



# Republic of Côte d'Ivoire

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## Investor Presentation

February 2021



## Executive Summary



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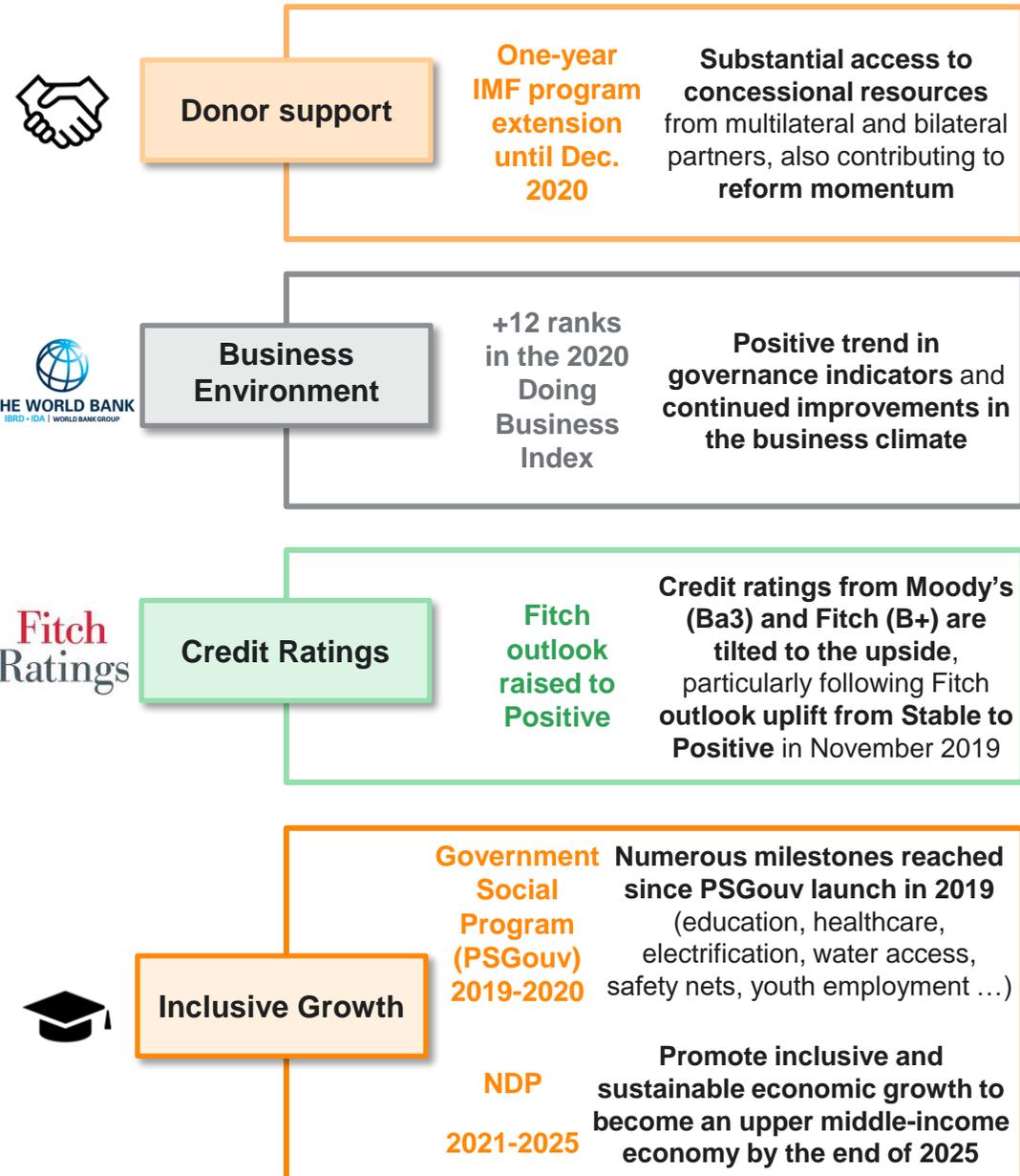
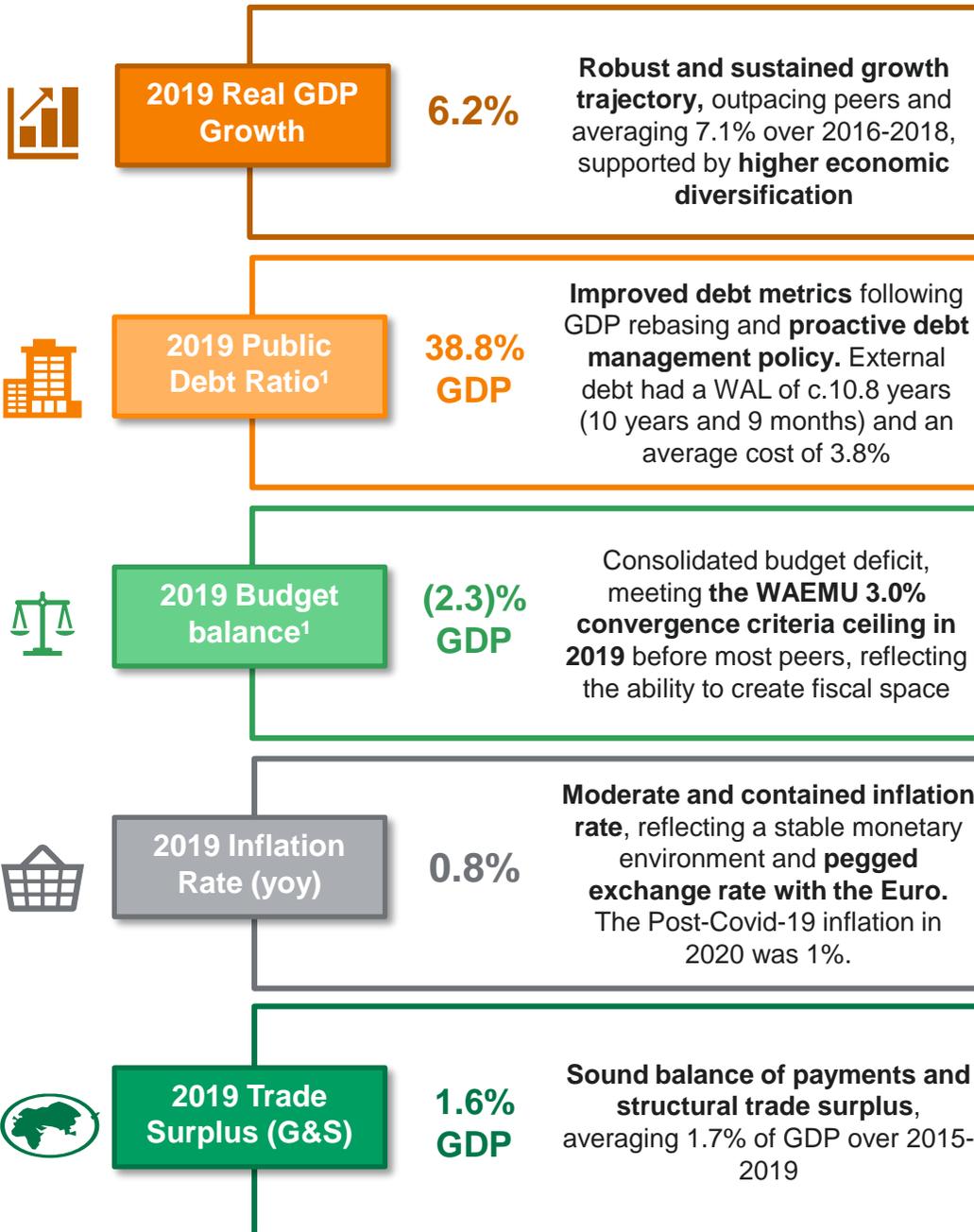
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# Côte d'Ivoire entered 2020 with very strong macroeconomic fundamentals, after achieving excellent results in 2019



# A comprehensive sanitary response to the Covid-19 crisis, translating in comparably low incidence rates

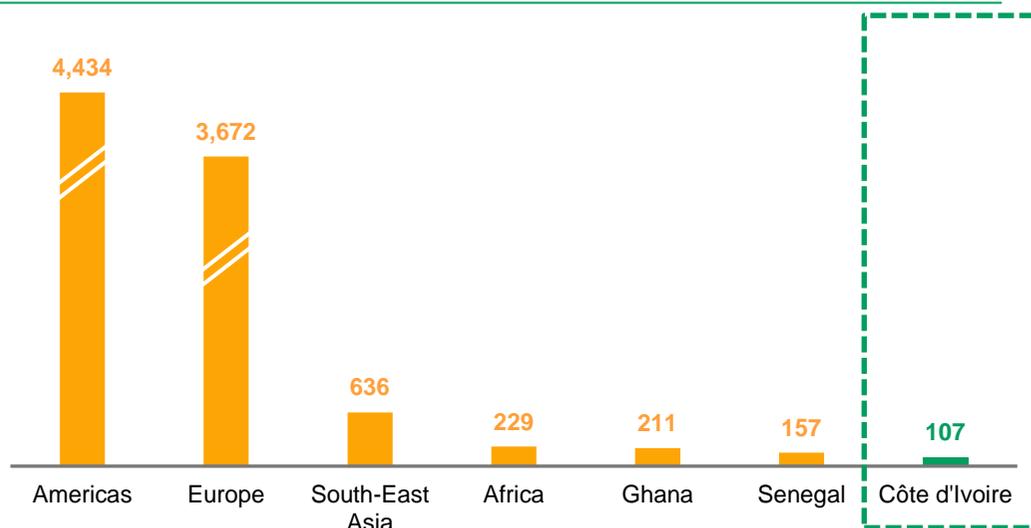


## Covid-19 situation in Côte d'Ivoire as of February 5, 2021



Note 1. 7-day average

## Incidence of Covid-19 cases as of February 5, 2021 (confirmed cases per 100 thousand population)



Sources: Prime Minister Speech on March 31, 2020, Republic of Côte d'Ivoire, World Health Organization

## Health measures to fight against the coronavirus pandemic

- ✓ **Adoption of an emergency National Health Response Plan of CFAF 96 billion (0.3% GDP) to contain the transmission of the virus, isolate the contaminated population and protect the population:**
  - Providing free care for those infected
  - Equipping intensive care units and **increasing the stock of medical supplies** (delivery of 111 million face masks by the end of June 2020)
  - Strengthening epidemiological and biological surveillance (virus testing; creation of a free call center, rehabilitating and equipping laboratories)
  - **Reinforcing capacities of pharmaceutical industries and financing research on the virus**
- ✓ **Extension of the state of emergency** declared on 23 March 2020, throughout the national territory from 15 April to 30 April 2020 and to 30 July 2020
- ✓ Closure of pre-school, primary, secondary, technical and higher education establishments, adopted on 16 March 2020, for a period from 17 April to 17 May 2020
- ✓ To prevent a second wave, the Government has declared the state of emergency throughout the national territory from 21 January to 28 February 2021.
- ✓ The Government participates in the COVAX initiative, which aims to accelerate the development and manufacturing of Covid-19 vaccines : Côte d'Ivoire expects **100,000 doses of the various approved Covid-19 vaccines by the end of February 2021.**
- ✓ The COVAX initiative will enable Côte d'Ivoire to acquire up to **10 million doses for the vaccination of 5 million people, representing 20% of the Ivorian population.**
- ✓ The Government will also benefit from the “**Revolving Fund**” (Fonds Renouvelable) launched by the Conference of the **ECOWAS** Heads of States and Government on 23 January 2021, whose main purpose is to secure the availability of up to **240 million doses** of Covid-19 vaccines for its member countries.
- ✓ The Ivorian Agency for Pharmaceutical Regulation (l'Agence Ivoirienne de Régulation Pharmaceutique) has authorized the emergency use of the Covid-19 vaccines manufactured by Pfizer-BioNTech and Moderna. The approval process for other Covid-19 vaccines manufactured by AstraZeneca, Sinopharm, and the Russian Sputnik V is underway.

# A timely and ambitious policy package to mitigate the economic and social impact of the COVID-19 pandemic



## Economic, Social and Humanitarian Support Plan CFAF 1,700 bn, or about 5% of GDP

### Business support measures

- Three-month **grace period on taxes**, flat-taxes payments and social contributions to provide cash flow relief to companies
- Withholding taxes on revenue from capital for enterprises in the tourism sector and in the hotel industry
- Suspending the duties and taxes on imports of medical supplies and protective equipment
- **Suspending delay penalties of public procurement procedures** submitted either by the central or the local governments
- Suspending of tax audits for companies for a three-month period
- **Clearing the VAT credits** awaiting reimbursement within a 2-week period.
- **Improving the business climate** through the court simplifications enshrined in amendments of the Code of Civil, Commercial and Administrative Procedure

### Economic support measures

- ✓ **Setting-up three special funds** to be spent over 2 years to preserve means of production and employment:
  - **Support Fund for the Small and Medium Enterprises** of CFAF 150 bn (0.4 % of GDP)
  - **Support Fund for Large Companies** of CFAF 100 bn (0.3 % of GDP)
  - **Support Fund for Participants in the Informal Sector** of CFAF 100 bn (0.3 % of GDP), designed to grant loans participants in the informal sector and refinance the credit institutions involved in the implementation of financing programs
- ✓ **Implementing the Emergency plan in support of agricultural export and the food production sectors:**
  - **Support for the agricultural sector** by CFAF 250 bn (0.75 % of GDP)
  - **Support for the food production** by CFAF 50 bn, including CFAF 20 bn for inputs (0.06% of GDP)

### Social measures for the population

- **Covid-19 Special Solidarity and Emergency Humanitarian Support Fund** with a budget of CFAF 170 bn (0.5 % of GDP) designed to ensure the food and social security of the population during the pandemic and alleviating the hardship on households:
  - **Postponing the payment deadlines on electricity and water bills** for the lifeline consumption and implementing exemptions on utilities payments for low-income households (i.e. 6m people) for a two-month period
  - **Fighting speculative practices** that lead to abusive increases in the cost of essential products (e.g. capping the sale prices of hydroalcoholic gels)
- Encouraging landlords to sign **rents deferment agreements** with their tenants
- Implementing **distance learning** for school and universities

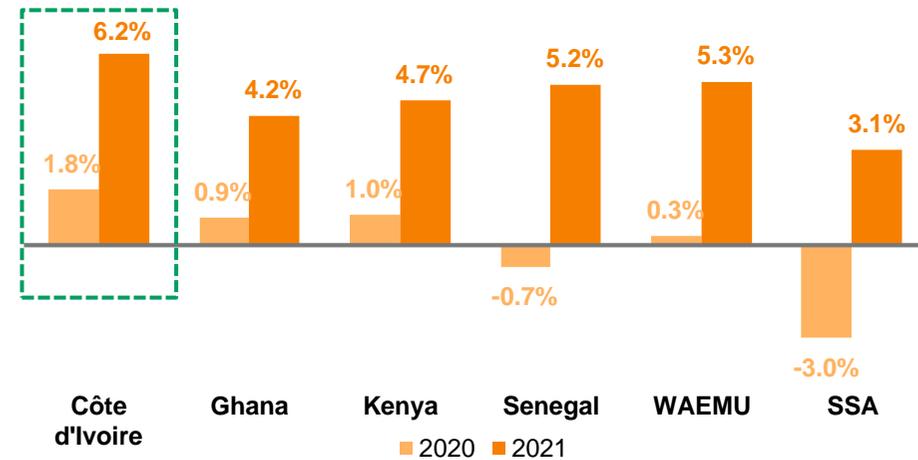
*Following a wide consultation with the entire private sector and various professional organizations, Côte d'Ivoire adopted an Economic, Social and Humanitarian Support Plan (Plan de Soutien Economique, Social et Humanitaire) estimated at CFAF 1,700bn, representing c.5% of GDP*

