FOR OFFICIAL USE ONLY

Report No: PD000133

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

PROGRAM DOCUMENT FOR A

PROPOSED IDA CREDIT

IN THE AMOUNT OF EUR 285.9 MILLION (EQUIVALENT TO US$310.6 MILLION)
OF WHICH US$32.0 MILLION EQUIVALENT
FROM SCALE-UP WINDOW-SHORTER MATURITY LOAN

AND A

PROPOSED IBRD POLICY BASED GUARANTEE

IN THE AMOUNT OF EUR 500.0 MILLION (EQUIVALENT TO US$543.5 MILLION)

TO THE

REPUBLIC OF CÔTE D'IVOIRE

FOR THE

THIRD INVESTMENT FOR GROWTH DEVELOPMENT POLICY FINANCING

November 5, 2024

Economic Policy Global Practice
IBRD-IDA Guarantee Unit
Western and Central Africa Region

Republic of Côte d'Ivoire

GOVERNMENT FISCAL YEAR

July 1 – June 30

CURRENCY EQUIVALENTS

(Exchange Rate Effective as of October 31, 2024)

US$1.00 = CFA Franc (XOF) 604.25

US$1.00 = EUR 0.92

ABBREVIATIONS AND ACRONYMS

ANDE	National Environmental Agency (*Agence Nationale de l'Environnement*)
ARTCI	National Telecommunications Regulatory Authority
ARTI	Regulatory Authority for Inland Transportation
BCEAO	Central Bank of West African States (*Banque Centrale des États de l'Afrique de l'Ouest*)
BOP	Balance of Payment
CAN	Africa Cup of Nations
CCC	Coffee and Cocoa Board *(Conseil Café Cacao)*
CCDR	Climate Change and Development Report
CEM	County Economic Memorandum
CFAF	CFA Franc
CMU	Universal Medical Insurance (*Couverture Maladie Universelle*)
CNAM	National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*)
COVID-19	Coronavirus Disease
CPF	Country Partnership Framework
CPSD	Country Private Sector Diagnostic
CY	Calendar Year
DPF	Development Policy Financing
DRM	Domestic Resource Mobilization
DSA	Debt Sustainability Analysis
D4D	Debt for Development
ECF	Extended Credit Facility
EFF	Extended Fund Facility
ESG	Environmental, Social and Governance
EU	European Union
FDI	Foreign Direct Investment
FY	Fiscal Year
GBV	Gender-based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gas
HLO	High-Level Outcome
IBRD	International Bank of Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
LDPKPI	Key Performance Indicator
LDP	Letter of Development Policy
LMIC	Lower-Middle Income Country
LMO	Liability Management Operation

MFB	Ministry of Finance and Budget
MINEDDTE	Ministry of the Environment, Sustainable Development and Ecological Transition
MTRS	Medium-Term Revenue Strategy
NAP	National Adaptation Plan
NDC	Nationally Determined Contribution
NPL	Non-performing Loan
NPV	Net Present Value
PA	Prior Action
PBG	Policy-Based Guarantee
PDO	Program Development Objective
PforR	Program for Results
PFM	Public Financial Management
PPA	Performance and Policy Action
PPG	Public and publicly guaranteed
PND	National Development Plan (*Plan National de Développement*)
SCD	Systematic Country Diagnostic
SDFP	Sustainable Development Finance Policy
SLL	Sustainability linked loan
SOE	State-owned Enterprise
SPO	Second-party opinion
SSA	Sub-Saharan Africa
TA	Technical Assistance
TFP	Total Factor Productivity
TVET	Technical, Vocational Education and Training
UHC	Universal Health Care
US	United States
USSD	Unstructured Supplementary Service Data
VAT	Value-added Tax
WAEMU	West African Economic and Monetary Union
WB	World Bank

Regional Vice President:	Ousmane Diagana
Regional Director:	Abebe Adugna Dadi
Country Director:	Marie-Chantal Uwanyiligira
Practice Managers:	Hans Anand Beck, Anthony Molle
Task Team Leaders:	Nathalie Picarelli, Markus Kitzmuller, Vincent Launay

REPUBLIC OF CÔTE D'IVOIRE
Third Investment for Growth Development Policy Financing and Policy Based Guarantee

TABLE OF CONTENTS

The World Bank team responsible for preparing this operation was led by Nathalie Picarelli (Senior Economist, EECM2), Markus Kitzmuller (Lead Economist, EAWM1) and Vincent Launay (Senior Infrastructure Finance Specialist, MIGIG) under the guidance of Marie-Chantal Uwanyiligira (Country Director, AFCF2), Abebe Adugna (Regional Director, EA2DR), Hans Anand Beck (Practice Manager EAWM1), Frederico Gil Sander (Practice Manager EMFMD), Anthony Molle (Lead infrastructure Finance Specialist, Acting Practice Manager MIGIG). Xun Yan (Senior Economist, EAEM2) led the DPF at concept stage. The team consists of Etsehiwot Albert (Program Assistant, EAWM1), Micky Ananth (Operations Officer, EAWM1), Marcelle Armakah (Team Assistance, AWCF2), Helene Bertaud (Lead Counsel, LEGAM), Jean Dominique Bescond (Senior Natural Resources Management Specialist, SAWE1), Theresa Bampoe (Senior Program Assistant, EAWM1), Jean-Paul Chausse (Consultant, SAWA4), Ali Coulibaly (Education specialist, HAWE2), Jeanne Coulibaly Y Epse Oyolola (Senior Agriculture Economist, SAWA4), Laurent Damblat (Financial Officer, TRECI), Xavier Decoster (Senior Digital Development Specialist, IDD02), Nicolas Desramaut (Senior Environmental Engineer, SAWE1), Saidou Diop (Lead Governance Specialist, EAWG1), Heba Elgazzar (Program Leader, HAWDR), Alphonse Emadak (Senior Environmental Specialist, SAWE1), GianLeo Frisari (Senior Financial Sector Specialist, EFNLT), Nadine Ghobrial (Infrastructure Finance Specialist, MIGIG), Elisa Ilibagiza Mugiraneza (Counsel, LEGAM), Yves Jantzem (Senior Operations Officer, HAWE2), Karine Kouacou (ET Consultant, AFEGI), Elsa Le Groumellec (Senior Counsel, LEGAS), Mariya Maerkova (Economist, CEUAE), Eduardo Alonso Malasquez Carbonel (Senior Economist, EAWPVE), Opope Oyaka Tshivuila Matala (Senior Health Specialist, HAWH2), Miriam Muller (Senior Social Scientist, EAWPVE), Marc Navelet (Lead Transport Specialist, Program Leader, IAWDR), Tu Chi Nguyen (Senior Energy Economist, IAWE2), Jihane Obeid (Finance Officer, WFACS), Maria Eileen Pagura (Senior Financial Sector Specialist, EAWF1), Berengere P. C. Prince (Lead Natural Resources Management Specialist, Program leader, SAWDR), Alberto Portugal (Senior Economist, EAWM1), Diego Rivetti (Senior Debt Specialist, EMFMD), Aissatou Seck (Senior Counsel, LEGAM), Idrissa Sibailly (Senior Transport Specialists, IAW3), Rob Swinkels (Program Leader, EAWDR), Adama Traore (Senior Health Specialists, HAWH2), Bettina Winstel (Senior Infrastructure Finance Specialist, MIGIG), Djedje Hermann Yohou (Country Economist, EAWM1), Edith Zannou (Senior Financial Management Specialist).

The team benefitted from the support and guidance of Ousmane Diagana (Vice President, AFWVP), Pablo Saavedra (Vice President, GGEVP), Jorge Familiar (Vice President, TRECI), Marina Wes (Director of Strategy and Operations, AFWVP), Manuela Francisco (Global Director, EMFDR), Faruk Khan (Economic Adviser AFWDE), Ewa Joanna Korczyc (Lead Economist, GGEVP), Christine Richaud (Practice Manager, OPSCE), Tony Verheijen (Operations Manager, AFCF2), Nelli Khachatryan (Operations Officer AFWDE), David Elmaleh (Senior Economist, OPCSE), Furqan Ahmad Saleem (Operations adviser, OPSIL), Evgenij Najdov (Economic Adviser, OPSCE), Nelli Khachatryan (Senior Operations Officer, AFWDE). Amina Coulibaly (Senior Economist, EAWM2), Solene Rougeaux (Senior Social Protection Specialist, HECSP), Craig Meisner (Senior Economist, SCCFE), Arnaud Braud (Senior Energy Specialist, IAWE2) and David Loew (Senior Economist, IEEIG) served as peer reviewers at concept stage. The team benefitted from close collaboration with the IMF, especially from Olaf Unteroberdoerster and Claire Gicquel.

SUMMARY OF PROPOSED FINANCING AND PROGRAM

BASIC INFORMATION

Operation ID	Programmatic	If programmatic, position in series
P180234	Yes	3rd in a series of 3

Proposed Development Objective(s)

The Program Development Objective (PDO) of the proposed operation is to: (1) strengthen competition in key enabling sectors and domestic revenue mobilization; (2) expand equitable access to health and education services; (3) promote the sustainable use of natural resources.

Organizations

Borrower:	Republic of Cote d'Ivoire		
Contact	Title	Telephone No.	Email
Implementing Agency:	Ministry of Finance and Budget		
Contact	Title	Telephone No.	Email
Fanta Coulibaly	Directrice de Cabinet	2250506323737	minafoufanta@gmail.com

PROJECT FINANCING DATA (US$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? Yes

Is this project Private Capital Enabling (PCE)? Yes

SUMMARY

Total Financing	**1,216.40**

DETAILS

World Bank Group Financing

International Development Association (IDA)	310.60
IDA Credit	244.60
IDA Shorter Maturity Loan (SML)	66.00
Guarantee	543.50
IBRD	543.50

Non-World Bank Group Financing

Commercial Financing	905.80
Commercial Financing Guaranteed	905.80

IDA Resources (US$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Scale-Up Window (SUW)	0.00	0.00	32.00	0.00	32.00
National Performance-Based Allocations (PBA)	244.60	0.00	34.00	0.00	278.60
Total	**244.60**	**0.00**	**66.00**	**0.00**	**310.60**

PRACTICE AREA(S)

Practice Area (Lead)

Macroeconomics, Trade and Investment

Contributing Practice Areas

Agriculture and Food; Digital Development; Education; Health, Nutrition & Population

CLIMATE

Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

OVERALL RISK RATING	
Overall Risk	Substantial

Results

	Baseline (2021)	Status (2023/24)	Target (2025)
Pillar 1: Strengthen competition in key enabling sectors and domestic revenue mobilization			
Results indicator 1a: Financial service providers using USSD codes (number)	13	24	30
Results indicator 1b: Retail prices for telecommunications services (price of a data-only 2GB mobile-broadband basket as share of Gross National Income (GNI) per capita)	2.58% GNI p.c.	2.00%	1.80%
Results indicator 2: Share of national freight transactions carried out through the freight exchange	0	0	40
Results indicator 3: Tax revenue to GDP ratio (3-year average) (percentage) [1]	12.6% (2019-21)	13.1% (2021-23)	14.5% (2023-25)
Pillar 2: Expand equitable access to health and education services			
Results indicator 4a: Consistency of deployment of elementary school teachers.[2] (number)	0.55	N/A	0.70
Results indicator 4b: Share of female teachers among primary and secondary teachers (percentage)	32.5% and 15.0%	37% and 14.9%	35.5% and 18%
Results indicator 5: Share of secondary school students enrolled in technical and vocational education and training or apprenticeships, by sex (percentage)	(2020) Male: 2.5% Female: 2.3%	Male:3.01% Female: 2.9%	5% both sexes
Results indicator 6a: Population enrolled in the CMU program, [of which extreme poor] (percentage)	12% [1.5%]	41.5% [4.1%]	60% [6%]
Results indicator 6b: Average rate of public healthcare users having a CMU identifier (percentage)	1.7%	3.7%	12%
Pillar 3: Promote the sustainable use of natural resources			
Results indicator 7: Cocoa traced and compliant with sustainability standards (percentage of total cocoa exported per season)	0	0	30%
Results indicator 8a: Hectares of forests classified as agroforests	0	450,000	>500,000
Results indicator 8b: Hectares of agroforests with signed concession agreements	0	0	300,000
Results indicator 9: Urban coastal areas protected by climate and risk informed local urban plans (percentage)	0	0	60%

[1] The target value will reflect the average of tax revenues over three years (2023-2025), according to the latest figures from the TOFE.
[2] A value near 1 indicates that deployment is based on student needs.

IDA/IBRD PROGRAM DOCUMENT FOR A PROPOSED CREDIT AND GUARANTEE TO THE REPUBLIC OF CÔTE D'IVOIRE

1. INTRODUCTION AND COUNTRY CONTEXT

1. **This is the third Development Policy Financing (DPF) operation (in a series of three) supporting growth and investment in Côte d'Ivoire; it includes a Policy-Based Guarantee (PBG) to enable the government to implement a Liability Management Operation (LMO) and secure a Sustainability Linked Loan (SLL).** The operation includes an International Development Association (IDA) credit of EUR 225.1 million (US$244.6 million equivalent) on standard IDA blend terms, an IDA credit of EUR 60.8 million (US$66 million) in Shorter-Maturity Loan terms, of which US$32 million is from the Scale Up Window; and an International Bank of Reconstruction and Development (IBRD) Policy Based Guarantee (PBG) of EUR 500 million (US$543.5 million equivalent). The PBG, expected to mobilize EUR 800 million in commercial financing (at 60 percent guarantee coverage), will enable the government to conduct two sequential transactions (Annex 8):

a) **The first transaction would be the first component of a debt for development (D4D) swap program.** As part of the program, part of the PBG would facilitate a LMO by which the government would contract a commercial loan in 2024 to buy back around EUR 400 million of expensive commercial debt. This LMO would improve the country's debt amortization profile and put Côte d'Ivoire's debt trajectory firmly at a moderate risk of external debt distress. The government intends to invest the resulting fiscal space in scaling up education sector development outcomes. The second component of the debt for development swap program uses an ongoing Program for Results (PforR) in the education sector. The PforR would be used to monitor the achievement of the more ambitious education outcomes.[3] Taken together, the PBG-supported LMO and the PforR would constitute **the first application of the new World Bank-International Monetary Fund (IMF) framework for debt for development swaps.**[4]

b) **The second transaction supported by the PBG utilizes the remaining portion of the PBG to secure an SLL** in 2025 to tap into the new Environmental, Social, and Governance (ESG) investor segment in line with Côte d'Ivoire's commitment to environmental sustainability.

2. **The proposed operation brings together a suite of World Bank Group (WBG) financial instruments, technical assistance (TA), and knowledge to maximize development outcomes for Côte d'Ivoire, while supporting the country in reinforcing debt sustainability and mobilizing private capital.** The LMO is expected to ease liquidity pressures in 2025-2027, leading to over one percentage point (pp) reduction in the debt service-to-revenue ratio from its peak of 2025[5] (Figure 1). In addition, it creates fiscal space that the government intends to use to finance more ambitious outcomes in the education sector through its own budget process. Côte d'Ivoire ranks among the lowest internationally and below average for sub-Saharan Africa (SSA) on the Human Capital Index at 0.38. This innovative debt for development swap program approach helps the government mobilize private capital for development and prioritizes transparency and accountability in the use of resources, while applying country systems for implementation and results, in strong alignment with the national priorities. The remaining portion of the PBG will facilitate issuance of an SLL in early 2025, building on WBG's ongoing TA to support the development of Côte d'Ivoire's sustainability financing framework, including environmental and social key performance

[3] The Côte d'Ivoire Strengthening Basic Education System Operation (P177800) will be used for monitoring of D4D commitments. The operation will be restructured separately to show higher ambition in disbursement linked indicators.
[4] World Bank. Debt for Development Swaps: An Approach Framework (English). Washington, D.C.: World Bank Group. http://documents.worldbank.org/curated/en/099080524122596875/BOSIB170e4732504619bc417c0d0996ec21
[5] The buyback assumes a target of external commercial loans maturing between 2029 and 2033 and carrying variable interest rates, with a total cost currently higher than 8 percent p.a. Replacing these loans with the PBG-backed one is expected to generate savings in net present value terms of up to EUR 60 million using a discount rate of 7.7 percent or Côte d'Ivoire's yield curve. The PBG-backed commercial loan is assumed to have a maturity of 15 years, 6 years grace period and interest at 6 percent.

indicators (KPIs). The PBG portion enabling the SLL will be made available subject to the issuance by the second-party opinion (SPO) provider of a satisfactory SPO in respect of the KPIs outlined in the sustainability-linked financing framework.

Figure 1: Expected changes to selected External PPG Debt indicators under the planned Debt for Development Swap

Source: World Bank Staff simulations as of October 2024.

3. **One of the fastest-growing economies in sub-Saharan Africa pre-pandemic, Côte d'Ivoire's growth model has shown signs of exhaustion and requires continued efforts to sustain structural reforms.** Between 2012-2019, real Gross Domestic Product (GDP) growth averaged 8 percent (5.4 percent in per capita terms) on the back of sound macroeconomic policies and political stability. The poverty rate using the national poverty line declined from 44 to 39.5 percent between 2015-2018.[6] Over the last 3 years, however, faced with global and regional headwinds, growth has moderated to 6.2 percent in 2021-24 and while poverty rates have declined, the number of poor people has increased due to demographic growth and stagnation in rural poverty reduction.[7] Meeting the government's target of doubling real GDP per capita and halving poverty to 20 percent within a decade will require sustaining high economic growth through productivity-driven - transformation, human capital accumulation and environmental sustainability. Fiscal space for public investment will have to increasingly be complemented by private investment, both directly supported through this operation.

4. **This operation is underpinned by a strong reform program supported by the third DPF in a programmatic series aligning with Côte d'Ivoire's inclusive growth objective of becoming an upper middle-income economy.** Policy and institutional reforms supported by the program address structural bottlenecks to enable efficient allocation of resources and sustain inclusive growth under mounting climatic threats, in line with government priorities and identified in recent World Bank diagnostics.[8] Reforms supported under Pillar 1 of the operation focus on strengthening competition in key enabling sectors, notably financial services, telecom, and transport, and domestic revenue mobilization. Reforms under Pillar 2 aim at expanding equitable access to health and education services through the reinforcement of the quality of education, alleviation of skills mismatch in labor markets through more effective professional skills systems, and promotion of a more robust, sustainable, and inclusive health insurance. Finally, reforms under Pillar 3 promote the sustainable use of natural resources. High levels of coastal erosion fragilize coastal areas which generate more than 60 percent of value-added, while aggressive deforestation amplifies climate change and compromises the sustainability of cocoa production, the main export crop. The reforms support traceable, sustainable cocoa production ensuring rural livelihoods, containing deforestation due to aggressive agricultural practices, as well as strengthening the environmental regulatory framework economy-wide, with a special attention to climate vulnerable coastal areas. Finally, by enabling debt, environmental and social sustainability - through the financial structuring of the facilitated D4D swap and the SLL- this operation further complements the objectives set out by the supported reform agenda.

[6] The surveys in 2015 and 2018/2019 are not directly comparable due to methodological differences and have been adjusted for that purpose.
[7] The poverty rate edged down from 39.4 percent in 2018 to 37.5 percent in 2021, but the absolute poverty-stricken population rose to 11.2 million due to demographic growth. Poverty reduction in urban areas, including a 3.2 percent drop in Abidjan, contrast with a mere 0.2 percent decrease in rural regions.
[8] Notably the Country Private Sector Diagnostic (CPSD), Systematic Country Diagnostic Update (SCD, World Bank 2022), the Country Economic Memorandum (CEM, World Bank 2022), the Public Finance Review (PFR, World Bank 2023), and the Country Climate and Development Report (CCDR, World Bank 2023).

2. MACROECONOMIC POLICY FRAMEWORK

5. **Côte d'Ivoire's macroeconomic policy framework is adequate for this operation**. While the economy remains vulnerable in the face of global and regional uncertainty, volatile food and fuel prices, the macroeconomic and structural policies being pursued by the authorities support growth in Côte d'Ivoire to remain robust over the medium term. The new National Development Plan (*Plan National de Développement,* PND) under preparation 2025-2029 also underpins the reform agenda to broaden the base for growth, increase private sector participation in the economy, reinforce human capital and infrastructure while reducing gender gaps. The government has acknowledged macroeconomic imbalances that were amplified by recent external shocks in 2020-2022 and since implemented a prudent macroeconomic policy mix to, focusing on revenue-based fiscal consolidation anchored by an IMF program and the West African Economic and Monetary Union (WAEMU) framework. The fiscal deficit is set to reach the WAEMU target of 3 percent of GDP in 2025. Debt management has improved steadily in the last two years. Public debt is sustainable, and the risk of overall and external debt distress is moderate. Active debt management including through the PBG-facilitated LMO will further solidify a downward debt trajectory, while the country aims at tapping more actively into climate finance options to address their long-term development needs. Regional financial institutions have shown resilience and adequate financial supervision, with the regional Central Bank responding to inflation in a timely manner.

2.1. RECENT ECONOMIC DEVELOPMENTS

6. **Having shown resilient in 2023, the Ivorian economy started 2024 robustly.** Persistent global headwinds and regional tensions hindered performance in 2023, keeping real GDP growth steady at 6.2 percent (3.3 percent in per capita terms) from 2022. Economic activity was driven by investment while private consumption growth slowed with the rollback of crises-related subsidies. Public investment was above pre-pandemic levels in part for the Africa Cup of Nations (CAN), and private investment diverted from neighboring Sahelian countries. Manufacturing (notably energy and mining) and service sectors continued to underpin economic growth on the supply side. Agriculture, particularly export-oriented, underperformed due to unfavorable weather conditions exacerbated by disease.[9] 2024 started on better footing. Consumption picked up thanks to the success of the CAN in Q12024 and the easing of inflation.

7. **Inflation continued to moderate.** After reaching a 10-year high of 5.2 percent in 2022, headline Consumer Price Index inflation averaged 4.4 percent in 2023. It continued to decline reaching 3.8 percent y/y in July 2024, partly reflecting easing commodity price inflation and lower food prices. Inflation remains above the regional Central Bank (*Banque Centrale des Etats de l'Afrique de l'Ouest*, BCEAO) target range of 1-3 percent.

Table 1. Contributions to GDP growth – (2021-2027)

		Average 2015-19	2021	2022	2023e	2024p	2025p	2026p	2027p
	GDP at constant prices (%)	6.7	7.1	6.2	6.2	6.1	6.4	6.4	7.0
Demand side:	Consumption	5.5	4.0	3.8	2.8	3.0	2.0	2.5	2.5
	of which Private	4.6	3.4	2.8	2.0	2.5	1.7	2.0	2.0
	Investment	1.7	3.6	3.6	4.0	5.1	3.5	3.5	3.5
	of which Private	1.9	2.5	2.5	3.2	3.0	2.8	2.7	2.8
	Exports	1.8	4.1	4.3	3.5	1.5	3.5	3.9	3.9
	Imports	0.8	3.8	6.6	4.1	3.5	2.6	3.5	2.9
Supply side:	Agriculture	1.1	0.8	0.9	0.1	0.8	0.7	0.9	0.8
	Industry	1.5	1.5	1.6	1.7	1.8	1.8	2.0	2.9
	Services	4.1	4.8	3.7	4.4	3.5	3.9	3.5	3.3

Sources: World Bank and IMF staff estimates and projections (as of October 2024). Notes: supply side includes proportional net indirect taxes. On the demand side, changes in inventories for the historical series explain the difference.

[9] Cocoa, coffee, and cottonseed production fell by 22.8, 50.9 and 44.9 percent respectively.

8. **External imbalances are declining from an all-time high in 2023.** A slowdown in external demand, combined with capital-intensive imports and larger deficits in the services trade balance, pushed the current account deficit further to 7.9 percent of GDP in 2023 despite improving terms of trade. Terms of trade gains of 20.7 percent in 2023, based on higher cocoa and coffee prices relative to lower global food and energy costs, raised the trade in goods surplus. However, the service trade deficit widened in 2023 due to more technical services imports in oil and mining. The CAD is expected to slowly improve to historical levels in 2024. The large Eurobond issuance in January 2024 (US$2.6 billion) added to WAEMU reserves, already up since their 2022 low, to 4.4 months of imports coverage at end-2023.

Table 2. Financing needs and requirements (2021-2027)

	2021	2022	2023e	2024p	2025p	2026p	2027p
Financing Requirements	3.9	7.8	7.9	5.7	3.1	2.5	2.2
Current Account Deficit	3.9	7.7	7.9	5.7	3.1	2.5	2.2
Net Errors and Omissions	0	0.1	0.0	0.0	0.0	0.0	0.0
Financing Sources	3.9	7.7	7.9	5.7	3.1	2.5	2.2
Capital Account Balance	0.2	0.1	0.3	0.1	0.1	0.2	0.2
Net Foreign Direct Investment	1.5	2.0	2.9	3.8	3.8	3.3	2.8
Net Portfolio Investment	0.9	-0.6	-0.6	1.7	0.2	0.1	0.2
Net Govt Foreign Borrowing	3.9	4.8	2.5	1.7	1.0	1.0	1.0
Net All Other Flows	0.1	0.5	0.5	-1.9	0.5	0.2	0.5
Change in reserve assets [-=increase]/1	-2.7	1.0	2.0	0.3	-2.5	-2.3	-2.5

Sources: IMF and World Bank staff estimates and projections (as of October 2024). Notes /1 excludes RSF

Table 3. Selected macroeconomic indicators (2021-2027)

	Average 2015-19	2021	2022	2023e	2024p	2025p	2026p	2027p
	Percentage change							
Real GDP (%)	6.7	7.1	6.2	6.2	6.1	6.4	6.4	7.0
Consumer prices (Annual average)	0.8	4.2	5.2	4.4	4.0	3	2.2	2.2
GDP deflator	-	3.9	2.1	2.9	3.1	2.4	2.0	2.3
Central government finance	*% GDP unless specified*							
Total Revenue and Grants	14.6	15.6	15.3	16.2	16.8	17.7	17.8	18.3
Total Expenditure	17.3	20.5	22.1	21.5	20.8	20.7	20.8	21.3
Overall balance (incl grants)	-2.7	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0
Grants	0.9	0.5	0.5	0.7	0.5	0.4	0.2	0.2
Balance of payments (BOP)								
Foreign Direct Investment	0.9	1.5	2.0	2.9	3.8	3.8	3.3	2.8
Current account balance (incl. grants)	-1.9	-3.9	-7.7	-7.9	-5.7	-3.1	-2.5	-2.2
Overall BOP balance	-0.6	-1.6	-3.7	-1.5	1.0	1.6	2.6	-1.6
Terms of trade (annual % change)	-1.8	-16.8	-18.2	7.4	22.6	12.5	-2.8	0.8
Debt								
Central government Debt	35.2	50.2	56.6	58.1	59.2	56.1	54.4	52.7
External debt (% of total)	21.1	30.4	34.5	35.9	35.9	36.4	35.7	34.3
Memorandum items:								
Nominal GDP (CFAF Billions)	33972.3	40367	43771	47843	52356	57068	61876	67848
Nominal GDP (US$ billions)	52.38	73.0	70.0	79.0	86.0	93.0	101.0	111.0
Population (million)		29.4	30.2	31.1	32.0	32.9	33.8	34.8
Real GDP per capita (annual % change)	3.8	4.1	3.3	3.2	3.5	3.4	3.4	4.0

Sources: World Bank and IMF staff estimates and projections (as of October 2024).

9. **Revenue-based fiscal consolidation that started in 2023 is supporting fiscal and debt sustainability.** After rising to a decade high of 6.8 percent of GDP in 2022,[10] (more than double pre-COVID levels), the authorities committed to reach the WAEMU fiscal deficit target of 3 percent of GDP in 2025, supported by the World Bank DPF and the IMF program. Consolidation has been steadfast. The fiscal deficit narrowed to 5.2 percent in 2023, on the back of improved revenue collection and lower expenditure. Tax policy and administration measures bolstered revenue collection which increased by 1 pp to 16 percent of GDP. The roll back of one-off subsidies that had responded to inflation, and efficiency-related gains of 0.6 pp, concomitantly brought spending down, while capital expenditure was sustained reflecting investments in infrastructure for the implementation of the PND. The reform impetus has continued in 2024, with the Budget Law adopting a fiscal deficit of 4 percent of GDP, on track as of October 2024. The adoption of the Medium-Term Revenue Strategy (MTRS) in May 2024 (Structural Benchmark under the IMF program, see section 4)[11] represented another key milestone and signaled continued commitment to boosting domestic revenue with a high-level roadmap for reforms, supported by TA from the IMF and World Bank.

10. **The stock of public debt is expected to peak in 2023-2024 with a recent liquidity management operation supporting debt sustainability.** Public debt has been increasing steadily over the last decade to finance social and infrastructure needs under the PND. At end-2023, PPG debt increased to 58.1 percent of GDP, with external debt increasing by 1.4 pp of GDP. The significant build up in public debt coinciding with tight financial markets had been creating pressures for rolling over Eurobond dues in 2024-25. In addition, recent commercial loans have increased debt servicing costs. A successful LMO carried out between January and April 2024, following the issuance of a first Eurobond by an African sovereign since 2022, has helped improve debt sustainability and smooth debt service. The LMO included the partial buyback of the 2025 and 2032 Eurobonds, as well as both total and partial early repayments of 16 commercial loans from 8 creditors. The operation generated a cumulated gross debt service saving of 2.3 percent of GDP between 2024 and 2032 with a peak 0.9 percent of GDP in 2025, while public debt levels are still expected to peak in 2024 and begin a firm downward trajectory from 2025.

11. **The BCEAO tightened its policy stance in 2023.** The monetary and exchange rate policies are managed by the BCEAO, maintaining a fixed peg between the CFA Franc and the Euro. To counter inflation across WAEMU countries, the BCEAO raised policy interest rates by a cumulative 150 basis points since the start of 2022 to 3.50 percent for liquidity calls and 5.50 percent for the marginal lending facility. Financial conditions subsequently eased from late 2023 with BCEAO sovereign debt purchases in July and September 2023, while interbank rates declined by about 100 basis points.

12. **Financial sector resilience continues to improve amid a recovery in private credit.** Despite monetary tightening, credit growth to the private sector accelerated from 7.3 percent in 2022 to 16.2 percent in 2023, while credit to the public sector slowed due to the fiscal adjustment. Financial strength remains sound, with bank solvency improving and the ratio of non-performing loans (NPL) to total loans falling to 7.2 percent in 2023 from 7.8 percent in 2022. At the end of 2023 the authorities finalized terms for divesting most of their ownership of one of the two remaining state-owned banks.

2.2. MACROECONOMIC OUTLOOK AND DEBT SUSTAINABILITY

13. **Maintaining a focus on macroeconomic stability is required to ensure sustainable growth over the medium term.** The government's commitment to tackle macroeconomic imbalances by curbing inefficient expenditures, continuing to boost revenue, applying a cautious external borrowing strategy, actively managing debt, and

[10] The surge reflects higher security spending, and both lower tax revenue from forgone taxes to curb pressures on prices for petroleum-related products (0.6 percent of GDP) as well as subsidies to various sectors affected by inflation (1 percent of GDP). Capital expenditures have also consistently risen to finance infrastructure projects reaching 6.8 percent of GDP in 2022 (+1.5 ppts above 2021-levels) as the government accelerates projects under the PND.
[11] The MTRS was developed with joint TA from the World Bank and the IMF.

pursuing ongoing structural reforms will be vital to support medium-term growth objectives.

14. **Assuming prudent macroeconomic policies and persistent structural reforms, growth should remain robust in the medium term and close to potential output.** As the country continues to address structural bottlenecks to enable an efficient allocation of resources, deepen capital accumulation and progressively move towards better quality of human capital, it should remain close to potential output growth estimated at 6 percent.[12] Growth is expected to remain around 6.1 percent in 2024 (3.7 percent per capita), boosted by the hosting in Q1 of the CAN and the start-up of the first operating phases of new oil and gas fields, and to average 6.4 percent in 2025-26. Growth is driven by a broad range of economic activity. The expanding extractive sector and exploitation of the recent oil discoveries (notably the new "Calao" oil field), continued investments in network infrastructure notably in digital and transport sectors, together with prudent macroeconomic policies, should boost business confidence and increase productivity. Plans to develop value chains, underpinned by a new PND, could raise agricultural productivity and manufacturing activity. Investments in climate change adaptation and mitigation in alignment with the newly adopted National Adaptation Plan (NAP) (2023) should support a resilient economic transformation. Inflation is projected to continue easing, and with the exchange rate anchored to the Euro, reaching the WAEMU target band is anticipated earlier than in 2025.

15. **The CAD (incl. grants) should start narrowing in 2024 and converge to historical levels in the medium term.** The positive terms of trade led by rising cocoa prices to historically-high levels should drive most of the narrowing in the CAD in the medium term supported by the implementation of the sustainable cocoa traceability system. IMF projects cocoa-related export proceeds to rise from 7 percent of GDP in 2023 to 11 percent of GDP in 2025. The progressive increase of oil exports, thanks to new discoveries already on stream, ongoing reforms to boost competitiveness including in the energy sector as well as continued efforts to improve the investment climate (notably competition in telecom, financial services, and transport) should improve export competitiveness. In the medium term, the CAD should gradually improve to less than 3 percent of GDP in 2026. It is expected to be financed by official loans and portfolio flows and rising foreign direct investment (FDI).

16. **Fiscal consolidation efforts are expected to continue anchoring macroeconomic stability, with a mix of revenue gains and targeted expenditure rationalization.** The authorities are committed to achieving the regional target of a 3 percent GDP fiscal deficit by 2025 by intensifying consolidation, while safeguarding spending in priority areas. Sustained effort is expected to increase tax revenue to GDP by at least an annual 0.5 percent of GDP between 2024 and 2026 through new and permanent tax policy and tax administration measures. This is in line with the efforts achieved since 2022 when tax revenues to GDP increased by 1.6 pp under the IMF program and in line with the authorities' newly adopted MTRS. Revenues from petrol-related taxes have rebounded in 2023 and 2024 following the partial reinstatement of the taxable base for fuel consumption and recent digitalization efforts have raised value-added tax (VAT) collection. The government is also controlling the wage bill by limiting new hires in the civil service, with exceptions for health and education to meet the growing population's demand. The rollout of the e-procurement platform is progressing, as are the C-PIMA (2023) recommendations.

