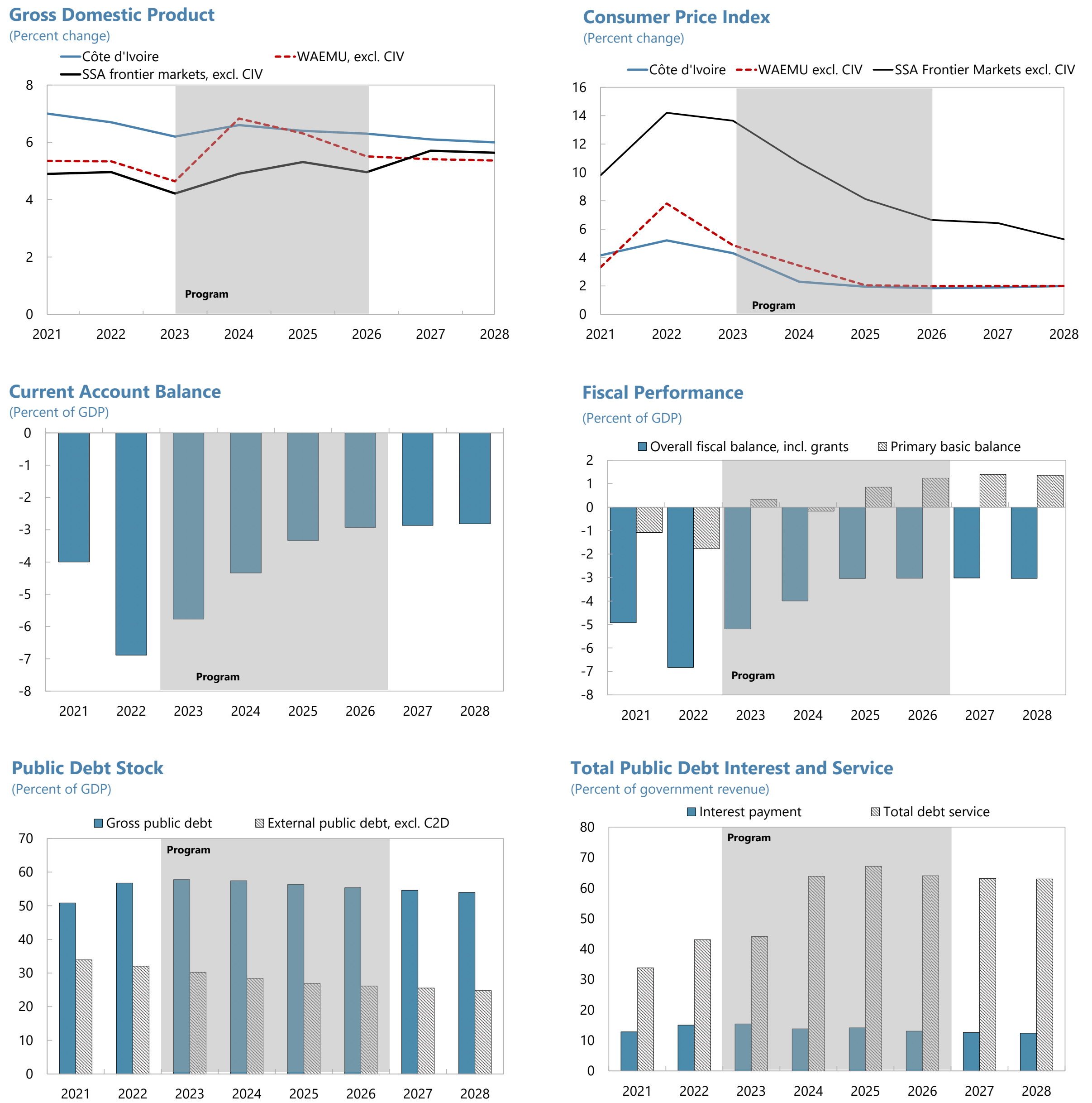
Weaker food and core price inflation contributed to the gradual drop in headline CPI inflation in 2023H1.

Contribution to Inflation
(Percent change, year-on-year)



Sources: Ivorian authorities and IMF staff calculations.

Figure 3. Côte d'Ivoire: Medium Term Outlook, 2021–28



Sources: Ivorian authorities and IMF staff calculations.

EFF/ECF OBJECTIVES AND POLICIES FOR 2024–26

A. Fiscal Policy

14. **Strong fiscal consolidation will continue in the 2024 budget, with tax revenue increasing to 14.5 percent of GDP**. Under the program, the 2024 budget, which has been submitted to parliament as a prior action, aims to consolidate the fiscal deficit to 4 percent of GDP, 0.1 percentage point lower than initial program projections, and a 1.2 percentage point reduction in the deficit relative to the 2023 target. Tax revenues are projected to increase by 0.6 percent of GDP, of which 0.5 percent are associated with new high quality and permanent tax policy and tax administration measures. These measures are focused on: (i) eliminating tax exemptions, particularly relating to VAT on non-staple food items and the investment code (end-September 2024 SB); (ii) undertaking important tax administration reforms relating to property taxes; (iii) increasing the registration rate for cacao; (iv) several tax administration enhancements to better manage tax collection, including relating to transfer pricing, tobacco traceability, and automated management of VAT deduction collected at customs (end-June 2024 SB). In addition to these measures, 0.1 percent of GDP increase in tax revenue is expected due to higher export tax revenue from improved terms of trade.

Revenue Measures Planned 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.

15. **Boosting spending efficiency and rationalizing non-priority spending will support the fiscal consolidation**. Expenditure in the 2024 budget is 1.1 percent of GDP lower than 2023, mainly as a result of curbs on nominal spending growth, with a 1.4 percent of GDP fall in current expenditure offset by a 0.3 percent increase in capital expenditure. Spending curbs largely reflect the continued unwinding of COVID-19 era spending, and of food and fuel subsidies associated with the policy response to the war in Ukraine.[5] In addition, while wages are increasing in nominal terms, the wage bill is being curtailed by 0.2 percent of GDP after increases in public workers' benefits during the last two years, and in line with the government's objective of containing the wage bill by hiring one new public servant for every two retirees (except for health and education). The increase in capital spending accounts for critical

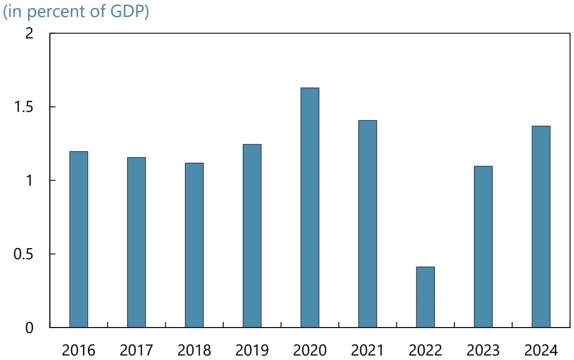
[5]As discussed in IMF Country Report No. 23/204, the policy response to COVID-19 and the war in Ukraine resulted in direct subsidies averaging 1.4 percent of GDP over 2021-22, while indirect fuel subsidies in the form of foregone revenue kept pump prices stable, but resulted in an implicit subsidy of 0.9 percent of GDP in 2022.

investment needs in infrastructure, education, health, and security, including in northern border areas receiving refugees.

16. Continued application of the fuel pricing mechanism will safeguard a floor on tax revenue from petroleum products and help reduce wasteful blanket subsidies.[6] Oil price dynamics in recent months temporarily eroded the taxable base and resulted in weaker-than-expected tax revenue from petroleum products, putting at risk fuel tax revenue targets for the remainder of 2023 and 2024. As with the price increases earlier in the year, pump price increases in October reestablished the taxable base above the 25 percent minimum ratio to international prices and return petrol related tax revenue close to the historical average, underscoring the authorities' commitment to meet program targets and avoid tax revenue losses associated with blanket fuel subsidies. At the same time, targeted protection of vulnerable households is being increased.[7]

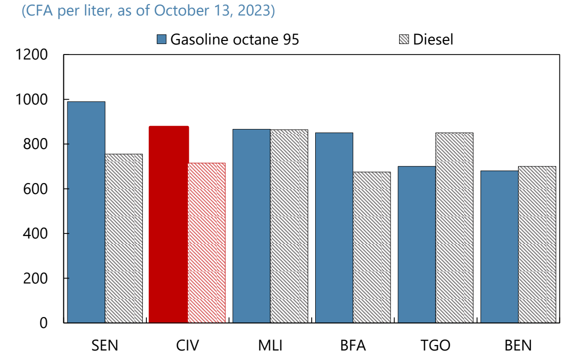
17. Further fiscal space would be needed to contend with unanticipated security spending needs. Given tight financing conditions, contingency plans will be important to safeguard the 2024 budget deficit target. To avoid deleterious effects from the regional instability, the authorities stressed that they are accelerating security related investment projects, as well as basic infrastructure development in the northern regions of the country, especially in areas with a recent influx of refugees. The authorities continue to closely monitor the regional security situation and highlighted that as a contingency, unanticipated higher security spending needs would be offset by capital expenditure spending cuts in other areas.

Petrol Product Tax Revenue
(in percent of GDP)



Sources: Ivorian authorities and IMF staff calculations.

Fuel Prices
(CFA per liter, as of October 13, 2023)



Sources: Globalpetrolprices.com and IMF staff calculations.

[6]The fuel pricing mechanism establishes a minimum taxable base of 25 percent of international parity prices for fuel. This ensures that there is a floor on revenues collected by the government. The mechanism also establishes modalities and a nominal monthly cap for increasing or decreasing pump prices in the event that international fuel prices move by more than 2.5 percent at any point during the preceding 3 months. See Box 1 in IMF Country Report No. 23/204.

[7]Under the single social registry-management information system, the ongoing World Bank supported project to broaden the use of cash transfers for the most vulnerable disbursed two quarterly payments to an additional 100,000 new beneficiary households in 2023, of which about 2/3 were in rural areas. This is estimated to cover around 20 percent of the vulnerable population, with further increases expected due to the planned increase of 100,000 new beneficiary households in each of the next two years.

18. Sustaining higher DRM into the medium-term will hinge on adopting and implementing an ambitious MTRS (Annex II). 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, ¶25). The government has defined expenditure needs for its social and economic development vision under the NDP. The authorities are engaging in consultations with stakeholders to elucidate the link between the need for higher revenue under the MTRS and increasing the government's capability to finance critical spending needs on education, health, and public infrastructure investment. A review of necessary enhancements to tax policy, tax and customs administration is underway, with technical assistance support from the Fund and other international partners.

19. Continued improvements to public financial management (PFM) will support rebuilding fiscal space and enhance governance. The authorities continue strengthening PFM by expanding the Integrated Government Budget Operations System (SIGOBE) to national representatives abroad and public establishments, independently evaluating SOE boards, strengthening SOE debt monitoring, and enhancing the PPP management framework, based on PIMA recommendations. They plan to integrate forthcoming C-PIMA recommendations in the selection, budgeting, and implementation of investment projects, along with green PFM recommendations in the budget framework. The authorities are committed to (i) enforcing the use of the new online platform for public procurement for at least 10 percent of all ordinary operations (i.e., larger than CFAF 100 million) in 2023Q4 (end-December 2023 SB) and to 50 percent of all ordinary operations over January-June 2024 (end-July 2024 SB); and (ii) limiting the use of direct procurement to 20 percent of total contracts. The authorities continue to develop a timetable for closing accounts with commercial banks to enable full implementation of the TSA (December 2023 SB).

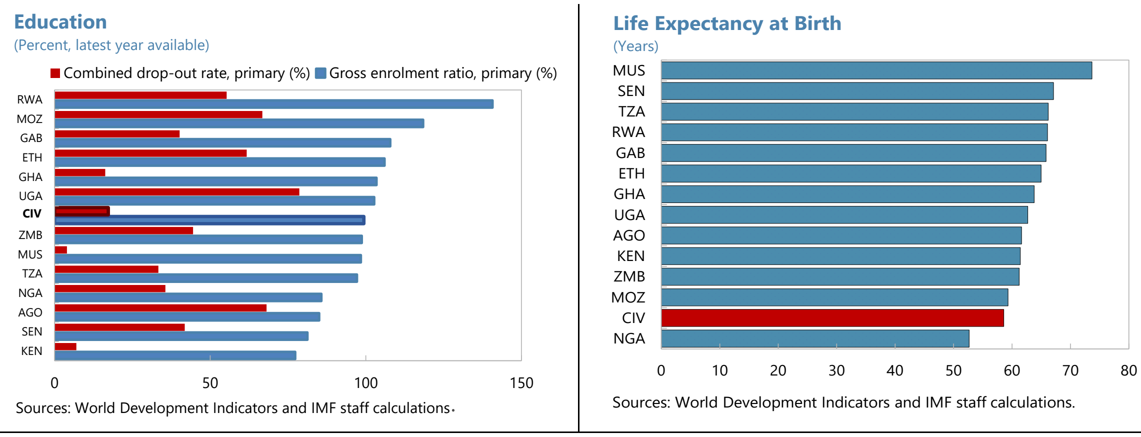
20. The authorities are committed to sustaining improvements in debt management. The newly adopted law on national debt policy represents a comprehensive legislative and institutional framework for improved public debt management. The reorganized *Direction Générale des Financements* (debt department) should be fully operational by the end-2023 and further optimize borrowing, consistent with the updated MTDS for 2023-2026.

B. Inclusive and Private Sector Led-Growth

21. The authorities continue reforms to improve the business environment (MEFP, ¶¶47-49). The ongoing operationalization of the system to uniquely identify firms, the digitalization of public systems, and enhancements to the Single Investor Services Portal and the one-stop shop for international trade, should reduce the administrative burden for firms and accelerate investment and export diversification. The launch of technical assistance and credit guarantee products for SMEs in 2023 can help develop small businesses and reduce informality. Improvements in industrial zones, providing adequate connectivity to transport, electricity, and communication networks, will facilitate industrialization.

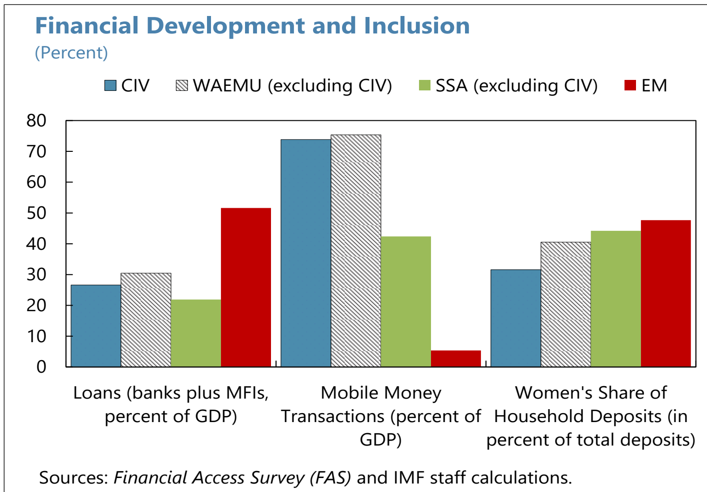
22. Enhancing human capital is crucial for sustained productivity growth (MEFP, ¶¶36-39). The authorities are committed to strengthening infrastructure and human resources in the healthcare sector, including by promoting the universal health care system which is to reach 60 percent of the population by 2027. Ongoing efforts on education infrastructure and capacitation should help improve enrollment and retention rates, while PSGouv2 technical and vocational training programs can improve youth employability.[8]

Figure 4. Côte d'Ivoire: Human Capital



23. The authorities remain committed to preserving financial stability (MEFP, ¶52). The adoption of Basel III and more comprehensive reporting to the credit bureau have helped preserve banks' asset quality. Addressing remaining structural deficiencies (e.g., problems to uniquely identify clients) would further enhance banks' risk management. Plans to finalize the restructuring of two public banks by 2024 will further strengthen the banking system.[9]

24. Enhancing financial development and inclusion are key for private sector advancement (MEFP, ¶53). Financial inclusion continues to improve on the back of the 2019-24 National Financial Inclusion Strategy (SNIF), which is focused on vulnerable groups. The authorities prepared financial education modules targeted to vulnerable groups, including through the ILO-supported ACCEL Africa project for rural populations. Ongoing



[8]See Country Report No. 2022/205 for a description of the PSGouv2 initiatives.

[9]The two banks in breach of capital requirements do not entail systemic risk for the banking system (they account for less than 1.2 percent of bank credit in June 2023) nor pose significant fiscal risks.

initiatives aim at incentivizing savings amongst women and to broaden their access to credit through microfinance institutions. The mid-term review of the SNIF (May 2024 SB) should identify priorities to enhance financial access, including for women. Recent regulation to integrate fintech providers into the payments system, including the revised WAEMU Uniform Law, and regulation upgrades under the Financial Sector Development Plan to develop new products, should help promote inclusion.

25. Strengthening the transparency and accountability of public enterprises should help contain fiscal risks and foster private investment (MEFP, ¶¶40-45). The authorities continue to strengthen the governance framework of SOEs, notably by signing and enforcing performance contracts, and conducting regular independent audits.[10] The evaluation of fiscal risks from PPP projects has been reinforced, with assessments reported in the budget law. The operationalization of online public procurement and the systematic publication of contracts will not only increase transparency and efficiency of public spending but also reduce corruption risks and uncertainty and costs for private sector participants.

26. Additional measures have been taken against corruption (MEFP, ¶50). The 2023-27 National Strategy for the Fight Against Corruption is expected to be adopted by end 2023 and the System for the Detection and Prevention of Acts of Corruption and Related Offenses (SPACIA) is now fully operational.[11] The 2022-23 sensibilization campaign contributed to raising the compliance rate of public officials with asset declaration requirements and the authorities remain committed to adopt additional measures, including sanctions, to reach 90 percent by end 2024.

27. Addressing deficiencies in the AML/CFT framework is a priority (MEFP, ¶51). An IMF-led assessment of Côte d'Ivoire's AML/CFT framework found low levels of effectiveness in achieving eight out of eleven predefined outcomes assessed and poor technical compliance with the Financial Action Task Force (FATF) Standards, notably on supervision of financial institutions and high-risk non-financial businesses and professions (Annex III).[12] In this regard, a decree designating AML/CFT supervision authorities for non-financial businesses and professions is expected to be adopted in early 2024 (SB, May 2024). The authorities have also set up a task force to tackle other priority actions recommended in the report and seek to avoid grey listing by the FATF.

C. Climate Change

28. Côte d'Ivoire is highly vulnerable to climate change. The average temperature increased between 0.5°C and 0.8°C between 1970 and 2021 (5-year moving average), and rain patterns have

[10]Previous Fund TA found weaknesses in the monitoring of public enterprises and a lack of a consolidated vision of all the budgetary risks, despite the improvement efforts under way.

[11]The progress report on the National Action Plan related to the African Peer Evaluation Mechanism should help refining the governance reform agenda going forward.

[12]See Country Report No. 2023/307 and Country Report No. 2023/308.

shifted. Different studies[13] 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. Against this backdrop, addressing agricultural resilience and deforestation challenges is critical, as is building a resilient infrastructure to avoid significant social and economic costs from climate change.[14] The NDP lists the management of the environment, forest and wildlife resources, and the fight against climate change as major challenges. Moreover, the Nationally Determined Contributions (NDCs) contain strong commitments on adaptation and mitigation policies and their implementation is estimated at $22 billion ($12 and $10 billion for adaption and mitigation policies, respectively).

29. The authorities requested access to the Resilience and Sustainability Facility (RSF) and are working on developing a strong package of reforms. Based on a diagnostic from the World Bank CCDR and C-PIMA and green PFM reports provided by Fund TA, the reform measures could be articulated around key pillars such as encouraging climate smart agriculture, controlling and reducing greenhouse gas emissions, increasing climate-related financing and both public and private investment, and strengthening resilience to climate-related disasters.

FINANCING AND PROGRAM MODALITIES

30. 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. Continued pressures on reserves in recent months have been greater than anticipated and are expected to be more protracted. Consistent with a more gradual recovery in regional official reserves than envisaged at program approval, the projected financing gap remains broadly unchanged, reflecting offsetting effects of a lower current account deficit and lower private capital inflows over the program period. The projected cumulative financing gap of about CFAF 3.6 trillion (or 6.3 percent of GDP) will be covered by budget support from bilateral creditors (about CFA 819 billion), the World Bank (about CFAF 480 billion), AfDB (CFAF 200 billion) and other multilateral creditors. Gross financing from the Fund would cover over half of the gap over 2023-26 (about a quarter when including project financing).

31. Enterprise and program risks appear manageable given satisfactory performance, strong commitments to objectives, and adequate capacity to repay the Fund, albeit subject to risks.

- Program implementation risks are mitigated by Côte d'Ivoire's satisfactory track record under the two previous Fund supported programs in 2016-20 and 2012–15. Debt is sustainable in the medium-term. Risks to program implementation could rise if regional

[13]From the Climate Risk Report of the West African Region, from European Centre for Medium-Range Weather Forecasts (ECMWF), and the World Bank.

[14]The agriculture sector employs about half of the workforce and contributes about 17 percent of GDP and 10 percent of tax revenues. Côte d'Ivoire is the world's largest producer and exporter of cocoa accounting for 40 percent of global cocoa exports.

stability were to deteriorate or if global financial conditions tighten further. If risks materialize, keeping the program on track would require proactive adjustment in macroeconomic policies in consultation with fund staff. In addition, the presidential election scheduled for 2025 could pose some implementation risks.

- Capacity to repay the Fund remains adequate, but subject to risks. Fund credit outstanding is projected to rise from 3.5 percent of GDP in 2023 to 4.1 percent of GDP at its peak in 2025, above the 75th percentile of PRGT comparator countries. Debt service indicators for government revenue and exports would peak in 2024 and 2025, respectively, also at elevated levels above the 75th percentile for comparators.

- Potential concerns about reputational risks are assuaged by the broadly positive media echo to the program and the demonstrated strong relationship with the Fund, including the launching of the 2023 Annual Meetings with a curtain-raiser event in Abidjan.

32. Program monitoring and conditionality. Program performance will continue to be monitored through semi-annual program reviews based on QPCs, ITs, PA and SBs (Tables 10 and 11). Modifications are proposed to align the March ITs with the 2024 budget, and to clarify in the end-May 2024 SB relating to the MTRS that publication is expected to be in line with international practice. Structural conditionality has been augmented to include new SBs on DRM, PFM, and governance (Table 11, and MEFP, Table 2).

33. The authorities' 2021-2025 NDP fulfils the Poverty Reduction and Growth Strategy (PRGS) requirements (Annex IV). The new NDP is underpinned by a commitment to a strong macroeconomic framework, in line with program objectives, and includes ambitious strategies for economic transformation, poverty and inequality reduction, climate change, gender equality, and environment preservation. The plan was developed in consultation with domestic stakeholders and with technical support from development partners. As assessed by the World Bank, the NDP is a comprehensive and ambitious strategy for structural transformation, social inclusion, poverty and inequality reduction, environmental sustainability, efficient and inclusive governance, and it responds adequately to existing constraints and opportunities.

34. The recent safeguards assessment update confirms appropriate arrangements at the BCEAO. The 2023 update assessment of the BCEAO found that the institution continues to have a robust control environment with strong governance arrangements. All recommendations from the 2018 safeguards assessment have been implemented. Financial reporting and external audit arrangements remain in line with international practices.

35. Implementation of policies under the EFF/ECF-supported program 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, as well as PFM and upgrades to the statistical system (Annex V).

Côte d'Ivoire: External Financing Requirements, 2023-26
(Billions of CFA francs)

	2023	2024	2025	2026	2023-26
	Projections				Cumulative
A. External Financing Requirements	**3,465**	**3,981**	**3,595**	**3,759**	**14,800**
Current account deficit excl. official transfers	3,074	2,497	2,091	1,973	9,635
Official sector amortization + net acquisition of fin assets	1,113	1,616	1,684	1,410	5,823
of which: Fund repayments	196	289	227	156	868
Change in official reserves (excl. IMF; + = increase)	-722	-132	-179	376	-658
B. External Financing Sources	**2,295**	**2,961**	**2,711**	**3,204**	**11,172**
Capital flows to private sector, net	141	1,240	1,260	1,313	3,954
Project financing	1,737	1,033	986	1,301	5,057
Capital transfers	119	44	83	120	366
Government gross borrowing from private sector	179	601	300	350	1,429
of which: Eurobonds	0	575	300	350	1,225
Official transfers (project grants only)	119	44	83	120	366
C. Financing Gap (= A - B)	**1,169**	**1,020**	**884**	**556**	**3,628**
D. Expected Budget Financing from Official Sector	**566**	**419**	**285**	**257**	**1,526**
World Bank	181	120	90	89	480
AfDB	28	74	49	49	200
Other multilateral creditors	3	5	10	10	28
Bilateral creditors	355	219	136	108	819
E. Residual Financing Gap	**604**	**601**	**599**	**299**	**2,102**
IMF ECF Financing	201	200	200	100	701
IMF EFF Financing	403	400	399	199	1,401
Memorandum items:					
Change in official reserves incl. IMF financing	-326	162	185	517	538
Nominal GDP	52,125	56,570	61,337	66,380	…

Sources: Ivorian authorities and IMF staff calculations.

STAFF APPRAISAL

36. After weathering multiple shocks, the Ivorian economy continues to show resilience, but challenges from an adverse external environment highlight the importance of prudent macroeconomic policies and sustaining reforms. The COVID-19 pandemic and the fallout from the war in Ukraine gave rise to twin deficits, which are being ameliorated by recent terms of trade improvements and fiscal consolidation. The outlook remains favorable, though downside risks are not immaterial, especially as regional security conditions have deteriorated. At the same time, tighter financing conditions have increased borrowing costs and continue to weigh on debt management, while regional official reserves have declined further so far in 2023. Thus, advancing reforms to deliver a sustained boost in DRM, along with governance and other key structural reforms remains instrumental in unlocking sufficient financing to rebuild fiscal buffers and allow deep economic transformation.

37. The authorities' economic program is on track and remains appropriately focused. Having met all performance criteria and SB for the first review, the Ivorian authorities continue to maintain a strong track record. New program measures relating to revenue mobilization will help further boost tax revenue, while new PFM and governance measures will help increase transparency in procurement and enhance the effectiveness of the AML/CFT framework, respectively.

38. Meeting the 2024 budget consolidation target is critical to reduce debt sustainability risks and secure convergence to the WAEMU fiscal deficit target by 2025. The continued ambitious consolidation of the fiscal deficit to 4 percent of GDP in 2024 will be appropriately underpinned by a mixture of new, permanent, and high-quality tax policy and tax administration measures. The authorities' adoption of a plan to reduce tax arrears is welcome and will further help revenue mobilization efforts. Staff welcomes the authorities' steadfast commitment to avoiding budgetary risks from tax revenue losses due to indirect fuel subsidies by adjusting domestic fuel prices as indicated by the fuel pricing mechanism. Notwithstanding nominal increases in spending, curbing expenditure in percent of GDP in all but capital expenditure is warranted. Reprioritizing capital expenditure will be essential to safeguard the deficit target if unanticipated spending pressures arise from deterioration in regional security conditions.

39. The authorities should accelerate the MTRS reform agenda, including by securing broad-based buy-in, which is necessary for successful MTRS reforms. The authorities should expedite consultations with stakeholders across all levels of government and civil society, to ensure societal buy-in for a comprehensive overhaul of the tax system. This should be underpinned by a high-level road map of necessary tax system reforms, which should benefit from existing TA recommendations, particularly in the areas of corporate taxation,[15] and the elimination of wasteful tax exemptions, along with a tighter overall framework for approving exemptions. Such efforts will need to be followed by a sustained commitment to a process of reform implementation over the medium-term (Annex II). Staff support the authorities proposed modification to clarify the publication of a comprehensive summary of the MTRS (May-2024 SB), in line with internationally accepted best standards and the modification of March 2024 ITs.

40. Maintaining sustainable debt levels remains a priority. Overall and external debt ratings stay at moderate risk of debt distress in the context of adverse international and regional financing conditions and limited access to concessional borrowing. The authorities'

[15]In particular, recent Fund TA recommended eliminating the cap on the Impôt Minimum Forfaitaire, introducing a standard CIT and a national minimum tax to address Pillar 2, as well as consolidating the existing SME tax regimes.

efforts are appropriate to prudently managing the debt portfolio and mitigate the risk linked to rising cost of debt service.