# Côte d'Ivoire is expected to show greater resilience than peers against the Covid-19 epidemic

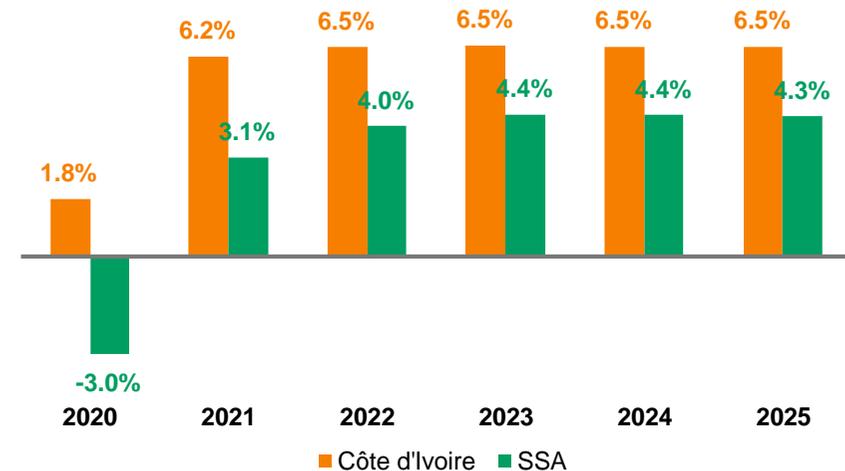


- ▶ Côte d'Ivoire maintained positive economic growth in 2020, showing stronger resistance to the Covid-19 induced shock than its regional peers, and embark on a quick recovery from 2021
- ▶ Côte d'Ivoire's real GDP growth is projected to reach 1.8% in 2020 according to the IMF's October 2020 projections and that of the Government. This compares to an initial forecast of 6.7% by the IMF (pre-Covid) and a revised forecast of 2.7% in the April 2020 WEO (post-Covid)
  - IMF growth forecasts for 2020 were marked down by 0.9 percentage points for Côte d'Ivoire between the IMF's April and October 2020 estimates, compared to 1.2 p.p mark-down for SSA and 2.2 p.p for the WAEMU region
  - With an average forecasted real GDP growth for 2020-2021 of 4.0% (IMF), Côte d'Ivoire is expected to remain amongst the top growth performers Sub-Saharan Africa alongside Rwanda and Benin
- ▶ The economy should rebound strongly in 2021 and subsequent years, with growth accelerating on average to c.6.4% over the next five years

IMF Real GDP growth forecasts (as of October 2020)



IMF Real GDP growth projections for 2020-25



# Substantial support from the official sector has allowed to bridge the bulk of additional financing needs stemming from Covid-19



## Overview of official sector 2020 support in response to Covid-19



**US\$ 886m**  
April 17



THE WORLD BANK  
IBRD • IDA | WORLD BANK GROUP

**US\$ 75m**  
May 5



**€ 18m**  
June 10



**€ 75m**  
June 9



**Additional financial support received**



**Accommodative monetary policy measures**



**Debt Service Suspension Initiative participation**

*The additional financing needs arising from the Covid-19 pandemic have been mostly covered by exceptional disbursements from Côte d'Ivoire's development partners, in particular the IMF, the World Bank, the AfDB, the European Union and the AFD.*



## Focus on IMF emergency financing assistance

- The IMF Executive Board approved a **US\$ 886.2m** disbursement to Côte d'Ivoire (100% of the country's quota), drawn under the Fund's Rapid Credit Facility (RCF) and Rapid Financing Instrument (RFI)
- The IMF also published a revised **Debt Sustainability Analysis integrating a post-Covid macroeconomic framework**, and confirmed the ranking of Côte d'Ivoire's at a "moderate" risk of public external, demonstrating the country's **substantial medium-term liquidity buffers**



## Focus on BCEAO mitigating measures

The BCEAO adopted a set of monetary measures to mitigate the negative impact of the pandemic in the WAEMU region, including in particular:

- **A cut by 50 basis points of the ceiling and the floor of the monetary policy corridor**, to 4 and 2 percent respectively
- A special 3-month refinancing window at a fixed rate of 2.5 percent for limited amounts of **3-month "Covid-19 T-Bills"**. The amount for such T-Bills issued by Cote d'Ivoire amounted to about 1.5 percent of GDP
- **An extension of the collateral framework** to access central bank refinancing to include bank loans to prequalified 1,700 private companies in the WAEMU, thus allowing the banks to access additional resources amounting to CFAF 1,050 billion
- An allocation of CFAF 25 billion to the **West African Development Bank's interest subsidy fund**

# Côte d'Ivoire has participated to the G20 / Paris Club DSSI in 2020, and has formally excluded any private sector extension



- ▶ On 10<sup>th</sup> June 2020, Côte d'Ivoire officially announced its participation to the Debt Service Suspension Initiative (DSSI) for 2020, limited to the perimeter of bilateral official debt, whilst formally excluding any extension of this initiative to the private sector
- ▶ In January 2021, the Government requested and benefited from an extension of the DSSI for a further six months, to 30 June 2021.

1

Why did Côte d'Ivoire choose to participate to the DSSI in 2020?

- Côte d'Ivoire believes **this G20-led initiative is consistent with the multiple support programmes deployed by official creditors** since the beginning of the Covid-19 crisis
- **This comes as part of an exceptional and coordinated international response in favour of developing countries**, enabling to free up the necessary resources to fight the pandemic and mitigate its impact

2

What is the perimeter of involved debt ?

- **The scope of eligible debt is limited to official bilateral creditors (loans from governments or relevant institutions of participating creditor countries) conclude before 24<sup>th</sup> March 2020**
- Côte d'Ivoire has **formally excluded any request for an extension of the DSSI to private sector debt**, and **reaffirmed its full capacity and commitment to honour all its contractual obligations to its private creditors**

3

What will be the financial impact of the DSSI ?

- **The DSSI provides for a suspension of bilateral debt service owed from 1 May 2020 until the end of 2020**, to be repaid over three years (2022, 2023, 2024) after a one-year grace period. **On 14 October 2020, Paris Club members and the G20 agreed to extend the DSSI until 30 June 2021**, for eligible countries that request such an extension. **Under the extended DSSI, the repayment period will be 5 years, with a one-year grace period (6 years total)**
- **The amount of bilateral external debt service eligible for suspension under the DSSI in 2020 was CFAF 38 billion, equivalent to about 4.4% of projected external public debt service in 2020<sup>1</sup>**
- **The amount of bilateral external debt service eligible for suspension under the extension of this initiative amounts to CFAF 121.8 billion, representing approximately 11.5% of external public debt service in 2021**.

(1) According to the 2020 Annual Finance Law



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# Cooperation with the IMF has been reinforced following the recent successful conclusion of the ECF/EFF program started in 2016



Dec. 2016

- In December 2016, Côte d'Ivoire entered a three-year Extended Credit Facility (ECF) and Extended Fund Facility (EFF) program with the IMF for the 2016-2019 period, designed to support the implementation of the 2016-2020 NDP
- The programme had a total access of SDR 650.4 million (about US\$896.7 million or 100% of Côte d'Ivoire's quota)

Dec. 2019

- In December 2019, following the completion of the 6<sup>th</sup> review, the IMF Executive Board approved a one-year program extension until December 2020
- Total access was increased to SDR 843.972 million (c.US\$1,1163.6 million or 129.8% of quota)

Apr. 2020

- On 17<sup>th</sup> April 2020, the IMF Executive Board approved a US\$886.2 million disbursement (100% of Côte d'Ivoire's quota), under the Rapid Credit Facility (RCF) and the Rapid Financing Instrument (RFI), to help address the COVID-19 pandemic
- This exceptional support will help bridge urgent financing needs as part of the government's swift policy response to the pandemic, as well as help catalyse additional financial support from other development partners

Dec. 2020

- In December 2020, following the completion of the final 7<sup>th</sup> and 8<sup>th</sup> reviews of Côte d'Ivoire's Extended Credit Facility and Extended Fund Facility Arrangements, the IMF Executive Board approved a US\$278.2 million immediate disbursement, bringing total disbursements under the arrangements to about US\$1,207.71 million (129.8% of Côte d'Ivoire's quota).

- The IMF noted the authorities' ambitious response to the pandemic and the support of the international community thanks to which the economic impact has been contained and highlighted that the deterioration of the fiscal deficit in 2020 was appropriate to address the significant challenges presented by the Covid-19 crisis

- As part of the 6<sup>th</sup> review of the program completed in December 2019, all performance criteria (PC), all indicative targets (IT) and all applicable structural benchmarks (SB) for end-June 2019 were met

- As part of the 7<sup>th</sup> and 8<sup>th</sup> review of the program, the IMF noted that notwithstanding the considerable constraints engendered by the pandemic, most structural benchmarks have been met and thanks to the swift policy response, strong starting fundamentals and Cote d'Ivoire's diversified economy, growth has been more resilient than elsewhere and is projected to reach 1.8% in 2020 (IMF and Government projections) and 6.5% in 2021.

- Côte d'Ivoire has maintained a "moderate" risk of debt distress under the IMF's Debt Sustainability Analysis (DSA) since HIPC completion in June 2012, which was confirmed both in April 2020, when the IMF published a revised DSA including a post-Covid-19 macroeconomic framework, on the back of continued fiscal consolidation and proactive debt management – and in December 2020.

Strong performance under program conditionality

Preserving a "moderate" risk of debt distress

# Credit Rating is tilted to the upside on the back of resilient and above-average macroeconomic fundamentals



## MOODY'S

## FitchRatings

### Foreign Currency LT Ratings

**Ba3 / Stable**

August 7<sup>th</sup> 2020

**B+ / Positive**

December 17<sup>th</sup> 2020

### Recent Evolution

- On August 7<sup>th</sup>, Moody's concluded its "review for downgrade" period, initiated on 12<sup>th</sup> June following Côte d'Ivoire's participation to the DSSI, highlighting the "**very low probability that private sector creditors of Côte d'Ivoire incur losses through DSSI**"
- Côte d'Ivoire's rating was thus affirmed at **Ba3 with a stable outlook, unchanged since the beginning of the Covid-19 crisis**

- **On December 17<sup>th</sup>, despite the Covid-19 outbreak, Fitch affirmed Côte d'Ivoire's Positive Outlook** which had been uplifted from Stable to Positive in November 2019

### Covid-19 Impact

- Moody's highlighted Côte d'Ivoire's ability to **maintain the reform momentum** during a series of shocks which compares favorably to peers
- After the pandemic, Moody's forecasts an average growth of 7-8% which will continue to "**significantly exceed the average for Sub-Saharan African countries**"

- The economic impact of the pandemic to the domestic economy is expected to be "**milder than in similar-sized countries**"
- The Covid-19 shock has a **limited impact on Côte d'Ivoire exports, public finance and disposable income** as the international prices of cocoa, which accounts for around 40% of exports, have been resilient

### Key Credit Strengths

- ✓ An **increasingly diversified economy** and **robust growth prospects supported by structural reforms**
- ✓ Prudent fiscal management and **fiscal consolidation efforts** supporting stabilization of debt
- ✓ Generally **positive trend in governance indicators** in recent years and a successful handling of social tensions
- ✓ **Reliable access to a deep regional market and to foreign currency financing**, in order to secure funds and to roll over its debts
- ✓ Macroeconomic stability with **low external vulnerability** due to WAEMU membership

- ✓ Growth outperformance against peers since 2012 as GDP growth is expected to average **6.3% in 2020-2021**. Côte d'Ivoire is among the fastest among Fitch-rated sovereigns and well above the 'B' category median
- ✓ Strong macroeconomic management and **sustained reform impetus**
- ✓ The government's **proactive debt management policy** has smoothed the debt maturity profile and Cote d'Ivoire does not face significant principal repayment on external market debt before 2024
- ✓ **Good relations with the international community** since 2012 have guaranteed continued support from official creditors, including debt relief, concessional loans and grants

# The Government Social Program 2019-2020 (PSGouv) is yielding tangible results, supporting Côte d'Ivoire's inclusive growth path



- ▶ In 2019-2020, the Government initiated a major program called the Government's Social Program, or "PSGouv", to support the actions of the current National Development Plan. The PSGouv highlights Côte d'Ivoire's commitment to an inclusive growth trajectory and demonstrates that the Government continues its efforts to improve the living conditions of the population in a sustainable manner.
- ▶ Sustainable social transformation is implemented through 5 strategic axes and has produced a range of tangible results



## Health and social protection

## Education

## Access to primary goods and services

## Employment and Empowerment of youth and women

## Rural welfare

### Local health services

### « School for all » (6 to 16y) with a focus on girls and improving student life

### Better access to clean water, energy

### Better access to financial resources and jobs for women

### Improved living conditions and food security

### Key measures

- Targeted free health support
- Enlarged vaccination program
- Universal wealth fare
- Increased deployment of social Protection For productivity

- Better schoolchildren monitoring
- Better schoolchild daily conditions

- Lower social fare on electricity
- Acceleration of « Electricity for all » program
- Acceleration of social housing program

- Trainings for women entrepreneurship

- Program for drinking water in Rural Areas
- Reorganization of 120,000km of roads for food producing good transportation

### Key results

- ✓ 102,231 of insured treated from October 2019 up to June 2020
- ✓ 555,729 of new insured during the H1 2020, leading to a total of 2,421,338 of insured
- ✓ Global drugs availability rate of 85%
- ✓ Measles and rubella vaccination :
  - ✓ 928,653 children vaccinated in 2019 and 338,710 in H1 2020
  - ✓ 934,380 pregnant women vaccinated

- Between 2011 and 2019:
- ✓ 71,544 teaching and supervisory staff recruited, including 17,226 in 2019
  - ✓ 10,300 teachers recruited and assigned
  - ✓ 186,000 table-bench units received

- ✓ Electricity access only for CFAF 1,000 instead of CFAF 150,000
- ✓ 318,997 cumulated new electricity accesses provided from January 2019 to June 2020
- ✓ 1,214,354 new beneficiaries from January 2019 to June 2020
- ✓ 411 electrified municipalities during H1 2020

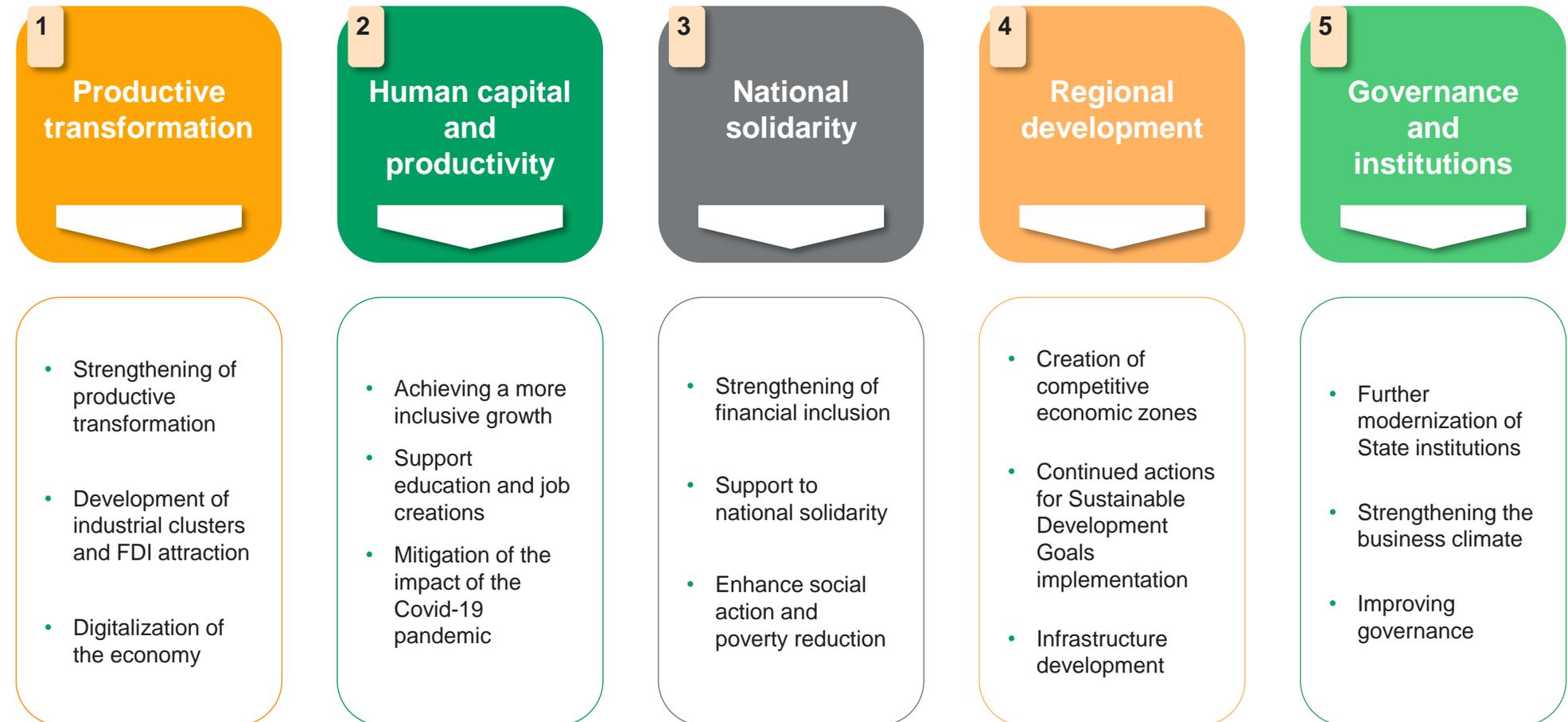
- Entrepreneurship :
- ✓ 34,399 opportunities created in 2019 and 750 projects financed for the benefit of young people in 2020
  - ✓ 2,141 girls trained for entrepreneurship in 2019
  - ✓ 120,445,585 CFAF of grants awarded in H1 2020

- ✓ Roads: 19,170km of road maintained from January 2019 to June 2020
- ✓ Drinking water:
  - ✓ 2,665 repaired/replaced pumps in 2019 and 4,595 in H1 2020
  - ✓ 3,184 maintained pumps in 2019 and 5,250 in H1 2020

# NDP 2021-2025: Consolidate past achievements and position Côte d'Ivoire as an upper-middle income country by 2025



- ▶ The 2021-2025 National Development Plan (NDP) is currently being finalized by the Government and should be launched by the end of the first semester of 2021
- ▶ The implementation of the 2021-2025 NDP is expected to further consolidate the Government's achievements under the 2012-2015 NDP and the 2016-2020 NDP and aims to promote inclusive and sustainable economic growth with the overall objective of making Côte d'Ivoire an upper middle-income economy by the end of 2025
- ▶ The plan will be funded through both private and public resources, and will be structured around 5 major pillars



# Côte d'Ivoire has recently completed a GDP rebasing exercise



▶ Following the highest statistical standards, Côte d'Ivoire rebased its GDP, which resulted in a change in the breakdown of the value added and an increase of 2015 GDP to 27-billion CFAF from 19.6-billion CFAF under the old calculation.