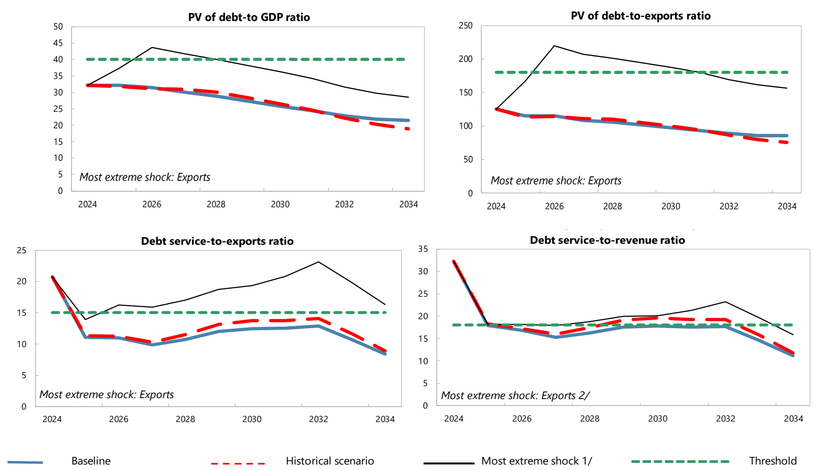
17. **Bringing public debt levels down sustainably remains the authorities' main challenge.** Public and external debt remain sustainable, but continued risks require sustained revenue-based fiscal consolidation, stronger economic management, and institutions, as well as active debt management. According to the latest World Bank and IMF debt Sustainability Analysis (DSA) of June 2024[13], the external debt service-to-revenue indicator breaches the threshold once, in 2024 mainly owing to the LMO financed by the January 2024 Eurobond issuance. Côte d'Ivoire was the first African country to issue in international markets since April 2022, with a US$1.5 billion

[12] Country Economic Memorandum (2022); IMF Art IV 2023.

[13] Joint IMF-WBG Debt Sustainability Analysis (June 2024). The post-mission DSA for the 3rd Review of the ECF/EFF and 2nd review under the RSF is ongoing. It will include a scenario of the impact of the PBG-backed LMO.

traditional Eurobond with a 13-year maturity at a yield of 8.5 percent, a US$1.1 billion ESG bond with a nine-year maturity at 7.875 percent, and an EUR-US$ hedge that resulted in effective interest rates in euro terms of 6.85 percent and 6.3 percent, respectively. Over 70 percent of the proceeds were used to complete the LMO that has helped smooth the debt service profile in the near term. The external debt service-to revenue ratio remains below the threshold during the remainder of the projection period as do all other projected external debt burden indicators under the baseline. All indicators are susceptible to breaches under stress scenarios, the most extreme of which involves a shock to exports. The Present Value (PV) of overall debt-to-GDP ratio is below its threshold, but exceeds it in most stress scenarios, the most extreme of which involves the shock to exports. A customized stress test shows that the natural disaster shock is the most extreme shock of public debt. While debt sustainability risks remain higher than pre-COVID, the country has a solid track record of market access, and a consistent and effective debt management, further substantiated by the debt management law of 2023 and upgrades from major credit rating agencies.

Figure 2: Selected indicators of PPG External Debt under Alternative Scenarios, 2023–2033



Source: Latest published DSA June 2024.

18. **Strong near-term policy measures and active debt management, including a PBG-enabled LMO, would support debt sustainability and growth.** While the LMO carried out earlier this year helped smooth the debt service profile, further efforts can bolster fiscal buffers against shocks. The external debt-service-to-revenue ratio remains close to the threshold during the projection period, including one temporary breach (Figure 2). Public and Publicly Guaranteed (PPG) debt should remain at about 59 percent of GDP in 2024, including external debt of 36 percent of GDP (80 percent is commercial debt), and the space to absorb shocks remains limited. The first component of the D4D program would support the country's active debt management and reprofiling effort in 2024 (Figure 1 and Annex 8), complementing the larger LMO realized earlier in the year. At the same time, the operation enables access to climate finance by partially guaranteeing Côte d'Ivoire's first SLL. Commercial terms on the SLL should be competitive thanks to the PBG, and is expected to replace more expensive commercial debt already included in the DSA, reducing the overall debt service burden in the medium term, while diversifying the country's investor base.

19. **Ivorians continue active debt management in line with the MTDS.** Debt management and transparency are considered relatively strong, and improvements were made through the FY21-24 Performance and Policy Actions

(PPAs) in IDA20 Sustainable Development Finance Policy (SDFP)[14] to increase transparency, notably with the publication of debt statistics on new commitments, on-lending and guaranteed debt in the Debt Portal. The medium-term debt strategy for 2023-26 rebalances external and domestic borrowing, and now envisages 60 percent of new financing would come from domestic sources. For external debt, it favors borrowing in euros and CFA francs to limit exchange rate risk (given the peg to the euro) and prioritizes concessional financing.

20. **While the banking system appears resilient, continued vigilance from supervisory authorities and reforms to address systemic vulnerabilities should continue in the medium-term.** Authorities are committed to monitoring sectoral fragilities. Banking supervision has improved but the bank resolution regime introduced in 2018 is not fully operational and funding resources available for bank resolution need to be strengthened. The latest Financial Sector Assessment Program (FSAP) conducted in 2022, highlighted the need to strengthen supervisor autonomy and resources to support the implementation of risk-based supervision. Supervisors need to impose monetary sanctions more consistently, publish their enforcement decisions, and refrain from repeated use of stays of proceedings. Resolution and liquidation tools should be applied to resolve undercapitalized, nonviable institutions. The resources of the Deposit Guarantee and Resolution Fund (FGDR-UMOA) and the autonomy of the Resolution College of the CBU (the WAMU's Banking Commission) also need to be reinforced.

21. **Risks to the outlook are substantial, with headwinds stemming from regional instability and trade volatility.** Political instability in the Sahel and macroeconomic imbalances across major economies in the subregion add to protracted global economic uncertainty and external shocks. In this context, additional security spending pressures could slow down the pace of fiscal consolidation. A slower than expected monetary easing cycle in advanced economies would also limit Ivorian capacity to continue actively refinancing external debt. The vulnerability to climate change could impact cocoa production and coastal areas, and thus affect the livelihood of many rural and urban poor. It could also have an impact on cocoa exports and their contribution to growth in the medium term. Finally, Presidential elections in the second half of 2025 may create uncertainty and impact investors' sentiment. At the same time, risks have become more balanced, thanks to new activity in the hydrocarbon exploration and production sector in Côte d'Ivoire[15], with increased foreign investor interest and ratings and outlook upgrades by rating agencies. The IMF program is on track and has proven an anchor for fiscal and debt sustainability.

2.3. IMF RELATIONS

22. **The IMF supported program under the Extended Fund Facility (EFF), the Extended Credit Facility (ECF) and the Resilience and Sustainability Facility (RSF) are on track.** On May 24, 2023, the IMF Executive Board concluded a US$3.5 billion (400 percent of quota) arrangement under the EFF and the ECF to support the gradual narrowing of the fiscal deficit over the medium term to the WAEMU convergence criterion by 2025. The program ensures near-term macroeconomic stability and supports deeper economic transformation over the medium-term. Performance under the program has been satisfactory as of the second review (concluded in July 2024) on all policies, including key parameters of the 2024 fiscal framework and reform measures going forward in line with the program objective. On March 15, 2024, the Executive Board approved a 30-month RSF arrangement for a total amount of US$1.3 billion (150 percent of quota), to support reforms in strengthening adaptation and mitigation, particularly in areas of agriculture, transport, infrastructure, and public financial management (PFM), informed by the World Bank's Climate Change and Development Report (CCDR) (2023). First review under the RSF was on

[14] The objective of the Sustainable Development Finance Policy (SDFP) is to incentivize countries to move towards transparent, sustainable financing and to promote coordination between IDA and other creditors in support of recipient countries' efforts.

[15] The authorities are forecasting a doubling of oil production generated by a 180 percent increase in production from the Baleine field in 2027, corresponding to the start of Phase 3. The production from the Baleine field should contribute to 80 percent of total production in 2027, compared to 19 percent in 2023. Production has already ramped up to almost 30 percent in 2024.

track. The IMF reached staff level agreement on the third review under the ECF and EFF, and the second review of the RSF on October 10, 2024. The Board is expected on December 12, 2024. The technical teams of the World Bank and the IMF have worked in close coordination and cooperation during the preparation of the operations.

3. GOVERNMENT PROGRAM

23. **In December 2021, Côte d'Ivoire adopted the PND 2021-2025, as its main strategic planning document to sustain high economic growth and inclusion in the medium-term.** The PND is based on the Vision 2030 – that of achieving upper middle-income country (UMIC) status by 2030 and doubling real GDP per capita. It has three main goals: (i) developing the national industry to make it an engine of the economy and a provider of decent jobs; (ii) ensuring better factor productivity, in particular human capital; and (iii) strengthening governance to support the private sector through an inclusive development process. The plan is underpinned by the premise of a solid and stable macroeconomic framework. The PND 2026-2030 is currently under preparation.

4. PROPOSED OPERATION

4.1. LINK TO GOVERNMENT PROGRAM AND OPERATION DESCRIPTION

24. **The Project development objective (PDO) is to:** (1) strengthen competition in key enabling sectors and domestic revenue mobilization; (2) expand equitable access to health and education services; (3) promote the sustainable use of natural resources. The program of reforms supported by the operation are organized around the three pillars of the PDO and have strengthened during preparation of the operation (see Annex 2 for changes).

25. **The proposed operation directly supports the first three categories of actions of the PND, is aligned with the country's climate change commitments and the Paris Agreement.** Côte d'Ivoire has made ambitious commitments to climate action in its latest Nationally Determined Contribution (NDC) and is the first (and only) African country to have adopted the CCDR as their framework strategy through Cabinet. By 2030, it aims to reduce vulnerability and increase resilience in priority sectors, selected for their high degree of vulnerability and important contribution to the Ivorian economy and poverty reduction. As such the operation is informed by the CCDR. The priority target areas supported in this DPF include: (i) promoting sustainable agricultural practices (Prior Action, PA#7); (ii) strengthening the protection of forests and preventing land degradation as well as restoring degraded lands and forests (PA#8); and (iii) building capacity for integrated management of coastal zones (PA#9). This operation is also supporting increased ambition of reforms in the energy sector where the government has committed to improve the financial viability of the utility through the adoption of a plan to clear arrears and accelerate investments in renewable energy (see Letter of Development Policy (LDP), Annex 7). All prior actions are aligned with the mitigation and adaptation and resilience goals of the Paris Agreement. The operation contributes to mitigation by preventing deforestation (PA#8) and building resilience to climate hazards by incorporating sustainability in agricultural practices (PA#7) and protecting coastal areas (PA#9).

26. **The operation also supports outcome area four of the new corporate score card: effective macroeconomic and fiscal management.** By improving tax revenue collection, it supports a stable fiscal environment that can help government manage debt and marshal resources to deliver services such as health, education, and infrastructure.

4.2. PRIOR ACTIONS, RESULTS AND ANALYTICAL UNDERPINNINGS

PILLAR 1: STRENGTHEN COMPETITION IN KEY ENABLING SECTORS AND DOMESTIC REVENUE MOBILIZATION

27. **Strengthening competition in key enabling sectors and domestic resource mobilization (DRM) to remove barriers for private and public investment.** First, removing market frictions in key upstream sectors while enabling

competition is crucial for productivity growth and competitiveness (Acemoglu et al. 2007; Aghion and Griffith 2008). Ivorian markets – notably in the transport sector - are characterized by relatively high price mark ups as well as perceptions of weak market competition. Moreover, prioritizing digital development and freight transport can have significant impact downstream for consumers and private sector development, including deepening the financial sector. Second, supporting structural revenue-generating reforms for greater DRM is a central agenda as the country realizes a revenue-based fiscal consolidation to conserve fiscal and debt sustainability while building the fiscal foundations for realizing its growth aspirations.

Prior Action 1: To improve the competitiveness of digital services, the Recipient has (i) adopted two decrees implementing the Electronic Communications Law, that define telecom activities, and stipulate the royalties and fees for telecom operations; and (ii) adopted a ministerial *arrêté* revising the framework for the protection of personal data.

28. **Rationale and recent progress.** Competition in the telecommunication sector – for example, through the establishment of clear rules of participation and a level playing field for actors involved - brings down costs of basic digital infrastructure that benefits society as a whole and the most remotely connected (spatially and/or socially) in particular. Competition is important for telecommunications and digital development due to their significant impact on downstream sectors, private sector development and consumers. Digitalization also brings innovations like mobile money, and thus deepens the financial network by integrating those unbanked. The government adopted the *Digital Strategy 2025* in December 2021, to accelerate efforts related to the digital transformation. In that context, they launched a review of the regulatory and institutional framework. In October 2022, the telecommunications regulatory authority (ARTCI) adopted a new price structure opening access to Unstructured Supplementary Service Data (USSD) codes (DPF1/P178064),[16] establishing a price ceiling for the first time in Côte d'Ivoire. This guaranteed access to the USSD channel at an equitable price for all parties, and reduced costs significantly. Two important legal reforms took place in early 2023, including a revision of the law on cybercrime and the adoption of the Start Up law aiming at promoting digital startups across all sectors. In June 2024, the President promulgated the law on Electronic Telecommunications (DPF2/P179006), offering the latest regulations to support investments in new networks (fiber, 5G).

29. **Policy reform description.** To reinforce the competitiveness of the sector, the timely implementation of some key dimensions of the Electronic Telecommunications Law is vital. These include: (i) the legal framework for sharing digital infrastructure within the telecom sector and across sectors to ensure fair access to the network; (ii) increased monitoring of potential anti-competitive practices through the reinforcement of the regulator; and (iii) provisions for a more affordable and inclusive access to digital services for individuals and businesses. To that aim, the Cabinet adopted two decrees: one on the categorization of telecom activities to better define and organize different types of telecommunications services in order to strengthen the proper management and oversight of the telecom sector; and one on the sectoral contribution (such as regulatory fees and contribution to research, training, and standardization) to ensure that telecom companies contribute fairly to the sector's development and regulatory oversight (PA#1 (i)). At the same time, there was a need to reinforce the framework on the protection of personal data given the revised law and the current digital environment by enhancing the role of Data Protection Officers in the country and addressing several issues identified over the years, such as the lack of resources, insufficient protection, and conflicts of interest faced by Data Protection Officers (PA#1 (ii)).

30. **Expected Results:** The series of reforms encouraging fair competition is expected to continue reducing costs of using USSD codes and the retail prices for telecommunication services, which will also facilitate the expansion

[16] The USSD code is a communication protocol used by GSM cellular telephones to communicate with the mobile network operator's computers. This code is considered an essential part of the infrastructure used to provide e-money services on almost all phones, especially in the WAEMU region. The codes are generated by the telecom operators who are not necessarily required to grant access to their infrastructure.

of financial institutions' mobile money service to the population. Results Indicator - RI#1: In 2019, there were more than 50 requests for USSD codes, but only four were granted (World Bank 2019a). Since the decision, 32 codes have been granted, signaling a turning point, with 102 institutions using USSD codes, including 24 financial institutions. RI#2. Thanks to greater competition in the telecom system, increased competitiveness of digital services, retail prices for telecommunications services (price of a data-only 2GB mobile-broadband basket as share of Gross National Income (GNI) per capita) should decline from 2.58 percent of GNI per capita in 2021 (2 percent in 2023), to 1.8 percent of GNI per capita in 2025, with the target ambition revised upward to reflect faster progress. The Côte d'Ivoire Digital Acceleration Project (P180059) is supporting the necessary investments for the successful achievement of the results.

Prior Action 2: To reduce freight prices and anti-competitive practices, the Council of Ministers has adopted a decree regulating the auxiliary and intermediate transport professions by establishing rules for accreditation and transacting within the freight exchange.

31. **Rationale and recent progress.** High transaction costs and inefficient cargo freight hinder trade activities and market integration and weaken the competitiveness of the road freight sector (Country Economic Memorandum (CEM) 2021, CPSD 2022). The development of the sector requires well-established agreements (freight sharing, backhauling and cabotage, etc.), clear rules and enforcement, and transparent flow of information. To this end, a national freight exchange was established in September 2022 by Decree No. 2022-743, determining the conditions of access to freight in Côte d'Ivoire (DPF1). The freight exchange's management has been entrusted to the *Office Ivoirien des Chargeurs* (OIC). To guarantee the good functioning of the freight exchange, the regulatory powers of Regulatory Authority for Inland Transportation (ARTI) (the Inland Transport Regulatory Authority) have been strengthened (DPF2), enabling ARTI to regulate more efficiently once the freight exchange becomes operational. The ordinance amends article 10 of the Law (no2014-812) clarifying ARTI's mission and strengthening its independent authority with more extensive regulatory and jurisdictional powers that enable it to regulate activities in the road transport sector. In addition, two implementing decrees relating to financial aspects to strengthen ARTI's financial independence were adopted. These reforms provide the regulator with the necessary means to carry out audits, enforce compliance with the regulations in force, and provide reliable databases, among others. Regulating and formalizing the auxiliary professions is one of the remaining pieces of the puzzle to break the persistent high prices and an increasing market concentration in road transport that Côte d'Ivoire suffers from, encourage the use of the new platform (freight exchange) and promote sector transparency.

32. **Reform description.** A successful transformation of the freight sector requires integrating all the stakeholders including not only shippers and carriers, but also intermediaries (transport auxiliary professions). Auxiliaries are an important player in this sector especially in developing countries, as they connect shippers with carriers and hence reduce asymmetric information and facilitate trade. The group also takes advantage of the lack of transparency in the system, and can charge high fees, contributing to the high mark-ups of the sector in Côte d'Ivoire. A well-functioning freight exchange will reduce the intermediaries' market power and the corresponding mark-up that adds to the price charged by truckers. Besides, the auxiliary profession needs to be properly regulated and re-defined. A decree specifying the rules governing the participation of transport auxiliaries in the freight exchange (PA#2) has been adopted by Cabinet, following adequate stakeholder engagement over the last year and in close consultation with the OIC. The regulation of these intermediaries will improve transparency, and further encourage the use of freight exchange.

33. **Results**. The reforms are expected to promote greater efficiency in the freight industry. As a result, the share of national freight transactions carried out through the freight exchange should be at least 40 percent of the total volume in 2025 (RI#2). The result is on track, with the Greater Abidjan Port - City Integration project (P159697) ensuring synergies between the regulatory reforms, investments, and capacity building to achieve targets.

Prior Action 3: To increase revenue and promote efficiency, the Recipient has (i) removed VAT exemptions on luxury items through the Budget Law 2024; and (ii) adopted a decree enforcing the use of TresorPay/TresorMoney digital platforms for the collection of non-tax revenues that implements the law on non-tax revenue procedures.

34. **Rationale and recent progress.** In the context of the revenue-based fiscal consolidation, authorities are engaging in structural tax policy and tax administration reforms. Over the last 5 years, tax authorities have prioritized tax TA from the World Bank and have started to focus on tax policy underpinned by the adoption of the MTRS in May 2024 (Structural Benchmark under the IMF program).[17] The MTRS presents a unified framework for boosting domestic revenue mobilization with a high level roadmap for reforms. Its preparation was supported by TA from the IMF and the World Bank. Overall, it aims at simplifying the tax system by overhauling the general tax code, improving operational procedures, and updating guidelines and manuals in use by various tax collection agencies, continuing to streamline exemptions in both VAT and tax expenditures, and introducing carbon and e-commerce taxation. On tax administration, the MTRS targets reforms to boost public confidence in tax and customs administration, enhance the capacity, staffing and resources of tax collection agencies, and institute permanent consultation mechanisms across both the public and private sector on tax matters.[18] Recent reforms on tax policies are thus embedded on the broader objectives of the MTRS (such as the simplification of the personal income taxation supported by DPF2).

35. **Reform descriptions.** First, in line with the MTRS objectives, the government has adopted the removal of VAT exemptions on luxury foodstuffs in the Budget Law 2024 (PA#3 (i)). The reform brings the list of exemptions in line with the WAEMU directives (02/98/CM/UEMOA of December 1998 and its modification 02/2009/CM/UEMOA of March 2009) which prescribes exemptions only for foodstuff of basic need, while until the reform, the law in Côte d'Ivoire allowed for the exoneration on all types of foodstuffs, including those considered non-essential luxury foodstuffs (such as imported fish and meat). The reform not only aims at increasing the tax base but also reduce the regressivity of VAT. Second, to complete the reform on non-tax revenue collection started in 2022, the government adopted the implementing decree for the Law on non-tax revenue procedures (PA#3 (ii)). The law (DPF1) was adopted by Parliament and Senate in June 2023. It sets up an institutional framework specifying the conditions and modalities for the creation, issuance, authorization, and collection of non-tax revenues; bringing the internal legal framework into line with WAEMU directives; and determining the procedures for monitoring and applying sanctions related to the management of non-tax revenues. The adopted decree renders mandatory the use of *TresorPay/Treasury Money* digital platforms to collect non-tax revenues (also an FY24 PPA under the SDFP). The TresorPay/TresorMoney platform has seen a remarkable uptick in non-tax revenue collection, reaching CFAF 26 billion in 2023, up from CFAF 2 billion in 2021 and CFAF 12 billion in 2022. New participants, including the National Health Insurance Scheme (*Couverture Maladie Universelle*, CMU), public hospitals and external one-stop shops, are being incorporated into the pilot phase as the deployment continues. This action increases transparency, reduces revenue leakages, and reinforces the social contract in the provision of public services.

36. **Results:** As a result of the reforms, revenue-to-GDP is expected to increase. The indicator has been revised to monitor the corporate scorecard indicator. Tax revenues/GDP (3-year average) is expected to increase from 12.6 percent (2019-21) to 14.5 percent (2023-25). While not officially monitored, non-tax revenues/GDP (3-year average) should remain unchanged in real terms, displaying a significant nominal increase over the same period.[19] The successful achievement of these results is also underpinned by the IMF program, the ongoing Non-Lending TA program (P500496) on Domestic Revenue Mobilization, and the Effectiveness for Improved Public Services

[17] The MTRS was developed with join TA from the World Bank and the IMF.
[18] See IMF Country Report No. 24/223 (July 2024) for more details.
[19] Note that non-tax revenue to GDP is not expected to be buoyant with economic activity and keeping real levels unchanged represent a significant nominal increase.

PforR (P164302) that finances a program to expand digitalization in non-tax revenue collection.

PILLAR 2: EXPAND EQUITABLE ACCESS TO EDUCATION AND HEALTH SERVICES

37. **Côte d'Ivoire will need to invest in human capital to reap the benefits from its demographic transition**. Progress in health, nutrition, and education are essential for sustained income growth and a fundamental contributor to economic and social development. With a Human Capital Index of 0.38, Côte d'Ivoire's ranks amongst the lowest internationally and below average for SSA and Lower-Middle Income Country (LMICs). Such investment is not only important for human development and fulfilling lives, but also prepares individuals for productive labor market participation, increase productivity, and thus, support economic growth and the structural transformation of the Ivorian economy given the rapidly growing young population that needs to be absorbed in the labor market. Reducing inequalities (including gender-based ones) in access to quality basic education, reinforcing access and quality of Technical and Vocational Education and Training (TVET), as well as improving access and quality of health services, are the building blocks of the Ivorian human capital formation in the next decade.

38. **The needs in the education sector are growing due to demographic pressures, leading to a firm policy response, which includes the government's intention to increase commitment to secondary education through the D4D swap enabled by this operation.** The school-age population in all levels of education (preschool, primary, secondary, and post-secondary) continues to grow. The compulsory school age population (6-16 years) which was 6.5 million in 2016 is estimated to reach 8.7 million by 2030, with an annual growth rate of 2.4 percent. This high population growth creates pressure on the education system. To reach this goal in 2030 for instance, with an estimated primary school-age population of 4.9 million by that time, about 20,000 additional classrooms must be built to increase the number of classrooms from 102,937 (in 2021-22) to 122,900 in 2030. This is a major challenge for the Ivorian education system. The government has been actively building school infrastructure as part of its access strategy and given the immense needs in the sector, it intends to commit part of the additional fiscal space created by the PBG-enabled debt swap to this program (see LDP, Annex 7).

Prior Action 4: To improve the gender parity and quality of teachers, the Recipient has adopted two ministerial *arrêtés* facilitating the reintegration of teacher-students following a departure due to pregnancy and Gender Based Violence.

39. **Rationale and recent progress.** Given the large gaps in human capital, Côte d'Ivoire convened the National Education Forum (*États Généraux de l'Éducation, EGENA)* over 6 months up to April 2022 to start reforming the sector. The EGENA set up the agenda to improve the quality and access of education. The improvement of the quality of teaching (adequate student teacher ratio) and equity in access to basic education (for girls and boys) are some of the key tasks to build a solid foundation of human capital accumulation. Gross primary enrollment rates reached 96.6 percent (97.1 percent for girls) in 2022/23. However, significant disparities exist at sub-national level. To start correcting dysfunctions in teacher allocation and reduce regional disparities, the government instituted a regionalized teacher recruitment system and personnel allocation based on the pupil/teacher ratio in October 2022 (DPF1). An interministerial arrêté was adopted in February 2024, opening the direct regionalized competitive examination to the *Centre d'Animation et de Formation Pédagogique* (CAFOP) session 2024. Following the adoption of three decrees requiring the annual evaluation of public and private educational establishments and teachers (DPF2) in September 2023, a roadmap for 2023-2024 has been drawn up for improved teaching quality monitoring (including gender-related criteria). Côte d'Ivoire was among the lowest-performing countries in SSA in terms of student learning outcomes in reading and mathematics, with deterioration between 2014 and 2019 (PASEC).[20] The reform is starting to correct the little oversight existing on the quality of institutions,

[20] Programme d'Analyse des Systèmes Educatifs de la CONFEMEN (Conférence des ministres de l'Education des Etats et gouvernements de la Francophonie) - Program for the Analysis of Education Systems.

pedagogical content, teachers, and students' performance. Significant improvement has been made in terms of access, but quality of education remains a challenge. Support through the investment portfolio of the WBG to continue the legal reforms started under this program are ongoing.

40. **Reform description.** As part of the reform agenda, the Ministry of National Education (MENA) has started a process to understand and reduce the barriers for women and girls in accessing the education system. Gender gaps in favor of boys persist at all levels of education and tend to widen with each next grade.[21] As of 2021, women constituted only 34 percent of primary school teachers and 15 percent of secondary school teachers in Côte d'Ivoire. In 2018, a new Gender directorate was created at the MENA and in 2020 it adopted a National Gender Policy for Education (2020-24) with four action areas: (i) mobilizing communities and local actors to promote awareness about gender disparities; (ii) creating a protective school environment (teachers and learners) in physical and psychological terms for the participation of girls/boys; (iii) improving girls' self-esteem; (iv) and developing non-formal education for illiterate girls and women. The focus has been both on the supply and demand side of education to identify key barriers. Supply is a concern. While a greater number of female relative to male enroll for teaching schools, a much lower number graduates at the end of the program due to high dropout rates following pregnancies. To remediate this gap, the MENA adopted a ministerial *arrêté* establishing a reintegration pathway for teacher-students dropping out due to pregnancy and Gender-based Violence (GBV) (PA#4). The reform stipulates the modalities to allow for a postponement of schooling under the specified circumstances of pregnancy or GBV with clear mechanisms to ensure the reintegration of the female students. This missing mechanism implied that reintegration previously required females to complete a new entry exam and re-starting the curricula irrespective of the years completed at dropout due to pregnancy or GBV. On the demand-side, and as part of the same process, the MENA made the required medical certificate for girls' re-enrolment into school after dropping out due to pregnancy free and provided by the public health system (see LDP, Annex 7).

41. **Results:** The allocation of primary school teachers should become more consistent with needs (RI#4a) with a consistency ratio going from 0.55 in 2020 to 0.70 in 2025. The ratio will be significantly impacted following the first cohort of teachers deployed by September 2025. The share of women among primary and secondary public teachers is expected to increase by 3 ppts from the 32.5 percent and 18.7 percent in 2020, respectively. The World Bank Strengthening Basic Education System Program (P177800) is supporting improvements on the supply-side (schools, materials, trainings, etc) where progress has been slower in achieving greater quality of service delivery.

Prior Action 5: To better integrate education and the technical/vocational sector, the Recipient has adopted two decrees establishing the equivalence between education pathways (TVET and general high school curricula), which include enabling access to TVET students to tertiary education.

42. **Rationale and recent progress.** Low school life expectancy reinforces the need for good TVET programs. School life expectancy is low, hovering around eight years in 2020 compared to almost 10 years in SSA and around 12 years in middle-income countries. This low level of school life expectancy due to high dropout rates reinforces the importance of TVET and alternative skills curricula to improve the quality of the workforce and reduce the mismatch between labor supply and demand. TVET fills the gap of low formal school life and responds to the need for skilled labor in the economy.[22] In recognition of the TVET sector's potential role in fueling jobs and economic transformation, a 10-year Strategic Plan for the Reform of TVET was adopted until 2025 with the aim to increase

[21] While girls of relevant school age are only slightly less likely than boys to complete primary school (82.2 percent vs. 85 percent), significant gender disparities in favor of boys are observed at lower secondary school completion (52.7 percent of girls vs. 64.8 percent of boys) (WDI 2021, UNESCO Institute for Statistics). Overall, among population ages 15-64, only 0.8 percent of women vs. 1.7 percent of men have completed TVET education; and 5.2 percent of women and 8.7 percent of men – tertiary education (EHCVM 2018).

[22] School life expectancy is low, hovering around eight years in 2020 compared to almost 10 years in SSA and around 12 years in middle-income countries. According to the 2016 Enterprise Survey, 37.4 percent of the surveyed firms have identified inadequately educated workforce as a major constraint and 35.5 percent of the firms offered some form of formal training to their employees by their own means.

access and improve the quality of training. After the promulgation of the TVET law defining the legal framework for TVET and apprenticeship (DPF1), three arrêtés have been adopted relating to the organization of examinations and competition, private sector participation and criteria for pedagogical evaluations (DPF2).

43. **Reform description.** The efforts of regulating and formalizing TVET will be reinforced by the integration of the TVET sector into the education system, through the adoption of an equivalent mechanism between TVET and the general curricula to ensure equal access to higher education for both education pathways (PA#5). This measure follows UNESCO guidelines that stipulate the need for countries to develop pathways and facilitate transitions between secondary, post-secondary and tertiary education, including flexible admission procedures and guidance, credit accumulation and transfer, bridging programs and equivalency schemes that are recognized and accredited by relevant authorities. Evidence has shown that equivalence is critical to increase take up in TVET given the expectations among young people, labor market demand for higher level skills and a need to upskill and reskill throughout life. When academic school education is seen as the natural route to university, it is vital to show that TVET programs can also open a pathway to lifelong learning, including higher education (UNESCO 2019). Effective pathways' means that those with TVET qualifications or practitioner backgrounds should have a full opportunity to benefit from further, postsecondary, and higher education, increasing transparency, equity, and accessibility. Before the adoption of the interministerial *arrêté* this was missing in Côte d'Ivoire.

44. **Results:** The share of secondary school students enrolled in TVET, or apprenticeships is expected to increase to 5 percent of students for both sexes, from a lower baseline for females. The achievement of this result is supported by the Youth Employment and Skills Development Project - Phase 3 (P172800) focused on the supply of basic education and TVET.

Prior Action 6: To strengthen the quality, efficiency and access to health care, the Recipient has adopted (i) a decree instituting the social security number as a unique health identifier for access to health care in Côte d'Ivoire (including for free services provided under targeted free healthcare programs); and (ii) a decree and an interministerial *arrêté*, defining the regulatory framework for the CNAM to contract with private non-profit health providers.

45. **Rationale and recent progress.** Ensuring universal access to healthcare service while ensuring the financial sustainability of the public health system is a challenge faced by many countries, especially those with high dependency ratios (youth or old age). To achieve the former, the right incentive framework and a certain obligatory enforcement are needed. At the same time, in a contributory system, the bigger the pool of healthcare coverage, the greater its financial sustainability and the capacity for the system to finance the poorest segments of the population. Private sector participation can also help improve the provision and quality of the service, as well as the financial sustainability of the healthcare system. To expand access and affordability of health care, the Ivorian government developed its National Health Insurance Scheme (Couverture *Maladie Universelle* (CMU))[23] in 2014. Low enrollment and poor quality of service have been the key issues when the DPF series started. Since the adoption as part of the DPF1 of the simplification of the list of documents required to enroll, reforms and implementation have significantly accelerated, and enrollment has picked up. This allowed to cut by 1/3rd the previously 3-months waiting period to benefit from the services (DPF2). While required in contributory insurance schemes to prevent adverse selection and moral hazard, this condition created mistrust and acted as an important

[23] The CMU aims to provide an essential package of health services to the entire Ivorian population through two schemes: a contributory basic general scheme for those employed in the formal sector (Régime General de Base, RGB) and a noncontributory, government-subsidized medical assistance scheme for targeted vulnerable groups (low-income or destitute persons, pregnant women, under-5-year-olds) (*Régime d'Assistance Médicale*, RAM). The RGB is financed by the contributions of the insured. The flat-rate contribution is 1,000 FCFA per month per person. The National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*, CNAM provides 70 percent of the coverage of this plan and the insured pays 30 percent as user fees. The RAM is aimed at poor people who are financed by the government. Enrolment gives access to benefits (services covered by the CMU): consultations (specialists, general practitioners, dental surgeons, nurses, midwives), paraclinical examinations (laboratory and imaging tests), hospitalizations (in case of emergency and within 24 to 48 hours), and medicines.

deterrent for enrolment. Beyond enrollment actions, the focus has also been on improving the quality and access to health care (services and medicines). Access to medicines increased, going from 12 to 64 percent of enrollees, with implementation of the new medicine management system. The reforms supported by this third operation aim at further reinforcing the quality-of-service provision.

46. **Reform description.** To manage a much-expanded pool of CMU beneficiaries, the government adopted the CMU number as a unique health identifier (PA#6 (i)). This measure not only improves the traceability and efficiency to health service delivery, but also strengthens the quality of the healthcare program. CMU enrolment is mandatory for all residents of Côte d'Ivoire - nationals and foreigners, which means no one is excluded, unlike other forms of identifiers. The government also adopted the regulatory framework to improve the participation of non-profit private health providers (PA#6 (ii)). The legislation is to allow the health insurance fund to contract with private sector providers, which is crucial to ensuring the financial sustainability of the overall program but also expand the availability and types of services, improve the quality and efficiency of the service, and thereby create more incentives for enrolment. Non-profit providers have regulated prices that are aligned with the public sector which is why they were chosen in a first phase while the overall pricing structure of service is renegotiated. It is expected that these reforms will continue to boost the enrollment to the CMU and its usage. Improving the quality-of-service delivery is supported by the ongoing MPA– the Health, Nutrition, and Early Childhood Development Program for Universal Health Care (UHC) (P179550).

