

Côte d'Ivoire: Poverty Reduction Strategy Paper - Executive
Summary of Progress Report



CÔTE D'IVOIRE

June 2015

POVERTY REDUCTION STRATEGY PAPER—EXECUTIVE SUMMARY OF PROGRESS REPORT

Poverty Reduction Strategy Papers are prepared by member countries in broad consultation with stakeholders and development partners, including the staffs of the World Bank and the IMF. Updated with annual progress reports, they describe the countries macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing. This document for Côte d'Ivoire is being made available on the IMF website by agreement of the member country as a service to users of the IMF website.

Copies of this report are available to the public from

International Monetary Fund • Publication Services
PO Box 92780 • Washington, D.C. 20090
Telephone: (202) 623-7430 • Fax: (202) 623-7201
E-mail: publications@imf.org Web: <http://www.imf.org>
Price: \$18.00 per printed copy

**International Monetary Fund
Washington, D.C.**



CÔTE D'IVOIRE

POVERTY REDUCTION STRATEGY PAPER—EXECUTIVE SUMMARY OF PROGRESS REPORT

May 20, 2015

Attached for information is the Executive Summary of the Progress Report relative to the implementation of the 2012–15 National Development Plan. The Côte d'Ivoire authorities have confirmed that this Executive Summary is accurate and representative of the full Progress Report document issued in May 2015. The full document is available on the following website: <http://www.plan.gouv.ci>. The authorities consented to its publication on the IMF website.

This page intentionally left blank

Republic of Côte d'Ivoire

Union – Discipline - Work

National Development Plan

2012–2015

Progress Report: Executive Summary

Reconciliation
Agriculture
Cooperation
Employment
Health
Industry
Education
Rule of Law-Equity

May 2015

EXECUTIVE SUMMARY

In March 2012, following 10 years of sociopolitical crisis and economic stagnation, Côte d'Ivoire adopted a National Development Plan (PND) for the years 2012 to 2015 to set out the foundations for the country to become an emerging economy by 2020.

The PND centers on five strategic outcomes: (i) that the people live in harmony in a secured society where good governance is ensured; (ii) that national wealth creation has increased and is being sustained, and its benefits are being shared equitably; (iii) that the people, especially women, children, and other vulnerable groups, have access to high-quality, equitable social services; (iv) that the people live in a healthy environment and enjoy an adequate quality of life; and (v) that the repositioning of Côte d'Ivoire on the regional and international scene is effective.

As indicated under the institutional framework for implementing the PND, an overall report must be presented to describe the measures the government has taken in fulfilling its commitments.

This purpose of this document is therefore to summarize the results of implementing the 2012-2015 PND. These results take into account all sectors covered by the five strategic outcomes.

Strategic Outcome 1 takes in 747 actions, 68 of them major. Of those 68, 28 have been entirely fulfilled, 26 are in progress, and 14 remain unfulfilled. For this strategic outcome, CFAF 584.9 billion was allocated out of CFAF 1,060.7 billion planned for the 2012-2015 period. Public funds allocated from 2012 to 2014 totaled CFAF 491.1 billion, with 86.59 percent used. Here, the PND's financial execution rate was 58.56 percent.

In working to achieve this strategic outcome, the government set up a number of meetings with the opposition to strengthen political dialogue and ease the sociopolitical climate. Thanks to the disarmament, demobilization, and reintegration (DDR) process that commenced at the end of the post-electoral crisis, 46,000 ex-combatants have been integrated out of a total of 74,068, particularly in the public administration, the private sector, and self-employment. The actions carried out by the Ivorian government the area of reconciliation and social cohesion, with its partners' support, have led to 234,118 refugees out of a total of 300,000 returning to Côte d'Ivoire by the end of 2013, or 78.04 percent. Similarly, as of October 2012, 730,000 internally displaced persons (IDPs) had been able to return to their places of origin. Moreover, thanks to a number of rebuilding programs currently under way, basic socioeconomic infrastructure has been put in place in former conflict zones, facilitating the return of IDPs to their places of origin and helping reduce regional disparities that in the past have been a source of frustration and conflict.

