

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



Public Disclosure Authorized

COTE D'IVOIRE

**COUNTRY STRATEGY PAPER (CSP 2018-2022)
COMBINED WITH 2018 COUNTRY
PORTFOLIO PERFORMANCE REVIEW**

Public Disclosure Authorized

**COUNTRY ECONOMICS DEPARTMENT - ECCE
WEST AFRICA REGIONAL DEPARTMENT - RDGW**

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Translated Document

TABLE OF CONTENTS

INDICATIVE SCHEDULE OF CSP 2018-2022 PREPARATION	i
ACRONYMS AND ABBREVIATIONS	iii
EXECUTIVE SUMMARY	v
I. INTRODUCTION	1
II. COUNTRY CONTEXT AND PROSPECTS	2
2.1 POLITICAL, SECURITY, FRAGILITY, ECONOMIC, SOCIAL CONTEXT AND CROSS CUTTING ASPECTS	2
2.2 COUNTRY STRATEGIC OPTIONS.....	8
2.3 AID COORDINATION AND AFDB POSITIONING.....	11
III. COUNTRY PORTFOLIO REVIEW AND KEY LESSONS	11
3.1 OVERVIEW AND PERFORMANCE OF BANK PORTFOLIO IN CÔTE D’IVOIRE	11
3.2 KEY LESSONS FROM THE BDEV REPORT ON THE PORTFOLIO MANAGEMENT	12
IV. 2013-2017 STRATEGY AND KEY LESSONS LEARNED	13
4.1 IMPLEMENTATION OF THE 2013-2017 CSP AND OUTCOMES ACHIEVED	13
4.2 KEY LESSONS FOR 2018-2022 CSP.....	14
V. 2018-2022 BANK STRATEGY IN COTE D’IVOIRE	14
5.1 JUSTIFICATION OF THE BANK’S STRATEGY AND PILLARS	17
5.2 EXPECTED OUTCOMES AND TARGETS	17
5.3 CSP FINANCING INSTRUMENTS.....	19
5.4 MONITORING-EVALUATION.....	19
5.5 DIALOGUE ISSUES.....	19
5.6 RISKS AND MITIGATION MEASURES	19
VI. CONCLUSION AND RECOMMENDATION	20
6.1 CONCLUSION.....	20
6.2 RECOMMENDATIONS	20

LIST OF ANNEXES

<i>Annex 1 :</i>	<i>Key Macro-economic Indicators</i>
<i>Annex 2 :</i>	<i>Comparative Socio-economic Indicators</i>
<i>Annex 3 :</i>	<i>Progress towards achievement of Sustainable Development Goals (SDG)</i>
<i>Annex 4 :</i>	<i>Bank Projects Portfolio in Côte d’Ivoire as at 30 May 2018</i>
<i>Annex 5 :</i>	<i>2018 Portfolio Performance Improvement Plan</i>
<i>Annex 6 :</i>	<i>Indicative Programme for Operations and Economic and Sector Work 2018-2022</i>
<i>Annex 7 :</i>	<i>Bank Fiduciary Strategy in Côte d’Ivoire</i>
<i>Annex 8 :</i>	<i>Environmental, Climate Change and Green Growth Challenges</i>
<i>Annex 9 :</i>	<i>Main Challenges and Strategy for Ivorian SME Promotion</i>
<i>Annex 10 :</i>	<i>Fragility and Resilience Analysis</i>
<i>Annex 11 :</i>	<i>Rural Land Tenure Challenges in Côte d’Ivoire</i>
<i>Annex 12 :</i>	<i>Donor Intervention Areas</i>
<i>Annex 13 :</i>	<i>Indicative Results Framework for 2018-2022 CSP of Côte d’Ivoire</i>

LIST OF TABLES

	<u>Page</u>
Table 1 : <i>Mo Ibrahim Governance Index</i>	5

LIST OF GRAPHS

	<u>Page</u>
Graph 1 : <i>Political Context 2016</i>	2
Graph 2 : <i>Real GDP Growth Rate (%)</i>	3
Graph 3 : <i>Budget Balance in % of GDP (2010-2018)</i>	4
Graph 4 : <i>Debt Trend in % of GDP (2012-2018)</i>	4
Graph 5 : <i>Overall Trade Balance for 2000-2014 (USD Million)</i>	8
Graph 6 : <i>Infrastructure Index in Côte d'Ivoire 2014</i>	9

LIST OF BOXES

	<u>Page</u>
Box 1 : <i>Key CODE Recommendations in the 2018-2022 CSP</i>	1
Box 2 : <i>Structural Weaknesses of Ivorian Banking System</i>	6

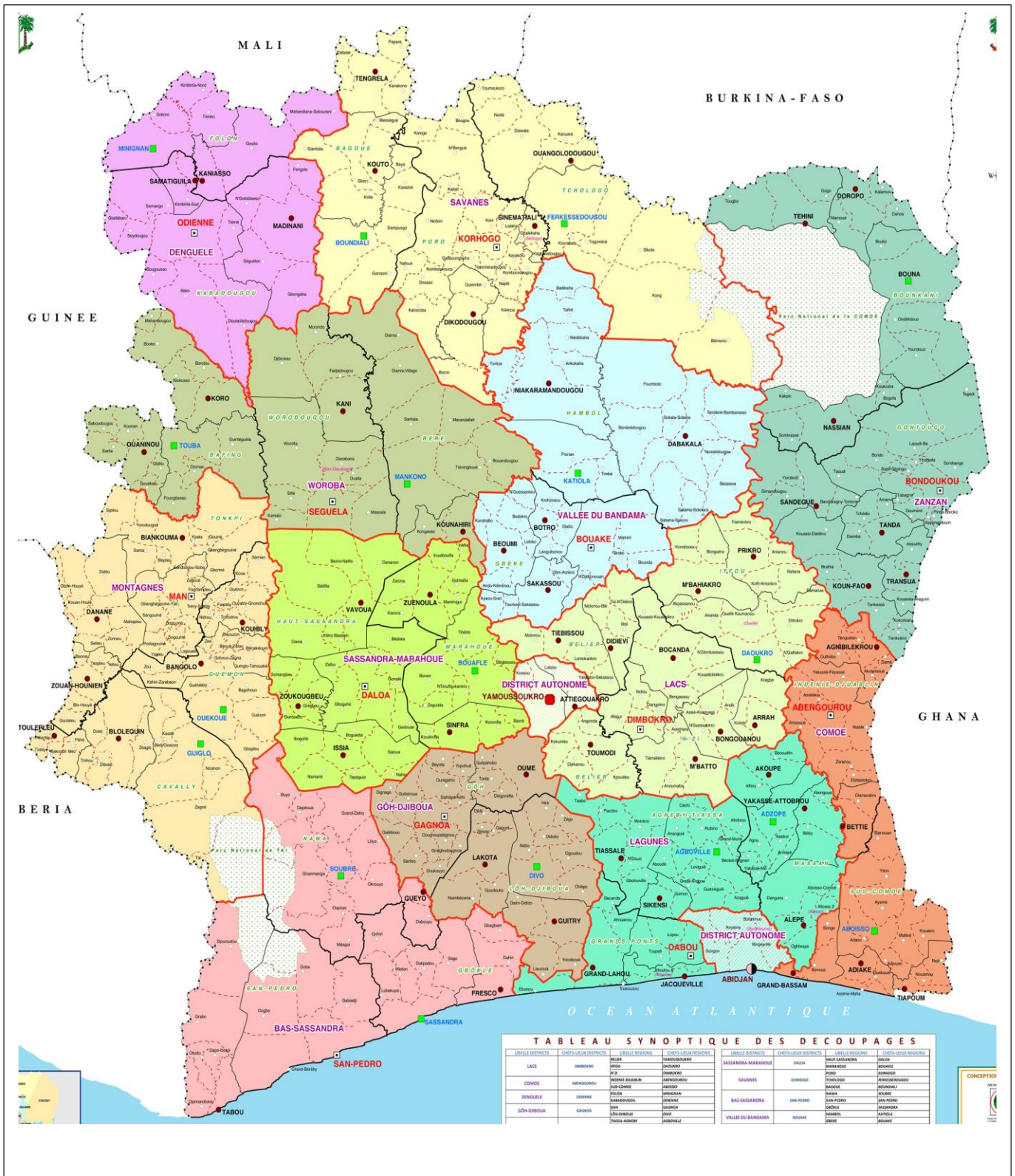
CURRENCY EQUIVALENTS (September 2018)

UA 1		
EUR	USD	CFAF (XOF)
1.19935	1.40228	786.72203

INDICATIVE SCHEDULE OF 2018-2022 CSP PREPARATION

Main Stages in 2018-2022 CSP Preparation	Dates
CSP Preparation Mission in Côte d'Ivoire	13-25 April 2018
Draft CSP Report Review by Peer Reviewers	12 June 2018
Draft CSP Report Review by Côte d'Ivoire Country Team	16 July 2018
Submission of Draft CSP Report to Director General for endorsement	24 July 2018
Submission of Draft CSP Report to Vice-President ECVP	25 July 2018
CSP Review by OPSCOM	2 August 2018
Dialogue Mission in Côte d'Ivoire	3 September 2018
Submission of Draft CSP Report to Vice-President ECVP	3 September 2018
Translation of CSP into English	4 September 2018
CSP forwarded to Board Secretariat	4 September 2018
Board Consideration	25 September 2018

Map of Côte d'Ivoire



ACRONYMS AND ABBREVIATIONS

ACA-ATIA	:	African Trade Insurance Enrolment Programme
ADDR	:	Disarmament, Demobilization and Reintegration Authority
ADF	:	African Development Fund
AfDB	:	African Development Bank
AGT	:	Africa Growing Together
AWF	:	African Water Facility
BDEV	:	Independent Development Evaluation Department of the AfDB
CDVR	:	Truth, Dialogue and Reconciliation Commission
CEPICI	:	Investment Promotion Centre of Côte d’Ivoire
CFAF	:	African Financial Community Franc
CGECI	:	Confédération générale des entreprises de Côte d’Ivoire
CIPREL	:	Ivorian Power Production Company
CLSG	:	Côte d’Ivoire, Liberia, Sierra Leone and Guinea
CNAM	:	National Health Insurance Fund
CNC	:	National Coalition for Change
CODE	:	Committee on Operations and Development Effectiveness
COMOREX	:	External Resource Mobilization Committee
COP 21	:	Twenty First United Nations Conference on Climate Change
CSP	:	Country Strategy Paper
DDR	:	Disarmament, Demobilization and Reintegration
DP	:	Development Partner
FDI	:	Foreign Direct Investment
FIP	:	Forest Investment Programme
FIP	:	Forest Investment Plan
FSF	:	Fragile States Facility
GDP	:	Gross Domestic Product
HIGH 5s	:	The Bank’s five priority objectives, namely: (i) Light up and power Africa; (ii) Feed Africa; (iii) Industrialize Africa; (iv) Integrate Africa; and (v) Improve the quality of life for the people of Africa.
HIPCI	:	Heavily Indebted Poor Countries Initiative
HVA	:	High Voltage A
ICT	:	Information and Communication Technologies
IDA	:	International Development Association
IMF	:	International Monetary Fund
INPME	:	Small and Medium-sized Enterprises Initiative
Kv	:	Kilovolt
MPD	:	Ministry of Planning and Development
MW	:	Megawatt
NBD	:	National Bidding Documents
NTF	:	Nigeria Trust Fund
OCB	:	Open Competitive Bidding ¹
ONAD	:	National Sanitation and Drainage Authority
ONEG	:	National Gender and Equity Observatory

¹ This includes national and international competitive bidding.

P2RS	:	Multinational Programme for Building Resilience to Food and Nutrition Insecurity in the Sahel
PAAEIJ	:	Support Programme for Improvement of Youth Employability and Integration
PAC-ID	:	Indénié Djuablin Region Value Chains Support Project
PAGEFI	:	Economic and Financial Management Support Project
PAIA-ID	:	Indénié-Djuablin Region Agricultural Infrastructure Support Project
PAIMSC	:	Post-crisis Multisector Institutional Support Project
PARAC	:	Support Project for Strengthening Communicating Administration
PARCSI	:	Industrial Sector Competitiveness Support Project of Côte d'Ivoire
PAR-FT/UFM	:	Road Development and Transport Facilitation Programme in Mano River Union
PARICS	:	Social Inclusion and Cohesion Strengthening Support Programme
PASP	:	San-Pedro Autonomous Port
PBA	:	Performance Based Allocation
PCJ	:	Border Check Points
PDSFI	:	Financial Sector Development Programme
PIPP	:	Portfolio Performance Improvement Plan
PNCS	:	National Social Cohesion Programme
PND	:	National Development Plan
PNIA	:	National Agricultural Investment Programme
PPF	:	Project Preparation Facility
PPP	:	Public-Private Partnership
PSAL	:	Online Transactional Administrative Services Platform
PURSSAB	:	Basic Social and Administrative Services Restoration Emergency Programme
REDD+	:	Reducing Emissions from Deforestation and Forest Degradation
RMC	:	Regional Member Country
SDG	:	Sustainable Development Goal
SDRGFP	:	Public Financial Management Reform Master Plan
SDTUGA	:	Greater Abidjan Urban Transport Master Plan
SIGIEP	:	Integrated Electronic Persons Identification Management System
SMDT	:	Medium-Term Debt Management Strategy
SME/SMI	:	Small and Medium-sized Enterprise/ Small and Medium-sized Industry
TFP	:	Technical and Financial Partner
UA	:	Unit of Account
UHC	:	Universal Health Coverage
UNDP	:	United Nations Development Programme
USD	:	United States Dollar
WAEMU	:	West African Economic and Monetary Union

EXECUTIVE SUMMARY

1. **Introduction:** This document proposes a new Bank Group strategy for Côte d'Ivoire for the 2018-2022 period. The strategy is combined with the 2018 Country Portfolio Performance Review (CPPR). This document was prepared through a participatory process with national stakeholders. The combined report on the completion of the 2013-2017 CSP and the 2017 CPPR, as well as the report of the Independent Development Evaluation Department (BDEV) covering the 2006-2016 decade, provided very useful lessons and guided the preparation of the 2018-2022 CSP, the outline of which was reviewed and deemed relevant by the Committee on Operations and Development Effectiveness (CODE) on 30 April 2018. CODE members welcomed the selectivity and strategic choices proposed, the interdependence between the pillars and the programme approach proposed for the Bank's interventions. However, they requested that emphasis be laid on issues relating to inclusive growth, job creation, and gender mainstreaming in CSP formulation and operations.

2. **Political and Security Context:** The joint efforts of the Government and the international community have helped to pacify the country and put it back on the right path. The political and security situation remains stable, despite attempts to reconfigure the political framework and position actors through alliances and power relations. The signing of a Presidential Ordinance on 6 August 2018 granting amnesty to detainees prosecuted for crimes related to the 2010-2011 post-electoral crisis and crimes against State security committed after 21 May 2011 is a positive sign in the normalization process. The conduct of peaceful presidential elections in 2020 is the major challenge for sustainable stability.

3. **Economic and Social Performance:** Despite an unfavourable global environment, the Ivorian economy has continued to record strong growth ranging from 8% to 10% since 2012, within the context of contraction in world prices of agricultural products. Growth is supported by external demand for agricultural export products, domestic demand for public and private investment, and robust consumption. The macroeconomic framework is sound, and the medium-term economic outlook remains favourable. The country has the potential to maintain its current growth trend and mitigate the impact of external shocks on commodity prices. To do so, economic diversification needs to be consolidated by developing agro-industrial value chains. In this regard, and in order to attract foreign and domestic direct investment, the country needs to initiate second generation economic and sector reforms. The reforms should seek to make the business environment more attractive, strengthen the financial management framework and continue to ensure debt sustainability. It should be noted that the country's economic performance has not had a substantial impact on reducing the poverty rate, which still remains high².

4. **Bank Portfolio:** At the end of May 2018, the active portfolio had 23 operations totalling net commitments of UA 930.5 million, focusing mainly on transport and energy infrastructure. The portfolio sector breakdown highlights transport (56.3%) and energy (28.8%), followed by agriculture (11.8%), governance (2.8%), finance (0.2%) and water/sanitation (0.1%). The portfolio's orientation is consistent with the Government's priorities set out in the National Development Plan (PND 2016-2020), as well as with the Bank's five (5) major strategic priorities (High 5s). The portfolio review conducted in April 2018 concluded that the portfolio's performance is satisfactory, with a rating of 3 on a scale of 1 to 4. The performance indicators show that the portfolio's age has reduced, with the average age of operations dropping from 6.6 years in 2011 to 2.5 years in 2018. The indicators also show a rise in the portfolio disbursement rate to 23% at the end of May 2018, as well as the absence of projects at risk. However, the monthly Flashlight report for May 2018 indicated that 32.4% of the projects are pinned down. Based on lessons learned from the implementation of operations, a new Portfolio Performance Improvement Plan (PPIP 2018) has been prepared. The plan identified the main difficulties encountered by the projects at institutional

² The incidence of poverty stood at 46.3% in 2015, down by 2.6% from 48.9% in 2008.

and fiduciary levels. It includes measures to be implemented in accordance with a specific schedule; the measures are expected to remove obstacles to proper implementation of operations.

5. **Country Strategy for 2018-2022.** To enable Côte d'Ivoire to benefit from its opportunities, meet its major challenges, and achieve the objectives of PND 2016-2020, while remaining selective, the Bank's strategy will be based on two pillars: (i) **strengthening transformative infrastructure and governance to ensure economic competitiveness and investment efficiency; and (ii) developing agro-industrial value chains for inclusive and sustainable growth.**

6. **Pillar 1** supports three strategic focus areas (1, 4 and 5) of PND 2016-2020. The objective is to develop transport, ICT, urban development and energy infrastructure at national and regional levels.

7. **Pillar 2** supports two strategic focus areas (2 and 3) of PND 2016-2020. This pillar aims to step up agro-industrial processing in growth sectors so as diversify the Ivorian economy's sources of growth and make it more inclusive and less vulnerable to external shocks due to fluctuations in commodity prices and climatic hazards.

8. **Cross-cutting aspects** will be systematically taken into account by the Bank to facilitate implementation of the strategy and preparation of operations. The objective will be to encourage greater selectivity in all Bank operations as regards aspects relating to fragility, climate change, green growth, gender, social protection, health, nutrition, and youth employment. To that end, the Bank will strengthen its cooperation with some specialized agencies of the United Nations System (UN WOMEN, ILO, UNIDO, UNFPA, WHO, UNICEF and UNHCR), national government agencies (ANAFOR, Agence CI-PME, AGEPE), and civil society organizations.

9. **Regional Operations:** The 2018-2022 CSP will continue to focus on regional operations in the areas of transport (road network, border check points), ICT (development of regional fibre optic) and energy (interconnection of electricity networks). In this regard, the Bank will build the capacity of Regional Economic Communities (RECs) in coordinating regional projects.

10. **Dialogue with the Government** will continue and be strengthened around certain themes, which include, but are not limited to, the management and regulatory framework of agricultural and infrastructure sectors (transport/ICT and energy), the implementation of the public finance modernization plan, the use of competitive bidding procedures, especially in public-private partnerships (PPPs), the improvement of the business climate under Compact G20 with Africa, AGOA, and the improvement of the country's portfolio performance.

11. **Resources available for CSP financing:** In addition to ADF resources under Performance Based Allocations (PBAs), the CSP will also benefit from AfDB window resources for sovereign loans on a case-by-case basis. The inclusion of projects with high integrating potential in the CSP will help to leverage additional funds from the regional ADF package. These resources will be supplemented by those from trust funds and/or that can be mobilized through partial guarantee instruments. All these resources would attract co-financing from technical and financial partners (TFPs), as well as private sector participation through PPPs. In addition, the Bank is working with other partners, including the World Bank and IMF, to consider the Ivorian authorities' request for reclassification to "mixed country" status. It is therefore important that the macroeconomic outlook remains favourable and that economic policy and strategic choices do not undermine debt sustainability.

I. INTRODUCTION

1.1 **This document proposes a new Bank Group strategy for Côte d'Ivoire for the 2018-2022 period, as well as areas for improving the performance of the country portfolio.** The document was prepared following a participatory process and in compliance with the new approach for CSP preparation, including prior consultation with the Committee on Operations and Development Effectiveness (CODE)³.

1.2 **The 2018-2022 CSP comes at a pivotal time in Côte d'Ivoire's development.** The economic progress made over the past years needs to be consolidated. Furthermore, the country needs to take another step in its ambition to build an emerging economy that is more diversified, inclusive and resilient to economic shocks. Achieving these objectives requires greater effectiveness and efficiency of transformative investments, greater development of agro-industrial value chains by the private sector, enhanced sector governance, greater mobilization of domestic revenue and streamlining of budgetary choices and tax expenditure, and more appropriate access to innovative and less risky financing.

1.3 **The previous CSP covering the 2013-2017 period (ADB/BD/WP/2013/156 - ADF/BD/WP/2013/129) was approved by the Boards on 4 December 2013.** The strategy, which was aligned with the Government's national priorities set out in the National Development Plans (PND 2012-2015 and PND 2016-2020) was based on two pillars, namely: (i) strengthening governance and accountability; and (ii) infrastructure development to support economic recovery.

1.4 **On 30 April 2018, the Committee on Operations and Development Effectiveness reviewed the Combined Report on the completion of the 2013-2017 CSP and the 2017 CPPR, as well as Management's proposals on the pillars of the new 2018-2020 Strategy and BDEV's retrospective evaluation of Bank operations in Cote d'Ivoire over the 2006-2016 period.** On that

occasion, CODE noted the positive role played by the Bank in overcoming the post-electoral crisis and post-crisis economic recovery, and supported the strategic guidelines proposed for the 2018-2022 period. Taking into account the progress made, as well as the challenges that are still to be met, particularly the need to make growth more inclusive so as to reduce poverty which remains high (46.3% in 2015), though down from 48.9% in 2008, CODE also made recommendations to further strengthen the positive impact of the Bank's operations in Cote d'Ivoire (see Box 1). The recommendations

Box 1: Key Recommendations by CODE

- ✚ The reform implementation should be integrated, particularly as regards macro-economic management, poverty reduction and job creation for young people and women.
- ✚ The proposed pillars should take into account gender issues and the need for inclusive growth.
- ✚ Bank interventions should be selective.
- ✚ Management should include a mapping of TFP intervention areas in the next CSP.

were taken into account when preparing this strategy.

1.5 **The 2018-2022 CSP is divided into six sections.** After the introduction, Section II presents the country's political, security, economic, and social context, highlights cross-cutting themes, and outlines the medium-term prospects. Section III discusses the outcomes of the 2018 CPPR, and draws key operational lessons. Section IV reviews the implementation of the 2013-2017 CSP at the strategic level and draws lessons for the 2018-2022 CSP. Section V proposes new guidelines for the Bank's CSP. Section VI presents the conclusion and recommendation to the Boards.

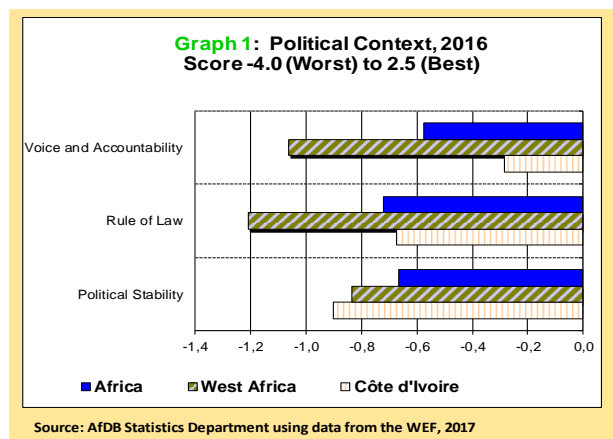
³ During the presentation of the combined 2013-2017 CSP completion report and the 2017 country performance review, an overview of the pillars of the new 2018-2022 CSP was presented to CODE, which approved it.

II. COUNTRY CONTEXT AND PROSPECTS

2.1 Political, Security, Fragility, Economic, and Social Context and Cross-Cutting Aspects

2.1.1 Political and Security Context

2.1.1.1 **The political environment has calmed down after a decade of socio-political crisis, but it remains fragile compared to the average for the continent and sub-region** (see Graph 1). The



joint efforts of the Government and international community have helped to pacify the country and put it back on the right path, despite attempts to reconfigure the political framework and position actors through alliances for the 2020 presidential elections. Major political events have taken place: (i) the adoption in October 2016 by referendum, with 93.4% of the votes cast, of a new Constitution which enshrines compulsory education and gender equality, creates a position of Vice-President, and establishes a Senate; and (ii) legislative elections without major incidents, won by the ruling coalition⁴; (iii) the signing of a Presidential Ordinance on 6 August 2018 granting amnesty to detainees prosecuted for crimes related to the 2010-2011 post-electoral crisis and crimes against State security committed after 21 May 2011. However, the low turnout in the 2015 presidential and 2018 senatorial elections, and their boycott by some of the opposition parties, are challenges to be taken into account. The successful holding of presidential elections in 2020 would be a crucial step in deepening the democratic process and initiating lasting peace in Côte d'Ivoire.