47. **Results:** Enrollment has picked up significantly from an average of 2-3 thousand per week prior to the reform, to about 60-80 thousand per week since. More than 2 million people have enrolled since the adoption of the decrees (DPF1 and DPF2), surpassing the goal for 2023 (4 million) and reaching 15 million as of October 2024 (RI#6a). This is an equivalent of 51 percent of the eligible population. As a result, the team adjusted the target back to the more ambitious original indicator of achieving 60 percent national enrolment by 2025 (revised target for RI#6a).[24] The average rate of users having a CMU identifier is expected to go from 1.7 percent at baseline to at least 15 percent in 2025. While the SPARK-Health project (P167959) enhances the operationalization of the CMU program, a new MPA, the Health, Nutrition, and Early Childhood Development Program for UHC (P179550) directly focuses on improving the quality-of-service delivery under the CMU. This area remains a crucial barrier for access to healthcare in the country.

PILLAR 3: PROMOTE THE SUSTAINABLE USE OF NATURAL RESOURCES

48. **Climate change impacts are already affecting Côte d'Ivoire, as temperatures increase, rainfall and other weather events become more extreme and less predictable, and sea levels rise.** Climate change stands to significantly impact society and the economy, a vulnerability that is amplified by the country's dependence on agricultural commodities, coastal erosion, and large share of vulnerable populations. Côte d'Ivoire ranks 131 in most extreme climate vulnerability among 187 countries (ND-GAIN index) because of its substantial exposure to climate risks, its weaknesses in adapting to the negative impact of climate change, and its limited ability to attract investments in adaptation. Flooding because of sea level rise is threatening coastal communities and their agricultural production with the average land retreat estimated at 1–2 meters a year. Without any additional adaptation effort, average annual GDP losses are expected to increase over time and reach up to 12.9 percent of GDP by 2050 (CCDR 2023).

49. **The largely extensive farming systems need to become more sustainable and more productive, to ensure an improved management of natural resources, alleviate rural poverty and mitigate climate change.** The

[2424] RI#6 target had been set at 50 percent of the population by 2025 during DPF1, revised downwards to 35 percent in DPF2 when it seemed too optimistic. The impressive uptick in enrollment has allowed the team to revised it back to the original ambition.

agricultural sector plays a key role accounting for 22 percent of GDP, 50 percent of total export earnings and just below half of employment. Most of the major crops are still produced through labor intensive-low input farming systems. A main engine of past economic dynamism, it has also come at a cost in terms of natural resources. It is estimated that agriculture has been responsible for two-thirds of the total deforestation with the country's total forest area falling from 16.5 million ha in 1900 to less than 3 million today (an average annual rate of deforestation of 2 percent, one of the highest in the world). This deforestation has also strongly contributed to climate change vulnerability as forests contribute to reduce climatic hazards and rain variability. On the upside, the government's commitment against deforestation has been renewed, now focusing on promoting sustainable cocoa farming, and minimizing the negative economic impact of the European Union (EU) regulation on imported deforestation coming into force in 2025. Exploring innovative climate financing mechanisms through carbon capture and the implementation of its resilience agenda are on top of the Government's agenda.

Prior Action 7: To promote ecologically sustainable agricultural production and social inclusion, the Recipient has adopted an interministerial *arrêté* revising the statutes, governance, and internal management procedures of the Rural Investment Fund (FIMR) and redefined its role to enhance the impact of its activities in improving the living conditions of cocoa-producing communities.

50. **Rationale and recent progress.** Sustainable cocoa production and a "zero-deforestation agricultural policy" underpin government action in the sector. To this end, the ARS1000 norm[25] and its implementation decree (DPF1) were adopted in 2022. The decree defines the roles and responsibilities of the key stakeholders, the conditions, and methods for obtaining certification and the supervision (Monitoring & Evaluation, M&E) of the implementation of the standard (i.e., zero-deforestation agricultural policy banning cocoa production in classified forests). The adoption of the institutional and operational architecture of the national traceability system[26] in September 2023 (DPF2) ensures the quality and marketability of cocoa products through the system's promotion of compliance with sustainability standards. To date, emphasis has been put on the environmental and traceability components of the norm. A national traceability system is under development which traces 1 million of registered cocoa producers and geo-localized farms. A pilot phase to test the system has been undertaken in November 2023 with 580 cooperatives. Full national scale implementation will start during the cocoa campaign starting in October 2024. On the environment side, several initiatives have been taken to promote adoption of cocoa-based agroforestry systems in rural areas. However, much effort is still needed in terms of compliance with socio-economic sustainability. Most farmers are living below poverty thresholds[27] and have limited access to basic infrastructure (rural roads, schools, health centers, boreholes, etc).

51. **Reform description.** To address the socio-economic sustainability of cocoa producers, the government revised the regulatory text defining the new statutes, modes of governance and internal management procedures for *the Fonds d'Investissements en Milieu Rural* (FIMR) (PA#7). Created in 2007, the FIMR has the mandate of promoting and contributing to rural development and improving the livelihoods of cocoa farmers. It finances key infrastructures and social services and could have an enormous impact on the living conditions of cocoa farming

[25] Following the Abidjan Declaration of March 26th, 2018, between Côte d'Ivoire and Ghana, the two countries elaborated the ARS 1000 and approached the African Standardization Organization (ARSO) to do the harmonization process. The African member states including all African producing countries have been associated to the work. ARS 1000 is based on ISO 34101 with modifications based on country context.

[26] This system will make it possible to determine the origin of coffee and cocoa products at each level of the marketing circuit, ensure compliance with the guaranteed minimum purchase price for producers, secure financial transactions in the coffee and cocoa industry and preserve product quality by promoting compliance with sustainability standards. The decree also establishes the governance and functional institutional architecture for the management of the national traceability and certification system by defining the roles and usage/sharing of the traceability system between key actors.

[27] Rusman A., R. de Adelhart Toorop, J. de Boer and A. de Groot Ruiz (2018) "Cocoa Farmer Income The household income of cocoa farmers in Côte d'Ivoire and strategies for improvement", Amsterdam, True Price/Fairtrade. 58 percent of farmers are considered as extremely poor, 30 percent poor and 12 percent living above minimum income.

communities. Its funding mechanism can also serve to reduce price volatility. However, there is no clear visibility on the use of proceeds or a transparent allocation of investments in consultation with the local population. The new regulation introduces the following changes to improve the management and execution of the funds by the Coffee and Cocoa Board (*Conseil Café Cacao*, CCC): clear and transparent selection mechanism for the selection of investments all of which is done through the public investment management system notably for procurement, in consultation with local authorities development plans and local leaders; the definition of an M&E system for the selected investments; and a specification of the auditing mechanism in place.

52. **Results:** As a result of the reforms, cocoa traced and compliant with sustainability standards should reach 30 percent of total cocoa production by the end of 2025 (RI#7). Encompassing reforms under the FIMR are expected to improve wellbeing through the financing of investments (such as improved access to school). The cocoa campaign starting in October 2024 will be the first one against which the indicator will be measured. The good deployment of producer cards suggest results should be on track despite the delay in the EU Deforestation Regulation (EU DR) by one year.

Prior Action 8: To ensure sustainable growth in agriculture and prevent deforestation, the Recipient has adopted a decree defining the conditions and incentive measures for the mobilization of private operators into agroforestry.

53. **Rationale and recent progress.** In 2017, Côte d'Ivoire adhered to the Cocoa Forest Initiative (CFI), a joint public-private initiative to eliminate deforestation from the cocoa value chains and thereby reducing its carbon footprints. The massive expansion of extensive slash-and-burn agriculture, primarily for cocoa production (cocoa is responsible for 38 percent of deforestation in Côte d'Ivoire) has been one of the key drivers of deforestation. A new Forestry Strategy (the National Strategy for Forest Preservation and Rehabilitation –SPREF) was approved in 2018, aiming at the protection and rehabilitation of the country's remaining forest and developing forest plantations, including by the private sector, and agroforestry. The SPREF follows the objective of restoring a forest cover of 20 percent of the national territory by 2030. A new Forestry Code enacted in 2019 along with the implementation decrees followed. Moving from the SPREF strategy to the implementation of sustainable forestry and agroforestry management however started with the conversion, in September 2023, of the three largest degraded classified forests into agroforests (DPF2). The decrees are underpinned by MINEF's development of 3 Participatory Forestry Management Plans (PAPFs) for these 3 forests. It is the first time that agroforestry has been implemented in the country at a large scale. As a multifunctional system, agroforestry can provide a wide range of environmental, economic, and sociocultural benefits. Agroforestry systems respect structural and ecological diversity of species in ecosystems. Trees can modify microclimatic conditions, such as temperature, water vapor content of air and wind speed. This has beneficial effects on crop growth and animal welfare. Furthermore, by including trees into the agricultural system, soil fertility can increase, as trees can build up organic matter and can mediate nutrient cycling (WWF 2020). Cocoa production is particularly prone to agroforestry given that it's a natural shade plant that thrives in covered forests as conducted in Latin America (in the Amazon in Brazil or the Dominican Republic).

54. **Reform description.** Expanding agroforestry to other key degraded forests, through the development of PAPFs, a condition to their conversion, is necessary to achieve the objective of the SPREF.[28] Given the scale of the investment and environmental and social management required and the limited public finance resources, this in turn depends on obtaining external financing sources. In this context and to crowd in private investment, the government established by decree the terms and conditions for granting concessions in agroforests and defined incentive measures for the mobilization of private operators (PA#8). The framework establishes the incentives

[28] The process of conversion into AFC is: (i) the preparation and adoption of a forest management plan (FMP) -- regional adoption then adoption by the Ministry of Water and Forests before submission to the Council of Ministers for signature of the Decree converting the GF into AFC (Decree 2019-977). (ii) the development, negotiation and signing of an AFC concession agreement by the MINEF (Decree 2019-828 & 2021-437).

and conditions for the participation of the private sector into agroforestry (including through the commercialization of carbon credits), bringing the regulatory framework governing the forestry sector in line with the existing PPP legal framework. A commissioned task force[29] will be charged with monitoring key reforms in the sector and ensuring the liaison between the different stakeholders. Further, the KPI framework that the government is developing as a framework for commercial lending with environmental and social objectives, includes a KPI on reforestation targets, fully extending the commitment of the government to implement the SPREF by 2030.

55. **Results:** The Forest Investment Project, Phase 2 - (P175982) is promoting the sustainability of forests and the integration of the agroforestry strategy with that of National Sustainable Cocoa Traceability and Certification System. Changes to the regulatory framework are directly supporting the implementation of these projects and the achievement of the RIs. As a result, at the end of the DPF series, it is expected that at least 500,000 hectares be converted into agroforests (RI#8a), and at least 300,000 hectares will be conceded to the private sector for agroforestry (RI#8b).

Prior Action 9: To improve environmental sustainability, the Recipient has adopted: (i) a decree regulating environmental assessments to include the new provisions of the Environmental Law to integrate climate change and the specificities of coastal area protection; and (ii) a decree setting out the list of national protected coastal areas.

56. **Rationale and recent progress.** To protect the environment and coastal zones, recent legislation requires implementation. In June 2023, Côte d'Ivoire enacted a new Environmental law (DPF1) that responds to the current ecological challenges with new approaches and strengthened costal protection. The law places front and center the fight against climate change, the protection of biodiversity, the promotion of the green and the blue economies and the mobilization of new sources of financing. Furthermore, to continue building resilience to climate change and assuring environmental sustainability, the country adopted the Coastal Law in 2017, focusing on an integrated coastal zone management. The law aims at protecting coastal areas, contributing to more than 60 percent of GDP, and requiring national prioritization in light of climate change vulnerability. To finalize its adoption, on September 13, 2023, the government adopted two implementing decrees (DPF2) referring to the adoption of the instruments for national coastal protection (Art 7) and the adoption of the coastal zone master plan (Art. 26). The first decree develops the institutional mechanisms for the implementation of the different master plans for the management of coastal areas including water resources and water resource management, urban areas, protected areas, marine life, and emergency plans. The second decree adopts the coastal development plan, including the directives of coastal development, setting out the basic guidelines for sustainable development, coastal enhancement and protection of the marine, lagoon, and coastal environment. The directives consider the prevision of possible risks due to climate change; the organization and delimitation of coastal and maritime areas dedicated to competing uses; and any other action that may affect the coastline.

57. **Reform description.** The fast and concrete implementation of both the Environmental and the Coastal Law are vital to ensure the sustainability of Côte d'Ivoire's natural resources, to prevent materializing the risk of natural disasters, and to mitigate its impact on the lives and livelihoods of its people. The implementing decrees of the Environment Law are being prepared. On June 26, 2024, the government issued a decree on the creation, attribution and operation of the national commission for the fight against climate change. They have also issued the regulation related to environmental assessments which will set the foundation to ensure sustainable and resilient public and private investments. This is now regulated by the decree 2024-595 regarding the rules and

[29] An interministerial *Arreté* for the *"Creation of a Task Force on no deforestation initiatives and promotion of sustainable cocoa farming in agroforests"* was developed under the initiative of the MINEF with Ministry of Environment, Sustainable Development and Ecological Transition (MINEDDTE), the Ministry of Agriculture, Rural Development and Food Production (MINADER), and Ministry of Finance & Budget (MFB), with the support and participation of the Prime Ministership, the CCC and other key stakeholders involved in the implementation of the agroforests management activities.

procedures applicable to environmental and social assessments (PA#9 (i)). It incorporates evaluation criteria that assess the impact of projects on climate change and the measures to be taken to reinforce adaptation and mitigate against any negative consequence on the environment. These are necessary conditions for the approval of projects going forward. The decree sets up the different procedures, responsibilities and fees required for the assessments to ensure adequate implementation. To continue building resilience to climate change and assuring environmental sustainability, the integrated coastal zone management, as planned under the 2017 Coastal Law, has been strengthened by the adoption of its last implementing decree (PA#9(ii)). The decree establishes the list of spaces and environments to be preserved, including in particular, according to their ecological interest (e.g. coastal dunes and moors, beaches and lidos, forests, coastal wooded areas and mangroves, uninhabited islets, the natural parts of estuaries, marshes, mudflats, wetlands and temporarily submerged areas, resting, nesting and feeding areas for birds, as well as breeding or spawning areas), and specifies the rules applicable by the law.

58. **Results.** It is expected that the area of urban coastal zones protected by local climate and risk-appropriate urban planning increases to 60 percent. The coastal management plans will put in place strategies for the development of the areas while preserving the eco-system and ensuring proper resilience to climate change. This result is on track as the plans are being prepared and consulted, supported by the West Africa Coastal Areas Resilience Investment Project (P162337).

4.3. LINK TO CPF, OTHER WORLD BANK OPERATIONS AND THE WBG STRATEGY

59. **DPF operations are an important instrument in the World Bank ongoing policy dialogue with Côte d'Ivoire and its development partners**. By addressing structural bottlenecks for greater sustainable investments in physical, human, and protecting natural capital assets, this operation supports all three High Level Outcomes (HLO) of the Country Partnership Framework (CPF) (FY23-FY27)[30]: (1) Improved human capital; (2) Reduced spatial disparities and strengthened resilience; (3) Jobs created through private sector-led growth. Selected prior actions supported by the DPF series are aligned with the Next Generation Africa Climate Business Plan and with the priorities put forward in the IDA20 special themes (human capital, gender, climate change, jobs and economic transformation). This DPF series is in line with the findings of the CCDR. The proposed operation also complements the PPAs of the SDFP.

60. **This operation is the first by which the adoption of a sequence of PBGs enables a D4D swap and an SLL, and lessons have been incorporated from other operations.** Since swaps compete for scarce donor and Multilateral Development Bank resources, well-targeted transactions ensure maximum benefit to the borrower for a given amount of capital deployed. This PBG is expected to be sequenced not only to enable the D4D swap but also to support access to climate finance through the guaranteeing of an SLL. The sequencing has incorporated lessons from two previous operations in Benin (P167278) and Ukraine (P164414) were the PBG was used for two transactions while requiring only one Board approval. Here the two transactions are distinct and thus the operation has incorporated an additional signing condition to the execution of the second PBG, will be subject to the issuance by the SPO provider of a satisfactory SPO in respect of the KPIs outlined in the sustainability-linked financing framework (see also Annex 8).[31]

61. **This operation is expected to mobilize finance for development, it both enable and mobilizes private capital.** It mobilizes directly private capital through the PBG-enabled transactions that are expected to raise almost double the amount of the guarantees (US$ 543.5 million) in commercial financing (US$905.8 million) – the first one that will be used for a debt-buy back operation, the second one that is expected to result in Côte d'Ivoire's first SLL allowing to tap into a new investor base. It also enables private capital by removing binding constraints

[30] Report Number: 179288-CI.
[31] The standard effectiveness condition requires the assessment of an adequate macroeconomic policy framework.

to allow greater private sector participation in key sector, notably by improving competition in upstream sectors (PA#1-2); by establishing the regulatory framework for allowing private sector participation into healthcare (PA#6); and by creating the incentives for private sector participation in agroforestry (PA#8). On the latter, we expect for example that at least 300,000 hectares of forests be concessioned to private concessionaires by end 2025 (RI#8). The concessions would allow the financing of participatory forestry plans estimated at above US$100 million each, that will then map opportunities for income-generating activities and mobilize further private capital.

4.4. CONSULTATIONS AND COLLABORATION WITH DEVELOPMENT PARTNERS

62. **The design of the proposed operation was developed using an inclusive participatory process.** During the identification the proposed DPF series, the government and World Bank staff built the design of the operation on the findings of the consultative process related to the PND and undertook discussions with stakeholders working with the government on the country's reform agenda. The design of the operation was also informed by the country's mitigation commitment under the Paris Alignment as well as dialogue around World Bank core analysis broadly disseminated. A platform has been put in place to ensure a consultative process with civil society on forestry and healthcare reforms.

63. **Specifically, the reforms proposed have benefited from consultations within the government, the development partner community, civil society, and the private sector**:

- Pillar 1: The reforms on the digital development sector results from the conclusions of the *Assises du Numérique*, held in February 2021 and encompassing public and private sector participations, including civil society. Similarly, the regulatory reforms on the transport sector have been socialized among key actors of the sector (including auxiliary and intermediary professions). Finally, the tax reform has also been widely consulted in the context of the IMF program, including with private stakeholders.
- Pillar 2: Reforms on education and health faced wide national consultations with key stakeholders. For education, the *EGENA* created a platform for discussions of the main reforms in the sector. Despite being signed as a ministerial order, the reform was debated at cabinet given its consequential impact. Several forums, including social media (Facebook), have been used to disseminate and debate the CMU reforms. This has been reinforced since 2022 given the high-level media coverage around the reforms.
- Pillar 3: Given the sensitivity of these reforms, they have been possible following extensive consultations with all actors. Recommendations have been included in the final adopted texts. For the cocoa sector, led by the CCC, these included exporters, smallholders, and cooperatives. The reform to increase private sector participation in agroforestry followed extensive governmental consultations during a workshop in July 2024 organized by the World Bank.
- Development partners were also consulted, and several reform areas are complemented by other operations notably with the EU on cocoa traceability and deforestation, with whom discussions are ongoing to coordinate on a new EU budget support (2024-2026) that will focus on environmental and social sustainability; and with the IMF on the D4D and tax policy reforms.

5. OTHER DESIGN AND APPRAISAL ISSUES

5.1. POVERTY AND SOCIAL IMPACT

64. **The policy reforms under the proposed operation are expected to support long term economic growth and have positive impacts on household welfare and social inclusion**. The estimated poverty and social impacts are summarized below, and a detailed quantitative analysis is presented in Annex 4.

65. **The policies supported by the first pillar aim to boost competition in key enabling sectors of the economy and to improve domestic revenue collection.** PA#1 is expected to contribute to lower prices and increase welfare

(i.e., promotion of competition in the mobile communication market is expected to foster a reduction in the prices of mobile services and to increase household's relative welfare by 1.9 percent (household consumption)) and PA#2 is expected to translate into lower costs for consumers. In addition, PA#3 is not predicted to have significant impacts on poverty, while the compulsory use of TresorPay/TresorMoney should not increase the tax burden.

66. **The objective of the second pillar is to expand equitable access to health and education services.** The policies under the second pillar promote access to health and education services and are expected to enhance female education attainment, improve labor market outcomes, and support the provision of health services. Policies aimed at reducing transaction costs for women's re-enrollment in teaching school after pregnancy, such as those promoted by PA#4, are expected to have a positive impact on female education by increasing the share of women among teachers which has been correlated with lower girls' dropouts and reduced GBV, potentially reducing gaps in labor market outcomes. In addition, reforms under PA#5 are expected to have positive impacts on labor market outcomes. However, the positive effects on employment and earnings are expected to be mild. Moreover, PA# 6 is expected to have a positive impact on well-being by helping mitigate the impact of health shocks that disproportionally affect the most vulnerable, and women in particular (given that prenatal/postnatal services and birth assistance). This policy might also have indirect positive welfare impacts by improving worker's productivity.

67. **The third pillar aims to promote the sustainable use of natural resources, and it is not expected to have significant welfare impacts in the short run.** PA#7 is expected to support rural development and improve the livelihoods of cocoa-growing communities, by enhancing the impact of the infrastructures and social services financed through the FIMR. Agroforestry practices promoted by PA#8 are expected to indirectly improve farmers' welfare by mitigating vulnerability to climate change, diversifying income sources, fostering farm productivity, and contributing to food security. Finally, PA#9 aims to protect coastal areas, potentially reducing the negative impacts of natural disasters on poverty and social impacts of communities living in these areas.

5.2. ENVIRONMENTAL, FORESTS, AND OTHER NATURAL RESOURCE ASPECTS

68. **Côte d'Ivoire is among the most vulnerable countries in face of climate change, including rising temperatures, rainfall variation and volatility, flooding, and the rise of sea levels (CCDR 2023).** The country's coastline is one of the longest in West Africa, around 2/3 of which is at risk of coastal erosion. This and the rise of sea levels are a direct risk for 7.5 million people (30 percent of the country's population) as well as for 80 percent of economic activity. Overall, climate change could plunge an additional 2-6 percent of households into severe poverty. Without a much greater effort to mitigate and manage climate change, the progress made in terms of economic development will be at risk and could also roll back recent progress in fighting poverty.

69. **Most actions will have positive environmental and social effects.** Two actions could have adverse effect: the digital development action supported by PA#1 may create hazardous waste and electronic waste (PA#1) and the expansion of access and the affordability of health care thanks to the CMU (PA#6) require considering how the government will manage medical waste (including legal, institutional, and implementation) and occupational health and safety in health facilities throughout the country. Reforms on the health sector will require the management of personal information. These actions are mitigated by the existence of sound regulatory framework that is being strengthened with support from the World Bank and other donors. The implementation of the regulations needs to be done carefully through project implementation, particularly on issues that impinge on livelihood and welfare of vulnerable groups or where e- waste, hazardous or medical waste are an issue. The Ministry of the Environment, Sustainable Development and Ecological Transition (MINEDDTE) is responsible for setting policy guidelines on environmental issues and ensuring compliance with national environmental standards, and the framework (including the National Environment Agency (Agence *Nationale de l'Environnement,* ANDE) capacities) as assessed in DPF1 and DPF2 remains appropriate.

70. **The MINEDDTE is responsible for setting policy guidelines on environmental issues and ensuring compliance with national environmental standards**. The government has adopted several legal texts to strengthen environmental protection and this DPF series supported the adoption of the new Environmental Law.[32] MINEDDTE has different departments, among which is the ANDE in charge of safeguard compliance of all projects in the country. The validation by ANDE of the environmental and social screening and of Terms of Reference are mandatory before moving to the preparation of the Environmental and Social Impact Assessments itself that is also approved by an inter-ministerial committee set up by ANDE. MINEDDTE, working through the ANDE, intervenes in the approval of forest management plans and renewable energy and energy efficiency plans. Environmental and social audits are also mandatory for each activity associated with adverse environmental impacts after three years of implementation. The access to information on policies and institutions in general is satisfactorily handled by the government through public consultations. Communities are consulted on during the realization of environmental and social studies of projects to be implemented in their areas. In addition, the MINEDDTE has created local management committees of parks which include representatives of surrounding villages.

71. **ANDE's capacities are considered acceptable.** ANDE has skilled staff responsible for review and clearances of Environmental and Social Assessments. However, there are inadequate numbers of experts and there is a persistent need for staff capacity building. In most cases qualified consultants from universities are used for safeguards instruments preparation or reviews. Considering its key role as the entity that oversees the approvals of environmental and social studies and monitoring and evaluation of such studies at the national level, the World Bank will continue to support the capacity building and the decentralization of ANDE in Korhogo (North), Bouake (Centre) and San Pedro (West). Moreover, the World Bank has assisted local environmental specialists in creating an Ivorian Chamber of Experts in Environmental and Social Assessment (*Chambre Ivoirienne des Experts-Conseil en Évaluations Environnementales et Sociales, CIVEXES*). The Council gathers +64 accredited environmental firms.

72. **Several projects are strengthening the government framework in the areas of waste management and data protection**, notably the Côte d'Ivoire Digital Acceleration Project (P180059), the SPARK-Health Project (P167959) and Health, Nutrition, and Early Childhood Development Program for UHC (P179550). A data protection framework is in place and is considered strong. It is based on Data Protection Law no 2013-450. ARTCI has oversight to implement the regulatory framework and follows through its procedures and has a sanctioning capability. The West Africa Unique Identification for Regional Integration and Inclusion (WURI) Program - (P161329) is supporting the strengthening of the framework. The National Waste Management Agency (ANAGED in French) has overseen solid and hazardous waste management in Côte d'Ivoire since 2017. Its performance is satisfactory year by year despite the challenge of upgrading its capacity with population growth and the rapid development of the urban areas. However, this company is doing considerable effort by extending and developing its activities to cities in the interior both at the administrative and technical level with the support of the Urban Resilience and Solid Waste Management Project (P168308).

5.3. PFM, DISBURSEMENT AND AUDITING ASPECTS

73. **Based on the review of country's PFM system and management resource, the fiduciary risk is assessed as moderate.** However, some weakness remains. Duplication of tasks and controls between budget owners, financial

[32] The main texts establishing the legal framework for environmental protection in Côte d'Ivoire include:
Law No. 2023-900 of November 23, 2023, on the Environment Code;
Law No. 2014-138 of March 24, 2014, on the Mining Code;
Law No. 2014-390 of June 20, 2014, on orientation in sustainable development;
Law No. 2014- 427 of July 14, 2014, on the Forestry Code;
Decree No. 2014-397 of June 25, 2014, determining the terms of the law relating to the mining code;
Decree No. 247/MINAGRI/MPMEF/MPMB of June 17, 2014, fixing the scale of compensation for destroyed crops.

controllers, and public accountants causes delays. Resources for budgeted expenses are not released in a timely manner due to cash management issues, and delays in processing transactions were noted. Beyond the progress made in past years, the internal audit function needs to pursue its professionalization according to international standards by increasing its Human Resource and technical capacities.

74. **All recommendations from the 2018 safeguards assessment have been implemented.** Financial reporting and external audit arrangements remain in line with international practices. The BCEAO continued to enhance its governance framework and publish a full set of audited financial statements, and it is gradually bringing its practices into conformity with International Financial Reporting Standards (IFRS). BCEAO has improved the quality of the explanatory notes that accompany its financial statements. The IMF report confirms that the BCEAO maintains acceptable foreign exchange control. Lastly, BCEAO is pursuing its effort to keep good governance according to the international practices.

75. **Progress has been made in improving the PFM with the adoption of Program-Based- Budgeting since 2020.** In 2018, the government adopted a new strategic framework reforming the PFM based on the findings of the 2017 Public Expenditure and Financial Accountability (PEFA). Côte d'Ivoire's PFM has a strong legal and institutional framework, effective PFM planning and budget system, and an internal control system with clear and relevant separation of duties at each step in the budget execution process. The public expenditure chain is computerized and interfaces well with the procurement and the Treasury system. The information is extracted from the budgeting execution software (SIGOBE) and the accounting information software (ASTER) to prepare financial reporting. Implementation of the Performance-based Budgeting reform and production of annual performance reports by all ministries is ongoing since 2020. There is an adequate legal and institutional framework for fraud and anti-corruption in line with international standards. Several actions for fighting corruption and mismanagement at the state-owned enterprise (SOEs) level were conducted in 2021. They also adopted WAEMU PFM and procurement directives, whose implementation is ongoing. Regarding budget transparency, most of the information related to annual budgets, quarterly budget execution reports, mid-year budget reviews, and annual settlement laws is available online.[33] 2023 Country Policy and Institutional Assessment (CPIA) in Q13 confirms the good health of Côte d'Ivoire PFM.

76. **The strengthening of public procurement systems remains a top priority for the government**. It has taken significant steps to address weaknesses in public procurement in the past years and authorities are now focused on enhancing strategic public expenditure use and efficiency through: (i) effective implementation of the ongoing Program-Based Budgeting (PBB) reform; and (ii) strict compliance with the new Procurement Code, which requires more transparent competitive processes, and implementation of the E-procurement reform across public administration entities. The E-procurement system has started being rolled out since Q2 2024 and to encompass 30 percent of public procurement.

77. **The 2023 IMF 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. The BCEAO continued to enhance its governance framework and publish a full set of audited financial statements, and it is gradually bringing its practices into conformity with International Financial Reporting Standards (IFRS). BCEAO has improved the quality of the explanatory notes that accompany its financial statements. The IMF report confirms that the BCEAO maintains acceptable foreign exchange control. Lastly, BCEAO is pursuing its effort to keep good governance according to the international practices.

[33] The annual general government budget is made publicly available and is available as followed: Budgets are published on Budget Ministry external site https://budget.gouv.ci/budget-publications.html

78. **The proposed operation will consist of a single-tranche credit of EUR 285.9 million (US$310.6 million equivalent), to be made available contingent upon effectiveness and disbursed based on a withdrawal application and a PBG of EUR 500 million (equivalent to US$543.5 million).** The credit will follow the World Bank's standard disbursement procedures for DPF. Once the operation becomes effective, the government will submit a withdrawal application to IDA requesting that the proceeds of the credit be deposited by IDA at the BCEAO account, part of the country's official foreign exchange reserves. Within five working days of that action, the government will ensure that an equivalent amount is credited to its budget management system in a manner acceptable to the World Bank. The Borrower will report to the World Bank on all amounts deposited in the foreign currency account and credited in local currency (CFAF) to the budget management system in that currency. If the withdrawal request is in foreign currency, the equivalent amount in CFAF reported in the budgetary system will be based on the market rate effective on the day of the transfer. The Borrower will promptly notify the World Bank within thirty days of the transfer by fax or email that the transfer has taken place, and proceeds have been credited in a manner satisfactory to the World Bank (including the Chart of Accounts name and account number, date of transfer, and exchange rate used).

79. **Disbursement will not be linked to specific purchases.** With respect to the credit, when funds are disbursed from the account designated by the government to finance budgeted government expenditures, the official exchange rate for that day will be used. If IBRD/IDA determines that an amount of the withdrawn credit balance, as applicable, has been used in a manner inconsistent with the provisions of the Legal Agreement, the government shall, upon notice by the IBRD to the government, promptly refund such amounts to IBRD/IDA. Amounts refunded to the World Bank upon such a request will be cancelled. With respect to the PBG, the government would draw down on the commercial financing raised with the help of the PBG following successful conclusion of negotiations among the government, the lenders, and IBRD of the agreements providing for the financing and satisfaction of all conditions preceding the disbursement of the financing and effectiveness of the PBG, including payment of the applicable fees to IBRD for the provision of the PBG. IBRD would only make a payment under the PBG if the government failed to make a guaranteed payment to the lenders on its commercial financing, and IBRD received an appropriate demand on behalf of the lenders for payment under the PBG.

5.4. MONITORING, EVALUATION AND ACCOUNTABILITY

80. **As with the previous DPF in Côte d'Ivoire, the Ministry in charge of Finance and Budget (MFB) is responsible for managing the operation.** Day-to-day monitoring and evaluation of the program and all outcome indicators will be the responsibility of an inter-ministerial economic team appointed by the MFB. The government will provide bi-annual progress reports to IBRD/IDA based on the performance indicators in the results framework.

81. ***Grievance Redress.*** Communities and individuals who believe that they are adversely affected by specific country policies supported as Prior Actions or tranche release conditions under a World Bank Development Policy Financing may submit complaints to the responsible country authorities, appropriate local/national grievance mechanisms, or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit *http://www.worldbank.org/GRS*. For

information on how to submit complaints to the Bank's Accountability Mechanism, please visit https://accountability.worldbank.org.

6. SUMMARY OF RISKS AND MITIGATION

82. **The overall risk rating for the operation is assessed as substantial given its scope that requires sustained macroeconomic stability in a complex regional and global environment.**

83. **Macroeconomic risks are substantial.** Macroeconomic risks have significantly diminished since last year, thanks to credible fiscal consolidation supported by an IMF program and World Bank engagement. Both external and fiscal deficits are projected to further decrease. Nevertheless, risks remain substantial due to the volatility of terms of trade, fluctuations in commodity prices, and global and regional geopolitical factors. Increased regional insecurity could erode investor confidence and strain the budget if additional security expenditures become necessary. Delays in oil and gas production could negatively impact the current account balance and pressure reserves. Lastly, a slower-than-anticipated monetary easing cycle in the US and EU would keep financing costs high, reducing the capacity to refinance external debt in the medium term. These risks are mitigated through ongoing policy processes, including strong commitments to fiscal consolidation and debt sustainability, as evidenced by the latest debt sustainability analysis (October 2024). Côte d'Ivoire maintains access to international markets on relatively favorable terms. The World Bank and IMF remain closely involved in monitoring the macroeconomic situation and supporting the authorities' reform efforts, with the IMF program serving as a stabilizing anchor and remaining on track.

84. **Political risks are assessed as substantial due to the upcoming elections in a context of regional instability.** Upcoming Presidential elections in October 2025 and uncertainty surrounding the government transition instill higher political risk in a context of increased regional fragility from Sahelian countries. Côte d'Ivoire has seen an increase in forcibly displaced populations in the northern regions that exacerbate pressure for public service delivery and fragility around the social contract. However, the political environment remains stable. Last regional and municipal elections held on September 2, 2023, faced no incident with the ruling party registering a landslide victory. Most observers see Côte d'Ivoire as playing a stabilizing role in the region.

85. **There are substantial risks to Technical Design of the Program due to the multiphase and sequenced nature of the PBG**, as it is the first time this structure is being implemented. The team has mitigated the risk by taking into account lessons learned from previous operation closer in design.

86. **Stakeholder risks are judged substantial and reflect the difficult political economy around reforms.** On Pillar 1, in transport and telecommunications where the introduction of competition policies is expected to increase market contestability these are expected to be significant and are mitigated by the consultation process. Similarly, tax policy reforms in the medium term are challenging and require strong coordination among the different public sector agencies and ministries involved; and the acceptability of private operators. Second, reforms in the areas of health and education touch on sensitive sectors that are unionized such as teachers and doctors. Finally, on the cocoa sector, the reforms require the coordination of the CCC with other stakeholders, transparency, and information sharing. These risks are mitigated by the strong sectoral engagement, consultation processes, coordination with other donors on key reform areas – notably the EU on the cocoa sector - and the ownership of the government on the reform program supported by the series.