In the area of **defense and security**, the government's actions have focused on modernizing the defense-and-security sector by strengthening the legislative and regulatory framework and building up the Defense and Security Forces' technical and operational capabilities. In addition, the security web has been expanded to cover Côte d'Ivoire's entire territory and the security apparatus has been strengthened. Instilling strong moral standards within the Defense and Security Forces was also a prime undertaking during the period.

Together, these initiatives have made it possible for Côte d'Ivoire's general security index to be lowered from 3.3 in 2012 to 1.12 in 2014, and for the United Nations security index to be lowered from 4 to 2 during the same period.

In the area of **justice and human rights**, the policy guidance paper has been prepared and is now being implemented. In addition, the organizational structure of courts and tribunals has been entirely restored and judicial staff have been hired, trained, and assigned throughout the country. The commercial tribunal, set up in July 2012, is helping bring order to the business environment. Birth certificates have been issued to 5,585 schoolchildren who, because their births had not been registered, were potentially at risk of statelessness.

In the area of **governance**, involving decentralization, the reforms implemented mostly derive from the principle of ex post review of the actions of local community governments. These reforms have reduced the different types of local community government from five in 2010 to three in 2013. Also important to mention are Law 2012-1128 of December 13, 2012, setting out the organizational structure of local community government and the 2013 law grouping local community governments into districts. The Special Status of Traditional Kings and Chieftains has been adopted, and Law 2014-428 of July 14, 2014, has been passed to strengthen the institutional framework of the decentralization process. Thanks to these efforts, Côte d'Ivoire's rankings in Transparency International's Corruption Perceptions Index, in the Mo Ibrahim Index of African Governance, and in the Millennium Challenge Corporation's Control of Corruption indicator have improved significantly.

In the area of civil protection, the actions carried out have centered on strengthening the institutional and legal framework for preventing and managing risks and disasters and building up the operational capabilities of bodies in charge of civil protection.

In the area of **planning**, the 2012-2013 National Development Plan (PND) served to move planning to the forefront of public action. In addition, the National Bureau of Population has been set up to better address the problems of population and development. Also, Decree 2012-1159 of December 19, 2012, has been issued to establish a department in charge of statistics planning within government ministries.

With respect to **statistics** per se, the government's intention of ensuring that reliable, up-to-date statistics are available to support the country's development has taken the form of conducting the country's General Population and Housing Census (RGPH) in 2014. In addition, a number of sector survey and census activities have been carried out in the areas of agriculture, employment, and health.

In the area of **communications**, the legal and regulatory framework has been strengthened. In addition, rehabilitating the production and broadcasting infrastructure of the national broadcaster, RTI, has expanded television coverage from 70 percent of the country in 2012 to 93.33 percent in 2014, and radio coverage from 60.75 percent in 2011 to 96.42 percent in 2014. Support for the private broadcasting sector is also continuing, as is the process of liberalizing that sector.

These actions have made a positive contribution to maintaining a peaceful overall environment supportive of all the country's development and repositioning efforts.

As regards **Strategic Outcome 2**, significant progress has been made during the 2012-2014 period. This strategic outcome takes in 696 actions, 204 of them major. Of those 204, 72 have been fulfilled, 83 are in progress, and 49 remain unfulfilled. For this strategic outcome, CFAF 599.1 billion was allocated out of the CFAF 1,959.2 billion planned for the 2012-2015 period. Budget resources allocated from 2012 to 2014 totaled CFAF 1,679.3 billion, with 74.65 percent used. Here, the PND's financial execution rate was 109.54 percent.

The **economic growth** rate has been increasing more slowly of late, from 9.8 percent in 2012 to 9.2 percent in 2013 to 9 percent in 2014, following the 4.7 percent drop in 2011. On average, during the 2012-2014 period, inflation was estimated at 1.46 percent, or half the WAEMU benchmark of 3 percent, versus 4.9 percent in 2011. Overall, during the past three years, GDP has increased by more than 25 percent and per capita GDP by 15 percent according to IMF data.