41. Sustaining the momentum on structural reforms and continuous improvements in safeguarding financial integrity and governance are important for unlocking the private sector's potential. The operationalization of recent business environment reforms and the digitalization of public services should be accelerated to reap their full potential. A prompt restructuring of undercapitalized banks is important to consolidate financial stability, while the mid-term review of the financial inclusion strategy should help sustaining progress in enhancing financial access to vulnerable groups, including women. The reform agenda to address deficiencies in the AML/CFT framework needs to be prioritized in view of the main ML/TF risks while setting achievable goals and implemented without delay to avoid a grey listing by the FATF, starting by designating all remaining AML/CFT supervisors and undertaking risk-based supervision of all covered entities, with support from Fund TA. Additional planned measures, such as the adoption of sanctions, are welcome steps to strengthen the asset declaration framework for public officials. Going forward, publishing the asset declarations would further improve the effectiveness of the framework. The adoption of the national strategy to fight corruption is appropriate to focus priority reforms going forward. Staff welcome the authorities' commitment to strengthening data transparency and dissemination by subscribing to the Fund's Special Data Dissemination Standard (SDDS) by end-2025, which can potentially lower borrowing costs.

42. Staff supports the authorities' request for completion of the first review of the EFF/ECF arrangement. The Letter of Intent and the Memorandum of Economic and Financial Policies set out appropriate policies to pursue the program's objectives. Financing from the Fund will have a strong catalytic role, the capacity to repay the Fund is adequate, and risks to program implementation are manageable given the government's solid track record for policy implementation under previous Fund-supported programs.

Table 1. Côte d'Ivoire: Selected Economic and Financial Indicators, 2021–28

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

Gini Index (2018): 37.2
Life Expectancy (2020): 59

	2021	2022	2023	2024	2025	2026	2027	2028
		Prel.		Program				
	(Annual percentage changes, unless otherwise indicated)							
National Income								
GDP at constant prices	7.4	6.7	6.4	6.5	6.4	6.3	6.1	6.0
GDP deflator	2.3	2.8	2.9	2.3	2.0	2.0	2.0	2.0
Consumer price index (annual average)	4.2	5.2	4.7	3.8	3.0	2.2	1.9	2.0
External Sector (on the basis of CFA francs)								
Exports of goods, f.o.b., at current prices	18.2	20.5	6.0	11.3	8.8	8.0	7.4	7.7
Imports of goods, f.o.b., at current prices	24.3	36.8	1.5	5.3	4.3	6.0	6.8	6.8
Export volume	10.1	0.9	9.0	5.0	7.9	8.8	6.7	7.2
Import volume	1.1	5.0	9.4	5.5	4.8	6.2	5.7	5.0
Terms of trade (deterioration –)	-21.9	-12.0	6.7	6.7	1.0	-0.9	-0.3	-1.0
Nominal effective exchange rate	-4.1	-2.6	…	…	…	…	…	…
Real effective exchange rate (depreciation –)	-0.6	-5.2	…	…	…	…	…	…
Central Government Operations								
Total revenue and grants	16.1	6.2	17.8	10.5	11.9	12.0	10.1	9.1
Total expenditure	11.7	17.1	7.4	4.1	5.9	11.6	9.4	9.0
	(Changes in percent of beginning-of-period broad money unless otherwise indicated)							
Money and Credit								
Money and quasi-money (M2)	18.7	9.0	…	…	…	…	…	…
Net foreign assets	8.2	-2.1	…	…	…	…	…	…
Net domestic assets	10.6	11.1	…	…	…	…	…	…
Of which: government	5.4	8.2	…	…	…	…	…	…
private sector	7.8	4.3	…	…	…	…	…	…
Credit to the economy (annual percentage change)	12.5	7.3	…	…	…	…	…	…
	(Percent of GDP unless otherwise indicated)							
Central Government Operations								
Total revenue and grants	15.8	15.3	16.5	16.7	17.2	17.8	18.1	18.2
Total revenue	15.3	14.8	15.8	16.2	16.8	17.5	17.8	17.9
Total expenditure	20.7	22.1	21.7	20.7	20.2	20.8	21.0	21.2
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0
Basic primary balance 1/	-1.1	-1.8	0.4	-0.2	0.9	1.2	1.5	1.4
Investment and Savings								
Gross investment	21.7	24.7	25.2	26.1	25.1	25.6	26.4	26.8
Of which: Central government	8.9	11.0	11.2	11.7	9.6	10.4	10.9	11.1
Gross national saving	17.7	17.8	19.4	21.8	21.7	22.6	23.5	23.9
Of which: Central government	0.9	0.4	2.1	3.6	3.3	3.8	4.1	4.3
External Sector Balance								
Current account balance (including official transfers)	-4.0	-6.9	-5.8	-4.3	-3.3	-2.9	-2.9	-2.8
Current account balance (excluding official transfers)	-4.5	-7.4	-6.4	-4.8	-3.7	-3.2	-3.2	-3.1
Overall balance	2.6	-1.3	-0.7	0.3	0.3	0.8	1.1	1.4
Public Sector Debt 2/								
Central government debt, gross	50.9	56.8	58.0	57.7	56.5	55.6	54.7	54.0
External debt	30.9	34.5	35.0	34.2	32.7	31.6	31.0	30.0
External debt-service due (CFAF billions)	803	973	1,325	1,839	2,051	1,905	1,767.5	2,010.0
Percent of exports of goods and services	8.9	9.0	11.5	14.2	14.6	12.5	10.8	11.4
Percent of government revenue	13.1	15.1	17.5	21.8	21.5	17.8	15.0	15.6
Memorandum Items								
Nominal GDP (CFAF billions)	39,821	43,682	47,825	52,125	56,570	61,337	66,379.9	71,770.0
Nominal exchange rate (CFAF/US$, period average)	554	622	…	…	…	…	…	…
Nominal GDP at market prices (US$ billions)	72	70	79	87	95	103	110.8	119.4
Population (million)	29.4	30.2	31.1	32.0	32.9	33.8	34.8	35.8
Nominal GDP per capita (CFAF thousands)	1,355	1,445	1,538	1,630	1,720	1,813	1,907	2,004.7
Nominal GDP per capita (US$)	2,445	2,322	2,552	2,718	2,877	3,038	3,184	3,334.0
Real GDP per capita growth (percent)	4.4	3.7	3.4	3.5	3.4	3.3	3.2	3.1

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 2021-28
(Billions of CFA)

	2021	2022	2023	2024	2025	2026	2027	2028
		Est.		Program				
Current account	-1,593	-2,999	-2,753	-2,248	-1,881	-1,785	-1,892	-2,031
Current account excl. grants	-1,778	-3,233	-3,074	-2,497	-2,091	-1,973	-2,101	-2,246
Trade balance	1,692	932	1,408	2,131	2,757	3,183	3,485	3,854
Exports, f.o.b.	8,491	10,236	10,852	12,074	13,131	14,182	15,228	16,395
Of which: cocoa	3,314	3,121	3,750	4,617	4,906	4,987	5,210	5,429
Of which: crude oil and refined oil products	957	1,841	1,914	1,804	2,020	2,329	2,533	2,669
Imports, f.o.b.	6,799	9,304	9,444	9,943	10,374	10,999	11,743	12,541
Of which: crude oil and refined oil products	1,278	3,031	2,761	2,838	3,013	3,173	3,332	3,498
Services (net)	-1,670	-2,140	-2,248	-2,346	-2,433	-2,515	-2,722	-2,943
Primary Income (net)	-1,240	-1,354	-1,483	-1,564	-1,697	-1,901	-2,058	-2,297
Of which: interest on public debt	-435	-525	-629	-658	-701	-663	-684	-718
Secondary Income (net)	-375	-437	-430	-469	-509	-552	-597	-646
General Government	11	194	202	205	127	68	60	0
Other Sectors	-385	-631	-633	-674	-636	-620	-657	-646
Capital and financial account	2,698	2,412	2,427	2,410	2,066	2,302	2,620	3,059
Capital account	92	40	119	44	83	120	150	215
Financial account (excl. exceptionnal financing)	2,606	2,372	2,308	2,366	1,984	2,182	2,470	2,843
Foreign direct investment	614	612	717	1,042	1,188	1,288	1,394	1,543
Portfolio investment, net	363	401	-193	556	224	203	118	41
Acquisition of financial assets	-413	-353	-391	-412	-398	-418	-430	-465
Incurrence of liabilities	776	754	198	968	622	621	549	506
Of which: Eurobonds	608	0	0	575	300	350	350	400
Other investment, net	1,631	1,360	1,783	767	572	691	958	1,259
Official, net	1,018	1,279	1,745	356	200	579	1,044	1,136
Project loans	802	1,440	1,745	1,035	987	1,299	1,514	1,581
Central government amortization due	-330	-686	-593	-985	-1,126	-1,083	-940	-1,103
Net acquisition of financial assets	-12	-14	-13	-13	-13	-13	-13	-13
Nonofficial, net	621	81	39	411	372	112	-86	123
Errors and omissions	-78	0	0	0	0	0	0	0
Overall balance	1,027	-587	-326	162	185	517	728	1,027
Financing	-1,027	587	326	-162	-185	-517	-728	-1,027
Reserve assets, includes reserve position in the Fund (-=increase)	-1,011	607	326	-162	-185	-517	-728	-1,027
Operations account	1,113	-503	-721	-131	-179	376	-588	-921
IMF (net)	-102	-104	395	293	364	141	-140	-107
Disbursements	0	0	604	601	599	299	0	0
Repayments	-102	-104	-208	-307	-235	-157	-140	-107
Statistical discrepancy	-15	-20	0	0	0	0	0	0
Memorandum items:								
Overall balance (percent of GDP)	2.6	-1.3	-0.7	0.3	0.3	0.8	1.1	1.4
Current account inc. grants (percent of GDP)	-4.0	-6.9	-5.8	-4.3	-3.3	-2.9	-2.9	-2.8
Current account exc. grants (percent of GDP)	-4.5	-7.4	-6.4	-4.8	-3.7	-3.2	-3.2	-3.1
Trade balance (percent of GDP)	4.2	2.1	2.9	4.1	4.9	5.2	5.2	5.4
WAEMU gross official reserves (billions of US$)	24.2	18.5	…	…	…	…	…	…
(percent of broad money)	…	…	…	…	…	…	…	…
(months of WAEMU imports of GNFS)	5.2	4.1	…	…	…	…	…	…
Nominal GDP	39,821	43,682	47,825	52,125	56,570	61,337	66,380	71,770
Exchange rate (CFAF/US$) 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, 2021–28
(Percent of GDP)

	2021	2022	2023	2024	2025	2026	2027	2028
		Est.		Program				
Current account	-4.0	-6.9	-5.8	-4.3	-3.3	-2.9	-2.9	-2.8
Current account excl. grants	-4.5	-7.4	-6.4	-4.8	-3.7	-3.2	-3.2	-3.1
Trade balance	4.2	2.1	2.9	4.1	4.9	5.2	5.2	5.4
Exports, f.o.b.	21.3	23.4	22.7	23.2	23.2	23.1	22.9	22.8
Of which: cocoa	8.3	7.1	7.8	8.9	8.7	8.1	7.8	7.6
Of which: crude oil and refined oil products	2.4	4.2	4.0	3.5	3.6	3.8	3.8	3.7
Imports, f.o.b.	17.1	21.3	19.7	19.1	18.3	17.9	17.7	17.5
Of which: crude oil and refined oil products	3.2	6.9	5.8	5.4	5.3	5.2	5.0	4.9
Services (net)	-4.2	-4.9	-4.7	-4.5	-4.3	-4.1	-4.1	-4.1
Primary Income (net)	-3.1	-3.1	-3.1	-3.0	-3.0	-3.1	-3.1	-3.2
Of which: interest on public debt	-1.1	-1.2	-1.3	-1.3	-1.2	-1.1	-1.0	-1.0
Secondary Income (net)	-0.9	-1.0	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9
General Government	0.0	0.4	0.4	0.4	0.2	0.1	0.1	0.0
Other Sectors	-1.0	-1.4	-1.3	-1.3	-1.1	-1.0	-1.0	-0.9
Capital and financial account	6.8	5.5	5.1	4.6	3.7	3.8	3.9	4.3
Capital account	0.2	0.1	0.2	0.1	0.1	0.2	0.2	0.3
Financial account (excl. exceptionnal financing)	6.5	5.4	4.8	4.5	3.5	3.6	3.7	4.0
Foreign direct investment	1.5	1.4	1.5	2.0	2.1	2.1	2.1	2.2
Portfolio investment, net	0.9	0.9	-0.4	1.1	0.4	0.3	0.2	0.1
Acquisition of financial assets	-1.0	-0.8	-0.8	-0.8	-0.7	-0.7	-0.6	-0.6
Incurrence of liabilities	1.9	1.7	0.4	1.9	1.1	1.0	0.8	0.7
Of which: Eurobonds	1.5	0.0	0.0	1.1	0.5	0.6	0.5	0.6
Other investment, net	4.1	3.1	3.7	1.5	1.0	1.1	1.4	1.8
Official, net	2.6	2.9	3.6	0.7	0.4	0.9	1.6	1.6
Project loans	2.0	3.3	3.6	2.0	1.7	2.1	2.3	2.2
Central government amortization due	-0.8	-1.6	-1.2	-1.9	-2.0	-1.8	-1.4	-1.5
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonofficial, net	1.6	0.2	0.1	0.8	0.7	0.2	-0.1	0.2
Errors and omissions	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	2.6	-1.3	-0.7	0.3	0.3	0.8	1.1	1.4
Financing	-2.6	1.3	0.7	-0.3	-0.3	-0.8	-1.1	-1.4
Reserve assets, includes reserve position in the Fund (-=increase)	-2.5	1.4	0.7	-0.3	-0.3	-0.8	-1.1	-1.4
Operations account	2.8	-1.2	-1.5	-0.3	-0.3	0.6	-0.9	-1.3
IMF (net)	-0.3	-0.2	0.8	0.6	0.6	0.2	-0.2	-0.1
Disbursements	0.0	0.0	1.3	1.2	1.1	0.5	0.0	0.0
Repayments	-0.3	-0.2	-0.4	-0.6	-0.4	-0.3	-0.2	-0.1
Statistical discrepancy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:								
Overall balance (percent of GDP)	2.6	-1.3	-0.7	0.3	0.3	0.8	1.1	1.4
Current account inc. grants (percent of GDP)	-4.0	-6.9	-5.8	-4.3	-3.3	-2.9	-2.9	-2.8
Current account exc. grants (percent of GDP)	-4.5	-7.4	-6.4	-4.8	-3.7	-3.2	-3.2	-3.1
Trade balance (percent of GDP)	4.2	2.1	2.9	4.1	4.9	5.2	5.2	5.4
WAEMU gross official reserves (billions of US$)	24.2	18.5	…	…	…	…	…	…
(percent of broad money)	…	…	…	…	…	…	…	…
(months of WAEMU imports of GNFS)	5.2	4.1	…	…	…	…	…	…
Nominal GDP (billions of CFA francs)	39,821	43,682	47,825	52,125	56,570	61,337	66,380	71,770
Exchange rate (CFAF/US$) 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, 2021–28

(Billions of CFA)

	2021	2022 Prel.	2023 Prog. Approval	2023 First Review	2024	2025	2026	2027	2028
			Program						
Total revenue and grants	6,295	6,684	7,837	7,872	8,696	9,727	10,898	11,999	13,089
Total revenue	6,110	6,451	7,515	7,550	8,447	9,518	10,710	11,789	12,874
Tax revenue	5,251	5,617	6,638	6,638	7,532	8,519	9,627	10,615	11,604
Non-earmarked taxes	5,042	5,304	6,242	6,243	7,074	8,078	9,161	10,085	11,031
Direct taxes	1,402	1,630	1,782	1,857	2,175	2,455	2,754	3,120	3,488
Indirect taxes	3,640	3,674	4,461	4,385	4,900	5,623	6,407	6,965	7,543
of which taxes on project spending	155	166	178	178	161	208	222	156	163
Earmarked taxes	209	356	395	395	458	441	466	530	573
Nontax revenue	860	834	878	912	915	999	1,083	1,174	1,269
Grants, of which	185	234	322	322	249	209	188	210	215
Project grants	92	40	119	119	44	83	120	150	215
Total expenditure	8,257	9,666	10,351	10,382	10,805	11,442	12,766	13,971	15,225
Current expenditure	5,930	6,526	6,801	6,875	6,798	7,867	8,584	9,247	10,019
Wages and salaries	1,860	2,007	2,241	2,246	2,332	2,681	2,920	3,160	3,431
Social security benefits	371	390	450	422	444	566	583	657	746
Subsidies and other current transfers	907	768	620	648	565	594	712	856	926
Other current expenditure	1,548	1,873	1,701	1,695	1,740	1,977	2,243	2,319	2,508
Expenditure corresponding to eamarked taxes	209	356	395	395	458	441	466	530	573
Interest due	785	970	1,091	1,166	1,197	1,352	1,390	1,481	1,576
On domestic debt	330	448	551	540	540	652	726	795	857
On external debt	455	523	540	626	657	700	664	685	719
Capital expenditure	2,327	3,141	3,550	3,506	4,007	3,574	4,182	4,724	5,206
Domestically financed	1,394	1,668	1,874	1,650	2,930	2,506	2,762	3,057	3,407
of which counterpart funds for project taxes	155	166	178	178	161	208	222	156	163
Foreign-financed, of which	932	1,473	1,676	1,856	1,077	1,069	1,421	1,667	1,800
Foreign loan-financed	840	1,433	1,557	1,737	1,033	986	1,301	1,517	1,584
Basic primary balance	-429	-772	-69	191	-84	497	756	966	1,025
Overall balance, including grants	-1,962	-2,982	-2,514	-2,510	-2,110	-1,715	-1,868	-1,972	-2,136
Overall balance, excluding grants	-2,146	-3,216	-2,836	-2,832	-2,359	-1,924	-2,056	-2,181	-2,351
Change in float (excl. on debt service)	-11	-111	-25	-25	-25	0	0	0	0
Overall balance (cash basis)	-1,973	-3,093	-2,539	-2,535	-2,135	-1,715	-1,868	-1,972	-2,136
Financing 1/	1,973	3,093	1,588	1,568	1,320	957	1,380	1,972	2,136
Domestic financing	659	1,048	483	204	695	796	814	757	966
Bank financing (net) 1/	709	793	249	-42	432	585	623	591	763
Nonbank financing (net)	-50	255	233	246	263	211	191	166	203
External financing	1,330	2,064	1,105	1,364	625	162	567	1,214	1,170
Financing gap (+ deficit / - surplus)	--	--	951	967	815	757	487	--	--
Expected financing (excluding IMF)	--	--	333	363	214	158	189	--	--
Residual gap, *of which*	--	--	618	604	601	599	299	--	--
IMF-ECF 2/	--	--	206	201	200	200	100	--	--
IMF-EFF 2/	--	--	412	403	400	399	199	--	--
Memorandum items:									
Nominal GDP	39,821	43,682	47,642	47,825	52,125	56,570	61,337	66,380	71,770

Sources: Ivorian authorities and IMF staff estimates and projections.

1/ Excludes disbursements of Fund resources channeled through the Central Bank. 2023 program column corrected for reclassification of IMF financing and

2/ 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, 2021–28

(Percent of GDP)

	2021	2022	2023	2023	2024	2025	2026	2027	2028
		Prel.	Program	First					
			Approval	Review					
				Program					
Total revenue and grants	15.8	15.3	16.4	16.5	16.7	17.2	17.8	18.1	18.2
Total revenue	15.3	14.8	15.8	15.8	16.2	16.8	17.5	17.8	17.9
Tax revenue	13.2	12.9	13.9	13.9	14.5	15.1	15.7	16.0	16.2
Non-earmarked taxes	12.7	12.1	13.1	13.1	13.6	14.3	14.9	15.2	15.4
Direct taxes	3.5	3.7	3.7	3.9	4.2	4.3	4.5	4.7	4.9
Indirect taxes	9.1	8.4	9.4	9.2	9.4	9.9	10.4	10.5	10.5
of which taxes on project spending	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.2	0.2
Earmarked taxes	0.5	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8
Nontax revenue	2.2	1.9	1.8	1.9	1.8	1.8	1.8	1.8	1.8
Grants, of which	0.5	0.5	0.7	0.7	0.5	0.4	0.3	0.3	0.3
Project grants	0.2	0.1	0.3	0.2	0.1	0.1	0.2	0.2	0.3
Total expenditure	20.7	22.1	21.7	21.7	20.7	20.2	20.8	21.0	21.2
Current expenditure	14.9	14.9	14.3	14.4	13.0	13.9	14.0	13.9	14.0
Wages and salaries	4.7	4.6	4.7	4.7	4.5	4.7	4.8	4.8	4.8
Social security benefits	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Subsidies and other current transfers	2.3	1.8	1.3	1.4	1.1	1.1	1.2	1.3	1.3
Other current expenditure	3.9	4.3	3.6	3.5	3.3	3.5	3.7	3.5	3.5
Expenditure corresponding to eamarked taxes	0.5	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8
Interest due	2.0	2.2	2.3	2.4	2.3	2.4	2.3	2.2	2.2
On domestic debt	0.8	1.0	1.2	1.1	1.0	1.2	1.2	1.2	1.2
On external debt	1.1	1.2	1.1	1.3	1.3	1.2	1.1	1.0	1.0
Capital expenditure	5.8	7.2	7.5	7.3	7.7	6.3	6.8	7.1	7.3
Domestically financed	3.5	3.8	3.9	3.4	5.6	4.4	4.5	4.6	4.7
of which counterpart funds for project taxes			0.4	0.4	0.3	0.4	0.4	0.2	0.2
Foreign-financed, of which	2.3	3.4	3.5	3.9	2.1	1.9	2.3	2.5	2.5
Foreign loan-financed	2.1	3.3	3.3	3.6	2.0	1.7	2.1	2.3	2.2
Basic primary balance	-1.1	-1.8	-0.1	0.4	-0.2	0.9	1.2	1.5	1.4
Overall balance, including grants	-4.9	-6.8	-5.3	-5.2	-4.0	-3.0	-3.0	-3.0	-3.0
Overall balance, excluding grants	-5.4	-7.4	-6.0	-5.9	-4.5	-3.4	-3.4	-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
Overall balance (cash basis)	-5.0	-7.1	-5.3	-5.3	-4.1	-3.0	-3.0	-3.0	-3.0
Financing 1/	5.0	7.1	3.3	3.3	2.5	1.7	2.3	3.0	3.0
Domestic financing	1.7	2.4	1.0	0.4	1.3	1.4	1.3	1.1	1.3
Bank financing (net) 1/	1.8	1.8	0.5	-0.1	0.8	1.0	1.0	0.9	1.1
Nonbank financing (net)	-0.1	0.6	0.5	0.5	0.5	0.4	0.3	0.3	0.3
External financing	3.3	4.7	2.3	2.9	1.2	0.3	0.9	1.8	1.6
Financing gap (+ deficit / - surplus)	--	--	2.0	2.0	1.6	1.3	0.8	--	--
Expected financing (excluding IMF)	--	--	0.7	0.8	0.4	0.3	0.3	--	--
Residual gap, *of which*	--	--	1.3	1.3	1.2	1.1	0.5	--	--
IMF-ECF 2/	--	--	0.4	0.4	0.4	0.4	0.2	--	--
IMF-EFF 2/	--	--	0.9	0.8	0.8	0.7	0.3	--	--

Sources: Ivorian authorities and IMF staff estimates and projections.

1/ Excludes disbursements of Fund resources channeled through the Central Bank. 2023 program column corrected for reclassification of IMF financing and commercial loans.

2/ 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, 2021–28
(Billions of CFA)

	2021	2022	2023	2024	2025	2026	2027	2028
		Prel.		Program				
	(Billions of CFA francs)							
Net foreign assets	4,206	3,886	3,440	3,594	3,767	4,290	5,037	6,086
Central bank	2,944	2,304	1,984	2,120	2,247	2,724	3,429	4,435
Other depository corporations	1,262	1,582	1,456	1,474	1,520	1,566	1,609	1,650
Net domestic assets	11,281	12,993	14,983	16,680	18,762	20,684	22,668	24,638
Net credit to the government 1/	4,617	5,894	6,433	7,354	8,484	9,346	9,869	10,555
Central Bank	1,505	1,459	1,867	2,178	2,550	2,693	2,553	2,367
Other depository corporations	3,112	4,435	4,566	5,176	5,934	6,654	7,317	8,189
Credit to the economy	9,139	9,807	11,514	12,558	13,785	15,140	16,913	18,531
Crop credits	672	589	708	874	929	947	990	1,031
Other credit (including customs bills)	8,468	9,218	10,807	11,684	12,857	14,193	15,923	17,500
Other items (net) (assets = +)	-2,475	-2,708	-2,965	-3,231	-3,507	-3,802	-4,115	-4,449
Broad money	15,487	16,879	18,423	20,274	22,529	24,974	27,705	30,724
Currency in circulation	3,721	3,973	4,153	4,367	4,853	5,405	6,037	6,741
Deposits	11,762	12,901	14,266	15,902	17,671	19,564	21,661	23,975
Deposits at the Central Bank	4.1	4.1	4.5	5.0	5.5	6.1	6.8	7.5
Memorandum item:								
Velocity of circulation	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3
	(Changes in percent of beginning-of-period broad money)							
Net foreign assets	8.2	-2.1	-2.6	0.8	0.9	2.3	3.0	3.8
Net domestic assets	10.6	11.1	11.8	9.2	10.3	8.5	7.9	7.1
Net credit to the government	5.4	8.2	3.2	5.0	5.6	3.8	2.1	2.5
Central bank	5.5	-0.3	2.4	1.7	1.8	0.6	-0.6	-0.7
Other depository corporations	-0.1	8.5	0.8	3.3	3.7	3.2	2.7	3.1
Credit to the economy	7.8	4.3	10.1	5.7	6.1	6.0	7.1	5.8
Broad money	18.7	9.0	9.1	10.1	11.1	10.9	10.9	10.9
	(Changes in percent of previous end-of-year)							
Net foreign assets	34.0	-7.6	-11.5	4.5	4.8	13.9	17.4	20.8
Net domestic assets	13.9	15.2	15.3	11.3	12.5	10.2	9.6	8.7
Net credit to the government	18.0	27.7	9.2	14.3	15.4	10.2	5.6	7.0
Central bank	91.7	-3.1	28.0	16.7	17.1	5.6	-5.2	-7.3
Other depository corporations	-0.5	42.5	3.0	13.3	14.6	12.1	10.0	11.9
Credit to the economy	12.5	7.3	17.4	9.1	9.8	9.8	11.7	9.6
Broad money	18.7	9.0	9.1	10.1	11.1	10.9	10.9	10.9

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: Capacity to Repay the Fund, 2023-32

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fund Obligations Based on Existing Credit										
(In millions of SDRs)										
Principal	68.8	360.2	281.9	193.4	193.1	191.7	169.7	122.2	66.1	66.1
Charges and interest	0.0	74.4	60.0	53.3	48.5	43.0	37.8	33.9	30.8	28.6
Fund Obligations Based on Existing and Prospective Credit										
(In millions of SDRs)										
Principal	68.8	360.2	281.9	193.4	193.1	253.6	351.4	436.0	450.1	462.5
Charges and interest	1.2	96.7	112.3	137.5	139.8	132.7	122.7	103.3	82.9	67.7
Total Obligations Based on Existing and Prospective Credit										
In millions of SDRs	70.0	456.9	394.2	330.9	332.9	386.3	474.1	539.3	533.1	530.3
In billions of CFA francs	56.5	367.2	317.5	267.1	270.2	315.9	387.7	441.1	436.0	433.7
In percent of government revenue	0.7	4.2	3.3	2.5	2.3	2.4	2.7	2.8	2.6	2.4
In percent of exports of goods and services	0.5	2.8	2.3	1.8	1.7	1.8	2.1	2.2	2.1	1.9
In percent of external debt	0.4	2.5	2.1	1.7	1.6	1.8	2.1	2.3	2.1	2.0
In percent of GDP	0.1	0.7	0.6	0.4	0.4	0.4	0.5	0.5	0.5	0.4
In percent of quota	10.8	70.2	60.6	50.9	51.2	59.4	72.9	82.9	82.0	81.4
Outstanding Fund Credit										
In millions of SDRs	2,048.8	2,432.0	2,893.4	3,071.7	2,878.6	2,625.0	2,273.7	1,837.6	1,387.5	925.0
In billions of CFA francs	1,654.1	1,954.8	2,330.5	2,480.0	2,336.9	2,146.9	1,859.5	1,502.9	1,134.8	756.5
In percent of government revenue	21.0	22.5	24.0	22.8	19.5	16.4	12.9	9.6	6.7	4.1
In percent of exports of goods and services	14.4	15.1	16.5	16.3	14.3	12.2	9.9	7.6	5.4	3.4
In percent of external debt	11.7	13.4	15.3	15.5	13.8	12.1	10.0	7.7	5.6	3.6
In percent of GDP	3.5	3.8	4.1	4.0	3.5	3.0	2.4	1.8	1.3	0.8
In percent of quota	315.0	373.9	444.9	472.3	442.6	403.6	349.6	282.5	213.3	142.0
of which: PRGT	168.3	162.1	171.3	175.0	160.9	146.9	127.2	104.8	80.0	53.3
of which: GRA	146.7	211.8	273.6	297.3	281.7	256.7	222.4	177.8	133.3	88.8
Net Use of Fund Credit (millions of SDRs)	674.5	383.2	461.5	178.3	-193.1	-253.6	-351.4	-436.0	-450.1	-462.5
Disbursements	743.3	743.3	743.3	371.7	0.0	0.0	0.0	0.0	0.0	0.0
Repayments and Repurchases	68.8	360.2	281.9	193.4	193.1	253.6	351.4	436.0	450.1	462.5
Memorandum items:										
Exports of goods and services (billions of CFA francs)	11,521.4	12,960.0	14,092.8	15,225.1	16,356.2	17,615.3	18,720.1	19,879.3	21,091.6	22,298.9
Government revenue and grants (billions of CFA francs)	7,871.5	8,695.6	9,727.3	10,898.2	11,998.9	13,088.9	14,367.2	15,714.2	16,986.0	18,409.0
External debt (billions of CFA francs)	14,095.4	14,630.9	15,215.3	16,041.2	16,952.1	17,779.5	18,653.9	19,529.2	20,420.1	21,302.2

Sources: IMF staff estimates and projections.