Risk Categories	Rating
1. Political and Governance	● Substantial

2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Moderate
7. Environment and Social	Moderate
8. Stakeholders	Substantial
9. Other	
Overall	Substantial

ANNEX 1: POLICY AND RESULTS MATRIX

Prior actions and Triggers			Results			
Prior Actions under DPF 1 2022	**Prior Actions under DPF 2 2023**	**Prior Actions under DPF 3 + PBG 2024**	**Indicator Name**	**Baseline (2021)**	**Update (Latest)**	**Target (2025)**
***Pillar 1--Program Development Objective**: STRENGTHEN COMPETITION IN KEY ENABLING SECTORS AND DOMESTIC REVENUE MOBILIZATION*						
Prior Action #1. To stimulate the development of Fintech, the telecommunications regulatory authority has issued a decision establishing the price structure to promote access to USSD codes.	Prior Action #1: To improve the competitiveness of the digital economy, the Recipient's Council of Ministers has adopted an Electronic Communications Bill.	Prior Action #1: To improve the competitiveness of digital services, the Recipient has (i) adopted two decrees implementing the Electronic Communications Law, that define telecom activities, and stipulate the royalties and fees for telecom operations; and (ii) adopted a ministerial arrêté revising the framework for the protection of personal data	Results indicator 1a: Financial service providers using USSD codes (number) Results indicator 1b: Retail prices for telecommunications services (price of a data-only 2GB mobile-broadband basket as share of Gross National Income (GNI) per capita)	13 2.58%	24 2.00%	30 1.80%
Prior Action #2. To reduce freight prices, the Council of Ministers has adopted a decree instituting a freight exchange to reduce the asymmetry of information between shippers and carriers.	Prior Action #2: To reduce freight prices and anti-competitive practices, the Council of Ministers has issued an Ordinance reinforcing the mission, powers of control and sanction, and supervisory capacity of the Inland Transport Regulatory Authority (ARTI).	Prior Action #2: Prior Action #2: To reduce freight prices and anti-competitive practices, the Council of Ministers has adopted a decree regulating the auxiliary and intermediate transport professions by establishing rules for accreditation and transacting within the freight exchange.	Results indicator 2: Share of national freight transactions carried out through the freight exchange	0	0	40
Prior Action #3: To streamline non-tax revenue collection by the Treasury, the Council of Ministers has adopted and transmitted to Parliament a	Prior Action #3: To enhance revenue collection and equity, the Recipient has adopted by ordinance the simplification of the personal income taxation process by	Prior Action #3: To increase revenue and promote efficiency, the Recipient has (i) removed VAT exemptions on luxury items through the Budget Law 2024; and (ii) adopted a decree	Results indicator 3:[34] Tax revenue to GDP ratio (3-year average, percentage)	12.6% (2019-21)	13.1% (2021-23)	14.5% (2023-25)

[34] The values of the two indicators will reflect the average of tax and non-tax revenues over three years (2023-2025), according to the latest figures from the TOFEs, with which the IMF macroeconomic framework is aligned.

Prior actions and Triggers			Results			
non-tax revenue procedure bill that sets out the legal framework for collection and oversight.	reducing the number of wages and salaries schedules, and applying a progressive scale.	enforcing the use of TresorPay/TresorMoney digital platforms for the collection of non-tax revenues that implements the law on non-tax revenue procedures.				
Pillar 2--Program Development Objective: *EXPAND EQUITABLE ACCESS TO HEALTH AND EDUCATION SERVICES*						
Prior Action #4. To improve teacher allocation and reduce disparities between regions, the Recipient has issued an interministerial *arrêté* introducing a regional teacher recruitment and personnel allocation system based on pupil/teacher ratio standards for pre-primary and primary school.	Prior Action #4: To improve the quality of basic education and inclusion, the Recipient has adopted three ministerial arrêtés requiring the annual evaluation – including with gender criteria - of public and private educational institutions and teachers.	Prior Action #4: To improve the gender parity and quality of teachers, the Recipient has adopted two ministerial arrêtés facilitating the reintegration of teacher-students following a departure due to pregnancy and Gender Based Violence.	Results indicator 4a: Consistency of primary school teachers' deployment (a number closer to one indicates deployment is based on pupils' needs)[35] (number) Results indicator 4b: Share of female teachers among primary and secondary teachers (percentage)	0.55 32.5% and 15%	N/A 37% and 14.9%	0.70 35.5% and 18%
Prior Action #5. To improve the quality of technical and vocational education and training systems and reduce gender skills gaps, the Recipient has adopted a bill defining the legal framework for the development of technical education, vocational training and apprenticeship in line with digital technologies and economic priorities.	Prior Action #5: To improve the quality of the TVET systems, the Recipient has adopted two ministerial arrêtés and one interministerial arrêté defining the modalities of organization, private sector participation and criteria for competitive TVET pedagogical evaluations.	Prior Action #5: To better integrate education and the technical/vocational sector, the Recipient has adopted two decrees establishing the equivalence between education pathways (TVET and general high school curricula), which include enabling access to TVET students to tertiary education.	Results indicator 5: Share of secondary school students enrolled in technical and vocational education and training or apprenticeships, by sex (percentage)	(2020) Male: 2.5% Female: 2.3%	(2022) Male: 3.01% Female: 2.9%	5% both sexes

[35] Source: United Nations Educational, Scientific and Cultural Organization (UNESCO). Consistency is calculated from the correlation between the number of pupils and the number of teachers in a school. The closer the degree of consistency is to 1, the more equitable and rational teacher allocation is in schools from the standpoint of the number of pupils enrolled. The lower the degree of consistency, the more the problems of coherence in teacher allocation are visible and reveal the weaknesses of the management systems.

Prior actions and Triggers			Results			
Prior Action #6. To increase enrollment in the CMU national health insurance scheme and strengthen its sustainability, the Recipient has adopted by *arrêté* (i) the simplification of the list of documents required to enroll; and by decree (ii) proof of enrollment as a prerequisite for employment in the public sector and for new employees in the private sector.	Prior Action #6: To accelerate equitable access to health care and increase enrollment in the National Health Insurance (CMU), the Recipient has adopted a decree reducing the waiting period to benefit from the CMU.	Prior Action #6: To strengthen the quality, efficiency and access to health care, the Recipient has adopted (i) a decree instituting the social security number as a unique health identifier for access to health care in Côte d'Ivoire (including for free services provided under targeted free healthcare programs); and (ii) a decree and an interministerial arrêté, defining the regulatory framework for the CNAM to contract with private non-profit health providers.	Results indicator 6a: Population enrolled in the CMU program, [of which extremely poor (percentage) Results indicator 6b: Average rate of public healthcare users having a CMU identifier (percentage)	12% [1.5%] 1.7%	41.5% [4.1%] 3.7%	60% [10%] 12%
Pillar 3--Program Development Objective: *PROMOTE THE SUSTAINABLE USE OF NATURAL RESOURCES*						
Prior Action #7. To ensure the sustainable production of cocoa, the Recipient has adopted a decree regulating the implementation of the African standard of the ARS 1000 Series, aimed at ensuring the production of sustainable cocoa beans that meet production, traceability, and certification requirements of the New African Standards for Sustainable Cocoa and zero-deforestation agricultural policy.	Prior Action #7: To promote more environmentally and socially sustainable cocoa production, the Recipient has adopted a decree establishing the institutional and operational architecture for the management of the national traceability system.	Prior Action #7: To promote ecologically sustainable agricultural production and social inclusion, the Recipient has adopted an interministerial arrêté revising the statutes, governance, and internal management procedures of the Rural Investment Fund (FIMR) and redefined its role to enhance the impact of its activities in improving the living conditions of cocoa-producing communities	Results indicator 7: Cocoa traced and compliant with sustainability standards (percentage)	0	0	30%
	Prior Action #8:	Prior Action #8: To ensure sustainable growth in agriculture and prevent deforestation, the Recipient	Results indicator 8a:	0	450,00	>500,000

Prior actions and Triggers			Results			
	To promote sustainable agriculture growth and prevent deforestation, the Recipient has adopted three decrees converting the three biggest classified degraded forests into classified 'agro-forests' whose protection is supported by participatory forestry management plans (PFMP).	has adopted a decree defining the conditions and incentive measures for the mobilization of private operators into agroforestry.	Hectares of forests classified as agroforests. <u>Results indicator 8b:</u> Hectares of agroforests with signed concessions agreements.	0	0	300,000
Prior Action #8. To strengthen the environmental regulatory framework, the Council of Ministers has transmitted to Parliament the new Environmental Bill.	Prior Action #9: To improve climate change resilience and risk management, the Recipient has issued two decrees reinforcing the legal, planning, and regulatory instruments to protect coastal areas from environmental degradation.	Prior Action #9: To improve environmental sustainability, the Recipient has adopted: (i) a decree regulating environmental assessments to include the new provisions of the Environmental Law to integrate climate change and the specificities of coastal area protection; and (ii) a decree setting out the list of national protected coastal areas.	<u>Results indicator 9:</u> Urban coastal areas protected by climate and risk informed local urban plans (percentage).	0	0	60%

RESULTS

Baseline	Closing Period
Pillar 1: Strengthen competition in key enabling sectors and domestic revenue mobilization	
1a. Financial service providers using USSD codes (number) (Number)	
Dec/2021	Dec/2025
13	30
1b. Retail prices for telecommunications services (price of a data-only 2GB mobile-broadband basket as share of Gross National Income (GNI) per capita) (Percentage)	
Dec/2021	Dec/2025

2.58%	1.80%
2. Share of national freight transactions carried out through the freight exchange (Percentage)	
Dec/2021	Dec/2025
0	40
3. Tax revenue to GDP ratio (3-year average) (percentage) (Percentage)	
Dec/2021	Dec/2025
12.60	14.50
Pillar 2: Expand equitable access to health and education services	
4a: Consistency of deployment of elementary school teachers. (number) (Number)	
Dec/2021	Dec/2025
0.55	0.70
4b: Share of female teachers among primary and secondary teachers (percentage) (Percentage)	
Dec/2021	Dec/2025
32.5% and 15.0%	35.5% and 18%
5. Share of secondary school students enrolled in technical and vocational education and training or apprenticeships, by sex (percentage): MALE (Percentage)	
Dec/2021	Dec/2025
2.5%	5%
➢of which female (Percentage)	
Dec/2021	Dec/2025
2.3%	5%
6a: Population enrolled in the CMU program, [of which extreme poor] (percentage) (Percentage)	
Dec/2021	Dec/2025
12%	60%
➢of which extreme poor (percentage) (Percentage)	
Dec/2021	Dec/2025
1.5%	6%
6b: Average rate of public healthcare users having a CMU identifier (percentage) (Percentage)	
Dec/2021	Dec/2025
1.7%	12%
Pillar 3: Promote the sustainable use of natural resources	
7. Cocoa traced and compliant with sustainability standards (percentage of total cocoa exported per season) (Percentage)	
Dec/2021	Dec/2025
0	30%
8a: Hectares of forests classified as agroforests (Number)	

Dec/2021	Dec/2025
0	>500,000
8b: Hectares of agroforests with signed concession agreements (Number)	
Dec/2021	Dec/2025
0	300,000
9: Urban coastal areas protected by climate and risk informed local urban plans (percentage) (Percentage)	
Dec/2021	Dec/2025
0	60%

ANNEX 2: CHANGES TO THE POLICY AND RESULTS MATRIX BETWEEN DPF2 AND DPF3

No.	Original (DPF2)	Revised (DPF3)	Reason and assessed impact
1	Indicative Trigger #1: To improve the competitiveness of the digital economy, the Recipient has adopted (i) the implementation decrees of the Electronic Communications Law, and (ii) the regulatory framework for personal data protection.	Prior Action #1: To improve the competitiveness of digital services, the Recipient has (i) adopted two decrees implementing the Electronic Communications Law, that define telecom activities, and stipulate the royalties and fees for telecom operations; and (ii) adopted a ministerial arrêté revising the framework for the protection of personal data.	*The prior action remains unchanged but has been specified for the operation.* *Revision of the target of the result indicators:* *Given the good progress on the RI1b – the ambition has been increased and the target revised from 2 to 1.8 percent.*
2	Indicative Trigger #2: To reduce freight prices and anti-competitive practices, the Recipient has adopted a decree regulating the auxiliary and intermediate transport professions by establishing rules for their accreditation and transactions within the freight exchange.	Prior Action #2: To reduce freight prices and anti-competitive practices, the Council of Ministers has adopted a decree regulating the auxiliary and intermediate transport professions by establishing rules for accreditation and transacting within the freight exchange.	*The prior action remains unchanged but has been specified for the operation.* *A previously added Results indicator 2b (Quarterly publication of freight exchange transaction statistics on the ARTI website) was removed to streamline the results matrix but will be monitored in parallel.*
3	Indicative Trigger #3: To increase tax revenue and promote efficiency, the Recipient has removed VAT exemptions on luxury items on the Budget Law.	Prior Action #3: To increase revenue and promote efficiency, the Recipient has (i) removed VAT exemptions on luxury items through the Budget Law 2024; and (ii) adopted a decree enforcing the use of TresorPay/TresorMoney digital platforms for the collection of non-tax revenues that implements the law on non-tax revenue procedures.	*Revision on prior action:* *The addition of component (ii) results from the timely adoption of the law and its vote by both chambers, and the advanced preparation of the implementing decree. The decree relating to TresorPay/TresorMoney was also part of the SDFP FY24.*
4	Indicative Trigger #4: To improve the equity and quality of the teaching corps, the Recipient has (i) adopted an inter-ministerial arrêté regulating the flow of teachers in ministries outside the education and training sector; and (ii) a decree reducing the registration fees for teacher training for women.	Prior Action #4: To improve the gender parity and quality of teachers, the Recipient has adopted two ministerial arrêtés facilitating the reintegration of teacher-students following a departure due to pregnancy and Gender Based Violence.	*Revision on prior action:* *The originally-planned PA4 (i) was met but it was deemed not transformational enough during the preparation of the operation when more evidence came to light with the regulatory framework already existing but lacking in its implementation. Art. 3 of decree #76-22 of January 9, 1976, established specific salary scales in favor of teaching staff, after a period of three (03) months, those interested are able to choose whether to return or not in their technical ministry. To address the implementation gap, the Council of Ministers in its session of June 7, 2023, adopted the application of the "return of teachers outside the sector". The Ministries concerned (MENA, MFPMA, METFPA) adopted a circulatory note to remind the importance of the implementation of the decree.* *Concerning the second part of DI4 on the decree reducing registration fees for teacher training for women: statistics shows that there are already more women enrolled for the teachers' training, and the bottleneck is therefore not at the enrollment stage. To encourage girls to stay at school at all educational levels, the DPF team discussed with the counterparts on key issues leading to female dropping out of school, and the lack of return pathway after dropping out because of pregnancy of GBV was identified as a key issue. As a result, the PA now focuses on establishing clear pathways. At concept stage, the PA also included a similar mechanism for enrolled girls in school. The action was adopted and verified by the World Bank legal team and is included in the LDP.*

5	Indicative Trigger #5: To better integrate education and the technical/vocational sector, the Recipient has adopted an interministerial arrêté establishing the equivalence between education pathways (TVET and general high school curricula), which include enabling TVET students access to tertiary education.	Prior Action #5: To better integrate education and the technical/vocational sector, the Recipient has adopted two decrees establishing the equivalence between education pathways (TVET and general high school curricula), which include enabling access to TVET students to tertiary education.	*The prior action remains unchanged but has been specified for the operation.*
6	Indicative Trigger #6: To strengthen the quality and efficiency of health care, the Council of Ministers has adopted a decree instituting the social security number as a unique health identifier for access to health care in Côte d'Ivoire (including for free services provided under the targeted free healthcare program).	Prior Action #6: To strengthen the quality, efficiency and access to health care, the Recipient has adopted (i) a decree instituting the social security number as a unique health identifier for access to health care in Côte d'Ivoire (including for free services provided under targeted free healthcare programs); and (ii) a decree and an interministerial arrêté, defining the regulatory framework for the CNAM to contract with private non-profit health providers.	*<u>Revision of prior action:</u>* *The original PA was complemented by the adoption of the regulatory framework for the CNAM to contract with private non-profit health providers. This was identified as a key bottleneck on the supply-side during the preparation of a World Bank-International Finance Corporation (IFC) operation in the health sector.* *<u>Revision of the target of the result indicators</u>:* *Following the adoption of the triggers in 2022 and 2023, there was a significant acceleration in registrations (41.5% including 4.1% extreme poor), and the initial objective (30%) has already been exceeded. Result indicator #6a (Population enrolled in the CMU program, [including extremely poor]) is therefore revised to 50% [5%].*
7	Indicative Trigger 7: To promote environmentally sustainable agricultural production and social inclusion, the Recipient has revised the 2006 regulatory text establishing the statutes, governance and internal management procedures of the Rural Investment Fund (FIMR) and redefined its role in order to increase the impact of its activities on improving the living conditions of cocoa-growing communities.	Prior Action #7: To promote ecologically sustainable agricultural production and social inclusion, the Recipient has adopted an interministerial arrêté revising the statutes, governance, and internal management procedures of the Rural Investment Fund (FIMR) and redefined its role to enhance the impact of its activities in improving the living conditions of cocoa-producing communities.	*The prior action remains unchanged but has been specified for the operation.*
8	Indicative Trigger 8: To ensure a sustainable growth of agriculture and prevent deforestation, the Recipient has revised the regulatory framework for the sustainability management of agroforests concessions.	Prior Action #8: To ensure sustainable growth in agriculture and prevent deforestation, the Recipient has adopted a decree defining the conditions and incentive measures for the mobilization of private operators into agroforestry.	*The prior action remains unchanged but has been specified for the operation.*
9	Indicative Trigger 9: To improve environmental sustainability, the Recipient has adopted (i) a decree regulating environmental assessments to reflect the new provisions of the Environmental Law, integrating climate change and the specificities of coastal area protection; and (ii) a decree adopting the list of national protected coastal areas.	Prior Action #9: To improve environmental sustainability, the Recipient has adopted: (i) a decree regulating environmental assessments to include the new provisions of the Environmental Law to integrate climate change and the specificities of coastal area protection; and (ii) a decree setting out the list of national protected coastal areas.	*The prior action remains unchanged but has been specified for the operation.*

ANNEX 3: DPF3 PRIOR ACTIONS – ANALYTICAL AND OPERATIONAL SUPPORT

Prior Actions	Analytical Underpinnings	
Pillar 1: Strengthen competition in key enabling sectors and domestic revenue mobilization		
Prior action #1 Prior action #2 Prior action #3	• Côte d'Ivoire CPSD (World Bank 2020a) • Côte d'Ivoire Country Economic Memorandum, Chapter III – Boosting productivity growth through competition policy, World Bank, 2021 • Analyse du Marché USSD en Zone UEMOA, World Bank, Novembre 2019 • Digital Economy for Africa (DE4A) Côte D'Ivoire Diagnostic, August 2021 • Côte D'Ivoire 12th Economic Update (2022) • Côte D'Ivoire 13th Economic Update (forthcoming) • The West Africa Tax Policy study, World Bank 2019. The study reviews revenue performance and tax policy gaps over the recent decade. • Domestic Revenue Mobilisation – IMF 2019 • TADAT Report 2021 • Public Finance Review, forthcoming. • IMF AIV and Selected Issues, 2022 • Vision 2030, World Bank 2021	• Côte d'Ivoire Digital Acceleration Project (P180059) • Competitive Value Chains for Jobs and Economic Transformation Project (P172425) • the Greater Abidjan Port - City Integration project (P159697)
Pillar 2: Expand equitable access to health and education services		
Prior action #4 Prior action #5 Prior action #6	• SCD Update (2022) • Human Capital Project, Côte d'Ivoire 2021 • Public Expenditure Review in Education, 2015 • Poverty Assessment 2021 • Poverty and Social Impact Assessments. • Vision 2030, World Bank 2021 • Annuaire statistique de la sante 2019/21 • Annuaire statistique de l'éducation 2019/21 • SDI Santé et Education • Public Expenditure Review, forthcoming • World Bank (2018). Couverture sanitaire universelle et secteur informel en Afrique de l'Ouest francophone (P156788). (page 62 – recommends making enrolment mandatory to reduce adverse selection and force the informal sector to enroll. This ASA included Benin, Burkina, Senegal, Côte d'Ivoire, Guinee, Mali, Mauritania, Niger, Togo). • Results-for-Development (2022) Evaluation du programme de Couverture Maladie Universelle en Côte d'Ivoire - (Page 15: recommend the reduction or eliminating the waiting time; page 48: recommends the adoption of the CMU number as the unique health identifier for the sector • Extending social health protection: Accelerating progress towards Universal Health Coverage in Asia and the Pacific – all three reforms have been discussed in this report. • World Bank (2019). Use of Unique Health identifiers in	• Effectiveness for Improved Public Services PforR (P164302) • Strengthening Primary Education System Program (P177800) • Youth Employment and Skills Development Project - Phase 3 (P1728000) • SPARK-Health project (P167959) enhances the operationalization of the CMU program • Health, Nutrition, and Early Childhood Development Program for UHC (P179550)

	Universal Health Coverage Programs for Health Insurance schemes (benefits of unique health identifiers – improve quality and efficiency)	
Pillar 3: Promote the sustainable use of natural resources		
Prior action #7 Prior action #8 Prior action #9	• Climate Change and Development Report (forthcoming) • Côte d'Ivoire CPSD (World Bank 2020) • Côte D'Ivoire 10th Economic Update (2019) • West Africa Coastal Areas Research program • Sectoral review of the cocoa and agricultural sectors • Ongoing Climate Change and Development Report	• Forest Investment Project, Phase 2 - (P175982) • West Africa Coastal Areas resilience investment project (P162337)

ANNEX 4: ENVIRONMENT AND POVERTY/SOCIAL IMPACT ANALYSIS

Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
Operation Pillar 1: Strengthen competition in key enabling sectors and domestic revenue mobilization		
Prior action #1	Potential negative impact	Positive
Prior action #2	No impact	Positive
Prior action #3	No impact	Positive
Operation Pillar 2: Expand access to health and education services		
Prior action #4	No impact	Positive
Prior action #5	No impact	Positive
Prior action #6	Potential negative impact	Positive
Operation Pillar 3: Promote the sustainable use of natural resources		
Prior action #7	Positive risks	Positive
Prior action #8	Positive risks	Positive
Prior action #9	Positive risks	Positive

Pillar 1: Strengthen competition in key enabling sectors and domestic revenue mobilization.

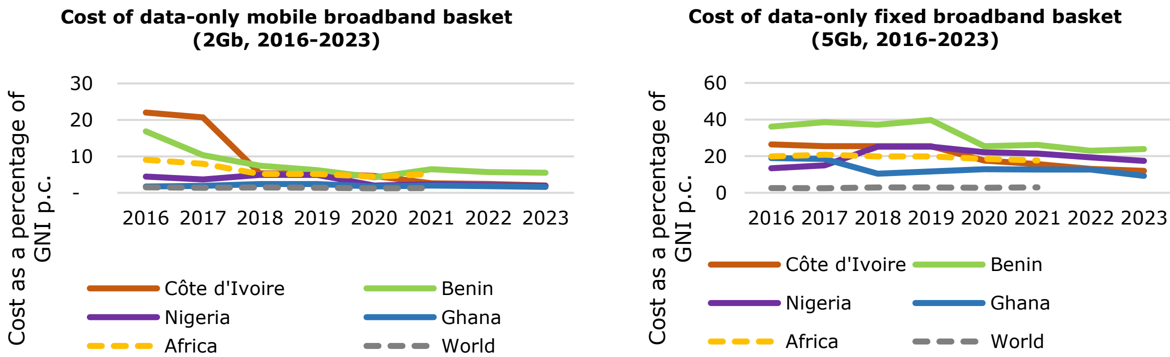
1. **The adoption of the implementing decrees of the Electronic Communications Law and the framework for personal data protection under PA#1 are expected to strengthen competition in the telecommunications sector, contributing to make services more affordable, private and secure, and enhancing market opportunities and access to financial services.** The policies supported by PA#1 are expected to strengthen competition, bolster the regulatory environment and support the country's connectivity. Internet access in Côte d'Ivoire has significantly increased, primarily driven by mobile broadband, with 38.4 percent of the population regularly accessing the Internet in 2022, up from 10 percent in 2014. Mobile broadband penetration reached 43.4 percent in 2023, while fixed broadband remains limited with a 6.4 percent household penetration as of March 2024.[36] Regionally, Côte d'Ivoire has outperformed its peers in Internet and mobile broadband usage, ranking 6th out of 22 countries in the Africa West Region.[37] Internet affordability has improved (**Figure 4.1**), with the cost of a 2GB mobile broadband basket dropping from 22 percent of GNI per capita in 2016 to 2 percent in 2023, aligning with the UN's affordability target for 2025. However, fixed broadband remains less affordable, costing nearly 12 percent of GNI per capita in 2023.

2. **Despite advancements in connectivity, Côte d'Ivoire still faces significant challenges in technology adoption, particularly in rural areas.** The country has enhanced internet coverage and mobile broadband access, supported by five international submarine cables. However, issues such as the high cost of fixed broadband, limited rural broadband adoption, skills and literacy gaps, and unreliable power supply hinder further progress. As of 2023, 69 percent of urban adults have internet access compared to only 29 percent in rural areas, exacerbated by a gender gap where 47 percent of men have access versus 36 percent of women.[38] Enhancing broadband affordability and personal data protection could

[36] There are three mobile operators in the country: Orange Côte d'Ivoire with around 40 percent market share, MTN Côte d'Ivoire with around 35 percent market and Moov Côte d'Ivoire with around 25 percent market share. The fixed broadband sector is dominated by Orange with around 87 percent market share as of June 2024 (Telegeography). However, there is some improvement in the fixed broadband market as competition with the arrival of a new actor (GVA) that has significantly boosted competition during the last two years (Orange has lost 10 percentage points of market share during the last two years as it had a 97 percent market share in June 2022).
[37] ITU Datahub (2023). As points of comparison, Internet access stands at 33.8 per cent in Benin, 69.8 per cent in Ghana, and 35.5 per cent in Nigeria.
[38] Gallup World Survey (2023).

improve labor market opportunities and access to digital financial services.[39] Studies indicate that better Information and Communication Technology access in Africa correlates with higher employment rates, particularly in skilled sectors, and increased labor market participation, especially among women.[40] This is pertinent for Côte d'Ivoire, where male labor participation is 64.9 percent compared to 45.9 percent for women.[41] Improved connectivity can also enhance welfare through greater access to mobile money, which can bolster household resilience to economic shocks and reduce transaction costs for agricultural households, facilitating market participation.[42,43]

Figure 4.1. Cost of broadband services in Côte d'Ivoire and regional neighbors



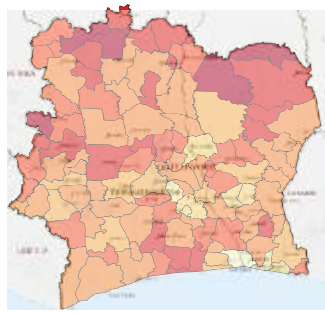
Source: Compiled with data from ITU DataHub.
Note: 2021 is the latest available year for Africa and World averages.

3. **The reform promoted by PA#2 is expected to reduce the likelihood of collusion and increase competition. PA#2 can have positive effects on poverty if increased competition results in lower costs and, in turn, lower prices for the final consumer.** In West Africa, the lack of regulation and professionalization of the road transport sector has given rise to informal intermediaries who match demand and supply, and complete transport and customs documents. However, intermediaries prevents direct interaction between transport operators and shippers, resulting in additional costs and higher prices, without necessarily adding value (World Bank, 2014). Moreover, intermediaries limit the entry of new competitors and facilitate collusion, being one of the main barriers to competition in the sector (World Bank, 2021b).

4. **Regulation of auxiliary and intermediary transport professions is expected to increase competition, reducing transport costs.** The region crossed by the Abidjan-Ouagadougou corridor[44] is home to about 10.2 million Ivorians (one third of the total population), of which 18.7 percent live in poverty (EHCVM 2021/2022) (Figure 4.2). Côte d'Ivoire's road transport corridors are more expensive than other regional alternatives. Indeed, the price to transporting a 20-foot container to Burkina Faso is higher across the country compared to Ghana and Togo (World Bank, 2021b). An estimated 35.7 percent of total transport costs are due to lack of competition (lack of transparency and poor regulation), representing US$746 per trip on the Abidjan-Ouagadougou corridor (US$62.6 cents per truck-km). A reform proposed in 2016 estimated that increased competition and professionalization of trucking operators would result in an annual benefit of around US$23.4 million for the period 2021-2024. Moreover, if intermediation and truckers' margins are reduced by 20 percent, it is expected a reduction of US$12.6 cents per truck-km of transport cost (World Bank, 2016).

[39] Hjort, J., & Poulsen, J. (2019). The arrival of fast internet and employment in Africa. *American Economic Review*, *109*(3), 1032-79.
[40] Chiplunkar, G., & Goldberg, P. K. (2022). *The Employment Effects of Mobile Internet in Developing Countries* (No. w30741). National Bureau of Economic Research.
[41] According to the World Bank's Côte d'Ivoire Gender Brief, in 2021, labor participation rate was 64.9 percent among men and only 45.9 percent among women.
[42] Yao, B., Shanoyan, A., Schwab, B., & Amanor-Boadu, V. (2023). The role of mobile money in household resilience: Evidence from Kenya. *World Development*, *165*(C).
[43] Yao, B. H., Shanoyan, A., Schwab, B., & Amanor-Boadu, V. (2022). Mobile money, transaction costs, and market participation: evidence from Côte d'Ivoire and Tanzania. *Food Policy*, *112*, 102370.
[44] The corridor crosses the Abidjan District, the regions of Agnéby-Tiassa, Bélier, the Yamoussoukro district, the regions of Gbêkê, and Tchologo.

Figure 4.2. Poverty rate by region

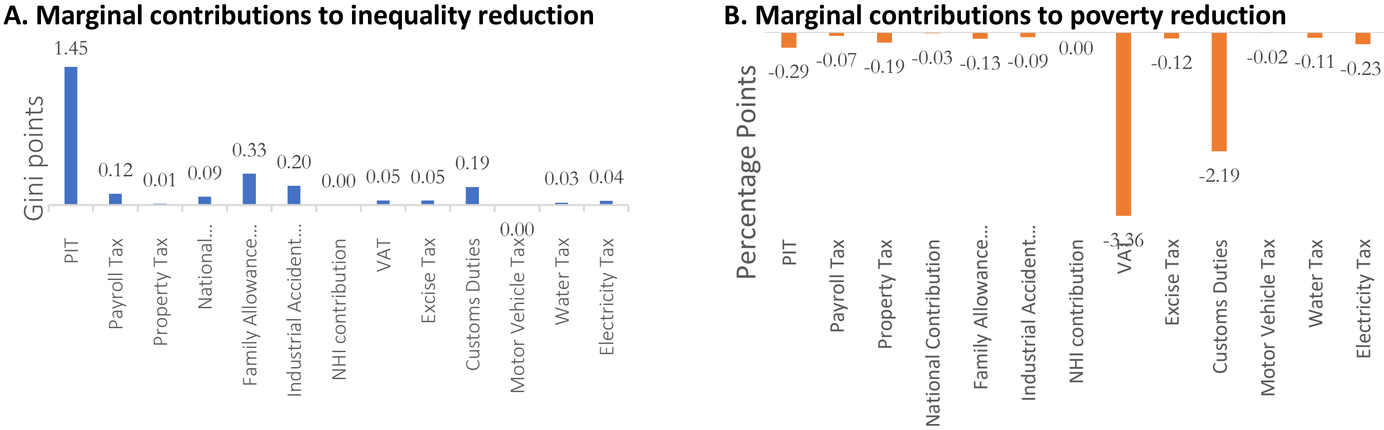


Source: World Bank staff calculations based on EHCVM 2021/22.

5. **The reduction of exemptions on luxury items proposed by PA#3 is not predicted to significantly impact poverty, while the compulsory use of TresorPay/TresorMoney is not expected to increase the tax burden.** This Poverty and Social Impact Assesment relies on a fiscal incidence analysis based on a Commitment to Equity (CEQ) Assessment and the Harmonized Survey on Household Living Conditions (*Enquête Harmonisée sur le Conditions de Vie des Ménages*, EHCVM 2021/22) as main data source for household and individual level information to analyze the fiscal system in Benin leveraging household survey data and administrative records on government expenditures and revenues.[45] More precisely, the fiscal incidence analysis presents the effects of government taxation, social spending, and indirect subsidies in Benin on poverty and inequality and allow to simulate the incidence of several policy reforms. The CEQ suggests that while the marginal impact of the overall VAT is poverty inducing, as PA#3 focuses on luxury goods, this change is not expected to have a significant effect on the welfare of households at the bottom of the income distribution. Similarly, the compulsory use of TresorPay/TresorMoney for the collection of non-tax revenues is not expected to increase the tax burden. This prior action would reduce transaction costs for the collection of non-tax revenues, by making compulsory the use of digital platforms. However, this is not expected to have a significant impact on the tax burden perceived by households, and thus their impact on poverty and inequality would be negligible.

Figure 4.3: The VAT has a marginal impact reducing inequality, but increases poverty

A. Marginal contributions to inequality reduction **B. Marginal contributions to poverty reduction**



Source: Authors' estimates based on EHCVM 2021/22.

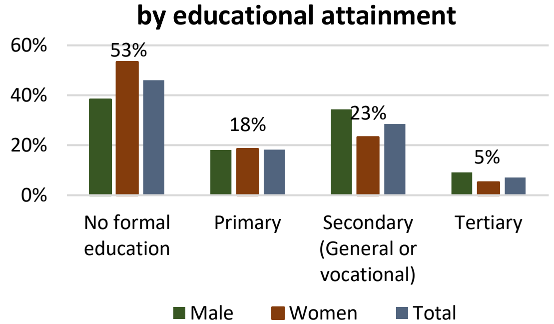
[45] A CEQ Assessment is a rigorous and standardized fiscal incidence methodology that allows for systematic analysis of the distributional impact of taxes and public spending using a common widely accepted framework. The CEQ analysis allows to assess how the fiscal system (i.e., government expenditures and revenues) in Benin affected different households relying on household-level data and administrative information. The CEQ takes specific fiscal policy elements, programs, expenditures, or revenue collections and allocates them to individuals and households, leveraging the information from micro-level socio-economic surveys.

Pillar 2: Expand Equitable Access to Health and Education Services.