In the area of **agriculture** and rural development, significant reforms have been achieved regarding coffee, cacao, cotton, and cashew-nut production, significantly raising the income of more than 2.5 million small farmers. The aggregate gross income of cacao producers during the 2013-14 season was CFAF 1,309.6 billion compared to CFAF 1,041.3 billion the previous season, an increase of 25.7 percent. Specific programs focusing on the production of food crops helped improve productivity and establish an organizational structure in the sector. Consequently, where food-crop output was 11.62 million metric tons in 2011, it rose to 15.45 million metric tons in 2014, an increase of 27.13 percent.

In the area of **road infrastructure and transport services**, major investments have been made. The Henri Konan Bédié, Bouaflé, Jacquenville, Béoumi, and Bassawa bridges are being built, some of them already completed and put into service and others expected to be completed by the end of 2015. In addition, 5,000 kilometers of rural roads have been regraded and 346 kilometers of main roads have been repaved, including those between Singrobo and Yamoussoukro and between Boundiali and Tengrela. Construction work on the freeway between Abidjan and Grand Bassam is well under way. For the State transit corporation SOTRA, 724 buses have been purchased and 459 others have been overhauled.

In the area of **postal, information, and communications technologies (P-ICTs)**, the biggest challenge during the period has been strengthening governance. Three major laws have been passed by the National Assembly: one on electronic transactions, one on the protection of personal data, and one on cybercrime. A new postal code system has been set up. Other activities have focused on continuing to implement a number of high-priority projects, in particular with regard to e-health, e-education, e-agriculture, and e-electronic governance. Also, 1,000 communities have been connected using code division multiple access (CDMA) technology.

In the **mining** sector, a new Mining Code has been put in place which is more attractive to investors and is consistent with the principles of transparency, traceability, and societal responsibility. The government has continued its efforts to heighten transparency, thereby ensuring that Côte d'Ivoire conforms to the Extractive Industries Transparency Initiative (EITI).

The **energy** sector has been making achievements, particularly in electrification, as electric power has been brought to 800 more communities during the period. The number of communities connected to the electric power grid has thus risen from 2,875 to 3,575 in 2014, so that the nationwide rate of coverage is now close to 40 percent. Installed generating capacity has risen by a further 211 megawatts, from 1,421 megawatts to 1,632 megawatts, with gross output of 6,785 gigawatt hours. This represents an increase of 7.2 percent of demand compared to 2012. In addition, this sector is in financial equilibrium.

In the **hydrocarbon** sector, gross oil output was 26,500 barrels a day. Five new licenses have been issued; four new drilling projects have been carried out; and two new discoveries are now being evaluated. The financial position of the Société Ivoirienne de Raffinage [Ivorian Refining Corporation] (SIR) has improved, and it has attained a 70-percent rate of utilization. A storage capacity of 9,500 metric tons of butane gas has been built. Also, a 385-kilometer pipeline between Abidjan and Bouaké has been completed.

In the **industry and manufacturing** sector, government efforts have focused on improving the institutional framework, fostering competitiveness, and encouraging business development. The apparatus for promoting the sector was strengthened in 2012 when the old investment code, dating from 1995, was revised, and businesses hard hit by the crisis were allowed tax exemptions.

With regard to **small and medium-sized enterprises (SMEs)**, priority was given during the period to preparing the strategic plan to develop SMEs known as “Project Phoenix,” and the promulgation of Law 2014-140 on March 24, 2014, with respect to providing guidance and direction to SMEs. The government has also been rehabilitating existing industrial zones and developing new ones in the Interior, as well as establishing processing plants for agricultural products, especially the Agroparc agricultural industrial park involving I2T, CDT, and CI-Engineering.