⁴ The "Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)" won 167 out of 255 seats in Parliament (65.49%). The Opposition, divided and poorly organized, won only 12 seats out of 255.

2.1.1.2 **The security situation has improved substantially, but there are still many challenges.** Mitigating asymmetric security threats from terrorist groups and mutinies by ex-combatants, as well as controlling juvenile violence are priorities. The reactivation and reconfiguration of the National Security Council (CNS), with operational missions, and the reform of the security sector augur well.

2.1.2 Fragility Situation

2.1.2.1 **Following improvement in the fragility indicators, the UN peacekeepers' mandate in the country came to an end in June 2017.** The improvement stemmed from robust and sustained growth, positive political developments and, above all, the remarkable progress in the annual Country Policy and Institutional Assessment (CPIA) exercises. In view of such progress, the Bank in 2016 withdrew Côte d'Ivoire from the Transition Support Facility (TSF) Window I eligible countries. Other problems, including the rural land tenure issue⁵ (cf. Annex 11), the lack of water resources, repeated flooding that cause conflicts and loss of human lives, are factors of fragility (cf. Annex 10).

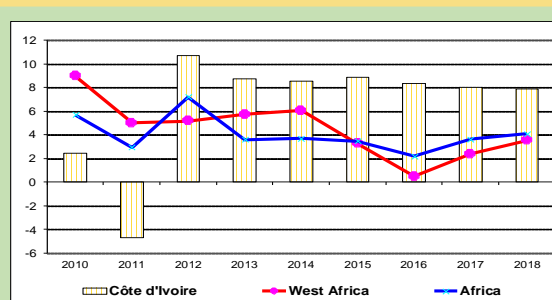
2.1.3 Economic Context and Prospects

Growth and Growth Drivers

2.1.3.1 **The Ivorian economy continues to record strong growth despite the downward trend of the prices of the country's major exports.** Since the end of the crisis, the dynamism of the three sectors of the economy has been boosting growth with an average rate of 9.0% over the 2012-2015 period. In 2016 and 2017, despite a difficult economic context marked by the collapse of world cocoa prices, Côte d'Ivoire again recorded strong GDP growth of 7.8% and 8.0% respectively (see Graph 2). The growth is sustained by external demand for agricultural exports and domestic acceleration of public and private investment, as well as robust consumption driven by the gradual improvement of the purchasing power.

⁵ Despite some progress in the institutional framework, this issue, which is at the core of the conflict, has not yet been addressed head on. Sporadic land conflicts in the western regions pose risks to reconciliation efforts and the return of an estimated 700,000 internally displaced persons.

Graph 2: Real GDP Growth Rate in % (2010–2018)



Source: AfDB's Statistics Department, PEA, January 2018

2.1.3.2 As regards supply, with a contribution of about 24% to GDP formation, the primary sector grew by 9.9% in 2017 compared to 0.8% in 2016, thanks to the growth of export agriculture (+14.3%) and consolidation of food crop production (+7.4%). The growth of export agriculture is sustained by an increase in cocoa (+21.4%), pine apple (+25.7%), banana (+15.7%), and seed cotton (+5.3%) production thanks to adequate rainfall over the year and better phytosanitary treatment of plantations. Food production stands to benefit from the implementation of Food Production Emergency Support Plan⁶.

2.1.3.3 The secondary sector, which accounted for 25% of GDP in 2016, grew by 7.3% following the 15.2% performance recorded in 2016. The slowdown in the secondary sector is mainly due to the decline in extractive industry production (-3.6%) after the 2016 performance (+18.1%), as well as to the slowdown in the construction industry (+12.1%) after an annual average increase of more than 29.2% over the 2012-2016 period. This slowdown is due to delays in several projects. Furthermore, energy and other manufacturing industries remain dynamic. Energy (+9.7%), which has increased its production capacity, is still one of the most active sectors driving economic activity, with a production capacity reinforced by the commissioning of Soubré dam in 2017 (+275 MW). The manufacturing industries (+6.2%) recorded significant growth as a result of an increase in capacity in consumer and intermediate goods production industries.

2.1.3.4 The tertiary sector, which accounts for 51% of GDP, employs 22% of the working

population. Services benefited from the good performance of the primary and secondary sectors, as well as from the impact of the Francophonie Games and AU-EU Summit. Indeed, they increased by 9.1%, thanks to the transport sub-sector (+8.7%) with the recovery of the maritime segment, and to the trade sub-sector (+9.6%) with the boosting of foreign trade margins. The telecommunications sub-sector, like the other services, continued to be dynamic, recording +9.4% and +8.8% increase respectively.

2.1.3.5 As regards demand, growth was driven by the enhancement of investments (+11.3%), the consolidation of final consumption (+7.1%), and the recovery of exports (+7.4%). Investments are supported by industrial capacity building, real estate and road construction. The overall investment rate was 21.3% of GDP, with 6.8% for the public sector. Final consumption increased by 7.1%, driven by public consumption (+14.1%) and consumption by households (+6.0%) whose incomes continue to increase. Exports increased by 7.4% due to an increase in cocoa and oil exports. As for imports, they increased by 6.1%.

Macro-economic Management

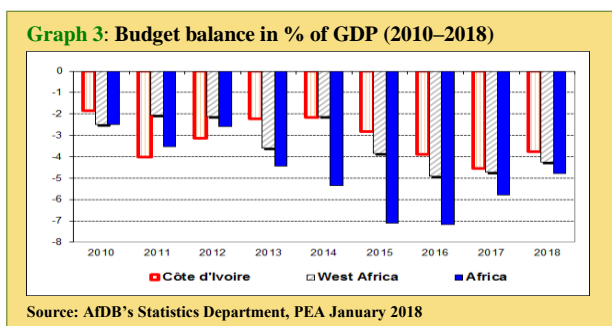
2.1.3.6 Monetary policy parameters remain at appropriate levels. However, the difficulty of access to long-term resources remains one of the major obstacles to economic development. Inflation has been rising since 2016, but remains below 2% and also below the 3% convergence threshold in the WAEMU zone. External reserves are improving, with a consolidation of the Government's net position in the banking system and an increase in short-term loans to the private sector. On the other hand, long-term loans account for 5% of the total loans as against 60% and 35% respectively in the short and medium terms. Loans to the agricultural sector account for 4.4 % of the total loans, whereas this sector accounts for more than 24% of GDP.

2.1.3.7 The macro-economic framework, supported by a three-year programme concluded with the IMF, remained stable in 2017 and 2018, with a sound fiscal policy whose deficit is gradually moving towards the

⁶ Paddy rice production rose from 1 934 154 tonnes in 2013 to 2 152 935 tonnes in 2015 (11.3%), continuing its strong growth.

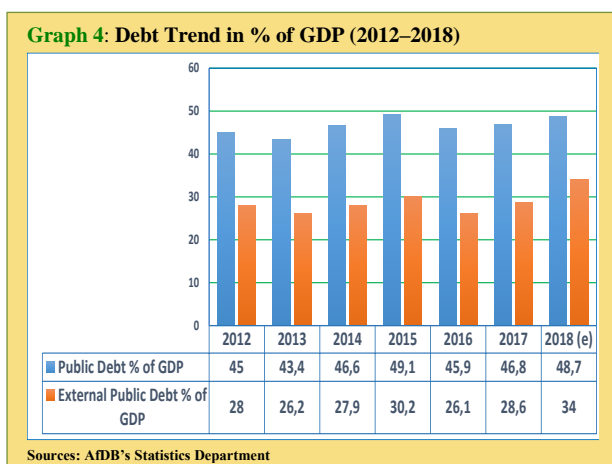
community standard of 3%. However, the Amending Finance Law of 2017 introduced expenditure cuts, focusing more on capital expenditures. Current expenditure was increased to meet the demands of civil servants and the military.

2.1.3.8 The 2017 and 2018 budgetary targets were revised to take into account internal and external shocks during the fiscal year. The shocks include: (i) the fall in cocoa prices which led to reduction of the Single Export Duty (DUS) and registration duty; and (ii) social unrest which led to additional one-off expenditure estimated at 0.6% of GDP in 2017 and recurrent expenditure of at least 0.07% of GDP as from 2018. The primary balance has been virtually balanced over the past two years, while the overall deficit of 3.9% of GDP in 2016 deepened to 4.5% of GDP in 2017, due to falling world cocoa prices and social unrest that have weakened fiscal balance (see Graph 3). The deficit



is financed by regional and international financial markets, as well as official development assistance.

2.1.3.9 Public Debt: Although remaining below the community threshold of 70% of GDP, external public debt as share of GDP increased from 43.4% in 2013 to 46.8% in 2017 (see Graph 4), mainly



driven by three Eurobonds issued over the 2014-

2017 period, amounting to USD 3 billion. **However, efforts have been made to improve public financial management, particularly public debt, so as to ensure long-term sustainability.** The latest debt sustainability analysis (DSA) conducted in June 2018 over a period of twenty (20) years (2018-2038) indicates that the risk of external debt overhang remains moderate. Solvency and liquidity indicators all remain below their respective thresholds over the analysis period, as a result of the combined effects of debt relief and rigorous public financial management. The country will need to monitor the accumulation of external debt (particularly non-concessional debt) so as to avoid excessive concentration of maturities in the mid-2020s. It should also take refinancing and exchange rates risks into account.

2.1.3.10 The medium-term debt management strategy 2016-2020, supported by the Bank through institutional support, will help to maintain debt sustainability. This is required so as not to negate external resource mobilization efforts to finance PND 2016-2020. The Government has also put in place a three-year plan for 2016-2018 to build the capacity of the staff of the Public Debt Department.

2.1.3.11 External Trade: The main exports are currently cocoa (28%), processed cocoa products (14.2%) and oil (13.4%). Imports are mainly capital and intermediate consumer goods. The Government's export diversification policy should help to expand supply of tradable goods.

Economic, Financial and Natural Resource Governance

2.1.3.12 Economic and Financial Governance: The country has witnessed an overall improvement in its governance, which is expected to be consolidated with the new cycle of reforms adopted by the Government. As regards the Mo Ibrahim Index of African Governance (IIAG, see Table 1), Côte d'Ivoire ranks among the countries with the best qualitative leap from 44th place in 2012 to 20th place in 2017⁷. As for the Corruption Perceptions Index (CPI), the country significantly improved its rating from 130th

⁷ The score increased from 46 in 2012 to 54.2 in 2017.



place in 2012 out of 174 countries to 103rd out of 180 countries in 2017⁸. The governance assessment indicators used by the US *Millennium Challenge Corporation (MCC) Initiative* have changed from red to green over the 2011-2016 period⁹, with the exception of the political rights indicator. The governance dimension of the Country Policy and Institutional Assessment (CPIA) increased from 3.1 in 2012 to 3.8 in 2016, ranking Côte d'Ivoire among the top 10 performing countries in Africa. The other CPIA indicators developed positively over the 2012-

Table 1: Ibrahim Index Of African Governance
Scored 0-100 Where 100=Best

Côte d'Ivoire	2015	2016	Status	2015	2016
	Rank / 53	Improvement (▼)	Score / 100		
Overall	22	20	▼	53,1	54,2
Safety And Rule Of Law	24	23	▼	56,5	58,9
Personal Safety	17	25	▲	54,2	51,2
Rule of Law	35	22	▼	47,7	58,4
Accountability	16	18	▲	44,0	43,3
National Security	30	26	▼	80,2	82,7
Participation And Human Rights	24	23	▼	54,2	54,1
Participation	19	19	▶	62,6	62,2
Rights	25	22	▼	47,3	49,1
Gender	31	33	▲	52,8	51,0
Sustainable Economic Opportunity	20	17	▼	48,9	50,0
Public Management	20	19	▼	47,4	49,1
Infrastructure	12	11	▼	53,5	54,2
Environment	11	11	▶	56,1	57,3
The Rural Sector	45	45	▶	38,5	39,2
Human Development	34	34	▶	52,9	53,9
Health	20	23	▲	72,8	73,2
Education	29	29	▶	45,0	45,2
Welfare	39	36	▼	41,0	43,4

2017 period¹⁰.

2.1.3.13 Financial management has improved significantly, but it needs to be strengthened.

Côte d'Ivoire has made significant progress in the transposition of WAEMU directives, particularly as regards medium-term expenditure frameworks (MTEFs), programme budgets, and adaptation of the integrated public financial management system to the directives. To that end, the training of stakeholders in the public expenditure chain needs to be intensified. Similarly, upgrading of structures in charge of ex-ante and ex-post control¹¹ should be consolidated to enable them to effectively fulfill their mission, particularly by conducting risk-based audits. *Despite the progress made, public financial management suffers from tax*

exemptions, excessive use of exceptional expenditure procedures, and the rise in the wage bill. Institutional support will be needed to implement critical reforms from the Public Finance Reform Master Plan (SDRF) and the National Restoration and Upgrading Programme (PNRMN) supported by the TFPs, including the Bank.

2.1.3.14 As regards the public procurement framework, the Bank's assessment of the overall risk is deemed "moderate".

The shortcomings identified in the procurement system compared to generally accept international practices (cf. Annex 7.A) concern some provisions of: (i) the public procurement legal framework; (ii) the institutional framework and management capacity; (iii) the integrity and transparency of the public procurement system; and specifically (iv) the PPP contracting framework. *Some current practices in public procurement undermine the principle of separation of operational, control and regulatory functions and do not contribute to streamlining public procurement bodies.* This mainly concerns the responsibility for issuing authorizations to use waivers for which the supervisory authority is responsible and not the Department of Public Procurement (DMP), as well as the PPP control function performed by the National PPP Steering Committee (CN-PPP) instead of the DMP, to which this function is assigned by the Public Procurement Code (CMP). The context within which the WAEMU directives on PPPs have been transposed should be used to incorporate the shortcomings identified into the current revision of the CMP. *In view of some shortcomings noted, it is recommended that the national system be used gradually in Bank-financed operations depending on the nature of the risks in each of the intervention sectors.*

⁸ The score increased from 29/100 in 2012 to 36/100 in 2017.

⁹ Côte d'Ivoire's average score on the six (6) indicators increased from 23/100 in 2011 to 67/100 in 2015 allowing the country to access MCC's compact programme.

¹⁰ Thus, the "Economic Management" dimension witnessed its rating increase from 3.5 in 2012 to 4.0 in 2017, the "Structural Policies" dimension from 3.1 to 3.9 in 2017, the

"Social Inclusion and Equity" dimension from 2.8 to 3.2, and finally the "Infrastructure and Regional Integration" dimension from 3.6 to 3.7.

¹¹ These include the General Inspectorate of Sector Ministries; the General Inspectorate of Finance; and the General State Inspectorate. The need for capacity building also concerns the Accounts Bench.

2.1.3.15 Business Environment and Private Sector Development: Côte d'Ivoire has made significant progress that has placed the country among the top ten business environment reformers in the world. In order to maintain this dynamic and become one of the top 50 countries in the *Doing Business* ranking by 2020, new reforms are needed in various areas. Since 2012, the business climate has improved significantly with, in particular: (i) the implementation, in 2012, of the new Investment, Mining, and Electricity Codes, which are attractive and comply with international standards; (ii) the operationalization of the one-stop shop for investments; (iii) shorter timelines and simplification of formalities for starting a business and paying taxes. The country's ranking in the World Bank's annual report on "Doing Business" has improved from the 167th place in 2012 to the 139th in 2018. Other reforms concerned the establishment of a commercial court and the operationalization of CN-PPP, attached to the President of the Republic. The Government's efforts have enabled Côte d'Ivoire to continue to be the most attractive economy in the WAEMU region and to occupy the third place. To consolidate the progress made, a series of second generation reforms should be undertaken as soon as possible.

2.1.3.16 According to Ivorian employers, these reforms should focus on three areas: *Infrastructure* to improve competitiveness by reducing factor costs (energy, transport/ICT, development of specific economic areas and securing land management)¹²; *Tax and judicial systems* through appropriate and predictable taxation and deconcentration of commercial courts; and *Access to markets and innovative financing* to promote national entrepreneurship and consolidate the industrialization process.

2.1.3.17 Financial Sector and Financial Inclusion: The Ivorian financial sector, the most diversified in the WAEMU region,¹³ continues to grow rapidly in line with the dynamism of the economy, but it still faces structural weaknesses that limit expansion of

the private sector. All the key profitability indicators improved as a result of an increase in banking income and net income. The financial market continued to be dynamic, with the listing of ECOBANK Côte d'Ivoire on the Regional Stock Exchange (BRVM) which recorded the highest listing of the Top 10 IPOs in Africa. As a prelude to implementation of the new regulatory framework adopted in Basel II and III, particularly on equity capital, banks and financial institutions have initiated recapitalization processes. The Government is continuing to reorganize some publicly owned banks and/or ensure its partial or complete withdrawal through privatization. **However, the signs of a healthy financial system conceal some structural weaknesses** (see Box 2).

Box 2: Structural Weaknesses of the Ivorian Banking System

According to the 2016 franc zone report, the resources of the banking system are mainly channelled towards the acquisition of sovereign securities. **Short-term loans continue to account for the majority of loans granted, i.e. 56% in 2016 compared to 4.3% for long-term loans. Financial inclusion is still limited.** The proportion of the population over 15 with an account in a financial institution is 15.1%, compared to an average of 29% in sub-Saharan Africa. In addition, SMEs and the agricultural sector have very limited access to bank financing. Thus, the agricultural sector accounts for less than 6% of total bank loans, whereas the primary sector accounts for 26% of GDP. Funding is primarily granted to the trade and services sectors. The economic diversification targeted by PND 2016-2020 and the structural transformation of the economy through development of agro-industrial value chains, in line with the Bank's "High 5s", require better support for industries and SMEs through innovative financial products, better adapted to financing the Ivorian economy.

Medium-Term Outlook

2.1.3.18 Economic activity in 2018 and the medium-term economic outlook are favourable. Economic performance will be driven by the dynamism of the primary and tertiary sectors, as well as by investments in infrastructure. The average annual growth rate is expected to be above 7% over the 2018-2020 period. Although economic growth is strong, it is still based on commodity exports (cocoa, coffee, oil) with a low local processing rate.

2.1.3.19 In this regard, the economy is highly vulnerable to external shocks, particularly adverse fluctuations in commodity prices and climatic

¹² The bottleneck of Abidjan Autonomous Port (PAA) requires the development of new parking areas, alternative access and exit roads for PAA, and the construction of new industrial zones for the development of agro-industrial value chains, targeted in the second phase of the National Agricultural Investment Programme (PNIA-II)

¹³ At the end of December 2017, the Ivorian banking system comprised 29 credit institutions, [...] insurance companies and [...] microfinance institutions.



hazards. In addition, another challenge is that of consolidating growth, which will need to be achieved through a more balanced distribution between sectors for structural transformation. This requires: (i) improvement in the quality of products, particularly agricultural products; (ii) industrial activities with high added value and job creation; and (iii) better professionalization of service activities through training. These issues, highlighted in PND 2016-2020, will be at the core of dialogue with the authorities.

2.1.4 Social Context

2.1.4.1 Poverty Reduction and Achievement of SDGs. The country's economic performance has not had a substantial impact on reducing the poverty rate, which remains high. The incidence of poverty, calculated by the National Institute of Statistics (INS), stood at 46.3% in 2015 as against 48.9% in 2008. Poverty is more pronounced in rural areas (56.8%) than in urban areas (35.9%), with contrasting trends. The poverty rate in rural areas dropped from 62.5% to 56.8%, whereas in urban areas, it rose from 29.5% in 2008 to 35.9% in 2015, due to the transfer of poor populations from the countryside to the cities as a result of conflicts. There are wide disparities and inequalities in terms of age and gender, worsened in rural areas: 51.4% of young people under 25 are poor and 3 out of 4 rural women live below the poverty line. With a Human Development Index (HDI) of 0.474 in the 2016 HDI Report, slightly up on 2015 (0.462), Côte d'Ivoire ranks 37th out of 54 African countries, thereby being among the countries with low HDI.

2.1.4.2 The 2015 INS household living standards survey estimates the unemployment rate at 6.9%, even though the survey does not take into account underemployment which remains very high. The unemployment rate is higher in urban areas (7.7%), particularly in Abidjan (13.4%) compared to 3.0% in rural areas. It is particularly high among young graduates. Unemployment affects women more; most of them are in precarious and informal jobs. Taking all these considerations into account, the Employment Studies and Promotion Agency (AGEPE) estimates the combined unemployment rate at 26.5%¹⁴. At the structural level, labour is

concentrated in the service sector (44%) and agriculture (43.5%); industry accounts for only 12.5%.

2.1.4.3 There has been a significant improvement in access to education, with an estimated primary school enrolment rate of 78.9% in 2015 according to an INS report, but there are still some challenges. Côte d'Ivoire was ranked last out of 44 countries in the 2011 assessment of students' knowledge conducted by La Francophonie; then at the 41st place in 2013. Furthermore, the sector continued to face budgetary constraints, inadequate infrastructure and teaching materials, obsolete equipment, and poor spatial distribution of teaching staff. Since then, the Government has adopted an ambitious policy, guided by the law making school compulsory for children aged 6 to 16, without distinction of sex. The Government intends to consolidate this progress through a policy of rehabilitation/construction of primary, secondary and high school classes, as well as recruitment/training of teachers, and revision of the curricula.

2.1.4.4 In the health sector, considerable efforts are still needed to improve the quality of life. The health situation is a cause for concern because of high morbidity and mortality due to malaria and HIV/AIDS. The life expectancy (54.3 years in 2015) is one of the lowest in the world. As regards nutrition, the proportion of underweight children below 5 years of age was estimated at 14.9% in 2012; the Government plans to reduce this rate to 5% by 2020¹⁵. In addition, poor quality of health care and limited access to essential drugs exacerbate the unmet health needs, particularly among the vulnerable population. To make progress towards achievement of Sustainable Development Goal (SDG) 3 on health, the Law of 24 March 2014 instituted Universal Health Coverage (CMU). Furthermore, as regards resources, the Government intends to allocate 5.4% of mobilized resources to the health sector under PND 2016-2020.

2.1.5 Cross-cutting Aspects

2.1.5.1 Gender Disparities: As regards gender, there are still significant gender

¹⁴ Potential, unemployed and underemployed labour force.

¹⁵ To that end, the Government intends to promote good nutritional practices, strengthen the management of malnutrition, increase availability and access to nutritious food

and diversify consumption, enhance food security, strengthen household resilience to food and nutrition crises, and improve nutrition policy governance.

disparities in all sectors of the economy. Concerning access to education, almost one in two women (51%) and just over one in three men (36%) have no education at all. Furthermore, irrespective of the level attained, men are better educated than women: 33% of men have at least a full primary school level compared to 21% of women. With respect to the enrolment rate, girls account for 49.3% in preschool, 44.8% in primary¹⁶, 38.4% in secondary and 29% in higher education. The literacy rate stands at 36.3% for women and 53.3% for men.

2.1.5.2 The Bank's approach has been to systematically include gender and social protection activities in all approved projects.

Although the results are positive, they are still modest in relation to the scale of challenges. For example, in the Agro-industrial Pole Project in Bélier Region (2PAI-Bélier), women will benefit from all the project activities of an overall cost of about UA 58 million. However, specifically, a budget of UA 1.7 million is allocated for specific activities to empower women and promote gender in the agricultural sector in the project area. The various ongoing initiatives, particularly "Affirmative Finance Action for Women in Africa - AFAWA", the decentralization of specialists to regions, and the categorization of projects in terms of the "Gender Marker" will improve the quality of gender mainstreaming in projects. Joint initiatives with UN WOMEN on gender-sensitive projects, such as the one funded by KOAFEC, will be supported.

2.1.5.3 Environment and Climate Change: As regards the environment and climate change, Côte d'Ivoire remains vulnerable with impacts at various levels.

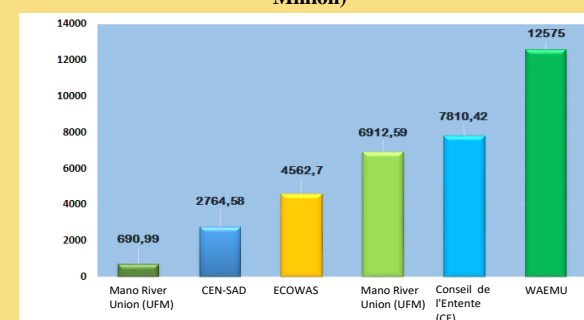
The country is suffering from hazards associated with increasing exploitation of its natural resources, a drastic reduction in forest cover leading to loss of biodiversity, as well as air, water and soil pollution by domestic, industrial, agricultural, mining and maritime activities. To remedy the situation, the Government has taken measures to restore and safeguard the environment. The Forestry and Environment Code laws have been amended to promote better environmental protection and

promotion of sustainable development, as well as to better promote renewable energy. Furthermore, at COP 22, Côte d'Ivoire undertook to reduce its greenhouse gas emissions.