6. **Facilitating the reintegration of teacher-students through PA#3 is expected to reduce the gender gap in teachers and promote the enrollment and attendance of girls to school**. While multiple economic, social, and cultural factors explain weaker schooling outcomes among girls, one of the important drivers of their lower school enrolment and attendance is the lack of female teachers.[46] In Côte d'Ivoire there is a gender gap in teachers with only 32.5 percent women among primary school teachers and 15.0 percent among secondary school teachers. The proposed reform would likely address one of the barriers preventing women teacher-students from dropping out due to pregnancy and Gender Based Violence.[47] The related action to ensure the medical certificate is free for reinsertion of pregnant girls to secondary school (LDP) would also support women's educational attainment, potentially reducing gaps in labor market outcomes and, in turn, improving welfare among women. Although the adolescent fertility rate in Côte d'Ivoire has decreased over the last decades, it remains above the average in the region. Indeed, the country had 103.3 births per 1,000 women aged 15-19 in 2022, a figure higher than the average for the sub-Saharan Africa (98.7 births) and more than double that reported worldwide (41.9 births). In absolute terms, the *Conseil National des Droits de l'Homme* (CNDH) reported 4,137 cases of pregnancy during schooling between September 2023 and May 2024. This figure represents an increase of 15.3 percent compared to September 2022 and May 2023 (CNDH, 2024).

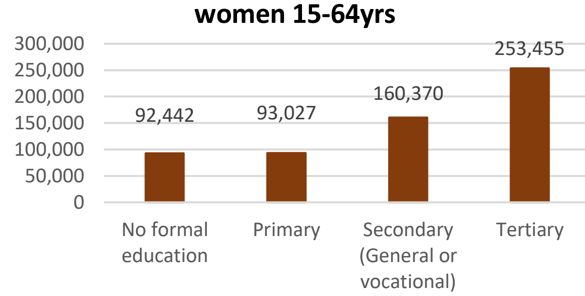
7. **Policies promoted by PA# 4 are expected to have a positive, albeit mild, impact on welfare, especially among women.** In Côte d'Ivoire, almost half of the working age population has no formal education (46 percent). While this figure reaches 38 percent among men, more than 5 out of 10 women lack formal education (53 percent) (Figure 4.5). There is a large difference between areas, with 70 percent of women in rural areas with no formal education compared to 41 percent in urban areas. In terms of monthly wages, women with no formal education earns 0.94, 0.60, and 0.34 what women with primary, secondary (general or vocational) or tertiary education earn, respectively (**Figure 4.6**. An additional year of education would increase the expected wage by 8.1 percent for women, based on estimates from a Mincer equation. In addition, using a probit model, it is estimated that women with primary education are 18.5 percentage points more likely to be employed, and 60 percentage points more likely to be in formal employment than women with no education.

Figure 4.5. Distribution of Ivorians (aged 15-64) by educational attainment



Source: World Bank staff elaboration based on the 2021/2022 EHCVM survey.

Figure 4.6. Monthly labor earnings (CFAF) of women 15-64yrs



Source: World Bank staff elaboration based on the 2021/2022 EHCVM survey.

8. **PA# 5 is expected to have positive impacts on labor market outcomes.** However, the positive effects on employment and earnings are expected to be mild. According to the 2021/2022 ECHVM survey, among Ivorian youth (aged 15-24) enrolled in secondary education, 1 in 10 is enrolled in TVET, while 90 percent is in general education. The

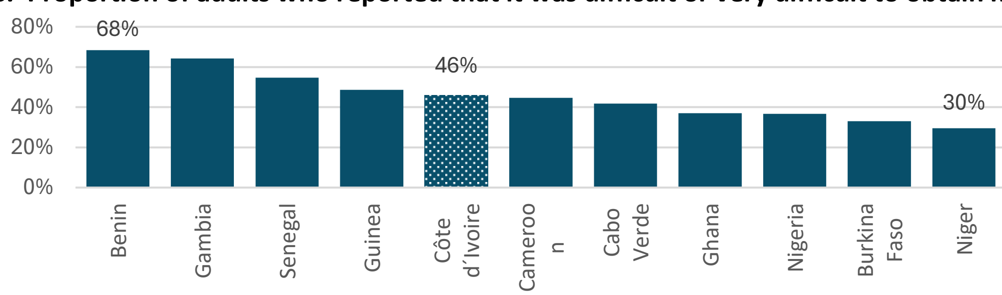
[46] Bernard (2002).

[47] Please refer to the consultations held in Côte d'Ivoire and Oyeniran, R., I.B. Ishmael. 2018. "Women's Leadership Experiences: A Study of Ivorian Women Primary School Principals." *Journal of Educational Issues* n4 n1: 148-173.

ratio is similar for women and men. While 9.8 percent of young women are in vocational education, 10.3 percent of young men are. As for tertiary education, only 5.8 percent of the young population attends this educational level, with a slightly difference by gender (6 percent men compared to 5.6 percent women). In Côte d'Ivoire, a large part of the working-age population has no formal education (46 percent), and the low educational attainment is higher among women. More than half of Ivorian women have no formal education compared to almost 2 in 5 men. Among those with secondary education, general education remains the norm, with a negligible proportion with TVET. Only 1.3 percent of the total working-age population has vocational education, with a slightly larger difference in favor of men (1.5 percent vs. 1.1 percent for women). In addition, the working-age population with tertiary and vocational education earns on average more than those with general education. An additional year of education is estimated to increase average wages by 6.8 percent, with the return being higher for women (8.1 percent). In terms of educational category, individuals with tertiary and vocational education earn 63 and 15.9 percentage points more than those with general secondary education, respectively.

9. **PA# 6 is expected to have a positive impact on the well-being of Ivorians by helping to mitigate the negative impact of health shocks that disproportionally affect the most vulnerable.** According to the 2021/2022 EHVCM survey, only 5.3 percent of Ivorians have health coverage, with only 0.6 percent covered among the poorest quintile and 16.4 percent in the richest quintile. Among the working age population (aged 15-64), 76 percent of those with healthcare insurance have secondary or tertiary education, while 48 percent of those without healthcare insurance report no formal education. Limited health coverage can result in untreated illnesses and/or high out-of-pocket expenses, with individuals and households at risk of falling into poverty. In sub-Saharan Africa, out-of-pocket payment are estimated to impoverish more than 100 million individuals annually (Aderinto & Olatunji, 2023). In Africa, less than half of the population has access to health insurance, with an average out-of-pocket payment of 30 percent of total health expenditure (Aderinto & Olatunji, 2023). This figure was higher in Côte d'Ivoire, reaching 32.3 percent of health expenditure in 2021 (World Bank, 2022). Evidence from Ghana suggests that the introduction of the national health insurance scheme has reduced the out-of-pocket health payment by 7 percentage points among those individuals with coverage compared to those without (Fiestas et al., 2019).

Figure 4.8. Proportion of adults who reported that it was difficult or very difficult to obtain medical care



Source: World Bank staff calculations based on Afrobarometer (R9 2021/2023) All samples.
Note: Interviewers were asked how easy or difficult it was to obtain the medical care or services they needed.

10. **PA# 6 is expected to indirectly contribute to increase workers' productivity by helping to improve health outcomes.** Evidence from 25 countries sub-Saharan African countries between 1995 and 2020 shows that an 1 percent increase in public spending on health would increase total factor productivity (TFP) by 0.011 percent (Oluranti et al., 2022). Workers in poor health tend to work less and be less productive compared to their healthy counterparts. Evidence from the Africa region shows that 1-percent increase in health burdens (morbidity and mortality rate) would diminish labor productivity by 13 percent in the upper middle income economy, 17 percent in the middle income economy, and 19 percent in the low-income economy (Mobosi & Patric, 2022). Similarly, in Ghana, health shocks (e.g., malaria) have negative impacts at different stages of farm labor use, and the impact depends on the labor substitution factor (Osei-

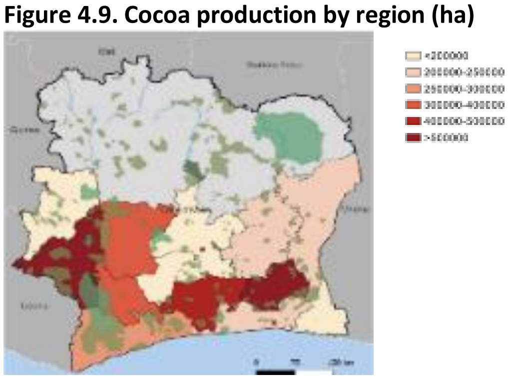
Akoto et al., 2013).

Pillar 3: Promote the sustainable use of natural resources.

11. **PA# 7 is expected to support rural development and improve the livelihoods of cocoa-growing communities, by enhancing the impact of the infrastructures and social services financed through the FIMR.** Côte d'Ivoire's economic growth is linked to the agricultural sector, particularly cocoa farming. Cocoa cultivation accounts for 15 percent of GDP and more than 40 percent of export earnings (Cocoa and Forest Initiative, 2023). However, cocoa producers are highly vulnerable to external shocks, such us natural disasters, international price shocks, and low farm prices. Van Vliet et al. (2021) estimates that between 42 and 56 percent of cocoa producers and their households live in extreme poverty, and more than 82 percent do not earn a living income. In this context, the FIMR aims to finance key infrastructures and social services to improve the living conditions of cocoa farming communities.

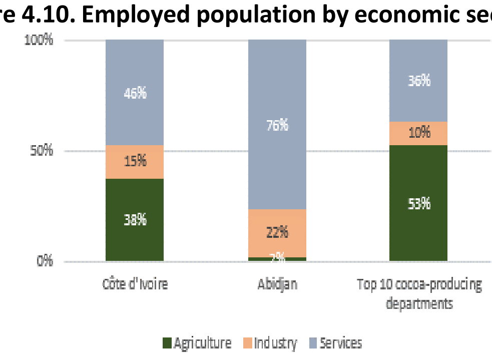
12. **In Côte d'Ivoire, workers in main cocoa-producing departments are more likely to be employed in the agriculture sector and live in poverty.** Cocoa farming is concentrated in the southern regions of the country (Figure 4.9) and 95 percent is produced on small farms (Coral et al., 2024). Poverty rates in the top 10 cocoa-producing departments (San-Pedro, Sassandra, Gagnoa, Tabou, Abengourou, Guiglo, Meagui, Lakota, Soubre, Duekoue (Wang & Pfister, 2024)) is equal or higher than the national average (37.5 percent), ranging from 37.2 percent in Guiglo to 52.6 percent in Meagui (World Bank, forthcoming). More than half of workers in these departments (EHCVM 2021/22**)**, work in the agriculture (Figure 4.10).

Figure 4.9. Cocoa production by region (ha)



Source: Coral et al. (2024)

Figure 4.10. Employed population by economic sectors and area



Source: 2021/2020 EHCVM.

13. **PA#8 is expected to indirectly improve farmers' welfare by mitigating vulnerability to climate change, diversifying income sources, boosting farm productivity, and contributing to food security.** Extensive cocoa cultivation has led to forest degradation, with 75 percent forest loss, half of which has occurred in the last three decades (Cocoa and Forest Initiative, 2023). Wang & Pfister (2024) find that cocoa cultivation is responsible for 44 percent of the total biodiversity loss in the country, with the greatest impact in the department of Tabou, Sassandra, and San Pedro. As a proportion of total biodiversity impacts at the departmental level, Guiglo records the highest biodiversity loss due to cocoa cultivation. Although these departments are characterized by a high level of cocoa production in absolute terms, their poverty rate also exceeds the national average of 37.5 percent. Indeed, 45.5 percent of the population in Tabou are in poverty, followed by 44.2 percent in Sassandra, and 41.6 percent in San Pedro**Error! Reference source not found.**. The biodiversity loss jeopardizes the main livelihoods of Ivorian farmers and thus increases their likelihood of falling into or worsening poverty.

14. **Agroforestry practices have the potential to mitigate the impact of climate change and increase farmer productivity and income.** In Côte d'Ivoire, only 30 percent of the total area under cocoa cultivation use agroforestry practices. However, the biodiversity impact per ton of cocoa in the country is estimated to be around 15 percent higher

for full sun cacao than for agroforestry cacao. This result suggests that agroforestry practices would help preserve the livelihoods of Ivorian farmers. In terms of income, empirical evidence from Shangla and Swat districts in Pakistan shows that households applying agroforestry practices earn 6 percent more income and have 2.3 more assets than their counterparts (Zada et al., 2022). In Malawi, a quasi-experimental evaluation shows that the use of fertilizer trees increases the value of food crops by 35 percent, with smaller farmers earning the highest gains (Coulibaly et al., 2017). These results show greater livelihood resilience among households engaged in agroforestry practices. However, robust evidence using quasi-experimental or experimental impact evaluation methods is still limited and evidence in general is limited to a few agroforestry practices (Castle et al., 2022; IUFRO, 2020).

15. **PA#9 is expected to have positive welfare effects by reducing the likelihood that Ivorian households use their monetary and nonmonetary resources to cope with the consequences of natural disasters.** The coastal area extends from Cape of Palmas to Cape of Three Points (Tano et al., 2016) encompassing parts of the departments of Tabou, San-Pedro, Sassandra, Fresco, Grand-Lahou, Jackqueville, Grand Bassam, Adiaké, and Tiapoum. These departments concentrate more than 2.3 million Ivorians (7.6 percent of the total population), 32 percent of whom live in poverty (2021/202 EHCVM). The probability of falling into or deepening poverty is higher in the event of a natural disaster. Ivorians are more likely to use their savings as a coping mechanism in the aftermath of an external shock, which increases their probability of falling into poverty. One-third of households nationwide reported having experienced an external shock the year prior to the 2021-2022 EHCVM survey, while this figure reaches 40 percent in coastal areas.

References

Aderinto, N., & Olatunji, D. (2023). *Invisible illness: The consequences of limited health insurance in Africa*.
Afrobarometer. (2022). *Résumé des résultats*. https://www.afrobarometer.org/publication/resume-des-resultats-enquete-dafrobarometer-round-9-en-Côte -divoire-2021/
Anas, R., Tamin, O., & Wibowo, S. (2016). *Applying input-output model to Estimate the broader ecoomic benefits of Cipularang Tollroad investment to Bandung District*. Output_Model_to_Estimate_Broader_Economic_Impact_of_Transportation_Infrastructure_Investment
Astuti, E. S., & Offermans, A. (2022). *Can coffee certification reduce poverty? Results from a houshold study of smallholder farmers in Indonesia*.
Bahia, K., Castells, P., Cruz, G., Massaki, T., Pedrós, X., Pfutze, T., Rodríguez-Castelán, C., & Winkler, H. (2020).
Castle, S., Miller, D., Merten, N., Ordonez, P., & Baylis, K. (2022). *Evidence for the impacts of agroforestry on ecosystem services and human well-being in high-income countries: A systematic map*.
CGD, (Center for Global Development). (2021). *Why data protection matters for development: The case for strengthening inclusion and regulatory capacity*.
CNDH. (2024). *Communique de presse 3 du Conseil National Des Droits de L'Homme relatif a la recrudescense des cas de grossesses en cours de scolairte sur la periode allant de septembre 2023 a mai 2024*.
Cocoa and Forest Initiative. (2023). *Cocoa and forests initiative annual report Côte d'Ivoire 2022*.
Coral, C., Carcamo, R., Ollendorf, F., Tokou, B., Yves Adou Yao, C., Sieber, S., & Lohr, K. (2024). *Elongating the causes of social vulnerability: Historical analysis of social sustainability dimensions in the Ivorian cocoa sector*.
Coulibaly, J., Chiputwa, B., Nakelse, T., & Kundhlande, G. (2017). *Adoption of agroforestry and the impact on household food security among farmers in Malawi*.
De Nardi, M., Pashchenko, S., & Porapakkarm, P. (2017). *The lifetime costs of bad health*.
Fiestas, L., Ghislandi, S., Stuckler, D., & Tediosi, F. (2019). *Inequalities in the benefits of national health insurance on financial protection from out-of-pocket-payments and access to health services: Cross-sectional evidence from Ghana*.
Groves, A., Gebrekristos, L., Reyes, L., Moodley, D., Raziano, V., & Maman, S. (2020). *A mixed-methods study of resilience and return to school among adolescent mother in South Africa*.
Herrera, C., Sahn, D., & Villa, K. (2019). *Teen fertility and female emplyment outcomes: Evidence from Madagascar*.
ITU, (International Telecommunication Union). (2023).
IUFRO, (International Union of Forest Research Organizations). (2020). *Forests, trees and poverty alleviation in Africa. An expanded policy brief*.
Mobosi, I., & Patric, O. (2022). *Health burdens and labor productivity in Africa's middle- and low- income economies: Implication for the COVID-19 pandemic*.
Oluranti, Y., Mbonigaba, J., & George, G. (2022). *Health and total factor productivity nexus in selected sub-Saharan African countries: Quadratic and threshold modelling*.
Osei-Akoto, I., Adamba, C., & Ose Robert, D. (2013). The effect of health shocks on agricultural productivity: Evidence from Ghana. *Institute of Statistical, Social, and Economic Research, Univesrity of Ghana, Legon, Ghana*.
Rodríguez-Castelán, C., Araar, A., Malásquez, E., & Granguillhome, R. (2022). *Competition reform and household welfare: A microsimulation analysis of the telecommunication sector in Ethiopia*.
Siaw, A., Jiang, Y., Ankrah, M., & Agbenyo, W. (2020). *The impact of Internet use on income: The case of rural Ghana*.
SS, (Social Surveys Africa). (2010). *Teenage pregnancy and school drop-out in South Africa: Facts, figures and possible interventions*.
Stoner, M. (2019). *The relationship between school dropout and pregnanc among adolescent girls and young women in South Africa: A HPTH 068 analysis*.
Tano, R., Aman, A., Kouadio, K. Y., Toualy, E., Ali, K. E., & Assamoi, P. (2016). *Assessment of the Ivorian Coastal Vulnerability*.
Urdinola, B. P., & Ospino, C. (2015). *Long-term consequences of adolescent fertility: Th Colombian case*.
Van Vliet, J., Slingerland, M., Waarts, Y., & Giller, K. (2021). *A living income for cocoa producers in Côte d'Ivoire and Ghana?*
Wang, S., & Pfister, S. (2024). *Landscape-scale bodiversity impacts analysis of Côte d'Ivoire's coca cultivation along export supply chains*.
WB, (The World Bank). (2014). *Road freight transport services reform. Guiding principles for practitioners and policy makers*.

WB, (The World Bank). (2019). *Welfare effects of introducing competition in the telecom sector in Djibouti*.
WB, (The World Bank). (2021a). *Mobile internet adoption in West Africa*.
WB, (The World Bank). (2021b). *Sustaining the growth acceleration*.
WB, (The World Bank). (2022a). *The digital sector: Central enabler in emerging economies*.
WB, (The World Bank). (2022b). *World Development Indicators (WDI)* [Dataset].
WB, (The World Bank). (2023). *Digital Africa: Technological transformation for jobs*.
World Bank, (World Bank). (Forthcoming). *Côte d'Ivoire Poverty Map 2021. Technical Report*.
Yao, B., Shanoyan, A., Schwab, B., & Amanor-Boadu, V. (2022). *Mobile money, transaction costs, and market participation: Evidence from Côte d'Ivoire and Tanzania*.
Yao, B., Shanoyan, A., Schwab, B., & Amanor-Boadu, V. (2023). *The role of mobile money in household resilience: Evidence from Kenya*.
Zada, M., Zada, S., Ali, M., Zhang, Y., Begum, A., Han, H., Ariza-Montes, A., & Araya-Castillo, L. (2022). *Contribution of small-scale agroforestry to local economic development and livelihood resilience: Evidence from Khyber Pakhtunkhwa Province (KPK), Pakistan*.

ANNEX 5: SUMMARY OF THE PARIS ALIGNMENT ASSESSMENT

Program Development Objectives: (1) strengthen competition in key enabling sectors and domestic revenue mobilization; (2) expand equitable access to quality health and education services; (3) promote the sustainable use of natural resources.	
Step 1: Taking into account our climate analysis (e.g., Country Climate and Development Reports or CCDRs), is the operation consistent with the country climate commitments, including for instance, the NDC, NAP, LTS, and other relevant strategies?	**Yes.** The reform program is consistent with and supportive of the implementation of the country's climate strategies presented in the 2021 NDC and the NAP under preparation. As identified in the CCDR, Côte d'Ivoire seeks to achieve significant adaptation action in agriculture and livestock, forests, water resources, coastal zones, and human health. The NDC includes priority sectors for mitigation such as energy, waste, agriculture, and forestry. This DPF directly supports adaptation and mitigation in these sectors (and by improving competition in key enabling sectors (PA#1, PA#2) and domestic revenue mobilization (PA#3) it also improves the business environment and public investment capacity, all needed to finance climate action.
Pillar 1: Strengthen competition in key enabling sectors and domestic revenue mobilization	
A. Mitigation goals: assessing and reducing the risks	
PA#1, PA#3, actively contribute to decarbonization. PA#2 could have a positive or negative impact on decarbonization but does not lock the country in a high-greenhouse gas (GHG) emissions pathway.	
Step M2.1: Is the prior action likely to cause a significant increase in GHG emissions?	**PA#1:** No – it is considered universally aligned for mitigation, under the category of *Information and communication*. A competitive sector and adequate regulatory framework are necessary for the use of new technologies for decarbonizing key sectors such as transport and energy. Electronic communications also reduce face to face interactions and thus can reduce emissions from the transport sector. *Step M2.2: N/A.* **PA#2:** Uncertain. The reform is expected to improve the efficiency of the freight sector. The expected impact will notably be to reduce practices such as cabotage and backhauling which increase inefficient transport usage, and hence reduce carbon emissions from empty trips and inefficient routing. **PA#3:** No. The PA supports the creation of fiscal space needed to increase public investments in mitigation and will not lead to significant GHG emissions. *Step M2.2: N/A.*
Step M2.2: Is the prior action likely to introduce or reinforce significant and persistent barriers to transition to the country's low-GHG emissions development pathways.	**PA#2:** While greater efficiency could result in greater traffic and hence emissions, the PA is not introducing or reinforcing significant barriers to a low-GHG emissions development pathway. On the contrary, improving efficiency should ensure that any increase in traffic is done efficiently, with an economic and social gain. *Step A3: N/A.*
Mitigation goals: Pillar 1 is aligned with the mitigation goals of the Paris Agreement.	
B. Adaptation and resilience goals: assessing and managing the risks	
PA#1 contributes directly to improve climate resilience; PA#2-3 indirectly contributes to improve climate resilience	
Step A2: Are risks from climate hazards likely to have an adverse effect on the prior actions' contribution to the Development Objective(s)?	**PA#1:** No. Developing an adequate framework to increase competition and the development of the digital sector supports adaptation. A competitive sector and adequate regulatory framework are necessary for the use of new technologies and innovative resilience methods in agriculture, social protection, education, etc. *Step A3: N/A.* **PA#2:** No. While transport connectivity and freight can be affected by climatic hazards, the freight exchange and strengthening of the regulator are likely to support the continuity of activities in the sector in case of external shocks and will not impact the PA contribution to the achievement of the PDO. *Step A3: N/A.* **PA#3:** No. Increasing fiscal space through the reform on VAT can contribute to improve resilience to external shocks, by increasing the response capacity of the public sector. *Step A3: N/A.*
Adaptation and Resilience goals: All PAs are aligned for adaptation and resilience goals.	
Pillar 2: Expand equitable access to health and education services	
A. Mitigation goals: assessing and reducing the risks	

PA#4, PA#5, PA#6, will have little impact on decarbonization.	
Step M2.1: Is the prior action likely to cause a significant increase in GHG emissions?	**PA#4, PA#5, PA#6:** No, these activities are considered universally aligned, under the categories of *education and capacity building* and *human health*. The expected impact on GHG emissions is likely to be minimal, as PAs deal primarily with human capital accumulation in a climate-neutral manner. By improving human capital accumulation, PA#4-6 indirectly contribute to improving the capacity of the population to potentially deal with climate change. *Step M2.2: N/A.*
Mitigation goals: Pillar 2 is aligned with the mitigation goals of the Paris Agreement.	
B. Adaptation and resilience goals: assessing and managing the risks	
PA#4, PA#5, PA#6 are unlikely to be significantly affected by climate hazards as to prevent achievement of the PDO and design reduces risks.	
Step A2: Are risks from climate hazards likely to have an adverse effect on the prior actions' contribution to the Development Objective(s)?	**PA#4-6:** No. While access to education centers and clinics may be impacted by climatic hazards, negatively impacting the contribution of the PAs to the PDO, the PA focuses on removing barriers for access to health for most vulnerable, actually increasing resilience in face of shocks. PAs in education improve quality of service delivery and climatic hazards will not impact their contribution to the PDO. *Step A3: N/A.*
Adaptation and Resilience goals: Pillar 2 is aligned with the adaptation and resilience goals.	
Pillar 3: promote the sustainable use of natural resources	
A. Mitigation goals: assessing and reducing the risks	
PA#7, PA#8, PA#9 actively contribute to decarbonization.	
Step M2.1: Is the prior action likely to cause a significant increase in GHG emissions?	**PA#7:** No. These reforms will directly contribute to mitigate against climate change by strengthening the implementation of the traceability system needed for the implementation of the ARS1000 norm on sustainable cocoa that prohibits cocoa production and commercialization from classified forests. This action is expected to reduce deforestation and support reforestation in the long-term. *Step M2.2: N/A.* **PA#8:** No, these activities are considered universally aligned, under the category of *Agroforestry (without expansion into areas of high carbon stocks or high biodiversity areas)*. These reforms will directly contribute to mitigate against climate change by supporting reforestation through agro-forestry in classified forests that are currently more than 90 percent degraded. *Step M2.2: N/A.* **PA#9**: No, coastal protection is considered universally aligned, under the category of *Flood management and protection, coastal protection, urban drainage*. *Step M2.2: N/A.*
Mitigation goals: Pillar 3 is aligned with the mitigation goals of the Paris Agreement.	
B. Adaptation and resilience goals: assessing and managing the risks	
PA#9 contributes directly to improve climate resilience; PA#7-9 are unlikely to be significantly affected by climate hazards as to prevent achievement of the PDO and design reduces risks.	
Step A2: Are risks from climate hazards likely to have an adverse effect on the prior actions' contribution to the Development Objective(s)?	**PA#7-8:** No. The implementation of more sustainable agriculture practices through the traceability system and the expansion of agroforests will only be marginally affected by severe climatic hazards given the country context. The implementation of the traceability system in itself is unlikely to be impacted by climatic hazards given that the rollout of the cards is well under way, that the system has been designed to improve current practices and reduce fragmentation. On the contrary, greater traceability should continue supporting the sustainable use of natural resources after a shock, while agro-forestry should also improve the resilience of cocoa producers. Compared to the current baseline, it increases resilience to climatic hazards. *Step A3: N/A.* **PA#9:** No. These reforms will directly contribute to adapting to climate change by combatting coastal erosion, setting up adequate frameworks for the development of coastal areas in respect of environmental regulation and including a list of protected national coastal areas. The instruments for the management of coastal areas have already taken into account the risks of climate change and will support planning in the face of such an event. Climate change

	adaptation has been integrated as part of the Environmental Law that was adopted by Parliament and Senate in 2023 and is the guiding framework for these decrees. *Step A3: N/A.*
Adaptation and Resilience goals: Pillar 3 is aligned with the adaptation and resilience goals.	
OVERALL CONCLUSION OF PARIS ALIGNMENT ASSESSEMENT: The operation is aligned with the goals of the Paris Agreement on both mitigation and adaptation.	

ANNEX 6: IMF RELATIONS ANNEX

PRESS RELEASE

PR24/235

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

FOR IMMEDIATE RELEASE

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

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

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

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

---

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

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

Executive Board Assessment

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

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

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

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

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

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

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

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

4

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

Population (2021): 29 million — Gini Index (2018): 37.3

Per capita GDP (2021): 2,445 USD — Life Expectancy (2021): 60

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

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

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

ANNEX 7: LETTER OF DEVELOPMENT POLICY

MINISTERE DES FINANCES
ET DU BUDGET

REPUBLIQUE DE CÔTE D'IVOI
Union - Discipline - Travail

Le Ministre

Abidjan, le 01 NOV. 2024

N° 2117 /MFB/CAB/COORD-Ang

A

Monsieur Ajay BANGA
Président du Groupe
de la Banque Mondiale
WASHINGTON, DC

Objet : Lettre de Politique de Développement

Monsieur le Président,

La présente Lettre de Politique de Développement (LPD) rend compte de l'engagement du Gouvernement de Côte d'Ivoire pour la poursuite des efforts dans la mise en œuvre des réformes engagées aux plan économique et social au cours des dernières années d'une part, et celles qu'il envisage de mettre en œuvre pour consolider la croissance économique et renforcer les progrès dans le cadre du Programme d'Appui Budgétaire (DPO) et de la Garantie basé sur les politiques (PBG) de la Banque Mondiale. Le Programme met l'accent sur l'investissement comme levier de croissance et de résilience, notamment (i) le renforcement de la concurrence dans les secteurs clés et la mobilisation des recettes domestiques, (ii) l'élargissement de l'accès équitable aux services de santé et d'éducation et la promotion de l'utilisation durable des ressources naturelles dans un contexte de défis liés aux changement climatique.
En effet, le Programme d'Appui Budgétaire 2024 s'inscrit dans un contexte économique marqué par des tensions géopolitiques croissantes qui exacerbent le risque d'une inflation durable. Ces tensions ont un impact direct sur les chaînes d'approvisionnement mondiales, perturbent les échanges commerciaux et contribuent à une fragmentation plus importante des échanges mondiaux.

La présente lettre de politique de développement retrace donc l'ensemble des politiques publiques et sectorielles mises en œuvre par le Gouvernement pour répondre à ces crises et réduire la pauvreté sur une planète vivable.

I. Contexte politique et économique

A. Cadre macro-économique

1. La Côte d'Ivoire enregistre depuis 2012 de solides performances économiques, lui permettant de consolider la résilience de son économie. L'activité économique bénéficie de la poursuite de la mise en œuvre des investissements et réformes prévus dans le Plan National de Développement (PND) 2021-2025 et de la stabilité du cadre macroéconomique en dépit du ralentissement de l'activité économique internationale qui pâtit de la persistance de la guerre en Ukraine et des risques et opportunités de développement liés au changement climatique. En effet, les récentes crises mondiales ont mis en évidence la nécessité de s'attaquer aux goulets d'étranglement structurels afin de permettre une

• Avenue Marchand, Rue Lecœur
• Immeuble SCIAM 19ème Etage • BP V 163 Abidjan
• Tél. : (225) 20 30 25 26• Fax :(225) 20 30 25 28
• Site Web : www.finances.gouv.ci

allocation efficace des ressources et de soutenir une croissance productive et inclusive. La durabilité de la croissance ivoirienne dépendra de la bonne gestion de son stock de capital naturel et des impacts du changement climatique. C'est dans cette dynamique que le Gouvernement a pris des engagements ambitieux en matière d'action climatique dans sa dernière contribution déterminée au niveau national (CDN), révisée en 2022. D'ici 2030, la Côte d'Ivoire vise à réduire la vulnérabilité et à accroître la résilience climatique dans les secteurs prioritaires de l'économie.

2. L'activité économique tire profit de la dynamique impulsée par la poursuite de l'exécution du Plan National de Développement (PND) 2021-2025, et du Programme Jeunesse du Gouvernement (PjGouv). Aussi, la poursuite des réformes nécessaires à l'accompagnement efficace de l'économie et la continuité dans la politique volontariste d'investissement dans les secteurs moteurs de croissance ont-elles facilité le rebond de l'économie. Le programme jeunesse du Gouvernement, l'ensemble des initiatives et des réformes prévues sont estimées à 438,4 milliards de FCFA et devraient permettre d'impacter environ 1,5 million de jeunes et de construire ou de réhabiliter 142 infrastructures de jeunesse. S'agissant de l'indicateur du climat des affaires produit par la BCEAO, il est resté au-dessus de sa tendance de longue période sur le premier semestre 2024 et affiche en moyenne sur la période une hausse de 0,6% en glissement annuel. Cette évolution traduit un maintien de la confiance des chefs d'entreprises de la Côte d'Ivoire quant à l'orientation favorable de l'économie ivoirienne. Après un taux de croissance de 7,0% en 2023, la performance économique en 2024 serait aussi marquée par un taux de croissance de 7,0% dont les supports du côté de l'offre seraient principalement la production agricole, les industries manufacturières, les BTP et les services.

3. La crise sanitaire de la COVID-19 a révélé la nécessité de hisser le niveau d'éducation et de la santé vers celui des nations de comparaison comme le Kenya. Il faudra ainsi faire passer la probabilité de survie à l'âge de 5 ans de 0,92 à 0,99, le nombre d'années de scolarisation espérée de 8,1 années (secondaire premier cycle) en 2020 à 13 ans (secondaire second cycle) d'ici à 2025. Le défi du renforcement de la qualité du capital humain et de sa productivité pourra être relevé par : (i) l'amélioration de la qualité de l'éducation ; (ii) l'amélioration de l'accès de tous les enfants à une éducation de qualité, (ii) l'équité du système, notamment entre filles et garçons, pauvres et non pauvres, zones urbaines et zones rurales ; (iii) le renforcement de l'efficacité interne et externe du système éducation-formation ; (iv) l'adéquation formation-emploi ; (v) l'optimisation de la subvention aux établissements privés du secondaire ; (vi) la réduction de l'analphabétisme et ; (vii) l'amélioration de la gouvernance du système éducatif.

4. Le déficit budgétaire s'est réduit en 2023, passant de 6,8% du PIB en 2022 à 5,2%, reflétant selon le FMI les fortes mesures en recettes prises au cours de l'année 2023. Il est projeté à 4% du PIB en 2024, soutenu principalement par une amélioration des recettes fiscales et une baisse des dépenses totales, portée principalement par une baisse des transferts et subventions ainsi que dépenses de sécurité et d'élection. En 2025, le déficit budgétaire devrait atteindre la cible communautaire de 3% du PIB.

5. La Côte d'Ivoire fait partie des pays d'Afrique subsaharienne ayant accès aux marchés internationaux. Elle a été le premier pays du sous-continent à revenir sur les marchés internationaux après le resserrement des conditions financière de 2022, avec l'émission d'un double eurobond en janvier 2024 pour un total de 2,6 Mds USD à des conditions financières relativement attractives (taux d'intérêt moyen de 6,61% au terme de l'opération de couverture de change dollar-euro). La Côte d'Ivoire a profité de cette levée sur le marché international pour procéder à un reprofilage de sa dette en particulier sur les maturités courtes. L'opération a généré une économie cumulée sur le service de la dette de 2,3 points de PIB entre 2024 et 2032, avec un pic de 0,9 points du PIB en 2025. Par ailleurs, la notation souveraine de la Côte d'Ivoire a été relevée à « Ba2 » par Moody's en mars 2024 et S&P a maintenu sa note à « BB- », mais en relevant la perspective de « stable » à « positive » en mai 2024.