▶ On 11 March 2020, the Council of Ministers of Côte d'Ivoire officially announced its decision to update the base year for its national accounts from 1996 to 2015.

▶ The purpose of the project was to:

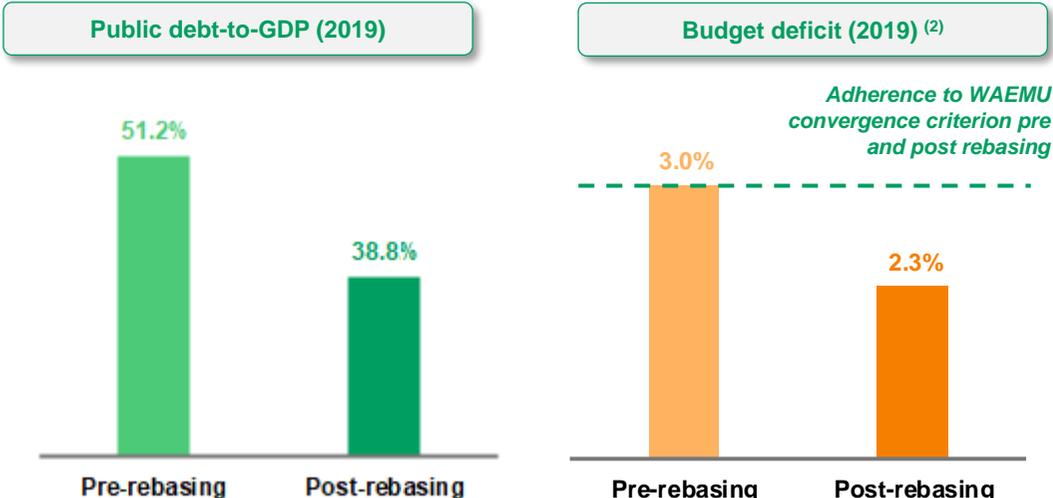
- Replace the 93 System of National Accounts by the most recent 2008 SNA adopted by the United Nations and provide a better idea of the economic activity of Côte d'Ivoire
- Follow best practices for changing the base year of the National Accounts every five or ten years to correct errors resulting from annual estimates
- Improve GDP coverage and the update of the structure of the economy

▶ After rebasing, the estimated 2019 GDP per capita reached USD 2,259.4 and the forecasted nominal GDP 2019 reached USD 58.8bn, the 8<sup>th</sup> GDP by size in Sub-Saharan Africa in 2019.

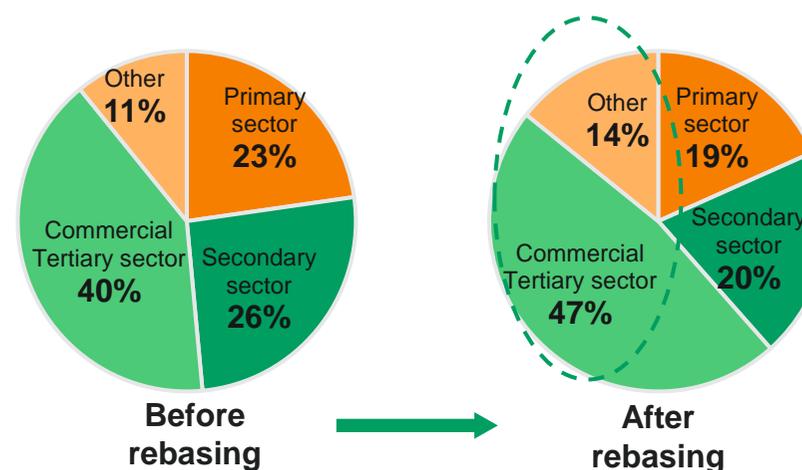
▶ The rebased GDP depicts a clear and accurate picture of the economic activity in Côte d'Ivoire and consequently adequate debt-to-GDP ratios.

• At end-2019, Côte d'Ivoire displays lower public indebtedness level than selected peers: **debt-to-GDP reached 38.8%**<sup>(1)</sup> for Côte d'Ivoire compared to 64.2% for Senegal, 63.2% for Ghana, 39.4% for Benin, 40% for Burkina Faso, 60.8% for Kenya and 56.3% SSA average

## Impact of the rebasing on key 2019 fiscal ratios



## An increased part of the Tertiary sector after rebasing (% of 2015 GDP)



Source: Republic of Côte d'Ivoire, data for selected peers drawn from IMF World Economic Outlook (April 2020 and October 2019)

(1) Outstanding debt at the end of June 2020 represented 43.2% of GDP

(2) For current deficit please refer to the slide 16

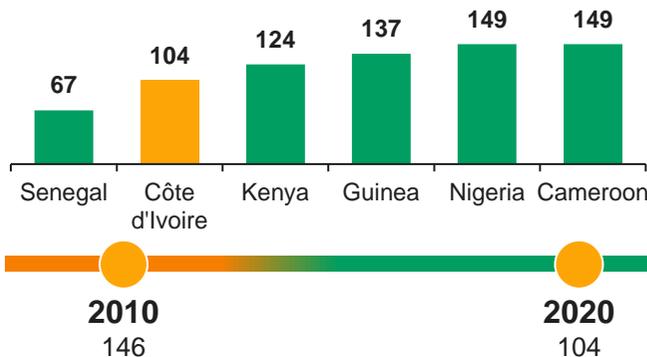
# External perception keeps improving, along with governance and competitiveness indicators



*Côte d'Ivoire has displayed material improvements across all key governance and competitiveness indicators over the past few years, highlighting an enhanced institutional environment and business climate*

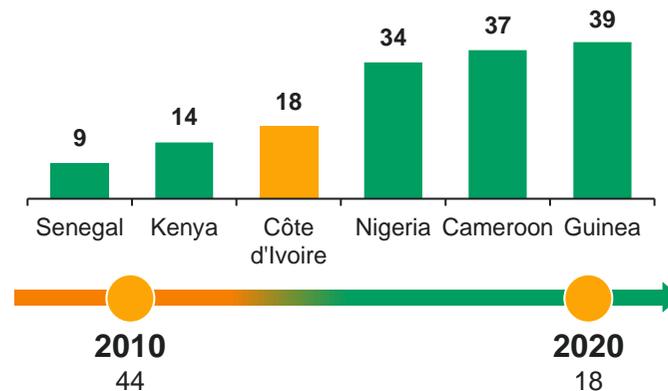
## Transparency International: 2020 Corruption Perception Index Ranking

Rank (out of 180 countries)



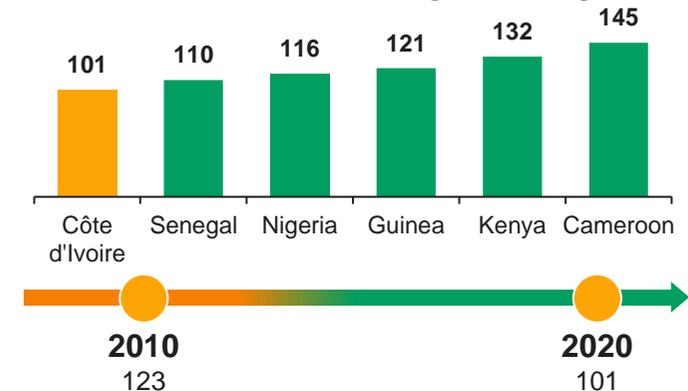
## 2020 Ibrahim Index of African Governance

Rank (out of 54 countries)



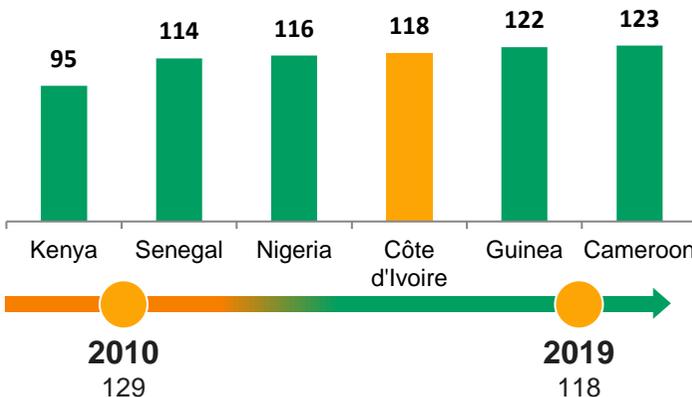
## 2020 Economic Freedom Index

Rank (out of 186 countries) **Côte d'Ivoire ranks 9<sup>th</sup> in the regional ranking**



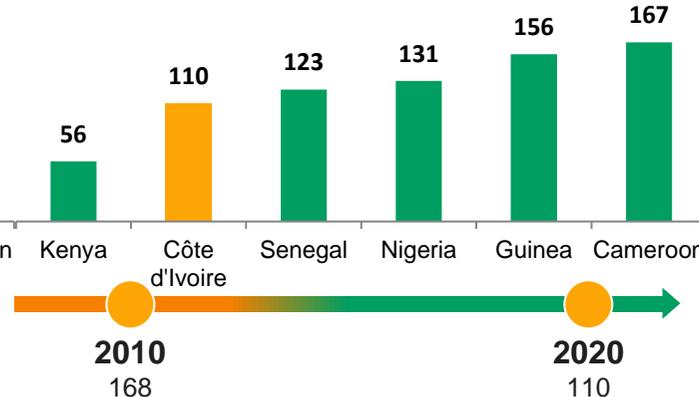
## World Economic Forum: 2019 Global Competitiveness Report

Rank (out of 140 countries)



## World Bank 2020 Doing Business Index

Rank (out of 190 countries)



- Côte d'Ivoire improved again its Doing Business Index ranking from 139 in 2018 to 122 in 2019 and then to 110 in 2020
- Côte d'Ivoire has shown the greatest improvement amongst all African countries in the Mo Ibrahim Index of African Governance between 2008 and 2020, being one of the only eight countries to progress in each of the four categories of the Index over the decade.
- Côte d'Ivoire is classified as category 6 in the OECD country risk classification as of January 2020
- According to the IMF's Debt Sustainability analysis, Côte d'Ivoire has a moderate risk of debt distress



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# A Unique Set of Credit Strengths in the African Continent



- ✓ **Fast, robust and diversified growth, resilient** in the face of occasional domestic challenges and external terms-of-trade shocks
- ✓ **A tradition of democracy and political dialogue** in support of the shared goals of **alleviating poverty** and **protecting regional peace and stability**
- ✓ A **balanced current account** supported by **historic structural surpluses in the trade of goods** and a net energy exporting balance
- ✓ **Low budget deficits** and improving fiscal governance which result in a **modest and sustainable debt burden** by regional standards
- ✓ A resilient external position, shielded from vulnerabilities by WAEMU membership, **substantial FDI and ample concessional funding**
- ✓ **A developed and well-capitalized banking system**, capable of providing credit to the economy as needed to sustain development goals

**One of the Fastest Growing Economies in the World**



- **Among the Fastest Growing Economies in the World:** est. 6.2% Real GDP Growth in 2019 and 1.8% forecast for 2020 as a result of the Covid-19 pandemic, compared to an initial forecast of 6.7%
- **An Economic Powerhouse in West Africa:** Largest economy in WAEMU, representing nearly 40% of the region's GDP
- **Stable Macroeconomic Environment:** Stable exchange rate and low inflation (0.8% in 2019 and 1.0% in 2020) as a member of WAEMU. CFAF pegged to the Euro since 1999 and the ECO, agreed in December 2019 to replace the CFAF, is anticipated to remain pegged to the Euro

**Sound External Accounts and Structural Trade Surplus**



- **Large Structural Surplus Supports External Position:** The 2019 trade balance surplus is expected to rise by 61.1% after having decreased by 30.4% in 2018, due to a greater recovery in exports (+14.7%) than in imports (+2.6%).
- **Diversified and Resilient Export Base:** With increasing value-added contributions from agri-exports and the mining sector
- **Structural Dynamics Support Balance of Payments:** Current account deficit one of the lowest in Africa with history of being in balance. FDI is supported by economic competitiveness gains

**Abundant Natural Resource Endowment**



- **Global Agricultural Leader:** #1 cocoa and cashew nut producer globally (> 1/3 of world production of cocoa)
- **Increasingly diverse range of export crops:** coffee, palm oil, bananas, cotton, rubber trees ...
- **Focusing on Transformation:** National Programme for Agriculture Investment (PNIA) focuses on food security
- **Massive Potential in Mining Sector:** Developing potential of vast oil and gas resources, metals and minerals

**National Development Plan**



- **NDP 2016-2020 Builds on Competitive Advantages and Promotes Industrialisation:** Aim to become a middle income economy by 2020 and substantially reduce poverty
- **Capitalising on Strategic Geographic Position:** Infrastructure projects supported by private sector-led investment
- **Multilateral Support:** In addition to IMF support, significant increase in concessional funding from World Bank and AfDB

**Prudent Economic and Financial Management**



- **Creating Fiscal Space for Investment:** Budget deficit was 2.9% of GDP in 2018 and 2.3% in 2019. As a result of the Covid-19 pandemic budget deficit has been revised at 5.9% of GDP in 2020 (compared to pre-Covid-19 forecast of 3.0%) and is expected at 4.6% of GDP for 2021.
- **Further fiscal consolidation objectives:** deficit converged with the WAEMU norm of 3.0% of GDP at end-2019, thereby meeting a key programme objective. On 27 April 2020, the WAEMU Conference of Heads of States and Governments declared a temporary suspension of the 3.0% of GDP fiscal deficit rule, to help member-countries cope with the Covid-19 pandemic. Covid-19 will translate in limited fiscal slippage, and the deficit is expected to converge back to the WAEMU norm of 3.0% by 2023.
- **Revenue Generation is a Policy Priority:** Total revenues up by 8% YoY in 2019
- **Manageable Debt Levels:** Debt/GDP of 38.8% in 2019 and 43.2% at end-June 2020.