2.1.5.4 Regional Integration and Trade: Regional integration, one of the five pillars of PND 2016-2020, is one of the Government's top priorities despite some challenges.

The Integration Strategic Plan (ISP) for 2017-2020, which Côte d'Ivoire has adopted, seeks to achieve its dual ambition as economic hub in the region and as a major continental player. With a GDP 36% close to that of WAEMU, Côte d'Ivoire is a key actor at regional level. At the African level, the country seeks to be among the most prosperous economies, by continuing to increase its overall trade balance which remains positive with the various regional and continental blocks (see Graph 5). The main integration challenges are related to

Graph 5: Overall trade balance over the 2000-2014 period (USD Million)



Sources: United Nations COMTRADE and Strategic Integration Plan (SIP) 2017-2021

weak infrastructure in the transport and energy sectors. The other challenges are commercial, and concern the economic impacts of tariff disarmament which could stem from the implementation of the agreement on the continental free trade area as well as the unilateral conclusion of agreements with the EU under the regional Economic Partnership Agreement (EPA).

2.2 Country Strategic Options

2.2.1 Country Strategic Framework

2.2.1.1 Drawing lessons from the implementation of PND 2012-2015, which is the first post-crisis and economic recovery strategy, the Government in 2016 formulated the second PND 2016-2020 to materialize its

¹⁶ In September 2015, the National Assembly passed a bill making schooling compulsory for children aged 6 to 16, and this will increase the completion rate of lower secondary school.

ambition to achieve Côte d'Ivoire's emergence by 2020, with a solid industrial base. PND 2016-2020 enshrines the vision of a structural transformation of the economy, through the quest for greater competitiveness and local processing of agricultural commodities so as to promote industrialization and consolidate economic diversification whose redistribution of the fruits of growth will help to substantially reduce poverty (see 2.1.4.1). In this regard, PND 2016-2020 will focus on: (i) *improving the processing rate of agricultural raw materials;* (ii) *diversifying the industrial productive mechanism by promoting a manufacturing industry;* and (iii) *developing good quality transformative economic infrastructure, underpinned by regional planning and environmental protection.*

2.2.1.2 To achieve the overall and specific outcomes mentioned above, PND 2016-2020, prepared with TFP support, is divided into five coherent and integrated strategic pillars as follows:

- **Pillar 1** - Improving the quality of institutions and good governance ;
- **Pillar 2** - Accelerating the development of human capital and promotion of social welfare;
- **Pillar 3** – Accelerating structural transformation and industrialization ;
- **Pillar 4** – Developing infrastructure harmoniously distributed over the national territory and protecting the environment; and
- **Pillar 5** – Strengthening regional integration and international cooperation.

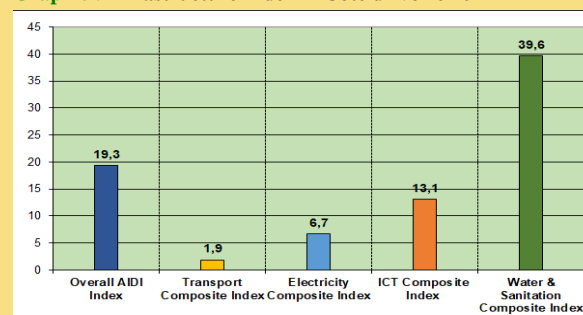
2.2.1.3 To consolidate the outcomes of previous interventions, the 2018-2022 CSP will enhance the impact of ongoing interventions in the infrastructure (transport and energy) and public finance management sectors so as to help achieve the objectives of Pillars 1, 3 and 4 of PND 2016-2020. The national, regional and private sector projects portfolio funded in support of the previous country strategies is presented in Annex 4. Furthermore, under Pillar 2 of the 2018-2022 CSP, the interventions will specifically seek to develop the agriculture and agro-industry

sectors that will significantly help to accelerate structural transformation of the economy.

2.2.2 Weaknesses and Challenges

2.2.2.1 Inadequate transformative infrastructure: The lack of adequate quantity and quality of transformative transport/ICT infrastructure hampers the development of a modern, diversified and competitive economy, as well as enhance trade and regional integration. As shown in Graph 6, the infrastructure development indices remain low

Graph 6 : Infrastructure Index in Côte d'Ivoire 2014



Sources: United Nations COMTRADE and Strategic Integration Plan, 2017-2021

with a level above 50 on a scale of 1 to 100. The lowest index concerns the transport sector, which indicates a significant need for investment in infrastructure compatible with the requirements of an emerging economy, with a harmonious spatial distribution that would encourage the private sector and, more particularly, agro-industries and SMEs, to establish themselves where there are niches throughout the country. In this regard, in addition to the construction of new structures, the Government should, through a judicious rehabilitation/maintenance policy, ensure that the existing stock is properly used and is sustainable.

2.2.2.2 In the energy sector, the installed capacity increased substantially by 56%, from 1,391 MW in 2011 to 2,200 MW in 2017. In 2011, the electricity system had structures with limited capacity, as well as recorded production shortfall and significant financial deficit. Over the 2011-2017 period, investments were made in power generation, transmission, and distribution, as well as in rural electrification. Actions have been taken by the Government to improve the financial situation of the electricity sector. Over the period, an additional capacity of 790 MW was commissioned, thereby increasing the installed

capacity from 1,391 MW in 2011 to 2,200 MW in 2017. In addition, the transmission and distribution network was strengthened by the commissioning of new source stations in Abidjan region, the reinforcement of existing source stations and the extension and strengthening of the distribution network. Average downtime and overall efficiency improved from 47 hours and 71.3% to 23.83 hours and 81.8% respectively. As regards rural electrification, the coverage and access rates have increased from 33% and 74% to 54% and 82% respectively.

2.2.2.3 However, Côte d'Ivoire's ambition to be the energy hub of the sub-region will require more proactive actions. The sector challenges are at three levels: (i) reinforcement of the power generation fleet and improvement of the energy mix by increasing the proportion of renewable energy to meet growing demand, particularly demand induced by real estate and industrial development prospects; (ii) resolution of the financial imbalance¹⁷ and (iii) the need to develop new gas fields in view of the risk of importing more expensive LNG. **Given these constraints, governance should be improved in these important sectors.**¹⁸ Furthermore, diversification of the energy mix should be pursued with a large proportion of clean alternative energies.

2.2.2.4 Persistent fragility factors: Côte d'Ivoire has made significant progress towards political stability which has helped to get the country out of the fragile country situation. Despite the progress made, the fragility factors have not disappeared. The persistent fragility is likely to delay reform efforts for development of the country.

2.2.2.5 Weak financial intermediation: The persistent lack of a financial intermediation structure to provide loans to farmers and graziers is currently a major constraint on the agricultural sector.

2.2.3 Strengths and Opportunities

2.2.3.1 Diversified agricultural production: Côte d'Ivoire has a large number of agricultural products which, if better processed and with

appropriate reforms and incentives, could be a source of high and sustainable income for the economy and households, especially in rural areas.¹⁹

2.2.3.2 Agro-food industry: The agro-food industry can also be a source of economic diversification and transformation, as well as a lever for inclusive and sustainable growth.

According to the 2018 African Economic Outlook (AEO) report, the agricultural sector, comprising agro-sylvo-pastoral and fisheries activities, accounted for 23.7% of GDP in 2016. This sector, which is still undeveloped, has considerable scope for progress to satisfy external demand from WAEMU and ECOWAS countries. However, despite its immense potential, Ivorian agriculture, and more specifically agro-industry, is recovering from a period of regression due to the socio-political crisis. Its contribution to GDP growth rose from 0.7% in 2010 to 1.7% on average over the 2012-2015 period. However, agricultural production is still highly extensive and poorly mechanized, and food products are largely intended for self-consumption. Extensive cash crop production patterns (coffee, cocoa, and rubber and oil palm) lead to deforestation and loss of forest cover. In addition, land tenure problems and inadequate agricultural financing systems limit the introduction of intensive cropping systems, mechanization, and promotion of SMEs and young farmers. The absence of appropriate governance arrangements, defining roles, responsibilities and interrelationships between stakeholders in some sectors is detrimental. Moreover, in the marketing of agricultural products, the limited opening up of production basins leads to many post-harvest losses, thereby reducing the country's income.

2.2.3.3 A proactive policy to develop production, processing and marketing infrastructure, build the capacities of rural communities, and involve research centres and institutes is essential. In addition, access to credit, especially for women and young people, the reduction of high input costs, including electricity, and sound policies to encourage

¹⁷ (Postponement of tariff increase measures is a high risk for the sector) ;

¹⁸ Future concessions should be awarded through open competitive bidding.

¹⁹ Côte d'Ivoire is the world's leading producer of cocoa and cashew nuts.



private investment in agriculture can lay the foundations for agro-industry²⁰.

2.3 Aid Coordination and AfDB Positioning

2.3.1 Aid Coordination

2.3.1.1 The mechanisms for coordination between development partners have been re-established. Coordination is structured in two main blocks. The first block is made up of the National Coordination and Financing Mechanism, subdivided into the National Development Commission, inter-Ministerial coordination bodies, and the COMOREX Platform. This framework not only provides Government leadership in aid coordination, but also pools aid data, aligns with national priorities, and improves national procurement and financial management systems increasingly used by donors. The second block concerns the Development Partners Consultation Facility (DC-PAD) which helps to define common positions and guidelines for discussions with the Government, agree on capacity building activities, and harmonize their activities so as to promote greater collective effectiveness. It is based on the work of thematic or sector groups.

2.3.1.2 The Bank actively participates in three levels of the DC-PAD, namely the Ambassadors and Heads of Mission Consultative Framework, the Heads of Cooperation Committee, and Thematic Groups. All Bank operations financed under the 2013-2017 CSP, particularly budget support and investment projects, were discussed in the Heads of Cooperation Committee and/or thematic groups. As regards the use of national systems, which is one of the commitments of the Paris Declaration, the use of the national procurement system has been adopted for almost all procurement contracts subject to open competitive bidding (OCB).

2.3.1.3 The Bank and the Government are signatories to the March 2005 Paris Declaration on Development Aid Effectiveness and subsequent agreements (Accra and Busan). Both parties have made significant progress in implementing the key principles of the Declaration, as well as the recommendations of the Accra Agenda for

Action of September 2008 and the Busan Partnership of December 2011.

2.3.2 Positioning of AfDB and Other Technical and Financial Partners

2.3.2.1 The Bank remains a key strategic partners for Côte d'Ivoire. To date, the country has benefitted from financing amounting to UA 2.279 billion, or USD 3.22 billion. In the coming years, because of Côte d'Ivoire's access to the AfDB window for sovereign loans under the new credit policy, cooperation is expected to intensify in strategic and transformative sectors. This new status has generated great interest from the Government and the private sector, and has paved the way for the financing of major projects. Following the Bank's return to its Headquarters in Abidjan, the staff assigned to strategic and operational activities in the country has been reinforced.

2.3.2.2 Though not currently chairing one of the sector cooperation groups, the Bank is actively involved in the groups. In future rotations, it will at least chair the infrastructure groups (energy and/or transport) which increasingly receive the Bank's financing. The National Development Assistance Coordination and Cooperation Mechanism comprises 13 sector groups chaired/co-chaired on a rotating basis by bilateral/multilateral partners and specialized agencies of the United Nations system. The composition of the TFP Consultation Framework and its respective intervention areas, including those of the Bank, are presented in Annex 9.A and 9.B.

III. COUNTRY PORTFOLIO REVIEW AND KEY LESSONS LEARNED

3.1 Overview and Performance of the Bank's Portfolio in Côte d'Ivoire

3.1.1 Portfolio Composition

3.1.1.1 At the end of May 2018, the active portfolio had 23 operations totalling net commitments of UA 930.5 million mainly allocated to transport and energy infrastructure (see Annex 4). The sector

²⁰ In this regard, the country has just adopted the National Agricultural Investment Plan (PNIA) in line with the CAADP process.



breakdown of the portfolio shows transport (56.3%) and energy (28.8%), followed by agriculture (11.8%), governance (2.8%), finance (0.2%) and water and sanitation (0.1%). The portfolio's orientation is consistent with the Government's priorities set out in PND 2016-2020, as well as with the Bank's five major priorities, known as the *High 5s*, which seek to ensure Africa's structural transformation.

3.1.1.2 The Bank has used almost all its financing instruments (project grants and loans, budget and institutional support, as well as partial guarantees. The portfolio comprises eleven (11) national public sector operations amounting to UA 514.2 million, five (5) regional operations totalling UA 202.2 million, and seven (7) private sector operations for an amount of UA 214.1 million. The operations are financed mainly from AfDB resources (70.9%), ADF resources (22.8%) and Special Funds (NTF, FAPA, AWTF, etc.) to the tune of 6.3%.

3.1.1.3 Access to the AfDB window since 2016 for sovereign loans has helped to mobilize resources estimated at UA 360 million for the financing of transformative projects²¹. Since 2013, AfDB commitments in Côte d'Ivoire have increased almost fivefold, from UA 194 million in 2013 to UA 930.5 million in 2018. Of these commitments, 6 major projects in the transport and energy infrastructure sector amounting to UA 641.47 million helped to mobilize cofinancing from partners including the World Bank, KfW, PROPARCO, BOAD, AFD and EU to the tune of UA 786.92 million (a leverage effect of 1.15).

3.1.1.4 The portfolio review conducted in April 2018 concluded that the portfolio performance is satisfactory (with a score of 3 on a scale of 1 to 4). The performance indicators show a **rejuvenation of the portfolio** whose average age dropped from 6.6 years in 2011 to 2.5 years in 2018, due mainly to the recent approval of eight (8) new operations and the closure of five (5) old projects. **Furthermore, the portfolio disbursement rate increased to 23% at the end of May 2018 (13% for national**

projects, 15.7% for regional projects, and 54% for the private sector), as well as **the absence of projects at risk**. However, the monthly Flashlight report for May 2018 pinned down 32.4% of the projects and called for close monitoring.

3.1.1.5 Significant improvement of the portfolio will require overcoming some remaining challenges. The main challenges identified during the review were: (i) delays in forming or reconstituting project teams; (ii) instability of project management structures; (iii) weak capacities of local firms and individual consultants in project implementation; (iv) delays in the procurement process due to inadequate understanding and knowledge of the Bank's rules and procedures; (v) inadequate monitoring of the project work plan and procurement plan; (vi) long delays in the issuance of no objection opinions; (vii) late disbursement of counterpart funds; (viii) inadequate project coordination; and (ix) weak monitoring-evaluation arrangements.

3.1.1.6 A new Portfolio Performance Improvement Plan (PPIP 2018) has been prepared and validated with all stakeholders. Based on lessons learned from the 2017 PPIP implementation, a new PPIP for 2018 (see Annex 5) has been prepared to strengthen portfolio performance. The plan identified the main institutional and fiduciary difficulties encountered by projects. Measures will be taken in accordance with a specific schedule, and their implementation is expected to remove obstacles to the proper implementation of operations.

3.2 Key lessons from the BDEV report on the portfolio management

3.2.1 The 2018-2022 CSP takes into account the BDEV report's operational recommendations for 2006-2016, as well as those of PPIP 2018 below.

✚ Complete the PPP feasibility studies with systematic analyses of the consequences of State guarantees (BDEV-3). In order to ensure that some contractual clauses in projects receiving financing do not undermine

²¹ These are the Electricity Transmission and Distribution Networks Strengthening Project, the Belier Region Agro-Industrial Pole Project, the Abidjan Urban Transport Project, and the Air Côte d'Ivoire Project.



the country's debt ratios, the Bank needs to ensure that the Study Fund resources in the Ministry of Finance are used to conduct appropriate impact assessments for PPP projects. Furthermore, in line with the Bank's commitment to the authorities, it will provide financial advisory services and legal assistance to the country through the G20 Compact.

- ✚ **Enhance the Bank's visibility with regard to its involvement in supporting Côte d'Ivoire's development strategy (BDEV-4).** The Bank will need to make efforts to better communicate the outcomes of its operations in the country by using the various dissemination tools.
- ✚ **Clarify emergency response guidelines and procedures to make them more responsive to risks and sources of fragility and ensure quick response to targets as soon as possible (BDEV-6).** The aim will be to identify, in consultation with the Government and executing agencies, and eliminate procedural and operational bottlenecks that hamper proper and quick implementation of this type of operation.
- ✚ **Ensure the sustainability of Bank-financed investments.** To that end, it is necessary to strengthen sector governance by combining infrastructure financing with institutional support to improve optimal project implementation. This approach will be used in conjunction with the Road Maintenance Fund (RMF) and other related structures involved in road design, construction and maintenance.
- ✚ **Build the capacity of local businesses.** The participation of local businesses in the implementation of Bank-financed projects remains low mainly because of lack of capacity. To allow for greater participation of local SMEs in the infrastructure sector (particularly transport and energy), **the**

Bank should, together with the other TFPs, initiate the preparation of a "Directory" of local businesses (for studies, works, sub-contracting and training) with a view to improving their capacity and knowledge in procurement procedures.

- ✚ **Establish a systematic approach to the call for cofinancing.** Given the country's infrastructure financing needs and the limited resources that can be mobilized from its various windows, the Bank will need to strengthen its cofinancing initiatives to further increase the leverage effect of its resources.
- ✚ **Improve performance in project implementation and monitoring.** Although the overall portfolio performance is satisfactory, some projects are experiencing some implementation problems and delays. The projects require close monitoring to accelerate their implementation and thereby improve overall portfolio performance.

IV. 2013-2017 STRATEGY AND KEY LESSONS

4.1 Implementation of the 2013-2017 CSP and Outcomes Achieved

4.1.1 **Expected Outcomes: The 2013-2017 CSP had two pillars:** (i) Strengthening governance and accountability; and (ii) Developing infrastructure to support economic recovery.

4.1.2 **The aim of Pillar 1 was to:** (i) strengthen post-crisis socio-economic inclusion by responding to demands for improved governance and delivery of basic services to the population; (ii) support social and economic inclusion/reintegration processes; (iii) enhance economic, financial and institutional governance; and (iv) accelerate structural reforms required for industrialization.

4.1.3 **As for Pillar 2 of the 2013-2017 CSP, its aim was to:** (i) support economic recovery through optimal exploitation of natural resources, development of quality infrastructure in the agriculture, transport and energy sectors, while

preserving the environment; (ii) accelerate the development of human capital and the promotion of well-being; and (iii) strengthen regional integration and international cooperation.

4.1.4 Outcomes Achieved: At the strategic level, the two pillars of the strategy were well aligned with the country's priorities, and at the operational level, the CSP implementation was generally satisfactory and helped to get the country out of the crisis. Most of the interventions achieved the expected outputs, although there were some differences depending on the intervention sectors.

4.2 Key Lessons for the 2018-2022 CSP

4.2.1 The preparation of the 2013-2017 CSP Completion Report and BDEV's independent evaluation of the 2006-2016 decade provided the following relevant lessons for formulation and implementation of the new 2018-2022 CSP:

- ✚ **Choice of strategic pillars for more inclusive growth to reduce poverty and spatial inequalities (BDEV-1).** The agricultural sector is the leading employer in the country, but has the largest number of poor people. In order to make growth more inclusive, **the Bank will need to accelerate the structural transformation of the agricultural sector.**
- ✚ **Making operations more inclusive through careful pillar selection and gender mainstreaming.** To make growth more inclusive, **priority should be given to rural infrastructure that can have a catalytic effect on the development of agro-industrial value chains** so as to attract the private sector to the processing of agricultural products.
- ✚ **Enhanced alignment and coherence of interventions with the national budgetary framework to make resource mobilization predictable.** To enhance coherence of its

interventions and comply with the national budgetary framework, **the Bank will need to adopt the programme approach for future operations**, in line with the Medium-Term Expenditure Frameworks (MTEFs)²².

- ✚ **Strengthening dialogue on policies and strategic issues, supported by relevant analytical work (BDEV-2).** The operations programme under the 2018-2022 CSP should **include sector studies and reviews** to guide future interventions.
- ✚ **Enhanced monitoring and evaluation of the achievement of outcomes in Bank operations and strategies (BDVE-5).** The Bank will need to **strengthen the monitoring/evaluation of logical frameworks to better monitor the impacts** of its five new priorities (High 5s).
- ✚ **Consolidation of sector interventions.** Given the significant investments already made with the Bank's support in densifying the road network and inter-State corridors, which help to open up production basins, **the Bank needs to step up its intervention in rural development infrastructure**, and encourage growth and diversification of agricultural production, thereby contributing to the country's economic diversification process.

V. 2018-2022 BANK STRATEGY IN COTE D'IVOIRE

5.1 Justification of the Bank's strategy and pillars

5.1.1 Justification of the Bank's strategy

5.1.1.1 The Government's ambition is to achieve emergence by 2020, with a solid industrial base. Thus PND 2016-2020 is based on five strategic pillars: (i) Strengthening the quality of

²² Only operations included in the sector MTEFs, which are supposed to have passed all the stages of maturation in the budget planning and programming chain, will be eligible for Bank financing.



institutions and governance; (ii) Accelerating the development of human capital and the promotion of social welfare; (iii) Accelerating structural transformation and industrialization; (iv) Developing infrastructure harmoniously distributed throughout the country and preserving the environment; and (v) Strengthening regional integration and international cooperation.

5.1.1.2 To support PND 2016-2020 while remaining selective with the Bank's High 5s, the next 2018-2022 CSP will continue to support transformative infrastructure. The strategy will place greater emphasis on sector governance and will be anchored in agro-industrial value chains for structural transformation of the economy. This option is based primarily on the Government's priorities (see 2.2.1.2) and dialogue with stakeholders (State, private sector, and civil society) during the CSP preparation mission, through a participatory process. It also takes into account the encouraging outcomes of the 2013-2017 CSP in the above-mentioned areas which need to be taken to an irreversible stage (see 4.1). Finally, it takes into account the weaknesses and challenges of the Ivorian economy (see 2.2.2), as well as the country's strengths and opportunities (see 2.2.3). Ultimately, it addresses sector governance issues which have led to ineffective and inefficient public and private investment and have not promoted agro-industry expansion and greater economic diversification.

5.1.1.3 Taking into account the lessons learned from the previous strategy (see 4.2), as well as country dialogue with the Government and stakeholders, the 2018-2022 CSP will be based on the following principles:

- i) **alignment** with PND 2016-2020, which is a five-year emergence vision, the Bank's ten-year strategy 2013-2022, and the High 5s.
- ii) **amplification of the impacts of previous interventions** under the 2013-2017 CSP in the infrastructure and governance sector;
- iii) **strengthening of the leverage effect of the Bank's resources** through access since 2016 to the AfDB window for sovereign loans, cofinancing, PPPs and the future prospect of Côte d'Ivoire's graduation to the status of "mixed country";

- iv) **selectivity of intervention areas**, taking into account synergy and complementarity with the other TFPs; and
- v) **economic diversification and promotion of inclusive, sustainable and green growth**, through: (i) the creation of added value in agro-industry by intensifying agricultural production/processing activities with high income generation and job creation potential supported by innovative financial products, as well as by strengthening the financial inclusion of young people and women in rural areas through ICTs; as well as infrastructure choices resulting in a low carbon footprint for the economy.
- vi) **Bank's comparative advantage**: The Bank already has long experience and comparative advantage in the infrastructure sector and transformation of the agricultural sector in Côte d'Ivoire.

5.1.2 Strategic Pillars

5.1.2.1 The strategic orientation of the CSP seeks to intensify economic diversification and structural transformation of the Ivorian economy, by making it more inclusive, sustainable and resilient to external shocks. It is consistent with the PND 2016-2020, the Bank's "High 5s", the resulting structural transformation vision, the two objectives of the Bank's ten-year strategy 2013-2022 concerning inclusive growth and transition to green growth.

5.1.2.2 To enable the country to meet its major challenges (2.2.2) and achieve the objectives of PND 2016-2020 (2.2.1.2), the Bank's strategy will be based on two pillars: (i) *reinforcing transformative and governance infrastructure for economic competitiveness and investment effectiveness; and (ii) developing agro-industrial value chains for inclusive and sustainable growth. The strategy was developed through a participatory process as presented in Annex 11.*

5.1.2.3 The first pillar supports the three strategic pillars (1, 4 and 5) of PND 2016-2020. The objective is to develop

transport/ICT/urban development and energy infrastructure at national and regional levels in line with the Bank's commitments to finance infrastructure in the G20 Compact with Africa. In this regard, efforts will be made to increase the network and improve the quality of infrastructure that has become obsolete to levels compatible with competitiveness requirements and the medium and long-term prospects for strong economic growth²³. *More specifically, the objective is to improve the competitiveness of production sites in urban and rural areas, open up production basins, facilitate access to internal and external markets, lower the cost and improve the quality of connectivity and the content of ICT services, as well as increase energy supply to further strengthen the competitiveness of the economy.* To finance major infrastructure, synergies and partnerships will be sought and established with the "Africa Investment Forum Platform" as well as with TFPs involved in the infrastructure sector, such as the World Bank, AFD, JICA, and EU. The Bank will use other initiatives such as the « Africa Investment Forum Platform » to look for co-financing.