Insofar as the **trade and commerce** sector is concerned, the main reforms and actions undertaken have been in three main areas: (i) passing the law on competition; (ii) preparing draft legislation to establish a Consumers’ Code; and (iii) organizing campaigns for the regular checking of devices used to ascertain weights and measures.

As regards the battle to keep the cost of living in check, the government not only set up the National Cost of Living Board but has also taken a series of measures in three areas: (i) applying a reduced rate of VAT (in the range of 5 percent to 10 percent) to widely used products subject to VAT; (ii) tightening price controls and field inspections for widely used products, including butane gas; and (iii) starting to even out butane gas prices throughout the country.

In the **tourism** sector, one of the government’s main accomplishments has been to strengthen the sector’s institutional framework by validating and adopting the Tourism Code. The private sector remains fundamentally responsible for upgrading tourism offerings and hiring more staff. From 2012 to 2014, six deluxe hotels operating to international standards were renovated (Hôtel Ivoire, Golf Hôtel, Hôtel Golf Club, Hôtel Le Président, Hôtel Les Parlementaires in Yamoussoukro, and Hôtel La Paix in Daoukro). The total number of guest rooms increased from 27,431 in 2012 to 30,471 in 2013, an increase of 11.09 percent.

In the **artisan craft industry** sector, the main actions taken have been in relation to the promulgation of the Artisan Craft Industry Code on June 5, 2014, and the entry into force of the WAEMU code in July 2014.

Strategic Outcome 3 takes in 961 actions, 73 of them major. Of those 73, 33 have been entirely fulfilled, 31 are in progress, and nine remain unfulfilled. Public funds allocated to this strategic outcome for the 2012-2015 period were CFAF 937.5 billion, compared to the CFAF 790.7 billion planned. During the 2012-2014 period, the funds allocated were CFAF 655.2 billion, with 76.89 percent used. Overall, 88.28 percent of public funds planned by the PND for Strategic Outcome 3 were used.

Under this strategic outcome, the most significant results were in the education and training, health, and employment sectors.

With respect to **education**, the primary-school gross enrollment ratio (GER) stood at 94.7 percent in 2014, compared to 76.2 percent in 2008. Similarly, the primary-school net enrollment ratio (NER) rose from 56.1 percent in 2008 to 72.9 percent in 2013.

The advances made are the result of efforts by the government and its development partners in strengthening education sector governance, building 6,885 classrooms, improving the quality of teaching, and undertaking supportive actions such as fitting out classrooms with furnishings and textbooks (5,106,378 textbooks) and hiring 24,422 instructors and 7,966 high-school and college teachers.

In the **technical education** sector, the main accomplishments pertain to the signing of agreements with TFPs (the French development agency AFD, the European Union, and UNIDO) to revise and update three training streams, and to repair, renovate, fit out, and provide capacity-building for 10 schools. Additional work in the sector was to devise the organizational structure for the technical education system and the statistics yearbook.

In the **higher education** sector, to provide high-quality teaching leading to decent jobs for those who hold a baccalaureate or equivalent diploma, regulatory texts concerning the introduction of the LMD system (covering licentiate's degrees, master's degrees, and doctorates) have been established and the various universities' program curricula have been revised. In addition, three universities have been renovated and converted into autonomous universities.

In the **health** sector, the work accomplished has been in connection with strengthening the management framework by formulating the 2012-2015 National Health Sector Development Plan (PNDS). To upgrade the health services offered, the government has made it a priority to renovate and fit out university hospital emergency departments in Bouaké, Cocody, Treichville, and Yopougon. Likewise, 46 general hospitals have been renovated, fitted out, and brought up to standard, including those serving Yopougon-Attié, Bingerville, and Port-Bouët, together with 150 health centers. In addition, four hospitals (Gagnoa, Adjamé, Angré, and Saint Joseph Moscati in Yamoussoukro) and 52 front-line health units (with dispensary and maternity services) have been built and fitted out. As for vehicles, 10 ambulances with medical equipment, 100 transport ambulances, and 200 motorcycles have been purchased.