**A Strong Structural Reform Agenda Underway**

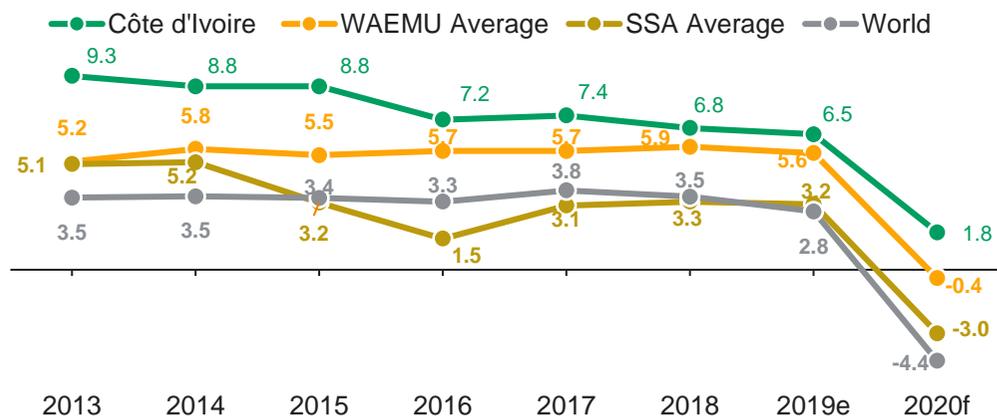


- **Recognised among the Top 10 Reforming Countries Globally** (World Bank Doing Business Index 2014, 2018 & 2019)
- **Transformational Reform Agenda:** Reform agenda improves business environment and enables private sector investment
- **IMF Supporting Structural Reform Agenda:** ECF and EFF agreements extended until December 2020 and increased to a combined \$1,163.6 million provide technical and funding support for the reform agenda

# Among the Largest and Fastest Growing Economies in West Africa

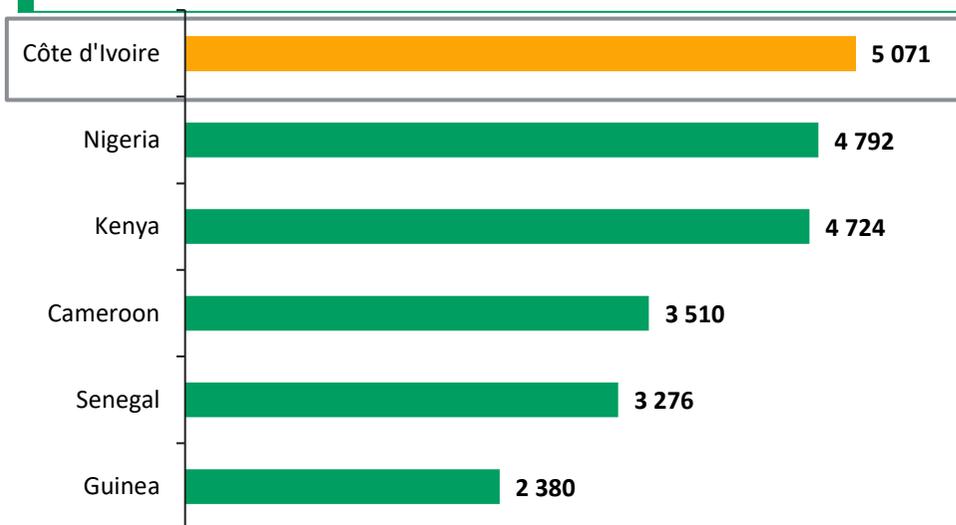


## GDP Growth Far Outpaces Regional and Sub-Saharan Average (%)



- With an estimated **average growth rate of 7%** over the 2012-2020 period, **Côte d'Ivoire is one of the fastest growing economies in the world**
- Growth remains **robust, inclusive, sustainable and resilient**. The IMF and rating agencies support authorities views and expect solid growth in the coming years (**6.2% in 2021f** according to the IMF and **6.5%** as per the Government)
- Despite a drop in GDP growth toward negative territory on the back of Covid-19, across the World, Sub-Sahara Africa and WAEMU countries, **Côte d'Ivoire showed resilience with positive GDP growth projected for 2020**

## 2019 GDP per Capita, PPP basis (in USD)<sup>1</sup>



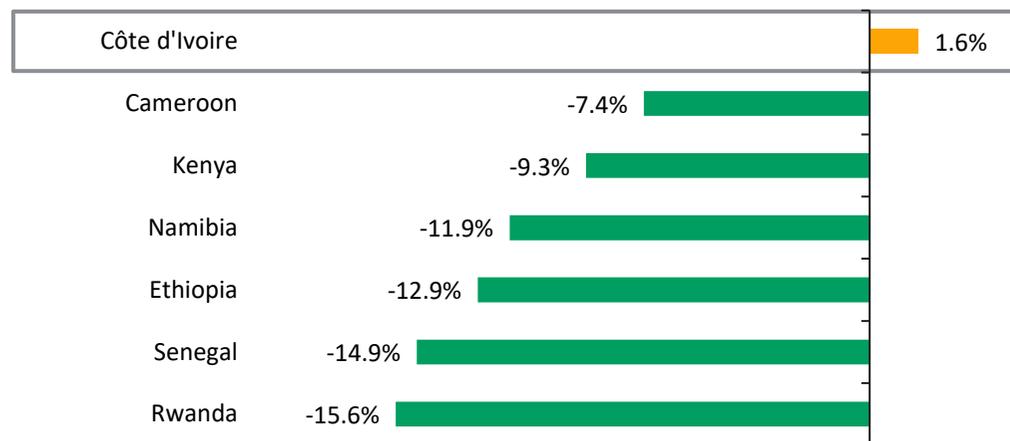
- **Côte d'Ivoire GDP per capita is the highest of the WAEMU**
- The Government continues its efforts to improve the living conditions of the population in a sustainable manner
- **The Government's Social Program ("PSGouv")** was approved in January 2019 to support the fight against poverty over the 2019-2020 period, focusing namely on **(i) access to drinking water, (ii) electrification, (iii) education, (iv) public healthcare, (v) affordable housing and (vi) women empowerment**

# Structural Trade Surplus is a Differentiating Credit Factor

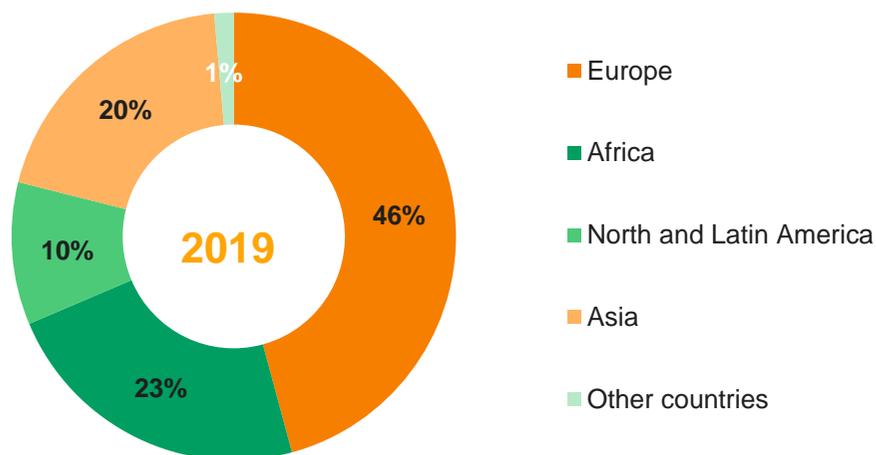


- Côte d'Ivoire benefits from a **structural trade surplus estimated at 1.6% of GDP in 2019 (Goods & Services) and 0.5% in 2018**
- Côte d'Ivoire's **5-year average trade balance (goods and services) stands at 1.7% of GDP**
- The country is the **world's largest producer of cocoa and cashew nuts globally**
- **The trade balance surplus rose by 35.4% in 2019** after having decreased by 30.4% in 2018, due to a good recovery in exports (+11.8%) and a decrease in imports (-1.2%).

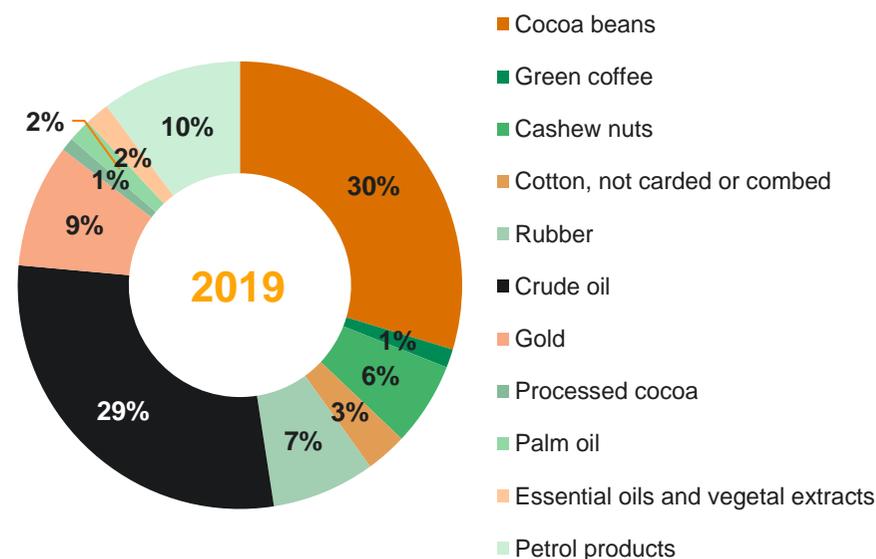
## 2019 trade balance as % of GDP (goods and services)



## Geographically Diverse Global Trade Partners (% of total exports, 2019)



## Strong Exports Base Reflects Increased Value Addition (% of total exports, 2019)



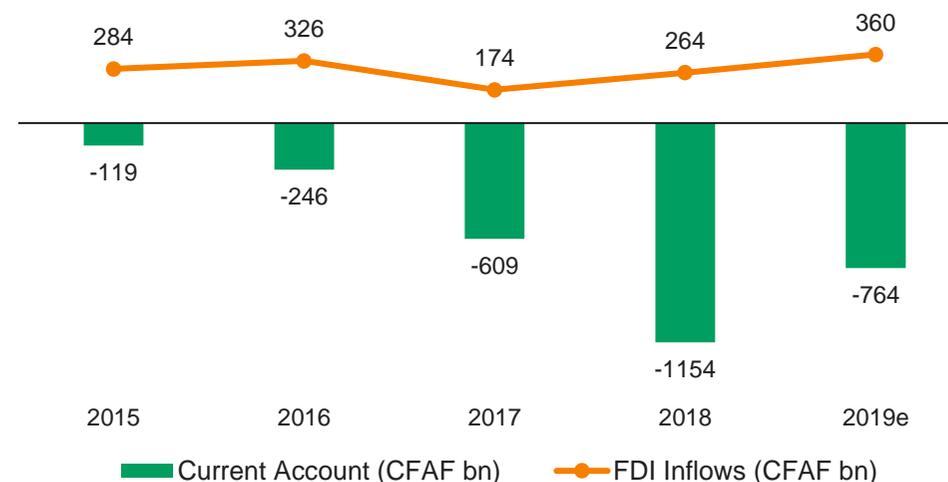
# Structurally Sound Balance of Payments



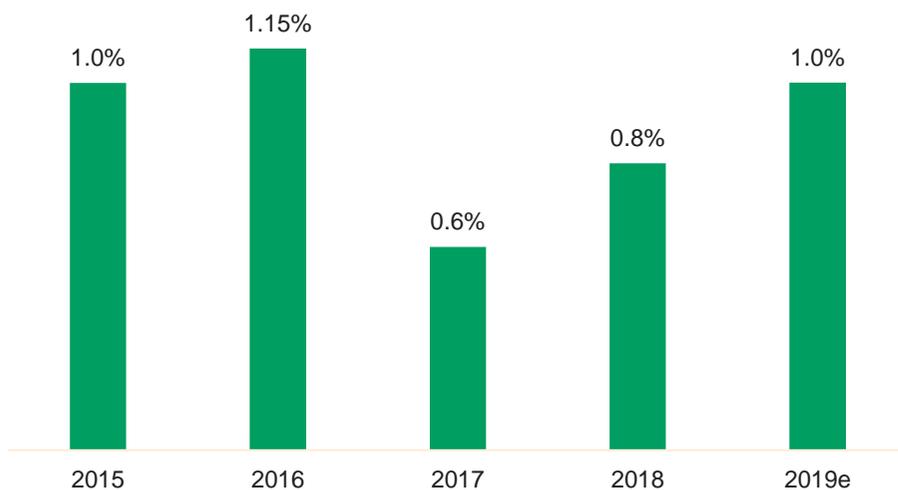
FDI trends form part of prospects for growth over the medium-term, in connection with the significant reforms implemented and currently underway. FDI inflows continue to be encouraged by:

- an increasingly **secure environment**
- an improvement in the **supply and quality of infrastructure**
- an improvement in the **regulatory and institutional framework** to facilitate economic activity
- an improvement in the **supply and quality of labour**

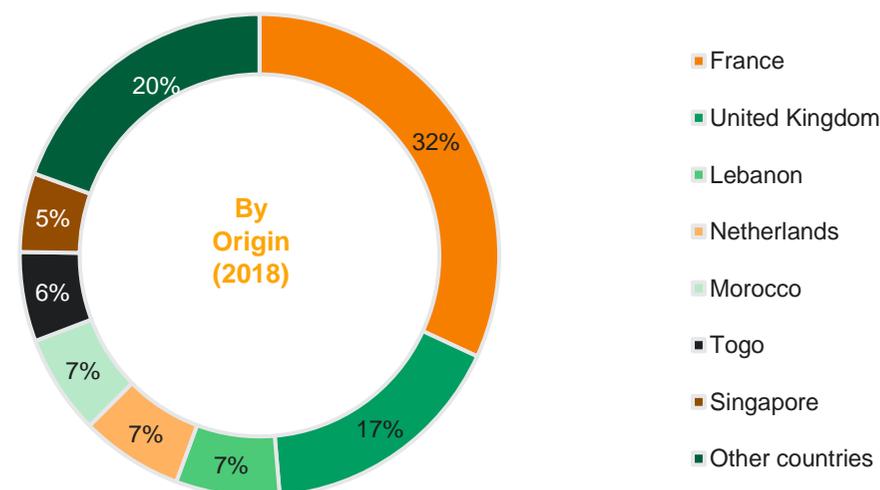
## FDI Inflows and Current Account



## Buoyant FDI Inflows (% of nominal GDP)



## FDI Inflows Reflect the Attractiveness of the Ivoirian Economy and its Improved Business Environment (in % of total)

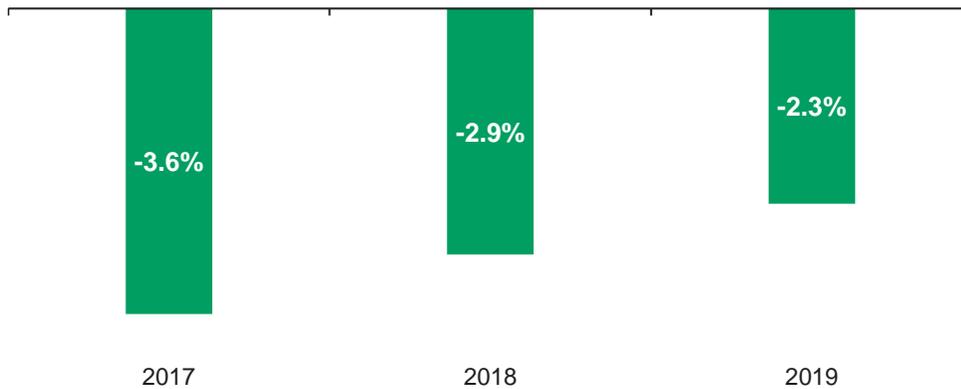


# Fiscal policy creates space for investment whilst preserving sustainability of public finances



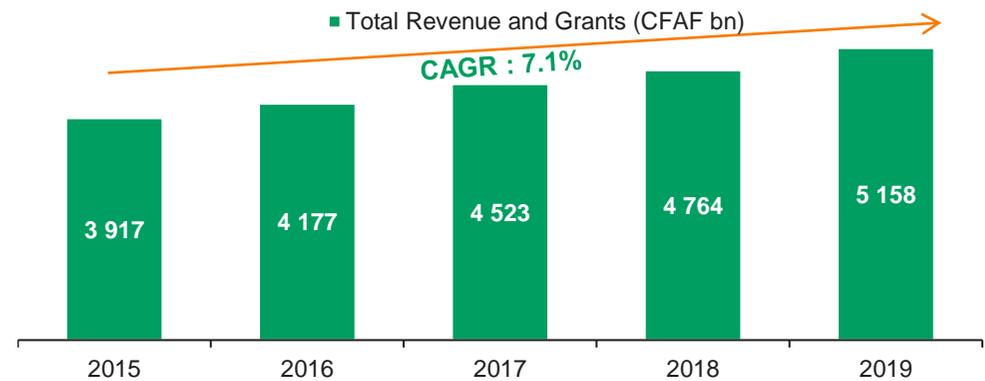
## A trajectory of fiscal consolidation and lower deficit levels reflecting Côte d'Ivoire's sound public financial management