5.1.2.4 On the other hand, efforts will also be made to strengthen governance of the transport/ICT, energy and agriculture sectors which receive the most transformative investments of the Government and the Bank. In addition, the Bank will support the quest for better sector governance in the portfolio concentration areas (see Annex 9). The objective will be to help improve overall economic competitiveness so as to develop productive activities and economic growth, and ensure it benefits a larger segment of the population, including young people and women. The reforms targeted by the Compact G20 with Africa will also be supported to make the business environment more attractive.

5.1.2.5 The second pillar will support three strategic pillars (2, 3 and 5) of PND 2016-2020. This pillar seeks to improve agro-industrial transformation of growth sectors so as to diversify the Ivorian economy's sources of growth and make it less vulnerable to external shocks. Les réformes de

l'environnement des affaires visées par le « Compact G20 with Africa » seront également soutenues, pour rendre l'environnement des affaires plus attractif.). This will entail an integrated and targeted approach, covering aspects relating to land tenure security, the development of agricultural production by improving productivity (inputs, seeds, improved technologies, and mechanization), the organization of actors/sectors, the development of agropoles using a land-use planning approach, the marketing of products, the structuring of appropriate forms of financing and social protection and risk coverage products for activities. The Bank will therefore opt for a value chains approach to create an environment conducive to private initiatives, incubation for job creation by SMEs, and a strong impact on social and local development.

5.1.1 Taking into account the importance of the regional market for the Ivorian economy, the Bank's action under this CSP will also include the need for a regional approach. The framework for this will be the Regional Integration Strategy for West Africa (RISA).

Cross-cutting Aspects

5.1.2.6 Cross-cutting aspects (see 2.1.5) will be systematically taken into account by the Bank in order to facilitate the strategy implementation and preparation of operations. As recommended by CODE, in addition to climate change and green growth aspects, the aim will be to promote better mainstreaming of gender and youth employment in all Bank operations. **To that end, the Bank will strengthen its synergy with specialized national agencies and the UN agencies.** The various ongoing initiatives, particularly Affirmative Finance Action for Women in Africa (AFAWA), the decentralization of specialists to regions, and the categorization of projects in terms of the "Gender Marker" will improve gender mainstreaming in projects.

5.1.2.7 Specific activity programmes will be systematically implemented in Bank-financed programmes. In order to create viable employment opportunities for women,

²³ Due to a decline in investment during the crisis decades, the paved Ivorian road network represents only 8% of the total network as against 13% in Ghana and 15% in Nigeria.

Moreover, 75% of paved roads are between 15 and 35 years old, with 44% more than 20 years old.



examples deemed satisfactory for financing targeted women's empowerment activities in the first agropoles in Indénié-Djuablin²⁴ and Bélier²⁵ regions on the basis of gender profile by zoning, will be adapted/duplicated in the future agropoles of the indicative operations programme (see Annex 6). **As regards young people**, in addition to incubation activities for agri-business people, forms of contractualization by zoning of labour-intensive works in the road and energy sectors could be considered.

5.1.2.8 In all operations, the Bank will take into account green growth concerns. Technological choices in infrastructure will seek to alleviate pressure on natural resources. In this regard, the current energy mix (with a strong hydroelectricity and thermal dominance) is already helping to strengthen green growth. This will be consolidated with future renewable energy options in line with Côte d'Ivoire's commitments under the Paris Climate Change Agreement. ICT products and interventions in agro-sylvo-pastoral and fisheries value chains will improve the inclusiveness of growth.

5.2 Expected Outcomes and Targets

Pillar 1: Reinforcing transformative infrastructure and governance for economic competitiveness and investment effectiveness

Outcome 1: Contribute to the development of transport/ICT and urban development infrastructure

5.2.1 The availability and quality of infrastructure harmoniously distributed will help to improve economic competitiveness. This will promote opportunities throughout the country, increase domestic and external trade flows, and improve the standard of living of population. To achieve this first outcome, the Bank will accelerate implementation of ongoing and new projects in the transport, water resources management and ICT sectors so as to: (i) open up production basins and facilitate trade along domestic and regional corridors, (ii) improve the competitiveness of production sites

in the districts and region capital towns; (iii) reinforce water, drainage and sanitation infrastructure; (iv) open up production basins and facilitate trade along internal and inter-State corridors; (iv) rehabilitate/construct good quality transport infrastructure; (v) strengthen road maintenance; and (vi) strengthen national digital infrastructure to improve and broaden access to ICT products and services (digital financial services, e-Commerce, etc.).

Outcome 2: Contribute to development of the regional energy infrastructure and market

5.2.2 **To stay on its path to economic growth, Côte d'Ivoire must meet its energy needs. Furthermore, to be the regional energy hub, the country will need to increase its production capacity to 4000 MW by 2020, with greater contribution of clean energy to the national energy mix²⁶.** To meet the energy requirements of the economy, the Bank will support projects intended to: (i) increase infrastructure for the production, storage and transportation of hydrocarbons; (ii) increase infrastructure for the production, transmission and distribution of electricity (particularly from alternative sources); and (iii) strengthen rural electrification. In order to create an energy trade market, the Bank will support projects to interconnect the national network with those of ECOWAS.

Outcome 3: Improve sector and financial governance

5.2.3 Public expenditure effectiveness and efficiency, as well as sustainability of transformative investments in the Bank's focus sectors, require targeted sector reforms. The aim will be to support implementation of reforms needed to address the shortcomings of institutional and regulatory frameworks in the infrastructure sectors targeted for Bank support.

Pillar 2: Developing agro-industrial value chains for inclusive and sustainable growth

5.2.4 The objective of pillar 2 is to support the Government's efforts to develop agricultural

²⁴ Indénié-Djuablin Region Agricultural Infrastructure Support Project (PAIA-ID)

²⁵ Bélier Region Agro-industrial Pole Project (2 PAI-Bélier)

²⁶ Hydroelectricity's share of installed capacity is expected to increase from 30% to 45% by 2030, in addition to 5% of other renewable sources, particularly solar and

biomass. These initiatives should eventually reduce the thermal share by 50%, to reduce the gas bill and thus reduce energy costs.

value chains, with particular emphasis on the local processing of Côte d'Ivoire numerous and varied agricultural products. The Bank's action under this pillar will be consistent with the Second Generation National Agricultural Investment Programme (PNIA II 2018-2025) and other national policies aimed at this objective. PNIA II gives priority to the development of plant, animal and fishery products.

Outcome 4: Strengthen supervisory and research/development structures

5.2.5 The development of agro-industrial value chains requires improved productivity based on effective support for farmers and agricultural SMEs, as well as better integration of research/development in production systems. The Bank will, through its ongoing operations and future targeted institutional support, continue to support supervisory structures in growth sectors and research and development centres and institutes (ANADER, CNRA, ANADA, FIRCA) on the seed and soil components, and mechanization, processing and marketing aspects. The structures will be selected with the support of the Government, interprofessions and agro-industries. They will benefit from assistance plan contracts under Bank-financed projects.

Outcome 5: Develop agricultural infrastructure to support value chains

5.2.6 To achieve this outcome, the Bank will continue to support the programme for the agro-industrial poles already identified under PNIA II two of which, located in Bélier and Indénié-Djuablin regions, have already been financed by the Bank under the 2013-2017 CSP. The agropoles will be established through a programme approach and strengthening the competitiveness of the poles to ensure agro-industrial transformation of the economy²⁷. The Bank will continue with interventions aimed at strengthening value chain support infrastructure (rural roads, irrigation, warehouses, cold chains, logistics terminals, wholesale markets, and agricultural training) in collaboration with the

Government, decentralized authorities, and PPP.

Outcome 6: Mobilize financing to support agro-industrial processing

5.2.7 Through specific financing to businesses and SMEs, as well as shared-cost upgrading programmes (logistics chains, development of industrial land, upgrading of production equipment), the Bank will help to enhance agro-industrial processing of raw materials from growth sectors (cocoa, coffee, cashew nuts, oil palm, rubber, cola, fruits, textile, etc.).

Outcome 7: Improve the business climate and build SME capacities

5.2.8 Progress in agricultural value chains and local processing will require improving the business environment with special emphasis on support schemes for SMEs to enable them to be actors in the transformation of the agricultural sector, and thus in more inclusive growth. This outcome will be achieved by: (i) strengthening and streamlining of the investment incentive framework, (ii) reinforcing structures in charge of the business climate, and (iii) enhancing accounting and financial oversight.

5.2.9 ***Private Sector Operations: In line with the 2013-2022 Ten-year Strategy and the High 5s, the Bank will contribute to private sector development by financing operations with proven profitability.*** The Bank will continue making efforts to identify profitable projects that can be financed through the private window (AfDB). In this regard, all the Bank's non-sovereign instruments will be mobilized. In line with its private sector strategy and depending on the Bank's investment potential in Côte d'Ivoire, priority will be given to support for private enterprises and the development of PPPs in the growth poles selected by PND 2016-2020. Special attention will also be paid to projects and enterprises with export projection potential on external markets (regional and global).

5.2.10 **Furthermore, the Bank will help to deepen the financial market and financial inclusion by supporting the digital economy.**

²⁷ Studies for the establishment of two new agropoles in the North and West of Côte d'Ivoire are under way in 2018 (see Annex B).

This will be done mainly through innovative medium and long-term financing, as well as sovereign and/or non-sovereign instruments.

5.2.11 To implement the CSP, the Bank will implement the operations listed in the indicative lending programme in Annex 6 and the climate risk adaptation and mitigation measures in Annex 8.

5.2.12 *Regional Operations:* The 2018-2022 CSP will focus on regional operations in the transport (road network, border check points), ICT and energy (interconnection of electricity networks) sectors. The Bank will strengthen the capacities of Regional Economic Communities (RECs) for better coordination of regional projects.

5.3 CSP Financing Instruments

5.3.1 Preference will be given to various financing instruments. Transformative infrastructure will be financed through project loans or under PPP. **A multi-sector reform support programme will support reforms focusing on sector and financial governance and the business climate.** In addition to these products, the Bank will use lines of credit, partial guarantees, risk management products and trade financing.

5.4 Monitoring-Evaluation

5.4.1 Monitoring and evaluation of the 2018-2022 CSP implementation will be based on the PND monitoring mechanism and more specifically on the AfDB-State Unit that will be established. The participatory approach that has allowed this strategy to be better anchored on Côte d'Ivoire's priorities will be proactively intensified during its implementation, so as to achieve sustainable outcomes. The monitoring of the 2018-2022 CSP will be based on the PND monitoring-evaluation system. The CSP Results Framework provides a management tool for monitoring and implementing the CSP. It will monitor progress in the implementation of operations and make appropriate adjustments during the mid-term review in 2020 so as to better gear operations towards tangible results in 2022. The strategy implementation will also be reinforced by the establishment of an AfDB Unit in the Ministry of Planning and Development for regular monitoring of the

Bank's portfolio. Statistical support will also be provided under projects to strengthen the national statistical system.

5.5 Dialogue Issues

5.5.1 Dialogue with the Government will continue and be strengthened around certain themes. These include debt sustainability, the agricultural and infrastructure (transport/ICT and energy) management and regulatory framework, the public finance modernization plan, the public procurement framework including PPPs, and portfolio performance.

5.5.2 The strategy will support an analytical work programme. To support the desired economic diversification through agro-industrial value chains, studies will be conducted to deepen knowledge and support dialogue on sector issues (regulatory framework), as well as better targeting of sectors and intervention basins.

5.6 Risk and Mitigation Measures

5.6.1 Several domestic and external risks are associated with the Bank's strategy. At the domestic level, it could be: (i) the breakdown of political consensus in 2020; (ii) asymmetric security threats from terrorist groups, (iii) deterioration of the fiduciary and business framework; and (iv) deterioration of the extractive sector resource management framework. **At the external level,** the risks concern: (i) political and security instability in neighbouring countries and in the Sahel, (ii) continued deterioration of agricultural commodity prices; and (iii) climate change leading to an agricultural deficit.

5.6.2 These risks will be mitigated by national and regional measures. At the national level, the main democratic institutions that guarantee stability and continuity of the State (Vice-Presidency, Senate, National Assembly and the Constitutional Council) are in place. The national security system has been reinforced to deal with asymmetric threats. The implementation of the Public Finance Modernization Plan and the new cycle of reforms to improve the business climate are positive signs. **At the external level,** the agro-industrial value chain development option will mitigate the impacts of external shocks on



commodity prices and promote inclusive growth. The establishment of the G5 Sahel Force and the successful conduct of elections in Liberia, Sierra-Leone and Mali are also positive signs.

VI CONCLUSION AND RECOMMENDATION

6.1 Conclusion

6.1.1 The political and security situation remains stable, despite regional security threats and attempts to reconfigure the political framework in view of the presidential elections in 2020. Economic performance is good, and medium-term prospects remain favourable. However, growth is not inclusive. To meet this challenge, public policies will need to promote economic diversification, based on the development of agro-industrial value chains. In this regard, it will be necessary to reinforce transformative infrastructure so as to increase economic competitiveness and attract investments.

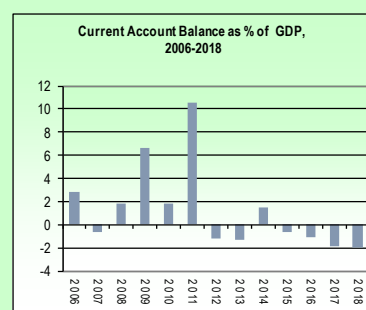
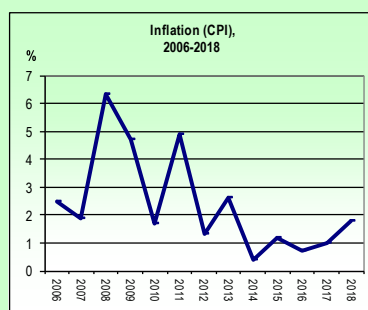
6.2 Recommendation

6.2.1 **The Boards are requested to consider and approve the Bank's Country Strategy in Côte d'Ivoire for the 2018-2022 period, as proposed in this document.**

Annex 1: Key Macro-economic Indicators

Côte d'Ivoire Selected Macroeconomic Indicators

Indicators	Unit	2000	2013	2014	2015	2016	2017 (e)	2018 (p)
National Accounts								
GNI at Current Prices	Million US \$	10 611	28 974	32 349	33 825	35 346	...	...
GNI per Capita	US\$	642	1 340	1 460	1 490	1 520	...	...
GDP at Current Prices	Million US \$	10 420	31 274	35 373	33 148	36 378	36 493	40 549
GDP at 2000 Constant prices	Million US \$	10 420	13 311	14 443	15 720	17 030	18 396	19 840
Real GDP Growth Rate	%	-4,6	8,7	8,5	8,8	8,3	8,0	7,9
Real per Capita GDP Growth Rate	%	-6,8	6,1	5,9	6,2	5,8	5,5	5,3
Gross Domestic Investment	% GDP	10,8	20,7	19,7	20,1	20,7	20,1	20,8
Public Investment	% GDP	2,8	6,3	6,9	6,7	6,5	7,0	6,9
Private Investment	% GDP	8,0	14,4	12,8	13,4	14,2	13,1	13,8
Gross National Savings	% GDP	7,8	16,6	18,1	17,5	18,5	16,5	17,3
Prices and Money								
Inflation (CPI)	%	2,5	2,6	0,4	1,2	0,7	1,0	1,8
Exchange Rate (Annual Average)	local currency/US\$	709,9	493,9	493,6	591,2	592,7	617,5	619,4
Monetary Growth (M2)	%	-29,4	9,4	16,1	8,7	6,5	...	...
Money and Quasi Money as % of GDP	%	16,0	26,5	27,2	26,4	25,5	...	...
Government Finance								
Total Revenue and Grants	% GDP	17,1	19,7	18,9	20,0	19,4	20,5	20,7
Total Expenditure and Net Lending	% GDP	18,3	21,9	21,0	22,8	23,3	25,0	24,5
Overall Deficit (-) / Surplus (+)	% GDP	-1,2	-2,2	-2,2	-2,8	-3,9	-4,5	-3,8
External Sector								
Exports Volume Growth (Goods)	%	-2,8	2,8	3,0	6,8	-10,0	13,4	9,1
Imports Volume Growth (Goods)	%	-15,8	5,3	4,2	19,7	5,8	9,1	4,1
Terms of Trade Growth	%	-17,0	1,8	8,4	7,7	24,2	-11,8	-3,2
Current Account Balance	Million US \$	-293	-423	511	-201	-390	-683	-791
Current Account Balance	% GDP	-2,8	-1,4	1,4	-0,6	-1,1	-1,9	-2,0
External Reserves	months of imports	2,3	4,2	4,4	0,4	0,4	...	...
Debt and Financial Flows								
Debt Service	% exports	1,5	12,6	8,3	10,3	13,5	15,0	15,8
External Debt	% GDP	173,3	40,0	35,7	41,1	39,2	44,0	44,6
Net Total Financial Flows	Million US \$	715	3	1 108	1 814	...	...	...
Net Official Development Assistance	Million US \$	351	1 273	925	653	...	...	...
Net Foreign Direct Investment	Million US \$	235	407	439	430	481	...	...



Source : AfDB Statistics Department; IMF: World Economic Outlook, October 2017 and International Financial Statistics, October 2017; AfDB Statistics Department: Development Data Portal Database, January 2018. United Nations: OECD, Reporting System Division.

Notes: ... Data Not Available (e) Estimations (p) Projections

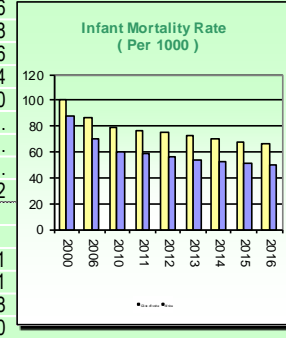
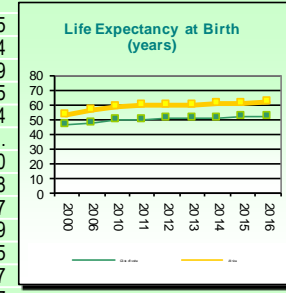
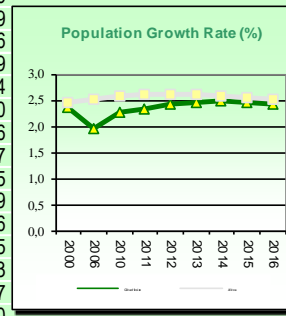
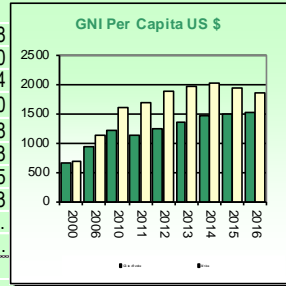
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Annex 2: Comparative Socio-economic Indicators

Côte d'Ivoire

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Côte d'Ivoire	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)	2017	322	30 067	94 716	35 018
Total Population (millions)	2017	23,8	1 244,8	6 252,1	1 190,0
Urban Population (% of Total)	2017	51,9	40,5	49,2	81,4
Population Density (per Km ²)	2017	74,9	42,4	66,0	34,0
GNI per Capita (US \$)	2016	1 520	1 836	4 442	41 208
Labor Force Participation *- Total (%)	2017	67,1	65,8	62,3	60,3
Labor Force Participation ** - Female (%)	2017	52,6	55,3	47,8	52,5
Sex Ratio (per 100 female)	2017	103,2	100,2	107,5	105,3
Human Develop. Index (Rank among 187 countries)	2015	171	...	...	...
Popul. Living Below \$ 1.90 a Day (% of Population)	2015	27,9	...	...	...
Demographic Indicators					
Population Growth Rate - Total (%)	2017	2,4	2,5	1,3	0,6
Population Growth Rate - Urban (%)	2017	3,5	3,5	2,4	0,9
Population < 15 years (%)	2017	42,1	40,8	27,9	16,6
Population 15-24 years (%)	2017	20,4	19,2	16,7	11,9
Population >= 65 years (%)	2017	3,0	3,5	6,8	17,4
Dependency Ratio (%)	2017	82,5	79,6	54,6	52,0
Female Population 15-49 years (% of total population)	2017	23,6	24,0	25,6	22,6
Life Expectancy at Birth - Total (years)	2017	52,6	61,9	70,2	80,7
Life Expectancy at Birth - Female (years)	2017	53,6	63,3	72,3	83,5
Crude Birth Rate (per 1,000)	2017	36,4	33,9	20,6	10,9
Crude Death Rate (per 1,000)	2017	12,9	9,0	7,5	8,6
Infant Mortality Rate (per 1,000)	2016	66,0	49,3	33,1	4,5
Child Mortality Rate (per 1,000)	2016	91,8	72,6	44,3	5,3
Total Fertility Rate (per woman)	2017	4,8	4,4	2,6	1,7
Maternal Mortality Rate (per 100,000)	2015	645,0	444,1	237,0	10,0
Women Using Contraception (%)	2017	20,5	37,6	62,1	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2005-15	14,3	41,6	121,6	293,5
Nurses and midwives (per 100,000 people)	2005-15	47,9	120,9	211,3	873,4
Births attended by Trained Health Personnel (%)	2010-16	59,4	55,9	76,6	98,9
Access to Safe Water (% of Population)	2015	81,9	71,6	89,4	99,5
Access to Sanitation (% of Population)	2015	22,5	39,4	61,5	99,4
Percent of Adults (aged 15-49) Living with HIV/AIDS	2016	2,7	3,6	1,1	...
Incidence of Tuberculosis (per 100,000)	2016	153,0	221,7	163,0	12,0
Child Immunization Against Tuberculosis (%)	2016	95,0	82,1	84,9	95,8
Child Immunization Against Measles (%)	2016	77,0	74,4	84,0	93,7
Underweight Children (% of children under 5 years)	2010-15	...	18,1	15,3	0,9
Prevalence of stunting	2010-15	29,6	33,3	25,0	2,5
Prevalence of undernourishment (% of pop.)	2015	15,4	17,5	12,3	2,7
Public Expenditure on Health (as % of GDP)	2014	1,7	2,6	3,0	7,7
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-16	93,6	101,7	103,8	102,6
Primary School - Female	2010-16	88,0	98,8	102,2	101,8
Secondary School - Total	2010-16	43,9	51,8	...	106,6
Secondary School - Female	2010-16	36,6	49,7	...	106,4
Primary School Female Teaching Staff (% of Total)	2010-16	27,8	46,0	51,3	81,0
Adult literacy Rate - Total (%)	2010-16	43,9	68,6	...	...
Adult literacy Rate - Male (%)	2010-16	50,7	76,0	...	...
Adult literacy Rate - Female (%)	2010-16	36,8	61,7	...	...
Percentage of GDP Spent on Education	2010-16	5,0	4,9	4,1	5,2
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2015	9,1	8,0	11,3	10,1
Agricultural Land (as % of land area)	2015	64,8	37,4	38,1	35,1
Forest (As % of Land Area)	2015	32,7	21,0	31,4	28,8
Per Capita CO2 Emissions (metric tons)	2014	0,5	1,1	3,5	11,0



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update : January 2018

UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Annex 3: Progress towards Achievement of the Sustainable Development Goals