6. La Côte d'Ivoire est vulnérable aux chocs externes, sur les exportations notamment, et dispose d'un espace budgétaire limité pour y faire face. Le risque de surendettement global et externe de la Côte d'Ivoire est jugé modéré. La dette publique a fortement augmenté ces dernières années, passant de 38,4% du PIB en 2019 à 58,1% du PIB en 2023, soit une augmentation de près de 20% du PIB en 4 ans. Cette hausse substantielle est liée aux importants besoins de financement engendrés par la COVID-19 et les pressions inflationnistes engendrées par la guerre en Ukraine depuis 2022. En 2023, la dette publique est majoritairement externe (62% de la dette totale).

7. La vision du gouvernement ivoirien est de faire figurer le pays dans le top 5 des destinations d'Afrique, à travers la mise en œuvre de l'ambitieux programme "Sublime Côte d'Ivoire". La stratégie de développement du tourisme en Côte d'Ivoire est adossée à trois finalités que sont : la création d'un réservoir d'emplois, le développement d'un moteur de croissance du PIB (démultiplier les recettes fiscales) et le développement territorial hors d'Abidjan avec la réhabilitation de la Côtière Abidjan-San Pédro. Il s'agira, *in fine*, de faire de la Côte d'Ivoire un hub de divertissement, de loisirs, de détente recherchée sur google permettant au secteur du tourisme de contribuer à hauteur de 8 à 10% au PIB à l'horizon 2025.

8. Dans la prespective économique 2024-2026 le gouvernement poursuivra la mise en œuvre du PND 2021-2025 à travers le renforcement de la qualité des institutions et la bonne gouvernance, le maintien de la stabilité de carte macro-économique, la réalisation de la diversification et de la transformation structurelle de l'économie, et l'accélération des réformes structurelles et sectorielles. Il s'agira également d'assurer la maîtrise de l'inflation, la bonne tenue des finances publiques et la soutenabilité de la dette publique. Les hypothèses qui sous-tendent la croissance du PIB sur la période 2024 2026 prennent aussi en compte
   - la poursuite des chantiers du gouvernement ;
   - le renforcement du cadre de financement des PME et PMI ;
   - la densification des politiques d'attractivité ;
   - l'accroissement des investissements directs étrangers ;
   - le développement et la disponibilité de terrain industriel ;
   - le renforcement de la confiance des opérateurs du secteur privé dans le cadre des discussions gouvernement secteur privé ; et
   - l'affermissement de la trésorerie de l'État.

   Ainsi sur la période 2024 2026 le taux de croissance sortirait en moyenne à 7,1%.

9. Les besoins sociaux à satisfaire demeurent encore énormes malgré les acquis importants enregistrés. En effet, la crise sanitaire à COVID-19 combinée à l'accentuation des problèmes sécuritaires dans la région ouest africaine et leurs corollaires de désorganisation des systèmes de production et de commercialisation des biens et services affectent négativement les populations, notamment les plus fragiles. Bien que la Côte d'Ivoire ait contenu avec satisfaction la crise sanitaire et continue d'assurer la tranquillité aux populations, le Gouvernement a décidé de faire du social une priorité, dans le but d'atteindre les objectifs du PND 2021-2025, qui demandent, au regard de ce contexte, plus d'efforts. C'est pourquoi, le défi de cette seconde phase du PSGouv réside dans sa capacité à prendre en compte les enjeux nouveaux et à renforcer l'impact de l'action gouvernementale en matière de politiques sociales. Ces enjeux portent essentiellement sur la problématique de la fragilité dans les zones frontalières au nord, l'accès à l'emploi et l'autonomisation des jeunes et des femmes.

B. Politique Finances publiques et stratégie d'endettement

10. Les réformes entreprises, notamment en matière de gestion des finances publiques, d'amélioration du climat des affaires, seront poursuivies pour que la dynamique économique et sociale entamée puisse avoir encore plus d'impact sur le quotidien des Ivoiriens. Le Gouvernement continuera à œuvrer au renforcement de la lutte contre la corruption et à la consolidation de la bonne gouvernance.

11. La Côte d'Ivoire reste exposée à un risque de surendettement modéré, mais est vulnérable aux chocs externes, sur les exportations notamment, et dispose d'un espace budgétaire limité pour y faire face. La Stratégie de gestion de la Dette à Moyen Terme (SDMT) adoptée, est annexée à la loi des finances en début d'année et mise en œuvre par le Gouvernement, est systématiquement actualisée chaque année. La SDMT tient compte de l'évolution du cadre macroéconomique et budgétaire qui est le reflet du PND, à travers la mise en œuvre des actions prioritaires du Gouvernement définies chaque année.
    Les objectifs de la SDMT 2022-2026 se résument comme suit :

    - satisfaire les besoins de financement de l'État et ses obligations de paiement aux moindres coûts possibles ;
    - s'assurer que les risques liés au portefeuille de la dette publique demeurent dans des limites acceptables ;
    - contribuer au développement du marché domestique.

Le Gouvernement entend privilégier des financements qui aident à réduire le risque de refinancement de la dette intérieure, le risque de taux d'intérêt et le risque de change. Plus précisément, les besoins de financement devraient être couverts en moyenne selon un rapport 45-55 d'instruments de financement extérieur et intérieur sur la période 2022-2026. Les ressources extérieures seraient composées de financements pour des emprunts, projets ou programmes concessionnels, semi-concessionnels, commerciaux et de financements sur les marchés internationaux respectivement à hauteur de 18 %, 44 %, 10 % et 28 % sur la période 2022-2026. Les ressources intérieures seraient mobilisées à travers des emprunts de court, moyen et long terme respectivement à hauteur de 10 %, 55 %, et 35 % sur la même période. Cette stratégie privilégie la dette intérieure par rapport à la dette extérieure avec une prépondérance pour les financements libellés en euro et à taux fixe.

12. La Garantie basé sur les politiques ou « PBG » permettra de mobiliser plus de 800 millions d'euros de financements commerciaux compétitifs permettant à la Côte d'Ivoire de mener à bien une opération de gestion du passif. La Côte d'Ivoire s'est engagée à allouer les fonds supplémentaires (résultant des économies générées par l'opération de gestion du passif) à un objectif de développement clé, dans le secteur de l'éducation et à accroître les ambitions de résultats dans le cadre du Programme de Renforcement des Résultats du Système d'Éducation de Base en cours soutenu par la Banque Mondiale. Dans une deuxième phase, l'enveloppe PBG approuvée devrait soutenir une transaction ultérieure, le premier Prêt Lié au Développement Durable (SLL) du pays, permettant aux autorités ivoiriennes d'élargir la base d'investisseurs à travers des investisseurs environnementaux, sociaux et de gouvernance (ESG) et leurs engagements en matière de durabilité environnementale.

C. Bilan et perspectives des réformes engagées dans le cadre de l'opération

13. Les réformes retenues dans le présent programme pour lequel le Gouvernement sollicite l'appui de la Banque Mondiale au titre de l'année 2024 portent sur : sur l'investissement comme levier de croissance et de résilience, notamment (i) le renforcement de la concurrence dans les secteurs clés et la mobilisation des recettes domestiques (ii) l'élargissement de l'accès équitable aux services de santé et d'éducation, et (iii) la promotion de l'utilisation durable des ressources naturelles dans un contexte de défis liés aux changements climatiques. Ces défis sont devenus encore plus pressants à relever, dans le contexte actuel marqué par des tensions géopolitiques croissantes qui exacerbent le risque d'une inflation durable., afin de soutenir une relance qui se veut résiliente et inclusive.

a) Pilier « Renforcer la concurrence dans les secteurs clés et la mobilisation des recettes »

14. Le secteur des télécommunications et des Technologies de l'Information et de la Communication (TIC) en Côte d'Ivoire a connu de nombreuses mutations dont les implications se ressentent à la fois aux niveaux réglementaire, économique et social, faisant de ce secteur un véritable moteur de développement économique du pays.
Conscient des défis d'un monde numérique en constante mutation et animé de la ferme ambition d'être au rendez-vous de l'évolution technologique, le Gouvernement ivoirien a adopté différentes stratégies en 2021 dont la stratégie nationale de développement du numérique 2021-2025, la stratégie nationale de l'Innovation 2021-2025 et la stratégie nationale de cybersécurité 2021-2025. L'adoption de ces différentes stratégies a pour but de créer une synergie autour du numérique et de coordonner les toutes les initiatives en la matière.

Face aux difficultés persistantes découlant notamment de l'insuffisance de clarté et de cohérence des textes et des limites d'opérationnalisation de l'ordonnance n°2012-293 du 21 mars 2012 et des textes subséquents qui ont fait apparaître des contradictions, des imprécisions et des chevauchements de missions entre les institutions et entre les organes de gouvernance, ladite ordonnance a été entièrement révisée pour aboutir à l'adoption d'une nouvelle loi sur les communications électroniques en Côte d'Ivoire. Il s'agit de la loi n° 2024-352 du 06 juin 2024 relative aux communications électroniques. Elle reprend à son compte les principes fondamentaux du secteur et permet ainsi de conforter la place de la Côte d'Ivoire parmi les Etats avancés de la sous-région dans le secteur des communications électroniques. Ainsi, la nouvelle loi sur les communications électroniques en Côte d'Ivoire a pour objectif :

• Avenue Marchand, Rue Lecœur
• Immeuble SCIAM 19ème Etage • BP V 163 Abidjan
• Tél. : (225) 20 30 25 26 • Fax : (225) 20 30 25 28
• Site Web : www.finances.gouv.ci

17. En matière de renforcement de l'investissement public, le Gouvernement entend créer l'espace fiscal nécessaire au renforcement de la résilience économique et sociale à travers un cadre macroéconomique sain et stable. Celui-ci comprend entre autres, la maîtrise du déficit budgétaire et de l'endettement ainsi que le renforcement de la réforme du système de gestion des finances publiques afin d'assurer un déploiement adéquat de l'infrastructure et des services publics nécessaires à la politique d'inclusion. Toutefois, la mobilisation des recettes publiques reste un défi important, pesant sur le service de la dette publique. En particulier, le Gouvernement entend œuvrer pour la réalisation des objectifs prioritaires ci-après : (i) augmenter les recettes non fiscales en simplifiant et en rendant plus transparente leur collecte (ii) développer des solutions numériques pour faciliter le paiement des impôts et (iii) améliorer la collecte de l'impôt sur le revenu.

18. Les récentes années ont été marquées par des efforts audacieux pour relever le niveau de mobilisation des recettes intérieures, notamment à travers le renforcement des mesures de l'administration fiscale axées sur la numérisation des procédures de recouvrement et le renforcement de la gestion des risques, ainsi que la mise en œuvre du plan de rationalisation 2019-2022, qui ont relevé le niveau des recettes fiscales quoiqu'en dessous de la norme régionale de 20% de PIB. Le gouvernement entend poursuivre résolument ces efforts et apprécie l'appui technique de ses partenaires, dont la Banque mondiale. En vue d'accélérer les progrès, il s'emploie résolument à augmenter progressivement la pression fiscale de 0,5 point de pourcentage du PIB par an, afin de soutenir la viabilité des finances publiques et de la dette, et la convergence vers la norme régionale d'un déficit budgétaire de 3 % à l'horizon 2025. Dans le cadre de ses efforts, le pays a adopté une stratégie de mobilisation des recettes à moyen terme en mai 2024 (repère structurel du programme du FMI), qui est devenue depuis lors le cadre unifié pour des réformes structurelles de grande qualité en matière de politique et d'administration fiscales. Elle vise à i) simplifier le système fiscal en révisant le code général des impôts ; ii) améliorer les procédures opérationnelles ; iii) mettre à jour les lignes directrices et les manuels utilisés par les différentes agences de recouvrement des impôts ; iv) continuer à rationaliser les exonérations, tant en termes de TVA que de dépenses fiscales ; et v) introduire la taxation du carbone et du commerce électronique.

En ce qui concerne l'administration fiscale, cela prendra la forme de réformes visant à renforcer la confiance du public dans l'administration fiscale et douanière, à améliorer la capacité, le personnel et les ressources des agences de recouvrement des impôts, et à instituer des mécanismes de consultation permanents entre les secteurs public et privé sur les questions fiscales. Tous ces éléments devraient contribuer à renforcer le respect des obligations fiscales et à élargir l'assiette fiscale. Les réformes récentes de la politique fiscale s'inscrivent dans cette dynamique, avec notamment la suppression des exonérations de TVA sur les produits alimentaires de luxe dans la loi de finances 2024, conformément aux directives de l'UEMOA (02/98/CM/UEMOA de décembre 1998 et son amendement 02/2009/CM/UEMOA de mars 2009), et la simplification de l'impôt sur le revenu des personnes physiques. Ces deux mesures, soutenues par l'opération DPF2, visent à accroître l'assiette fiscale et à renforcer l'équité de ces impôts. Parallèlement et dans le cadre du DPF2 et du FSDP, le gouvernement a achevé la réforme du recouvrement des recettes non fiscales entamée en 2022 par l'adoption du décret d'application de la loi sur les procédures de recouvrement des recettes non fiscales, rendant obligatoire l'utilisation des plateformes numériques TresorPay/TresorMoney pour le recouvrement des recettes non fiscales.

b) Pilier 2 « l'élargissement de l'accès équitable aux services de santé et d'éducation »

19. A la lumière de son engagement tel exprimé dans le Plan National Développement 2021-2025 et de la Vision Côte d'Ivoire 2030, le Gouvernement s'est engagé résolument dans une dynamique de renforcement du capital humain capable d'assurer un emploi adéquat au développement du secteur privé et accélérer une croissance soutenable et inclusive notamment par une croissance accrue de la productivité de la main-d'œuvre. En dépit des efforts d'investissement sur la dernière décennie, le niveau du capital humain du pays est resté faible, avec un indice de développement du capital humain de la Banque mondiale stagnant à 0,38, loin derrière ses pairs de l'Afrique subsaharienne et du groupe des pays à revenus intermédiaires de la tranche inférieure en raison des disparités dans l'accès à l'éducation et des soins de santé. Une amélioration accrue de l'efficacité des investissements en éducation et en santé s'avère donc indispensable. Tirant les leçons des faiblesses, le Gouvernement a décidé de réorganiser profondément les cadres réglementaires dans les secteurs de l'éducation, de l'enseignement technique et professionnel, et de l'emploi et de la solidarité.

20. Au niveau du secteur de l'éducation, le Gouvernement est résolument engagé à améliorer la qualité de l'éducation de base et l'inclusion. Dans cette dynamique, le Gouvernement a pris une série de deux (2) arrêtés ministériels afin d'améliorer l'équité et la qualité du corps enseignant et réduire les inégalités d'accès à l'éducation notamment : (i) l'arrêté 253/MENA/DELC du 12 août 2024 portant report de scolarité dans les centres d'animation et de formation pédagogique (CAFOP) pour les élèves-maitres à la suite d'une interruption dû à la grossesse et (ii) l'arrêté n°254/MENA/DELC du 12 août 2024 portant modalité de report de scolarité des élèves du primaire et du secondaire public et privé de l'enseignement général. Cette disposition vise à rendre gratuit le certificat médical nécessaire à la réinsertion des filles à l'école à la suite d'une grossesse.

21. En ce qui concerne l'enseignement et la formation techniques et professionnels en lien avec l'enseignement supérieur le Gouvernement a adopté deux (2) décrets pour adresser les problèmes de flux dans le système éducatif ivoirien et accroître les effectifs dans l'Enseignement et la Formation Technique et Professionnelle (EFTP). Ainsi : (i) le décret N° Decret 2024 -733 du 1er août 2024 instituant des passerelles entre les ordres d'enseignement vise à favoriser l'orientation des élèves de l'enseignement général dans des filières de formation professionnelle et technique qualifiante ou diplômante et à offrir des opportunités aux diplômés de l'enseignement technique et de la formation professionnelle vers l'enseignement supérieur. (ii) Quant au décret N° décret 2024-734 du 1er août 2024 portant réforme des parcours de formation dans l'enseignement et la formation techniques et professionnels, il permet à un titulaire de Certificat d'Aptitudes Professionnelles (CAP) qui a les capacités de progresser jusqu'au diplôme d'ingénieur directement ou par la Validation des Acquis de l'Expérience (VAE).

La réforme de la couverture médicale est une réforme majeure sur laquelle le Gouvernement poursuite les réformes relatives à l'accès aux soins de santé en faveur des plus pauvres. Ainsi, en sus du décret 2022-753 du 28 septembre 2022 relatif à la mise en œuvre de l'obligation d'enrôlement à la couverture maladie universelle (CMU), le Gouvernement a adopté le décret 2023-141 du 1er mars 2023 pour accélérer l'accès équitable aux soins de santé et augmenter le nombre d'inscriptions à l'assurance maladie universelle (CMU) tout en réduisant le délai de carence pour bénéficier de la CMU. Ce décret réduit la durée du délai de carence de trois (3) à un (1) mois, aussi bien pour l'ouverture que le rétablissement du droit aux prestations de soins de santé pour tous les assurés, sans distinction de nationalité. En outre, pour assurer un suivi optimal et garantir la sécurité du parcours de soins, le Gouvernement a adopté le 10 juillet 2024 le décret consacrant le numéro de la CMU comme identifiant unique de santé dans tous les établissements sanitaires publics et privés. Dans cette dynamique, le Gouvernement a adopté le décret 2024-793 du 05 septembre 2024 fixant les modalités d'exécution du service publique sanitaire par les établissements sanitaires privés à visée socio sanitaire. Ce décret permet de mettre à niveau le cadre réglementaire permettant aux établissements privés de contractualiser avec la Caisse Nationale d'Assurance (CNAM) et intégrer le réseau de soins de la CMU. Aussi, le gouvernement a pris l'arrêté n°00943 MSHPCMU/CAB du 17 septembre 2024 fixant les conditions d'exploitation des établissements sanitaire privés à visée socio-sanitaire.

c) Pilier 3 « Promouvoir l'utilisation durable des ressources naturelles »

22. Le Gouvernement continue de promouvoir les investissements dans la résilience au changement climatique par une intégration des bonnes pratiques agricoles, sociales et environnementales et de répondre aux défis des nouveaux enjeux environnementaux au centre des politiques internationales de protection de l'environnement.

23. Dans son effort de promotion d'une production du cacao respectueuse des règles de durabilité, le Gouvernement a rendu d'application obligatoire l'agroforesterie dans les exploitations agricoles de café et de cacao. Tous les acteurs de cette filière sont invités à soutenir les agriculteurs dans la mise en œuvre de cette mesure qui touchera à terme plus de 3 millions d'ha dans le domaine rural. Le Gouvernement a adopté le décret 2023-723 du 13 septembre 2023 instituant un Système National de Traçabilité du Café-Cacao. Pour renforcer les actions mises en œuvre par le gouvernement qui concourent à renforcer la durabilité de la filière cacao et la lutte contre la pauvreté, l'Etat de Côte d'Ivoire a décidé d'affecter une partie des ressources prélevées sur la filière café-cacao à l'amélioration du cadre de vie, à la promotion économique et sociale des producteurs de café et de cacao. La création par arrêté interministériel n°611/MEF/MINAGRI du 21 novembre 2007 des redevances « Fonds d'Investissement en Milieu Rural » (FIMR) et « sacherie brousse » au cours de la campagne café-cacao 2007 répond à

• Avenue Marchand, Rue Lecœur

cette préoccupation. La redevance « Fonds d'Investissement en Milieu Rural » est destinée exclusivement au financement des projets d'infrastructures économiques et sociales de base sur toute l'étendue du territoire national, notamment la réalisation ou la réhabilitation de pistes rurales, de systèmes d'adduction d'eau, la construction d'écoles et de centres de santé. Par ailleurs, l'arrêté susmentionné confie la gestion de ces redevances et le suivi des projets relatifs au Fonds d'Investissement en Milieu Rural à des structures qui ont été dissoutes par l'ordonnance n°2011-481 du 28 décembre 2011 fixant les règles relatives à la Commercialisation du café et du cacao et à la Régulation de la filière café-cacao. Ce faisant, les dispositions de l'arrêté ne sont plus adaptées au contexte actuel de la filière café-cacao. Le gouvernement a pris l'arrêté interministériel n°002/MEMINADER/MFB du 03 septembre 2024 déterminant l'objet de la redevance « Fonds d'Investissement en Milieu rural » et fixant les modalités de gestion qui abroge les dispositions de l'arrêté interministériel n°611/MEF/MINAGRI du 21 novembre 2007 déterminant les objets des redevances « Fonds d'Investissement en Milieu Rural » et « Sacherie-brousse » et fixe leurs modalités de gestion en vue de redynamiser les investissements en milieu rural. L'objectif de cet arrêté est d'améliorer de façon durable les conditions de vie des ménages des producteurs de cacao. Les domaines d'intervention du FIMR sont la construction et l'entretien de pistes de desserte agricole, la santé, l'éducation, l'hydraulique, l'électrification rurale et la sécurité.

24. En ce qui concerne le renforcement du cadre règlementaire environnemental, le Gouvernement a adopté le projet de loi portant code de l'environnement. Le Gouvernement entend apporter une reponse aux nouveaux enjeux écologiques au centre des politiques internationales de protection de l'environnement, notamment la lutte contre les changements climatiques, la protection de la diversité biologique, la promotion de l'économie verte, la gestion des déchets d'équipements électriques et électroniques, la réglementation des polluants organiques persistants, la limitation des émissions des gaz à effet de serre et la lutte contre l'érosion côtière. Les efforts du Gouvernement visent à introduire des principes nouveaux et intègre des mécanismes innovants, en termes de conservation et d'utilisation rationnelle de la biodiversité biologique et des ressources génétiques, de gestion efficiente des déchets, d'évaluation des projets de développement à fort impact environnemental, de réduction des risques et de gestion des catastrophes naturelles et d'éducation environnementale, en vue de développer à la fois la conscience écologique des pouvoirs publics et des populations. Le Gouvernement poursuit la mise en œuvre des recommandations et du plan d'actions issues du rapport national sur le climat. Ainsi, le rapport national sur le climat et le développement (CCDR) met en évidence les opportunités dans divers secteurs pour un développement plus résilient et inclusif, mais souligne également l'urgence d'actions à court et moyen terme pour atténuer les impacts négatifs du changement climatique, notamment sur des secteurs clés comme le cacao et l'énergie, ainsi que sur les infrastructures urbaines et l'interconnectivité nationale. Une amélioration significative de la capacité d'adaptation du pays est nécessaire, avec une révision des politiques et des programmes existants pour faire face efficacement aux défis climatiques et promouvoir une croissance économique soutenue tout en réduisant la pauvreté.

25. Le Gouvernement poursuit la mise en œuvre des projets de développement durable des ressources forestières en vue de garantir une bonne coordination dans la planification et la gestion efficiente de la mise en œuvre des actions découlant de la Stratégie de Préservation, de Réhabilitation et d'Extension des Forêts (SPREF) adoptée par l'Etat de Côte d'Ivoire en 2018 et d'atteinte l'objectif de reconstitution de 20% du couvert forestier national à l'horizon 2030, le Gouvernement a adoptée deux (2) décrets (i) le décret N°2024-801 du 18 septembre 2024 déterminant les mesures incitatives au profit des opérateurs du secteur privé participant à l'aménagement durable des agro-forêts et la modalité de la participation afin d'inciter le secteur privé notamment celui des filières café- cacao à contribuer à l'aménagement durable des Agro-Forêts en mobilisant d'importantes ressources financières, (ii) le décret N°2024-800 du 05 septembre 2024 portant création d'agro-forêts dans le domaine forestier privé de l'Etat et commercialisation des produits agricoles issus des agro-forêts, afin de permettre la commercialisation des produits agricoles (café-cacao) issus de ces agro-forêts.

26. Après la promulgation du nouveau code de l'environnement, le Gouvernement a adopté le décret n°2024-595 du 12 juin 2024 déterminant les règles et les procédures applicables aux évaluations environnementales et sociales. Le Gouvernement entend ainsi améliorer la prise en compte des préoccupations environnementales et sociales liées aux politiques, plans, programmes, projets et activités susceptibles d'avoir des impacts sur l'environnement. Aussi, pour renforcer les instruments juridiques et de réglementation pour la protection des espaces et milieux de la zone côtière identifiées à préserver, le Gouvernement a pris le décret N° 2024-797 du 05 septembre 2024 fixant la liste des espaces et milieux à préserver sur le littoral en fonction de leur intérêt écologique et précisant les règles

qui leur sont applicables qui fixe la liste des espaces et milieux à préserver sur le littoral en fonction de leur intérêt écologique et précise les règles qui leur sont applicables.

d) Mesures additionnelles lies à la soutenabilité financière du secteur de l'électricité pour assurer un accès fiable et durable

27. L'ambition du Gouvernement est de consolider le secteur de l'électricité en vue de la fourniture d'une électricité abondante, de qualité et à moindre coût aux acteurs économiques et à la population, en veillant au respect des engagements régionaux et internationaux du pays. Pour ce faire, les actions nécessaires seront articulées autour des axes suivants : (i) l'accès universel à l'électricité ; (ii) l'équilibre offre-demande en électricité ; (iii) l'intégration régionale et (iv) la viabilité financière du secteur électrique.

28. En ce qui concerne l'accès à l'électricité, à fin 2023, 8 052 localités sont électrifiées dont 7 508 sur les 8 518 localités identifiées lors du Recensement Général de la Population et de l'Habitat (RGPH) 2014. Ce qui donne un taux de couverture nationale de 88,1 %. Cela représente 97,2% des populations qui vivent dans une zone électrifiée sur l'ensemble de la population en 2023. Le taux de desserte qui définit le nombre de ménages ayant un abonnement sur le nombre total de ménages du pays quant à lui était de 64 % et devrait atteindre 75% en 2025. De façon opérationnelle, il s'agira notamment d'intensifier la mise en œuvre des programmes tels que le Programme National d'Electrification Rurale (PRONER), le Programme National d'Extension du réseau électrique (PRONEX) et le Programme Electricité Pour Tous (PEPT). Les objectifs de branchements annuels du PEPT ont été relevés de 250 000 à 400 000 pour la période triennale 2024-2026 et les budgets afférents ont été arrêtés à l'issue de la négociation triennale des coûts opératoires et la rémunération de l'Exploitant du réseau électrique national (la CIE). Suivant les projections, pour atteindre 100% de taux de desserte en 2030, soit environ 7 107 077 de ménages raccordés, 3 302 000 raccordements seront réalisés sur la période 2024-2030 comme suit : (i) 1 335 000 branchements au total de 2024 à 2026 comprenant 400 000 PEPT par an, (ii) 500 000 Branchements dont 400 000 PEPT par an de 2027 à 2029 soit 1 500 000 branchements (iii) 467 000 raccordements dont 367 000 branchements PEPT pour l'année 2030.

Par ailleurs, un Plan d'Actions de l'Electrification Hors Réseau (PAEHR) a été élaboré afin d'améliorer l'accès à l'électricité par la promotion et l'utilisation de solutions énergétiques décentralisées et de fournir une meilleure qualité de vie à tous les ménages ruraux et périurbains. En effet, une frange importante de la population vit dans des localités rurales éloignées et à faible densité de population. Le plan de travail du Ministère en charge de l'électricité inclura pour l'année 2025 les points suivants : (i) finaliser, faire adopter et opérationnaliser le cadre règlementaire applicable à l'électrification hors réseau, (ii) définir le modèle d'intervention du secteur privé dans ce domaine, (iii) mettre en place un cadre de coordination des stratégies du secteur de l'électricité pour le réseau et le hors réseau, (iv) finaliser, faire adopter et opérationnaliser les quatre (4) textes restants sur les 21 textes d'application du Code de l'électricité, à savoir :

- décret portant institution de redevance pour l'acquisition de données énergétiques, la délivrance d'autorisation et d'agrément pour l'exercice d'activités du secteur, et détermination de la redevance de convention annuelle à laquelle est assujetti tout opérateur ou signataire de convention pour l'exercice d'une activité du secteur de l'électricité et/ou pour l'utilisation du patrimoine concédé de l'Etat ;
- décret fixant et déterminant les sanctions pécuniaires consécutives à l'exercice de segments d'activités du secteur de l'électricité ou d'activités qui leur sont connexes en violation des dispositions du code de l'électricité et aux fausses déclarations relatives à l'exercice desdites activités et les modalités de leur perception ;
- arrêté relatif au cahier des charges fixant les conditions techniques et règlementaires pour l'exercice des segments d'activités du secteur de l'électricité ;
- arrêté portant institution d'une régie d'avances et de recettes et fixant les modalités de perception et de gestion des redevances et des sanctions pécuniaires consécutives à la violation des dispositions du code de l'électricité et aux fausses déclarations relatives à l'exercice des activités du secteur de l'électricité.

29. S'agissant de l'équilibre offre-demande en électricité, le plan directeur de production et de transport de l'énergie électrique élaboré couvre les besoins d'investissements publics et privés projetés à l'horizon 2040 pour répondre à la croissance soutenue de la demande. Le Gouvernement a pour objectif (i) de

• Avenue Marchand, Rue Lecœur
• Immeuble SCIAM 19ème Etage • BP V 163 Abidjan
• Tél. : (225) 20 30 25 26 • Fax : (225) 20 30 25 28

porter la capacité de production installée de 2 907 MW à fin 2023 à 5 128 MW en 2030 (soit une augmentation de plus de 76%) à travers, notamment, la diversification de son mix électrique et (ii) de développer le réseau de transport et de distribution pour acheminer efficacement l'énergie aux usagers. Un pilotage renforcé de la programmation des investissements, de la mobilisation des financements, du suivi et de la maîtrise des délais de réalisation sera mis en place et opérationnel d'ici 2026. Ce pilotage induira une implication plus effective de la Direction Générale de l'Energie et du Cabinet du Ministre en charge de l'Energie, dans la mise en œuvre dudit plan directeur.

Par ailleurs, le processus de contractualisation pour la réalisation des centrales de production d'électricité privées sera rationalisé pour rechercher des économies de coûts, notamment par le recours aux appels d'offres. La promotion de la réalisation de centrales publiques constituera également un levier d'optimisation des coûts de production de l'électricité.

30. Le respect des engagements internationaux en matière de protection du climat notamment en faveur de la transition énergétique, la maîtrise de l'énergie et la réduction de l'impact environnemental des projets, occupent une place centrale dans la mise en œuvre de la stratégie de développement du Gouvernement. Il s'agira surtout d'amplifier l'opérationnalisation de la Politique Sectorielle de Développement des Energies Renouvelables et de l'Efficacité Energétique 2020-2030 (PSDEREE). Les actions viseront à : (i) respecter l'engagement de l'Etat de porter à 45% la part des énergies renouvelables dans le mix électrique d'ici 2030, (ii) renforcer les ressources du Fonds National de la Maitrise de l'Energie (FONAME) pour la mise en œuvre des mesures telles que l'audit énergétique obligatoire et périodique des gros consommateurs d'énergie, l'étiquetage énergétique des climatiseurs, des ventilateurs, des réfrigérateurs et des lampes électriques, et les exigences d'efficacité énergétique imposées à certains bâtiments à construire ; (iii) renforcer les actions de lutte contre les infractions au code de l'électricité dans l'optique de veiller au respect des dispositions du code de l'électricité par les usagers et structures assujettis.

L'engagement en matière des énergies renouvelables sera atteint progressivement grâce au développement conjoint des sources d'énergies hydroélectrique (184 MW), à biomasse (147 MW) et solaire (955 MW), soit une capacité totale additionnelle de 1 286 MW en 2030. Pour ce faire, (i) l'Etat a conclu des conventions et/ou des protocoles d'accord avec des Promoteurs privés pour la réalisation d'ouvrages de production d'électricité (683 MW), (ii) des centrales hydroélectrique (140 MW) et solaires (296 MW) seront réalisées par CI-ENERGIES, (iii) la réalisation de centrales solaires pour couvrir le besoin résiduel fera l'objet d'appels d'offres (187 MW).

31. Les objectifs de l'Etat en matière d'efficacité énergétique sont entre autres le passage à un éclairage public efficace à travers le remplacement lampes énergivores par des lampes efficaces. En 2025, un projet de remplacement de 54 000 lampes énergivores du parc d'éclairage public par des lampes LED sera mis en œuvre. Un effacement de puissance de 8,5 MW et une économie d'énergie annuelle estimée à 37,23 GWh réalisés, soit 3,22 milliards de F CFA de réduction de la facture d'électricité de l'Etat.

Aussi pour favoriser l'autoproduction d'électricité de source renouvelable, l'Etat a, à travers l'annexe fiscale à la loi de finances pour la gestion 2024, décidé d'accorder aux entreprises investissant dans le domaine des énergies renouvelables les avantages suivants : (i) l'exonération de droits de douane à l'exception des prélèvements communautaires, sur les importations d'équipements et matériels nécessaires à la production et à la distribution d'énergies renouvelables ; et (ii) l'exonération de la TVA sur l'acquisition d'équipements nécessaires à la production et à la distribution d'énergie solaire. Pour une mise en œuvre dès 2026, une réforme sera initiée en 2025, en vue de déterminer les conditions de fixation des tarifs de vente des excédents d'autoproduction d'électricité au secteur de l'électricité.

32. Relativement à intégration régionale, le niveau des exportations d'électricité à fin 2023 était de 1 052 GWh. Le Gouvernement prévoit de renforcer l'interconnexion et augmenter les exportations d'énergie électrique en vue de faire de la Côte d'Ivoire un pôle énergétique régional. Pour ce faire, il sera question notamment de i) réaliser en priorité le projet d'interconnexion Côte d'Ivoire – Ghana et ii) augmenter le niveau d'exportation, sous réserve de la sécurisation des payements.

Par ailleurs, les contrats en cours seront rediscutés de sorte que les conditions de ventes à l'export reflètent la réalité technique et financière du secteur de l'électricité au niveau national. Aussi, des

• Avenue Marchand, Rue Lecœur
• Immeuble SCIAM 19ème Etage • BP V 163 Abidjan
• Tél. : (225) 20 30 25 26 • Fax : (225) 20 30 25 28
• Site Web : www.finances.gouv.ci

discussions sont en cours au sein du WAPP en vue d'adopter un mécanisme de tarification harmonisé des services de transport entre les pays.