Table 6. 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	13.3
Regulatory tier 1 capital to risk-weighted assets	7.1	6.9	7.9	8.6	9.7	10.9	12.1	12.7	12.7
General provisions to risk-weighted assets	9.5	7.1	6.6	5.7	6.0	6.1	5.7	5.2	…
Capital to total assets	3.9	4.3	5.1	6.3	6.2	6.5	7.2	7.3	6.4
Asset Quality									
Total loans to total assets	57.1	57.3	57.3	58.8	57.0	53.5	52.0	51.2	…
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	…
Sectoral composition of loans 1/									
Agriculture, forestry and fisheries	5.9	6.4	8.0	9.2	4.7	5.8	4.0	5.7	5.8
Extractive industries	2.3	2.2	1.5	0.5	0.4	0.3	0.7	0.2	0.4
Manufacturing industries	25.1	24.1	23.9	23.0	20.5	18.7	16.5	15.6	18.4
Electricity, water, gas	6.3	8.4	11.2	13.2	9.0	10.7	11.5	16.0	13.3
Construction, public works	3.3	5.9	6.0	5.4	6.4	5.4	5.8	5.9	6.4
Commerce, restaurants, hotels	31.6	27.3	21.9	25.9	30.2	32.0	35.7	31.5	32.6
Transport, storage and communications	9.3	11.4	13.9	9.3	12.9	11.3	8.9	9.3	9.0
Insurance, real estate, business services	11.4	8.5	7.9	9.0	9.9	11.3	10.1	9.3	8.2
Miscellaneous services	4.8	5.8	5.7	4.5	6.1	4.6	6.9	6.5	5.8
Non-performing loans to total gross loans	10.4	9.1	9.8	9.3	8.4	8.8	8.9	7.8	7.2
General provisions to non-performing loans	66.6	70.5	63.0	64.9	70.2	68.8	66.3	69.5	70.0
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	2.3
Non-performing loans net of provisions to capital	54.2	37.6	43.0	32.5	24.4	23.7	22.1	17.2	…
Earnings and Profitability 2/									
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 3/	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	…
Liquid assets to total deposits	48.6	48.1	46.9	46.0	42.6	41.4	38.3	36.2	…
Total loans to total deposits	84.1	87.2	89.5	90.7	87.2	79.7	73.8	75.2	…
Total deposits to total liabilities	72.9	70.2	68.2	68.9	69.4	71.4	74.9	71.9	…

Source: BCEAO.

1 / Provisional data as of March 2023.

2 / Income statement items at semi-annual frequency.

3 / Excluding tax on banking transactions.

Table 7a. Côte d'Ivoire: Summary Table of Projected External Borrowing Program
(January 1, 2023 to December 31, 2023)

PPG External Debt	Volume of new debt in 2023		PV of new debt in 2023 (program purposes)		PV of new debt in 2023 (including negative GEs)	
	USD million	Percent	USD million	Percent	USD million	Percent
By Sources of Debt Financing	**5535.7**	**100**	**4650.3**	**100**	**4683.3**	**100**
Concessional debt, of which	**432.5**	**8**	**211.9**	**5**	**211.9**	**5**
Multilateral debt	287.4	5	145.1	3	145.1	3
Bilateral debt	145.1	3	66.8	1	66.8	1
Other	0.0	0	0.0	0	0.0	0
Non-concessional debt, of which	**5103.1**	**92**	**4438.4**	**95**	**4471.4**	**95**
Semi-concessional	4516.9	82	3852.1	83	3852.1	82
Commercial terms	586.3	11	586.3	13	619.3	13
By Creditor Type	**5535.7**	**100**	**4650.3**	**100**	**4683.3**	**100**
Multilateral	2994.0	54	2439.2	52	2439.2	52
Bilateral - Paris Club	418.5	8	254.5	5	254.5	5
Bilateral - Non-Paris Club	0.0	0	0.0	0	0.0	0
Other	2123.1	38	1956.6	42	1989.6	42
Uses of Debt Financing	**5535.7**	**100**	**4650.3**	**100**	**4683.3**	**100**
Infrastructure	1438.3	26	1275.5	27	1286.7	27
Social Spending	2584.6	47	2065.2	44	2070.2	44
Budget Financing	833.9	15	744.6	16	744.6	16
Other	678.9	12.3	565.0	12.1	581.8	12.4
Memo Items						
Indicative projections						
Year 2	**4790.0**		**4286.3**		**4512.8**	
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	1090.2
Variable Interest Rate	4445.4
Unconventional Loans	0.0
By Currency	
USD denominated loans	1425.0
Loans denominated in other currency	4110.7

Source: Ivorian authorities.

Table 8. Côte d'Ivoire: Decomposition of Public Debt and Debt Service by Creditor[1]

	Debt Stock (end of period)			Debt Service					
	2022			2022	2023	2024	2022	2023	2024
	(In US$ billions)	*(Percent total debt)*	*(Percent GDP)*	*(In US$)*			*(Percent GDP)*		
Total	40.0	100.0	56.7	4.5	5.5	5.9	6.2	7.0	6.8
External	24.3	60.8	34.5	1.6	2.2	2.9	2.2	2.8	3.4
Multilateral creditors[2,3]	7.2	18.0	10.2	0.4	0.6	0.8	0.5	0.7	0.9
IMF	2.0	5.0	2.9						
World Bank	2.8	7.1	4.0						
AfDB	1.0	2.5	1.4						
Other Multilaterals	1.3	3.4	1.9						
o/w: IDB	0.7	1.7	1.0						
o/w: BOAD	0.4	0.9	0.5						
Others	0.3	0.8	0.4						
Bilateral Creditors[2]	4.1	10.2	5.8	0.1	0.2	0.3	0.2	0.2	0.3
Paris Club	1.1	2.8	1.6	0.0	0.0	0.1	0.0	0.1	0.1
o/w: France	0.6	1.6	0.9						
o/w: Germany	0.3	0.8	0.5						
Others	0.2	0.5	0.3						
Non-Paris Club	2.9	7.4	4.2	0.1	0.2	0.2	0.2	0.2	0.3
o/w: China	2.7	6.8	3.9						
o/w: India	0.2	0.4	0.2						
Others	0.1	0.1	0.1						
Bonds	8.5	21.4	12.1	0.6	0.6	0.7	0.8	0.7	0.8
Commercial creditors	4.5	11.3	6.4	0.5	0.9	1.2	0.7	1.1	1.4
o/w: MUFG	0.6	1.5	0.9						
o/w: SGF	0.6	1.5	0.8						
Others	3.3	8.3	4.7						
Domestic	15.7	39.2	22.2	2.9	3.3	3.0	4.0	4.2	3.4
Held by residents, total	n/a	n/a	n/a						
Held by non-residents, total	n/a	n/a	n/a						
T-Bills	0.4	1.0	0.6	0.6	0.4	0.0	0.8	0.5	0.0
Bonds	3.9	9.8	5.6	0.9	1.1	1.0	1.3	1.4	1.1
Loans, and others	11.4	28.4	16.1	1.4	1.8	2.0	1.9	2.3	2.3
Memo Items:									
Collateralized debt[4]	n/a	n/a	n/a						
Contingent liabilities[5]	n/a	n/a	n/a						
Nominal GDP	70,179.8								

Sources: Ivorian authorities and IMF staff calculations.

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

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

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

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

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

Table 9. Côte d'Ivoire: Reviews and Purchases/Disbursements Under the 40-month 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	2601.600	867.200	1734.400	400.000	133.333	266.667

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

Table 10. Côte d'Ivoire: Quantitative Performance Criteria and Indicative Targets Under the EFF/ECF, June 2023–December 2024 1/

	2023					2024			
	June			September	December	March	June	September	December
	PC	Outturn	Met/Not Met	IT	PC	IT	PC	IT	PC
A. Performance Criteria									
Floor on the overall fiscal balance (incl. grants)	-1338	-1029	Met	-2007	-2514	-507	-1,085	-1,505	-2,110
Ceiling on net domestic financing (incl. the issuance of securities in CFAF)	777	749	Met	952	1160	14	594	1,036	1,355
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$)	2533	1434	Met	4242	4650	1157	2,205	3,233	4,286
Floor on government tax revenue	3079	3254	Met	4620	6306	1643	3,538	5,299	7,156
Performance Criteria on Continuous Basis									
Ceiling on accumulation of new external arrears by the central government (continuous basis)	0	0	Met	0	0	0	0	0	0
Ceiling on accumulation of new domestic arrears by the central government (continuous basis)	0	0	Met	0	0	0	0	0	0
B. Indicative Targets									
Floor on targeted social spending	307	345	Met	700	949	230	462	765	989
Ceiling on expenditure by treasury advance	167	150	Met	263	345	82	192	307	446
Floor on net reduction of central government amounts payable (- = reduction)	-132	-136	Met	-78	-25	-54	-41	-33	-25
Floor on basic primary balance	-162	164	Met	-130	187	55	86	150	-20
Memorandum Items:									
Program grants (millions of US$) 2/	162	160	...	160	324	0	160	160	329
Program loans (millions of US$) 2/	349	0	...	169	930	957	982	1022	1265
Project grants (millions of US$) 2/	67	67	...	126	191	17	36	53	70
Project loans (millions of US$) 2/	1139	1139	...	1860	2785	354	952	1284	1656
Cumulative C2D	80	100	...	100	200	20	80	140	200
Total pro-poor spending	1623	1623	...	2403	3318	748	1655	2467	3405

Sources: Ivoirian 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.

Table 11. Côte d'Ivoire: Prior Action and Structural Benchmarks, 2023–24

Reform Area	Prior Action	Rationale	Status	Due Date
	Submit to parliament 2024 budget in line with program objectives, including new revenue measures			
	Proposed New Structural Benchmark			
Revenue Mobilization	Issue an ordinance to streamline the provisions relating to exemptions linked to the investment code.	Boost domestic revenue and strengthen 2024 budget measures.		end-September 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
PFM	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 (*agents d'affaires*), and trust and company service providers; and (ii) set out their powers and responsibilities to undertake risk-based supervision in line with FATF Recommendation 28.	Improve the effectiveness of the AML/CFT framework.		end-May 2024
	Current Structural Benchmark			
Revenue Mobilization	Prepare and implement a plan to manage and collect outstanding tax arrears.	Boost domestic revenue to preserve fiscal and 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]	Boost domestic revenue to preserve fiscal and debt sustainability and create fiscal space for public investment and poverty reduction.		end-May 2024

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

Table 11. Côte d'Ivoire: Prior Action and Structural Benchmarks, 2023–24 (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.		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.		end-December 2023
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.		end-May 2024

Annex I. Risk Assessment Matrix[1]

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 increase inflows of migrants, 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.

[1]The 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 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 provide for refugees, 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. Key Elements of Successful MTRS Reform

Developing and implementing an MTRS aims to ensure that future tax revenue can cover critical spending needs to support Côte d'Ivoire's sustainable and inclusive growth to reach upper-middle income status. A successful MTRS requires broad-based buy-in from across all levels of government and civil society, and a high-level road map of necessary tax system reforms, followed by a sustained commitment to a process of reform implementation. With support from Fund technical assistance, the authorities have embarked on a considerable work program to ensure that the end-May 2024 SB is met. This work agenda entails the following key interdependent components:

1. Build broad consensus on the medium-term revenue goals. This requires a government-led effort spanning the entire apparatus of government and key civil society stakeholders to help define and set expectations on expenditure needs of the public service pertaining to the government's social and economic development vision under the NDP. To achieve this, an inclusive and multi-stakeholder approach will be critical. Furthermore, in developing buy-in from stakeholders, it will be important for the authorities to elucidate the link between the need for higher revenue under the MTRS and increasing the government's capability to finance critical spending needs such as public infrastructure, along with prioritized expenditure on education, and health.

2. Develop a roadmap for tax system reforms, including enhancements to tax policy, tax and customs administration and the legal framework. To ensure success in overhauling the tax system in support of the government's domestic revenue mobilization strategy under the MTRS, tax policy and revenue administration reforms are required to ensure a high degree of tax-system effectiveness, as well as enhancements to the legal framework so as to enable, apply and enforce the government's taxation regime.

- Tax policy reforms should be based on a diagnostic of the existing tax policy framework and address any existing efficiency and equity shortcomings, stemming from policy design features, the tax mix, and the economic and social impact of tax policy.
- Revenue administration reforms should aim to sustain high levels of taxpayer and importer compliance supported by efficient and effective revenue agencies. Such reforms typically require diagnosis of the levels and rates of taxpayer and importer compliance, and the institutional and governance arrangements of tax and customs administration.
- Ensuring a robust enabling legal environment is critical for the success of tax policy and revenue administration reforms. In particular, reforms should address any substantive gaps in existing laws with respect to tax setting powers, and procedural laws governing agencies' powers and taxpayers' and importers' rights—so as to enable fair and effective tax and customs administrations.

3. Sustain government commitment and broad societal support for MTRS reforms. Government commitment should be expressed in concrete and visible measures, and underpinned by a whole-of-government approach to support tax system reform formulation and implementation across its different fronts—especially as this pertains to government entities beyond the revenue agencies and the ministry of finance (e.g., line ministry support is critical for rationalizing tax expenditure; and modernization of tax and customs administration agencies requires support from civil service agencies to ensure appropriate enforcement, human resource and accountability policies. Moreover, governance arrangements at the highest level of government will help demonstrate political commitment to the reforms, which in turn can help simplify the political economy considerations associated with such a comprehensive reform effort, as well as support meaningful public engagement with the broader society.

Annex III. AML/CFT Risks and Policy Priorities

1. Côte d'Ivoire is highly exposed to money laundering (ML) and terrorism financing (TF) risks, including due to its economic prominence within the WAEMU region. The country has significant cross-border commercial and financial flows with regional partners and international financial centers. It also serves as a financial center for the WAEMU region. The porous nature of the borders, the significance of the informal sector, and the prevalence of cash transactions are key vulnerabilities. The size of the informal sector, together with growing terrorist and TF threats in northern border areas, exacerbate TF risks.

2. A Fund-led assessment of Côte d'Ivoire's AML/CFT framework found it to be only partially compliant with the Financial Action Task Force (FATF) 40 recommendations and insufficiently effective.[1] While the country has improved its legal framework since the 2012 mutual evaluation, its level of effectiveness was assessed as low under eight out of eleven predefined outcomes and moderate in the remaining three. The following deficiencies were identified: The authorities have not demonstrated a sufficiently concrete understanding of the ML/TF risks to which the country is exposed. The financial sector does not implement adequate, risk-based preventive measures. Beneficial ownership (BO) information collected on legal persons is incomplete and fragmented, and only partly available to competent authorities on a timely basis. Most financial institutions rely on direct or indirect ownership of capital or voting rights, without attempting to identify other forms of control. The implementation of requirements relating to politically exposed persons (PEPs) is limited, and the level of reporting of suspicious transactions is not in line with the country's risk profile, notably because it does not reflect the high corruption risks. The effectiveness of risk-based supervision of financial institutions is also limited, except for larger banks. Designated non-financial businesses and professions (DNFBPs), money and currency changing services, and money transfer operators have a low level of compliance with AML/CFT requirements, and certain DNFBPs (including high-risk ones such as real estate agents and dealers in precious metals and stones) do not yet have a designated supervisory authority. The authors of ML activities are not sufficiently prosecuted and sanctioned. Criminal assets are insufficiently seized and confiscated, although recent initiatives are beginning to show results. No TF case has been successfully brought to trial to date and UN targeted financial sanctions (TFS) are not implemented without delay, which is inconsistent with the country's significant and growing TF risk profile. The Financial Intelligence Unit suffers from inadequate human and technical resources, and investigative authorities make limited use of financial intelligence and other information.

3. Côte d'Ivoire needs to improve its AML/CFT framework and its effectiveness significantly by mid-2024 to avoid a grey listing. The country is now in a one-year observation period during which it should work with the Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA) and the FATF to address the strategic

[1]The assessment was concluded in August 2023. See Country Report No. 2023/307 and Country Report No. 2023/308.

deficiencies identified in its recent evaluation, before a potential public identification and formal monitoring by the FATF's International Cooperation Review Group (ICRG). Key priorities include: strengthening its legal framework, notably with respect to the full criminalization of TF and implementation of TFS; implementing risk-based supervision for financial institutions and DNFBPs—starting by the designation of supervisory authorities for all DNFBPs; ensuring access to up to date and accurate basic and beneficial ownership information on legal persons; strengthening the technical capabilities of the FIU and making better use of financial intelligence in judicial investigations; developing an overall criminal justice policy to more effectively counter ML and key predicate offenses; and integrating CFT into the counter-terrorism policy.

Annex IV. Côte d'Ivoire's Poverty Reduction and Growth Strategy

1. The Ivorian authorities adopted a new National Development Plan (NDP) in December 2021, which is the building block of their Poverty Reduction and Growth Strategy. Côte d'Ivoire's third NDP covers the period 2021-2025 and its formulation followed an extensive consultation process that involved, among others, representatives of the private sector, civil society organizations, trade unions, associations representing women and youth, decentralized services of the administration, and defense and security forces. The process benefited from technical support from development partners, including the World Bank and UNPD.

2. The 2021-25 NDP, together with the "Côte d'Ivoire 2030" strategy, set the authorities' agenda to reach upper-middle-income status by 2030. The third NDP builds on the previous development programs (2012-15 and 2016-20), which contributed to significant socio-economic progress—with output growing by about 8 percent on average over 2012-19 and the poverty rate declining from 51 to 39½ percent between 2011 and 2018. Despite the remarkable progress over the previous plans, Côte d'Ivoire still faces significant challenges to ensure that the impressive performance can be sustained going forward and its benefits shared equally by the population. The authorities expect that the NDP will allow to boost real GDP growth—from less than 6 percent over 2016-20 to more than 7½ percent over 2021-25, driven mainly by the secondary and tertiary sectors—and to raise per capita income by about 30 percent over 2021-25 (and double by 2030, reaching about US$3,500), with four million jobs to be created over 2021-25. The authorities also expect the implementation of the NDP will reduce poverty further to 30 percent by 2025, and to less than 20 percent by 2030.

3. The NDP is underpinned by a commitment to a strong macroeconomic framework, in line with objectives under the IMF-supported program approved in 2023. In particular, the plan envisages the strengthening of public finances, with the fiscal deficit falling gradually toward the WAEMU convergence criterion of a 3 percent fiscal deficit on the back of efforts to broaden the tax base. A strong emphasis on macroeconomic stability is key to catalyze needed financing from the private sector and donors. The NDP also includes dedicated strategies for economic transformation, poverty and inequality reduction, climate change, gender, and environment preservation (Table 2).

4. The NDP has a strong emphasis on the role that the private sector needs to play for socio-economic development in Côte d'Ivoire. The authorities are determined to unlock the potential of the private sector, and notably the industrial sector, so that it becomes a key driver of development and inclusion, providing high-quality jobs throughout the territory. Based on a comprehensive diagnostic of the major challenges facing the country, a battery of measures is aimed at tackling identified deficiencies in access to financing, transport and logistics, digital connectivity, skills, and business climate. To set the conditions for the private sector to lead the economic transformation of Côte d'Ivoire, the authorities plan to modernize and enhance the efficiency of the public sector, improve governance, and tighten the grip on corruption. The authorities expect these reforms will boost private investment from an annual average of 15.5 percent of GDP over 2016-19 to 20.5 percent of GDP by 2025. The NDP will also require public investment to increase from an average of 5.2 percent of GDP over 2016-19 to 6.6 percent over 2021-25—with grants accounting for 2.4 percent of GDP.

Strategic Pillars	Key Reforms
Pillar 1: Acceleration of the structural transformation of the economy through industrialization and the development of clusters	Implement the industrial zone development strategy and support the development of industrial clusters (Agro-industry, chemicals and plastics, construction and furnishing materials, pharmacy, textiles, packaging and manufacture of spare parts, assembly of specialty vehicles).
Pillar 2: Development of human capital and promotion of employment	Establish partnerships with the private sector to improve the quality of training and ensure scientific monitoring for the professions of the future.
Pillar 3: Private sector development and investment	Operationalize the Guarantee Fund for Loans to SMEs and the BCEAO system for financing SMEs. Develop a specific program for "champion" SMEs. Implement the status of the entrepreneur with the objective of fostering formalization.
Pillar 4: Strengthening inclusion, national solidarity, and social action	Accelerate the implementation of the social system for self-employed workers; set up the social mutual guarantee fund and the unemployment insurance scheme.
Pillar 5: Balanced regional development, preservation of the environment, and fight against climate change	Adopt and implement a Territorial Development Policy and promote actions to increase the resilience to natural disasters and climate risks.
Pillar 6: Strengthening of governance, modernization of the State, and cultural transformation	Accelerate the modernization of tax administration; set up the platform for monitoring and preventing corruption and related offences.
Source: Volume 2 of the NDP 2021-25.	

5. **The new Government's Social Program (PSGouv2), based on the 2021-25 NDP, frames the authorities' strategy to reduce poverty and inequality**. Drawing on lessons from the Covid-19 pandemic response, and building on the experience of the predecessor 2019-20 program, the 2022–24 PSGouv2 seeks solutions to the insecurity in the northern border areas affected by terrorism threats (notably by enhancing public infrastructure and services); improving the education system; supporting the integration of youth into the labor market; improving the living conditions of most vulnerable households (including by improving access to drinking water, housing, and electricity); and strengthening universal health coverage and other social safety nets. Moreover, the government declared 2023 the year of youth and developed an ambitious program for the period covering 2023–25 called PJGouv to address the socio-professional insertion and employability of the youth.

6. **Building on the experience with the previous plans, the authorities have strengthened the governance of the NDP 2021-25**. Importantly, a dedicated unit, attached to the Prime Minister's office, is responsible for monitoring implementation progress. The governance structure also includes: a steering committee (chaired by the Prime Minister); a technical committee (headed by the Minister in charge of Planning and Development); a technical monitoring secretariat; and local committees and sectoral and thematic working groups. A technical coordination unit has been set to monitor PSGouv2 projects, conducting satisfaction surveys and impact analyses, and strengthening the overall communication on the program.

Annex V. Capacity Development Strategy

CD Strategy

1. **IMF Technical Assistance (TA) continues to support the EFF/ECF-supported program's objectives**. 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
Revenue Administration		
Tax administration: (1) strengthening the tax arrears management, (2) expanding the tax base, and (3) supporting the implementation of the MTRS.	Implementing comprehensive tax reforms, combating fraud and informal sector and mobilizing tax revenue.	FY2024/2025
Customs administration: (1) improving the quality, governance and use of customs data, and (2) strengthen the administration and control of exemptions.	Improving risk management, combating fraud, strengthening the monitoring of exemptions and mobilizing tax revenue.	FY2024/2025
PFM		
Conduct the C-PIMA and green PFM.	Take account of climate change in public financial management (PFM) institutions and processes, notably with respect to public investment management (climate-sensitive planning, budgeting, and implementation of investment projects).	FY 2024

Priorities	Objectives	Horizon
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
STA		
National Accounts. Improve timeliness of National Accounts dissemination and consistency of annual and quarterly GDP data. Develop high frequency activity indicators.	Finalize dissemination of 2020 and 2021 annual national accounts and provisional 2022 national accounts; complete work to align quarterly national accounts to annual national accounts and produce quarterly GDP by expenditure.	FY2024/2025
"Government finance and public sector debt statistics. STA will continue its technical assistance (TA) program to support the authorities to improve the timeliness, comprehensiveness, and accuracy of government finance statistics (GFS) and to align the methodologies to the Government Finance Statistics Manual 2014 (GFSM14) and WAEMU's TOFE directives. TA priorities include the progressive expansion of the institutional coverage of GFS to include local governments, extrabudgetary units, and social security funds, aiming for comprehensive data on general government operations. TA support will be also provided to gradually broaden the institutional coverage of public sector debt to include all market SOEs (public nonfinancial corporations). The compilation of SOEs data in line with the GFSM14 will complement FAD technical assistance on the quantification and monitoring of fiscal risks posed by SOEs.	Improve the coverage of SOES in GFS.	FY2024/2025

Priorities	Objectives	Horizon
BOP statistics. Continue to support improvements to external sector statistics, to improve consistency between gross external debt liabilities reported in the international investment position and the World Bank's Quarterly External Debt Statistics database, to compile the International Reserves and Foreign Currency Liquidity Template, and to improve the timeliness of annual external sector data.	Improve BOP statistics, including producing higher frequency statistics, and the international investment position, which will support the external balance assessment.	FY 2024
Price Statistics: STA will continue to assist the WAEMU Commission, AFRISTAT, and WAEMU member countries to update and improve the harmonized consumer price index. Supported by D4D funding, STA will provide assistance to the National Institute of Statistics to expand producer price index coverage to include services and to develop export-import price indexes.	Disseminate an updated, harmonized CPI, expand coverage of PPI to include services, and dissemination of export-import indexes.	FY2024/2025
LEG		
Continue the ongoing strengthening of the AML/CFT framework.	Assist in implementing priority reforms recommended by the IMF-led AML/CFT assessment.	FY 2024
Assess and 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) subject to authorities request

Main Risks and Mitigation

2. The main risks include weaknesses that have been undermining the tax administration's ability to conduct reforms and deliver better tax revenue outcomes, as stressed in the 2021 TADAT assessment. Stakes are particularly high given that domestic tax revenue constitutes a performance criterion (PC) under the program. Mitigating factors include: (i) a continued strong commitment of the highest authorities who consider domestic revenue mobilization as a national priority for the success of the 2021-2025 NDP;(ii) a great share of tax revenue measures are already in place before the start of the program; (iii) the program establishes well-targeted and sequenced structural benchmarks, including a strategy to collect tax arrears, and the development and implementation of an MTRS; (iv) the provision of customized training courses to tax officials; and (iv) efficiency from greater coordination with other TA providers.

Authorities' Views

3. The authorities stressed their commitment to the program, underscoring their track record under the previous Fund-supported program, where all reviews were easily completed. They acknowledged that Fund TAs were helpful to put in place key tax and administrative reforms and to prepare for access to RST resources. They looked forward to work jointly with TA experts to move forward tax policy and administration reforms and deliver on the ambitious program's objectives. They stated keen interest in the following areas: (i) formulation of the MTRS and the tax arrears strategy; (ii) capacity building with the quantification and monitoring of fiscal risks; and (iii) LEG's assistance in implementing the priority reforms recommended by the IMF-led AML/CFT assessment.