Improving budget deficit (as % of GDP), in line with the objectives of the Government's economic and financial programme established with the IMF



## Buoyant Budget Revenue Growth Allows for Investment

Budget revenues including grants have multiplied between 2012 – 2019 and represent around 15% of GDP in 2019



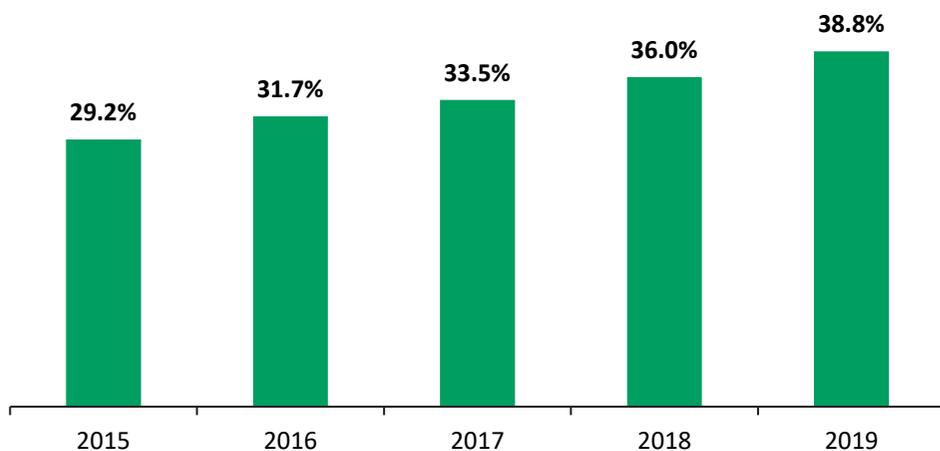
## Reduced Current Expenditure Creates Fiscal Space for Capital Expenditure (% of total expenditure)



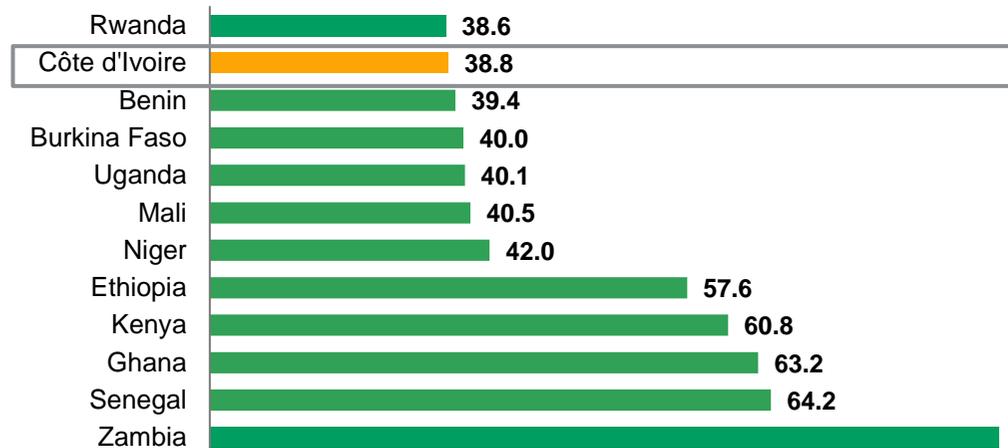
# Public Debt Remains Comparably Low and Affordable



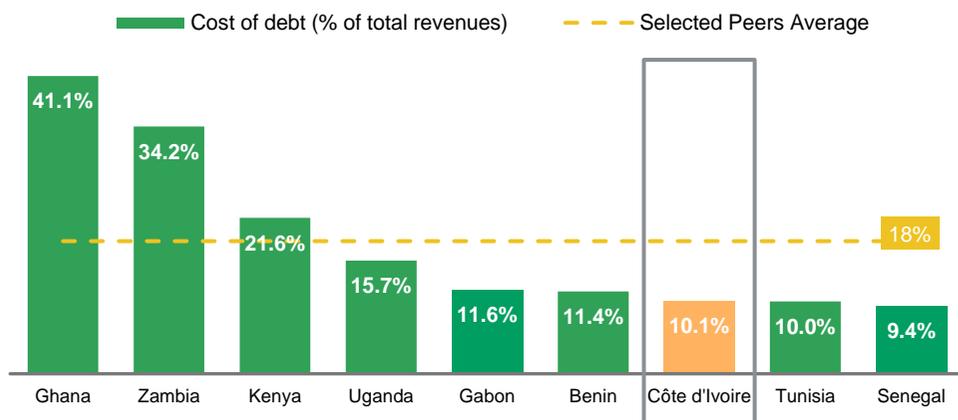
## Post HIPC, Public Debt has been Contained (as % GDP)



## Côte d'Ivoire displays lower public indebtedness levels than selected peers (in % of GDP), 2019



## Côte d'Ivoire has maintained a comparatively affordable cost of public debt, with limited impact on fiscal space (2019)



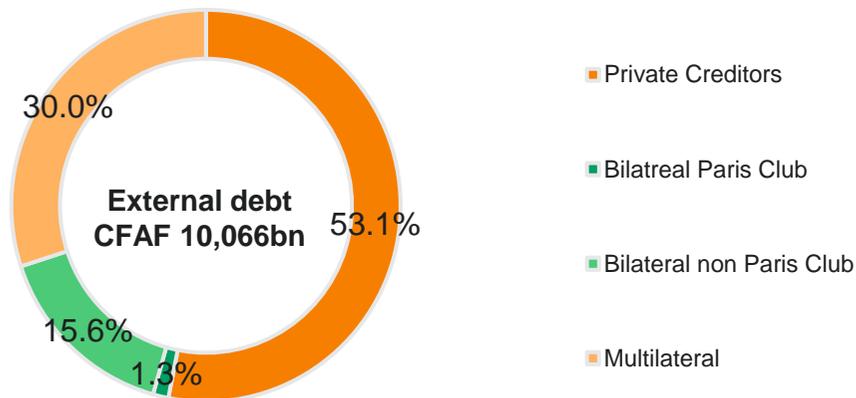
- Côte d'Ivoire's public debt reached 38.8% of GDP at the end of 2019 and 43.2% of GDP at end-June 2020, a level which is below the majority of peer countries in the region
- In previous years, Côte d'Ivoire has **successfully contained the evolution of its debt stock while providing for the funding of strategic investments and social projects**
- Côte d'Ivoire's **proactive debt management strategy** has translated in comparably **higher affordability of public debt** and a lesser impact on fiscal space than selected peers
  - ✓ In 2019, Côte d'Ivoire's interest expense reached 1.5% of GDP and 10% of total revenues

# Favourable Structure Improves Debt Sustainability



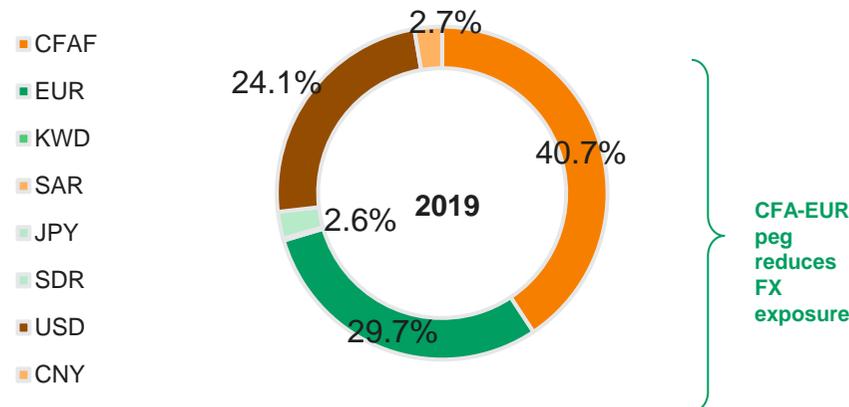
## Concessional Debt Represents Almost Half of External Debt Reducing Average Costs

Public External Debt Stock by Creditor at end-June 2020

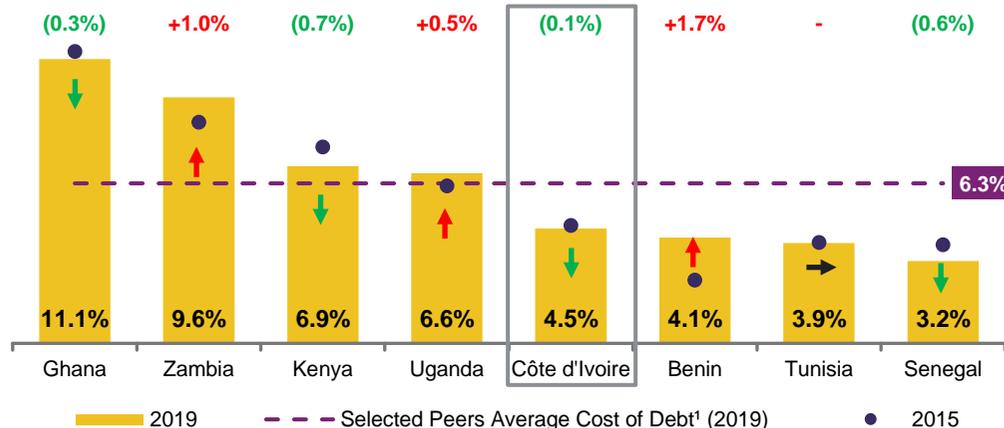


## With around 71% of Total Debt Denominated in CFAF or EUR, Côte d'Ivoire's Exposure to FX Risk is Low

Public Debt Stock by Currency at year-end 2019



## Côte d'Ivoire has successfully contained its cost of public debt<sup>1</sup>, whilst diversifying its sources of funding



- As part of its medium-term debt management strategy, Côte d'Ivoire has successfully managed to diversify its public debt portfolio towards commercial sources of funding, whilst enhancing its cost-risk profile, including through proactive management of FX and refinancing risks
  - ✓ The average maturity of total public debt reached 8 years and 8 months at the end of 2019
  - ✓ The priority given to EUR-denominated external sources of funding contributes to curbing FX risk exposure via the EUR-XOF peg
  - ✓ With the December 2020 Eurobond transaction, Côte d'Ivoire could raise €460 million in new money to ensure the completion of resource mobilization for the year 2020 and successfully conclude a Eurobonds liability management transaction, which resulted in further reduction of the refinancing and foreign exchange risks associated with the public debt portfolio, while improving the country's debt profile in accordance with the IMF's debt sustainability analysis ratios and objectives. With this transaction Côte d'Ivoire reaffirmed its presence in the international financial markets and obtained terms that were significantly better than those of most of its peers despite the Covid-19 pandemic and relatively uncertain market conditions.

Source: Republic of Côte d'Ivoire, data for selected peers drawn from IMF World Economic Outlook (Oct. 2020 ed.)

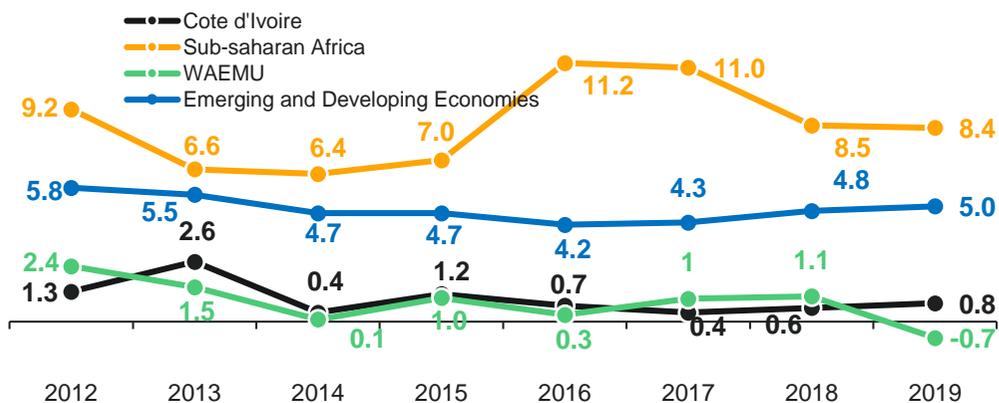
(1) Defined as current-year interest payments divided by previous-year debt stock

# Pegged Exchange Rate Supports External Stability and Low Inflation

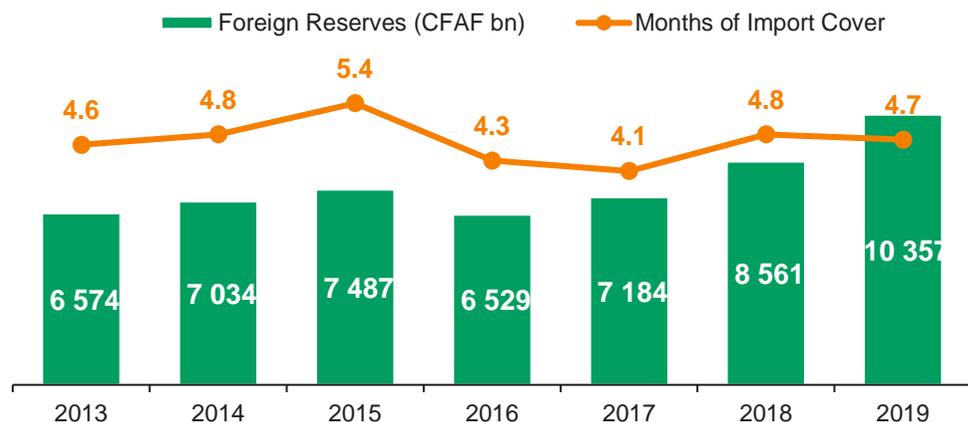


▶ As a member of the West African Economic and Monetary Union (WAEMU), Côte d'Ivoire benefits from economic stability and low inflation levels

## Low Inflation (yearly avg. %) Reflects Stable Monetary Environment and Supportive Economic policies



## Robust Regional FX Reserves



Sources: BCEAO and IMF estimates and projections

- WAEMU comprises eight West African States (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo)
- These States share a regional central bank, BCEAO (Banque Centrale des Etats de l'Afrique de l'Ouest) established in 1962, and a common currency, the CFAF (XOF)
- The BCEAO is in charge of setting the monetary policy and prudential regulations for the region
- **The key operating principles of the monetary zone are:**
  - **A fixed peg to Euro and free transferability**
  - **The convertibility and transferability of the CFAF is guaranteed by the French Treasury.** In exchange, 50% of foreign assets are to be held at the French Treasury
  - Each BCEAO member country's international **FX reserves are pooled at the BCEAO** according to the principle of solidarity
- **The "ECO" which is expected to replace the CFAF will remain pegged to the Euro.** Indeed, France's unlimited and unconditional guarantee of the "ECO" convertibility and the fixed exchange rate against the Euro have been maintained. However, there would no longer be any obligation for the BCEAO to deposit its foreign exchange reserves with the French Treasury. The implementation of the CFAF reform was delayed to a later unspecified date after being initially scheduled for 2020.
- Countries within WAEMU must respect a certain number of fiscal principles called *Principes de Convergence*, including maintaining inflation and fiscal deficit below 3.0% of GDP, debt below 70% of GDP. On 27 April 2020, the WAEMU Conference of Heads of States and Governments declared a temporary suspension of the 3.0% of GDP fiscal deficit rule, to help member-countries cope with the Covid-19 pandemic.
- Countries in the region have agreed in 2012 on the creation of the Financial Stability Fund as a sinking fund for sovereign debt repayment.
- In 2020, to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity, the BCEAO adopted a full allotment strategy at a fixed rate of 2.5% (the minimum monetary policy rate)
- On June 24 2020, the Monetary Policy Committee cut by 50 basis points the ceiling and the floor of the monetary policy corridor, to 4% and 2% respectively.
- The WAEMU and the CEMAC monetary zones are unrelated and the convertibility guarantee from the French Treasury applies independently to the two zones