Social Context							
Table 4: Progress Toward Achieving the Sustainable Development Goals				Côte d'Ivoire	Table 4 (Cont'd) : Progress Toward Achieving the Sustainable Development Goals		
	2000 ¹	2010 ²	2016 ³		2000 ¹	2010 ²	2016 ³
Goal 1: End poverty in all its forms everywhere					Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		
Proportion of population living below the international poverty line of US\$ 1.90 (PPP) per day	0,0	0,0	0,0		Manufacturing value added per capita (Constant 2010 US \$)	0,0	0,0
Proportion of population living below the national poverty line (%)	0,0	0,0	0,0		Manufacturing value added per capita (Constant 2010 US \$)	0,0	0,0
Proportion of employed population below the international poverty line of US\$1.90 per day, aged 15-24 (%)	0,0	0,0	0,0		Total official international support to infrastructure (Millions of Constant US\$)	0,0	0,0
Proportion of employed population below the international poverty line of US\$1.90 per day, aged 15 and over (%)	0,0	0,0	0,0		Goal 10: Reduce inequality within and among countries		
					Labour share of GDP, comprising wages and social protection transfers (%)	0,0	0,0
Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture					Total resource flows for development (US \$ Millions)	0,0	0,0
Prevalence of undernourishment (%)	0,0	0,0	0,0				
Prevalence of stunting among children under 5 years of age	0,0	0,0	0,0		Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable		
Prevalence of stunting among children under 5 years of age	0,0	0,0	0,0		Proportion of urban population living in slums (%)	0,0	0,0
Total official flows (official development assistance plus other official flows) to the agriculture sector (Millions of constant US\$)	0,0	0,0	0,0		Annual mean levels of fine particulate matter (PM2.5) in cities, population weighted, 2014 (%)	0,0	0,0
Goal 3: Ensure healthy lives and promote well-being for all at all ages							
Under-five mortality rate (per 1 000)	0,0	0,0	0,0		Goal 12: Ensure sustainable consumption and production patterns		
Maternal mortality ratio (per 100 000)	0,0	0,0	0,0		Total material footprint (Thousands of metrics tons)	0	0
Total net official development assistance to medical research and basic health sectors (Millions of constant US\$)	0,0	0,0	0,0		Total material footprint (Thousands of metrics tons)	0,0	0,0
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all					Total domestic material consumption (Thousands of metrics tons)	0	0
Proportion of children and young people at the end of primary achieving at least a minimum proficiency level in: Reading (%)	0,0	0,0	0,0		Goal 13: Take urgent action to combat climate change and its impacts		
Proportion of children and young people at the end of primary achieving at least a minimum proficiency level in: Maths (%)	0,0	0,0	0,0				
Gender parity index of teachers in primary education who are trained	0,0	0,0	0,0				
Goal 5: Achieve gender equality and empower all women and girls					Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development		
Proportion of women aged 20-24 years who were married or in a union before aged 18 years	0,0	0,0	0,0		Coverage of protected areas in relation to marine areas (%)	0,0	0,0
Proportion of girls and women aged 15-49 years who have undergone female genital mutilation/cutting	0,0	0,0	0,0				
Proportion of seats held by women in national parliaments (%)	0,0	0,0	0,0				
Goal 6: Ensure availability and sustainable management of water and sanitation for all					Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		
Proportion of population using safely managed drinking water services (%)	0,0	0,0	0,0		Coverage by protected areas of important sites for mountain biodiversity (%)	0,0	0,0
Proportion of population using safely managed drinking water services (%)	0,0	0,0	0,0		Proportion of important sites for terrestrial biodiversity that are covered by protected areas (%)	0,0	0,0
Level of water stress: freshwater withdrawal as a proportion of available freshwater resources	0,0	0,0	0,0		Red List Index	0,0	0,0
Total official flows for water supply and sanitation (Constant US\$ Millions)	0,0	0,0	0,0		Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all					Proportion of children under 5 years of age whose births have been registered with a civil authority	0,0	0,0
Proportion of population with access to electricity (%)	0,0	0,0	0,0		Unsentenced detainees as a proportion of overall prison population (%)	0,0	0,0
Proportion of population with primary reliance on clean fuels and technology (%)	0,0	0,0	0,0				
Renewable energy share in the total final energy consumption (%)	0,0	0,0	0,0		Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development		
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all					Volume of remittances (in United States dollars) as a proportion of total GDP (%)	0,0	0,0
Unemployment rate, (aged 15 over) (%)	0,0	0,0	0,0		Debt service as a proportion of exports of goods and services (%)	0,0	0,0
Unemployment rate, (aged 15-24) (%)	0,0	0,0	0,0		Total amount of all resources made available to strengthen statistical capacity (Thousands of US\$)	0,0	0,0
Proportion of children aged 5-17 years engaged in child labour	0,0	0,0	0,0		Proportion of individuals using the Internet (%)	0,0	0,0
Sources : ADB Statistics Department Databases; United Nations Statistical Division, Online Database on Sustainable Development Goals (https://unstats.un.org/sdgs/).							
1 Latest year available in the period 2000-2005; 2 Latest year available in the period 2006-2010; 3 Latest year available in the period 2011-2016							

Annex 4: Bank Portfolio in Côte d'Ivoire - 30 May 2018





4.1 NATIONAL PROJECTS

Sector / Operation	Approval Date	Approved Amount (UA Million)	Disb. Amount (UA Million)	Disb. Rate	Disbursement Deadline	
ENERGY Light up & power Africa Éclairer & électrifier l'Afrique						
1	Power Transmission and Distribution Grid Reinforcement Project (PRETD) - AfDB	16-Nov-16	114.38	12.16	10.6	31-Dec-20
Sub-Total			114.38	12.16	10.6%	
AGRICULTURE Feed Africa Nourrir l'Afrique						
2	Indénié-Djuablin Region Agricultural Infrastructure Support Project (PAIA-ID) – ADF	01-March-12	21.60	15.32	70.9	28-Feb.-19
3	Bélier Region Agro-industrial Pole Project (2PAI-BELIER)-	25-Jan-17	53.41	2.12	3.9%	31-Dec-22
	AfDB	25-Jan-17	26.04	0.89	3.4%	31-Dec-22
	ADF (Loan)	25-Jan-17	3.40	0.79	23.2%	31-Dec-22
4	PPF – Enable Youth Côte d'Ivoire – ADF	07-July-16	1.00	0.10	10.5%	31-Dec-18
5	Indénié – Djuablin Region Value Chains Development Project in (PDC-ID) - NTF	21-Oct-16	4.00	0.00	0%	30-June-20
Sub-Total			109.45	19.22	17.5%	
TRANSPORT Integrate Africa Intégrer l'Afrique						
6	Abidjan Urban Transport Project (PTUA) - AfDB	16-Dec-16	197.13	0.0	0%	31-Dec-21
	GEF-Global Environment Facility	16-Dec-16	4.99	0.03	0.5%	31-Dec-21
7	Air Côte d'Ivoire Project - AfDB	8-Nov-17	42.46	33.81	79.6%	31-Dec-23
	ADF (Guarantee)	8-Nov-17	14.15	0.00	0%	31-Dec-23
	ADF (Loan)	8-Nov-17	3.55	0.00	0%	31-Dec-23
Sub-Total			262.28	33.84	12.9%	
GOVERNANCE Improve the quality of life for the people of Africa Améliorer la qualité de vie des populations en Afrique						
8	Support Project for Strengthening Competitiveness of the Industrial Sector (PARCSI) - ADF	30-Sep-15	10.00	1.49	14.9%	30-Nov-19
9	Economic and Financial Management Support Project - ADF (Loan)	30-March-17	6.55	0.00	0%	31-Dec-19
	ADF (Grant)	30-March-17	0.21	0.00	0%	31-Dec-19
	TSF (Loan)	30-March-17	9.61	0.13	1.3%	31-Dec-19
	TSF (Grant)	30-March-17	0.03	0.02	95.3%	31-Dec-19
Sub-Total			26.40	1.64	6.2%	
FINANCE Industrialise Africa Industrialiser l'Afrique						
10	Entrepreneurship Development Support Project - FAPA	16-Dec-14	0.67	0.39	59.4%	30-June-18
Sub-Total			0.67	0.39	59.4%	
WATER AND SANITATION Improve the quality of life for the people of Africa Améliorer la qualité de vie des populations en Afrique						
11	Support project for liquid waste treatment and employment promotion in Bouake and Katiola (AWF)	4-Sep-13	1.04	0.26	25.5%	31-Dec-18
Sub-Total			1.04	0.26	25.5%	
TOTAL			514.22	67.51	13.1%	




* Source: SAP-PS April 2018

4.2 REGIONAL PROJECTS

Sector / Operation		Approval Date	Approved Amount (UA Million)	Disbursed Amount (UA Million)	Disb. Rate	Disbursement Deadline
ENERGY 						
1	CLSG- Cote d'ivoire-Transco Interconnection -ADF	6-Nov-13	26.17	1.60	6.1%	31-Oct-20
2	CLSG - WAPP- Cote d'ivoire - ADF	6-Nov-13	0.72	0.43	59.5%	31-Oct-20
3	CLSG – Rural Electrification Project - ADF	06-Nov-13	6.10	3.11	50.9%	31-Oct-20
Sub-Total			32.99	5.14	15.6%	
TRANSPORT 						
4	Road Development and Transport Facilitation Programme - Mano River Union (PARFT/UFM) - ADF (initial)	18-Dec-14	42.64	7.62	17.9%	30-June-20
	TSF (TSF)	18-Dec-14	22.82	4.07	17.9%	30-June-20
	ADF (Additional Loan)	3-June-15	31.18	5.59	17.9%	30-June-20
5	CI - Transport Development and Facilitation Project on the Bamako-Zantiebougou Corridor – AfDB	26-Nov-15	42.58	6.13	14.4%	30-June-21
	ADF	26-Nov-15	30.00	3.10	10.3%	30-June-21
Sub-Total			169.22	26.51	15.6%	
TOTAL			202.21	31.66	15.6%	

* Source: SAP-PS April 2018

4.3 PRIVATE SECTOR OPERATIONS

Sector / Operation		Approval Date	Approved Amount (UA Million)	Disbursed Amount (UA Million)	Disburs. Rate	Disbursement Deadline
ENERGY 						
1	Power Plant Extension Project (CIPREL)-AfDB	24-July-13	41.18	41.18	100%	13-Aug-28
	TSF	24-July-13	12.44	0.00	0%	13-Aug-28
2	AZITO Power Plant Extension Project - AfDB	19-Dec-12	25.53	25.53	100%	27-Feb-20
3	Hydroelectric Power Plant Construction Project of Singrobo - AfDB	06-Dec-17	41.49	0.0	0%	01-Jan-22
Sub-Total			120.64	66.71	55.3%	
FINANCE 						
4	Equity Participation in MCI - FAPA	16-Apr-10	0.70	0.59	84.5%	31-May-18
Sub-Total			0.70	0.59	84.5%	
TRANSPORT 						
5	Air Côte d'Ivoire Project Private - ADF	8-Nov-17	35.20	0.00	0%	19-Jan-21
6	Henry Konan Bédié Toll Bridge - AfDB	01-March-12	46.06	46.06	100%	28-June-27
	TSF	4-Nov-15	8.76	0.00	0%	28-June-27
7	Riviera Toll Bridge Stand By - AfDB	1-March-12	2.07	2.07	100%	28-June-27
	TSF	4-Nov-15	0.63	0.00	0%	28-June-27
Sub-Total			92.72	48.13	51.9%	
TOTAL			214.06	115.43	53.9%	

* Source: SAP-PS April 2018

Annex 5: 2018 Portfolio Performance Improvement Plan

MEASURES TO BE TAKEN	RESULTS MONITORING INDICATORS	RESPONSIBLE	SCHEDULE	
I. Quality of operations at entry				
<p>1.1 Inadequate quality technical studies and better mainstreaming of sector strategies in operations design</p> <p>1.2 Delays in establishing or forming project teams;</p>	<ul style="list-style-type: none"> ▪ Ensure "quality at entry" for new projects through quality technical studies and proper mainstreaming of national sector strategies. ▪ Need to comply with new Bank guidelines on project preparation and implementation, including availability of studies prior to project appraisal ▪ Establish the complete project team before the project is approved by the Board of Directors, by organizing awareness workshops or unit coaching; ▪ Ensure that the recruitment process is transparent and fair by involving the beneficiary structure in project appraisal. 	<ul style="list-style-type: none"> ▪ Updated studies are available ▪ The full project team is recruited prior to implementation. ▪ At least 80% of project coordinators are appointed before negotiation. 	<p>GVT/AfDB.</p> <p>GVT/AfDB</p> <p>GVT/AfDB</p>	<p>Continuous.</p> <p>Continuous.</p>
II. Project Implementation				
<p>2.1 Instability of structures in charge of project management.</p>	<ul style="list-style-type: none"> ▪ Stabilization of structures by providing resources to retain efficient experts; ▪ Encourage secondment, to project executing agencies, of government officials with experience in project management, with incentive allowances. ▪ Avoid institutional instability of project executing agencies. 	<ul style="list-style-type: none"> ▪ Efficient experts are maintained. ▪ The supervisory Ministry of the project executing agency should be designated before project approval. 	<p>Sector Ministries /PIU/AfDB</p> <p>Sector Ministries /PIU/AfDB</p> <p>GVT</p>	<p>Continuous</p>
<p>2.2 Inadequate project coordination by the Partnership Department in the Ministry of Planning and Development</p>	<ul style="list-style-type: none"> ▪ Establishment of a consultation and coordination framework by the Ministry of Planning and Development ▪ Hold regular and quarterly meetings with Project Coordinators. 	<ul style="list-style-type: none"> ▪ A consultation and coordination framework is available and operational at the Ministry of Planning and Development. ▪ Minutes of meetings organized by the Partnership Department of the Ministry of Planning and Development 	<p>GVT/PIU/AfDB</p> <p>GVT/PIU/AfDB</p>	<p>Continuous</p>
<p>2.3 Weak capacity of local businesses and individual consultants to perform tasks properly</p>	<ul style="list-style-type: none"> ▪ Ensure that only qualified contractors and consultants are selected to provide the service requested ▪ Accelerate the process of sanctioning and terminating the contracts of defaulting companies. ▪ Strengthen supervisory system for companies/service providers. 	<ul style="list-style-type: none"> ▪ 50% reduction in contracts delayed by contractors ▪ Termination of at least 50% of the contracts of defaulting companies. ▪ 50% increase. 	<p>PIU</p> <p>GVT/PIU</p> <p>GVT/PIU</p>	<p>Continuous</p>
<p>Long delays in granting no-objection opinions;</p>	<ul style="list-style-type: none"> ▪ Increase the number of requests and discussions with the various Project Managers of the AfDB Group 		<p>GVT/PIU/AfDB</p>	<p>Continuous</p>

MEASURES TO BE TAKEN		RESULTS MONITORING INDICATORS	RESPONSIBLE	SCHEDULE
III. Procurement				
3.1 Poor knowledge of Bank rules and procedures for procurement of goods, works and consultancy services.	<ul style="list-style-type: none"> ▪ Strengthen training programmes for executing agencies on Bank procedures (procurement, financial management, disbursement, etc.). ▪ Implement and strengthen the use of procurement plans as a planning tool in portfolio project management. 	<ul style="list-style-type: none"> ▪ Number of training sessions provided to project management unit staff ▪ % of projects with a Procurement Plan at the beginning of the year. 	AfDB/PIU AfDB/PIU	Continuous 30 September 2018
3.2 Delays in the procurement process	<ul style="list-style-type: none"> ▪ Streamline file processing times in PIU and State structures; ▪ Use the procurement plan as a project management tool. ▪ Take appropriate measures to limit delays by sector Ministries in signing contracts. ▪ Identify, at project appraisal, the contracts for which the national procurement system will be used. 	<ul style="list-style-type: none"> ▪ Number of days between contract opening and approval. ▪ Use of the national procurement system 	PIU and State structures GVT/PIU/AfDB	Continuous
3.3 Delays in issuing no objection opinions.	<ul style="list-style-type: none"> ▪ Reduce file processing times and provide for use of acknowledgements of receipt; ▪ Improve the quality of disbursement request files sent to the Bank. ▪ Have the annual activity programme validated by the Bank and provide for obtaining no objection opinion for this programme. 	<ul style="list-style-type: none"> ▪ The number of days between receipt of files and issuing of no objection opinions. 	AfDB	Continuous
IV Financial Management, Disbursement and Audit				
4.1 Delays in making the first disbursement	<ul style="list-style-type: none"> ▪ Fulfill the conditions precedent to first loan/grant disbursement within the required timeframe. ▪ Reduce delays in ratifying loan/grant agreements. ▪ Ensure that the project is included in the budget for the year concerning the project. ▪ Improve processing time for disbursement requests. 	<ul style="list-style-type: none"> ▪ Average time for first disbursement should be ≤ 6 months after project approval ▪ Rapid ratification of loan/grant agreements ▪ Inclusion of the project in the budget for the year concerning the project ▪ The number of days between receipt of disbursement requests and initiation of the first disbursement. 	AfDB/GVT	Continuous

MEASURES TO BE TAKEN		RESULTS MONITORING INDICATORS	RESPONSIBLE	SCHEDULE
4.2 Delays in submitting audit reports	<ul style="list-style-type: none"> ▪ Reduce delays in submitting audit reports ; ▪ Recruit the Auditor at project start-up; ▪ Encourage project implementation units to monitor the processing of reports submitted to the Bank. 	<ul style="list-style-type: none"> ▪ Audit report sent within 6 months following closure of the fiscal year. 	AfDB/PIU	Continuous.
4.3 Late release of counterpart funds to budget support beneficiary structures	<ul style="list-style-type: none"> ▪ Arrange for early notification of annual budgets. ▪ Ensure that budgeted funds are sufficient to cover project needs during the year. ▪ Involve the Central Treasury Agency and the Public Debt Department in negotiation of the loan/grant agreement. 	<ul style="list-style-type: none"> ▪ Counterpart funds are available on time. 	GVT	Continuous.
V. Monitoring and Evaluation				
5.1 Weak monitoring and evaluation systems within projects	<ul style="list-style-type: none"> ▪ Establish a monitoring and evaluation system in each project 	<ul style="list-style-type: none"> ▪ A monitoring and evaluation system is established and is operational in each project. 	PIU	Continuous
5.2 Weak involvement of Ministries in project monitoring	<ul style="list-style-type: none"> ▪ Involve beneficiary structures or Ministries as from project identification. ▪ Provide for establishment of a unit in the Ministry of Planning to ensure administrative monitoring of procedures for rapid project start-up. ▪ Schedule periodic meetings to monitor the project implementation status. 	<ul style="list-style-type: none"> ▪ Number of project monitoring meetings. 	GVT	Continuous.

Annex 6: Indicative Lending Programme and Economic and Sector Work for 2018-2022

(Amount UA Million)

These amounts are indicative and depend on the country's commitment capacity.

	Sector	Project Name	ADF	AfDB	AGTF	Cofinancing	Total Project Cost
LENDING OPERATIONS OF THE NATIONAL AND REGIONAL PROGRAMME (in close coordination with other TFP)							
Pillar 1: Reinforcing transformative infrastructure and governance for economic competitiveness and investment effectiveness							
Pillar 2: Developing agro-industrial value chains for inclusive and sustainable growth							
2018	Transport	1. Abidjan Urban Transport Project Phase 2, 23 km East Exit Highway Splitting and 19 km West Exit Highway Splitting		100.00			100.00
		2. Bondoukou Ghana Border Road Paving Project (11.4 km)	11.00				11.00
	Energy	3. Technical Assistance IPP Procurement	0.80			0.8 + 7.044	7.84
		4. Electricity Programme Phase 1: Rural Electrification in the North Regions of Côte d'Ivoire		30.00			30.00
		5. AZITO 4 (255 MW – PPP project funded on the ADB window)		50.12		234.74	284.86
	Agriculture	6. Preparatory Study for the Agro-industrial Pole Project in the North Region of Côte d'Ivoire	1.00				1.00
		7. Preparatory Study for the Agro-industrial Pole Project in the West Region of Côte d'Ivoire	1.00				1.00
	Environment	8. Project for rebuilding forest capital and improving resilience in central Côte d'Ivoire.	3.00				3.00
	Governance	9. Institutional Support Project for Competitiveness of the Cocoa Sector	5.00				5.00
Sub-Total 2018			21.00	180.12		256.58	457.70
2019	Transport	1. Abidjan Urban Transport Project Phase 3		161.49			161.49
		2. Programme to open up cross-border and agricultural areas Phase 2: Odienné-Mali border (115 km); Danané-Liberia border (25 km); Zuénoula-Mankono (80 km); Bouna-Vonkoro (35km); Téhini-Varalé (49km); Odienné-Guinea border (95km)		250.00			250.00
	Urban Development	3. Greater Abidjan sanitation programme Phase 1: Integrated management of Gourou basin 2		40.00			40.00
	Energy	4. Structures reinforcement and electricity access programme Phase 2: Reinforcement of the North HV line, improvement of the quality of electricity in Abidjan, reinforcement of West and North-West networks and access to electricity in rural areas	20.00	50.00	25.00	75.00	170.00
		5. CIPREL 5 (390 MW - PPP project funded on the ADB window)		62.65		257.30	319.95
	Agriculture	6. Preparatory Study on Blue Economy Project in Côte d'Ivoire	1.00				1.00
		7. Agro-industrial Pole Project in the North Region (2PAI-nord)	26.04	29.44			55.48
	Business Climate	8. Business Climate Improvement Support Programme Phase 1	10.00				10.00
	Capacity Building	9. Multisector SME Support Programme Phase 1 (transport, energy, agro-industry, urban development, Population census and strengthening the statistical system)	20.00				20.00
	Financial Sector	10. Financial Sector Revitalization Support Project	10.00	20.00			30.00
Sub-Total 2019			87.04	483.58	25.00	332.30	927.92
2020	Transport	1. Programme to open up cross-border and agricultural areas Phase 3: Paving of the Kimbirila-Guinea border road		125.00			125.00

(Amount UA Million)

These amounts are indicative and depend on the country's commitment capacity.

	Sector	Project Name	ADF	AfDB	AGTF	Cofinancing	Total Project Cost
	Energy	2. Structures reinforcement and electricity access programme Phase 3: creation and extension of HV sub-stations in Abidjan and the interior of the country.	20.00	10.00			30.00
	ICT	3. Support Project for Extension of National Connectivity and Strengthening of e-Government (PPP)		50.00		100.00	150.00
	Agriculture	4. Agro-industrial Pole Project in West Region (2PAI-ouest)	26.04	29.44			55.48
	Agriculture	5. Blue Economy Project of Côte d'Ivoire					
	Agriculture	6. Preparatory Study on the Agro-industrial Pole Project in South Region of Côte d'Ivoire	1.00				1.00
	Agriculture	7. Preparatory Study on the Agro-industrial Pole Project in North-West Region of Côte d'Ivoire	1.00				1.00
	Governance	8. Sector Governance Support Project (energy, transport and agriculture) – PAGS	10.00	20.00			30.00
Sub-Total 2020			58.04	244.44		100.00	402.48
	Transport	Programme to open up cross-border and agricultural areas Phase 4		125.00			125.00
	Urban Development	Great Abidjan sanitation programme Phase 2:		40.00			40.00
	Energy	Phase 4 electricity access and works reinforcement programme: creation and extension of HV substations in the interior of the country and access to electricity in rural areas.	10.00	20.00	10.00		40.00
	Agriculture	South Region Agro-industrial Pole Project of Côte d'Ivoire (2PAI-sud.)	26.04	29.44			55.48
	Agriculture	North-West Agro-industrial Pole Project of Côte d'Ivoire (2PAI-nord-ouest)	26.04	29.44			55.48
	Capacity Building	Multi-sector SME support programme Phase 2 (transport, energy; agro-industry, urban development and strengthening the statistical system)	20,00				20.00
	Financial Sector	Support programme for revitalization of the financial sector Phase 2	10,00	20.00			30.00
	Business Climate	Support programme for improvement of the business climate Phase 2	10,00				10.00
Sub-Total 2021 -2022			102.08	263.88	10.00		375.96
Total Pillar 1			158.08	1043.14	35.00	674.88	1911.10
Total financial sector			20.00	40.00			60.00
Total Pillar 2			86.12	98.32			198.44
TOTAL NATIONAL AND REGIONAL			274.20	1181.46	35.00	674.88	2179.54
NON-LENDING ACTIVITIES (in close coordination with the other TFPs)							
2019	Transport	1. Transport sector review					
	Energy	2. energy sector review					
	Agriculture	3. Agriculture sector review					
	Agriculture	4. Studies on growth sectors and export competitiveness					
2020	Governance	5. Diagnostic study on growth of the Ivorian economy					
2021	Agriculture	6. Preparation of a national strategy for promoting Climate Smart Agriculture (CSA)					

1. Fiduciary Risks of Public Procurement

1.1 Procurement Legal and Regulatory Framework

Decree No. 2009-259 of 6 August 2009 on the Public Procurement Code, as amended by Decrees Nos. 2014-306 of 27 May 2014 and 2015-525 of 15 July 2015, were reviewed, and the risk for their use in operations financed by the Bank was assessed to be "low". This review aims to ensure the existence of transparent, fair and competitive procurement policies and procedures, as well as assess the existence and quality of procurement regulations and documents. However, the following relatively minor weaknesses need to be addressed:

- Order No. 009 MEF/DGB/DMP of 16 January 2012 considers agreements between legal persons governed by public law as public contracts of a special type. However, the Public Procurement Code (CMP) does not contain specific provisions relating to these agreements. In order to avoid potential conflict between this Order and the Code in their implementation, it would be useful to revise the Public Procurement Code so as to provide for participation of public enterprises that ensure fair competition conditions for all competitors.
- The provision on public opening of bids does not guarantee opening immediately after expiry of the deadline for submission of bids, especially as the Bids Opening and Evaluation Commission (BOEC) can only validly sit if all members are present. Furthermore, the publication of bids opening report and its dissemination to bidders is not provided for in the Code. Pending the inclusion of this shortcoming in the draft code currently being prepared, the Department of Public Procurement (DMP) has taken preventive measures which oblige contracting authorities to conduct the opening of bids 30 minutes after the deadline for submission of bids and to require only the presence of the contracting authority's representative to proceed with the opening.
- The streamlined standard bidding documents (BD) prepared by the DMP for non-complex and routine services (non-complex works, routine supplies, fuel, catering, occasional labour, hiring of labour) and used by contracting authorities were not adopted through the statutory procedure provided for by the Code. It would also be consistent to adopt the streamlined standard bidding documents by decree, in accordance with Article 21 of the Public Procurement Code.