Appendix I. Letter of Intent

MINISTERE DES FINANCES ET DU BUDGET

LE MINISTRE

REPUBLIQUE DE COTE D'IVOIRE

Union-Discipline-Travail

N°........... MEF/DGE/DPPSE/SDPPE/EBP

Abidjan, November 14, 2023

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
WASHINGTON, DC 20431

Subject: Letter of Intent

Dear Managing Director:

1. **Côte d'Ivoire has maintained its economic dynamism with an average growth rate of around 7 percent since 2021, despite a difficult international context marked in particular by tighter financing conditions and inflationary pressures**. The implementation of the 2021-2025 NDP, coupled with the pursuit of far-reaching structural reforms, has helped to ensure the resilience of the macroeconomic framework. Inflation should be contained at 4.8 percent in 2023, after an average acceleration in prices of 4.7 percent over the 2021-2022 period. The budget deficit should fall from 6.8 percent of GDP in 2022 to 5.2 percent in 2023, with a view to fiscal consolidation in 2025. The current account deficit should be contained at 5.8 percent of GDP in 2023, after 6.9 percent in 2022, thanks to an upturn in the trade surplus. The risk of debt distress should remain moderate.

2. **On the social front, the national economy is benefiting from the implementation of the Government's social programs and measures to combat the high cost of living**. The Government is continuing to implement the 2nd generation of the government social program (PSGouv2) through road rehabilitation, construction of health and school infrastructure, electrification and improved coverage of access to drinking water. Furthermore, in line with the ambition to dedicate the year 2023 to youth, on March 22, 2023, the Government adopted the "Government Youth Program" (PJGouv 2023-2025). The PJGouv aims to respond effectively to the concerns of young people by stepping up public actions on their behalf. Finally, the Government continues to fight against the high cost of living to preserve the population's purchasing power, without compromising the viability of public finances.

3. Despite geopolitical tensions in the Sahel, the national socio-political and security environment remains calm. On the political front, the most recent municipal, regional, and senatorial elections in September 2023 took place in a completely transparent and peaceful context, with all national political forces taking part. On the security front, actions to combat fragility in the northern border areas, coupled with various security operations, have ensured a generally stable security situation throughout the country.

4. The economic and financial program for 2023-2026 is off to a good start, with the implementation of all the commitments described in the May 2023 Memorandum of Economic and Financial Policies (MEFP). Indeed, at end-June 2023, all performance criteria and indicative targets had been met. By end-September 2023, all structural benchmarks had been met.

5. The attached supplement to the MEFP supplements that of May 2023. It describes the progress made in implementing the economic and financial program to the end of September 2023. In addition, it presents the outlook to the end of December 2023, the program for 2024 and the medium term. It also reflects the start of discussions on potential reform measures planned under the Resilience and Sustainability Facility (RSF). The Government is particularly committed to increasing domestic revenue mobilization in the short and medium term which, together with continued active debt management, will keep the risk of debt distress at a moderate level, while creating fiscal space for investment and poverty reduction spending. In support of its strategy, Côte d'Ivoire requests the IMF Board to complete the first review of the economic and financial program, as well as the second disbursement under the Extended Credit Facility and the Extended Fund Facility Arrangements (ECF and EFF) in the amount of SDR 371.657 million. The authorities also request modifications of the indicative targets and the structural benchmark on the Cabinet approving and publishing a medium-term revenue mobilization strategy.

6. In addition, the Government is determined to speed up reforms designed to make the Ivorian economy more resilient to climate change. To this end, the Ivorian authorities have reaffirmed their interest in an ambitious program of reforms, taking into account Côte d'Ivoire's specific characteristics. Significant progress has been made since 2022 with the World Bank, the IMF and other development partners in identifying the main challenges posed to Côte d'Ivoire by climate change. In terms of diagnosis, the World Bank's CCDR was finalized in June 2023. The IMF's technical assistance missions on green public financial management (PFM) and C-PIMA have been completed. The IMF technical assistance report has been finalized, including comments from the Ivorian side. In addition, discussions with IMF staff on a matrix of reforms and underlying measures (and their respective costs) that would form the basis of the RSF program are due to be finalized shortly. On this basis and taking due account of the coherent package of large-scale measures in the EFF/ECF program, it has been agreed that an IMF negotiation mission will visit Abidjan as early as January 2024 to negotiate the RSF program. This facility will help Côte d'Ivoire finance its anticipated balance of payments needs arising from the long-term structural challenges associated with the economic consequences of climate change. The reform measures envisaged are closely linked to the priority policy reforms and investment projects set out in Côte d'Ivoire's Nationally Determined Contributions (NDC).

7. The Government is convinced that the policies and measures set out in the attached MEFP are adequate to achieve the objectives of the program supported by the ECF/EFF. It will take any additional measures that may prove necessary to achieve them. In this context, the Government will consult the IMF prior to the adoption of such measures and prior to any revision of the policies contained in the memorandum, in accordance with the IMF's consultation policies in this regard.

8. The Ivorian authorities will provide the IMF staff with all the data and information needed to assess the policies and measures set out in the Technical Memorandum of Understanding (TMU). The government intends to publish the IMF staff report, including this letter of intent and the attached MEFP and TMU. The government therefore authorizes the IMF staff to publish these documents on the IMF website once the Executive Board has completed the first review of the ECF- and EFF-supported program.

Yours sincerely,

____________________/s/____________________

Adama COULIBALY
The Minister of Finance and Budget

Attachments:

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

Attachment I. Supplement to the 2023–26 Memorandum of Economic and Financial Policies

BACKGROUND

1. **Côte d'Ivoire has maintained its economic dynamism, with an average growth rate of about 7 percent since 2021 despite a difficult international context, mainly due to tighter financing conditions and inflationary pressures**. The execution of the 2021-25 NDP, combined with ongoing major structural reforms, have helped to ensure the resilience of the macroeconomic framework. Inflation should be contained at 4.8 percent in 2023 after prices accelerated on average by 4.7 percent over 2021-22. The budget deficit should decline from 6.8 percent of GDP in 2022 to 5.2 percent in 2023 with the prospect of achieving fiscal consolidation by 2025. The current account deficit should be contained at 5.8 percent in 2023, after 6.9 percent in 2022, due to the return to trade surplus. The overall and external over-indebtedness risks should remain moderate.

2. **In the social sphere, the national economy is reaping the benefits of the government's social programs and the implementation of measures to combat the high cost of living**. The government is continuing to implement the Government Social Program (PSgouv 2) by rebuilding roads, building health and educational infrastructures, electrification, and improving the coverage rate for access to drinking water. In addition, in accordance with the goal of dedicating the year 2023 to youth, on March 22, 2023, the government adopted the 2023-25 "Government Youth Program" (PJ-Gouv). The PJ-Gouv aims to respond efficiently to the concerns of youth by intensifying public actions that benefit them. Finally, the government continues to combat the high cost of living to preserve the purchasing power of the population without jeopardizing fiscal sustainability.

3. **The domestic sociopolitical and security environment remains calm despite geopolitical tensions in the Sahel**. The latest municipal, regional, and senatorial elections were held in September 2023 and were completely transparent and peaceful, with all national political forces involved. Regarding security, actions to address weaknesses in the northern border region, along with various measures to reinforce security, allowed to guarantee overall stable security throughout the entire country.

4. **The 2023-26 economic and financial program is off to a good start with the implementation of all the commitments described in the May 2023 MEFP**. Indeed, all end-June 2023 performance criteria had been met, and the same holds for indicative targets. All structural benchmarks (SBs) for end-September 2023 have also been achieved. The government will pursue efforts to: (i) maintain fiscal and debt sustainability through a gradual increase in tax revenue and the convergence of the budget deficit with the 3 percent WAEMU community standard by 2025; (ii) fight poverty and stimulate the creation of jobs for youths; (iii) move

Côte d'Ivoire's growth paradigm toward a model based on private sector productivity and vertical diversification; (iv) develop the financial sector and strengthen financial inclusion; and (v) improve resilience to climate change.

5. In order to improve resilience to climate change, the Ivoirian authorities have begun to work on a request for an arrangement under the Resilience and Sustainability Facility. This arrangement will help Côte d'Ivoire support its prospective balance-of-payments stability due to longer-term structural challenges linked to the economic consequences of climate change. The authorities will pursue the work to identify the necessary reform measures closely tied to the priority policy reforms and investment projects in the Côte d'Ivoire Nationally Determined Contributions (NDCs).

6. This document supplements the May 2023 Memorandum of Economic and Financial Policies. It reports on recent macroeconomic changes and details the progress made in the program as of end-June 2023. Moreover, it presents expected developments by end-December 2023 and the program for 2024 and the medium term.

RECENT DEVELOPMENTS AND STATUS OF PROGRAM IMPLEMENTATION

A. Recent Macroeconomic Developments and Outlook for End-2023

Situation as of End-June 2023

7. The Ivoirian economy showed resilience in the first half of 2023 amid an external environment with sticky inflation and tight financial conditions.

Indeed:

- The Ivoirian economy benefitted from the ongoing implementation of the 2021-25 NDP and an improvement in the terms of trade. Economic growth was supported by dynamic secondary sectors, which performed well due to strong industrial, construction, and service activities, in which nearly all of its components performed favorably. Adverse weather, stopping the distribution of enhanced seeds, and the persistent effects of the *jasside* crisis, hampered the primary sector.

- The average inflation rate over the preceding 12 months was 5.3 percent, mainly due to higher prices for food and transportation.

- The trade surplus was CFAF +869.0 billion, due to larger increase in exports (18.3 percent) than in imports (6.4 percent). However, WAEMU foreign exchange reserves amounted to 4 months of imports as of end-June 2023, compared to 4.4 months as of end-December 2022.

- Côte d'Ivoire's external price competitiveness as of end-June, in year-on-year terms, improved. The real effective exchange rate declined by an average of 1.54 percent in the first half of 2023 compared to the same period of 2022 due to a favorable inflation differential of -5.1 percent and a 9.4 percent appreciation of the dollar vis-à-vis the euro.

- The monetary position was characterized by a 10.4 percent increase in broad money. Despite tighter monetary conditions, lending remained healthy with credit to the economy increasing.

- The strength of the banking sector continued to grow in the first half of 2023 as banking risks were harnessed. Indeed, the gross non-performing loans ratio declined from 7.8 percent to 7.2 percent between December 2022 and June 2023. The net ratio was down from 2.5 percent to 2.3 percent over the same period. The solvency ratio reached 13.3 percent by end-June 2023, compared to 13.11 percent as of end-December 2022 and above the minimum norm of 11.5 percent. However, two banks failed to comply with solvency standards, versus three banks as of end-2022. Those institutions held 1.06 percent of the sector's total balance sheet, 1.18 percent of outstanding loans, and 1.8 percent of deposits as of June 2023.

8. Budgetary execution as of June 2023 was better than projected due to higher revenue collection and under execution of spending.

- Total revenue and grants amounted to CFAF 3,856.3 billion, CFAF 74.1 billion higher than the target of CFAF 3,782.2 billion. This outcome is due to strong tax revenue (CFAF +13.6 billion) and nontax revenue (CFAF +67.7 billion) despite delayed mobilization in earmarked revenue and parafiscality (CFAF -5.2 billion) and grants (CFAF -7.2 billion).

- The overall execution of total spending and net loans was CFAF 4,885.0 billion, versus a projection of CFAF 5,120.3 billion.

- The result was a CFAF 1,028.7 billion deficit, compared CFAF 1,338.2 billion previously projected. To finance this deficit and repay maturing public debt, the government borrowed CFAF 1,612.9 billion from money and financial markets.

9. The stock of central government debt as of end-June 2023, including on-lent and guaranteed debt, is estimated at 55.4 percent of GDP, down from 58 percent as of end-December 2022. External debt as of end-June 2023 was 33.5 percent of GDP, versus 35.8 percent of GDP as of end-2022. External guaranteed debt amounted to CFAF 421.9 billion, or 0.9 percent of GDP, as of end-June 2023, while domestic debt was 20.8 percent of GDP, versus 22.2 percent as of end-2022. Domestic guaranteed debt amounted to CFAF 111.9 billion, or 0.2 percent of GDP. The stock of public enterprises debt was CFAF 1,025.8 billion, or 2.1 percent of GDP, as of end-June 2023, out of which 1.1 percent of GDP constitutes guaranteed debt.

Outlook for End-December 2023

10. Economic growth should remain buoyant at 7.0 percent in 2023 in a context of contained inflation. The main elements include:

- **On the supply side**, growth should be mainly supported by dynamism in the secondary sector, especially in construction (+20.9 percent) and energy (+23.9 percent). The primary sector should decline by 4.4 percent due to the contraction in agricultural export crops (-9.1 percent) and despite the expansion of food agriculture (+6.7 percent). The services sector should grow by 8.6 percent in 2023 due to broad-based dynamism.

- **On the demand side**, growth should be driven by all components. Indeed, investment should grow by 12.1 percent, supported by the increased execution of major infrastructure projects related to hosting the 2023 Africa Cup of Nations. The investment-to-GDP ratio should thus reach 27.2 percent in 2023, versus 26.4 percent in 2022. Exports and final consumption should grow in 2023 by 4.1 percent and 4.8 percent, respectively.

- The inflation rate should reach 4.8 percent by end-December 2023, versus 5.2 percent as of end-December 2022, based on the measures the government took. Nonetheless, inflationary tensions persist, notably for energy and food prices.

- The current account deficit should be 5.8 percent of GDP in 2023 versus 6.9 percent in 2022. This improvement would be driven by an increase in the trade surplus of goods and a reduction in the services trade deficit. The capital account surplus is estimated at 0.2 percent of GDP. Net capital flows should reach 4.5 percent of GDP versus 6.1 percent in 2022.

- Broad money should grow by 8 percent in 2023 after 9.0 percent in 2022. Claims on the economy should increase by 13.5 percent due to measures to improve access to credit by SMEs and VSEs (e.g., good functioning of the BIC, BCEAO support measures, CI PME) and stronger credit demand as a result of hosting the Africa Cup of Nations, despite higher monetary policy rates. Claims on the economy should reach 23.2 percent of GDP.

11. The fiscal deficit should reach 5.2 percent in 2023, in line with projections at the approval of the Extended Credit Facility and the Extended Fund Facility in May 2023. However, the projections for various components have been adjusted:

- Total revenue and grants were revised to CFAF 7,871.6 billion versus am initial projection of CFAF 7,837.2 billion, an increase of CFAF 34.4 billion. This is mainly due to the upward revision of service revenue estimates (CFAF +34.4 billion) with the collection of one-off revenue commissions for transfer. The projected tax revenue remained unchanged at 13.9 percent of GDP.

- Total expenditures and net loans were revised upward by CFAF 34.2 billion vis-à-vis the May 2023 projections, to CFAF 10,385.5 billion, mainly due to an upward revision (i) of interest payments (CFAF +74.9 billion) and transfers and subsidies (CFAF +27.8 billion). However, these increases were partly offset by mainly downward revisions to capital spending (CFAF -53.5 billion). The result should be a budget deficit of CFAF 2,513.9 billion.

B. Status of Program Implementation

12. All program performance criteria for end-June 2023 have been met. Tax revenue was CFAF 3,254.2 billion compared to a floor of CFAF 3,078.5 billion, i.e. an overperformance of CFAF 175.6 billion. The overall fiscal balance was CFAF -1,028.7 billion compared to a target of CFAF -1,338.2 billion, resulting in a margin of CFAF 309.5 billion. This situation is largely due to higher tax revenue (+13.6 billion) and nontax revenue (CFAF +67.7 billion) and under execution of expenditures (CFAF -235 billion). The net present value of new external debt amounted to $1.621.4 billion, compared to a ceiling of $2.533 billion. In addition, no domestic or external arrears were accumulated. Net domestic financing amounted to CFAF +748.5 billion compared to a ceiling of CFAF 777.0 billion, with a margin of CFAF 28.5 billion.

13. All indicative targets for June 2023 were met. The stock of amounts payable was reduced by 135.6 billion, compared to a floor of CFAF 132.0 billion. Expenditures executed by treasury advances amounted to CFAF 164 billion, compared to a ceiling of CFAF 167.4 billion. Targeted social spending was CFAF 345.3 billion, compared to a floor of CFAF 307.0 billion. The basic primary balance was 163.6 billion, versus a floor of -162.0 billion.

14. All program structural benchmarks for end-September 2023 were met.

- A plan to manage and collect outstanding tax arrears was prepared and will be implemented over a period of four years. Its purpose is to take stock of outstanding amounts and take measures to drastically reduce them. This plan is articulated over the following areas: (i) assessing the stock and distribution of outstanding amounts; (ii) actions to recover those amounts; (iii) monthly monitor of outstanding amounts; (iv) the status of recovery efforts; and (v) measures to prevent the increases in outstanding amounts.

- The Council of Ministers adopted a draft law on National Public Debt Policy on September 28, 2023. This law upgrades and strengthens the institutional framework for managing public debt. It aims to ensure that the pace of indebtedness is sustainable, to ensure regular payment of the public debt service, and to contain debt-related costs and risks.

15. The government has undertaken administrative and tax policy reforms to increase tax revenue.

- The mechanism for auditing telecommunication flows was deployed in March 2023.

- The continuation of cadastral survey projects, the work of the Committee to Optimize the Real Estate Tax Yield (CORIF), and the strengthening of land surveys expanded the property tax base and led to higher revenues. In terms of the tax base, 21,587 new parcels were taxed in the first half of 2023, compared an annual average of 18,400 over 2020-22. Revenue increased by 16.4 percent in the first half of 2023, versus 11 percent previously.

- A monthly tax return was introduced for taxpayers under the Simplified Tax System (RSI), replacing the quarterly returns and improving the tax contribution yield for this segment. Payments increased from 49 billion as of end-June 2022 to 81 billion as of end-June 2023.

- The registration duty on cacao was raised from 3 to 4 percent of the CIF price in May 2023.

16. Many other actions and reforms were carried out in the area of public financial management, debt management, governance, the business environment, and the financial sector.

Public Financial Management (PFM)

- The Integrated Management System for Government Budget Operations (SIGOBE) was expanded to all National Public Establishments (EPN) and to National Representative Offices Abroad (RNE) in the first quarter of 2023.

- The procurement contracting process was digitalized and version 2 of SIGOMAP (Integrated Management System for Procurement Operations) was implemented in the first quarter of 2023. However, a pilot phase consisting of five ministries, one government-owned company, and one project management unit, is in progress.

- The annual fiscal risks assessment was conducted in 2023 and included in the 2024-26 Fiscal Risks Declaration document.

- The annual PPP portfolio reviews were conducted in February 2023 in conjunction with the contracting authorities.

- The PPP portfolio information continues to be published in accordance with article 24 of Decree No. 2018-358, which establishes the rules for PPP contracts, at the following site: www.ppp.gouv.ci.

- The PPP project review procedures to assess fiscal risks were strengthened. To this end, they are included in the 2024-2026 Fiscal Risks Declaration document.

- The share of procurement contracts made through exceptional procedures was 15.3 percent as of end-June 2023, below the 20 percent ceiling determined by the policy to contain the use of exceptional procurement procedures.

- The 2023 Draft Supplementary Budget also reflects the government's commitment to expand the coverage of budgetary accounts. In particular, the butane *Péréquation* revenue collected by Société Ivoirienne de Raffinage (SIR) and the taxes paid and collected by the government for co-financed projects were included in the Table of Government Financial Operations (TOFE), in line with Decision No. 01/2022/CM/UEMOA and the 2014 Government Finance Statistics Manual (GFSM 2014).

- The Climate-Public Investment Management Assessment (C-PIMA) and the Green Fiscal Management Assessment were conducted in September 2023 in order to incorporate climate change consideration in PFM. These assessments suggested a gradual approach in introducing climate budgeting while focusing first on public investments and provided seven key recommendations as shown in Box 1 below.

Box 1. Seven Key Recommendations of the Côte d'Ivoire C-PIMA and Green PFM Assessment

1. Strengthen the integration of the climate dimension into the PFM / PIM legal framework, especially through the project appraisal and selection processes.

2. Develop a standard methodology for environmental impact studies conducted as part of ex ante appraisal of projects, integrating a systematic assessment of impacts related to climate change.

3. Integrate the impact of climate change in methodologies related to maintenance needs of public assets (notably roads and buildings), while harnessing the ongoing progress in stock and fixed asset accounting (*comptabilité des matières*) to better map the climate vulnerabilities of the State's assets.

4. Reinforce efforts of quantification and modeling of the impacts of climate change and integrate these aspects in various strategic documents, most notably in the document for pluriannual fiscal and economic programming (*Document de Programmation Budgétaire et Economique Pluriannuelle*).

5. Adopt a gradual approach to introduce climate sensitive budgeting, starting first with a pilot on tagging of public investment expenditure and building the institutional framework (e.g., cooperation with line ministries, quality control) for climate budget tagging before extension to other types of expenditure.

6. Finalize the framework for green sovereign bonds, by installing the recently created ESG committee and using this new institution to lead the work on identification of State expenditures that can underpin climate finance efforts and on prerequisites and templates for adequate reporting.

7. Ensure adequate and sustained reinforcement of technical capacities on the topic of climate change and its inclusion in the PFM / PIM cycle.

Debt Management

- The Medium-Term Debt Management Strategy (SDMT) was updated in September 2023 for the period 2024-28 and was annexed to the 2024 Budget Law.

- The key officials of the new entity in charge of debt management (General Financing Directorate, DGF), were appointed in January 2023, for its operationalization.

Public Sector

- The government adjusted the price of electricity, starting on July 1, 2023. This adjustment concerns low-voltage customers with hired consumption greater than or equal to 15 amperes and all medium- and high-voltage customers, i.e., 10 percent of all consumers. The adjustment represented a 9.6 percent increase in the general average tariff.
- The stock of arrears owed to independent power producers (IPPs) and fuel suppliers was reduced from 5.2 months of invoices as of end-February 2023 to 3.8 months of invoices due as of end-June 2023, as a result measures to gradually rebalance the electricity sector.
- As of end-August 2023, 37 performance contracts (COP) had been signed out of a target of 47, representing a 79 percent completion rate. Seven second-generation COPs had been signed as of end-August 2023.
- Nine public enterprises audits were initiated in 2023, versus eight conducted in 2022.

Governance and Business Environment

- The average time needed to establish a new company declined from 3.4 days to 1 day as of end-June 2023 due to the issuance of the Unique Enterprises Identifier (IDU) to new enterprises.
- For already existing enterprises, the re-registration operation issued 30,262 IDUs as of end-June 2023, compared to 24,500 by end-2022.
- As part of streamlining and dematerializing licenses and business permits, 267 licenses, approvals, authorizations, and business permits had been identified by end-June 2023, representing 73.75 percent of the target.
- The asset declaration rate for subject persons increased to 82.12 percent as of end-June 2023, from 78.85 as of end-2022, due to communication measures conducted by the High Authority for Good Governance (HABG).

17. Furthermore, the government continued its social work with special emphasis on the youth, mainly by implementing the PSGouv 2 and deploying the PJGouv (see Box 2).

Box 2. Key PJGouv and PSGouv 2 Achievements in the First Half of 2023

PJGouv:

- Law No. 2023-428 of May 22, 2023 amending Law No. 2019-872 of October 14, 2019 creating the Civic Service, and No. 2023-429 of May 22, 2023 regarding higher education, research and innovation, were enacted in 2023;
- The National Assembly enacted the Guidance Law regarding the youth and the law on promotion of digital startups in May 2023;
- The decree concerning the Occupational Qualification Certificate (CQP) was enacted in July 2023 in order to reorganize the process of issuing the CQP;
- Decrees on Volunteering, the National Youth Service (SNJ), and the Civic Service of Actions for Development (SCAD), were enacted in June 2023; and
- The decree on the creation of a Socio-professional Integration Fund for Disabled Persons was enacted in June 2023;
- 33,196 pupils and students were awarded scholarships and financial assistance outside Côte d'Ivoire for secondary and higher education;
- 7 technical and vocational institutions are now being built or renovated;
- 16,005 youths were admitted to civic service and volunteering programs; and
- 4 new Civic Service Centers were built or are under construction; and
- 20 infrastructures for the youth (multisport complexes, Olympic swimming pools, socio-educational institutions, women's training and education institutions) were built, are under construction, or are being renovated.

PSGouv:

Addressing Weaknesses in the Northern Border Areas

- 33 preschool and 51 primary school classrooms were completed, an execution rate of 35.48 percent and 16.15 percent, respectively;
- 56 localities were electrified;
- 111.14 km of roads were rebuilt; and
- 481 individuals obtained grants for developing income-generating activities (IGAs);

Improving Educational Conditions in Primary Schools, Secondary Schools, and Universities

- 7 junior high schools were built under the Debt Reduction and Development Contract (C2D 2);
- 166,666 bench desks were distributed; and
- 40,000 textbooks were distributed to 2,300 pupils;

Enhancing Households' Living Conditions

- 300 villages were sensitized on the use of upgraded family latrines;
- 1,955,734 households benefited from the decline in social tariffs by end-May (versus 1,872,357 by end-February 2023); and

- 114,605 electricity connections were added versus 39,015 in the first quarter of 2023, so that the total number of connections under the Electricity for All Program (PEPT) since January 2019 is 1,026,345;
- 3,836 Human Powered Pumps (PMH) were maintained (925 in fragile zones) versus 1,326 as of end-March 2023;
- 383,883 individuals were vaccinated against tetanus, representing a 71 percent vaccine coverage; and
- 415,875 children were vaccinated with Penta 3 and 407,632 against measles/rubella, representing 89 percent and 88 percent coverage rates, respectively.

Women's Empowerment as Part of the Sahel Women's Empowerment and Demographic Dividend (SWEDD)

- 95,527 schoolgirls obtained assistance in the "safe spaces" in 212 junior high schools;
- 3,000 vulnerable schoolgirls in 15 junior high schools (Korhogo, Bondoukou and Daloa) have obtained food support (hot lunch) since March; and
- 16,523 individuals were sensitized in sexual and reproductive health;

Professional Insertion of the Youth and Civic Service

- 1,700 youths were trained as part of the second-chance school; and
- 100 youths benefited from civic services, and 29,680 youths began insertion activities on July 7, 2023.

MACROECONOMIC OUTLOOK AND ECONOMIC AND FINANCIAL POLICIES

A. Program Objectives and Medium-term Macroeconomic Framework

18. The government will continue to stress the implementation of its development strategy built around the 2030 Côte d'Ivoire Strategic Plan that aims to build a united nation by 2030. The 2030 target is to double per capita revenue in order to join the group of upper-middle income countries, reduce extreme poverty by half, and raise life expectancy by 10 years. In accordance with this strategy, the government will redouble efforts to implement the 2021-25 NDP in order to energize the deep industrialization of the economy. The implementation of the NDP should ensure higher and more inclusive growth by accelerating industrialization, improving the quality of human capital, boosting productivity, and strengthening the governance framework. In particular, the government began taking measures to deploy industrial clusters and to allow a sound and competitive industrial base to flourish. These actions notably include the operationalization of the nine agri-poles throughout the country to accelerate the processing of agriculture products. Moreover, being concerned about sustainable and harmonious economic development, the government intends to shortly take measures to honor the climate mitigation and adaptation commitments under its Nationally Determined Contributions (NDCs).

19. The government is thus committed to pursue the implementation of the Economic and Financial Program in the rest of 2023 and over 2024-26 in order to support the implementation of the 2021-25 NDP while preserving economic stability. In this context, the medium-term economic and structural reform policies identified in the program, and detailed below, aim to: (i) preserve fiscal and debt sustainability; (ii) boost domestic revenue mobilization, starting with the strong initial measures in the Supplementary Budget for 2023, and strengthen PFM and debt management; (iii) foster structural reforms for inclusive growth driven by productivity gains in the private sector and vertical diversification; (iv) deepen financial inclusion; (v) invest in human capital; and (vi) strengthen resilience to climate change.

20. The internal and external balances will be reestablished without jeopardizing growth.

- The budget shortfall should be 5.2 percent of GDP in 2023 and then decline gradually towards 3 percent of GDP by 2025.
- Inflation should be contained below the WAEMU community standard by 2026, at 2.9 percent.
- The current account deficit should decrease gradually and reach 3.7 percent of GDP by 2026.

21. The macroeconomic outlook under projected policies remains sound with 6.9 percent average growth over the 2024-26 and contained inflation, despite risks related to the external environment and the subregional geopolitical situation. Indeed, the Ivoirian economy should benefit from the ongoing proactive investment policy in key productive sectors as well as structural reforms to develop the private sector that began with the implementation of the 2021-25 NDP. Disruptions in global supply chains, heightened global inflationary pressures, tighter financial conditions in international markets, and subregional political instability, may nonetheless jeopardize economic performance if they persist. On the other hand, the operationalization of phases 1 and 2 of the Baleine oil field and the hosting of the Africa Cup of Nations in January 2024 should be positive factors for domestic economic activity.