One of the government's important measures centers on providing access, free of charge, for childbirth, complications of childbirth including cesarean sections, treatment for illnesses of children up to the age of five years, and diagnosed cases of malaria. As regards combating illicit medications, 205,350 metric tons of illicit pharmaceutical products offered for sale have been seized.

With respect to the challenges of the **employment** sector, the work accomplished concerns the strengthening of the legal and regulatory framework under the National Employment Policy adopted on June 7, 2012. Adapting the Ivorian Labor Code to that of the Organization for the Harmonization of Business Law in Africa (OHADA) led to raising the guaranteed nonfarm minimum wage (SMIG) and the guaranteed farm minimum wage (SMAG) effective November 20, 2013. In addition, the Civic Action Service to Promote Employment and Development (SCAED) was set up to focus on youth having no diplomas or training. All together, the technical ministries' programs and projects have created 729,546 jobs as of January 1, 2015, compared to 1,638,050 jobs forecast.

The National Strategy for Combating Gender-based Violence (SNLVBG) has been adopted. Capacity-building activities have been organized to provide guidance to 2,472 leaders. Funding has been provided to 61,000 women in support of income-generating activities. To improve rural women's and girls' access to education, 6,000 women, and 700 women vendors, have been trained in functional literacy and numeracy.

In the area of **sports and culture**, Côte d'Ivoire has organized major sporting events such as AfroBasket and the World Cup of Taekwondo. It won the 2015 Africa Cup of Nations. Organizing major gatherings to promote culture and the arts, holding festivals, and hosting artistic and literary events such as the MASA, the SILA, and the FEMUA have enabled Ivorian talent to gain recognition and have been a driving force to promote cultural exchanges with other countries.

Strategic Outcome 4 takes in 326 actions, 87 of them major. Of those 87, 24 have been entirely fulfilled, 35 are in progress, and 28 remain unfulfilled. For this strategic outcome, CFAF 536.3 billion was allocated out of the CFAF 572.9 billion forecast under the 2012-2015 PND. Budget resources allocated from 2012 to 2014 totaled CFAF 355.9 billion, with 82.17 percent being used. Here, the PND's financial execution rate was 74.66 percent.

For the program to build **social housing**, 3,059.57 hectares of land holdings have been mobilized, broken down as 1,015 hectares in Abidjan, 39.27 hectares in Yamoussoukro, and 2,005.30 hectares in other main towns. A software program has been put in place to process and monitor applications for property title registrations. As a result of these measures, 1,600 dwelling units in the District of Abidjan and 200 dwelling units in other main towns have been completed. Across the country there are 71 building sites that have been started, and the new software program has processed more than 112,523 applications for property title registrations since 2012.

In the area of **urban development**, the decree prohibiting the production, import, sale, possession, or use of plastic bags has been extended. Out of the 1,377,355 metric tons of garbage forecast to be collected, 1,006,173.89 metric tons have been picked up and taken away, for a 70 percent fulfillment rate in the District of Abidjan. A waste management guide has been adopted for small communities of fewer than 50,000 people. Four incubation centers for small

and medium-sized enterprises and cooperative artisanal groups have been set up in Korhogo, Bouaké, Man, and Yamoussoukro, and fitted out with equipment and supplies.

With respect to **potable water**, particular emphasis has been placed on adopting regulatory texts for the sector to address problems in relation to the capacity to mobilize water resources for human consumption. This will enable the National Bureau of Water Supply (ONEP) to have a proper sense of the water resources needed to run an effective potable-water supply system. Alongside the adoption of these texts, major actions have been implemented, in particular the installation of 794 new pumps in towns and villages, the maintenance of 11,446 hand pumps, the construction of 76 water towers, and 14 water drilling projects for the city of Abidjan. Work has been done in rehabilitating 6,500 village pumps and the national water supply system as a whole. During the 2012-2013 period, financial support was provided for 20,000 water service connections for poor households compared to the figure of 30,000 planned; and 471 watering points were established compared to the figure of 500 planned under the implementation framework of the BID 1 Village Water Systems Program.