33. Au niveau de la viabilité financière, un plan global d'assainissement pérenne de la situation financière du secteur de l'électricité sera adopté au plus tard à la fin du premier semestre 2025. A court terme, l'Etat aura recours à des facilités permettant la restructuration de la dette d'exploitation du secteur et le paiement régulier des fournisseurs de gaz naturel, d'énergie et de combustibles liquides. La stratégie pour assurer un équilibre financier durable appelle des décisions sur plusieurs points, notamment (i) l'optimisation de la structure tarifaire, (ii) la régularité des ajustements tarifaires, (iii) l'augmentation du taux de recouvrement des facturations de consommations d'électricité de l'Administration par le paiement régulier de ses factures, (iv) le traitement des dettes d'investissement du secteur y compris celles rétrocédées à CI-ENERGIES, (v) la révision du modèle économique de CI-ENERGIES et du schéma de financement des investissements publics.

34. S'agissant de l'optimisation de la grille tarifaire actuelle, des études seront réalisées par l'ANARE-CI au cours du premier semestre 2025 sur les thématiques suivantes : (i) la modification des plages horaires des tarifs de vente du kWh des abonnés en haute tension, par un élargissement de la période de pointe, (ii) l'introduction des tarifs de jour et de nuit pour certains clients en basse tension, (iii) l'impact de l'introduction des tarifs progressifs dans la deuxième tranche de consommation pour les clients en basse tension, et la possibilité de l'introduction d'autres tranches de facturation, (iv) la mensualisation de la facturation des clients en basse tension.

Il est anticipé que les modifications tarifaires qui seront préconisées à l'issue de ces études pourraient se traduire par une augmentation importante des tarifs pour nombre d'abonnés. Compte tenu de la double augmentation des tarifs en juillet 2023 et en janvier 2024, il est envisagé d'adopter dans le courant du deuxième semestre 2025 un calendrier d'application réaliste de ces changements, qui en tout état de cause démarrera à partir de 2026.

35. En ce qui concerne la périodicité des ajustements des tarifs de vente de l'électricité, il est prévu la prise d'un texte réglementaire au cours du premier trimestre 2025, en complément du décret n° 2016-786 du 12 octobre 2016, en vue de systématiser l'ajustement tarifaire annuel. Cette périodicité est en conformité avec les procédures de l'Organe de régulation qui soumet ses propositions tarifaires au Gouvernement chaque année au mois de mars pour une mise en vigueur des nouveaux tarifs au mois de juillet suivant. Sa mise en œuvre sera, le cas échéant, cadencée en fonction des modalités finales d'application des mesures d'optimisation de la grille tarifaire.

II — Dispositif de coordination, de suivi de la mise en œuvre des politiques de réforme.

Le présent programme sera exécuté sous l'autorité du Ministère de l'Economie et des Finances, à travers la Cellule de Coordination et de Suivi du Portefeuille et des projets financés par la Banque mondiale, en collaboration étroite avec les Ministères sectoriels et autres structures concernées par les domaines de concentration du programme. La Banque Mondiale effectuera également au besoin des revues du programme. Il sera maintenu un dialogue régulier avec la Banque Mondiale dans le cadre du suivi de la mise en œuvre de l'opération. Le Gouvernement s'engage à prendre toutes les dispositions nécessaires pour mettre en œuvre l'opération et réitère sa demande auprès de la Banque Mondiale pour la mise en place du financement sollicité.

III – « Mesures facilitées »

L'opération de conversion de dette en faveur du développement, une première du genre par la Banque mondiale, qui sera rendue possible par la PBG s'inscrit dans la stratégie de gestion de la dette des autorités. Les conditions compétitives du financement à lever avec l'appui du PBG permettront une opération de gestion du passif (échange de dette) avec des économies attendues importantes en termes de service de la dette, notamment en termes de valeurs actuelles pouvant atteindre jusque 60 millions d'euros. À cet égard, la Côte d'Ivoire affectera les fonds disponibles (résultant des économies générées par l'opération de gestion du passif) à un objectif de développement clé, dans le secteur de l'éducation et à l'augmentation des ambitions de résultats dans le cadre du Programme de renforcement des résultats du système éducatif de base soutenu par la Banque mondiale.

• Avenue Marchand, Rue Lecœur
• Immeuble SCIAM 19ème Etage • BP V 163 Abidjan
• Tél. : (225) 20 30 25 26 • Fax : (225) 20 30 25 28

Le Gouvernement réitère ses remerciements pour les efforts consentis par la Banque Mondiale dans la définition de la stratégie de développement de la Côte d'Ivoire et continuera d'œuvrer au renforcement de ce partenariat par la mise en œuvre et le suivi du programme. Le suivi et l'évaluation du programme seront de la responsabilité du Comité Interministériel du Suivi du Programme Économique et Financier présidé par Monsieur le Premier Ministre. Au regard de ce qui précède, le Gouvernement s'engage à respecter le contenu des mesures prises dans le cadre de ce programme avec la Banque. La Côte d'Ivoire entend à travers ces orientations et engagements susmentionnés renforcer la coopération financière avec la Banque mondiale et l'ensemble des autres Partenaires Techniques et Financiers (PTF).

Je vous prie d'agréer, **Monsieur le Président**, l'assurance de ma considération distinguée.

République de Côte d'Ivoire
LE MINISTRE
Ministère des Finances et du Budget

Adama COULIBALY

• Avenue Marchand, Rue Lecœur
• Immeuble SCIAM 19ème Etage • BP V 163 Abidjan
• Tél. : (225) 20 30 25 26 • Fax : (225) 20 30 25 28
• Site Web : www.finances.gouv.ci

Unofficial English Translation

N°_________/MFB/CAB/COORD-Ang

A

Mr Ajay BANGA
Group Chairman
of the World Bank

WASHINGTON, DC

Subject: Development Policy Letter

Mr. President,

The present Letter of Development Policy (LPD) reflects the commitment of the Government of Côte d'Ivoire to pursue its efforts to implement the economic and social reforms undertaken in recent years, as well as those it intends to implement to consolidate economic growth and reinforce progress within the framework of the World Bank's Budget Support Program (DPF) and Policy-Based Guarantee (PBG). The Program focuses on investment as a lever for growth and resilience, including (i) strengthening competition in key sectors and domestic revenue mobilization, (ii) expanding equitable access to health and education services, and (iii) promoting the sustainable use of natural resources against a backdrop of climate change challenges.
Indeed, the 2024 Budget Support Program takes place against an economic backdrop marked by growing geopolitical tensions that exacerbate the risk of sustained inflation. These tensions have a direct impact on global supply chains, disrupting trade and contributing to the further fragmentation of world trade.
This Letter of Development Policy, therefore, outlines all the public and sectoral policies implemented by the government to respond to these crises and reduce poverty on a livable planet.

I. Political and economic context

A. Macro-economic framework

1. Since 2012, Côte d'Ivoire has recorded solid economic performance, enabling it to consolidate the resilience of its economy. Economic activity is benefiting from the continued implementation of the investments and reforms set out in the National Development Plan (NDP) 2021-2025, and from the stability of the macroeconomic framework despite the slowdown in international economic activity, which is suffering from the continuing war in Ukraine and the development risks and opportunities associated with climate change. Indeed, recent global crises have highlighted the need to tackle structural bottlenecks to enable efficient allocation of resources and support productive, inclusive growth. The sustainability of Ivorian growth will depend on the proper management of its natural capital stock and the impacts of climate change. With this in mind, the Government has made ambitious commitments to climate action in its latest Nationally Determined Contribution (NDC), revised in 2022. By 2030, Côte d'Ivoire aims to reduce vulnerability and increase climate resilience in priority sectors of the economy.

2. Economic activity is benefiting from the momentum generated by the ongoing implementation of the National Development Plan (NDP) 2021-2025, and the Government's Youth Program (PjGouv). The pursuit of the reforms needed to effectively support the economy, and the continuity of a proactive policy of investment in growth-generating sectors, have also facilitated the economic rebound. The government's youth program, with all the initiatives and reforms planned, is estimated at 438.4 billion FCFA, and is expected to have an impact on around 1.5 million young people, and to build or rehabilitate 142 youth infrastructures. The business climate indicator produced by the Central Bank of West African States (BCEAO) remained above its long-term trend in the first half of 2024, with an average year-on-year rise of 0.6%. This trend reflects the continuing confidence of Côte d'Ivoire's business leaders in the favorable direction of the Ivorian economy. Following a growth rate of 7.0% in 2023, economic performance in 2024 would also be marked by a growth rate of 7.0%, with supply-side drivers being mainly agricultural production, manufacturing, construction and services.

3. The COVID-19 health crisis revealed the need to raise the level of education and health to that of comparator nations such as Kenya. The probability of survival to age 5 will have to be raised from 0.92 to 0.99, and the number of years of schooling will have to be increased from 8.1 years (lower secondary) in 2020 to 13 years (upper secondary) by 2025. The challenge of enhancing the quality and productivity of human capital can be met by: (i) improving the quality of education; (ii) improving access to quality education for all children, (ii) ensuring equity in the system,

particularly between girls and boys, poor and non-poor, urban and rural areas; (iii) reinforcing the internal and external efficiency of the education-training system; (iv) matching training to employment; (v) optimizing subsidies to private secondary schools; (vi) reducing illiteracy and; (vii) improving governance of the education system.
4. The budget deficit has narrowed in 2023, from 6.8% of GDP in 2022 to 5.2%, reflecting, according to the IMF, the strong revenue measures taken in 2023. It is projected at 4% of GDP in 2024, supported mainly by an improvement in tax revenues and a fall in total expenditures, driven mainly by lower transfers and subsidies, as well as security and election expenses. By 2025, the budget deficit should reach the EU target of 3% of GDP.
5. Côte d'Ivoire is one of the sub-Saharan African countries with access to international markets. It was the first country on the sub-continent to return to the international markets after the tightening of financial conditions in 2022, with the issue of a double Eurobond in January 2024 for a total of US$2.6 billion on relatively attractive financial terms (average interest rate of 6.61% at the end of the dollar-euro hedging operation). Côte d'Ivoire took advantage of this operation on the international market to reprofile its debt, particularly on short-term maturities. The operation generated cumulative savings on debt servicing of 2.3 points of GDP between 2024 and 2032, with a peak of 0.9 points of GDP in 2025. In addition, Côte d'Ivoire's sovereign rating was upgraded to "Ba2" by Moody's in March 2024, and S&P maintained its rating at "BB-", but raised the outlook from "stable" to "positive" in May 2024.
6. Côte d'Ivoire is vulnerable to external shocks, particularly on exports, and has limited fiscal space to deal with them. Côte d'Ivoire's overall and external risk of debt distress is considered moderate. Public debt has risen sharply in recent years, from 38.4% of GDP in 2019 to 58.1% of GDP in 2023, an increase of almost 20% of GDP in 4 years. This substantial increase is linked to the significant financing needs generated by COVID-19 and the inflationary pressures generated by the war in Ukraine since 2022. In 2023, public debt is predominantly external (62% of total debt).
7. The Ivorian government's vision is to make the country one of the top 5 destinations in Africa, through the implementation of the ambitious "Sublime Côte d'Ivoire" program. The strategy for developing tourism in Côte d'Ivoire is based on three goals: creating a pool of jobs, developing an engine for GDP growth (increasing tax revenues) and developing the region outside Abidjan by rehabilitating the Abidjan-San Pédro coastline. Ultimately, the aim is to make Côte d'Ivoire a hub for entertainment, leisure and Google-searchable relaxation, enabling the tourism sector to contribute 8 to 10% of GDP by 2025.

8.In the 2024-2026 economic outlook, the government will continue to implement the 2021-2025 NDP by strengthening the quality of institutions and good governance, maintaining macro-economic stability, diversifying and structurally transforming the economy, and accelerating structural and sectoral reforms. It will also be necessary to ensure inflation control, sound public finances and public debt sustainability. The assumptions underlying GDP growth over the period 2024 2026 also take into account:

- *the continuation of government projects;*
- *strengthening the financing framework for SMEs and SMIs;*
- *the concentration of attractiveness policies ;*
- *increased foreign direct investment ;*
- *the development and availability of industrial land ;*
- *strengthening the confidence of private-sector operators in the context of government-private-sector discussions; and*
- *strengthening the State's cash position.*

Over the 2024-2026 period, the average growth rate will be 7.1%.

9.The social needs to be met are still enormous, despite the significant gains made. Indeed, the COVID-19 health crisis combined with scalating security problems in the West African region and the resulting disruptions of production and marketing systems for goods and services are having a negative impact on populations, particularly the most fragile. Although Côte d'Ivoire has satisfactorily contained the health crisis and continues to ensure the tranquility of the population, the Government has decided to prioritize social issues, with the aim of achieving the objectives of the NDP 2021-2025, which require greater efforts, in view of this context. This is why the challenge of this second phase of the PSGouv lies in its ability to consider new issues and reinforce the impact of government action in the realm of social policies. These challenges mainly involve addressing fragility in northern border areas, improving access to employment, and empowering young people and women.

B. Public finance policy and debt strategy

10. The reforms initiated, particularly in the areas of public finance management and improving the business climate, will be continued to ensure that the economic and social momentum generated has an even greater impact on the daily lives of Ivorians. The government will continue to work towards strengthening the fight against corruption and consolidating good governance.

11. Côte d'Ivoire remains exposed to a moderate risk of debt distress, but is vulnerable to external shocks, particularly on exports, and has limited fiscal space to deal with them. The Medium-Term Debt Management Strategy (MTDS), which is appended to the Budget Law at the beginning of the year and implemented by the government, is systematically updated each year. The MTDS considers the evolution of the macroeconomic and budgetary framework, which reflects the NDP, through the implementation of the Government's priority actions defined each year.

The objectives of the MTDS 2022-2026 can be summarized as follows:

- *meet the State's financing needs and payment obligations at the lowest possible cost;*
- *ensure that risks related to the public debt portfolio remain within acceptable limits;*
- *contribute to the development of the domestic market.*

The government intends to give priority to financing that reduces the risks associated with refinancing domestic debt, interest rate risks and exchange rate risks. More specifically, financing needs should be met, on average, by a 45-55 ratio of external and domestic financing instruments over the 2022-2026 period. External resources would consist of financing for concessional, semi-concessional and commercial loans, projects or programs, and financing on international markets for 18%, 44%, 10% and 28% respectively over the 2022-2026 period. Domestic resources would be mobilized through short-, medium- and long-term borrowing, at 10%, 55% and 35% respectively over the same period. This strategy favors domestic debt over foreign debt, with a preponderance of euro-denominated, fixed-rate financing.

12. The Policy-Based Guarantee or "PBG" will mobilize more than 800 million euros of competitive commercial financing, enabling Côte d'Ivoire to successfully complete a liability management operation. Côte d'Ivoire is committed to allocating the additional funds (resulting from the savings generated by the liability management operation) to a key development objective in the education sector. This will , increase results ambitions of the ongoing Basic Education System Results Reinforcement Program supported by the World Bank. In a second phase, the approved PBG envelope is expected to support a follow-on transaction, the country's first Sustainability-linked Loan (SLL), enabling the Ivorian authorities to broaden the investor base through environmental, social and governance (ESG) investors and their commitments to environmental sustainability.

C. Assessment and outlook for the reforms undertaken as part of the operation

13. The reforms included in this program, for which the Government is seeking World Bank support for 2024, focus on: investment as a lever for growth and resilience, notably (i) strengthening competition in key sectors and mobilizing domestic revenues (ii) expanding equitable access to health and education services, and (iii) promoting the sustainable use of natural resources against a backdrop of challenges linked to climate change. These challenges have become even more pressing in the current context of rising geopolitical tensions, which exacerbate the risk of sustained inflation, in order to support a recovery that is both resilient and inclusive.

a) Strengthening competition in key sectors and revenue mobilization" pillar

14. The telecommunications and Information and Communication Technologies (ICT) sector in Côte d'Ivoire has undergone many changes, the implications of which are felt at regulatory, economic and social levels, making this sector a real driver of the country's economic development.
Aware of the challenges of an ever-changing digital world and driven by the firm ambition to keep pace with technological developments, the Ivorian Government has adopted various strategies in 2021, including the National Digital Development Strategy 2021-2025, the National Innovation Strategy 2021-2025 and the National Cybersecurity Strategy 2021-2025. The aim of adopting these variousstrategies is to create synergy around digital initiatives and coordinate all efforts in this area.
Faced with persistent challenges arising notably from the lack of clarity and coherence of the texts and the limitations in the implementation of ordinance n°2012-293 of March 21, 2012 and subsequent texts, which revealed contradictions, ambiguities, and overlapping missions between institutions and governance bodies, the ordinance was enterily revised, leading to the adoption of a new law on electronic communications in Côte d'Ivoire, Law no. 2024-352 of June 06, 2024 on electronic communications. The new law incorporates the fundamental principles of the sector, thereby consolidating Côte d'Ivoire's position as one of the sub-region's leaders in the electronic communications sector. The new law on electronic communications in Côte d'Ivoire aims to:

- *Define a modern legal framework for activities in the electronic communications sector;*
- *Ensure effective protection of reception and electronic communications infrastructure networks, given their strategic importance for the State and the population as a whole;*
- *Promote free and effective competition in the establishment and operation of electronic communications networks and the provision of electronic communications services for the benefit of users;*
- *Establish rules to ensure effective user protection;*
- *Promote access to electronic communications services for as many people as possible and digital development of the territory;*
- *Foster the country's socio-economic development through the development of the electronic communications sector.*

15.The government is committed to accelerate the digital transition aiming to positively impact all sectors of the economy. To this end, it has adopted two decrees. The first decree, N° 2024-798 of September 05, 2024, defines the categories of activities in the electronic communications sector, aiming to better define and organize the different types of telecommunications services, and to strengthen the proper management and supervision of the telecommunications sector. The second decree, decree no. 2024-799 of September 05, 2024, outlines the amount, terms, and *conditions of payment for the financial counterpart of the regulatory fee, the contribution to research, training and standardization, and the contribution to the financing of universal service, as well as the application fees for individual licenses, general authorizations and declarations of electronic communications activities. The decree aims to ensure that telecommunications companies contribute fairly to the development and regulatory oversight of the sector. At the same time, there is a need to strengthen the personal data protection framework in light of the revised law and today's digital environment. This includes enhancing the role of data protection officers (DPOs) in the country and addressing several issues identified over the years, such as the lack of resources, insufficient protection, and conflicts of interest faced by DPOs. To this end, the government has issued two ministerial orders (i) Ministerial Order No. 0098MTND/CAB of August 16, 2024 defining and setting out the procedures for collecting and allocating the proceeds of financial penalties issued by the Côte d'Ivoire Telecommunications/ICT Regulatory Authority and (ii) Ministerial Order No. 0099 MTND/CAB of August 16, 2024 amending Order No. 511/MPTIC/CAB of November 11, 2014, which defines the profile and setting the conditions of employment corresponding to the protection of personal data.*

16. Recognizing the significant positive externalities of transport, the government's efforts are focused on increasing the sector's competitiveness, notably through an overhaul of the freight exchange. To this end, the government issued decree no. 2022-743 of September 28, 2022, setting out the conditions for access to the freight exchange. In addition, the Government has adopted Ordinance no. 2023-718 of September 13, 2023 amending Article 10 of Law no. 2014-812 of December 16, 2014 on the orientation of domestic transport, amended by Ordinances no. 2018-09 of January 10, 2018 and no. 2019-99 of January 30, 2019. The Government has also adopted the related ratification bill. This ordinance makes substantial changes to the operating procedures of the Domestic Transport Regulatory Authority (ARTI). It clarifies the missions and strengthens the powers of this Independent Administrative Authority, endowed with more extensive regulatory and jurisdictional powers, to enable ARTI, charged with regulating activities in the road transport sector, to adapt easily to the rapid evolution of the sector and effectively fulfill its missions. The bill ratifying Ordinance no. 2023-718 of September 13, 2023 amending Article 10 of Law no. 2014-812 of December 16, 2014 on the orientation of domestic transport, as amended by Ordinances no. 2018-09 of January 10, 2018 and no. 2019-99 of January 30, 2019, was adopted by the National Assembly on June 10, 2024. In order to complete the reform, the government adopted decree no. 2024-654 of August 1er 2024 determining the conditions of access to and exercise of the profession of freight transport intermediary. This decree clarifies the rules governing the participation of transport auxiliaries in the land freight transport sector. Its aim is to optimize the matching of supply and demand on the freight exchange, facilitating freight carriers' access to freight and enable goods owners to benefit from a diversified and reliable transport offer.

17. To strengthening public investment, the Government aims to create the fiscal space needed to reinforce economic and social resilience through a sound and stable macroeconomic framework. This includescontrolling the budget deficit and indebtedness, as well as strengthening the reform of the public finance management system to ensure adequate deployment of the infrastructure and public services required for the inclusion policy. However, the mobilization of public revenues remains a major challenge, weighing on public debt servicing. In particular, the Government intends to work towards the following priority objectives: (i) increase non-tax revenues by simplifying and making their collection more transparent (ii) develop digital solutions to facilitate tax payments and (iii) improve income tax collection.

18. Recent years have been marked by bold efforts to raise the level of domestic revenue mobilization, notably through the reinforcement of tax administration measures focused on digitizing collection procedures and strengthening risk management, as well as the implementation of the 2019-2022 rationalization plan, which have increased tax revenues albeit below the regional standard of 20% of GDP. The government intends to resolutely pursue these efforts, and appreciates the technical support of its partners, including the World Bank. To accelerate progress, it is determined to gradually increase the tax burden by 0.5 percentage points of GDP per year, to support the sustainability of public finances and debt, and convergence towards the regional standard of a 3% budget deficit by 2025. As part of its efforts, the country adopted a medium-term revenue mobilization strategy in May 2024 (the IMF program's structural benchmark), which has since become the unified framework for high-quality structural reforms in tax policy and administration. It aims to i) simplify the tax system by revising the general tax code; ii) improve operational procedures; iii) update the guidelines and manuals used by the various tax collection agencies; iv) continue to rationalize exemptions, both in terms of VAT and tax expenditure; and v) introduce carbon and e-commerce taxation.

19.As far as tax administration is concerned, of the government will implement reforms aimed at strengthening public confidence in tax and customs administration, improving the capacity, staffing, and resources of tax collection agencies, as well as instituting permanent consultation mechanisms between the public and private sectors on tax issues. All these elements should contribute to strengthening tax compliance and broadening the tax base. Recent tax policy reforms are in line with this dynamic, notably with the abolition of VAT exemptions on luxury food products in the 2024 Budget Law, in compliance with WAEMU directives (02/98/CM/UEMOA of December 1998 and its amendment 02/2009/CM/UEMOA of March 2009), and the simplification of personal income tax. These two measures, supported by the DPF2 operation, aim to increase the tax base and enhance the fairness of these taxes. At the same time, and as part of DPF2 and FSDP, the government has completed the reform of non-tax revenue collection begun in 2022 with the adoption of the implementing decree for the law on non-tax revenue collection procedures, making it compulsory to use the TresorPay/TresorMoney digital platforms for non-tax revenue collection.

b) Pillar 2 "Expanding equitable access to health and education services".

20 In light with its commitment as expressed in the National Development Plan 2021-2025 and Vision Côte d'Ivoire 2030, the Government is resolutely committed to strengthening human capital in order to ensure adequate employment for private sector development and accelerate sustainable, inclusive growth, notably through increased labor productivity. Despite investment efforts over the past decade, the country's level of human capital has remained low, with the World Bank's Human Capital Development Index stagnating at 0.38, far behind its peers in sub-Saharan Africa and the lower middle-income group of countries due to disparities in access to education and healthcare. Greater efficiency in investment in education and healthcare is therefore essential. Drawing lessons from these weaknesses, the government has decided to radically reorganize the regulatory frameworks in the education, technical and vocational education, and employment and solidarity sectors.

21 In the education sector, the Government is resolutely committed to improving the quality of basic education and inclusion. To this end, the Government has issued a series of two (2) ministerial decrees to improve the equity and quality of the teaching force and reduce inequalities in access to education: (i) Order no. 253/MENA/DELC of August 12, 2024 on the postponement of schooling in the Centres d'Animation et de Formation Pédagogique (CAFOP) for student teachers following an interruption due to pregnancy, and (ii) Order no. 254/MENA/DELC of August 12, 2024 on the postponement of schooling for primary and secondary public and private general education students. The aim of this provision is to make the medical certificate required to reintegrate girls into school following a pregnancy free of charge.

22. Regarding technical and vocational education and training in conjunction with higher education, the Government has adopted two (2) decrees to address the flow problems in the Ivorian education system and increase enrolment in Technical and Vocational Education and Training (TVET). Thus: (i) Decree N° Decree 2024 -733 of August 1er 2024 instituting bridges between the different levels of education aims to encourage general education students to enroll in vocational and technical training courses leading to qualifications or diplomas, and to offer opportunities for technical and vocational training graduates to enter higher education. (ii) As for Decree N° decree 2024-734 of August 1er 2024 on the reform of training paths in technical and vocational education and training, it enables a holder of a Certificat d'Aptitudes Professionnelles (CAP) who has the ability to progress to an engineering diploma directly or through Validation des Acquis de l'Expérience (VAE).

The reform of medical coverage is a major reform on which the Government is pursuing reforms relating to access to healthcare for the poorest. Thus, in addition to decree 2022-753 of September 28, 2022 relating to the implementation of compulsory enrolment in universal health coverage (CMU), the Government has adopted decree 2023-141 of March 1, 2023 to accelerate equitable access to healthcare and increase the number of enrolments in universal health insurance (CMU), while reducing the waiting period to benefit from CMU. This decree reduces the waiting period from three (3) to one (1) month, for both the opening and re-establishment of entitlement to healthcare benefits for all insured persons, regardless of nationality. In addition, to ensure optimal follow-up and guarantee the security of the care pathway, on July 10, 2024 the Government adopted the decree establishing the CMU number as the unique health identifier in all public and private health establishments. In the same vein, the Government adopted Decree 2024-793 of September 05, 2024, setting out the terms and conditions for the performance of public health services by private health establishments. This decree upgrades the regulatory framework enabling private establishments to contract with the Caisse Nationale d'Assurance (CNAM) and join the CMU healthcare network. The government has also issued decree no. 00943 MSHPCMU/CAB of September 17, 2024, laying down the operating conditions for private health establishments.

c) Pillar 3 "Promoting the sustainable use of natural resources

The government continues to promote investment in climate change resilience through the integration of good agricultural, social and environmental practices, and to respond to the challenges of new environmental issues at the heart of international environmental protection policies.

To promote sustainable cocoa production, the government has made agroforestry compulsory on coffee and cocoa farms. All players in this sector are invited to support farmers in implementing this measure, which will eventually affect more than 3 million hectares of rural land. The Government has adopted Decree 2023-723 of September 13, 2023, instituting a National Coffee-Cocoa Traceability System. To reinforce the actions implemented by the government to strengthen the sustainability of the cocoa sector and the fight against poverty, the State of Côte d'Ivoire has decided to allocate part of the resources collected from the coffee-cocoa sector to improving the living environment, and to the economic and social advancement of coffee and cocoa producers. The creation by interministerial decree n°611/MEF/MINAGRI of November 21, 2007 of the "Fonds d'Investissement en Milieu Rural" (FIMR) and "sacherie brousse" royalties for the 2007 coffee-cocoa season is a response to this concern. The "Fonds d'Investissement en Milieu Rural" (FIMR, Rural Investment Fund) fee is intended exclusively to finance basic economic and social infrastructure projects throughout the country, in particular the construction or rehabilitation of rural tracks, water supply systems, schools and health centers. In addition, the aforementioned order entrusts the management of these royalties and the monitoring of projects relating to the Rural Investment Fund to structures that were dissolved by Ordinance n°2011-481 of December 28, 2011 laying down rules relating to the Marketing of coffee and cocoa and the Regulation of the coffee-cocoa sector. As a result, the provisions of the decree are no longer adapted to the current context of the coffee and cocoa sector. The government issued Interministerial Decree n°002/MEMINADER/MFB of September 03, 2024, defining the purpose of the "FIMR fee and setting out the management procedures, which repeals the provisions of Interministerial Decree n°611/MEF/MINAGRI of November 21, 2007, defining the purpose of the "FIME and "Sacherie-brousse" fees and setting out their management procedures, with a view to revitalizing investment in rural areas. The aim of this decree is to improve the living conditions of cocoa-producing *households in a sustainable way. The areas of intervention of the FIMR are the construction and maintenance of agricultural feeder roads, health, education, hydraulics, rural electrification and security.*

Regarding strengthening the environmental regulatory framework, the Government has adopted the draft law on the Environmental Code. The Government intends to respond to the new ecological challenges at the heart of international environmental protection policies, notably the fight against climate change, the protection of biological diversity, the promotion of the green economy, the management of electrical and electronic equipment waste, the regulation of persistent organic pollutants, the limitation of greenhouse gas emissions, and the fight against coastal erosion. The Government's efforts are aimed at introducing new principles and integrating innovative mechanisms, in terms of conservation and rational use of biological biodiversity and genetic resources, efficient waste management, assessment of development projects with a high environmental impact, risk reduction and natural disaster management, and environmental education, with a view to developing both public authorities' and the population's ecological awareness. The government is continuing to implement the recommendations and action plan set out in the national climate report. The national report on climate and development (CCDR) highlights opportunities in various sectors for more resilient and inclusive development, but also underlines the urgency of short- and medium-term action to mitigate the negative impacts of climate change, particularly on key sectors such as cocoa and energy, as well as on urban infrastructure and national interconnectivity. A significant improvement in the country's adaptive capacity is required, with a review of existing policies and programs to effectively address climate challenges and promote sustained economic growth while reducing poverty.

The Government is continuing to implement projects for the sustainable development of forest resources, with a view to ensuring effective coordination in the planning and efficient management of the implementation of actions arising from the Strategy for the Preservation, Rehabilitation and Extension of Forests (SPREF) adopted by the State of Côte d'Ivoire in 2018, and to achieve the objective of reconstituting 20% of the national forest cover by 2030, the Government has adopted two (2) decrees (i) Decree N°2024-801 of September 18, 2024 determining the incentive measures for private sector operators participating in the sustainable management of agroforests and the modality of participation in order to encourage the private sector, notably the coffee-cocoa sector, to contribute to the sustainable management of agroforests by mobilizing significant financial resources, (ii) Decree N°2024-800 of September 05, 2024 on the creation of agroforests in the State's private forest estate and the marketing of agricultural products from agroforests, to enable the marketing of agricultural products (coffee-cocoa) from these agro-forests.

Following the promulgation of the new Environmental Code, the Government adopted Decree no. 2024-595 of June 12, 2024, determining the rules and procedures applicable to environmental and social assessments. The government's aim is to improve the way in which environmental and social concerns are considered in policies, plans, programs, projects, and activities likely to have an impact on the environment. To strengthen the legal and regulatory instruments for the protection of coastal zone spaces and environments identified for preservation, the Government has issued Decree N° 2024-797 of September 05, 2024, establishing the list of spaces and environments to be preserved on the coast according to their ecological interest and specifying the rules applicable to them. This decree establishes the list of spaces and environments to be preserved on the coast according to their ecological interest and specifies the rules applicable to them.

d) Additional measures linked to the financial sustainability of the electricity sector to ensure reliable and sustainable access

The Government's ambition is to consolidate the electricity sector to supply abundant, high-quality, low-cost electricity to economic players and the population, while ensuring compliance with the country's regional and international commitments. To achieve this, necessary actions will focus on the following areas: (i) universal access to electricity; (ii) electricity supply-demand balance; (iii) regional integration; and (iv) financial viability of the electricity sector.

In terms of access to electricity, by the end of 2023, 8,052 localities will be electrified, including 7,508 out of the 8,518 localities identified in the 2014 General Population and Housing Census (RGPH). This gives a national coverage rate of 88.1%, representing 97.2% of the population living in an electrified zone in 2023. The coverage rate, which defines the number of households with a subscription out of the total number of households in the country, was 64% and should reach 75% in 2025. In operational terms, this will involve stepping up implementation of programs such as the National Rural Electrification Program (PRONER), the National Electricity Grid Extension Program (PRONEX) and the Electricity For All Program (PEPT). PEPT's annual connection targets have been raised from 250,000 to 400,000 for the three-year period 2024-2026, and the related budgets have been set following the three-year negotiation of operating costs and remuneration for the national electricity grid operator (CIE). According to projections, to achieve 100% coverage by 2030, i.e. some 7,107,077 households connected, 3,302,000 connections will be made over the 2024-2030 period, as follows: (i) 1,335,000 connections in total from 2024 to 2026, including 400,000 PEPT per year, (ii) 500,000 connections including 400,000 PEPT per year from 2027 to 2029, i.e. 1,500,000 connections (iii) 467,000 connections including 367,000 PEPT connections for the year 2030.

In addition, an Off-Grid Electrification Action Plan (PAEHR) has been drawn up to improve access to electricity through the promotion and use of decentralized energy solutions, and to provide a better quality of life for all rural and peri-urban households. Indeed, a significant proportion of the population lives in remote, sparsely populated rural localities. The work plan of the Ministry in charge of electricity for 2025 will include the following points: (i) finalizing, adopting and operationalizing the regulatory framework applicable to off-grid electrification, (ii) defining the intervention model of the private sector in this field, (iii) setting up a coordination framework for the electricity sector's on-grid and off-grid *strategies, (iv) finalizing, adopting and operationalizing the four (4) remaining texts out of the 21 implementing texts of the Electricity Code, namely:*

- *A decree establishing fees for the acquisition of energy data, the issuing of authorizations and approvals for the exercise of activities in the sector, and determination of the annual agreement fee to which any operator or signatory of an agreement is subject for the exercise of an activity in the electricity sector and/or for the use of the State's conceded assets;*
- *A decree fixing and determining the pecuniary penalties resulting from the exercise of segments of the electricity sector or related activities in violation of the provisions of the Electricity Code and false declarations relating to the exercise of said activities and the terms and conditions of their collection ;*
- *An arrêté relatif au cahier des charges setting the technical and regulatory conditions for the exercise of segments of activities in the electricity sector;;*
- *An arrêté establishing a management system for advances and revenues and setting the procedures for the collection and management of fees and financial penalties resulting from violations of the provisions of the electricity code and false declarations related to the exercise of activities in the electricity sector.*

Regarding the electricity supply-demand balance, the master plan for power generation and transmission covers the public and private investment needs projected for 2040 to meet sustained growth in demand. The government's objective is (i) to increase installed generation capacity from 2,907 MW at the end of 2023 to 5,128 MW in 2030 (an increase of over 76%), notably through diversification of the electricity mix, and (ii) to develop the transmission and distribution network to efficiently deliver energy to users. Reinforced management of investment programming, financing mobilization, monitoring and control of completion deadlines will be in place and operational by 2026. This will require more effective involvement of the Direction Générale de l'Energie and the Cabinet of the Minister in charge of Energy, in the implementation of the master plan.

In addition, the contracting process for the construction of private power plants will be streamlined to achieve cost savings, in particular through the use of calls for tender. Promoting the construction of public power plants will also help optimize electricity production costs.