- On the supply side, growth should be mainly supported by the secondary and services sectors. The secondary sector should grow by 9.3 percent per year on average, driven mainly by construction, energy, agrifood industries, and other manufacturing industries. The services sector should grow by an average of 7.1 percent, supported by all its components. The primary sector should grow by 5.3 percent on average.
- On the demand side, growth should be driven by dynamic investment and household consumption. Overall investment should grow on average by 10.2 percent per year over the period, with private and public investment growing by 19.1 percent and 9.9 percent, respectively.
- Inflation should be gradually contained to an average of 3.5 percent over 2024-26 period, in line with policies to combat the high cost of living.

- The external position will be characterized by a gradual decline in the current account deficit to below 5 percent of GDP over 2024-26. The current account deficit should thus decline from 5.8 percent of GDP in 2023 to 3.7 percent in 2026. The overall balance should show an average deficit of 0.9 percent of GDP during the same period.

- Broad money should increase by an average of 11.2 percent per year over 2024-26, with growth in both net claims on the central government and claims on the economy, driven by deeper financial penetration. Claims on the economy would thus rise from 24.2 percent of GDP in 2024 to 26.3 percent of GDP in 2026.

B. Fiscal policy

Preserve Fiscal and Debt Sustainability

22. The government is determined to pursue revenue-based fiscal consolidation over the medium term to preserve macroeconomic stability, ensure debt sustainability, and secure fiscal space for critical expenditures, including targeted social and capital expenditures.

23. Fiscal policy over 2023-26 will seek to contain the negative effects of external and internal shocks and focus on the program priority objectives. The government is determined to achieve the WAEMU fiscal deficit target of 3 percent of GDP by end-2025 and to ensure fiscal sustainability while maintaining Côte d'Ivoire's moderate risk rating for debt distress. To achieve these goals, the government will take all necessary measures to increase domestic revenue mobilization over the near and medium term. Together with continued active debt management, this will allow to maintain a moderate risk rating for debt distress. Given the projected increase in tax revenue and the commitment to continue streamlining current expenditures, including non-targeted subsidies, the government will be able to maintain the capital expenditures budget and alleviate poverty in line with the 2021-25 NDP. In view of the challenging global economic environment, the government will pursue prudent fiscal management through budget regulation, which will aim to bring expenditures in line with available resources to preserve the budget deficit target while protecting priority expenditures. Moreover, the government will prioritize implementing PFM reforms to further improve the budgetary framework and maximize fiscal efficiency by continuing to improve management, transparency and accountability. In this regard, budgetary policy will be characterized by:

- the continuous improvement of tax policy and administration;

- efficiently managing operation costs;

- accelerating investments in the sectors that drive growth;

- strengthening expenditures to fight poverty; and

- ensuring public debt sustainability.

24. The government intends to increase total tax revenue by 1 percent of GDP in 2023 in order to reduce the budget deficit to 5.2 percent of GDP in 2023, a reduction of 1.6 percentage points of GDP compared to 2022. Revenue-based fiscal consolidation will play a key role in achieving the program objectives. The government is determined to lower the budget deficit by 3.8 percentage points of GDP to bring it back to 3 percent of GDP by 2025. The adjustment will be based notably on increasing tax revenue by 2.5 percentage points of GDP, from 12.9 percent in 2022 to 15.4 percent of GDP in 2026, and on continued prudent debt management, favoring concessional lending while observing the best public investment practices recommended by the Public Investment Management Assessment (PIMA).

Increase Domestic Revenue

25. The government commits to develop a medium-term revenue mobilization strategy.

- This comprehensive medium-term revenue mobilization strategy (MTRS) is currently being prepared, will be approved by the government next year, and a comprehensive summary of the strategy will be published (***SB for end-May 2024***). It will detail a set of tax policy and administrative measures to be implemented, along with a timeline for implementation. Its objective is to increase the level of tax revenue in order to gradually converge toward the WAEMU tax revenue target of at least 20 percent of GDP.

- The MTRS will rely on recommendations from technical assistance missions and be based on the government's strategic vision for fiscal policy. To this end, the MTRS will focus on the following points: (i) streamlining the tax system; (ii) expanding the tax base (by leveling taxation of undertaxed sectors, streamlining tax exemptions and other measures introducing departures from the benchmark tax regime, and taxing new taxable sectors, notably international digital services and new types of transportation that use applications to connect users with drivers); (iii) control fraud, smuggling, evasion, and tax optimization; (iv) strengthen transfer pricing policy; (v) strengthen environmental taxation; (vi) continue to upgrade tax administration; and (vii) take into account the necessary legal framework reforms and international and regional taxation guidelines. The strategy will be prepared with technical assistance from the IMF and other development partners.

- To this end, the government put in place a governance entity to assist in managing the MTRS program, and a working group to ensure a close collaboration with the IMF and other technical assistance providers. There will be consultations with key private sector and civil society stakeholders to ensure broad-based support for the reform.

26. In order to lower the overall budget deficit in 2023 by 1.6 percent of GDP compared to 2022, bringing it to 5.2 percent of GDP, the government is determined to increase total tax revenue by 1 percent of GDP. To this end, it reestablished the tax base on the sale of petrol related products and commits to maintain it, in order to ensure that a floor for the associated tax revenue is safeguarded in line with the fuel price adjustment mechanism. The government committed to raise CFAF 522 billion, or 1.2 percent of GDP, in petrol product taxes in 2023. It will continue to closely monitor the monthly collection of revenue from petrol related products and will raise or lower prices at the pump as necessary to reach the above-mentioned program revenue targets, while continuing to protect the vulnerable.

27. In addition to the measures already described in paragraph 15, the government intends to:

- improve the modules for tax audits and for managing automatic VAT deductions;
- continue to implement projects to survey and enhance the security of parcels, financed by development partners (PAGEF and PIDUCAS);
- continue the work of the Committee to Optimize the Real Estate Tax Yield (CORIF);
- revise property taxation: the property taxation system will be streamlined to increase the yield from this tax. This reform will be carried out in the second half of 2023;
- digitalize procedures for registering deeds, reporting, and making payments via SIGEFIM (Integrated Real Estate and Personal Property Tax Management System). SIGEFIM will also make the registration database more secure;
- strengthen property investigations;
- bolster the monitoring of special regimes and exemption measures to prevent fraud in these systems;
- strengthen risk-based tax auditing using a model for assessing fraud risks inherent to taxpayers;
- prepare and implement a plan to manage and collect outstanding tax arrears (***SB for end-September 2023***); and
- continue reducing exemptions as envisaged in the streamlining plan the government adopted in 2019.

2024 Budget

28. The government plans to continue fiscal consolidation efforts through 2025 by raising tax revenue and curbing expenditures. The government plans to lower the budget deficit by 1.1 percentage point of GDP next year, taking it from 5.2 percent of GDP in 2023 to 4.0 percent of GDP in 2024. To do so, it will implement tax policy and administrative measures to raise tax revenue by 0.5 percentage points of GDP (see Box 3). Most of the measures identified in the 2024 budget build on the government's commitment to improve the property tax system, limit the use of reduced VAT rates, streamline exemptions, including on VAT, and lower tax expenditures originated in investment codes and through special conventions. The module for automated VAT management will be reinforced by incorporating the control of the VAT deduction collected at customs (***end-June 2024 SB***). Moreover the government has committed to mobilize CFAF 714.6 billion in 2024, or 1.4 percent of GDP, through petrol product taxes while respecting the automatic fuel price mechanism.

Box 3. Tax Policy and Revenue Administration Measures in 2024

	Impact (billions of CFAF)
• **Tax Policy Measures**	
Raise the cacao registration duty (from 4 to 5 percent)	36
Improve the provisions of the general tax code for property taxation, in particular for the valuation of developed and undeveloped land	60
Streamline tax exemptions	51
Continue and strengthen the implementation of the exemption streamlining plan	*26*
*Redesign the provisions on exemptions linked to the investment code (**end-September 2024 SB**)*	*20*
Expand the VAT to some food products that are not basic necessities	*5*
End the preferential tax regime applicable to economic and subsidized housing	2
Raise the fixed duty fee for the formalization of various civil acts (creating companies, shares transfers) from CFAF 18,000 to CFAF 25,000	1
Establish a 4 percent registration fee for land transfers performed without a notary	2
Establish a single tax return on wages and social contributions	5
Require public transport and/or freight companies falling under an actual tax regime to pay value-added tax	10
Establish a tax on online sports betting	2
• **Tax Administrations Measures**	
Issue an application decree to subject luxury rice imports to the reduced VAT rate	4
Issue an application decree to subject imported offal to the reduced VAT rate	4
Ensure better supervision of transfer pricing	13
Establish a tobacco traceability mechanism to control smuggling	20
Enlarge the tax base	16
Improve the performance of tax agencies by strengthening risk analysis and putting in place eight new SIGICI modules (VAT deduction, Geographic Information System, auditing, exemptions and property taxation)	30
TOTAL	**256**

29. Moreover, the government will continue its efforts to curb spending while meeting social and infrastructure needs. The 2024 budget will aim to contain total spending at 20.6 percent of GDP. Furthermore, the ongoing upgrades to the social register and the expansion of the productive cash transfers program (PTMP) will improve the targeting of social protection to the most vulnerable. With assistance from the World Bank, the government plans to expand coverage of the PTMP by registering 100,000 additional beneficiary households in the Single Social Register (RSU) per year over the next three years. More broadly, targeted social spending in favor of the poor will be tracked in the context of the program, particularly in the sectors of health, education, social protection, and youth employment, accounting for approximately 28.8 percent of pro-poor spending (see Table 1 of the TMU). Total spending on the poor will continue to be tracked to ensure its effectiveness and increase spending transparency. Total capital expenditures are projected to reach 7.4 percent of GDP on average during the program period, or 2.8 percentage points higher than the pre-COVID-19 level in 2019.

30. The government submitted to Parliament a draft budget for 2024 that includes the aforementioned policy commitments and is consistent with the objectives of the IMF-supported program. The draft budget law for 2024 also reflects the government's commitment to expand the coverage of fiscal accounts. More precisely, the collected *Péréquation Produit* revenue and the taxes paid for and collected by the state in relation to donor externally financed projects were included in the TOFE in accordance with a directive of the WAEMU Council of Ministers and *GFSM 2014* guidelines.

31. The government will set up a committee to monitor tax exemptions granted for co-financed projects. The government will elaborate a harmonized framework defining the tax regime applicable to government projects. It will determine the tax regime for the financing and execution of these projects, as well as the eligibility criteria, while taking into account the plan to streamline exemptions and other tax advantages. It will ensure that the corresponding tax expenditures are estimated and included in the annual budget in line with WAEMU community provisions. These exemptions should be exclusively limited to VAT and customs duties, and not include any other taxes. The government commits to implement an exemptions surveillance system to prevent fraud.

C. Debt Policy and Debt Management

32. The latest debt sustainability analysis indicates that Côte d'Ivoire is still ranked with a "moderate overall and external debt risk" rating. However, the stock of external debt remains vulnerable to negative shocks to GDP growth, the level of total revenue, exports, the euro-US dollar exchange rate, and contingent liabilities. Likewise, the stock of total public debt remains vulnerable to a shock to GDP growth.

33. Debt policy over the 2023-26 program will aim to contain the increase in liquidity ratios, notably the ratios of external debt service to exports and that of external debt service to fiscal revenue excluding grants, in order to maintain the "moderate" risk rating for debt distress and strengthen resistance to external shocks.

34. For 2023, the government plans to resort to new loans within the limit of $4.650 billion in present value. Consistent with the financing strategy, financing needs over 2023–26 should be covered, on average, using a 44 percent–56 percent mix of external and domestic financing instruments. The average share of concessional financing (project or program loans), semi-concessional loans, commercial loans, and financing in international markets in overall external financing over the 2023-26 should be, respectively, 21 percent, 43 percent, 14 percent, and 22 percent. The government will continue to favor concessional loans by respecting the best public investment practices recommended by the Public Investment Management Assessment (PIMA). Domestic resources should be mobilized through short, medium, and long term loans, representing 11 percent, 34 percent, and 55 percent, respectively, during the same period.

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

- In terms of institutions, a supplementary regulation established the National Public Debt Committee (CNDP), which is assisted by the Committee of Debt Experts (CED). They are responsible for strategic planning and support for public debt management, respectively. Moreover, adopting a single law covering all aspects of debt policy, the debt management strategy, governance, and evaluation of the borrowing policy, appeared to be necessary. Accordingly, a draft law on national public debt policy was adopted by the Council of Ministers on September 28, 2023 (***SB for end-September 2023***). The institutional status of the entity responsible for debt management has been strengthened with the creation of the General Financing Directorate (DGF) by Decree No. 2021-454 of September 8, 2021, which replaced the Public Debt and Grants Directorate (DDPD). The DGF will be operationalized before the end of 2023 with the appointment of the various managers and the organization of the different units.

- Operationally, in accordance with the provisions of Regulation No. 09/2007/CM/UEMOA establishing the reference framework for public debt policy and public debt management adopted on July 4, 2007 by the Member States of the WAEMU, the CED will prepare annually a medium-term debt strategy (MTDS) covering the subsequent five years. The MTDS updated in 2023 will be annexed to the 2024 Budget Law. Moreover, a Debt Sustainability Analysis (DSA) 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 the public debt, including the monitoring of fiscal risks related to public enterprises, will continue to benefit from IMF technical assistance. Moreover, the coverage of debt will be gradually expanded before end-2025 to include public enterprises, in line with the Public Sector Statistics Guide (2011 PSSG).

D. Social Policy and Development of Human Capital

36. The government realizes that strengthening human capital is essential to enhance productivity growth and reach upper-middle income status. To do so, the planned actions should improve the quality and performance of the national health and education systems. This will involve strengthening infrastructures and human resources in both the health and education areas without jeopardizing fiscal sustainability.

- Regarding health, the 2023-27 Hospital Program is set to increase intake capacity in healthcare training centers and investment at various levels of the health pyramid. The plan over 2023–25 is thus to build 12 new health centers and renovate 10 existing centers. Moreover, the government decided to increase the training cohorts in the National Healthcare Workers Training Center (INFAS), the number of medical students, and to increase funding to train specialist physicians. These efforts will allow to have more than 130 new operating rooms and more than 4,000 additional beds.

- Regarding education, improving access, quality and the performance of the national education system requires implementing major reforms and projects. Regarding the strengthening of infrastructures, major projects include construction of 92 preschool classrooms and 243 primary-school classrooms in the regions of Bagoué, Béré, Bounkani, Kabadougou, Poro and Tchologo. Also, 105 primary schools with four classrooms will be built and equipped in the Lôh-Djiboua, la Nawa, Haut-Sassandra and Guémon regions in the context of the Child Learning and Education Facility Project (CLEF). Moreover, there are plans to build 47 local junior high schools, one secondary school of excellence for girls in Sinématiali, 13 secondary schools for young girls and one boarding junior high school for girls. In the context of the Debt Reduction and Development Contract (C2D), 19 local junior high schools will be commissioned and 37 local junior high schools will be delivered nationwide. As for strengthening human resources, 8,543 teachers will be trained in the regions of Lôh-Djiboua, la Nawa, Haut-Sassandra and Guémon as part of the CLEF. Furthermore, the national education system should benefit from the adoption and implementation of a national digitalization strategy for education and the establishment of target and performance contracts with the regional directorates.

37. Moreover, the government will pursue its proactive social policy to alleviate poverty and social inequalities. The actions will focus on continued implementation of the PSGouv, with special emphasis on the youth in 2023. To this end, and under the impetus of the president of Côte d'Ivoire, the government initiated the 2023-25 Government Youth Program (PJGouv) containing a set of priority actions to support the youth toward autonomy with a view to reducing inequalities. The actions focus on citizen engagement, technical training, social and occupational insertion, health, security, as well as educational, athletic, and cultural leisure activities. The total cost of the 2023-25 PJGouv is estimated at CFAF 1,118, 32.3 percent of which is funded through the 2023 budget. Accordingly, more than 700,000 youths will be included through training, occupational integration, entrepreneurship, scholarships, and financial assistance programs. Regarding PSGouv 2, the 2023 budget 2023 amounts to CFAF 735.9 billion, and 61.2 percent is funded by the government budget.

38. **The government will continue deploying the Second Chance School (E2C) and the Academy of Talents (ACT) to improve the professional insertion of youth, in line with the PJGouv**. The E2C seeks to offer a new educational path for young adults (16 to 35 years) to acquire skills, helping them build a career path and look ahead. The ACT aims to make Technical Education and Vocational Training (ETFP) a framework for developing talents of youth. The long-run objective is to reduce the flow of youths that remain unemployed or poorly integrated. This plan seeks to reach a professional insertion rate of about 80 percent for graduates and train and integrate 400,000 individuals by 2025, by deploying the E2C and the ACT. The key planned actions are shown in Box 4.

Box 4. Key E2C and ACT Actions

Second Chance School (E2C)

Deploy Learning and the Validation of Experience Achievement Validation (VAE).

- Train 4,000 youths through apprenticeships; and
- Certify 1,000 workers using the Experience Achievement Validation (VAE).

Build and equip educational infrastructure.

- Build and equip two Apprentice Training Centers in Gagnoa and Yopougon;
- Renovate and equip ten apprenticeship workshops in Abengourou, Abidjan, Botro, Bouaké, Daloa, Daoukro and Ferké;
- Create five field schools and build and equip two garage schools; and
- Acquire two (2) Mobile Training Units in the regions of Tchologo and Bounkani.

Academy of Talents (ACT)

Build and equip Technical Education and Vocational Training (ETFP) centers.

- Build 12 vocational training centers in Abidjan and Dabakala, Diabo, Gbéléban, Kong, Korhogo, Yamoussoukro, Daloa, Dimbokro, Dabou, Agboville and Botro;
- Build and equip an agriculture department in the IPNETP[1] (Abidjan);
- Build and equip a Curricula Development and Management Center in Cocody; and
- Build and equip a Training Center for Renewable Energy Careers in Yopougon;

Renovate ETFP infrastructures;

- Renovate and equip 8 establishments in Yamoussoukro, Alépé, Adzopé, Bouaké, and Abidjan; and
- Upgrade classrooms in ETFP establishments;

Acquire equipment

- Acquire individual protection kits for 2,000 youth apprentices;
- Acquire equipment for the IT, Automation and Mechanics workshops in the IPNETP; and
- Acquire teaching materials for the ETFP centers.

[1]National Educational Technical and Vocational Training Institute.

39. The government will ensure that Universal Health Coverage (CMU) continues to facilitate access to healthcare for all segments of the population. Starting in 2023, and aiming to enroll 60 percent of the population by 2027, i.e., 20.7 million individuals, enrollment operations will be strengthened by implementing the September 28, 2022 Decree on mandatory enrollment in the CMU, automatic enrollment, and reinforcement of enrollment capacities. In terms of collection, efforts will aim to: (i) raise the collection rate for private sector employee contributions from 42 percent in 2022 to 70 percent in 2023, and to 85 percent in 2027; and (ii) increase the collection rate for enrolled informal sector individuals from 1 percent in 2022 to 37.3 percent in 2027 through payment of contributions by various agricultural management and regulation units (coffee-cacao, rubber-palm oil, cotton-cashew).

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

Strengthen PFM

40. The government is committed to pursue PFM reforms to maximize effectiveness in the use of public resources.

- **Current expenditure**
  - continue to implement budget regulations;
  - continue to hold program performance conferences;
  - continue to implement the measures included in the wage bill strategy; and
  - continue the work to classify enterprises and update the reference price database; and
- **Capital expenditure**
  - continue efforts to reduce public procurement contracting delays;
  - gradually digitalize public procurement procedures; and
  - continue efforts to improve the capital expenditure absorption capacity.

In addition, the government plans to:

- evaluate the boards of public enterprises: the boards of directors will be evaluated by an independent consultant, primarily to identify measures and reforms to improve governance in public enterprises;
- strengthen the mechanism for monitoring the debt of public enterprises;

- continue to secure and safeguard the budget information system in 2023;
- finalize the digitalization of the procurement contracting process, specifically via implementation of version 2 of SIGOMAP (Integrated System for the Management of Procurement Operations), incorporating the actions of economic operators to reduce contracting times and improve the transparency in awarding contracts;
- continue to strengthen the effectiveness of public investment in accordance with the recommendations of PIMA 2017 and 2021, C-PIMA 2023, and green fiscal management; this will help integrating climate considerations into the process of selecting, budgeting, and implementing investment projects.

41. The government will continue resorting to public-private partnerships (PPPs) while limiting the related fiscal risks. Review of the PPP project portfolio as of end-2022 showed that out of 65 active PPP projects, 3 contracts included a government guarantee, and only one called on the guarantee. The government will continue to strengthen the PPP management framework. In the contracting phase it will, in accordance with audit recommendations, limit itself to the usual commitments of the contracting authorities for PPP contracts. Moreover, the National PPP Steering Committee (CNP-PPP) will ensure that these commitments do not expose the government to near-term fiscal risks. It will also continue to: (i) conduct annual assessments of fiscal risks related to PPP contracts and annual reviews of the PPP portfolio in coordination with the contracting authorities; and (ii) publish information on the PPP portfolio in accordance with article 24 of Decree No. 2018-358 setting out the rules for PPP contracts. In addition, the government will continue to improve the effectiveness of public investments in accordance with the 2017 and 2021 PIMA recommendations. In particular, it will strengthen coordination between the central government and regional and local governments, PPP management, consistency between current and capital expenditure, and asset declarations.

42. Fiscal supervision and transparency of public enterprises will be strengthened. From 2017 to end-2022, 37 performance contracts were signed and have been regularly monitored. These actions will continue in 2023 with the signature of five new contracts. In accordance with the Council of Ministers Statement on fiscal risks adopted in 2018, 39 audits were conducted in public enterprises from 2018 to 2022. Looking forward, the government plans to conduct these audits at least once every three years in all enterprises in which the government has a majority interest, and systematically for all enterprises that have run a deficit for the past two years or are in financial distress. The audits planned for 2023 are in progress, with two already started and seven in the process of selecting an auditor.

43. Progress made with the Treasury Single Account (TSA) will be consolidated. The efforts made as of June 2023 have allowed to pool and make available public revenue for optimal cash flow management. All expenditure operations are now made through the TSA. Payment times and efficiency have been significantly improved. Exchange platforms were put in place between the TSA manager and the various stakeholders, public accountants, and payment authorization officers, to respond transparently to any concern. Current TSA results prove the level of maturity and performance of this modern fiscal management tool. The security of the SyGACUT application has been substantially strengthened since 2020. Other upgrades are nonetheless expected with the implementation of SyGACUT version 3. In the medium term, public debt operations and transactions related to co-financed projects should be channeled through the TSA. The same holds for, "*régies de recettes*" and "*régies d'avances*" operations. To consolidate these achievements, the government will adopt a timetable by end-2023 for closing accounts with commercial banks (***SB for end-December 2023***). A specific mechanism will be established for closing the relevant accounts in the BNI to take into account the nature of the funds managed by this bank.

44. The government will further improve the efficiency and transparency of expenditure as part of implementing the 2019 public procurement code. To this end, it will make the use of electronic procurement mandatory for at least 10 percent of ordinary procurement operations beginning in October 2023 (***SB for end-December 2023***), and at least 50 percent from January to June 2024 (***SB for end-July 2024***). The government will also pursue its policy of limiting the use of exceptional public procurement procedures by capping their share to 20 percent of all contracts. It will also continue efforts to improve the transparency of procurement contracts, notably by publishing the list of approved contracts, identifying the contracting parties, and procurement audit reports.

45. The work to expand the scope of the TOFE in line with *GFSM 2014* will continue with the aim of gradually achieving a flow of funds table (TOF) for the public sector. The central government TOFE for 2022 was produced in June 2023. After incorporating four public enterprises and 11 extrabudgetary units other than National Public Establishments (EPNs) in the Table of Financial Operations (TOF), work in 2023 will continue, supported by IMF technical assistance, to include one public enterprise (SOTRA) and three extrabudgetary units (the Cotton Cashew Council, the National Civil Registry and Identification Office, ONECI, and the Agency for the Development of the Rice Sector in Côte d'Ivoire, ADERIZ). Moreover, the government will continue to produce the quarterly central government TOFE in accordance with *GFSM 2014* within 90 days of the end of the quarter. Regarding the treatment of in-kind benefits, the government intends to establish a methodology for valuing in-kind benefits related to official vehicles once the preliminary work is done, and with technical assistance from AFRITAC West. It also plans to complete the gradual transition to *GFSM 2014*.

46. Major structural reforms will be essential for achieving higher and more inclusive growth, as envisioned in the 2021-25 NDP. These reforms concern strengthening the business environment and governance, enhancing the financial sector development and inclusion, improving resilience to climate change, and strengthening the statistics system.

Strengthen the Business Environment and Governance

47. To improve the business environment, it will be necessary to eliminate obstacles to private investment. Actions will thus seek to further improve Côte d'Ivoire's attractiveness to domestic and foreign private investors.

- To pursue the improvement of the business environment, the government will aim to complete the 12 projects that have already started and it will launch the remaining five projects in the 2020-22 Reform Agenda. A new three-year 2024-26 reform agenda will be adopted in November 2023, capitalizing on achievements and lessons from the 2020-22 Agenda.

- Moreover, the government will finalize projects to expand the Single Enterprise Identifier to the interior of the country, streamline and dematerialize licensing and business permits, revamp the Single Investor Services Portal (PUSI), and interconnect IT systems of public and financial administrations.

- In addition, the Single Foreign Trade Facility (GUCE) will be strengthened by implementing six new modules over 2023-27 in order to facilitate trade and strengthen the supervision of commercial flows and transactions. These modules are: (i) E-visit to facilitate scheduling of single and combined inspections of merchandise in June 2024; (ii) EXEMPTION for issuing exemptions certificates for custom duties and fees in June 2024; (iii) E-COO for issuing Certificates of Origin in December 2024; (iv) E-MOVEMENT to monitor movements of goods, notifications of loading/unloading, entries/exits, and monitoring containers within terminals in December 2024; (v) E-RELEASE for invoicing and merchandise exit permits in December 2024; and (iv) E-BOOKING for export procedures, booking and verification of vessels cargo hold in December 2024.

48. In accordance with its industrialization policy, the government intends to accelerate the development of industrial clusters and agri-poles while reinforcing the industrial infrastructure management and development ecosystem.

- Regarding industrial clusters, several dedicated industrial zones will be developed throughout Côte d'Ivoire. In this regard: (i) a number of food companies (production of water, beverages, food packaging, etc.) have set up in the Bonoua industrial zone, dedicated exclusively to the development of agro-industries; the rehabilitation work has begun and technical studies to improve this zone were conducted; (ii) an area dedicated to the development of construction materials, in particular cement in the PK 24 industrial zone (Akoupé-Zeudji), is now being developed, with almost ¾ of cement production industrial units located in this zone; and (iii) the feasibility study to create a textile free zone in Bouaké has begun. Moreover, recommendations and strategies to develop "Textile (clothing and furniture) and accessories" and "manufacturing of spare parts and vehicle assembly" clusters have been submitted to the government for adoption and implementation in 2024. Before end-2023, the government plans to complete the formulation of strategies to develop the other five clusters: "Agroindustry;" "Chemistry and Plastics Processing;" "Construction Materials, Furniture and Equipment;" "Pharmaceutical Industry;" and "Packaging." The consulting firms have already submitted draft reports taking stock and providing benchmarking for these clusters. The strategies for developing these clusters will be finalized before end-2023.

- Regarding the agri-poles, the nine poles that were identified will be deployed gradually after starting work on Agri-poles 1 and 2 in the center (2PAI-Bélier in Yamoussoukro) and the north (2PAI-Nord in Sinématiali), respectively.
- Regarding efforts to reform the industrial infrastructure ecosystem, a draft law regarding the creation and management of industrial zones will soon be adopted by the Council of Ministers. At the same time, to facilitate financing for industrial development, a dedicated Industrial Development Fund for industry financing in Côte d'Ivoire will be established with donor support.

49. Support for SMEs will be strengthened with the operationalization of the Côte d'Ivoire Single Enterprise Development Facility (GUDE-CI) and the Economic Program for Innovation and Transformation of Enterprises (PEPITE).