1.2 Institutional Framework and Management Capacity

The public procurement institutional framework in Côte d'Ivoire includes the National Public Procurement Regulatory Authority (ANRMP), the Department of Public Procurement (DMP), and the contracting authorities. The aim is to ensure that responsibilities are clearly defined and separated in order to avoid any risk of conflict of interest or competence in public procurement, control and regulation functions. The risk to the institutional framework is deemed relatively "low". The only distortion noted concerns the relatively inappropriate involvement of the Minister in charge of Public Procurement. Indeed, the Minister in charge of Public Procurement intervenes in the operations by granting authorizations to use waiver procedures (limited competitive bidding and direct negotiation), and settles disputes between administrative structures. The National Public Procurement Regulatory Authority (ANRMP) is an Independent Special Body that does not intervene directly in procurement activities. The "Appeals and Sanctions" Unit receives appeals from bidders and candidates for contracts. The Administrative Reconciliation Commission (CAC) is competent for disputes or disputes within the Administration arising during the contract award, settlement and control phases. However, in this regard, the CAC does not issue a decision, but submits its opinions to the Minister in charge of Public Procurement. It would be useful to amend the CMP in order to relieve the Minister in charge of Public Procurement of the responsibility of issuing authorizations to use waiver procedures, and entrust this responsibility to the DMP.

1.3 Operational Procurement Activities

This part of the analysis seeks to ensure that the country procurement system has adequate and operational mechanisms to allow for appropriate capacity of national institutions involved in public procurement, as well as for effective public-private partnerships and well-organized private sector, and clearly defined procurement procedures for proper contract management.

Decree No. 2012-1151 of 19 December 2012, issued for the implementation of the Public Procurement Code, defines the powers, organization and operation of the institutional framework for managing public-private partnerships. It provides that the procurement procedures laid down in the Public Procurement Code are applicable to the award of PPP contracts. Disputes are settled by the ANRMP, but the DMP does not intervene in the control process. This control function is performed by the National PPP Steering Committee (CNP-PPP). This is a control mechanism parallel to that established by the Public Procurement Code, and does not contribute to streamlining public procurement bodies. The proposed reform measures consist, for the Government, in: (i) ensuring that the legal framework for public procurement transposes the provisions of the future WAEMU PPP Directive, and (ii) taking advantage of the transposition of the WAEMU PPP Directive to make the DMP responsible for *a priori* control of the procedures for awarding the contracts.

1.4 Integrity and Transparency of the Public Procurement System

This part of the assessment seeks to ensure: (i) that there are policies and procedures relating to external audit, internal control and procurement audit; (ii) that bidders can file complaints throughout the procurement process, and that the complaints body is independent; and (iii) that there are sufficiently clear and detailed provisions on fraud and corruption in the law and standard procurement documents.

Policies and procedures relating to external audit, internal control and procurement audit are well defined in the legal framework. At the external level, the Court of Auditors, which is the supreme court for auditing public finance, exercises "jurisdictional competence and control competence" over public finance management. At the internal level, the DMP and CPM monitor the implementation of the public procurement procedure, without prejudice to the intervention of the other State control bodies, particularly the Financial Controller and the General State Inspectorate. The ANRMP conducts independent audits of the procurement system. However, the DMP has not yet conducted an assessment of the risks associated with the implementation of contracts for simplified expenditure, which have come under the responsibility of the contracting authority, without its prior control. This is all the more so as the quarterly ex-post controls (Order No. 693 MPMB/DGBF/DMP of 16 September 2015 on simplified competitive bidding procedures), provided for these expenses are not effective. The risk for this indicator is relatively moderate because expenditures above the procurement thresholds are audited by the DMP.

The Minister in charge of Public Procurement, who approves the opinions proposed by the Administrative Reconciliation Commission (CAC), is directly involved in procurement operations, because he authorizes the use of limited competitive bidding and direct negotiation. He cannot therefore decide disputes arising from these procedures with all the required independence. Furthermore, his intervention by granting these waivers hampers any non-judicial appeal by the administrative structures against the related decisions.

2. Summary of risks, mitigation measures and/or reform actions

On the basis of the shortcomings identified in Côte d'Ivoire's procurement system in relation to generally accepted international practices, the overall risk is deemed "*moderate*". This risk could be reduced to a relatively "low" level for more efficient use of public resources by taking corrective measures or by undertaking the following reforms:

<i>No.</i>	<i>Risk Factors</i>	<i>Risk Level</i>	<i>Proposed Reform Actions</i>
1.	The CMP does not contain provisions on agreements between legal persons governed by public law	Low	Revise the CMP so as to provide for participation of public enterprises that ensure a level playing field for all competitors
2.	The CMP provision on the opening of bids does not guarantee immediate opening on the closing date for submission of bids, especially as the BOEC can only validly sit if all members are present.	Low	Revise the CMP
3.	The streamlined standard bidding documents prepared by the DMP for non-complex and routine services and used by contracting authorities were not adopted through the statutory procedure provided for by the Code	Low	Adopt the streamlined standard bidding documents by decree, in accordance with Article 21 of the Public Procurement Code
4.	Involvement of the Minister in charge of Public Procurement by granting authorizations to use waiver procedures and by handling disputes between administrative structures	Low	Relieve the Minister in charge of Public Procurement from issuing authorizations to use waiver procedures and entrust this responsibility to the DMP
5	The DMP has not yet conducted an assessment of the risks associated with implementation of simplified expenditure contracts. Quarterly <i>ex-post</i> controls on simplified competitive procedures are not effective.	Moderate	Perform periodic <i>ex-post</i> controls on procurements using simplified procedures

These weaknesses need to be reassessed during budget support operations in order to ensure effective implementation of such operations. Unresolved discrepancies could be identified as triggers for programme operations.

3. Bank Procurement Strategy for CSP 2018-2022 Period

The Bank and the country, through the ANRMP, in principle opted for the following actions:

3.1 Use of the Country System

The country's procurement system was assessed on the basis of indicators deemed critical to ensure that the Bank's fiduciary obligations and standards are not compromised when using the system for Bank-financed operations. This risk-based assessment gave an overview for the gradual use of the system in Bank-financed operations in light of the divergences identified, particularly with regard to the principle of fairness (including impartiality, transparency, integrity, etc.) defined in the procurement policy for Bank Group-financed operations. Although this assessment provides a general opinion of Côte d'Ivoire's MPS, the discrepancies and risk levels will need to be updated during preparation/appraisal of each operation in order to confirm to what extent the MPS can be used depending on the sector, type, nature and complexity of the project in question. *The country has already incorporated most of the weaknesses in the draft revision of the Public Procurement Code.*

3.2 Assessment of the Procurement System in line with MAPS 2

In light of recent developments in public procurement (professionalization, sustainable procurement, PPPs, etc.) and of the Government's relevant secondary strategic objectives, the Bank has proposed to assist the

country in conducting an assessment of the system using the revised version of the Procurement Systems Evaluation Methodology (MAPS2) prepared under the guidance of development partners, official development assistance recipient countries, and the OECD. MAPS 2 promotes greater country ownership of the assessment process, the introduction of new approaches to public procurement and management, consideration of the country's strategic development objectives through public procurement, and greater involvement of development partners. In addition, MAPS 2 offers the Government the opportunity to have the quality of its assessment report validated by an international secretariat based at the OECD so as to serve as reference for all technical and financial partners providing public procurement assistance to the Government. The Bank will provide technical support in the conduct of this exercise. The findings of this assessment will help to determine strategic reforms on the public procurement framework.

3.3 Promoting National Businesses for Better Development Impact

In order to ensure better impact of public procurement on development, the Bank Group Procurement Policy approved in October 2015 underscores the importance of promoting and encouraging the development of domestic industry in regional member countries, and also takes into account the need for these countries to move towards sustainable or green procurement. A policy should also be put in place to promote the participation of national companies in competitive bidding. Such a policy should focus on sectors or areas where national companies have a comparative advantage. It would also be useful to adopt a national strategy for preparing national companies to meet environmental and social requirements in public procurement. The guidelines for such policies could be defined in the Public Procurement Code. *The country has therefore decided to set up a fairly representative working group including all public procurement and private sector actors to prepare a roadmap for the implementation of this initiative.*


3.4 Capacity Building







Procurement system capacity building initiatives should focus on improving and strengthening the integrity of the national procurement system in order to make public expenditure efficient. *ANRMP has started preparing a capacity building strategy whose report is expected in 2018.* The objective is to prepare a plan for building the professional capacity of actors involved in the procurement and execution process, and which should lead to professionalization of the function. This activity would integrate other local training structures as needed in order to better guide and sustain capacity building efforts.







3.5 Information System



The procurement authorities have undertaken several initiatives to significantly improve control of information on public procurement. This should allow for permanent and regular monitoring of information on public procurement, thereby facilitating regular audits and periodic data collection. To give greater visibility to this action, *it was agreed to: (i) establish a working framework on the issue, including ANRMP, DMP and the major contracting authorities; and (ii) establish a sufficiently integrated master plan for the public procurement information system that will serve as basis for gradual introduction of an electronic procurement system (e-Procurement).*

Summary Assessment of Fiduciary Risk on the National Public Procurement System in Côte d'Ivoire using the 21 OECD/DAC indicators deemed critical by the Bank.

Sub-Indicator	Conditions to be fulfilled	Compliance Level	
Pillar 1: Legislative and regulatory framework			
1a Scope of application and coverage of the legislative and regulatory framework	(a) The legislative and regulatory standards system is well codified and organized hierarchically (laws, decrees, regulations, procedures), and precedence is clearly established.	✓	
	(b) All laws and regulations are published and easily accessible to the public at no cost.	✓	
	(c) It covers goods, works and services (including consulting services) for all procurement using national budget funds.	✓	
	(d) It covers procurement at national and local levels	✓	

1b Procurement methods	(a) Allowable procurement methods are established unambiguously at an appropriate hierarchical level along with the associated conditions under which each method may be used, including a requirement for approval by an official that is held accountable.	✓	
	(b) Competitive procurement is the default method of public procurement.	✓	
	(c) Fractioning of contracts to limit competition is prohibited	✓	
	(d) Appropriate standards for international competitive tendering are specified and are consistent with international standards.	✓	
1c- Advertising rules and time limits	(a) Procurement opportunities must be publicly advertised.	✓	
	(b) Publication of opportunities provides sufficient time, consistent with the method, nature and complexity of procurement, for potential bidders to obtain documents and respond to the advertisement. Such timeframes are extended when international competition is sought.	✓	
	(c) Publication of open tenders is mandated in at least a newspaper of wide national circulation or in a unique Internet official site, where all public procurement opportunities are posted, that is easily accessible.	✓	
	(d) Content of publication includes sufficient information to enable potential bidders to determine their ability and interested in bidding.	✓	
1d. Rules on participation	(a) It establishes that participation of any contractor or supplier or group of suppliers or contractors is based on qualification or in accordance with international agreements; <ul style="list-style-type: none"> • requires the use of pass/fail basis for determining qualifications to extent possible; • limits domestic price preferential, if allowed, to a reasonable amount (e.g. 15% or less); and • requires justification for set asides that limit competition. 	✓	
	(b) It ensures that registration, if required, does not constitute a barrier to participation in tenders and does not require mandatory association with other firms.	✓	
	(c) It provides for exclusions for criminal or corrupt activities, administrative debarment under the law subject to due process or prohibition of commercial relations.	✓	
	(d) It establishes rules for the participation of government owned enterprises that promote fair competition.	✓	
1e. Tender documentation and technical specifications	(a) It established the minimum content of the tender documents and requires that content is relevant and sufficient for tenderers to be able to respond to the requirement.	✓	
	(b) It requires the use of neutral specifications citing international standards when possible.	✓	
	(c) It requires recognition of standards which are equivalent when neutral specifications are not available.	✓	
1f. Tender evaluation and award criteria	(a) The evaluation criteria must be relevant to the decision and must be precisely specified in advance in the tender documents so that the award decision is made solely on the basis of the criteria stated in the tender documents.	✓	
	(b) Criteria not evaluated in monetary terms are evaluated on a pass/fail basis to the extent possible.	✓	
	(c) The evaluation of proposals for consulting services gives adequate importance to the quality and regulates how price and quality are considered.	✓	
	(d) During the evaluation period, information relating to the examination, clarification and evaluation of tenders is not disclosed to the participants or to others not involved officially in the evaluation process.	✓	
1g. Submission, receipt and opening of tenders	(a) Public opening of tenders in a defined and regulated proceeding immediately following the closing date for bid submission.	✗	
	(b.) Records of proceedings for bid openings are retained and available for review.	✗	
	(c) Security and confidentiality of bids is maintained prior to bid opening and disclosure of specific sensitive information during debriefing is prohibited	✓	

1h. Complaints	(a) The framework provides for the right to review for participants in a procurement process	✓	
	(b) The Legal Framework provides for provisions to respond to a request for review, with administrative review by another body independent from the procuring agency that has the authority to grant remedies, and includes the right of judicial review.	✓	
	(c) The Legal Framework established: (i) the matters that are subject to review, (ii) timeframes for issuance of decisions by the procuring agency and the administrative review body.	×	
2a. Implementing regulations that provide defined processes and procedures not included in higher-level legislation	(a) The regulations are clear, comprehensive and consolidated as a set of regulations available in a single and accessible place.	✓	
	(b) The regulations are updated regularly, and responsibility for maintenance is defined.	✓	
2b Model tender documents for goods, works and services	(a) There are model invitation and tender documents provided for use for a wide range of goods, works and services procured by government agencies	✓	
	(b) There is a standard and mandatory set of clauses or templates that are reflective of the legal framework for use in documents prepared for competitive tendering.	✓	
	(c) The documents are kept up to date, and responsibilities for preparation and updating clearly assigned.	✓	
2d. Procedures suitable for contracting for services or other requirements in which technical capacity is a key criterion	(a) The conditions under which selection based exclusively on technical capacity is appropriate and when price and quality considerations are appropriate.	✓	
	(b) Clear procedures and methodologies for assessment of technical capacity and for combining price and technical capacity under different circumstances.	✓	
2f. Existence and scope of General Conditions of Contract	(a) There are GCCs for the most common types of contracts, and their use is mandatory	✓	
	(b) The content of the GCC is generally consistent with internationally accepted practice.	✓	
Implementation status of Pillar I			
Overall level of risk associated with Pillar I		Low	

Pillar II : Institutional Framework and Management Capacity			
4d. The responsibilities should also provide for separation and clarity so as to avoid conflict of interest	The body provides for separation of responsibilities.	×	
Implementation status of Pillar II			
Overall level of risk associated with Pillar III		Moderate	

B. BANK FINANCIAL MANAGEMENT STRATEGY

Factor	Indicator	Score	Assessment of Initial Risk	Assessment of Residual Risk
1. Budgeting	Budget sub-system has sufficient capacity for budget planning (preparation).	2	Programme preparers have been trained to properly inform budgets. Practice and experience should help to better prepare Assembly debates and budgets in June. Moderate Risk	The lack of programme budget experience in all Ministries shows we have to wait until 2019 or 2020 for another assessment of the risk of poor budget preparation. Moderate Risk
	The capacity of the budget sub-system is sufficient for budgetary control.	1.75	Reorganization of budget control through integration of WAEMU directives and adoption of implementing texts. Moderate Risk	Lack of experience in <i>ex post</i> budgetary controls Moderate Risk
2. Cash flows	The cash flow sub-system has sufficient capacity to manage resource flows and disbursements of aid funds.	1.75	The single Treasury account is implemented. Moderate Risk	Lack of long-term experience Moderate Risk
	The single treasury account is an appropriate and reliable way of administering aid funds.	1.75	AfDB project resources have not yet passed through the single treasury account. Moderate Risk	The experience of new project accounts will show it. Moderate Risk
3. Accounting and financial reporting	The accounting sub-system has sufficient capacity to record all transactions and serve as basis for timely and comprehensive financial reporting.	2	The RGCP and the State Accounting Plan resulting from the WAEMU directives were integrated into the national accounting system in 2016. Moderate Risk	The implementing texts of directives on accountability and management of the State's financial accounts and national public institutions increase transparency and governance in the management of public resources Moderate Risk
	Integrated financial management systems are sufficiently flexible to meet specific reporting requirements, and are governed by procedures to ensure timeliness and quality of the information produced.	2	The integration of WAEMU directives allows for financial reports to be produced at any time. Moderate Risk	The tightening of visa processing times, deferred and rejected in SIGFIP and ASTER allows for such production. Moderate Risk
	The Financial Accounting sub-system has an integrated module on fixed assets for proper recording and control of acquired assets.	1.75	The texts are being prepared. Moderate Risk	Moderate Risk
	The accounting sub-system maintains up-to-date records on the country's borrowing.	2	Debt management has been reviewed and corrected with WAEMU directives Moderate Risk	Moderate Risk

Factor	Indicator	Score	Assessment of Initial Risk	Assessment of Residual Risk
	Accounting systems are protected against deliberate data manipulation and/or accidental data loss or corruption.	2.5	SIGFIP and ASTER systems are protected. Low Risk	Low Risk
4. Internal Audit	The capabilities of the internal audit sub-system are adequate.	2	Internalization of WAEMU directives has strengthened the internal audit system Moderate Risk	Moderate Risk
	Mechanisms for competition, optimal use of resources, and control of public procurement are appropriate.	2	Control over public procurement is exercised by the DMP and CPM, without prejudice to the intervention of the other State control bodies, namely the Financial Controller and the General State Inspectorate. The ANRMP conducts independent audits of the procurement system. There is, however, some deviation from control because the Minister in charge of Public Procurement, who approves the opinions proposed by the Administrative Reconciliation Commission, authorizes the use of limited competitive bidding and direct negotiation. He cannot therefore settle disputes arising from these procedures with all the required independence. The draft code currently being prepared provides for elimination of this distortion. Moderate Risk	Moderate Risk
	The internal audit function has sufficient capacity.	2	Prior, ex post, internal and risk audits have strengthened the internal audit system. Moderate Risk	Moderate Risk
5. External Audit	ISC enjoys the degree of "independence" required to carry out its tasks effectively.	2	The Court of Auditors benefits from its new status derived from the WAEMU Directives. Moderate Risk	
	ISC has the capacity to conduct out its audit assignment.	2	The resources of the Court of Auditors have been increased Moderate Risk	
OVERALL RISK ASSESSMENT		1.81	MODERATE RISK	MODERATE RISK

Risk Assessment		
Below 0.75	High Risk	
Between 0.76 and 1.50	Substantial Risk	
Between 1.51 and 2.50	Moderate Risk	
Between 2.51 and 3	Low Risk	

I. Context: Climate Change Situation in Côte d'Ivoire

1. Côte d'Ivoire's population is estimated at 25 million inhabitants in 2018, with an average annual growth rate of 2.6% in 2014 (GPHC²⁸). The population is young with 77% of the inhabitants under 35 years of age. This population pattern puts increasing pressure on the country's natural resources, particularly in the forest zone where the vast majority of the population lives (75%, as against 25% in the savannah zone), with the migration of populations and all the risks of land conflicts that this entails. The long political and military crisis (2002-2011) had a major social and economic impact on Côte d'Ivoire.

2. Maintaining the country's current economic growth trajectory of around 7% to 8% over a medium-term horizon and strong population growth could lead to substantial increase in greenhouse gas (GHG) emissions. However, given the low carbon growth levels, the Government envisages a 28% reduction in greenhouse gas emissions by 2030²⁹ compared to 2012. In addition, Côte d'Ivoire is vulnerable to climate change impacts that affect all key sectors of its development. According to the National Determined Contributions (NDC), eleven (11) sectors are impacted by climate change in Côte d'Ivoire: agriculture, water resources (case of water shortages in Bouaké and other cities of the country with risks of social unrest), coastal resources, human health, energy, forest resources, fisheries, livestock/aquaculture, infrastructure (housing), transport (roads) and gender.

3. **Agriculture is the pillar of the economy, but it is very vulnerable to climate change.** Agriculture is the main engine of the country's economic growth, employing more than two-thirds of its working population and producing about 28% of its GDP and more than 50% of its export earnings. In 2012, nearly 4 million people were employed in the cocoa sector, representing one-quarter of the country's population (ECA, 2014). Forests in Côte d'Ivoire are in rapid decline. Population growth and demand for new land is putting continued pressure on the remaining forests. Despite the introduction of a series of laws over the years, land tenure remains weak, and certification costly and difficult. Biodiversity and the health of forest ecosystems are severely threatened. The destruction of forests through logging and, particularly, continued demand for arable land, and the loss of above-ground biomass storage capacity, leads to long-term loss of carbon sinks and increased greenhouse gas emissions. **Finally, communities, especially vulnerable populations such as women and young people, lack alternatives for income generation and improved food security.**

National Policy and Strategy Documents

4. To meet these challenges, Côte d'Ivoire established the National Climate Change Programme (PNCC) in 2012 to coordinate, propose and promote measures and strategies to combat climate change. A National Strategy for Combating Climate Change 2015-2020 was adopted at the end of 2014. A Planned Contribution Determined at National Level (SCOND / INDC) aims to strengthen the country's resilience to climate change.

5. Côte d'Ivoire adopted an Orientation Law on Sustainable Development in 2014. However, the law does not incorporate some of the key climate factors subsequently adopted – particularly the National Strategy for Combating Climate Change and the Contribution Determined at National Level (CDN), the main instrument for implementing the Paris Climate Agreement, and the preparation of a national roadmap for its implementation, includes: A "mitigation" component favouring mitigation options with high "co-benefits", and therefore focusing on sustainable agriculture, prevention of deforestation, sustainable forest management, development of sustainable domestic energy solutions, energy efficiency, development of renewable energies, sustainable waste management and development of circular economy actions. The "adaptation" component focuses on priority sectors for climate-resilient development, namely climate resilient water resources management, agriculture, livestock and fisheries, combating land degradation, and hydrometeorological disaster prevention and management, particularly in coastal areas.

²⁸ General Population and Housing Census.

²⁹ [http://www4.unfccc.int/ndcregistry/PublishedDocuments/C%3%84te%20d%27Ivoire%20First/INDC CI 22092015.pdf](http://www4.unfccc.int/ndcregistry/PublishedDocuments/C%3%84te%20d%27Ivoire%20First/INDC%20CI%202015.pdf)

6. The country has also adopted a participatory and inclusive strategy to combat deforestation, with zero deforestation in agriculture and sustainable management of fuel wood.

II. Challenges and Opportunities

Adaptation and Mitigation Needs and Priorities

7. As regards vulnerability and adaptation, the expected (and already observed) impacts of climate change in Côte d'Ivoire include increased frequency and intensification of floods, storms, landslides, heat droughts, bush fires, reduced river flows and reduced surface water volumes, shortening of the average duration of vegetative growth periods, increased exposure of plants to water stress, reduced growth of plant biomass, reduction of the productive potential of ecosystems, reduction of arable land due to their degradation, and aggravation of coastal erosion phenomena. **Climate change therefore affects all sectors essential to Côte d'Ivoire's development and constitutes a serious threat to the country's sustainable development prospects**, requiring coordinated and effective responses underpinned by a sound legal and institutional framework and improved access to climate-related financing.

8. **With respect to mitigation**, the country's national development strategy, as well as strong population growth is likely to lead, if specific mitigation efforts are not made, to a substantial increase in greenhouse gas (GHG) emissions. The imperative need for economic development includes increasing agricultural production, agro-industrial processing, combating deforestation and continuing and even accelerating the provision of modern energy for all inhabitants. Côte d'Ivoire has the political will to contribute to the reduction of GHG emissions and proposes the implementation of a "low carbon" development scenario that would see a 28% reduction in GHG emissions compared to the "business as usual" scenario (baseline scenario). To do so, the country must also put in place a solid legislative and institutional framework, while benefiting from increased access to financing from various sources.

III. Institutional and Regulatory Reforms

9. Côte d'Ivoire currently lacks a legal and regulatory framework to combat climate change, required for creating a favourable context for private investment in adaptation and mitigation (and more generally climate-resilient and low GHG emission development) needed to implement the CND. A bill on climate change and its implementing decrees, intended to provide a sufficiently precise legal basis to guide climate activities, is under consideration with EU support.