Compliance with international commitments on climate protection, particularly in favor of energy transition, energy management and reducing the environmental impact of projects, is central to the implementation of the government's development strategy. This will involve stepping up the operationalization of the Sectoral Policy for the Development of Renewable Energies and Energy Efficiency 2020-2030 (PSDEREE). Actions will aim to: (i) meet the State's commitment to increase the share of renewable energies in the electricity mix to 45% by 2030, (ii) strengthen the resources of the Fonds National de la Maitrise de l'Energie (FONAME) to implement measures such as mandatory periodic energy audits of large energy consumers, energy labeling of air conditioners, fans, refrigerators and electric lamps, and energy efficiency requirements imposed on certain buildings to be constructed ; (iii) step up action to combat breaches of the Electricity Code, with a view to ensuring compliance with its provisions by users and structures subject to the Code.

The commitment to renewable energies will be achieved progressively through the joint development of hydroelectric (184 MW), biomass (147 MW) and solar (955 MW) energy sources, giving a total additional capacity of 1,286 MW by 2030. To achieve this, (i) the State has signed agreements and/or memorandums of understanding with private developers for the construction of power generation facilities (683 MW), (ii) hydroelectric (140 MW) and solar (296 MW) power plants will be built by CI-ENERGIES, (iii) solar power plants to cover residual needs will be put out to tender (187 MW).

The government's energy efficiency objectives include switching to efficient public lighting by replacing energy-hungry lamps with efficient ones. In 2025, a project will be implemented to replace 54,000 energy-guzzling lamps in the public lighting stock with LED lamps. A power reduction of 8.5 MW and an estimated annual energy saving of 37.23 GWh will be achieved, representing a reduction of 3.22 billion F CFA in the State's electricity bill.

To encourage self-generation of electricity from renewable sources, the State has decided, through the tax appendix to the Budget Law for the 2024 financial year, to grant companies investing in renewable energies the following benefits: (i) exemption from customs duties, with the exception of Community levies, on imports of equipment and materials required for the production and distribution of renewable energies; and (ii) exemption from VAT on the acquisition of equipment required for the production and distribution of solar energy. For implementation from 2026, a reform will be initiated in 2025, to determine the conditions for setting tariffs for the sale of surplus self-generated electricity to the electricity sector.

Regarding regional integration, the level of electricity exports at the end of 2023 was 1,052 GWh. The government plans to strengthen interconnection and increase electricity exports, with a view to making Côte d'Ivoire a regional energy hub. This will be achieved by (i) completing the Côte d'Ivoire - Ghana interconnection project as a matter of priority, and (ii) increasing export levels, subject to payment security.

In addition, current contracts will be reviewed to ensure that export sales conditions reflect the technical and financial realities of the national electricity sector. Discussions are also underway within WAPP with a view to adopting a harmonized pricing mechanism for transmission services between countries.

In terms of financial viability, a comprehensive plan for the long-term improvement of the electricity sector's financial situation will be adopted by the end of the first half of 2025 at the latest. In the short term, the State will use facilities to restructure the sector's operating debt and ensure regular payments to suppliers of natural gas, power and liquid fuels. The strategy for ensuring sustainable financial equilibrium calls for decisions on a number of points, including (i) optimizing the tariff structure, (ii) regularizing tariff adjustments, (iii) increasing the rate of recovery of the Administration's electricity consumption invoices through regular payment of its bills, (iv) dealing with the sector's investment debts, including those retroceded to CI-ENERGIES, (v) reviewing CI-ENERGIES' business model and public investment financing scheme.

With regard to optimizing the current tariff schedule, studies will be carried out by ANARE-CI in the first half of 2025 on the following topics: (i) modifying the time bands of kWh sales tariffs for high-voltage customers, by extending the peak period, (ii) introducing day and night tariffs for certain low-voltage customers, (iii) the impact of introducing progressive tariffs in the second consumption band for low-voltage customers, and the possibility of introducing other billing bands, (iv) monthly billing for low-voltage customers.

It is anticipated that the tariff changes recommended as a result of these studies could lead to a significant increase in rates for many customers. In view of the double increase in tariffs in July 2023 and January 2024, it is planned to adopt a realistic timetable for implementing these changes in the second half of 2025, starting in any case in 2026.

Regarding the periodicity of electricity sales tariff adjustments, a regulatory text is planned for the first quarter of 2025, in addition to Decree no. 2016-786 of October 12, 2016, with a view to systematizing the annual tariff adjustment. This periodicity is in line with the procedures of the Regulatory Body, which submits its tariff proposals to the Government each year in March, for the new tariffs to come into force the following July. Where appropriate, implementation will be staggered according to the final application of measures to optimize the tariff schedule.

II - Coordinating and monitoring the implementation of reform policies.

This program will be implemented under the authority of the Ministry of the Economy and Finance, through the Portfolio Coordination and Monitoring Unit and projects financed by the World Bank, in close collaboration with sector ministries and other structures concerned by the program's areas of concentration. The World Bank will also carry out program reviews as required. Regular dialogue will be maintained with the World Bank as part of the monitoring of the operation's implementation. The Government undertakes to take all necessary steps to implement the operation and reiterates its request to the World Bank for the requested financing.

III - "Facilitated measures

The debt-for-development swap (D4D), a first of its kind for the World Bank, which will be made possible by the PBG, is in line with the authorities' debt management strategy. The competitive terms of the financing to be raised with the support of the PBG will enable a liability management operation (debt swap) with significant expected savings in terms of debt servicing, particularly in terms of present values of up to 60 million euros. In this respect, Côte d'Ivoire will allocate the available funds (resulting from the savings generated by the liability management operation) to a key development objective in the education sector, and to increasing results ambitions within the framework of the Basic Education System Results Enhancement Program supported by the World Bank.

The Government reiterates its thanks for the efforts made by the World Bank in defining Côte d'Ivoire's development strategy and will continue to work to strengthen this partnership by implementing and monitoring the program. Program monitoring and evaluation will be the responsibility of the Comité Interministériel du Suivi du Programme Économique et Financier, chaired by the Prime Minister. In view of the above, the Government undertakes to respect the content of the measures taken within the framework of this program with the Bank. Through these orientations and commitments, Côte d'Ivoire intends to strengthen financial cooperation with the World Bank and all other Technical and Financial Partners (TFPs).

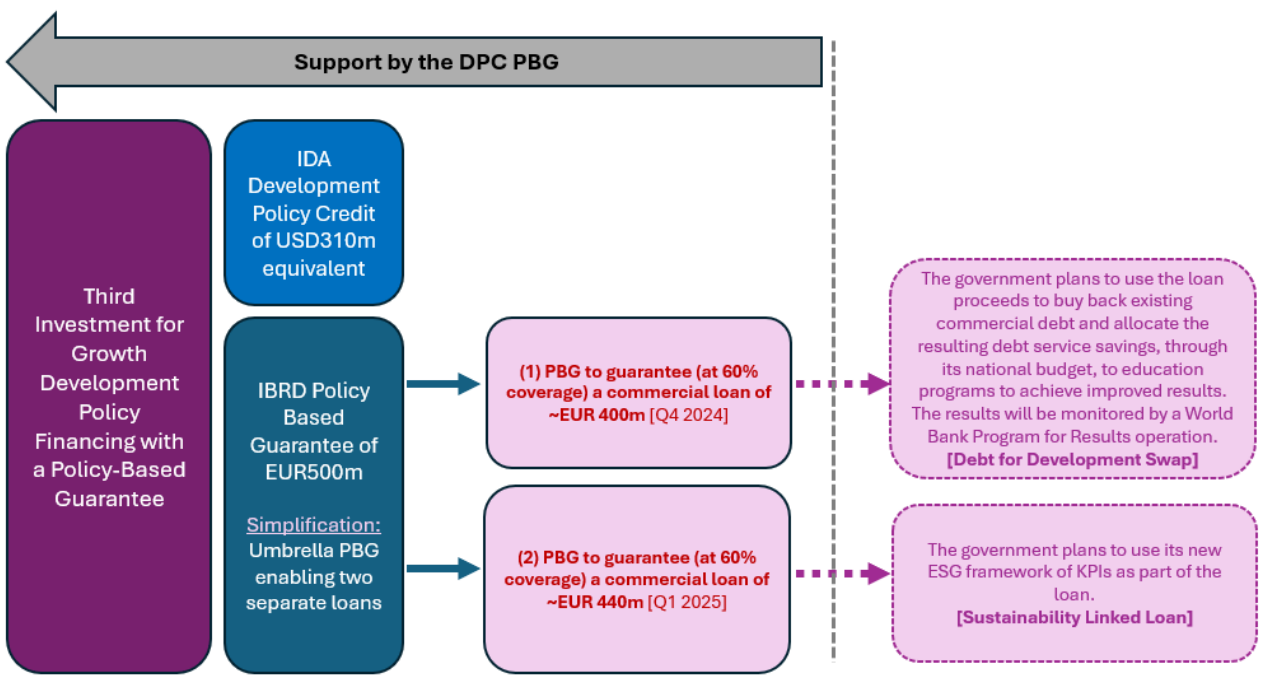
Yours sincerely.

ANNEX 8: POLICY BASED GUARANTEE ANNEX

1. **The proposed EUR 500 million PBG requested by the government of Côte d'Ivoire is an innovative approach to support the country's development objectives while improving its debt sustainability.** This operation is designed to enable Côte d'Ivoire access to commercial financing on more favorable terms, freeing up resources for country's own development initiatives. The structure of the proposed operation, which includes two sequential transactions, offers a tailored solution to address both immediate and medium-term financing needs and development objectives (Figure 8.1).

2. **The PBG is designed to enable Côte d'Ivoire to access long-term financing in Euros at affordable terms**. It is structured to provide protection to commercial lenders against non-payment of debt service payments by Côte d'Ivoire under the financing raised. If Côte d'Ivoire fails to make a guaranteed debt service payment, commercial lenders can call on the PBG for payment of the said amount. Following a call under the PBG, IBRD will have the right to seek repayment pursuant to the terms of the Indemnity Agreement signed with the government.

Figure 8.1 Operational design and use of PBG



PBG Structure

3. **The PBG structure, encompassing two sequential transactions, would enable the government to implement a D4D swap program and mobilize financing through the sustainability-linked loan.** The sequential transactions would be completed within 12 months of Board approval in line with the DPF policy. The government intends that the first transaction, a Liability Management Operation (LMO) through an expected EUR 400 million debt swap (supported by a PBG at 60 percent coverage), will materialize by the end of CY2024. The second transaction, a SLL of about EUR 400 million (guaranteed with an expected PBG at 50-60 percent coverage) is planned for CY2025 subject to market conditions and the issuance by the SPO provider of a satisfactory SPO in respect of the KPIs outlined in the sustainability-linked financing

framework. The KPI framework should be in alignment with the SLL Principles[48] and that the Recipient has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with activities related to the achievement of the KPIs.

4. **The planned LMO aims to generate savings by refinancing expensive debt and improving the country's debt sustainability profile.** This transaction undertaken by the government that would be enabled by the PBG is expected to generate tangible benefits in terms of debt service savings and improved fiscal space. This is important given the challenging external financing conditions facing emerging market countries and the sizeable opportunities for refinancing comparatively more expensive liabilities in Côte d'Ivoire. While Côte d'Ivoire currently has market access, as illustrated by its Eurobond issuance in the first half of 2024, the PBG-backed operation would allow it to further improve its public debt profile in a proactive manner (see section 2 of the Program Document).

5. **The expected savings enabled by the proposed structure are substantial and will solidify Côte d'Ivoire's downward debt trajectory and further smooth the debt service profile, particularly in 2025.** The buyback will target external commercial loans maturing between 2029 and 2033 and carrying variable interest rates, with a total cost currently higher than 8 percent p.a. Replacing these loans with the PBG-backed one is expected to generate savings in net present value (NPV) terms[49] of up to EUR 60 million and freeing up significant cash-flow in the short terms of up to EUR 300 million in 2025-2028, given the longer average maturity of the new debt (8.5 vs. 2.3 years of the previous portfolio). Compared to a buyback financed by the equivalent amount of IDA envelope[50] –in the form of a standard blend loan–the savings in present value term are twice as large in the scenario with a PBG.

6. **The LMO will improve debt sustainability as captured in the LIC-DSA.** The LMO will help ease the liquidity pressures in 2025-2028, thanks to the lower interest rate and longer average maturity of the new loan. In particular, it will help reduce by over 1 pp the debt service-to-revenue peaks of 2025, which was otherwise very close to the 18 percent threshold that separates moderate from high risk of external debt distress, according to the joint WBG-IMF debt sustainability framework.

7. **The resulting savings from the debt buyback are expected to free up fiscal space, which the government plans to allocate toward development priorities.** The second step of the debt for development swap program would be an ongoing PforR consistent with the new WBG approach to D4D,[51] leading to increased transparency, lower transaction costs, reliance on national systems, and alignment with national priorities. Commitment towards these priorities will be emphasized through more ambitious targeted outcomes in an ongoing PforR in education notably to improve access to primary and secondary education. The government will separately request a restructuring of the Côte d'Ivoire Strengthening Basic Education System Operation (P177800) to show higher ambition in disbursement linked indicators achieved thanks to the additional resources freed up by the LMO. This approach creates a direct link between proactive debt management and development outcomes, accelerating progress on key initiatives in education. The World Bank's support in both the financial structuring and the monitoring of underlying development objective ensures coherence and maximizes the developmental impact of the freed-up resources.

8. **Following the first transaction, the second transaction responds to Ivorian authorities' interest in broadening their investor base through innovative financing instruments, building on the momentum and market confidence generated**

[48] The Sustainability-Linked Loan Principles (SLLP) were originally published in 2019 and provide a framework for what is recognized as an increasingly important area of finance. The SLLP underwent a structural revision in 2021, to provide a clear delineation between the selection of key performance indicators (KPIs) and the calibration of sustainability performance targets (SPTs). Selection of KPIs should follow (1) relevance and materiality: KPIs should be relevant, core to the borrower's overall business, and material to its sustainability strategy; and (2) clarity and measurability: KPIs should be clearly defined and capable of being measured over a specific period.

[49] Côte d'Ivoire's external yield curve is used to discount cash flows, as best proxy of the marginal cost of commercial funding.

[50] Following the successful completion of a creditworthiness assessment, Côte d'Ivoire has now recovered its blend status which allows lending from IDA and IBRD in blend terms.

[51] Debt for Development Swaps: An Approach Framework. https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099080524122596875/bosib170e4732504619bc417c0d0996ec21

by the first transaction (and LMO of January-April 2024). The successful execution of the LMO will provide a benchmark for the SLL transaction (also structured as a commercial loan) in terms of pricing and market appetite. Moreover, this sequencing allows time for the structuring of the SLL, including finalization of the KPIs that align with the country's sustainability goals. This work is supported by World Bank TA. The TA started in FY24 with the creation of an interministerial working group to select and calibrate KPIs in line with the government's main objectives. Supported by the World Bank TA team, after the government's approval, the framework will be reviewed by a Second Party Opinion provider (SPO) (i.e. third-party validation) and is expected to be published by CY2025. It will support Côte d'Ivoire's goal to issue a SLL in the first quarter of 2025.

9. **In the case of the SLL, Côte d'Ivoire will benefit from both the improved borrowing terms enabled by the PBG, and interest rate reductions tied to meeting selected KPIs targets.** To achieve this, the PBG is expected to cover on a first-loss basis the repayment of principal, the base interest rate, and a fixed margin component. It will not cover the variable component of the interest rate. This variable component, which may result in interest rate step-ups or step-downs based on the achievement of predetermined KPIs targets, will remain outside the scope of the guarantee. This structure aims to ensure that the PBG retains its nature as a pure credit enhancement tool, while allowing the sustainability-linked mechanism to function independently.

10. **The guarantee coverage will only be to the extent necessary to mobilize private financing, considering country and market circumstances.** This approach amplifies the reach and impact of the World Bank's financial resources. On a preliminary basis, the PBG is expected to cover 60 percent of the amount of commercial financings raised, based on precedent transactions which benefitted from guarantee coverage between 40-60 percent. This implies that a EUR 500 million PBG could help raise up to EUR 800 million in commercial financings. However, the final terms, including the exact amount raised and the precise percentage of PBG coverage, will only be known when each of the commercial financings close and will be subject to market conditions at the time.

11. **The World Bank's DPF policy provides flexibility by allowing the borrower to utilize the approved PBG envelope over a 12-month period following Board approval.** This flexibility is crucial for Côte d'Ivoire, as it will enable the country to time its market access optimally and adjust the structure of each transaction based on prevailing market conditions and the country's evolving needs. Precedents for deploying PBGs over two transactions exist in Benin (P167278) and Ukraine (P164414).

PBG Execution

12. **The EUR 500 million PBG allocation between the two transactions is flexible and will be responsive to market conditions and the country's needs.** The final breakdown of the PBG amount between these two transactions will depend on the size of the final D4D once the operation is executed. The coverage percentage may be adjusted based on prevailing market conditions, investor appetite, and the potential availability of second-loss insurance in the market. This flexibility in both the allocation of the PBG amount and the coverage percentage is designed to optimize the impact of the guarantee.

13. **The operation will follow a structured process, including separate Request for Proposal (RFP) processes for each transaction, allowing commercial banks to compete on the margin offered to Côte d'Ivoire.** This competitive process is designed to ensure that Côte d'Ivoire receives the most favorable terms for each transaction. Côte d'Ivoire may decide to fix the base rate or keep it variable to benefit from future decreases in the EURIBOR base rate.

14. **The structure will include the usual contractual arrangements with a PBG, i.e., an indemnity agreement, a guarantee, and the underlying commercial loan.** The indemnity agreement will be between the World Bank and Côte d'Ivoire,

outlining the terms of the indemnity in case the guarantee is called. The signing of the Guarantee Agreement[52] would also be conditioned on: (a) satisfactory implementation of the program supported by the DPF, including compliance with the program's prior actions; and (b) maintenance of a satisfactory macroeconomic policy framework. The guarantee will be provided by the World Bank to the commercial lenders, enhancing the credit profile of the loans. The underlying commercial loans will be negotiated between Côte d'Ivoire and the selected commercial banks, with terms enhanced by the World Bank PBG.

[52] In addition, the signing of the SLL-related Guarantee Agreement will be subject to the issuance by the second-party opinion provider of a satisfactory second-party opinion in respect of the key performance indicators outlined in the sustainability-linked financing framework The SPO should confirm that (i) the KPI framework is in alignment of the SLL Principles and (ii) the Borrower has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with activities related to the achievement of the KPIs.

Guarantee Term Sheet

This term sheet contains a summary of indicative terms and conditions of two proposed guarantees ("Guarantees") under this operation by the International Bank for Reconstruction and Development ("IBRD") for discussion purposes only and does not constitute an offer to provide any Guarantee. The provision of the Guarantees is subject, inter alia, to satisfactory appraisal by IBRD of the relevant Policy-Based Guarantee ("PBG")-supported transaction (each a "Financing"), compliance with all applicable policies of the World Bank, including those related to environmental and social safeguards, review and acceptance of Transaction documentation by IBRD, and the approval of the management and Executive Directors of IBRD in their sole discretion. Without limiting the generality of the foregoing, IBRD is highly selective with regard to the clients and beneficiaries it works with and is diligent with Know Your Customer requirements for all participants in the Financing it will be supporting, including clients and advisors and will undertake an appraisal of the Financings and the participants described above including an assessment on these parameters.

IBRD-Guaranteed Loans (the Financings)	
IBRD-Guaranteed Loan Agreements:	Agreements among the Borrower, the Agent [on behalf of][and the] Lenders and IBRD as Guarantor setting out terms and conditions of, respectively (i) the debt-for-development swap ("Debt-for-Development Swap Financing") and (ii) the sustainability-linked loan ("SLL Financing"), mechanisms for payment on the respective Financing[, and containing the Guarantee][53].
Borrower:	Republic of Côte d'Ivoire
Guaranteed Lenders/Beneficiaries of the IBRD Guarantees:	Commercial bank lenders, or the Agent on their behalf, each to be identified
Currency:	EUR
Principal Amount:	Up to EUR [] million for the Debt-for-Development Swap Financing and up to EUR [ ] for the SLL Financing
Term:	Up to [ ] years
Repayment of the Financing:	[Annual][Semi-annual][Quarterly]
Loan Interest Rate:	[Spread above EURIBOR acceptable to the Borrower and IBRD [Fixed interest rate acceptable to the Borrower and IBRD][In the case of the SLL, step-up and step-down mechanism acceptable to IBRD.
IBRD Guarantees	
Guarantor:	International Bank for Reconstruction and Development (IBRD)
Guarantee Face Value:	EUR [ ] for the Guarantee issued in respect of the Debt-for-Development Swap Financing ("Debt-for-Development Swap Guarantee") and EUR [ ] for the Guarantee issued in respect of the SLL Financing ("SLL Guarantee"), not to exceed a combined amount of EUR [500] million.
Guarantee Support:	IBRD would guarantee the payment, following occurrence of a Guaranteed Event, of [principal and interest amounts] [specific, pre-agreed debt service payments] due on scheduled payment dates up to the Maximum Guaranteed Amount of each Guarantee. A standstill period during which no acceleration of the underlying financing could take place should occur, except for certain fundamental events of default.
Guaranteed Events:	Failure by the Borrower to [make certain payments of [principal] [and interest] on][repay at scheduled maturity the principal amount of] the relevant IBRD-guaranteed Loans.

[53] The Guarantees could be contained in relevant IBRD Guaranteed Loan Agreement or separately in an IBRD Guarantee Agreement between IBRD and the Agent on behalf of the Lenders.

Guarantee Period:	Up to [ ] years and [ ] months (aligned with the term of each IBRD-Guaranteed Loan Agreements plus a final demand period)
IBRD Financial Exposure Limits:	The average life of the financial exposure of IBRD under the Guarantees will not exceed 20 years, and the Guarantee Period will not exceed 35 years. Financial exposure of IBRD under the relevant Guarantee will start on the first disbursement date of the relevant loan.
Maximum Guaranteed Amount:	A partial amount of financing, not to exceed the respective Guarantee Face Value.
Signing:	If the Guarantee-related legal agreements are not signed within 12 months following approval by the Board of Executive Directors of IBRD, IBRD may withdraw the offer of the Guarantee. Without prejudice to the Bank Policy on Development Policy Financing applicable to the Guarantees, the signing of the Guarantee-related legal agreements in respect of the SLL Financing will be subject to the issuance by the second-party opinion provider of a satisfactory second-party opinion in respect of the key performance indicators outlined in the sustainability-linked financing framework[54].
Amendments and waivers:	IBRD will be entitled to be kept fully informed about any proposed waiver or amendment to the terms of the transaction. Certain amendments or waivers to the provisions of the transaction documents will require the prior written consent of IBRD, including, but not limited to, any material amendment or modification to a finance document or any amendment or waiver that relates to the IBRD Guarantees or affects the rights or obligations of IBRD.
Suspension:	IBRD may, during the availability period for drawdown of the relevant guaranteed Financing, inform the Agent that no further drawdown of the relevant guaranteed financing, from the date of notification by IBRD up until such notice is revoked by IBRD, will be covered by the relevant IBRD Guarantee upon the occurrence of the following types of scenarios, inter alia: (i) an event of default occurs under the relevant guaranteed financing; (ii) the Member Country has ceased or been suspended from its membership of the World Bank or International Monetary Fund; or (iii) the Member Country, the Agent or a beneficiary of the relevant IBRD Guarantee engaged in certain sanctionable practices (fraud, corruption, coercion, collusion, obstruction) relating to the relevant guaranteed financing. If the event giving rise to a suspension has been waived by IBRD, or remedied to IBRD's satisfaction, then IBRD may revoke its suspension notice and let the Agent know which amounts are reinstated for coverage under the relevant IBRD Guarantee. If such suspension continues for a period of 6 months, the relevant IBRD Guarantee will reduce permanently by the amount with respect to which IBRD had suspended coverage.
Withholding:	IBRD may withhold payment to a beneficiary of the relevant IBRD Guarantee in the following types of scenarios, inter alia: (i) a sanctionable practice (fraud, corruption, coercion, collusion, obstruction) has been committed by the Agent or a beneficiary of the relevant IBRD Guarantee; (ii) the Agent or a beneficiary of the relevant IBRD Guarantee, inter alia, amends the relevant guaranteed financing documents without IBRD's prior written consent, or transfers or assigns all or part of its interest in the financing to a non-commercial or debarred or sanctioned entity; (iii) the Agent or a beneficiary under the relevant IBRD Guarantee engages in Repackaging Arrangements in respect of the relevant IBRD Guarantee.

[54] See footnote 56.

Termination:	The Guarantees may be terminated, inter alia, (i) if an installment of the relevant Guarantee Fee or Standby Fee is not paid when due; (ii) if an amendment, waiver, modification or other change is made or given relating to certain provisions of the relevant finance documentation, IBRD's rights or obligations, or the relevant Guarantee without IBRD's prior written consent; (iii) following full payment of all guaranteed amounts under the relevant Guarantee or (iv) after the final date for payment under the relevant Guarantee, or (v) solely in respect of any amounts withheld from payment under the relevant IBRD Guarantee as described above, if IBRD has withheld such amounts for a period of 12 months.
No Discharge:	Neither the obligations of IBRD under the relevant IBRD Guarantee nor the rights, powers and remedies conferred upon the Agent with respect to IBRD by the relevant IBRD Guarantee or by applicable law or regulation shall be discharged, impaired or otherwise affected by: (i) Any time or waiver granted to, or composition with, the Borrower; (ii) the taking, variation, compromise, exchange, renewal or release of any rights against, or security over assets of, the Borrower or any other person; (iii) any rights which the lenders or the Agent may have against the Borrower or any other person pursuant to any finance document; or (iv) any action which the lenders or the Agent may take, or fail to take, due to the operation of the relevant IBRD-Guaranteed Loan Agreement.
Reduction of Demand:	If, after the Agent has made a demand on IBRD for payment under the relevant IBRD Guarantee, but before IBRD has made payment of the amount so demanded, the Agent receives payment in respect of such amount from the Borrower (or the Agent recovers otherwise than from IBRD) any sum which is applied to the satisfaction of the whole or any part of such amount, the Agent shall promptly notify IBRD of such fact and IBRD's liability under the relevant IBRD Guarantee in respect of such demand shall be reduced by an amount equal to the portion so paid by the Borrower (or so recovered by the Agent) and so applied.
Non-Accelerability of Guarantee:	The Guarantees cannot be accelerated and become payable prior to the scheduled debt service payment dates under any circumstances, including if the underlying IBRD-Guaranteed Loans are accelerated as a result of a Guaranteed Event. In such instances, the IBRD Guarantees will cover payment of debt service up to the relevant Maximum Guaranteed Amount in accordance with the original payment schedule.
Conditions Precedent to Effectiveness of each of the IBRD Guarantee:	Usual and customary conditions for financing of this type, including, but not limited to, the following: a) Provision of relevant legal opinions satisfactory to IBRD; b) Payment [in full] of the Guarantee Fee, the Front-End Fee, and the relevant installment(s) of the Standby Fee, and reimbursement of IBRD's external legal fees, if any; c) Conclusion of an Indemnity Agreement between IBRD and Côte d'Ivoire, and any other applicable documentation, acceptable to IBRD; and d) Satisfaction of any other conditions precedent under the financing documents[55].
Subrogation:	If and to the extent IBRD makes any payment under the relevant Guarantee, IBRD will have an immediate and automatic right of subrogation to the extent of such unreimbursed payment to the lenders' rights.
Right to Purchase:	[If IBRD guarantees payment of interest, then upon payment default by the Borrower, IBRD will have the right to purchase all rights, title, and interests of the Guaranteed Lenders in the relevant Financing.]

[55] Effectiveness of the Guarantee Agreement or disbursement of the commercial loan in respect of the Debt-for-Development Swap Financing will be subject to the signing of the restructuring legal agreement relating to the increased objectives under the existing Education PforR.

Assignment/Transfer:	Except as IBRD may otherwise agree, any assignment of the relevant IBRD-Guaranteed Loan may be made only to an assignee established as a commercial bank or financial institution duly licensed to carry out banking or financial business in its country of domicile. Such assignee may be a partly or wholly government-owned institution that is autonomous, and established under commercial law for the purpose of pursuing profit, but cannot be an export credit agency, multilateral institution, or state entity. Such assignee must not have been declared ineligible to be awarded an IDA- or IBRD-financed contract in accordance with the World Bank Sanctions Procedures and must not be sanctioned pursuant to a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. The assigning Lender shall provide advance notice of potential assignments to IBRD.
Repackaging Arrangements:	The Guaranteed Lenders will severally undertake for the benefit of IBRD that, provided the relevant IBRD Guarantee remains in effect, they will not enter into or permit any of their affiliates to enter into any arrangement pursuant to which any security or other similar obligation is created or issued, the economic effect of which is the separation of rights of payment from IBRD under the relevant IBRD Guarantee and of rights of payments from the Borrower under the relevant financing, which is referred to as “Repackaging Arrangements”.
Payment of Fees to IBRD:	Payment of fees due to IBRD is the obligation of the Borrower. However, if the Borrower fails to pay any installment of the fees due to IBRD in full or when due, the relevant Guaranteed Lenders can elect to pay the unpaid amount of the fees and seek reimbursement from the Borrower.
Front-end Fee:	IBRD: 25 bps of the Guarantee Face Value.
Standby Fee:	IBRD: 25 bps per annum, charged periodically and applied to that portion of the guaranteed amount that IBRD has contractually committed and for which IBRD does not yet have financial exposure under the relevant guarantee. The IBRD standby fee is normally charged semi-annually and accrues sixty (60) days after the date of signing of the agreement providing for IBRD’s guarantee. The Standby Fee must be paid in advance on regular payment dates.
Guarantee Fee (recurring):	IBRD: 50 to 100 basis points per annum[56]. The IBRD Guarantee Fee is charged on that portion of the guaranteed amount that IBRD has contractually committed and for which IBRD has financial exposure under the relevant Guarantee (present value of the relevant Maximum Guaranteed Amount). The Guarantee Fee must be paid [in advance semi-annually on regular payment dates][in a one-time lump sum]. [Where the Guarantee Fee is payable in installments,] IBRD will have the right to terminate the relevant Guarantee in the event of nonpayment of any installment of the Guarantee Fee or Standby Fee in full when due.
External Legal Costs:	[Reimbursement of IBRD external legal counsel expenses by [the Borrower], if any].
Governing law:	English law or New York Law.
Indemnity Agreements	
Parties:	IBRD and the Republic of Côte d’Ivoire (the “Member Country”)
Indemnity:	The Member Country will reimburse and indemnify IBRD on demand, or as IBRD may otherwise direct, for all payments under the Guarantees and all losses, damages, costs, and expenses incurred by IBRD relating to or arising from the Guarantees.
Covenants:	Usual and customary covenants included in agreements between member countries and IBRD, as well as undertakings to pay the fees and expenses of IBRD’s external counsels (if any) in connection with the PBG negotiation.

[56] The guarantee fee level is determined by the average life of the guarantee: 50bps up to 8 years, 60bps from 8 to 10 years, 70bps from 10 to 12 years, 80bps from 12 to 15 years, 90bps from 15 to 18 years and 100bps from 18 to 20 years.

Remedies:	If the Member Country breaches any of its obligations under the Indemnity Agreements, IBRD may suspend or cancel, in whole or in part, the rights of the Member Country to make withdrawals under any other loan, credit or grant agreement with IDA or IBRD, or any IBRD loan or IDA credit to a third party guaranteed by the Member Country, and may declare the outstanding principal and interest of any such loan or credit to be due and payable immediately. A breach by the Member Country under the Indemnity Agreements will not, however, discharge any guarantee obligations of IBRD under the Guarantees.
Governing Law:	The Indemnity Agreements will follow the usual legal regime and include dispute settlement provisions customary for agreements between member countries and IBRD.

ANNEX 9: DETAILED FISCAL TABLE

Table 9.1: Key Fiscal Indicators (2021-2027), % of GDP

	2021	2022	2023e	2024p	2025p	2026p	2027p
Total revenue and grants	**15.6**	**15.3**	**16.2**	**16.8**	**17.7**	**17.8**	**18.3**
Total revenue	15.1	14.7	15.6	16.3	17.3	18.0	18.3
Tax revenue	13.0	12.8	13.6	14.4	15.4	15.8	16.2
of which direct taxes	3.5	3.7	4.1	4.4	4.6	4.9	5.0
of which indirect taxes	9.0	8.3	8.6	9.1	10.0	10.1	10.4
Nontax revenue	2.1	1.9	2.0	1.9	1.9	1.8	1.8
Grants, of which	0.5	0.5	0.7	0.5	0.4	0.2	0.2
Total expenditure	**20.5**	**22.1**	**21.5**	**20.8**	**20.7**	**20.8**	**21.3**
Current expenditure, *of which*	14.7	14.9	14.7	13.7	13.9	13.5	13.4
Wages and salaries	4.6	4.6	4.7	4.5	4.4	4.3	4.3
Subsidies and other current transfers	2.2	1.8	1.5	1.1	1.2	1.2	1.3
Interest due	1.9	2.2	2.6	2.4	2.6	2.4	2.2
Capital expenditure	**5.8**	**7.2**	**6.8**	**7.1**	**6.7**	**7.4**	**7.8**
Basic primary balance	-1.1	-1.8	-0.1	-0.1	1.6	1.3	1.5
Overall balance, including grants	-4.9	-6.8	-5.2	-4.0	-3.0	-3.0	-3.0
Overall balance, excluding grants	-5.3	-7.3	-5.9	-4.5	-3.4	-3.2	-3.3
Overall balance (cash basis)	-4.9	-7.1	-5.3	-4.1	-3.0	-3.0	-3.0
Financing	4.9	7.1	5.3	0.7	1.5	2.3	3.0
Domestic financing	1.6	4.2	2.8	0.5	-0.2	0.9	1.1
Bank financing (net)	1.8	3.6	2.3	0.2	-0.2	0.6	0.8
of which RSF disbursement	--	--	--	0.5	0.6	0.3	--
Nonbank financing (net)	-0.1	0.6	0.5	0.4	0.0	0.2	0.2
External financing	3.3	3.0	2.4	0.3	1.6	1.4	2.0
Financing gap (+ deficit / - surplus)	-	-	-	3.3	1.6	0.8	-
Expected financing (excluding IMF)	-	-	-	2.1	0.6	0.3	-
of which World Bank Budget financing	0.3	0.6	0.3	0.3	-	-	-
Residual gap, *of which*	-	-	-	1.1	1.0	0.5	-
IMF-ECF 3/	-	-	-	0.4	0.3	0.2	-
IMF-EFF 3/			-	0.8	0.7	0.3	-

Sources: Ivorian authorities, World Bank and IMF staff estimates and projections as of October 2024.