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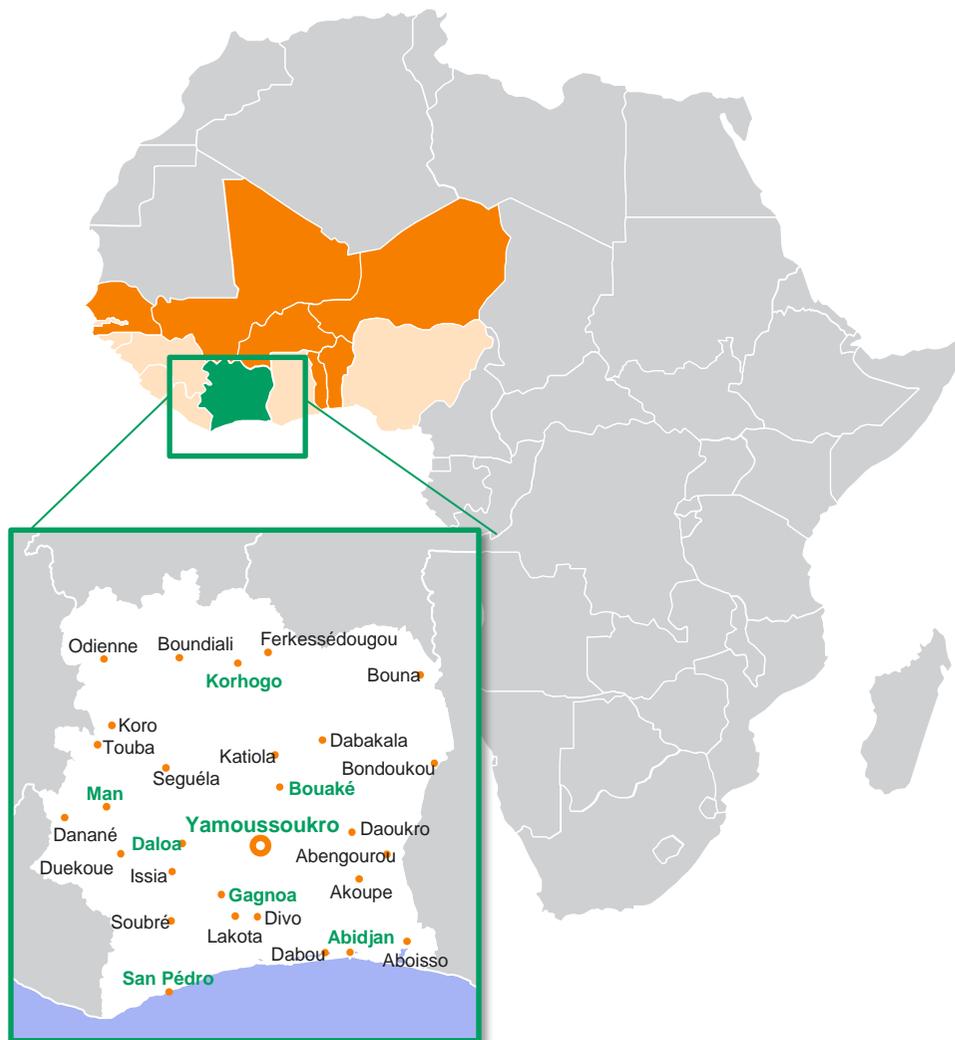
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# Overview of Côte d'Ivoire



Largest economy in the West African Economic and Monetary Union (WAEMU), representing nearly 40% of the region's GDP. Member of the Economic Community of West African States (ECOWAS)



■ West African Economic and Monetary Union ("WAEMU")
 ■ Economic Community of West African States ("ECOWAS")

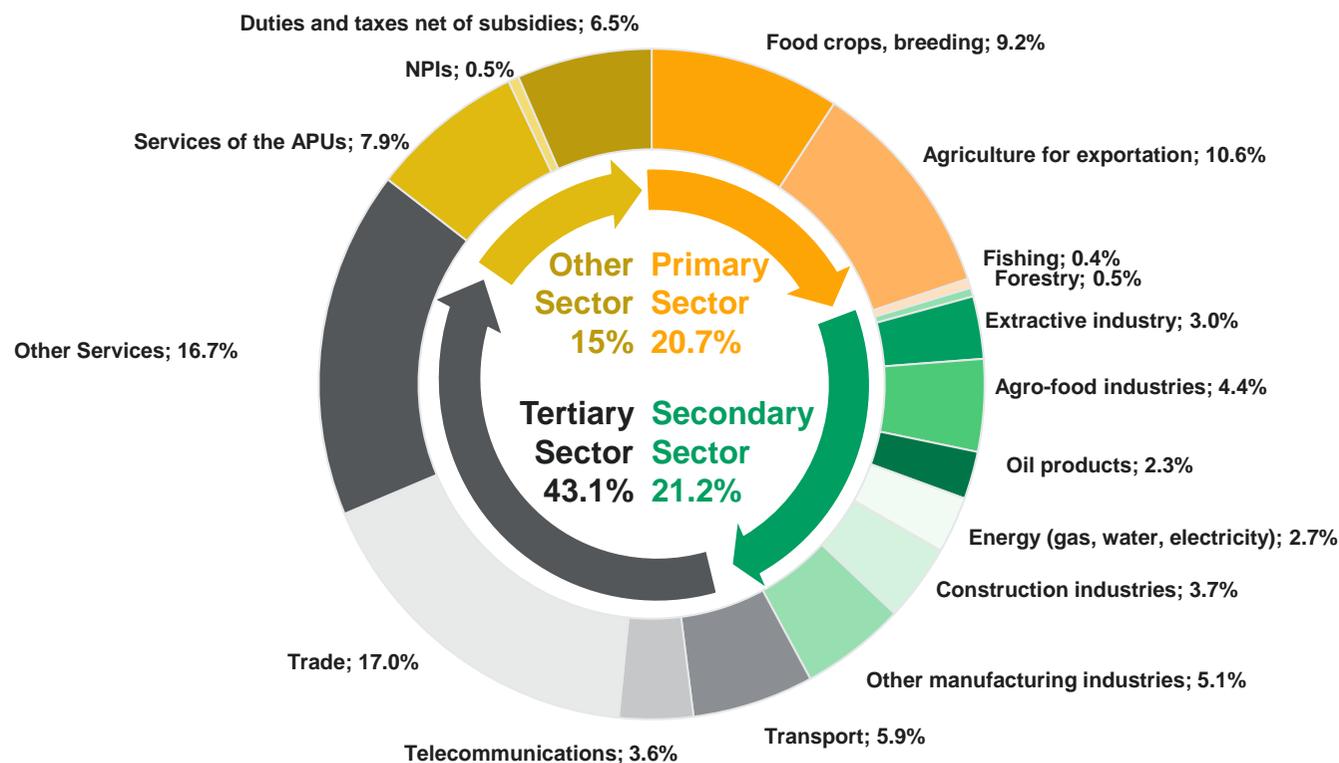
Source: Republic of Côte d'Ivoire

<b>Credit Ratings</b>	<ul style="list-style-type: none"> <li>Moody's: Ba3/ Stable</li> <li>Fitch: B+/ Positive</li> </ul>
<b>Area</b>	<ul style="list-style-type: none"> <li>322,462 km<sup>2</sup></li> </ul>
<b>Population</b>	<ul style="list-style-type: none"> <li>25.8 million inhabitants (2019e, according to the National Institute of Statistics)</li> <li>Growth Rate c.2.6% between 1998 and 2017</li> </ul>
<b>Capital City</b>	<ul style="list-style-type: none"> <li>Yamoussoukro; Government seat is Abidjan</li> </ul>
<b>Currency</b>	<ul style="list-style-type: none"> <li>CFAF (XOF) pegged to EUR at 655.957. To be replaced by the "ECO" (the peg will be maintained). The implementation of the CFAF reform was delayed to a later unspecified date after being initially scheduled for 2020.</li> </ul>
<b>Nominal GDP</b>	<ul style="list-style-type: none"> <li>CFAF 35,124.6 billion (2020f)</li> <li>CFAF 34,298.9 billion (2019e)</li> <li>CFAF 32,222.3 billion (2018)</li> </ul>
<b>Real GDP Growth</b>	<ul style="list-style-type: none"> <li>2018: 6.9%; 2019e: 6.2% ; 2020e before COVID: 7.2%, post-COVID: 1.8% ; 2021f : 6.5%</li> </ul>
<b>GDP per Capita</b>	<ul style="list-style-type: none"> <li>CFAF 1.261 million (2018)</li> <li>CFAF 1.309 million (2019e)</li> </ul>
<b>Political System</b>	<ul style="list-style-type: none"> <li>Côte d'Ivoire is a Democratic Republic based on the separation and balance of the three powers: executive, legislative and judicial</li> </ul>
<b>Land / Climate</b>	<ul style="list-style-type: none"> <li>Climate ranges from tropical along coast to semi-arid in far North</li> <li>Mostly coastal plains transitioning into plateau and mountain ranges in the Northwest</li> </ul>
<b>Key Natural Resources</b>	<ul style="list-style-type: none"> <li>Cocoa Beans, Coffee, Cotton, Palm Oil, Rubber Tree, Cashew nuts, Rice, Banana</li> <li>Gold, Diamonds, Manganese, Iron Ore, Bauxite, Phosphates</li> <li>Petroleum, Natural Gas, Hydropower</li> </ul>

# Côte d'Ivoire has a Highly Diversified Economy



## Nominal GDP Contribution by Sector (2019 est.)



### Primary Sector

- In 2019, the primary sector recorded an estimated **growth of 5.3%**, compared to 5.2% in 2018, driven by **food crop agriculture** (+0.5%), which benefitted from continued investments in the agricultural sector (NAIP 2) and the revitalization of professional organizations in the food crop sector, better plant health measures on plantations and improved service roads and prices.

### Secondary Sector

- Growth** in the secondary sector is estimated at **11.5%**, compared to 4.3% in 2018, driven by **oil products** (+19.0%), **building and public works** (+23.8%), **agrifood industries** (+5.6%) and **extractive industry** (+17.5%). In addition, industrial activity, supported by public investments, benefitted from an increase in production capacity, new facilities and dynamic private domestic demand.

### Tertiary Sector

- The tertiary sector recorded an estimated **growth of 4.9%**, compared to 6.8% in 2018, as a result of all of its components, particularly **transportation and telecommunications**, which increased by an estimated 5.5% and 7.6%, respectively, **trade**, which increased by an estimated 4.9%, and **other services**, which registered an estimated increase of 4.2%. This dynamic resulted from the performances in the primary and secondary sectors.

# Transforming Natural Resources to Move up the Value-Chain



- ▶ Agri-processing and manufacturing are adding value to an already powerful agricultural production
- ▶ Côte d'Ivoire has one of the most diversified agriculture sectors in Africa



- #1 producer and exporter of cocoa beans: in 2019, cocoa production stood at 2,235,043.1 tons, an increase of 5.8% YoY, benefiting from the entry into production of new plantations and the effects of the implementation of measures from the Coffee-Cocoa Council

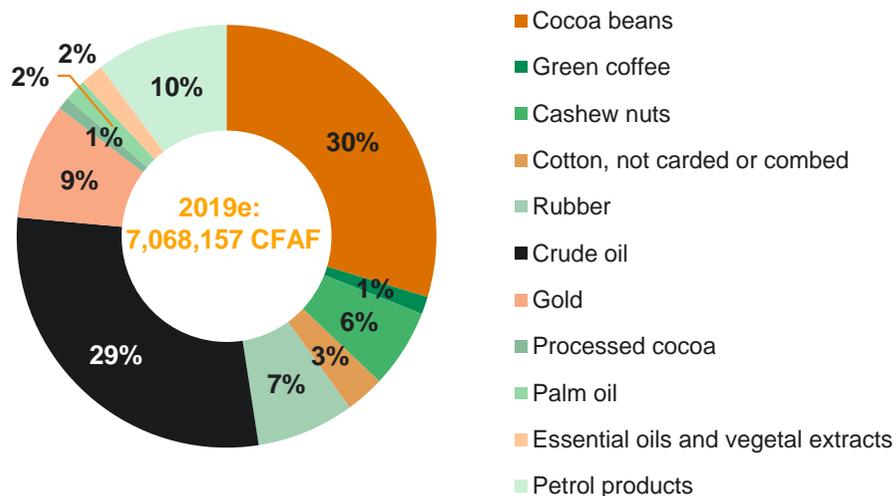


- Agriculture is still dominated by cocoa with increased exposure to broader agricultural markets
- Resilience will be further enhanced via development of agro-processing with an aim to process 50% of agricultural products by 2020
- The cocoa, coffee, cashew nut, cotton and rubber tree sectors, which constitute the country's primary exports, provide a living for more than half of the country's active population

## National Agriculture Investment Programme to Develop Processing Capacity

- Established in 2011, the NAIP aims at restoring agriculture growth to 9% a year, creating 2.4 million jobs, promoting food security and reaching a rate of 50% processing by 2020
- The first phase of PNIA helped Côte d'Ivoire achieve record production results and up-tiered processing: the country is the world #1 grinder of cocoa in 2015 and ranks second in 2019

## Maintaining Leadership in Cocoa While Diversifying Agri-export Base (in %)



## Take-off in Agri-processing in Côte d'Ivoire (% Cocoa Production Processed)



# Cocoa Sector: Active policy action to increase sector resilience



*Cocoa revenues represent a portion of Côte d'Ivoire's budget revenues (together coffee and cocoa represent 9.9% of the tax revenue). Commodity prices remain a latent risk given the importance of Cocoa for the country's economy, as proven by significant drops in cocoa prices since 2016. In 2019, the authorities took a number of key policy decisions to (1) reduce the impact of lower prices on producers and the sector's financial position, and (2) limit the effect of price volatility on the budget*

## Government measures and actions

- ✓ In 2018, the cocoa sector has benefited from the “**Quantity, Quality, Growth (2QG)**” program (*Quantité, Qualité, Croissance* - 2QC) and initiatives taken by the **Coffee-Cocoa Council** (*Conseil Café-Cacao*) to support orchard production and productivity.
- ✓ The coffee-cocoa sector has benefitted from numerous reforms with the **implementation of the NAIP** (National Agriculture Investment Program) in order to improve the productivity and revenues of producers
- ✓ Setting a **guaranteed price for producers** is one of the major achievements of the cocoa sector reform. The guaranteed minimum price of cocoa rose from 850 CFAF / kg in the 2014-2015 season to 1,100 CFAF / kg in the 2016-2017 season. However, following the fall in international prices, this price was 700 CFAF per kg for the 2017-2018 season
- ✓ A “**safeguard**” clause allows the government to reduce the agreed producer price guarantee in case of low world prices which eliminates the financial risk to the State budget
- ✓ The **Public-Private Partnership Platform (PPPP)** of the coffee-cocoa sector was set up on in January 2012. This body is responsible for the management, regulation, development and stabilization of prices in the coffee-cocoa sectors
- ✓ In order to manage the volatility of cocoa prices, the Government has set up a **stabilization fund** (CFAF 170bn at end 2018) **and a technical reserve fund** to cover the risks arising from the price guarantee system for producers (CFAF 170bn at end 2017)
- ✓ In June 2019, **Côte d'Ivoire and Ghana agreed to a minimum price of \$2,600 per ton for the 2020-2021 season**, in order to ensure producers a minimum revenue
- ✓ In July 2019, both countries agreed to implement the so called “decent income differential” mechanism (DRD) , providing that , for the 2020-2021 season, any buyer in an export contract will pay, in any case, and in addition to the market price, an amount of **US\$ 400 per ton**. The purpose of the DRD is to guarantee the producers at least 70% of the target price of US\$ 2,600 per ton and it is contemplated that, in the event that the cocoa market price rises above US\$ 2,900 per ton, the DRD would be transferred to a stabilization fund to be used if the prices were to drop in the future. **The implementation of the DRD is effective since October 2020, for the 2020-2021 season.**
- ✓ In order to manage the volatility of cocoa prices, the Government has set up a stabilization fund and a technical reserve fund to cover the risks arising from the price guarantee system for producers

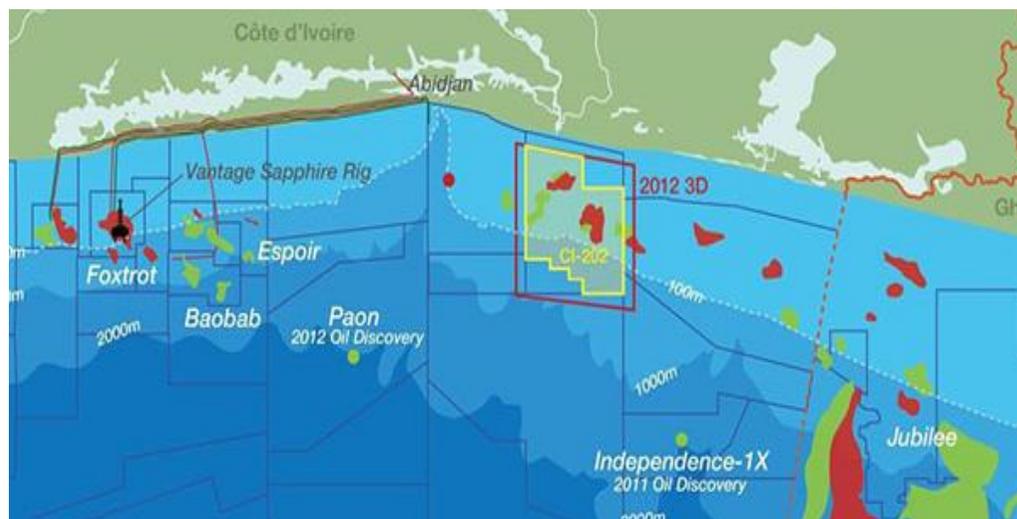
# Significant Investments in the Hydrocarbons Sector



Côte d'Ivoire's has seen a rebound in hydrocarbon sector activity. Oil promotional campaigns carried out by the government resulted in the signing of nine production sharing contracts (*Contrats de Partage de Production*) in 2017, and five in 2018 including two with the SECI and FOXTROT consortium, two others with TULLOW and one with DRAGON OIL. In June 2019, four production sharing contracts were signed, two with ENI (blocks CI-501 and CI-504) and two with Total (blocks CI-705 and CI-706).