- The GUDE-PME, created by Order No. 2022-73 of January 26, 2022, seeks to support the development of SMEs and facilitate their access to financing. It is a holding company with two subsidiaries, one of which provides support and the other financing. In terms of operationalization, the support company (Côte d'Ivoire PME) and the SME loan guarantee company (SGPME) have already been set up. The SGPME obtained its banking license in May 2023, allowing it to operate as a financial institution. Following the operationalization of the GUDE-PME in 2023, reinforcement actions will focus on: (i) the validation of its articles; (ii) the adoption GUDE's economic module, specifying GUDE-PME financing sources, no later than end-2023; and (iii) the elaboration and validation before December 31, 2023, of GUDE products and services for both technical support and SME access to financing.
- The government established the Economic Program for Innovation and Transformation of Enterprises (PEPITE) as part of implementing the 2030 Côte d'Ivoire Vision. It aims to support entrepreneurship and promote the establishment of resilient and high-potential SMEs within value chains emerging from the strategic poles that the clusters generate. PEPITE-CI 2030 also aims for a broader ripple effect for a large number of SMEs while stimulating private investments. The enterprises that are selected will be given customized support based on an assessment of their situation. For the first cohort, the aim is to select between 100 and 150 enterprises, with 5 to 15 enterprises per strategic sector. At the conclusion of the call for applicants, on March 1, 2023, an consulting firm worked to set up the assessment criteria and review the applications. Using those results, selection juries were put in place in mid-September 2023 to audition the applicants. The juries work should be completed by end-

October 2023, allowing to establish the first cohort of program recipients. To continue building up the list of recipients in line with program objectives, the call for applicants for the second cohort will be launched in early 2024 at the latest.

50. Strengthening of governance and the fight against corruption will continue.

- In this regard, the Council of Ministers will soon adopt the 2023-27 National Strategy for the Fight Against Corruption.

- Moreover, the government intends to capitalize on the operationalization of the System for the Detection and Prevention of Acts of Corruption and Related Offenses (SPACIA) established by Decree No. 2022-264 of April 13, 2022. SPACIA's mission is to receive reports of acts of corruption and related offenses, process them, and refer them to the competent authorities. It also aims to provide the government with a statistical database for decision-making purposes. In the first half of 2023, 237 cases were reported through SPACIA, 129 of which were presumed cases of corruption and related offenses. In the long run, SPACIA should increase citizen participation in combatting corruption and increase the effectiveness of governance actions.

- Furthermore, the preparation of the first progress report of the National Action Plan (PNA) linked to the African Peer Review Mechanism (APRM) in 2023 should allow to take stock of Côte d'Ivoire's progress on governance and identify remaining challenges.

- The High Authority for Good Governance (HABG) has taken several measures to improve compliance with asset declaration requirements, notably: (i) putting in place an integrated IT system to consolidate data on subject individuals; and (ii) conducting a sensibilization campaign targeted to low-compliance subject groups. After concluding the sensibilization campaign, the government will take the necessary actions, including the enforcement of current legislation on sanctions, in order to increase the asset declaration rate toward 90 percent by end-December 2024.

51. The government actions will particularly focus on strengthening institutions, transparency in extractive industries, and the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework. This will primarily involve:

- implementing the recommendations from the 2019 Côte d'Ivoire 2019 assessment by the International Secretariat of the Extractive Industries Transparency Initiative (EITI);

- implementing the AML/CFT supervision, control, and administrative sanctions framework, approved by decree on March 2022, for certain designated non-financial businesses and professions (DNFBP)—notably real estate agents and brokers, dealers in precious metals and stones, casinos and gaming establishments, business agents (agents d'affaires), trust and company service providers—in line with recommendations in IMF-led AML/CTF assessment (***SB for end-May 2024***); and

- adopting the other priority reforms identified in that assessment, for which the government elaborated a matrix of specific measures that would improve compliance with the 40 FATF recommendations and the effectiveness of the AML/CFT framework in Côte d'Ivoire.

Financial Development and Inclusion

52. The government will sustain efforts to strengthen the financial system and promote financial inclusion so that the financial sector can continue supporting the economy. In this context, the reform of public banks will continue with special emphasis on the cases of BHCI and BPCI—the two public banks that require restructuring.

- For Banque de l'Habitat de Côte d'Ivoire (BHCI), the government is working to bring the bank into compliance with regulatory requirements through additional capital contributions from all shareholders, including the government. The implementation of the new strategic plan over the next five years should also strengthen the bank and make it the reference for real estate financing.

- In the case of Banque Populaire de Côte d'Ivoire (BPCI), the efforts over the last five years have strengthened the bank's financial position. A due diligence process was conducted to open the bank's capital to investors, in accordance with the government's strategy. This process should be completed by end-2024 at the latest and bring the bank into compliance with regulation, notably on capital requirements.

53. The government will pay special attention to measures aimed at deepening the financial market, diversifying financial instruments, and promoting financial inclusion. To this end, and as part of the ongoing Financial Sector Development Strategy (FSDS), it will: (i) implement the Factoring Law adopted in December 2022; (ii) accentuate the promotion of leasing operations within the financial ecosystem; (iii) operationalize the Agricultural Commodities Exchange (BMPA) by adopting the relevant legal framework and launching its activities in 2023; (iv) increase the mobilization of long-term resources by stepping up the activities of the *Caisse de Dépôt et de Consignation*; and (v) continue to implement the National Financial Inclusion Strategy (NFIS 2019-24), which seeks to raise the financial inclusion rate from 41 percent in 2017 to 60 percent in 2024. In this context, terms of reference were prepared to conduct a mid-term review of the NFIS to incorporate the government's new priorities in line with NDP objectives, especially in terms of women access to financial services (***SB for end-May 2024***). The key findings from this review will be adopted in the Council of Ministers by end-May 2024 at the latest. Based on these findings, a new 2025-29 NFIS will be prepared by the end of 2024.

Strengthen Resilience to Climate Change

54. The government plans to strengthen its actions to fight climate change in order to reduce the vulnerabilities it causes. In accordance with its national climate strategy, built around the Paris Accord, the government officially submitted the revised version of the Nationally Determined Contributions (NDCs) in May 2022. These NDCs imply a 30.41 percent reduction in greenhouse gas emissions (mitigation) in 2030, compared to 28.25 percent previously, and increased resilience in five key sectors (forestry, agriculture, water resources, coastal zones, and health) that are highly vulnerable to climate change (adaptation). For mitigation, it will deploy the various strategies already elaborated, notably: the REDD+ National Strategy; the New Forestry Policy; and the National Strategy to Reduce SLCP (Short-Lived Climate Pollutants). Regarding adaptation, the government will continue implementing the actions and projects under the National Gender and Climate Change Strategy, adopted in 2019, and the National Agriculture Investment Program 2 (2018-25 PNIA).

55. The government will incorporate key findings and recommendations from various technical assistance missions (C-PIMA and green fiscal management) and from the World Bank CCDR[1] report when deploying its climate policy linked to the NDCs. In this regard, five priority reform axis were identified, namely: (i) encourage sustainable cacao production and the development of "zero deforestation" sectors; (ii) control and lower greenhouse gas emissions by developing low-carbon operations (in transportation, electricity, etc.); (iii) increase climate-related financing and investment, both public and private; (iv) strengthen resiliency to disasters (control flooding and coastal erosion, build resilient infrastructures); and (v) strengthen the legal, governance, and institutional framework.

Strengthen the Statistics System

56. The government remains resolved to continue improving 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 Statistics 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, makeup, 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 operations of the National Statistics Development Fund (FNDS).

57. The production and dissemination of statistical data will be stepped up through: (i) constructing new indicators; (ii) improving the national accounts; (iii) upgrading the enterprises database; and (iv) subscribing to the Special Data Dissemination Standard (SDDS) by end-2025. In this regard, the government plans to:

- publish the final 2020 Annual National Accounts (ANA) in November 2023 and the final 2021 ANA and provisional 2022 ANA in December 2023;

[1]Country Climate and Development Report.

- complete the work to align the Quarterly National Accounts (QNA) with the rebased ANA by January 2024 and begin the production of QNA from the expenditures approach;
- continue the work to develop high-frequency indicators, in particular the revamped Advanced Public Works and Construction Indicator (IA BTP), industry opinion balances, the turnover index (ICA) for services, the production price index for services (IPPS), and the final household consumption index;
- revamp the harmonized consumer price index (IHPC) with a new base year (2023), pursue regular production of the industrial production price index (IPPI) and the harmonized production price index (IHPI), and develop the unit value indices (IVUs) for exports and imports;
- conduct the 2022-2023 Côte d'Ivoire General Census of Enterprises and Establishments (RGEE-CI) included in the Program for the Harmonization and Improvement of Statistics (PHAS). The aim of the 2022-2023 RGEE-CI is 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 to establish a Geographic Information System (SIG);
- revamp the INS website to make it more user-friendly and disseminate all available indicators; and
- continue efforts to subscribe to the SDDS in 2025 and thus become the sixth Sub-Saharan African country to do so.

PROGRAM FINANCING AND MONITORING

58. The government estimates that financing needs for the 2024–26 program will be covered and financing sources have been identified for the next 12 months. Additional financing will be mobilized on the regional money market and with external partners. Regarding domestic financing, the government will optimize recourse to fundraising on the regional market to preserve private sector access to credit. Regarding external financing, it will resort to international markets depending on financial conditions, and will give preference to grants to help strengthening regional FX reserves.

59. The program will be monitored on a half-yearly basis by the IMF Executive Board on the basis of quantitative performance criteria and indicative targets and structural benchmarks (Tables 1 and 2). 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 some performance. The third and fourth semi-annual reviews will take place on or after November 15, 2024 and May 15, 2025 and based, respectively, on end-June 2024 and end-December 2024 test dates for periodic performance criteria and indicative targets. The proposed modifications for the March 2024 indicative targets reflect alignment with the

2024 Budget Law submitted to Parliament, while the proposed modification to the May 2024 structural benchmark aims at clarifying that the publication of the MTRS will be in line with international practice. To this end, the government plans to:

- refrain from accumulating new domestic arrears and all types of advances on revenue and from contracting nonconcessional external loans other than those specified in the TMU;
- issue public securities at auction through the BCEAO or through any other type of issuance of public securities in the WAEMU financial market, and to consult with IMF staff for all new financing;
- refrain from introducing or intensifying restrictions on payments and transfers for international current transactions, introduce multiple currency practices, enter into any bilateral payments agreements that are not consistent with Article VIII of the IMF Articles of Agreement, or impose or intensify 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 ECF, June 2023–December 2024 [1/]

	2023					2024			
	June			September	December	March	June	September	December
	PC	Outturn	Met/Not Met	IT	PC	IT	PC	IT	PC
A. Performance criteria									
Floor on the overall fiscal balance (incl. grants)	-1338	-1029	Met	-2007	-2514	-507	-1,085	-1,505	-2,110
Ceiling on net domestic financing (incl. the issuance of securities in CFAF)	777	749	Met	952	1160	14	594	1,036	1,355
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$)	2533	1434	Met	4242	4650	1157	2,205	3,233	4,286
Floor on government tax revenue	3079	3254	Met	4620	6306	1643	3,538	5,299	7,156
Performance criteria on continuous basis									
Ceiling on accumulation of new external arrears by the central government (continuous basis)	0	0	Met	0	0	0	0	0	0
Ceiling on accumulation of new domestic arrears by the central government (continuous basis)	0	0	Met	0	0	0	0	0	0
B. Indicative targets									
Floor on targeted social spending	307	345	Met	700	949	230	462	765	989
Ceiling on expenditure by treasury advance	167	150	Met	263	345	82	192	307	446
Floor on net reduction of central government amounts payable (- = reduction)	-132	-136	Met	-78	-25	-54	-41	-33	-25
Floor on basic primary balance	-162	164	Met	-130	187	55	86	150	-20
Memorandum items:									
Program grants (millions of US$) 2/	162	160	...	160	324	0	160	160	329
Program loans (millions of US$) 2/	349	0	...	169	930	957	982	1022	1265
Project grants (millions of US$) 2/	67	67	...	126	191	17	36	53	70
Project loans (millions of US$) 2/	1139	1139	...	1860	2785	354	952	1284	1656
Cumulative C2D	80	100	...	100	200	20	80	140	200
Total pro-poor spending	1623	1623	...	2403	3318	748	1655	2467	3405

Sources: Ivoirian 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.

Table 2. Côte d'Ivoire: Prior Action and Structural Benchmarks, 2023–24

Reform Area	Prior Action	Rationale	Status	Due Date
	Submit to parliament 2024 budget in line with program objectives, including new revenue measures			
	Proposed New Structural Benchmark			
Revenue Mobilization	Issue an ordinance to streamline the provisions relating to exemptions linked to the investment code.	Boost domestic revenue and strengthen 2024 budget measures.		end-September 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
PFM	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 (*agents d'affaires)*, 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.		end-May 2024
Revenue Mobilization	Prepare and implement a plan to manage and collect outstanding tax arrears.	Boost domestic revenue to preserve fiscal and debt sustainability, and create fiscal space for public investment and poverty reduction.	Met	end-September 2023

Table 2. Côte d'Ivoire: Prior Action and Structural Benchmarks, 2023–24 (concluded)

Reform Area	Current Structural Benchmark	Rationale	Status	Due Date
	Cabinet approval of a Medium-Term Revenue Mobilization strategy (MTRS), with revenue targets and a timeline, and publication of a comprehensive summary.[1]	Boost domestic revenue to preserve fiscal and debt sustainability, and create fiscal space for public investment and poverty reduction.		end-May 2024
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.		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.		end-December 2023
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.		end-May 2024

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

Attachment II. Technical Memorandum of Understanding

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

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

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

QUANTITATIVE INDICATORS

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

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, 2023 for the 2023 targets and from January 1, 2024 for the 2024 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

[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.

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

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

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

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

- normal import-related commercial debts having a maturity of less than one year;
- rescheduling agreements;
- 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 calculation[2] 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).

(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.

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.

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

Table 1. Côte d'Ivoire: External Borrowing Plan (2023–2024)

PPG External Debt	January-September 2023		January-December 2023		January-March 2024		January-June 2024		January-September 2024		January-December 2024	
	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	PV of New Debt, US$ million 1/	Volume of New Debt, US$ million	PV of New Debt, US$ million 1/	Volume of New Debt, US$ million	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	**5069.5**	**4241.9**	**5535.7**	**4650.3**	**1483.9**	**1157.2**	**2615.7**	**2205.4**	**3669.5**	**3233.2**	**4790.0**	**4286.3**
Concessional Debt	**432.5**	**211.9**	**432.5**	**211.9**	**277.3**	**136.0**	**278.6**	**136.7**	**301.4**	**149.4**	**301.4**	**149.4**
Multilateral debt	287.4	145.1	287.4	145.1	200.0	100.6	201.3	101.3	224.1	114.0	224.1	114.0
Bilateral debt	145.1	66.8	145.1	66.8	77.3	35.4	77.3	35.4	77.3	35.4	77.3	35.4
Non-Concessional Debt 2/	**4637.0**	**4030.0**	**5103.1**	**4438.4**	**1206.6**	**1021.3**	**2337.0**	**2068.7**	**3368.2**	**3083.8**	**4488.6**	**4136.9**
Semi-concessional debt 3/	4101.2	3494.2	4516.9	3852.1	1168.1	982.8	1924.5	1656.2	2033.8	1749.5	2447.6	2095.9
Commercial terms 4/	535.8	535.8	586.3	586.3	38.5	38.5	412.5	412.5	1334.3	1334.3	2041.0	2041.0
Uses of Debt Financing	**5069.5**	**4241.9**	**5535.7**	**4650.3**	**1483.9**	**1157.2**	**2615.7**	**2205.4**	**3669.5**	**3233.2**	**4790.0**	**4286.3**
Infrastructure	1438.3	1275.5	1438.3	1275.5	0.0	0.0	66.9	57.1	160.5	137.0	160.5	137.0
Social expenditure	2118.5	1656.8	2584.6	2065.2	1150.0	891.8	1251.7	978.2	1280.7	999.0	1280.7	999.0
Budget financing	833.9	744.6	833.9	744.6	0.0	0.0	40.1	34.2	40.1	34.2	40.1	34.2
Other	678.9	565.0	678.9	565.0	333.9	265.4	1257.0	1135.9	2188.2	2063.0	3308.6	3116.0

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

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

18. **Earmarked tax revenues are subject to specific monitoring**. As of end-March 2023, 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 2023

Earmarked revenues to collectivities
Coffee-Cocoa Royalties, CCC share – Harvest bags
Agricultural Investment Fund (Fonds d'Investissement Agricole (A2QC))
Cashew parafiscality
Péréquation
TSU FER
TOEM
FIMR
TSU SIR
PCC-PCS et PUA

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 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**

H. Treasury Advances (IT)

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.

Table 3. Côte d'Ivoire: Targeted Social Spending
(Billions of CFA)

	2023		2024			
	Q3	Q4	Q1	Q2	Q3	Q4
Social Protection	**19.2**	**27.1**	**3.8**	**8.1**	**16.7**	**24.1**
National soical safety net support program	7.4	8.7	1.2	2.4	4.8	5.6
Regional women's empowerement and demographic dividend in the Sahel program	0.2	0.3	0.0	0.2	0.3	0.4
Universal Health Insurance for the destitute support program	7.9	13.2	2.6	4.0	7.9	13.2
Universal Health Insurance operational support	3.6	4.9	0.0	1.6	3.6	4.9
Universal Health Insurance	2.1	2.9	0.0	0.9	2.1	2.9
Insurance Premiums support for Universal Health Insurance	1.5	2.1	0.0	0.7	1.5	2.1
Health	**192.5**	**268.8**	**66.1**	**128.4**	**211.9**	**280.1**
Health administrators	159.3	216.2	60.0	115.0	184.9	237.4
Strengthening the intervention capacities of health centers	0.7	1.1	0.0	0.3	0.7	1.1
Strengthen the intervention capacities of general hospitals	1.5	2.4	0.0	0.8	1.5	2.4
Strengthen the intervention capacities of central and regional health units	2.0	3.2	0.0	1.0	2.0	3.2
Strengthen the intervention capacities of university hospital centers	4.2	6.6	1.4	2.1	4.1	6.5
Free targeted care (malaria, childbirth, caesarean section, etc.) and sanitary evacuation	12.3	19.5	0.3	3.2	6.3	10.0
Specialized health structures (SAMU, CNTS, CNOR, ICA, CNPTIR, etc.)	9.6	15.3	3.2	4.6	9.3	14.7
Medicines' supply	2.9	4.7	1.2	1.5	3.0	4.8
Education	**483.3**	**647.5**	**158.6**	**323.5**	**532.1**	**679.4**
Management of Preschool, Primary and Secondary Schools (SMCs)	12.9	17.5	2.9	5.5	12.9	17.5
Primary and preschool education	443.1	598.2	155.5	303.6	490.5	628.4
School cafeterias program	1.5	1.8	0.0	1.0	2.0	2.3
Acquisition and distribution of school kits, textbooks and educational kits	9.3	10.9	0.0	1.7	3.3	3.9
Support for the payment of school fees in private and religious elementary schools	5.6	6.5	0.0	2.8	5.6	6.5
Pre-school and primary school administrators	426.6	579.0	155.5	298.1	479.6	615.7
Technical education and vocational training	27.3	31.8	0.2	14.4	28.8	33.6
Implementation of the Second Chance School	2.4	2.8	0.0	0.9	1.8	2.1
Coverage of school fees for students in private technical secondary schools	4.8	5.6	0.0	2.4	4.8	5.6
Support for the AGEFOP and IPNEPT 1/	0.5	0.6	0.2	0.3	0.5	0.6
Support for vocational training through the French Development Training Fund (FDFP)	19.6	22.8	0.0	10.8	21.6	25.2
Youth Employment	**5.0**	**5.8**	**1.2**	**2.1**	**4.3**	**5.0**
Youth employment program	4.2	4.9	1.2	1.7	3.5	4.1
Youth employment and skill training program	0.4	0.4	0.0	0.2	0.4	0.4
Youth promotion and employment	0.2	0.2	0.0	0.1	0.2	0.2
Youth employment agency operational support	0.2	0.2	0.1	0.1	0.2	0.2
TOTAL	**700.0**	**949.2**	**229.7**	**462.1**	**765.0**	**988.6**

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

I. Primary Basic Fiscal Balance (IT)

26. 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

27. 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)

28. 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

29. 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.

30. 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.

31. 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).

32. 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.

33. 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

34. 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 (Including Social Spending), 2023–24

(Billions of CFA Francs)

	2023		2024			
	Q3	Q4	Q1	Q2	Q3	Q4
Agriculture and rural development	**65.4**	**87.2**	**22.9**	**44.6**	**56.8**	**97.5**
General administration	11.4	15.2	4.0	8.9	11.7	15.3
Agriculture promotion and development program	16.4	21.9	5.7	11.3	16.9	23.5
Training of supervisory staff	26.0	34.7	9.1	16.4	16.8	39.7
Water system works	5.7	7.6	2.0	3.9	5.4	8.7
Other investments in the rural area (FRAR, FIMR)	5.9	7.8	2.1	4.0	6.0	10.4
Fishing and animal husbandry	**13.0**	**17.4**	**3.0**	**9.0**	**13.1**	**16.2**
General administration	7.3	9.7	2.5	5.0	7.5	10.1
Milk production and livestock farming	1.9	2.6	0.2	1.3	2.0	2.3
Fishing and aquaculture	3.8	5.1	0.3	2.6	3.6	3.8
Education	**1,261.2**	**1,674.1**	**395.2**	**910.5**	**1,294.3**	**1,646.2**
General administration	78.6	104.8	25.3	54.1	80.6	99.9
Pre-schooling and primary education	504.4	658.7	139.5	340.0	517.6	691.9
Literacy	0.5	0.7	0.2	0.3	0.5	0.7
Secondary education and vocational training	475.7	640.6	154.7	330.7	488.2	591.6
University and research	202.1	269.4	75.6	185.3	207.4	262.0
Health	**425.8**	**640.3**	**115.6**	**253.1**	**404.0**	**627.0**
General administration	179.5	287.0	54.3	134.9	184.2	299.9
Primary health system	109.3	167.5	23.0	44.4	112.2	190.1
Preventive healthcare (enlarged vaccination program)	1.6	2.1	0.6	1.1	1.6	2.1
Disease and pandemic combat programs	55.3	73.7	8.8	38.0	48.7	49.1
Infant/mother health and nutrition	9.7	16.3	4.3	4.3	10.0	23.5
HIV/Aids	30.6	40.9	10.7	3.1	6.5	6.8
Health centers and specialized programs	39.7	52.9	13.9	27.3	40.7	55.4
Water and Sanitation	**111.0**	**140.4**	**31.6**	**74.5**	**113.9**	**203.7**
Access to drinking water and sanitation	79.0	97.7	20.4	52.5	81.0	106.9
Environmental protection and pollution combat	32.0	42.7	11.2	22.0	32.9	96.7
Energy	**101.0**	**154.7**	**40.6**	**82.9**	**103.7**	**121.9**
Access to electricity	101.0	154.7	40.6	82.9	103.7	121.9
Roads and Public Works	**258.4**	**382.7**	**94.4**	**168.1**	**299.2**	**420.3**
Rural road maintenance	10.5	14.0	3.7	7.2	10.7	22.0
Construction of public works	54.4	85.9	12.0	44.3	85.8	136.9
Other road projects	193.6	282.8	78.7	116.5	202.6	261.4
Social spending	**59.1**	**76.1**	**20.0**	**39.3**	**60.6**	**88.4**
General administration	13.0	17.3	4.6	9.0	13.4	17.3
Women's vocational training	2.5	3.4	0.9	1.7	2.6	4.0
Orphanages, day nurseries, and social centers	20.9	27.8	7.3	14.4	21.4	27.2
Training of support staff	1.3	1.7	0.4	0.9	1.3	1.6
Decentralization (excl. education, health and agriculture)	**82.7**	**110.3**	**23.7**	**56.9**	**99.9**	**134.3**
Decentralization	82.7	110.3	23.7	56.9	99.9	134.3
Reconstruction	**9.1**	**12.2**	**2.1**	**4.3**	**5.1**	**5.5**
Reconstruction and rehabilitation	1.6	2.1	0.6	1.1	1.3	1.4
Social housing	7.5	10.0	1.6	3.2	3.7	4.1
Other poverty-fighting spending	**16.6**	**22.2**	**6.9**	**11.4**	**16.1**	**43.9**
Promotion and insertion of youth	13.0	17.3	5.6	8.9	13.3	40.9
Development of tourism and craftmanship	3.7	4.9	1.3	2.5	2.8	3.0
TOTAL	**2,403.4**	**3,317.6**	**756.0**	**1,654.6**	**2,466.6**	**3,404.8**

Source: Ivoirian 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)
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	7.4	6.7	6.4	6.5	6.4	6.3
Consumer price index (annual average)	4.2	5.2	4.7	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	20.5	6.0	11.3	8.8	8.0
Imports of goods, f.o.b., at current prices	24.3	36.8	1.5	5.3	4.3	6.0
Export volume	10.1	0.9	9.0	5.0	7.9	8.8
Import volume	1.1	5.0	9.4	5.5	4.8	6.2
	(Percent of GDP unless otherwise indicated)					
Central government operations						
Total revenue and grants	15.8	15.3	16.5	16.7	17.2	17.8
Total revenue	15.3	14.8	15.8	16.2	16.8	17.5
Tax revenue	13.2	12.9	13.9	14.5	15.1	15.7
Total expenditure	20.7	22.1	21.7	20.7	20.2	20.8
Current expenditure	14.9	14.9	14.4	13.0	13.9	14.0
Capital expenditure	5.8	7.2	7.3	7.7	6.3	6.8
Basic primary balance	-1.1	-1.8	0.4	-0.2	0.9	1.2
Overall balance, incl. grants, payment order basis	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0
External Sector						
Current account balance	-4.0	-6.9	-5.8	-4.3	-3.3	-2.9
Non-interest current account balance	-2.9	-5.7	-4.4	-3.1	-2.1	-1.8
Memorandum item						
Nominal GDP (CFAF billions)	39,821	43,682	47,825	52,125	56,570	61,337

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

INTERNATIONAL MONETARY FUND

CÔTE D'IVOIRE

November 14, 2023

FIRST REVIEWS UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY —DEBT SUSTAINABILITY ANALYSIS UPDATE

Approved By
Montfort Mlachila, Boileau Loko (IMF), and Abebe Adugna Dadi and Manuela Francisco (IDA)

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	Yes

Côte d'Ivoire's overall and external public debt remain at moderate risk of debt distress, unchanged from the last DSA (May 2023 ECF and EFF arrangements request). The baseline of the external debt service-to-revenue indicator still breaches the threshold twice, in 2024 and 2025, and remains below the threshold during the remainder of the projection period.[1] *As with the 2023 May DSA, all indicators except the PV of external debt-to-GDP are susceptible to a number of 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 a commodity price shock. The significance of the breaches in debt burden metrics is mitigated by their limited number, Côte d'Ivoire's history of successful implementation of reforms under the past two Fund arrangements and a satisfactory start of the current arrangement, and the country's strong track record of market access, sustained active debt management, and moderate risk signal from the market financing pressures tool. 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 2.9 based on the April 2023 WEO and the 2021 CPIA, corresponding to a final medium debt carrying capacity.

1. **The public debt coverage and debt background remains unchanged compared to the last DSA.**[2] Public debt covers both the debt of the central government, the central bank, and the guarantees provided by the central government, including those guarantees that pertain to state owned enterprises debt. The government is committed to pursue efforts to increase the government capacity to record and monitor public det and contingent liabilities. The magnitude of the shock in the contingent liability stress test applied in the sensitivity analysis reflects potential additional liabilities similar to the last DSA. The public debt keeps on increasing with a growing share of external debt, especially commercial creditors.