10. To advance the climate agenda, **Côte d'Ivoire intends to establish a National Climate Agency**, in accordance with the Orientation Law on Sustainable Development adopted by the National Assembly of Côte d'Ivoire, particularly Section 45 thereof. This law clearly stipulates the need to create, by decree, several entities, for example an agency and **a climate fund**. In addition, the National Strategy for Combating Climate Change goes to buttress this position. A feasibility study, which will help specify the mandate and powers of the new agency and its articulation with other elements of the institutional framework, is being conducted with the EU, including a law on combating climate change.

11. This feasibility study on the establishment of a National Climate Agency will be coupled with a feasibility study on the establishment of a National Climate Fund, which will be located within the Agency. Indeed, combating climate change requires sustainable, substantial, and predictable resources directly accessible to national stakeholders. The National Climate Fund can be an effective mechanism that will help the country to direct funding towards priority climate change response projects and programmes.

IV. Proposed Bank Interventions

12. Below are some priority areas in which the Bank could provide assistance and/or additional support to other partners:

- Strengthening the institutional framework and building capacities to combat climate change;
- Enhanced mainstreaming of climate change in national planning;

- Dissemination of the results of research centres and technology transfer in the fight against climate change in various sectors, including more resilient seeds through subsidies to farmers;
- Establishment of a monitoring and evaluation mechanism for adaptation activities;
- Broadening access to and use of climate information in the development sector;
- Development of disaster risk management (DRM) solutions;
- Promoting the mainstreaming of natural DRM in policies and strategies;
- Strengthening the population's resilience to natural disaster risks ;
- Accelerating the implementation of the "zero deforestation agriculture" concept through massive campaigns and training for key actors, as well as supporting smallholders to improve productivity;
- Private sector involvement in sectors and partnership with the State for "zero deforestation";
- Establishment of a National Platform on Zero Deforestation;
- Establishment of a sustainable value chain for cooking energy, particularly charcoal, by strengthening the supply of biomass energy through energy-wood reforestation and recycling of agricultural residues into biochar briquette.
- Strengthening the institutional framework for formalization of the charcoal value chain, and developing a national energy wood programme;
- Supporting security for sustainable supply of biomass energy;
- Supporting efficient and sustainable coal production from biomass;
- Promoting energy efficiency and sobriety ;
- Developing and implementing the National Climate Change Adaptation Plan (PNA);
- Building national capacities for innovative and sustainable systems for financing climate change activities;
- Contributing to the establishment of a national MNV system for mitigation and adaptation in priority sectors;
- Strengthen inter-institutional dialogue and intersector coherence around CSA.

Capacity building for national stakeholders

13. Finally, with regard to planning CDN implementation, the key actors lack capacity in **monitoring-evaluation**, particularly for the development and implementation of planning and monitoring systems based on the theory of change. It is an innovative way of integrating climate change and disaster risk management into national, sector and local planning and budgeting. Its use should ensure that national development plans and sector plans/policies are consistent with natural disaster risk reduction, adaptation and mitigation. The training will start in the second half of 2018 with EU support. The Bank could provide assistance to this action. It is important that a specific programme be developed for communities to identify mitigation and adaptation actions at local level, plan the actions, mobilize funding and partnerships for implementation of the activities, and monitor and evaluate them.

Annex 9: Main Challenges and Promotion Strategies for Ivorian SMEs

1. The objective of this note is to take stock of SMEs in Côte d'Ivoire and present the Government's strategy to make them the engine of emergence.
2. Côte d'Ivoire recorded an average annual growth rate of above 8% over the 2012-2017 period after more than a decade of political instability. The country is seeking to achieve emergence by 2020 through structural transformation and economic diversification, mainly through industrialization, for which SME development is the essential phase.
3. The Government's ambition therefore implies a greater role for the private sector, and specifically for SMEs, which it intends to make the main engine of economic growth, employment and innovation so as to increase the potential for added value creation.
4. In addition, to ensure sustainable development and inclusive growth, the Government needs to help SMEs prepare for the new geo-socio-economic landscape that is emerging at regional and global levels, including:
 - the opening of corollary economic borders to EPA agreements with the European Union and African intercontinental free trade agreements ;
 - the advent of the new economy brought by the breakthrough of information technologies (satellites, mobile networks, Internet, etc.);
 - the emergence of commerce, electronic money, or the increasing introduction of artificial intelligence in the industrial production system;
 - major industrial and social changes due mainly to the development of mobile banking, the impact of the Internet and cognitive sciences on the production of goods and services, education and training, and the emergence of telework.
5. Thus, to build a strong and competitive SME ecosystem, the Government adopted a SME development policy in 2015, the implementation of which is coordinated by “Agence Côte d'Ivoire PME”. The paragraphs below present the situation of SMEs, the major challenges, and the main aspects of SME development.

I. Main SME Challenges

6. In Côte d'Ivoire, SMEs constitute nearly 98% of the enterprises, i.e. about 60,000 formal SMEs and nearly 150,000 informal enterprises. According to the census conducted by the Directorate General of Taxation (DGI), the SME network is strongly dominated by microenterprises (over 55%) which are mainly located in Abidjan (80% of identified SMEs). As regards their economic importance, SMEs account for more than 20% of GDP and 12% of national investment, and employ about 23% of the working population. SMEs actively participate in key sectors of the economy, contributing about 30% of agricultural GDP, 20% of secondary sector GDP, and 50% of secondary sector GDP.
7. Despite their importance in the national economy and their potential to be an engine of the country's inclusive and sustainable growth, SMEs face many challenges that slow down their growth, in particular.
8. **The ongoing consequences of the socio-political crisis on SMEs.** The long crisis in Côte d'Ivoire in the early 2000s had a negative impact on SMEs, the majority of which have been weakened and have still not recovered.

9. **An existing institutional framework, whose implementation needs to be accelerated.** In 2015, Côte d'Ivoire adopted a strategy to support SME development. However, this is yet to be operationalized and implemented, hence the creation of “Agence CI PME”.
10. **The business environment for SMEs has witnessed some improvement which needs to be reinforced.** Administrative procedures have been improved with measures taken by CEPICI to facilitate starting a business. It is theoretically possible to start a business within 24 hours. The challenge is to monitor the businesses started to ensure their survival and expansion.
11. **Cross-border trade continues to have significant barriers for SMEs.** In addition to the significant logistical costs, non-tariff measures, which are less visible but more complex than tariff measures, hamper SME development. Time constraints and "informal" additional costs are obstacles to the flow of trade.
12. **Weak legal and regulatory framework.** The lack of clarity in the legal and regulatory environment is an obstacle to SME development. For example, banks justify the high guarantees required when SMEs apply for loans by the difficulty of legally seizing the assets of SMEs in the event of default.
13. **High factor costs, especially for SMEs.** Factor costs which weigh on enterprises, and particularly on SMEs, are high and seriously affect export or import-oriented sectors. These costs can be summarized as follows: (i) difficult and expensive access to land, particularly industrial land; (ii) costly logistics, particularly in ports; and (iii) access to expensive electricity.
14. **Difficult access to financing for SMEs.** There is a significant financing gap for both working capital and SME investments. Banking activity is mainly based on short-term credit. This lack of financing is also due to the lack of collateral that SMEs can offer to banks. This results in a fairly high cost of financing, when it is obtained. Given this difficulty, the Government launched the SME Finance Facility in WAEMU area on 9 August 2018. The facility mainly seeks to promote and improve the supervision of businesses, as well as refinance bank loans to SMEs.
15. **Difficult access to public contracts.** Contract account for about CFAF 500 billion per year. However, SMEs manage to capture just over 15% of these contracts and a relatively small share of subcontracting. This is mainly due to: (i) Lack of information on public procurement; (ii) Lack of capacity to meet the requirements of public or private sponsors; (iii) Need to improve transparency on award processes with governance issues; and (iv) Lack of financing to obtain contracts.
16. **Lack of managerial skills among SME managers.** Ivorian SMEs are generally characterized by weak managerial skills, with a limited level of education. In addition, minimum management skills are often lacking.
17. **A culture of entrepreneurship and innovation still underdeveloped and insufficiently valued.** It remains poorly developed among the Ivorian general public, with most people, especially young people, seeing the creation of a business as a temporary solution to their unemployment, rather than an opportunity to succeed.

II. SME Promotion Strategy

18. In order to offset these deficits, Côte d'Ivoire has, over the past few years, been intensifying the implementation of measures to improve SME competitiveness in traditional sectors of the economy and those of the digital economy, an essential niche today for the emergence of a modern economy, connected to the world and driven by technological innovation.

Consequently, the country has adopted a **strategy to support SME development** based on a thorough reform of the institutional and regulatory framework.

19. Thus, the Government adopted: (i) an orientation law on the National SME Promotion Policy in 2014 (Law No. 2014-140 of 24 March); (ii) an SME Development Strategy known as the Phoenix Programme (Council of Ministers of 18 September 2015); (iii) an amendment to the Public Procurement Code setting a public procurement quota for SMEs and introducing a 5% preference margin for local subcontracting (Decree No. 2015-525 of 15 July 2015).

20. One of the first activities to implement its SME development plan was the establishment of a specialized agency. Thus, **by Decree No. 2016-1102 of 7 December 2016, the Government established the Côte d'Ivoire SME Agency whose missions are to promote Ivorian SMEs and implement the SME development strategy.**

21. In this regard, the Côte d'Ivoire SME Agency (Agence CI-PME) is currently finalizing the drafting of its 2018-2022 strategic plan and an annual action plan accompanied by a results matrix. The strategic plan is based on the SME development strategy and is structured around 5 strategic pillars determined in terms of its implementation as follows:

- Building the Agency's institutional and human capacity;
- Improving the business environment;
- Strengthening the technical and managerial capacities of SMEs;
- Improving access to financing for SMEs;
- Developing an entrepreneurial culture and innovation.

22. Accordingly, institutional and human capacity building for Agence CI-PME is the first stage in the implementation of this strategy. Then, it will take measures to improve the business environment. Building the capacity of SME managers and improving SMEs' access to financing will be the next stages in the implementation of the Government's SME strategy.

III. Programme with the African Development Bank (AfDB)

Concerning the AfDB country programme, the Government wants support at two (2) levels:

- i. **institutional support to Agence CI -PME.** The support will, on the whole, enable the Agency to build its institutional and human capacity. Specifically, the support will:
 - strengthen the institutional mechanism for SME support by building the Agency's capacity with a view to improving synergy of action and coordination of initiatives by sector actors for SMEs;
 - implement a range of services to help improve and develop niches of excellence/clusters in the energy, transport, agribusiness and tourism sectors;
 - Improve financial inclusion by developing specific programmes for women and young people.
- ii. **A multisector support mechanism for competitiveness of SMEs operating in agro-industrial value chains and for the transport/ICT and energy sectors.**

Annex 10: Fragility and Resilience Analysis

I Overview of Côte d'Ivoire

1 Located in the western part of Africa, Côte d'Ivoire has a population of about 22 million inhabitants, with an annual population growth rate of about 2.6%. About 50.3% of the total population lives in urban areas, and the annual urbanization rate is about 3.7%. Despite the Government's efforts to reduce poverty and its significant economic performance, the incidence of poverty remains high. The literacy rate is about 48.7%, and this rate is even lower among women, at about 38.6%. In other words, only 38.6% of women over the age of 15 can read and write. With a total area of approximately 322,463 km², including 515 km of coastline, the country shares its borders with the Republic of Ghana to the east, Burkina Faso and Mali to the north, and the Atlantic Ocean or the Gulf of Guinea to the south. The majority of the population lives along the sandy coastal region. With the exception of the capital region, the forested interior regions of Côte d'Ivoire are sparsely populated.

2. Like many countries in Africa, Côte d'Ivoire is blessed with abundant natural resources, including oil, gold, hydroelectricity, manganese, diamond, nickel, copper, iron ore, silica sand, and natural gas. In addition, the country is the world's largest producer of cocoa beans.

3. However, despite the abundant natural resources, the country faces many multifaceted challenges that can plunge it back into a new crisis, annihilating the efforts that have allowed it to move out of fragility and the significant development achievement of the past five years (2012-2017).

II. Country Context: Vulnerability and Governance Situation

4. Since the post-electoral crisis of 2010, which resulted in the loss of many lives and the destruction of socio-economic infrastructure, the looting of public administration services, the deterioration of the security situation, the deep erosion of the social fabric, the massive displacement of the population and the closure of many businesses, leading to the slowdown of economic activities and affecting the potential of the country's economy, Côte d'Ivoire has made significant progress that undoubtedly places it on the path to sustainable resilience. The achievements include enhancement of security and stability, economic recovery with impressive growth rates, implementation of important institutional reforms, renewed stability, efforts towards social cohesion, and strengthening of regional cooperation. However, despite these improvements, the country remains vulnerable for reasons at the following levels: Government, social, regional and global.

5. **As regards the Government**, the political environment has improved significantly after almost a decade of turbulence. However, much still remains to be done, particularly in national reconciliation and social cohesion. The political environment is also marked by relative stability, characterized by an apparent break between the main protagonists of the ruling coalition, whose solidarity has so far been an essential element in the conquest and maintenance of power, and by recurrent tensions between the power and the opposition. In this regard, some opposition parties have called for massive boycott of the voter registration process, citing the lack of legitimacy of the independent electoral commission. With former allies becoming current protagonists, the upcoming elections, including the regional and municipal elections scheduled for September 2018, as well as the presidential elections of 2020 at the core of the positioning struggles, are expected to be very tense, with security risks that need to be considered.

6. The country's vulnerability is affected by a precarious security situation marked by military-political crises, more or less brought under control by the State. This precarious security situation is coupled with a judicial system strongly shaken by the various crises that the country has experienced, as well as by an administrative apparatus that is still struggling to deliver basic quality services throughout the country. Efforts to reconcile and repair the social fabric are being undermined mainly by problems of perceived impunity, land conflicts, and frustrations arising from the feeling of exclusion from the fruits of growth by part of the population. Finally, the country remains vulnerable to exogenous shocks due to the political economy of external partners as well as terrorist threats and risks of contagion from instability in neighbouring countries, as well as to the economy's dependence on coffee and cocoa and to the adverse consequences of climate change on available natural resources. The judicial system, for its part, has suffered for decades from its instrumentalization by successive governments for political ends. It has been

criticized for lack of independence, problems of corruption, and lack of technical and material resources. Thus, at the end of the crisis, the lack of trust between litigants and justice, whose actions are considered "unequal and timid" remains significant. Aware of this state of affairs, the Government has launched several projects to reform the justice sector. To date, significant progress has been made, even if it remains modest compared to expectations raised by the regime change at the end of the post-electoral crisis.

7. As regards governance, the country has undertaken a number of actions over the past few years to improve its situation. The initiative, which is coordinated by the National Secretariat for Governance and Capacity Building (SNGRC), has led to the drafting of several texts, including an Ethics Charter and a Code of Ethics for public officials and bills on the prevention and fight against corruption, on the creation of a High Authority to fight corruption and on the establishment of anti-corruption courts. In 2012, an Anti-Corruption Brigade was created and a Code of Ethics and Professional Conduct for Treasury Officials was also adopted. On 4 January 2013, the Government also adopted a National Good Governance and Anti-Corruption Plan (2013-2017). The capacities of the Ivorian administration remain weakened, both at central and local levels, in management and procurement, as well as in the preparation, implementation, monitoring and evaluation of development programmes or projects and the assimilation of the principle of accountability. Despite significant progress in the development of social infrastructure, there are still serious problems of access to basic social services (health, education, drinking water), food security and rehabilitation needs (infrastructure, shelter) throughout the country. In addition, although remarkable progress has been made, perceptions of corruption remain high, according to Transparency International's Corruption Perceptions Index (103rd in 2017 with a score of 36 out of 100) and the recent World Bank Governance Diagnostics on Côte d'Ivoire, according to which more than 90% of respondents consider corruption to be one of the most serious problems of the Ivorian society today. Public-private partnership (PPP) suffers from the lack of a formal consultation framework, and is sometimes misused for direct negotiation contracts.

8. As regards security, the situation in the country remains generally stable, although a risk of insecurity is reported in the area within 50 km of the border with Liberia in San Pedro, Cavally, Tonkpi and Guémon. Several public lynchings of suspected criminals have been fuelled by fear of violent crimes committed by street gangs, including by "children". While the Government has taken steps to eliminate the use of the word "microbe" to describe children in criminal gangs, it has not yet developed a comprehensive strategy to address the social, psychological and economic factors of violent crimes committed by these "children". With regard to cybersecurity, over the years Côte d'Ivoire has acquired a reputation for cybercrime and fraud. Specific cyber security legislation and regulations have been adopted. Cybercrimes are being committed in Côte d'Ivoire. The Telecommunications Regulatory Agency is responsible for implementing a national cybersecurity strategy, policy and roadmap for data protection and information systems auditing.

9. At the social level, the post-electoral conflict deepened the social divide created by years of crisis and revived identity/ethnic tensions and land conflicts. Despite the return to calm and calls for national reconciliation by the new authorities and the international community, the social fabric remains fragile in some regions and urban areas. It is therefore necessary to pursue efforts towards achieving sustainable reconciliation, a return to social cohesion which has deteriorated sharply, and inclusive growth, which guarantees stability and prosperity for all Ivorians. On the other hand, the thorny issue of the link between rural land and ethnicity fuels the feeling of insecurity among local populations faced with illegal occupation and appropriation of their land. Thus, despite the law, control over land remains a source of community and inter-generational tensions. This time bomb requires urgent political, legal and cultural action to prevent it from becoming a source of another crisis in the country.

10. Despite the steadily rising growth rates and rising income levels over the past few years, the Ivorian population is suffering from growing poverty. This affects some groups more than others. There are great disparities between areas and regions. Regional disparities are glaring, and rural areas are the most affected by poverty. Similarly, the northern, western and northwestern regions are experiencing equally precarious conditions. Young people and women are particularly affected by socio-economic difficulties. As noted in the report of the National Commission of Inquiry following the post-electoral crisis, *"Young people have been instrumentalized by political leaders and community actors to carry out violence. The young people were armed to wage war, galvanized by speeches of incitement to hatred and revenge."* It is therefore important to pay particular attention to these vulnerable groups in order to move

towards stability and inclusive growth that are essential to the country's resilience. Aware of this situation, the Ivorian Government has made youth employment one of its priorities and has undertaken several initiatives to address this problem. However, much remains to be done to address the structural and institutional problems that hamper the creation of decent jobs in Côte d'Ivoire, particularly as regards developing an entrepreneurial spirit (not a wage earner) among young people, developing the private sector, improving the business climate, promoting competitiveness and productivity, investing in infrastructure in growth sectors (especially in the green economy), and reforming the regulatory framework of the labour market.

11. As regards gender, despite the progress made in recent years, the crisis in Côte d'Ivoire has led to an upsurge in violence of all kinds, including gender-based violence, and has also exacerbated the vulnerability of certain social groups, particularly women, youths and children. Violence and sexual assault against women and girls result in HIV infection, unintended pregnancy and other health complications, as well as possible stigmatization and exclusion from their communities. Gender inequalities persist in various aspects of life despite the measures taken, particularly in education, health, participation and in the legal and institutional framework for promoting gender equity. Gender inequalities are also widespread in access to and control over resources (including land), economic opportunities, power and political opinion. Although the inequalities are declining, they remain significant and the extent of discrimination varies considerably across regions. The southern region of Côte d'Ivoire has relatively low indicators of gender inequality, due to the high level of education, women's economic power, as well as progress made in maternal health. The promotion of gender is hampered by cultural constraints, women's own ignorance of their rights and duties, and the poor dissemination and application of regulations and laws that promote gender equality and equity.

12. At the regional level, Côte d'Ivoire is located in a fragile sub-region. West Africa is a region where ethnic, cultural and social ties transcend national borders, as do conflicts. In the Mano River Union (MRU) region, shared by Côte d'Ivoire, Guinea, Liberia and Sierra Leone, successive crises over the past two decades have resulted in more than 300,000 deaths, millions of displaced people and widespread economic underdevelopment. In addition to a post-crisis neighbour (Mali) and to Burkina Faso which is increasingly under terrorist threat, the MRU is therefore a problematic area where former child soldiers, now adults, ex-rebels and other militiamen train mercenary groups to carry out cross-border criminal activities. These groups threaten the stability of the entire sub-region. For all the countries in the region, including Côte d'Ivoire, the risks of contagion from neighbouring instability are therefore serious in terms of security (terrorism, penetration of combatants, weapons, illegal cross-border trafficking) and humanitarian action (influx of refugees). Indeed, regional cooperation is essential for a lasting solution to the security and humanitarian problems facing Côte d'Ivoire and its neighbours. Thus, reconstruction and reconciliation efforts in Côte d'Ivoire must take into account the regional dimension of fragility and consider concerted security, humanitarian and social responses at sub-regional level.

13. At the economic level, enormous progress has been made since the end of the crisis in 2012. However, the economy's dependence on the coffee and cocoa sector is a source of fragility. Cocoa is Côte d'Ivoire's main economic resource, accounting for 40% of world production. Coffee and cocoa contribute 20% and 50% respectively of export earnings to GDP. These two products are essential to the survival of about 4 million people, or 25% of the Ivorian population. The sector employs more than half of the country's working population, including a high proportion of women, and remains one of the main drivers of economic growth. Even though the Ivorian State has re-established a guaranteed price for producers, the collapse of world coffee and cocoa prices is still likely to harm the country's economy, with serious social consequences. Many studies have found that "*countries whose economies depend on the export of a limited number of primary commodities are more likely to be politically fragile*" and marked by conflicts. This has been demonstrated in Côte d'Ivoire where, within a context of land scarcity, the race for forests to produce coffee and cocoa is among the main causes of land conflicts and, consequently, Ivorian social unrest. Diversification is essential for strengthening the economy and creating jobs. Diversification efforts will help reduce the vulnerability of the economy to the instability of the cocoa sector, and thus strengthen the country's resilience. A National Agricultural Investment Programme (NARIP) has already been established to promote agricultural development, diversification of agricultural supply, and food security. To achieve strong and growing prosperity, sector diversification, including primary commodity processing, is also essential. New sectors need to be developed to create new jobs.

III. Conclusion

14. Côte d'Ivoire is now at a crossroads. After more than a decade of armed crisis and conflict and economic recession, the country has made remarkable efforts over the past five years and undertaken actions that have led to a gradual return to political and economic stability. These efforts by the Government, supported by the Bank and other technical and financial partners, have helped to strengthen GDP growth, which rose from -4.7% in 2011 to 8% in 2017, while the poverty rate fell from 48.9% in 2008 to 46.3% in 2015. In addition, significant improvements observed on the Country Policy and Institutional Assessment (CPIA) indicators have encouraged the Bank to remove the country from the list of fragile States eligible for Transition Support Facility (TSF) resources. These improvements have also affected the UN Peacekeeping Mission in the country (UNOCI), whose activities ended on 30 June 2017.

15. However, Côte d'Ivoire remains subject to the principle of gradual exit from fragility by virtue of the application of the latent period following the departure of UN or regional peacekeeping forces in situations of fragility. Indeed, one of the conditions for a country's inclusion in the list of countries in a situation of fragility is the presence on that country's territory of United Nations or regional peacekeeping forces over the past three years. The prescribed three years to be observed after the departure of the forces make it possible to closely monitor the country's efforts and help it move to a final exit from fragility towards resilience, and to intervene rapidly in the event of slippage or problems likely to plunge the country back into crisis or conflict. Today, Côte d'Ivoire is in a stage where it needs close monitoring following the departure of the UN forces. Indeed, the recent difficulties facing Côte d'Ivoire, in particular the economic difficulties marked by the collapse in the prices of the major commodities, coupled with numerous demonstrations and social demands, especially by civil and military officials, and the new political landscape marked by the break-up of the ruling coalition due to deep disagreement between these former main allies and the creation of a new coalition sanctioned by the seal of a unified party, require from development partners, including the Bank, close monitoring and appropriate intervention in order to prevent the country from returning to the cycle of crises that has plunged it into fragility.

Annex 11: Rural land tenure challenges in Côte d'Ivoire

County Context

1. Côte d'Ivoire's socio-economic development model, inherited from colonization, is based on the primary sector in general and mainly on agriculture which accounts for about 47% of exports, contributes 22.37% of GDP and employs 2,715,000 or 60% of the working population ([International Food Policy Research Institute \(IFPRI\) 2015](#)). The country produces cocoa, coffee, rubber, cashew nuts, sugar, cotton, pineapple, banana and palm oil which are essentially export products ([DGE, OPA, and Ministry of Agriculture 2014](#)). Agricultural boom has been achieved through by combining domestic or family agriculture and agro-industries in an extensive farming system in which land is the main factor of production. However, like other developing countries, particularly those in sub-Saharan Africa, Côte d'Ivoire is experiencing low agricultural productivity, resulting in increased poverty in rural areas, which stood at 56.8% in 2016 ([NIS 2016](#)) and exposure of the population to food insecurity, of which 25.7% suffer from undernourishment ([FAO 2016](#)). Food security, which has intensified since the "price" crisis in 2008, raises the problem of farmland.