## Important investments in the hydrocarbon realized over the last decade led to the strengthening of the country's energy self sufficiency

Côte d'Ivoire Hydrocarbon Map



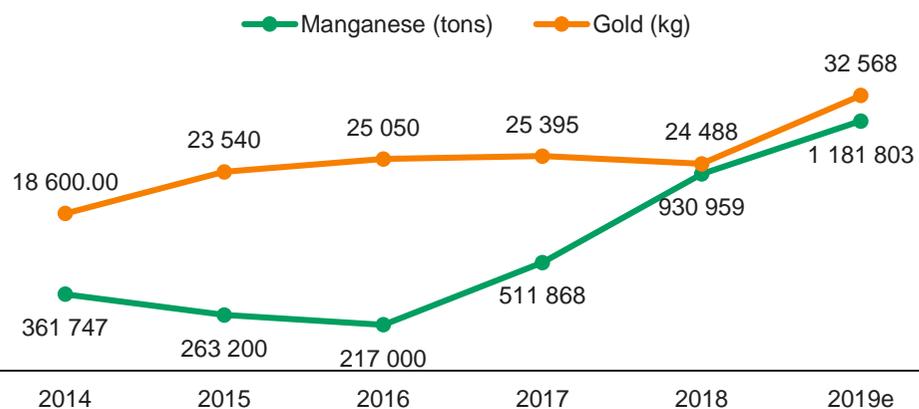
- From 2011 to 31 December 2019, 60 drillings, including 31 exploratory and appraisal drillings, and 29 development drillings have been made over the Ivorian sedimentary basin. Exploratory drilling resulted in the discovery of seven hydrocarbon deposits. One exploration well and three development wells were completed in 2019. In 2017, ExxonMobil completed the two ultra-deep water blocks, for which agreements were signed in December 2014.
- In order to strengthen the national capacities of electric power generation and to reduce disturbances linked to the natural gas deficit, the Government granted its approval for the implementation of the Côte d'Ivoire Liquefied Natural Gas Supply Project in 2016 (cost of c. EUR 130m). The detailed preliminary studies and ESIES studies are finalized and the discussions for a 180 MW Gas-to-Power combined cycle project with the initial liquefied natural gas supply scheme are underway. Exploration of natural gas resources is carried out as part of the overall hydrocarbon exploration in the Ivorian sedimentary basin.
- Côte d'Ivoire's crude oil production at the end of December 2019 is 13,194,133 barrels, corresponding to a daily throughput of 36,148 barrels per day. This production increased by 11.96% compared to the same period in 2018 due to the increase in production observed respectively on Block CI-40 as a result of new wells drilled during phase 4 of the development (2018-2019) of the Baobab field and on Block CI-11 following works carried out on the wells.

# Massive Potential in Mining & Energy Sector

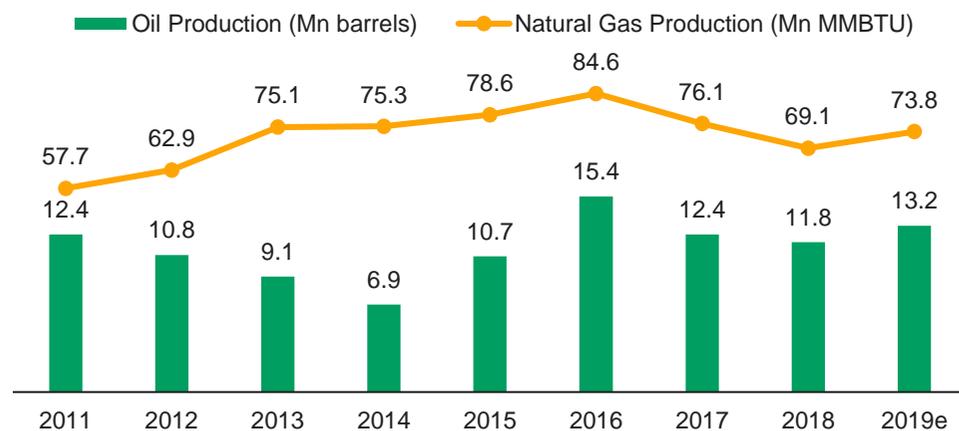


► Côte d'Ivoire is leveraging its diverse and abundant natural resource endowment via a structured plan to grow the mining sector

## Metals Mining More than Doubled Since 2012 but Full Potential is yet to be Realized



## Hydrocarbon sector Investments Should Spur Oil & Gas Production



- Introduction of new Mining Code in 2014 has led to increased investment in the sector (168 exploration permits granted in 2019)
- A new Petroleum Code has raised potential of hydrocarbon sector with buoyant exploration trends
- Proven oil reserves stand at 175.6 million barrels of oil and 1,191.1 billion cubic feet of natural gas at the end of 2019
- Large international companies are present in Côte d'Ivoire
- Côte d'Ivoire has been a signatory of the Extractive Industries Transparency Initiative since April 2012
- Significant investments in the hydrocarbon sector have been made in order to increase oil and gas production



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# 2021 Budget Promotes Development Objectives and Inclusiveness



## Key Budget Priorities

- The **2021 Budget focuses on the continued implementation of Government priorities**, and in particular intends to pursue the **alleviation of poverty and social disparities**. It is therefore paying particular attention to spending that promotes **improvement of living conditions and well-being** of the most disadvantaged sections of the population. To this end, the Government allocated CFAF 2,863.8 billion to **“pro-poor” expenditure**. This level represents **an increase of 4.0% compared to 2020** and represents 7.6% of GDP.
- The **initial 2021 budget**, consisting of expenditures amounting to **CFAF 8,398.9 billion**, shows a 0.2% decrease compared to the 2020 budget, and was adopted in the context of the ongoing Covid-19 pandemic and its adverse impact on Côte d'Ivoire's economy and its populations.

## 2021 Budget expenditures – Selected key categories

<b>Public Authorities, Sovereignty and Governance</b>	CFAF 692.8 bn
<b>Defence, Security and Justice</b>	CFAF 591.8 bn
<b>General Administration and Economic Development</b>	CFAF 3,343.2 bn
<b>Education, Training and Research</b>	CFAF 1,391.0 bn
<b>Health and Social Affairs</b>	CFAF 510.2 bn
<b>Culture, Youth, Sport and Leisure</b>	CFAF 177.6 bn
<b>Production, Industrial and Commercial Development</b>	CFAF 322.2 bn
<b>Environment, Living Conditions and Nature Protection</b>	CFAF 214.5 bn
<b>Development of Collective Infrastructures and Equipment</b>	CFAF 1,157.7 bn

## Revenues and Expenses (TOFE)

<i>in CFAF billions</i>	2019	2020	<i>in CFAF billions</i>	2019	2020
<b>Total revenues and Grants</b>	<b>5,158.4</b>	<b>5,089.6</b>	<b>Total expenses</b>	<b>5,943.9</b>	<b>7,174.1</b>
Total revenues	4,883.5	4,808.3	Current expenses	4,444.6	5,222.7
Tax revenues	4,205.4	4,191.5	<i>o/w Salaries and wages</i>	1,703.0	3,776.6
<i>Non-tax revenues</i>	678.1	616.8	<i>o/w Subsidies &amp; other CE</i>	431.1	389.2
Grants	274.9	281.3	Investment expenses	1,499.3	1,951.4
			<b>Global balance</b>	<b>(785.5)</b>	<b>(2,084.5)</b>

- Tax revenues, the largest component of government revenue, have risen sharply in recent years thanks to the **reforms implemented since 2012 to modernize the tax system and broaden the tax base**.
- Public investment spending has risen as a proportion of GDP** since 2012 due to the implementation of the National Development Plan.
- Fiscal consolidation efforts combined** with strong economic growth have enabled Côte d'Ivoire to post a lower budget deficit than 2017 (3.6%) and 2018 (2.9%), at 2.3% of GDP in 2019.
- The Covid-19 pandemic caused a significant loss of revenue and a significant increase in public expenditure in 2020 (+CFAF 419.4 billion), mainly driven by the **National Health Response Plan** and the **Economic, Social and Humanitarian Support Plan**.
- Total revenue and grants are estimated at CFAF 5,089.6 billion (14.5% of GDP) compared to expenditure of CFAF 7,174.1 billion (20.4% of GDP).
- The combined effects of the Covid-19 pandemic have led to a budget deficit of 5.9% of GDP in 2020 compared to 2.3% in 2019. The budget deficit is expected at 4.6% of GDP for 2021 and is expected to converge towards the WAEMU community convergence criteria of 3% of GDP in 2023.
- On 27 April 2020, the WAEMU Conference of Heads of States and Governments declared a temporary suspension of the 3.0% of GDP fiscal deficit rule, to help member-countries cope with the Covid-19 pandemic.

# Fiscal Policy Supports Public Investment Efforts



## Revenue Mobilization Measures

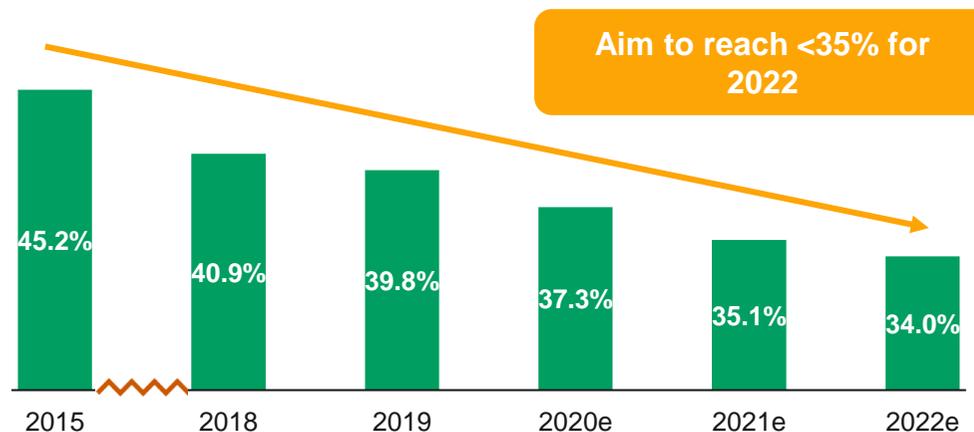
### Tax Collection Measures Implemented Since 2012:

- *Tax administration:* middle tax offices were created to enhance taxpayers monitoring and improve VAT collection; implementation of a VAT refund system; streamlining of tax procedures by setting up a single tax return form and rolling-out IT system improvements to computerize the land registry and tax audit management
- *Customs administration:* simplified formalities for economic agents and accelerated customs procedures through automation and institutional enhancements, such as implementation of mobile scanners and computerized checkpoints

### Measures have been Introduced to Improve Tax and Customs Administration Efficiency:

- *Broaden the tax base:* create further middle tax offices and modify the threshold to improve efficiency; enhance calculation of tax expenditures
- *Streamline tax processes:* improve IT functions and implement paperless procedures such as online tax filing and payment
- *Custom administration:* adopt a new custom code; strengthen risk analysis and fraud fighting

## Medium-Term Payroll Control Strategy 2014 – 2022 (“payroll to tax revenue” ratio )



**Payroll as a share of total expenditures remain well anchored below 30%, namely to the benefit of public investment in strategic infrastructure and social projects**

- Measures to unfreeze indexed salary increases in order to improve the social climate
- Readjustment of the State’s employers contribution rates from 19% to 16.7%
- Resumption of indexed advances every 2 years
- Supervised hiring with hiring forecasts based on personal reinforcement need for the implementation of the NDP, mainly in the social sector (education and health)

# Prudent Debt Management Strategy Supports Fiscal Consolidation



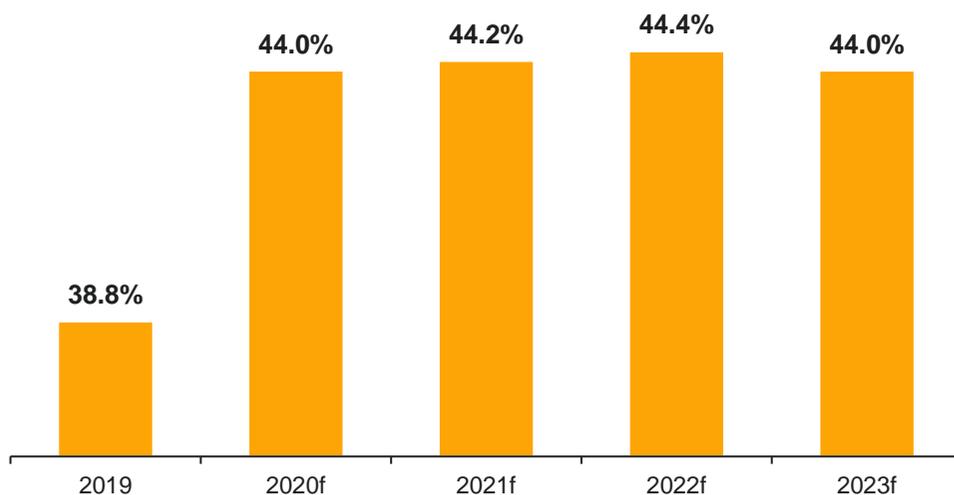
## Institutional Framework for Debt Management Established

- ✓ Establishment of National Public Debt Committee (CNDP) and the reorganization of the Department of Public Debt and Grants (NCPD)
- ✓ Creation of a trading room to follow markets in real time and carry out transactions geared towards active debt management
- ✓ New legislative framework including Law on National Policy of Public Indebtedness
- ✓ Regulating and Monitoring debt via MTDS<sup>1</sup> and Debt Sustainability Analysis
- ✓ Contingent Liabilities are quantified and contained