Text Table 1. Côte d'Ivoire: Debt Coverage

	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. **The latest macro-economic developments show a softening of the economic rebound, in line with the last DSA**, reflecting the adverse spillovers from the Russia's war in Ukraine and the global financial tightening. Real output growth projected at 6.4 percent in 2023, compared to 6.7 percent in 2022, supported by strong industrial and tertiary activities but a mixed agricultural outcome in part due to adverse weather. Inflation remains mainly fueled by food prices and is expected to soften to 4.7 percent by the end of the year from 5.2 percent in 2022. The current account balance is showing improvement due to sizeable terms of trade gains, notably from rising cocoa prices, mostly reversing unfavorable price shifts in 2022. These more favorable prices are expected to last over the long-term. Similarly, regional official reserves which continued to decline so far in 2023 with a sizable contribution from Côte d'Ivoire are expected to gradually recover over the medium-term. Global financing conditions remain tight, but the euro is projected to appreciate vis-à-vis the US dollar. Debt financing has shifted to shorter term debt issuance during the first half of the year at slightly higher interest rates overall. Performance under the EFF/ECF arrangement has been satisfactory so far and fiscal performance is on track to reach the end-2023 target.

3. **Risks continue to be tilted to the downside**, especially in case of sustained adverse external financing conditions, a further decline in regional FX reserves, and increased instability in the region which could add spending pressure and weigh on investors' confidence. On the upside, global inflation pressures could subside faster than anticipated, leading to more favorable financing conditions and facilitating an earlier return to the eurobond market. Moreover, the discovery of important oil and gas reserves could provide an additional boost to growth prospects. Liabilities stress test assumptions remain the same as the last DSA.

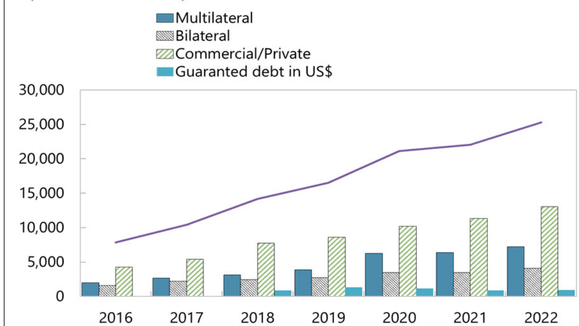
[2] EBS/23/50 Supplement 1.

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

		Default	Used for the analysis	Reasons for deviations from the default settings
1	The country's coverage of public debt	The central government plus social security, central bank, government-guaranteed debt		
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/	2 percent of GDP	2	
4	PPP	35 percent of PPP stock	2.30	
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)		9.3	

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%.

External Debt By Creditor
(Millions of US Dollars)



Sources: Ivorian authorities and IMF staff calculations

4. **The Ivorian public and external debt stock as of end-2022 remain unchanged compared to the last DSA and the pace of disbursement as of June 2023 stays in line with the end-year projections according to preliminary data**. Public and external debt stocks equal 56.8 and 34.5 percent of GDP, respectively, as of end-2022. Projections for end-2023 are slightly lower than in the last DSA due to exchange rate appreciation at 57.8 and 34.9 percent of GDP, vs. 58.1 and 35.6 percent of GDP respectively. Shorter maturities and higher interest characterized the issuances of domestic debt for the first half of end-2023. The external debt composition remains dominated by commercial creditors followed by multilateral creditors.

Text Table 3. Côte d'Ivoire: Changes in Economic Assumptions

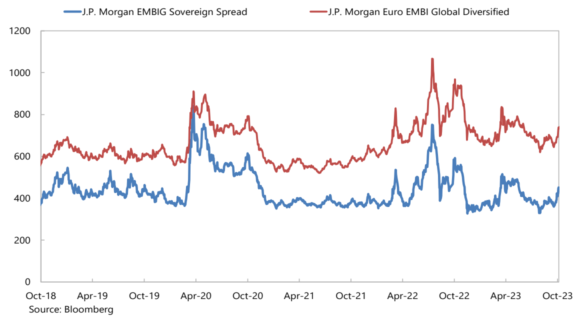
	Previous DSA			Current DSA		
	2023-2028	2029-2033	2034-2042	2023-2028	2029-2033	2034-2042
Nominal GDP (USD Billion)	93.9	141.2	242.0	99.0	151.4	259.4
Real GDP (y/y % change)	6.4	5.9	5.6	6.3	5.9	5.6
	(Percent of GDP unless otherwise noted)					
Fiscal (Central Government)						
Revenue and grants	17.4	18.7	19.2	17.4	18.7	19.2
of which grants	0.4	0.2	0.1	0.4	0.2	0.1
Primary expenditure	18.8 [1/]	18.5	19.3	18.7	18.5	19.3
Primary balance	-1.4	0.3	-0.1	-1.2	0.2	-0.1
Balance of Payments						
Exports of goods and services	22.7	21.4	18.8	23.0	21.6	19.0
Imports of goods and services	19.3	18.0	16.9	18.4	16.2	14.4
Non-interest current account balance	-2.9	-2.7	-4.1	-2.5	-2.0	-2.9
Current account balance	-4.0	-3.5	-4.8	-3.7	-2.9	-3.6
Foreign direct investment (net inflows)	2.0	2.3	2.7	2.0	2.3	2.7

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

[1/] Corrected value for IMF Country Report No 23/204

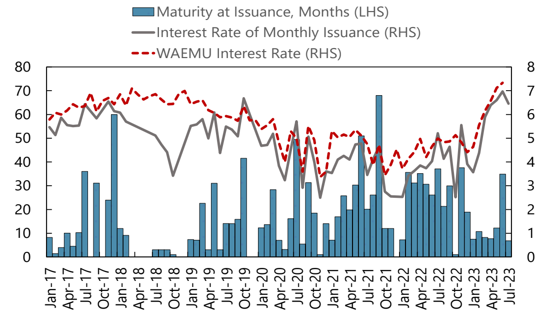
Côte d'Ivoire: Selected Debt Indicators

EMBI and EMBIG
(Last Series Daily)



Source: Bloomberg

CIV: Yields and Maturities on Debt Issuance
(MoM weighted average, percent and months)



Source: BCEAO and IMF staff calculations.

5. Côte d'Ivoire's debt-carrying capacity remains assessed as medium. Based on the April 2023 WEO macroeconomic framework and the World Bank's 2021 CPIA index, Côte d'Ivoire composite indicator is 2.9 (above the cut-off of 2.69 but below the strong capacity cut-off value of 3.05) maintaining the medium debt carrying capacity assessment used in the previous DSA. The authorities continue to improve debt management. They adopted the law on national debt policy in September 2023 which offers a comprehensive legislative and institutional framework and they are revamping the debt department into *Direction Générale des Financements* to optimize the mobilization and management of financing resources. The authorities continue to actively manage their portfolio including by evaluating liabilities management operations possibilities.

Text Table 4. Côte d'Ivoire: CI Score

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage
Medium	Medium 2.90	Medium 2.94	Medium 2.96

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	180
GDP	40
Debt service in % of	
Exports	15
Revenue	18

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	55

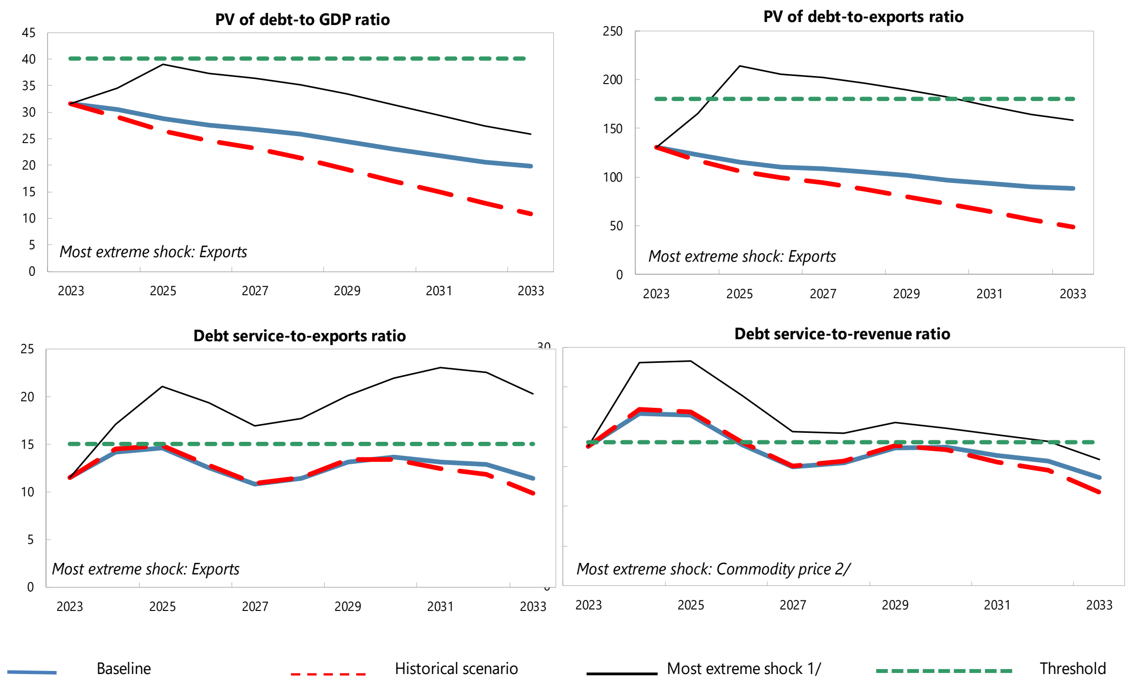
6. Debt service and undisbursed debt projections are broadly similar to projections at the time of the program request. The debt service projections combine two effects that are broadly offsetting: a lower debt service due to the CFAF vs. US dollar exchange rate appreciation and the slightly higher interest rate on domestic debt, on average about 0.2 ppt over the May 2023 DSA projections, as well as shorter maturities on bonds issued during the first six months of 2023. The issuance of bonds at maturities of less than two years represented over 50 percent of total issuance from January to June 2023 against 20 percent for the last DSA. After an increase of projected average interest rate in 2023 and 2024 reflecting higher prevailing market interest rates than in the last DSA, the interest rates are projected to moderate, and maturities are expected to lengthen over the medium-term which would allow the authorities to stick to their medium-term debt strategy and favor domestic debt over external debt.

7. Côte d'Ivoire's rating of external debt distress remains moderate when judgement is applied. Under the baseline scenario, the external debt service to revenue ratio still breaches the threshold twice in 2024 and 2025 before returning below the threshold for the rest of the projections period. This underscores the criticality of improving domestic revenue mobilization to respond to the country's development needs. Under the most extreme shock, the exports shock scenario, the debt service-to-exports ratio, as well as the PV of debt to export ratio breach their respective thresholds, emphasizing the dependence of the country on its narrow exports base and the need to diversify its economy. Using a holistic approach based on judgement, the country's moderate risk of debt distress rating continues to be warranted by the Côte d'Ivoire's limited number of breaches, its history of successful implementation of reforms under the past two Fund arrangements and a satisfactory start of the current arrangement, its strong track record of market access, sustained active debt management, and moderate risk signal from the market financing pressures tool. The EMBI spread decreased from the last DSA from 756 to 674 bps as of November 3, 2023. The country maintains market access and debt service indicators are similar to the previous DSA.

8. The overall debt distress also remains moderate. Under the baseline, the PV of public debt-to-GDP ratio stays below the 55 percent threshold, but the ratio breaches the threshold under the most extreme shock, the commodity price, in 2024 and stays above during the rest of the projections' period. The result reflects the vulnerability of Côte d'Ivoire to price fluctuation, especially with the country's dependance on cocoa exports representing more than one third of exports, and stresses once again the importance of promoting further export diversification. The country has limited space to absorb shocks.

9. The authorities agreed that Côte d'Ivoire remains at moderate risk of overall and external debt distress. The authorities are strongly committed to keeping the country at moderate risk of debt distress. They are aware of the fragility of the external debt service to revenue ratio as it breaches twice the threshold in 2024 and 2025 leaving limited margin to absorb shocks. They had a more favorable near-term outlook for reserves noting seasonal patterns. They are committed to continue managing actively their debt portfolio and monitoring closely the concessionality of new contracts and the pace of disbursements to remain in the same debt distress category and are strongly committed to the policies and targets under the ECF/EFF program, in particular for increasing domestic revenue mobilization.

Figure 1. Côte d'Ivoire: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2023–33[1/]



Customization of Default Settings		
	Size	Interactions
Tailored Stress		
Combined CL	No	
Natural disaster	n.a.	n.a.
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	3.3%	3.3%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	18	18
Avg. grace period	5	5

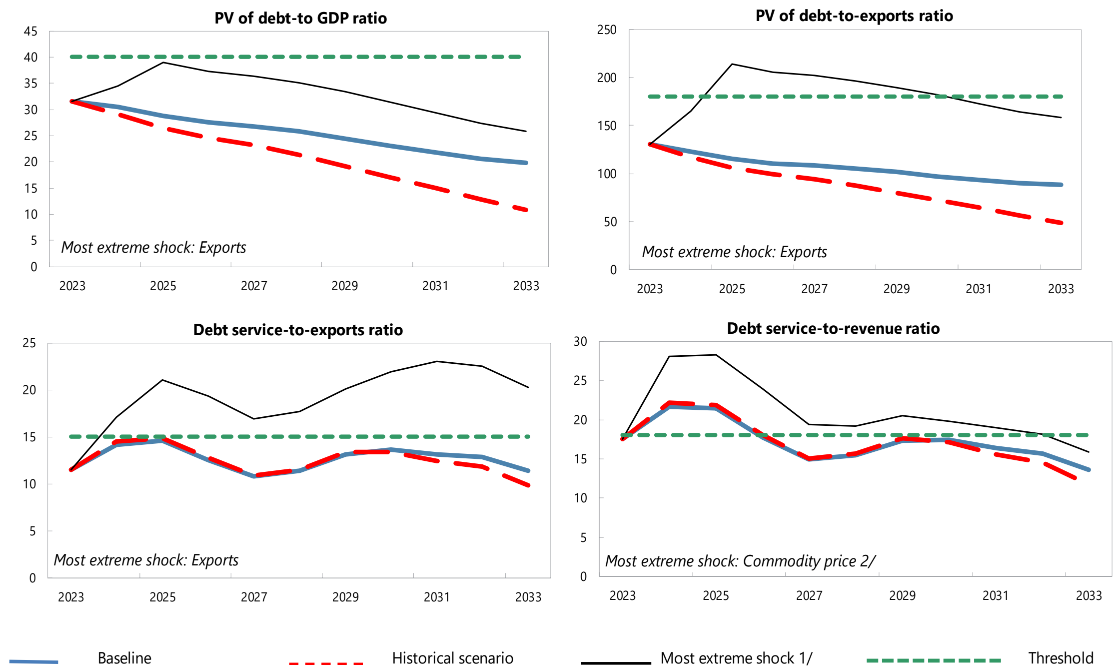
* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

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 2033. 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 exterme 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, 2023–33



Customization of Default Settings	Size	Interactions
Tailored Stress		
Combined CL	No	
Natural disaster	n.a.	n.a.
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	3.3%	3.3%
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.

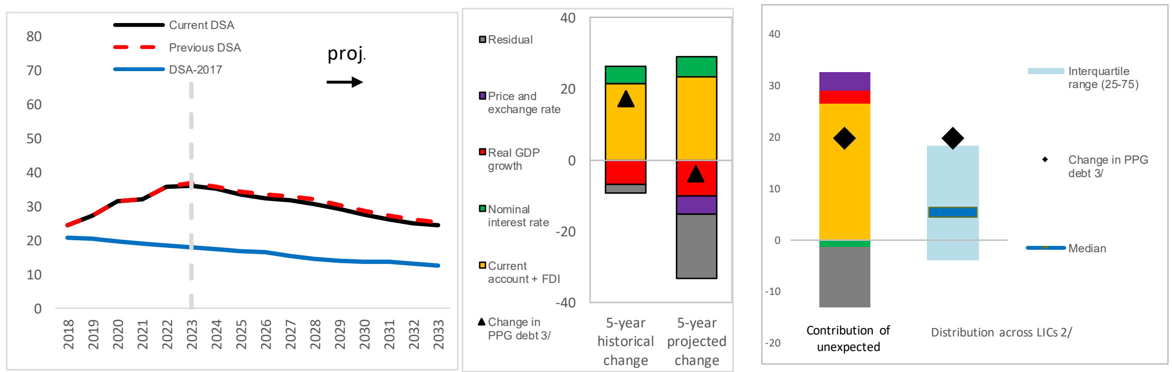
Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2033. 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 exterme 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.

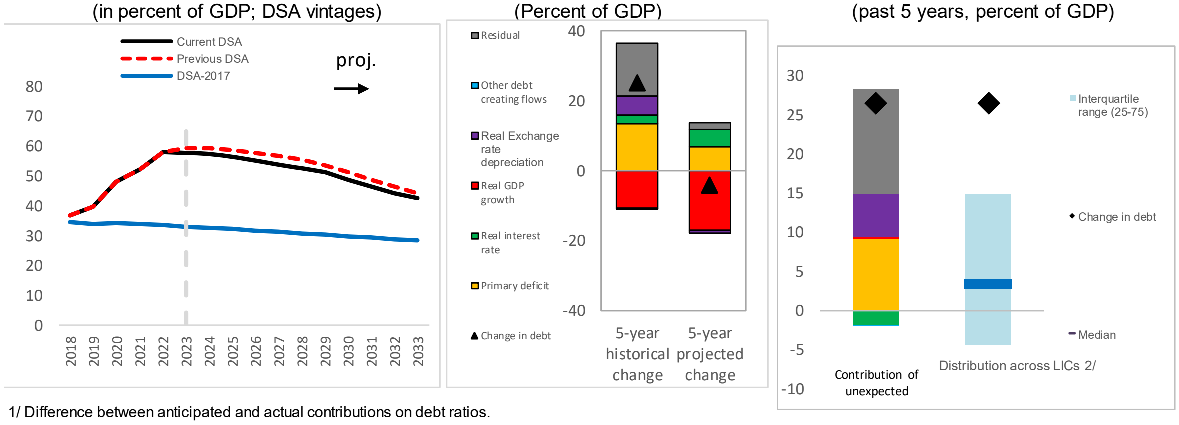
Figure 3. Côte d'Ivoire: Drivers of Debt Dynamics – Baseline Scenario

Gross Nominal PPG External Debt (in percent of GDP; DSA vintages) | Debt-creating flows (Percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



Public debt

Gross Nominal Public Debt (in percent of GDP; DSA vintages) | Debt-creating flows (Percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



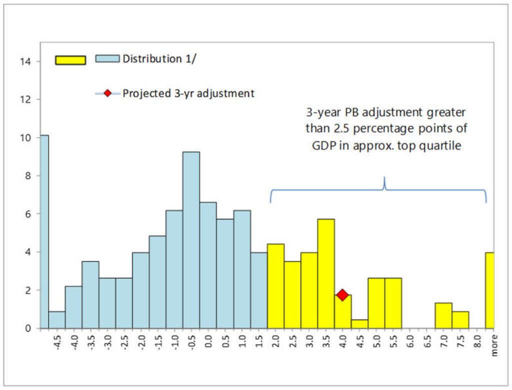
1/ Difference between anticipated and actual contributions on debt ratios.

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.

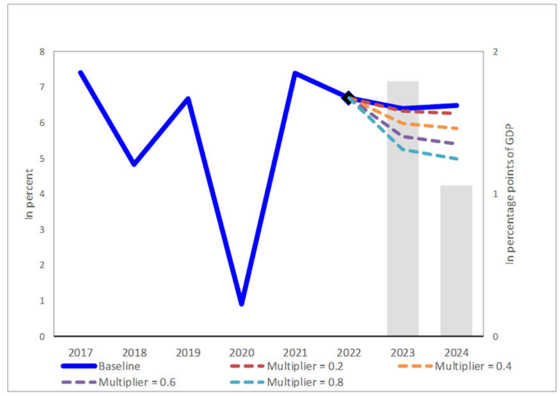
Figure 4. Côte d'Ivoire: Realism Tools

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



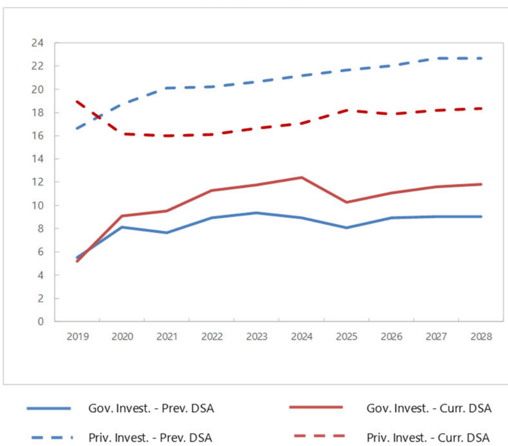
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

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)



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

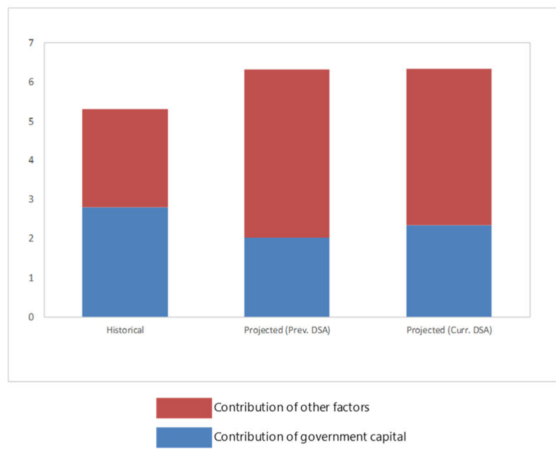
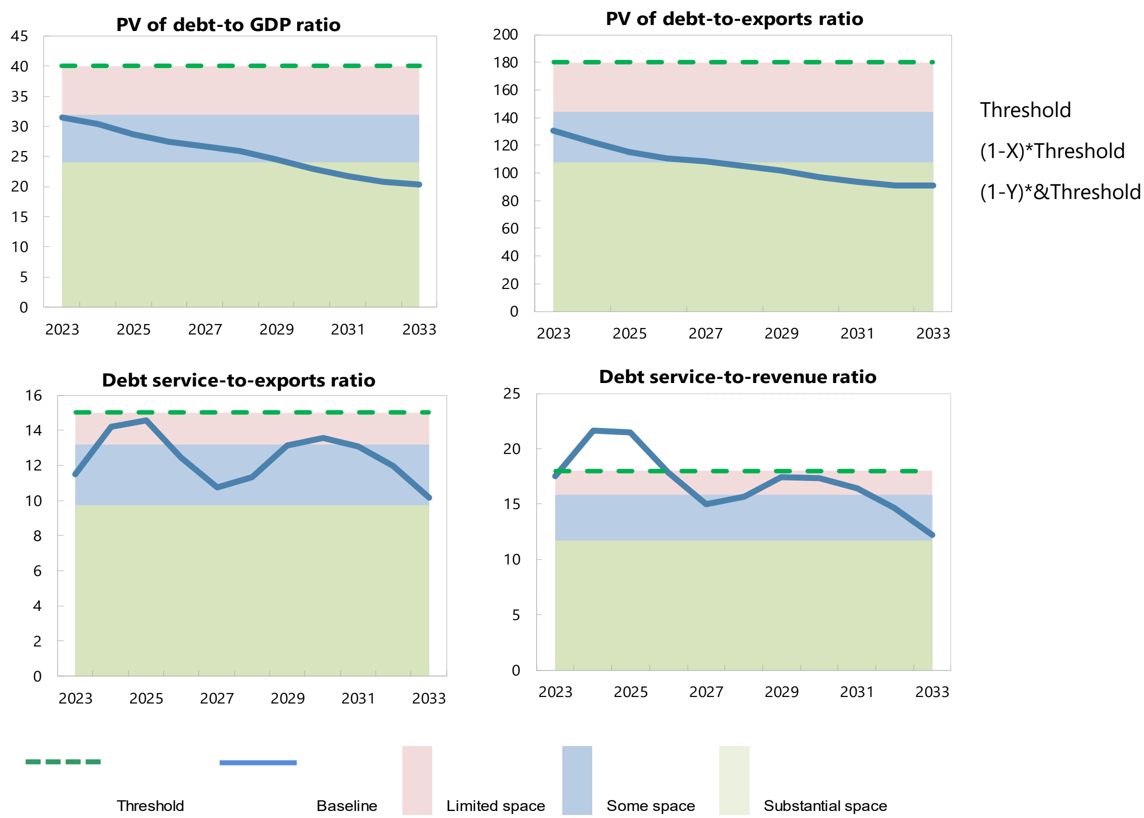


Figure 5. Côte d'Ivoire: Qualification of the Moderate Category, 2023-33[1/]



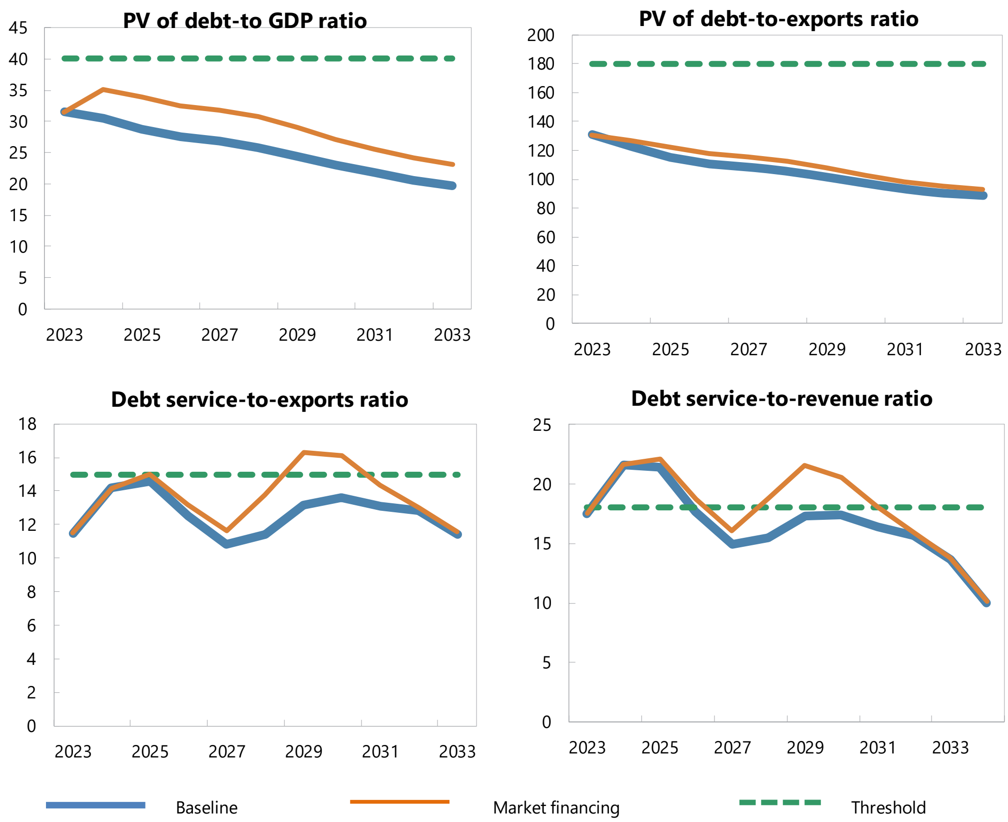
Sources: Country authorities; and staff estimates and projections.

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

Figure 6. Côte d'Ivoire: Market-Financing Risk Indicators

	GFN 1/	EMBI 2/
Benchmarks	14	570
Values	10	674
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.



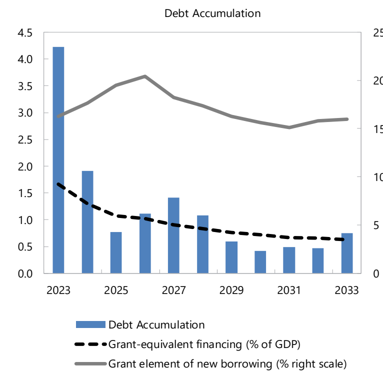
Sources: Country authorities; and staff estimates and projections.