Actions in the area of **sanitation** have enabled 3,000 households to be connected to the network, and 56,742 cubic meters to be cleared out compared to the figure of 57,200 cubic meters planned, giving a 98 percent completion rate for these emergency works. Buffer tanks have been built on the C1 and C2 channels of the Gourou drainage basin (at the Indenié intersection); and three flood retention dams have been rehabilitated, with four more under construction.

In the area of **environment and sustainable development**, one of the government's actions was the ratification, in 2013, of the Maputo Convention on the conservation of nature and natural resources. Also, a legal text was put in place to create a platform for reducing the risk of natural disasters, and another legal text relating to the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (REDD+). Other actions have been to fit out the National Bureau of Parks and Reserves (OIPR) and to do further remediation work on the "Probo Koala" toxic waste dumpsites. Annual maintenance work has also been done on 376.5 kilometers of road shoulders and forest footpaths, 810 kilometers on perimeters of parks and reserves, and 12.6 hectares in the Banco National Park's arboretum. Also, a bridge in the Comoé National Park was rehabilitated and 1,269.22 hectares of farmland was recovered for the Taï National Park.

With regard to improving the management of water and forests, the main activities have been targeted to assuring the sustainable management of natural resources. To that end, in June 2014 a law was passed establishing a new Forestry Code, replacing the old one dating from 1965. In designated forest areas, 13,824 hectares of land were reforested. Repair and renovation work was done on the Abidjan zoo. The apparatus to safeguard designated forest areas was strengthened. As for forest patrols, 3,392 regular patrols were carried out, plus 411 joint patrols in collaboration with the Côte d'Ivoire Republican Forces (FRCI). Of 10 designated forest areas inspected, five were found to be occupied and were cleared. Also, 601 water and forest agents were given basic military training by the forest police.

Strategic Outcome 5 takes in 118 actions, 27 of them major. Of those 27, 10 have been entirely fulfilled, 10 are in progress, and seven remain unfulfilled. For this strategic outcome, CFAF 77.5 billion was allocated for the 2012-2015 period out of the total CFAF 195.9 billion

planned. For the 2012-2014 period, the resources allocated were CFAF 57.7 billion, of which 97.23 percent was used. Here, the PND's financial execution rate is 41.65 percent.

In regard to **restoring Côte d'Ivoire's image on the international stage**, Ivorian authorities have conducted a diplomatic campaign with many official visits, working visits, and business visits to many countries around the world. One of the results is that the President of Côte d'Ivoire served as chairman of the Economic Community of West African States (ECOWAS) in 2012 and 2013. In addition, three new embassies (in Equatorial Guinea, Turkey, and Lebanon) and two new consulates-general (in Guangzhou, China, and in New York) have been opened. Eleven joint commissions have been reactivated, and the diplomatic bag service to carry official materials from the President's office and the foreign ministry has been restored. Economic and trade missions were organized to all the country's diplomatic missions to ensure that the economic diplomacy promoted by the President would be implemented effectively.

With respect to **post-crisis reconstruction, the promotion of international exchanges, and economic rebirth**, several actions have been undertaken. Implementation of the PACIR program to support trade and regional integration is one of these. Another is negotiation of the Economic Partnership Agreement with the European Union. Côte d'Ivoire has also joined, and begun actively participating in, the Permanent Interstate Committee for Drought Control in the Sahel and West Africa (CILSS). This has made it possible for the country to benefit from large projects such as construction of the Ouagalodougou livestock market and rehabilitation of the Niellé livestock market.

Analysis of the actions conducted under the strategic outcomes shows that they are progressing in step with the objectives established. Côte d'Ivoire has rebounded with rapid growth in a much-improved context of peace and security, with the benefit of better governance. The people are beginning to reap the benefits of this renewed economic vigor, thanks to the efforts being made in redistribution and the remedying of inequalities across sectors.