2. With land pressure due to the expansion of certain crops following the liberalization and reform of sectors such as oil palm and rubber in the south, cotton and cashew nuts in the north, population growth which stems mainly from immigration, an increase in food needs caused by rapid urbanization, crop diversification to control fluctuations in agricultural commodity prices, there has been a shift, even in the traditional system of land ownership, from "tutorship" (*an agrarian convention characteristic of the moral economy of peasant societies in West Africa based on the Kopytoffian model*) to the monetarization of land transfers (Chauveau et al. 2004 and Colin and Ayouz, 2006 cited by [Cotula Lorenzo \(2007\)](#)). In addition, State interventions in land management have gone through several phases, namely the pre-colonial period, the colonial period, independence and the current reform. These State interventions have become more and more widespread since Law No. 98-750 of 23 December 1998, as amended in 2004 and 2013.

3. However, despite the implementation of the modern land tenure system, the customary land tenure system persists in practice, especially in rural areas, even though the modern system does not take customary property rights into account, thereby posing several challenges to the land tenure system.

Rural land tenure challenges

4. State mechanisms for regulating land relations, which consist in registration, are weak in rural areas, where the customary law system predominates because of the long and complex procedures, the high cost of establishing property titles, the overlapping competences between the public institutions in charge of land issues, etc. According to data from the Department of Rural Land Tenure, only 2,600 titles have been granted since the Law of 23 December 1998. Furthermore, the commercialization of financial transactions has not consolidated land rights based on the private law model, according to Berry 1993. Contrary to expectations, all land management provisions have failed to reduce or eliminate land tensions and conflicts because the administrative solution of land ownership has gradually excluded customary law, which is still important.

5. These various constraints point to many challenges that are essentially based on land governance. According to Kouamé et al (2016), the challenges concern:

- synergy between the various laws and regulations on land, urban areas and forests, as well as the mining sector and pastoralism to prepare a coherent policy for the development of Côte d'Ivoire;
- dissemination, sensitization of the population on land management regulation, and management of land disputes and conflicts;
- inclusion of local or customary institutions and procedures in the modern land tenure system;
- building of human and institutional capacities involved in land management;

- application of modern land law in cases of collective land ownership to preserve social harmony;
- the agricultural development model underlying the land tenure system to be applied within the context of decentralization, climate change and the green agriculture revolution;
- farming method and land ownership on developed farming areas;
- foreign financing and investment and the adapted land management model in Côte d'Ivoire.

6. To meet these various challenges, the Ivorian Government has structured its interventions around a number of factors.

Government's National Policy and Strategy

7. The Government's strategy is generally defined in the Poverty Reduction Strategy Paper (PRSP), with its agricultural development aspects set out in the National Agricultural Investment Programme (NIPA 2). Following weak mobilization in the registration and delivery of titles since 1998 and in addition to the Rural Land Plan (PFR) financed by the World Bank, the Ivorian Government has, since 2014, initiated the National Programme for Securing Rural Land (PNSFR). This new approach is based on an intensive local communication strategy, the training of stakeholders, the demarcation of village territories (344 villages) and the issuance of land titles. The strategy operates within partnership and participation and, above all, in a decentralization policy (with the establishment of agropoles). Since January 2017, Cote d'Ivoire has had a policy framework entitled "Rural Land Tenure Policy Statement of Côte d'Ivoire". This document outlines the major challenges and defines the Government's main intervention areas, referring to a legal framework built around the 1998 Law.

Donor Interventions

8. Donors use several channels to invest in agricultural development, and particularly in land management, namely: (i) support for Government land tenure security programmes involving the World Bank, EU, IMF, AfDB, IFAD, EDF and some OECD countries, as well as some embassies and international organizations under bilateral cooperation that also finance NGO activities.

Annex 12: Donor Intervention Areas

13 SECTOR COOPERATION GROUPS IN COTE D'IVOIRE -- July 2018

Matrix of Technical and Financial Partners in Côte d'Ivoire (TFP)	HUMAN DEVELOPMENT			POLITICAL, ECO, FIN & INSTITUTIONAL GOVERNANCE				INFRASTRUCTURE			PRIVATE AND FINANCIAL SECTOR	RURAL DEVELOPMENT				Number of sectors per active partner
	1. EDUCATION / TRAINING	2. HEALTH	3. GENDER	4. PUBLIC FINANCE	5. JUSTICE / HUMAN RIGHTS	6. POLITICAL GOVERNANCE AND ELECTIONS	7. CIVIL SOCIETY	8. TRANSPORT AND ICT	9. ENERGY	10. WATER AND SANITATION	11. INVESTMENT CLIMATE, PRIVATE SECTOR DEVELOPMENT, TRADE	12. AGRICULTURE	13. NUTRITION	Sub-Group FOREST - ENVIRONMENT	Sub-Group RURAL LAND TENURE	
EU	**	**	Co-CF	CF	**	**	CF	Co-CF	CF	**	**	**	**	CF	14	
Germany						**									1	
Germany-GIZ			**								**		Co-CF	**	4	
Germany-KfW								**							1	
EIB								**							1	
Spain				**						**					2	
France-AFD		**	Co-CF	**	**	**	**	**	**	**	**	Co-CF	Co-CF	**	13	
France-SCAC	Co-CF	**	**	**	Co-CF	**	**				**			**	9	
Italie											**				1	
United Kingdom			**	**		**									3	
Other Bilaterals																
Canada						**					**				2	
United States			**	**	**					**					4	
United States - USAID		**		**	Co-CF	**		**			**			*	7	
United States - CDC/PEPFAR		**													1	
United States - MCC	**							**							2	
Japan										**	**				2	
Japan-JICA		**		**				**	**	**	**				6	
South Korea																
South Korea - KOIKA								**	**						2	
Multilaterals and others																
AFRICA RICE											**				1	
AFRITAC				**											1	
AfDB		**		**		**	**	**	**		**	Co-CF	**	**	10	
WORLD BANK /IFC		**		**		**	CF	**	**	CF	**		**	**	10	
BOAD							**	**							2	
CICR				**											1	
FAO		**									Co-CF	**	**	**	5	
IFAD											**	**			2	
IMF				**											1	
JACOBS FOUNDATION	Co-CF														1	
WHO		CF										**			2	
UNESCO		**										**			2	
UNFPA		**													1	
UNICEF	**	**		**	**			CF			**	**			7	
UNIDO	**							**			**				3	
UN WOMEN			CF								**				2	
UNAIDS		**													1	
WFP		**									**	**			3	
UNDP / OTHER UNS			**	**	Co-CF	**					**		**		6	
UNEP		**													1	
Active TFP	6	16	8	10	9	8	8	8	10	7	8	17	7	7	8	

Source : Rapport provisoire mapping / Division du travail

** = PTF actif
CF = Chef de file
Co-CF = Co-Chef de file

Annex 13: Indicative Results Framework of the 2018-2022 CSP of Côte d'Ivoire

Strategic Objectives of PND 2018-2022	Constraints on achieving PND 2018-2022 Objectives	Final Impacts <i>(for end of strategy in 2022)</i>	Final Outputs <i>(for end of strategy in 2022)</i>	Mid-Term Impacts <i>(for 2020)</i>	Mid-Term Outputs <i>(for 2020)</i>	Indicative Programme of new and ongoing interventions over the 2018-2022 CSP period		
CSP 2018-2022 Pillar 1 – Strengthening transformative infrastructure and governance for economic competitiveness and investment effectiveness								
(i) Outcome 1 : Contribute to development of transport/ICT and urban development infrastructure								
TRANSPORT/URBAN DEVELOPMENT/ICT								
PND-Objectives 1, 4 and 5 : 1 Objective 1 : Improve the quality of institutions and good governance 2 Objective 4 : Develop infrastructure harmoniously distributed over the national territory and protect the environment 3 Objective 5 : Strengthen regional and international cooperation	1	Degradation of infrastructure and drop in investments	<ul style="list-style-type: none"> ⬇️ 5% increase in the length of paved interurban roads and 40% increase in the length of urban motorways. 	<ul style="list-style-type: none"> ⬆️ Development and paving of 339 km of interurban roads and 77 km of urban motorways 	<ul style="list-style-type: none"> ⬇️ 2% increase in the length of paved interurban roads and 20% increase in the length of urban motorways 	<ul style="list-style-type: none"> ⬆️ Development and paving of 170 km of interurban roads and 35 km of urban motorways 	New projects: <ul style="list-style-type: none"> • Abidjan Urban Transport Project Phase 2 • Bondoukou- Ghana Border Road Paving Project • Abidjan Urban Transport Project Phase 3 • Cross-border Road Development Programme Phase 2 : Odienné-Mali Border road, Danané-Liberia Border, Zuénoula-Mankono road • Cross-border Road Development Programme Phase 3 : Kimbirila-Guinea Border road • Support Project for Extension of National Connectivity and Strengthening of e-government (PPP) Ongoing projects: <ul style="list-style-type: none"> • Abidjan Urban Transport Project (PTUA) • Air-Côte d'Ivoire Project • Road Development and Transport Facilitation Programme - Mano River Union • (PARFT/UFM) • Transport Development and Facilitation Project on the Bamako-Zantiebougou corridor 	
	2	High cost of international transport and obstacles to free movement of people and goods	<ul style="list-style-type: none"> ⬇️ Lower domestic and international transport costs by at least 15% and 10% respectively; 					
			<ul style="list-style-type: none"> ⬆️ About 10% increase in trade with neighbouring countries 					
	3	Low national connectivity in localities inside the country	<ul style="list-style-type: none"> ⬇️ Lower access costs to ICT services 	<ul style="list-style-type: none"> ⬆️ Communication infrastructure provided in 14 new districts in the interior of the country through various adapted technologies (2G, 3G, LTE, WiMax) 	<ul style="list-style-type: none"> ⬇️ At least 8 new districts connected 	<ul style="list-style-type: none"> ⬆️ Infrastructure provided in these 8 districts 		
	Lack of adequate storage capacity for public data	<ul style="list-style-type: none"> ⬆️ Significant increase in paperless administrative procedures ⬇️ Time saved and transport costs reduced for the population to access administrative services ⬇️ Significant reduction in carbon footprint of administrative services 	<ul style="list-style-type: none"> ⬆️ Public data centre established with 500 online administrative services operational 	<ul style="list-style-type: none"> ⬇️ 30% reduction in paper/non-electronic procedures 	<ul style="list-style-type: none"> ⬆️ 200 services developed and the data centre foundations constructed 			

Strategic Objectives of PND 2018-2022	Constraints on achieving PND 2018-2022 Objectives	Final Impacts	Final Outputs	Mid-Term Impacts	Mid-Term Outputs	Indicative Programme of new and ongoing interventions over the 2018-2022 CSP period
		(for end of strategy in 2022)		(for 2020)		
(ii) Outcome 2 : Contribute to infrastructure development and regional energy market						
ENERGY						
1. Obsolete and saturated equipment and very high losses	✚ 40%% increase in access to electricity at national level	✚ Commissioning of 44 MW hydro power	✚ 20% increase in access rate to electricity at national level	✚ 205 km of LV lines	New projects: <ul style="list-style-type: none"> Electricity Access Improvement Project Project for strengthening the North Loop for export to Burkina Faso and Mali Azito 4 (255 MW) in 2021 Ciprel 5 (390MW) in 2022 Ongoing projects: <ul style="list-style-type: none"> Transmission and Distribution Networks Strengthening Project Interconnection Project for Côte d'Ivoire-Liberia-Sierra Leone-Guinea Singrobo Hydropower Station Construction Project 	
	✚ Reduction in network losses to less than 14%.	✚ 400 km of LV lines	✚ Reduction in network losses to less than 16%	✚ 6 LV/HV stations		
2. Financial imbalance of the sector which requires State subsidies	✚ Reduction in the financial imbalance of the sector	✚ 8 LV/HV stations	✚ Reduction in the financial imbalance of the sector by [xx]	✚ 800 H61 stations		
3. Low development of renewable energies	✚ Increase in the share of renewable energies to 40% of the national energy mix	✚ 2500 km of HV lines	✚ Increase in the share renewable energies by 44 MW	✚ 600 localities connected to electricity		
4. Increase in installed capacity through base load		✚ 2500 km of HV lines		✚ 40 000 households connected to electricity		
		✚ 1000 H61 stations				
		✚ 993 localities connected to electricity				
		✚ 60 685 households connected to electricity				
(iii) Outcome 3 : Improve sector and financial governance						
PUBLIC FINANCIAL MANAGEMENT						
1 Low internal resource mobilization	Tax burden > 20% in 2022	✚ Finalization of Customs interconnection of Côte d'Ivoire and Burkina Faso	✚ Tax burden > 19% in 2020	✚ Côte d'Ivoire and Burkina Faso customs interconnection works to start in 2019 ;	New projects : <ul style="list-style-type: none"> Economic and Financial Management Support Project (PAGEF) Phase 2 Abidjan Urban Transport Project Phase 2; Abidjan Urban Transport Project Phase 3 Ongoing projects:	
		✚ Cadastral surveying is strengthened to improve property tax collection		✚ Cadastral surveying reinforcement activities to start in 2019		
2. Lack of a national good governance strategy	Transparency and accountability in public sector management are reinforced	✚ The national good governance strategy is implemented	✚ Institutions are strengthened to fulfill their mission	✚ The national good governance strategy is adopted;		
		✚ At least 95% of elected officers accomplish their declaration of wealth in accordance with the law		✚ At least 75% of elected officers accomplish their declaration of wealth		

Strategic Objectives of PND 2018-2022	Constraints on achieving PND 2018-2022 Objectives	Final Impacts	Final Outputs	Mid-Term Impacts	Mid-Term Outputs	Indicative Programme of new and ongoing interventions over the 2018-2022 CSP period
		<i>(for end of strategy in 2022)</i>		<i>(for 2020)</i>		
SECTOR GOVERNANCE: TRANSPORT/ENERGY/AGRICULTURE (to be informed with recommendations by public expenditure sector reviews)						<ul style="list-style-type: none"> Economic and Financial Management Support Project (PAGEF) Phase 2 Governance Sector Support Project Phase 1 (PAGS 1)
1 Weak institutions and governance.	<ul style="list-style-type: none"> Implementation of the decentralization audit recommendations and establishment of town planning tools 					
BUSINESS CLIMATE SME CAPACITIES						<p>New projects:</p> <ul style="list-style-type: none"> Business Climate Improvement Support Programme Phase 1 Climate Business Improvement Support Programme Phase 2 <p>New projects:</p> <ul style="list-style-type: none"> Economic and Financial Management Support Project (PAGEF) Phase 2 Cocoa Sector Governance Support Project (PAGFIC) Financial Sector Revitalization Support Project SME Capacity Building Multi-sector Support Programme (transport, energy, agro-industry) <p>Ongoing projects:</p> <ul style="list-style-type: none"> Support Project for Strengthening Industrial Sector Competitiveness
1. Multiple and cumbersome administrative procedures;	<ul style="list-style-type: none"> Total dematerialization of public services for the investor and at least 30% reduction of administrative procedures and formalities 	<ul style="list-style-type: none"> Deployment of the Single Investor Services Portal to at least 50% of the regions of Cote d'Ivoire 	<ul style="list-style-type: none"> Dematerialization and at least 15% reduction of administrative procedures and formalities 	<ul style="list-style-type: none"> Deployment of the Single Investor Services Portal to at least 25% of the regions of Cote d'Ivoire 		
2. Difficulty for investors to access information and business opportunities	<ul style="list-style-type: none"> Efficiency of the information system and at least 10% increase in SMEs operating in the various economic development poles 		<ul style="list-style-type: none"> At least 5% of SMEs operating in the various economic development poles 			
3. Low competitiveness of SME/SMI	<ul style="list-style-type: none"> The contribution of the industrial sector to GDP stands at 40% in 2022 	<ul style="list-style-type: none"> Overall diagnosis and upgrading plan for at least 50 enterprises 	<ul style="list-style-type: none"> SME/SMI capacity is strengthened; 	<ul style="list-style-type: none"> At least 20 enterprises have undergone an overall diagnosis and introduction of the quality approach; 		
		<ul style="list-style-type: none"> The quality approach is introduced in at least 50 enterprises 	<ul style="list-style-type: none"> CCC's regulatory capacity is strengthened 	<ul style="list-style-type: none"> Reinforcement of criteria for granting and monitoring approvals in the cocoa sector 		
		<ul style="list-style-type: none"> Regulation of companies approved for cocoa marketing is strengthened to reduce contract defaults 				
4. Low SME access to long-term resources	<ul style="list-style-type: none"> Increase in the volume of long-term resources mobilized by SMEs through the financial market. 	<ul style="list-style-type: none"> Completion of a specific preparation and capacity building programme for SMEs to access the stock exchange. 	<ul style="list-style-type: none"> Increase in the number of SMEs with stock exchange capacity building. 	<ul style="list-style-type: none"> Identification and registration of a batch of SMEs in the programme and programme start-up 		
	<ul style="list-style-type: none"> Increase in the number of Ivorian SMEs listed on the Regional Stock Exchange 	<ul style="list-style-type: none"> Structuring of transactions involving innovative financial products 	<ul style="list-style-type: none"> Availability of technical documents for launching the issue of innovative financial products. 	<ul style="list-style-type: none"> Implementation of the financial education programme for the first batch of people and enterprises. 		
	<ul style="list-style-type: none"> Higher volume of long-term resources mobilized by the State and enterprises though 					

Strategic Objectives of PND 2018-2022	Constraints on achieving PND 2018-2022 Objectives	Final Impacts	Final Outputs	Mid-Term Impacts	Mid-Term Outputs	Indicative Programme of new and ongoing interventions over the 2018-2022 CSP period	
		<i>(for end of strategy in 2022)</i>		<i>(for 2020)</i>			
		innovative financing mechanisms					
	5. Poor financial education of the population and SMEs	✚ Proportion of the population and SMEs with financial education increases particularly among young people and women, as well as the rural population.	✚ Completion of a financial education programme for the population and SMEs.	✚ Increase in the number of people and enterprises with better financial education.			
2018-2022 CSP Pillar 2 – Developing agro-industrial value chains for inclusive and sustainable growth							
PND-Objectives 2 and 3 :		(iv) Outcome 5: Strengthen supervision and research/development/dissemination/mechanization/transformation structures					
1 Objective 2 : Acceleration of human capital development and promotion of social welfare 2 Objective 5 : Acceleration of structural transformations and industrialization	1. Weak perceptibility of strategic guidelines for agricultural research in Côte d'Ivoire	✚ The technical extension system of the National Rural Development Support Agency (ANADER) is reinforced	✚ About thirty ANADER agricultural extension workers are trained in best pesticide use and management practices, as well as best soil management practices	✚ The capacities of ANADER agricultural extension workers are strengthened	✚ At least 10 ANADER agricultural extension workers are trained and their capacities strengthened in 2019	New projects: <ul style="list-style-type: none"> • Agro-industrial Pole Project in North region (2 PAI - Nord) • Agro-industrial Pole Project in West region (2 PAI-Ouest) Ongoing projects: <ul style="list-style-type: none"> • Agro-industrial Pole Project in Bélier region (2 PAI-Bélier) 	
			✚ ANADER specialist technicians and rural development workers involved in the project are trained in various themes	✚ The capacities of specialist technicians and rural development workers are strengthened	✚ 3 specialist technicians and 20 rural development workers of ANADER involved in the project are trained in various themes in 2019.		
				✚ ANADER rural development workers are functional for deployment to the field	✚ 20 rural development workers are functional		✚ 20 workers are recruited and provided with motorcycles in 2019.
	2. Attack on crops 3. Low yields of some crops 4. Weak link between scientific research, agricultural advisory services and farmers in the constant quest for performance	✚ The National Agronomic Research Centre (CNRA) receives support and produces quality pre-basic and basic seeds.	✚ 50,000 healthy pre-basic cuttings of 5 cassava varieties	✚ Cassava productivity is improved.	✚ 50 000 healthy cassava cuttings produced in 2018		
			✚ 102,000 quality cuttings of base 1 and 3 cassava varieties				
			✚ 2,600 kg of improved rice seeds produced.	✚ Rice productivity is improved	✚ 400 kg of improved seeds produced in 2018		
			✚ About 3,000 kg of improved vegetable crop seeds produced.	✚ Vegetable crop productivity is improved	✚ At least 300 kg of improved vegetable crop seeds produced in 2018		
			✚ About 2,000 kg of improved maize seeds produced	✚ Maize productivity is improved	✚ 500 kg of improved maize seeds produced in 2018		

Strategic Objectives of PND 2018-2022	Constraints on achieving PND 2018-2022 Objectives	Final Impacts	Final Outputs	Mid-Term Impacts	Mid-Term Outputs	Indicative Programme of new and ongoing interventions over the 2018-2022 CSP period
		<i>(for end of strategy in 2022)</i>		<i>(for 2020)</i>		
			✚ Research-development receives support in terms of technological innovations	✚ Effective crop rotation with cassava, maize and food legumes (groundnut, soya bean, cowpea)	✚ Crop rotation with cassava, maize and food legumes (groundnut, soya bean, cowpea) introduced	
				✚ The transplant density of rice and urea granule adapted to Deep Urea Placement practice is applied (2019)	✚ Determination of rice transplant density and urea granule adapted to Deep Urea Placement practice	
				✚ Irrigated rice yield is improved (2019)	✚ Rice straw fertilization (2019)	
(v) Outcome 6 : Develop agricultural infrastructure to support value chains						
1. Land conflicts	✚ Productive capital is restored	✚ Irrigation dams rehabilitated	✚ Agricultural production is secured in the areas concerned	✚ 3 irrigation dams are rehabilitated	New projects: <ul style="list-style-type: none"> • Agro-industrial Pole Project in North region (2 PAI - Nord) • Agro-industrial Pole Project in West region (2 PAI-Ouest) 	
2. Poor performance of companies in charge of works		✚ Lowlands developed and enhanced	✚ Lowland crop production is improved	✚ At least 1,500 ha of lowlands are developed and cultivated		
3.		✚ Rural roads rehabilitated	✚ The transportation and marketing conditions of agricultural products have improved.	✚ At least 1,000 km of rural roads are rehabilitated		
		✚ Rural markets rehabilitated		✚ 4 grouping and collection centres for agricultural products are built		
		✚ Food product stores constructed		✚ At least 15 rural markets are rehabilitated and operational		
		✚ Rice storage areas constructed		✚ Some thirty warehouses for rice and other food products are built		
		✚ Pilot pastoral areas developed	✚ The production of livestock products is improved	✚ Two pastoral areas are developed		
		✚ Livestock infrastructure constructed (slaughterhouses, modern butcher shops, slaughterhouse areas)		✚ 6 butcher's shops are built ✚ 8 slaughterhouses and slaughter areas are rehabilitated		
(vi) Outcome 7 : Increase agro-industrial processing						
1. Climate variability 2. Land constraints 3. Very low processing rate for agricultural commodities	✚ The volumes of processed agricultural products have increased	✚ At least 20,000 additional tonnes of wholly milled rice	✚ The processing of agricultural products begins	✚ At least 10 000 additional tonnes of rice are processed into white rice	New projects: <ul style="list-style-type: none"> • Agro-industrial Pole Project in North region (2 PAI - Nord) 	

Strategic Objectives of PND 2018-2022	Constraints on achieving PND 2018-2022 Objectives	Final Impacts	Final Outputs	Mid-Term Impacts	Mid-Term Outputs	Indicative Programme of new and ongoing interventions over the 2018-2022 CSP period
		<i>(for end of strategy in 2022)</i>		<i>(for 2020)</i>		
			✚ About 10,000 additional tonnes of vegetables	✚ The production of major crops is increased, along with beneficiaries' incomes	✚ Additional vegetable production is at least 5 000 tonnes	<ul style="list-style-type: none"> • Agro-industrial Pole Project in West region (2 PAI-Ouest) <p>Ongoing projects:</p> <ul style="list-style-type: none"> • Agricultural Infrastructure Support Project in Indénié-Djuablin region (PAIA-ID) • Indénié-Djuablin Region Value Chain Development Project (PDC-ID) • Bélier Region Agro-industrial Pole Project (2 PAI-Bélier)
			✚ At least 300,000 additional tonnes of cassava		✚ The number of operational SMEs is at least 50, with 5 in processing	
			✚ At least 80,000 additional tonnes of maize			
			✚ At least 800 equivalent tonnes pork meat			
			At least 800 additional tonnes of fish			
	SMEs are made dynamic		At least 100 SME/agro-industrial units, including 20 in processing	✚ Some SMEs are operational in the project area	✚ The number of operational SMEs is at least 50, with 5 in processing	
	Industrialization is accelerated		4 operational industrial zones (Bélier, Indénié-Djuablin, Nord and Ouest)	✚ The processing and industrialization of agricultural products is launched	✚ An industrial zone is operational	