Table 1. Côte d'Ivoire: External Debt Sustainability Framework, Baseline Scenario, 2020–43

(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2033	2043	Historical	Projections
External debt (nominal) 1/	31.4	32.2	35.8	36.2	35.3	33.6	32.5	31.8	30.8	24.0	19.2	22.9	30.2
of which: public and publicly guaranteed (PPG)	31.4	32.2	35.8	36.2	35.3	33.6	32.5	31.8	30.8	24.0	19.2	22.9	30.2
Change in external debt	4.2	0.7	3.7	0.3	-0.9	-1.7	-1.1	-0.7	-1.0	-1.0	-0.6		
Identified net debt-creating flows	3.1	1.7	9.0	5.2	4.2	3.4	3.1	3.1	3.2	4.2	6.6	2.3	3.7
Non-interest current account deficit	2.1	2.9	5.8	4.6	3.2	2.1	1.8	1.8	1.8	2.4	4.1	1.6	2.3
Deficit in balance of goods and services	-0.9	-0.1	2.8	1.8	0.4	-0.6	-1.1	-1.1	-1.3	-1.0	0.6	-1.2	-0.7
Exports	21.0	22.6	24.8	24.1	24.9	24.9	24.8	24.6	24.5	22.4	19.5		
Imports	20.1	22.5	27.6	25.8	25.3	24.3	23.7	23.5	23.3	21.4	20.1		
Net current transfers (negative = inflow)	1.1	0.9	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
of which: official	-0.1	0.0	-0.4	-0.4	-0.4	-0.2	-0.1	-0.1	0.0	0.0	0.0		
Other current account flows (negative = net inflow)	1.9	2.0	2.1	2.0	1.9	1.8	2.0	2.1	2.2	2.5	2.6	1.9	2.2
Net FDI (negative = inflow)	1.1	1.5	1.4	1.5	2.0	2.1	2.1	2.1	2.1	2.4	2.9	1.1	2.1
Endogenous debt dynamics 2/	-0.1	-2.7	1.8	-0.9	-1.1	-0.8	-0.9	-0.8	-0.8	-0.6	-0.5		
Contribution from nominal interest rate	1.1	1.1	1.0	1.1	1.1	1.2	1.1	1.0	1.0	0.7	0.6		
Contribution from real GDP growth	-0.2	-2.0	-2.2	-2.0	-2.1	-2.1	-2.0	-1.8	-1.8	-1.3	-1.0		
Contribution from price and exchange rate changes	-0.9	-1.8	3.0	...	...	...	...	...	...	...	...		
Residual 3/	1.1	-1.0	-5.3	-4.9	-5.0	-5.0	-4.2	-3.8	-4.2	-5.1	-7.2	0.1	-4.8
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	31.4	31.5	30.5	28.7	27.5	26.8	25.9	19.8	16.0		
PV of PPG external debt-to-exports ratio	...	...	126.4	130.7	122.6	115.2	110.6	108.7	105.4	88.5	82.2		
PPG debt service-to-exports ratio	8.4	8.9	9.0	11.5	14.2	14.6	12.5	10.8	11.4	11.4	8.7		
PPG debt service-to-revenue ratio	12.3	13.1	15.1	17.5	21.6	21.4	17.7	14.9	15.5	13.6	8.2		
Gross external financing need (Million of U.S. dollars)	3121.8	4604.8	6646.2	7060.7	7609.0	7396.0	7230.0	7293.3	8080.3	12850.2	32164.5		
Key macroeconomic assumptions													
Real GDP growth (in percent)	0.9	7.4	6.7	6.4	6.5	6.4	6.3	6.1	6.0	5.8	5.6	6.8	6.1
GDP deflator in US dollar terms (change in percent)	3.5	6.1	-8.5	6.3	2.9	2.3	2.2	1.6	1.6	2.0	2.0	0.1	2.4
Effective interest rate (percent) 4/	4.1	4.1	3.1	3.6	3.3	3.8	3.5	3.4	3.4	3.2	3.1	3.9	3.4
Growth of exports of G&S (US dollar terms, in percent)	-4.1	22.7	7.4	9.7	13.1	9.1	8.2	7.0	7.3	5.8	6.6	3.3	7.7
Growth of imports of G&S (US dollar terms, in percent)	-1.7	27.9	19.6	5.9	7.1	4.8	5.9	6.7	6.7	6.4	5.5	5.5	6.2
Grant element of new public sector borrowing (in percent)	...	...	...	16.3	17.7	19.5	20.4	18.2	17.3	16.0	17.9	...	17.1
Government revenues (excluding grants, in percent of GDP)	14.4	15.3	14.8	15.8	16.3	16.9	17.5	17.8	18.0	18.7	20.4	13.9	17.7
Aid flows (in Million of US dollars) 5/	336.3	333.1	375.5	1412.5	1217.3	1141.2	1145.5	1220.3	1267.0	775.7	425.0		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.7	1.3	1.1	1.0	0.9	0.8	0.6	0.3	...	0.9
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	24.6	25.3	27.0	26.9	25.4	24.8	21.8	17.9	...	24.1
Nominal GDP (Million of US dollars)	63,074	71,849	70,180	79,348	86,924	94,646	102,800	110,835	119,361	175,361	369,313		
Nominal dollar GDP growth	4.4	13.9	-2.3	13.1	9.5	8.9	8.6	7.8	7.7	7.9	7.7	6.8	8.7
Memorandum items:													
PV of external debt 7/	...	...	31.4	31.5	30.5	28.7	27.5	26.8	25.9	19.8	16.0		
In percent of exports	...	...	126.4	130.7	122.6	115.2	110.6	108.7	105.4	88.5	82.2		
Total external debt service-to-exports ratio	8.4	8.9	9.0	11.5	14.2	14.6	12.5	10.8	11.4	11.4	8.7		
PV of PPG external debt (in Million of US dollars)			22023.7	24985.8	26499.1	27172.4	28229.6	29681.6	30878.5	34710.6	59112.1		
(PVt-PVt-1)/GDPt-1 (in percent)				4.2	1.9	0.8	1.1	1.4	1.1	0.7	0.7		
Non-interest current account deficit that stabilizes debt ratio	-2.1	2.1	2.2	4.3	4.1	3.7	2.9	2.5	2.8	3.3	4.7		

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



Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = 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.

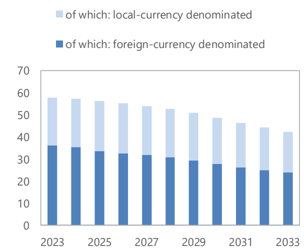
Table 2. Côte d'Ivoire: Public Sector Debt Sustainability Framework, Baseline Scenario, 2020–43

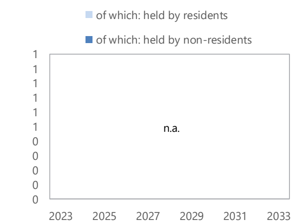
(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2033	2043	Historical	Projections
Public sector debt 1/	48.1	52.1	58.1	57.7	57.3	56.3	55.1	53.8	52.6	42.3	31.2	37.9	51.4
of which: external debt	31.4	32.2	35.8	36.2	35.3	33.6	32.5	31.8	30.8	24.0	19.2	22.9	30.2
Change in public sector debt	8.3	4.0	5.9	-0.3	-0.4	-1.0	-1.1	-1.4	-1.2	-1.9	-0.8		
Identified debt-creating flows	2.4	2.9	3.7	-0.4	-0.9	-1.5	-1.3	-1.2	-1.1	-1.3	-0.4	1.0	-1.2
Primary deficit	3.6	3.0	4.6	2.8	1.8	0.6	0.8	0.7	0.8	-0.3	0.3	1.9	0.6
Revenue and grants	15.0	15.8	15.3	16.5	16.7	17.2	17.8	18.1	18.2	18.8	20.4	14.7	18.0
of which: grants	0.5	0.5	0.5	0.7	0.5	0.4	0.3	0.3	0.3	0.2	0.0		
Primary (noninterest) expenditure	18.6	18.8	19.9	19.3	18.4	17.8	18.5	18.8	19.0	18.6	20.7	16.7	18.6
Automatic debt dynamics	-1.2	-0.1	-0.6	-3.2	-2.6	-2.2	-2.1	-2.0	-1.9	-1.0	-0.7		
Contribution from interest rate/growth differential	1.0	-3.0	-3.8	-3.2	-2.6	-2.2	-2.1	-2.0	-1.9	-1.0	-0.7		
of which: contribution from average real interest rate	1.3	0.3	-0.5	0.3	0.9	1.3	1.2	1.2	1.1	1.4	1.0		
of which: contribution from real GDP growth	-0.4	-3.3	-3.3	-3.5	-3.5	-3.4	-3.3	-3.2	-3.0	-2.4	-1.7		
Contribution from real exchange rate depreciation	-2.2	2.9	3.2	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	-0.3	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	0.0	-0.3	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	6.0	1.2	2.2	0.0	0.4	0.5	0.2	-0.2	-0.1	-0.6	-0.4	2.3	-0.2
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	53.5	52.9	52.4	51.3	50.1	48.8	47.7	38.1	28.1		
PV of public debt-to-revenue and grants ratio	...	...	349.3	321.5	314.3	298.3	282.0	269.8	261.4	202.4	137.4		
Debt service-to-revenue and grants ratio 3/	32.4	32.8	41.5	42.3	49.1	47.3	37.3	31.9	28.5	19.9	12.1		
Gross financing need 4/	8.4	8.1	10.6	9.8	9.9	8.8	7.4	6.5	6.0	3.5	2.8		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	0.9	7.4	6.7	6.4	6.5	6.4	6.3	6.1	6.0	5.8	5.6	6.8	6.1
Average nominal interest rate on external debt (in percent)	4.1	3.9	3.3	3.5	3.3	3.8	3.5	3.4	3.4	3.2	3.1	3.9	3.4
Average real interest rate on domestic debt (in percent)	4.6	3.1	2.7	2.0	2.8	3.2	3.3	3.4	3.4	3.5	3.7	3.3	3.2
Real exchange rate depreciation (in percent, + indicates depreciation)	-7.9	10.0	11.1	...	...	...	...	...	...	...	...	3.1	...
Inflation rate (GDP deflator, in percent)	1.5	2.3	2.8	2.9	2.3	2.0	2.0	2.0	2.0	2.0	2.0	1.8	2.1
Growth of real primary spending (deflated by GDP deflator, in percent)	19.1	8.6	13.2	3.0	1.9	3.0	10.5	7.6	7.1	6.6	10.7	10.0	5.5
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-4.7	-1.1	-1.3	3.2	2.2	1.7	1.9	2.1	2.0	1.6	1.1	-2.4	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/





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 ((-): a primary surplus), which would stabilizes 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, 2023–33

(Percent)

		Projections 1/									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
PV of debt-to GDP ratio											
Baseline	31	30	29	27	27	26	24	23	22	21	20
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2023-2033 2/	31	29	27	25	23	21	19	17	15	13	11
B. Bound Tests											
B1. Real GDP growth	31	32	31	30	29	28	26	25	23	22	21
B2. Primary balance	31	31	32	31	31	30	28	27	25	24	23
B3. Exports	31	34	39	37	36	35	33	31	29	27	26
B4. Other flows 3/	31	31	29	28	27	27	25	24	22	21	20
B5. Depreciation	31	38	34	32	31	30	29	27	26	24	23
B6. Combination of B1-B5	31	35	33	31	31	30	28	26	25	23	22
C. Tailored Tests											
C1. Combined contingent liabilities	31	35	35	34	34	33	31	29	28	27	26
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	31	32	31	31	31	30	29	27	26	24	24
C4. Market Financing	31	35	34	32	32	31	29	27	26	24	23
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of debt-to-exports ratio											
Baseline	131	123	115	111	109	105	101	97	94	90	88
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2023-2033 2/	131	117	106	99	94	87	80	72	64	56	48
B. Bound Tests											
B1. Real GDP growth	131	123	115	111	109	105	101	97	94	90	88
B2. Primary balance	131	126	129	126	125	121	117	113	109	105	103
B3. Exports	131	165	**214**	**206**	**202**	**196**	**190**	**182**	173	164	158
B4. Other flows 3/	131	124	118	114	112	108	104	100	96	92	90
B5. Depreciation	131	123	108	103	102	99	95	90	87	85	83
B6. Combination of B1-B5	131	153	121	147	145	140	135	129	124	120	117
C. Tailored Tests											
C1. Combined contingent liabilities	131	141	140	138	136	133	129	124	120	116	114
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	131	127	126	124	125	123	119	115	111	107	105
C4. Market Financing	131	127	122	117	116	112	108	103	98	95	93
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt service-to-exports ratio											
Baseline	11	14	15	13	11	11	13	14	13	13	11
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2023-2033 2/	11	15	15	13	11	11	13	13	12	12	10
B. Bound Tests											
B1. Real GDP growth	11	14	15	13	11	11	13	14	13	13	11
B2. Primary balance	11	14	15	13	12	12	14	15	14	14	13
B3. Exports	11	**17**	**21**	**19**	**17**	**18**	**20**	**22**	**23**	**23**	**20**
B4. Other flows 3/	11	14	15	13	11	11	13	14	13	13	12
B5. Depreciation	11	14	15	12	11	11	13	13	12	12	11
B6. Combination of B1-B5	11	**16**	**19**	**16**	14	15	**17**	**18**	**17**	**17**	**15**
C. Tailored Tests											
C1. Combined contingent liabilities	11	14	**15**	13	12	12	14	15	14	14	12
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	11	15	**15**	14	12	13	15	**15**	**15**	15	13
C4. Market Financing	11	14	**15**	13	12	14	**16**	**16**	14	13	12
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt service-to-revenue ratio											
Baseline	18	**22**	**21**	18	15	16	17	17	16	16	14
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2023-2033 2/	18	**22**	**22**	**18**	15	16	18	17	16	15	12
B. Bound Tests											
B1. Real GDP growth	18	**22**	**23**	**19**	16	17	**19**	**19**	18	17	15
B2. Primary balance	18	**22**	**22**	**19**	16	17	**18**	**19**	**18**	17	15
B3. Exports	18	**22**	**23**	**20**	17	18	**19**	**20**	**21**	**20**	18
B4. Other flows 3/	18	**22**	**22**	18	15	16	17	18	17	16	14
B5. Depreciation	18	**27**	**27**	**22**	**18**	**19**	**21**	**22**	**20**	**19**	16
B6. Combination of B1-B5	18	**23**	**24**	**20**	17	17	**19**	**20**	**19**	18	15
C. Tailored Tests											
C1. Combined contingent liabilities	18	**22**	**23**	**19**	16	17	**19**	**19**	18	17	15
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	18	**28**	**28**	**24**	**19**	**19**	**20**	**20**	**19**	**18**	16
C4. Market Financing	18	**22**	**22**	**19**	16	**19**	**22**	**21**	**18**	16	14
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, 2023–33

(Percent)

	Projections 1/										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
PV of Debt-to-GDP Ratio											
Baseline	53	52	51	50	49	48	46	44	42	40	38
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2023-2033 2/	53	53	53	52	52	51	51	50	50	49	48
B. Bound Tests											
B1. Real GDP growth	53	**55**	**57**	**57**	**57**	**57**	**56**	55	53	52	51
B2. Primary balance	53	54	**56**	55	53	52	50	48	46	43	42
B3. Exports	53	**56**	**61**	**59**	**58**	**56**	54	52	49	46	44
B4. Other flows 3/	53	53	52	51	49	48	47	45	42	40	39
B5. Depreciation	53	**59**	**56**	53	50	48	45	41	38	35	32
B6. Combination of B1-B5	53	52	53	51	50	48	47	44	42	39	37
C. Tailored Tests											
C1. Combined contingent liabilities	53	**61**	**59**	**58**	**56**	55	53	51	48	46	44
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	53	**57**	**61**	**65**	**68**	**70**	**70**	**68**	**66**	**64**	**63**
C4. Market Financing	53	54	53	52	50	49	48	45	43	41	39
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	321	314	298	282	270	261	249	235	223	212	202
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2023-2033 2/	321	316	306	294	286	281	274	268	264	260	257
B. Bound Tests											
B1. Real GDP growth	321	329	331	320	313	310	302	292	284	277	272
B2. Primary balance	321	323	326	307	294	284	271	256	243	231	221
B3. Exports	321	336	353	333	319	308	294	277	261	245	232
B4. Other flows 3/	321	317	303	286	274	265	253	239	226	214	205
B5. Depreciation	321	354	326	299	278	262	242	222	204	186	172
B6. Combination of B1-B5	321	310	308	289	275	265	252	236	222	210	199
C. Tailored Tests											
C1. Combined contingent liabilities	321	365	344	324	310	300	286	270	257	244	234
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	321	433	447	456	438	421	394	362	352	342	334
C4. Market Financing	321	321	308	292	279	271	258	242	229	217	207
Debt Service-to-Revenue Ratio											
Baseline	42	49	47	37	32	28	29	26	24	22	20
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2023-2033 2/	42	49	48	41	36	33	33	32	32	32	31
B. Bound Tests											
B1. Real GDP growth	42	51	53	44	39	36	37	35	34	32	30
B2. Primary balance	42	49	51	46	37	32	31	28	27	25	23
B3. Exports	42	49	48	39	34	30	30	29	29	26	24
B4. Other flows 3/	42	49	47	37	32	29	29	26	25	23	20
B5. Depreciation	42	49	52	41	35	32	33	30	28	26	23
B6. Combination of B1-B5	42	48	47	42	33	29	29	26	24	22	20
C. Tailored Tests											
C1. Combined contingent liabilities	42	49	70	48	37	32	31	28	27	24	22
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	42	63	75	70	63	56	52	45	41	40	38
C4. Market Financing	42	49	48	38	33	32	33	29	26	23	20

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.

Statement by Mr. Facinet Sylla, Executive Director for Côte d'Ivoire, Mr. Marcellin Koffi Alle, Senior Advisor and Mr. Abdoulaye Tall, Advisor to the Executive Director

Executive Board Meeting
December 4, 2023

INTRODUCTION

1. On behalf of our Ivorian authorities, we would like to express our appreciation to Management and Staff for the constructive policy dialogue and the productive discussions held in Abidjan and in Marrakesh on the sides of the 2023 Annual meetings. The staff report broadly reflects the convergence of views between the authorities and Staff on the progress made, and on the reforms needed going forward to effectively address the remaining challenges facing the economy and pursue the path to Côte d'Ivoire's economic transformation.

2. Our authorities are particularly thankful that the IMF chose Abidjan for the curtain raiser event of this year's annual meetings. This choice to kickstart the first annual meetings in Africa in half a century was highly symbolic amidst the continent's ongoing transformation. The Managing Director said it best when reflecting on the crossing of the newly inaugurated *Alassane Ouattara Bridge*: "It symbolizes the transformation of Côte d'Ivoire from a conflict-affected and fragile economy more than a decade ago, to one of the fastest-growing economies in Africa."

3. Côte d'Ivoire continued to strengthen its position as a stability and growth pole in Sub-Saharan Africa. In a marked contrast with rising political instability and geo-political tensions worldwide, and in the Sahel region in particular, Côte d'Ivoire held peaceful city, regional, and senatorial elections in September 2023. The elections, which have been closely watched as a bellwether ahead of the 2025 presidential election, saw the highest participation rate ever recorded in Côte d'Ivoire's history, and was viewed by observers as inclusive, fair, and free.

4. On the economic front, the authorities remained steadfast in the implementation of the reforms needed to advance their agenda for deeper economic transformation under the third National Development Plan (NDP 2021-25), an intermediate step towards the achievement of longer-term development objectives under "Vision 2030". For a decade, policies under successive NDPs helped secure strong and sustained growth of 8 percent per annum on average, over the 8 years preceding the pandemic. It has been averaging 7 percent since 2021, despite the difficult backdrop of supply chains disruptions, the war in Ukraine, and tighter global financial conditions. Reversing a 25-year decline in well-being, social indicators improved significantly

since 2012. The poverty rate fell from 44 percent in 2015 to 39.5 percent in 2018/19 when the last survey was conducted. Inequality was reduced significantly with a growing middle class; and per capita income doubled to such an extent that Côte d'Ivoire reached the lower tier of the group of middle-income countries.

5. With the third NDP underway, the authorities' ambition is to double per capita income by 2030 to join the group of upper-middle-income countries, reduce extreme poverty by half, and raise life expectancy by 10 years. To support their ambitious reform agenda, while preserving debt sustainability amidst high spending pressures related to the series of chocs to the economy, the authorities concluded with the IMF, a program supported by a blend of the Extended Credit Facility/Extended Fund Facility (ECF/EFF) arrangements. The main objective of the program is to mobilize the resources needed to notably strengthen fiscal and external positions as buffers against shocks, and finance priority infrastructures and social spending, with the view to making further inroads in the structural transformation of the economy.

RECENT DEVELOPMENTS, PROGRAM PERFORMANCE, AND OUTLOOK

6. The post-pandemic economic recovery momentum continues in 2023, with real GDP growth expected to remain strong at 7.0 percent, driven by the construction and energy sectors. Inflation is projected to ease from 5.2 percent to 4.8 percent year-on-year, even though inflationary pressures stemming from energy retail price increases and supply shocks in agriculture are expected to remain. The current account position is anticipated to ameliorate. Owing to strong revenue performance, the overall fiscal balance is strengthening, with the fiscal deficit projected to decline to 5.2 percent in 2023, while debt ratios are improving.

7. The authorities are fully committed to the implementation of the IMF-supported program, with all program commitments having been met. All end-June 2023 quantitative performance criteria and indicative targets have been observed, as have all end-September structural benchmarks.

Besides the performance on revenue mobilization, key reforms implemented include improvements in tax policy and administration, notably to reduce exemptions and increase the yield of the VAT. The authorities are also enhancing spending efficiency by better targeting subsidies and allocating more resources towards priority sectors. Despite this progress, our authorities are cognizant that significant challenges remain, including those related to the successive shocks.

8. Regarding the outlook, medium-term growth prospects are promising. The economic growth rate of 7 percent is expected to be supported by productivity gains, the structural

transformation of the economy and the exploitation of new oil fields. Inflation is expected to return within the regional central bank BCEAO's 3 percent target due to the combined effects of the monetary and fiscal tightening and the easing of imported inflation pressures. The outlook is however subject to downside risks related to global financial conditions, geo-political risks, the impact of climate events, and subregional political and security instability from Sahel region. Upside risks include the development of the *Baleine* oil field, and the economic impact of the *Africa Cup of Nations* due to start in January 2024.

ECONOMIC POLICIES AND REFORMS FOR 2024

9. The policies for the remainder of 2023 and for 2024 are aligned with the authorities' commitments under the blended EFF/ECF arrangements, aiming at further transforming the economy. As such, the authorities are resolved to step up efforts to implement the program together with their overall reform agenda set forth in the homegrown NDP 2021-25 and Vision 2030.

Fiscal Policy and Debt Management

10. The authorities will continue reforms aimed at converging towards the regional 3 per cent fiscal deficit target by 2025, with the view towards creating the fiscal space needed for priority spending while preserving debt sustainability. This would represent a significant effort from the 5.2 percent deficit expected in 2023. To achieve the WAEMU regional target, the authorities are stepping up efforts to mobilize more revenue, improve the allocation of spending towards highly valued sectors, and strengthen public financial management.

11. Revenue mobilization efforts will be anchored by a comprehensive medium-term revenue strategy (MTRS). The strategy will identify key reform priorities and ensure the buy-in of key stakeholders. Developed with the support of IMF technical assistance, it will aim at streamlining the tax system, broadening the tax base by taping undertaxed sectors like real-estate, removing tax exemptions, and modernizing tax and customs administration.

12. On spending, the authorities will continue to increase spending efficiency by better targeting outlays towards high impact capital infrastructure and social projects. To that end, resources earmarked for social spending and pro-poor growth will be prioritized under initiatives such as the second-generation social program, *PS Gouv 2,* and the government program aimed at promoting vocational training and youth employment. Reforms will also seek a better targeting of subsidies, notably by increasing petrol product taxes, and the phasing out of crisis-related exceptional policies; while the Government will continue to seek to protect the most vulnerable segments of the population, including refugees from neighboring countries.

13. The authorities will also continue to advance reforms in public financial management. In this respect, they will consolidate the implementation of the Treasury Single Account by closing remaining accounts with commercial banks. They will also broaden and enhance the usage of e-procurement procedures with the view to enhancing transparency and efficiency. Finally, they will implement reform priorities identified in the recently completed green PFM and C-PIMA reports.

14. On debt sustainability, the authorities noted the main recommendations of the Debt Sustainability Analysis (DSA) report, which found that Côte d'Ivoire remains at a moderate risk of debt distress. The government reiterates its determination to continue to enact policies aimed at preserving debt sustainability and to mitigate the risks identified by the DSA. Notably, it will continue to step up domestic revenue mobilization efforts, adhere to prudent borrowing, and continue strengthening the public debt management framework. The authorities are also resolved to do what it takes to reverse the increase in liquidity pressures indicators such as the external debt service ratios following the global tightening of financial conditions. The reforms of the debt management unit are also currently underway, with notably the operationalization of the recent regulatory overhaul.

Monetary and Financial Sector Policies

15. The regional monetary policy stance continued to tighten to control inflationary pressures and help rebuild foreign exchange reserves buffers. The regional central bank (BCEAO) continued gradually raising its key policy rates for an overall 100 basis points increase since last year. The monetary authorities indicated their readiness to tighten the monetary stance further, as needed, to achieve their objectives.

16. The banking system remains resilient and profitable. It maintains a comfortable reserves cushion, with a coverage of 120 percent of mandatory reserves. Capital adequacy ratios and other financial soundness indicators are strong. Nonetheless, the authorities are closely monitoring the sector to safeguard financial stability as monetary policy tightens. Financial development and inclusion efforts will be intensified including through the reforms of public banks. In this respect, the authorities will implement the strategic plans, including by raising capital to strengthen the balance sheets of *Banque de l'Habitat* (BHCI) and *Banque Populaire* (BPCI).

17. The government has taken good note of the FATF recommendations on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and of the detailed assessment report on AML/CFT in Côte d'Ivoire. The reports highlight the significant progress made by the authorities since the 2012 mutual evaluation, including in overhauling the legal and regulatory frameworks. The authorities are committed to following up on the recommendations,

including appointing supervisors for priority sectors identified, in order notably to enhance monitoring.

Structural Reforms

18. The authorities are resolved to accelerate the implementation pace of the NDP's transformative reforms, with the view to making Côte d'Ivoire reach upper-middle-income status by 2030. They will prioritize reforms aimed at achieving higher and more sustainable private sector-led growth. In this regard, they will advance an ambitious industrialization policy, deploy regional growth clusters, and foster the development of value chains in key sectors including agrobusiness poles.

19. To improve the business environment and strengthen the economy's competitiveness, the authorities will continue to modernize and streamline public administration procedures, prioritize growth-enhancing public infrastructure, and foster a dynamic SME ecosystem. As well, they will leverage digitalization to facilitate doing business.

20. Enhanced governance reforms will be pursued. Amongst others, the authorities intend to adopt shortly the 2023-2027 National Strategy to Fight Corruption, and to operationalize the System for the Detection and Prevention of Acts of Corruption and Related Offenses. Furthermore, the High Authority for Good Governance has taken a robust stance on enforcing the asset declaration obligation for high officials, with deferrals of non-complying high officials for prosecution and administrative sanctions.

21. The government will also strive to enhance the efficiency of state-owned enterprises (SOEs), including by strengthening their governance and effectiveness through the enforcement of performance contracts, and a close monitoring of their contingent liabilities.

Climate Change and RSF-related Reforms

22. Côte d'Ivoire being on the edge of the Sahel, the authorities are resolved to accelerate reforms aimed at addressing climate change and improving the economy's resilience to climate events in line with their ambitious Nationally Determined Contributions (NDC) and their pledges under the Abidjan Legacy Initiative and Paris Accords. They reiterate their interest for an ambitious package of reforms supported by the IMF's Resilience and Sustainability Facility (RSF). To this end, the World Bank's Country Climate and Development Report (CCDR) was finalized in June 2023. The report highlighted the significant impact that climate change in Côte d'Ivoire could have on key commodity markets, including cocoa and cotton production. The assessment of green public financial management and climate-related public investment

management has also been completed with IMF’s technical assistance. Discussions on the reform measures that could be supported by the RSF are also advanced and the authorities look forward to the early January 2024 RSF program negotiation mission to finalize discussions on a robust package of reforms.

CONCLUSION

23. Côte d’Ivoire has weathered well the successive external chocs of the recent years and continue to maintain its strong growth and transformation momentum. The high access under the ECF/EFF-supported program is helping the country further withstand shocks while implementing robust reforms. The first review has shown a strong performance in meeting the prior action, all the quantitative criteria, indicative targets, and structural benchmarks.

24. Going forward, the authorities are committed to maintaining the good implementation of the program. Moreover, they are looking forward to finalizing with Staff in early 2024, the discussions on an RSF-supported program, to help the country successfully include climate-related issues in its policymaking and enhance its resilience to climate events.

25. Considering the strong performance in the implementation of the program for the first review, and the authorities’ commitment to sound policies and reforms going forward, we would appreciate Executive Directors’ favorable conclusion of the first reviews of the arrangements under the Extended Fund Facility and the Extended Credit Facility.