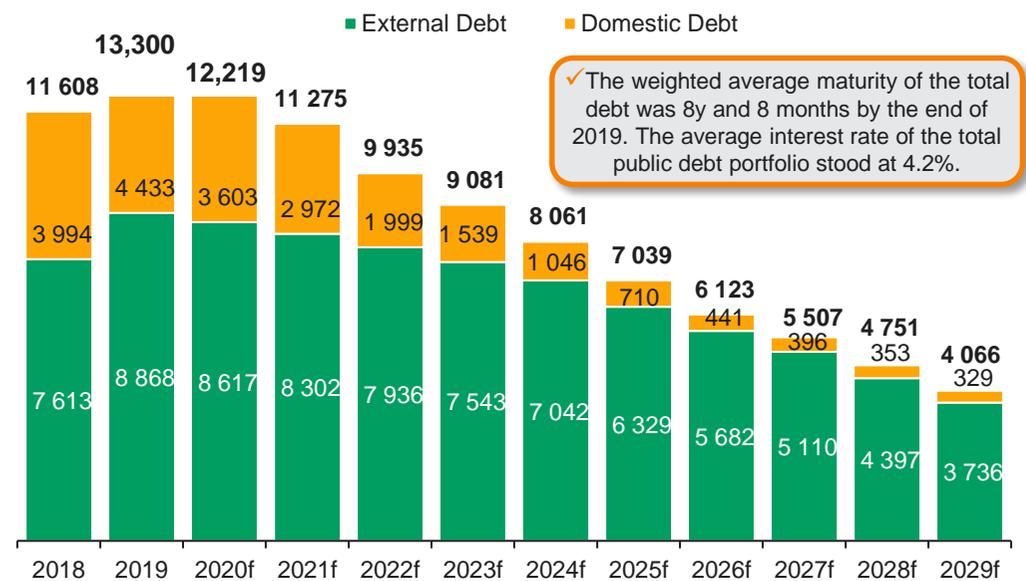
## Medium -Term Debt Strategy (MTDS) Focuses on Ensuring Debt Sustainability

- ✓ Strategy aimed at containing cost of funding, extending the maturities of public securities, reducing refinancing risk, limiting foreign exchange rate exposure and reducing outstanding debt over time
- ✓ Aim at enhancing investor diversification and expanding new financing opportunities in international financial markets, developing new financial instruments such as Islamic loans, developing the domestic capital market

### Total Debt set to decline significantly (% of GDP)<sup>2</sup>



### Smooth Debt Repayment Profile (CFAF billion)



(1) Medium-Term Debt Management Strategy

(2) Taking into account borrowings projected during the period 2019-2023

All data sourced from the Republic of Côte d'Ivoire



## Executive Summary

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## Additional materials

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# National Development Plan 2012-2015: Key Achievements



► 1<sup>st</sup> NDP 2012 – 2015 Laid the Foundations for Emergence; Restoring Peace and Social Cohesion and Delivering Sustained, Inclusive Growth



## Lasting Growth

- Recovery of real income per inhabitant by nearly 25% between 2012 – 2015
- Decrease in the poverty rate from 49% in 2008 to 46% in 2015
- Improvement of diplomatic relations and reinforcement of economic diplomacy
- Achieved 9% economic growth over the period



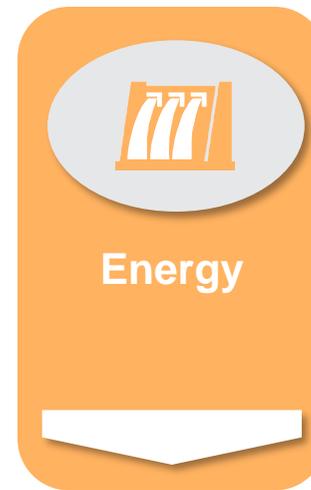
## Steady Increase

- Investments rose from 9% of the GDP in 2011 to 20% in 2015
- The number of jobs in the formal sector increased from 722,567 in 2012 to 756,597 in 2013, 799,890 in 2014 and 868,209 in 2015



## Key Projects Completed

- Abidjan: 3<sup>rd</sup> bridge Interchange over VGE
- Northern Freeway / New Roads (Abobo-Anyama Boundiali-Tengrela Abidjan-Grand Bassam)
- Singrobo-Yamoussoukro highway
- Marahoue Bridge, Henri Konan Bedie, Bouafle, Jacqueline
- 5,000km of rural roads rehabilitated
- Abidjan Port extension
- San Pedro port project



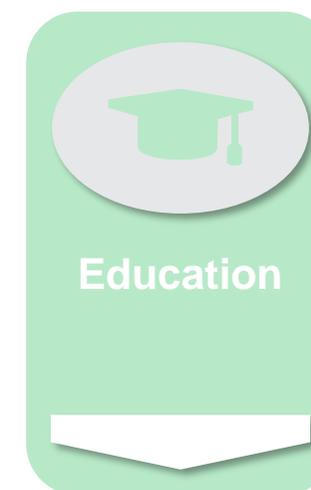
## Increasing Capacity

- 140 MW increase (Azito/ CIPREL) H1 2015
- 275 MW Soubré hydroelectric project in 2017
- Provide electricity for villages > 500 inhabitants



## Transforming the Sector

- Revenues distributed to producers increased from CFAF 3,368 billion in 2012 to CFAF 5,652 billion in 2015
- Creation of two stabilization funds: (i) a fund housed at the BCEAO with a total amount of CFAF 170 billion at the end of December 2016; and (ii) a technical reserve fund to cover the risks resulting from the price guarantee system



## Continued Improvements

- Primary Gross Education Rate improved to 100.5% in 2018-2019
- University Felix Houphouët-Boigny of Abidjan was refurbished and re-opened in 2013
- 9,291 primary school classrooms were built, in addition to 3,500 secondary school classrooms and 45 middle schools



- ▶ National Development Plan (NDP) 2016 - 2020 aimed at Transforming Côte d'Ivoire into an Emerging Economy by Reducing Poverty and Improving Living Standards of the Population
- ▶ The Government is preparing a third NDP for the 2021-2025 period

## Structural Reforms are Shaping the Economy

- Competitiveness
- Improved Governance
- Debt, Justice, Institutional Management Capabilities
- National Plan for the Development of Education / Vocational Training

## Specific Sector Plans

- Agriculture & Agri-business
- Mining, oil, gas and electricity
- Transportation and commerce
- Telecommunications

New impetus to development policy

## Strategic Objectives



## 2016-2020 NDP Achievements

- Construction of the Bettié bridge over the Comoé and Tiemba rivers
- Reorganization of SOTRA's road network and creation of the Road Transportation Development Fund
- 222,213 youths benefited from the youth employment and integration programs in 2018
- Rehabilitation and re-equipment of hospitals and health centers

Implementation highlights since 2018

# NDP 2016-2020: Strategic Goals and Key Objectives



Strategic Axis	Key Reforms and Objectives
<b>Strengthening the quality of the country's institutions and proper governance</b>	<ul style="list-style-type: none"> <li>➤ Creation of the Court of Appeal of the Commercial Court</li> <li>➤ Implementation of the 'Single Population File' and a unique identifier for companies</li> <li>➤ Re-dimensioning of competition institutions</li> <li>➤ Modernization of Public Administration</li> <li>➤ Cadastral reforms for modernization</li> </ul>
<b>Accelerating the development of human capital and social well-being</b>	<ul style="list-style-type: none"> <li>➤ School access for everyone</li> <li>➤ Promotion of applied research in the field of vocational training</li> <li>➤ Increased involvement of the Private Sector in the governance of Universities and higher institutions</li> <li>➤ Access to drinking water and electricity</li> <li>➤ Public Health Orientation Act</li> </ul>
<b>Accelerating the structural transformation of the economy through industrialization</b>	<ul style="list-style-type: none"> <li>➤ Strengthening the organization of trade systems (domestic and foreign) of agricultural products (stock market, infrastructure, etc.)</li> <li>➤ Support, supervision and follow-up of technological innovation and development</li> <li>➤ Rehabilitation of existing industrial zones and creation of new zones</li> <li>➤ Increase national electric power generation capacity</li> </ul>
<b>Developing infrastructure that is equitably spread throughout the country while at the same time protecting the environment</b>	<ul style="list-style-type: none"> <li>➤ Legal reform related to the classification, registration and devolution of road project development and maintenance works</li> <li>➤ Implementation of the universal postal service (postal coverage of the territory, postal interconnection, e-commerce)</li> <li>➤ Establishment of a system for the prevention and management of natural disasters</li> </ul>
<b>Strengthening both regional integration and international cooperation</b>	<ul style="list-style-type: none"> <li>➤ Increased Côte d'Ivoire's presence and leadership in international organizations</li> <li>➤ Creation of a trade promotion agency</li> <li>➤ Improve product quality and image, including packaging and create a label "made in Ivory Coast"</li> </ul>

# NDP 2016-2020: Key Implementation Achievements



<b>Road Infrastructure</b>	<ul style="list-style-type: none"><li>➤ Advances in road infrastructure, notably the extension of paved and maintained roads from 3,500 km in 2015 to 18,434 km in 2019</li><li>➤ The amount of completed paved road increased from 6,700 km in 2015 to 7,150 km in 2019</li><li>➤ New constructions bring the total number of access-improving infrastructure built over the 2016-2019 period to 22</li><li>➤ Improvements in the air transport sub-sector saw an increase in passengers from ~1.5m in 2015 to ~2.3m in 2019</li></ul>
<b>Education</b>	<ul style="list-style-type: none"><li>➤ In 2016: (i) the construction of 5,068 primary school classrooms, and 17 high schools and middle schools, (ii) the distribution of 2,439,594 manuals and 2,017,224 school kits and (iii) the hiring of 7,559 primary school teachers.</li><li>➤ In 2017: (i) the construction of 4,070 classrooms in public schools, including 630 in preschools and 3,440 in primary schools, the opening of 67 public middle schools, and the distribution of 26,859 desk benches, (ii) the distribution of 3,494,924 school supply kits and (iii) the hiring of 5,000 assistant teachers trained at special educational training centers (Centre d'Animation et de Formation Pédagogique), 683 middle school teachers and 213 high school teachers trained at the Ecole Normale Supérieure (ENS).</li></ul>
<b>Higher Education</b>	<ul style="list-style-type: none"><li>➤ (i) the construction of the Man University, (ii) the rehabilitation and equipment of the Cocody university campuses, (iii) the rehabilitation of athletic facilities and cultural centres on the university campuses of Abidjan (CROU A1), (iv) the rehabilitation and equipment of administrative offices, university residences and the CROU medical centre of Daloa, (v) the start of construction works of the universities of Bondoukou and San Pédro and (vi) the launch of a Science, Technology and Innovation Fund (Fonds pour la Science, la Technologie et l'Innovation or "FONSTI") with a capital endowment of CFAF 3 billion.</li></ul>
<b>Employment</b>	<ul style="list-style-type: none"><li>➤ The number of new employees in 2020 (as of October) increased by 17% compared to 2016</li><li>➤ 222,213 young people benefitted from professional integration programs in 2018</li></ul>
<b>Healthcare</b>	<ul style="list-style-type: none"><li>➤ CHU Angré, a national radiotherapy centre at the Cocody CHU and a Radiotherapy and Medical Oncology Center were constructed</li><li>➤ Seven general hospitals, two CHR and the Bouaké CHU were reequipped</li><li>➤ The infectious diseases department of the Treichville CHU was rehabilitated</li><li>➤ More than 734,700 mosquito nets treated with long-term insecticide were distributed to pregnant women and children under the age of one</li></ul>
<b>Drinking Water</b>	<ul style="list-style-type: none"><li>➤ Construction of 300 new wells equipped with manually-operated pumps and of more than 100 improved hydraulic pumps</li><li>➤ Rehabilitation of 100 obsolete manually-operated pumps</li><li>➤ Establishment of more than 500 women's committees for water source management</li></ul>
<b>Energy Sector</b>	<ul style="list-style-type: none"><li>➤ The national electricity coverage rate reached 69% on 31 December 2019, compared to respectively 58% in 2018 and 54% in 2017</li><li>➤ The rate of access to electricity went from 89.5% in 2018 to 94% at the end of December 2019</li><li>➤ Energy capacity increased from 1,805 MW in 2015 to 2,229 MW at the end of 2019 with the inauguration of the Soubré hydroelectric dam of a capacity of 275 MW and the increase of 30 MW by improving the performance of the gas turbines of the Azito power plant</li><li>➤ The successful implementation of the rural electrification programme (PRONER) also increased the number of electrified localities from 4,537 in 2016 to 5,861 in 2019 out of a total of 8,513 localities.</li></ul>

# Substantial Progress on Structural Reform Priorities



*Within the context of the 2016-2020 National Development Program (NDP) and with the support of the IMF and other multilateral organizations, Côte d'Ivoire made progress in 2017-2019 on its agenda of structural reforms in key sectors including Electricity, Hydrocarbons, Agriculture and the Financial System*

## Hydrocarbons

- c. 175.6 million barrels of crude oil and 1,191.1 billion cubic feet of natural gas reserves at 31 December 2019
- Mechanism of automatic pump price adjustment to preserve tax revenue
- Consolidated financial position of PETROCI
- Debt plan for SIR implemented
- Transfer of service station network in progress
- Signing of 18 production sharing contracts since 2017

## Electricity

- Successful refinancing of the electricity sector's short term liabilities, including IPP and gas suppliers' arrears in April 2019
- Commissioning of the Soubré dam in March 2017 (275MW)
- National electricity coverage rate reached 58% at end-2018, against 54% in 2017 and 53% in 2016
- The implementation of the Rural Electrification Program increased the number of electrified localities from 4,537 in 2016 to 4,940 in 2018

## Finance

- In January 2020, the guarantee fund was created to guarantee loans granted by the credit institutions to the Ivorian SMEs
- In January 2018 a "*Caisse des Depots et Consignations*" was created to mobilize long term development finance
- Continued implementation of a Financial Sector Development Program
- Complete re-sizing of portfolio of public banks
- Step up rehabilitation and surveillance of microfinance sector
- Operational Credit Reporting Bureau
- Creation of the "*Cour des Comptes*" in 2015 and the appointment of its president in January 2018

## Agriculture

- Cocoa producer price support mechanism in place
- Review of cocoa commercialization system
- Balanced tax revenues to minimize fiscal impact of volatile agricultural prices
- Strengthened reporting of Coffee-Cocoa Board
- Building on the successes of the 2012-2015 National Agriculture Investment Policy (NAIP), the second generation of the NAIP under preparation will aim to increase sector competitiveness and inclusiveness

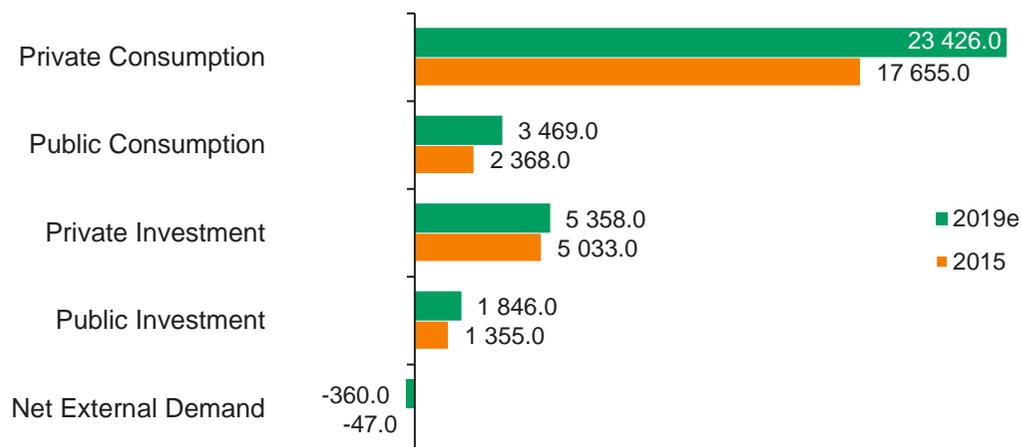
# Creating an Enabling Environment for Private Sector Investment



► The Government has Introduced Structural Reforms Focusing on Investment Promotion to Achieve Inclusive and Sustainable Economic Growth, Driven by the Development of the Private Sector

## Increased Private Investment Contribution is Critical to the sustainability of the Development Plan

Breakdown of Nominal GDP in terms of Expenses (CFAF bn)



## Structural Measures are Boosting Private Sector Investments

- **New Investment Code:** Encourages the flow of foreign capital, lowers investment caps and provides longer-term guarantees
- **Competition Law:** To prevent cartels and abuse of dominant position
- **Legal System Reforms:** Include recognition of arbitration judgements and creation of commercial courts which will issue decisions within 90 days
- **Reducing Set Up Costs:** Costs for company creation reduced by 72% and time required to set up a business to a max of 48 hours and a minimum of 24 hours

## Key Recent Structural Reforms

- **Company Creation:** Increased online services and decentralizing delivery of business licenses & permits
- **Contract Execution:** Reducing enforcement timeframes for court decisions to 90 days and rendering operational the judicial activities module of the Commercial Court
- **Insolvency Settlement:** Creation of an online platform for insolvency information and online auctions
- **Investor Services:** Establishing a single portal for investor services
- **Payment of Taxes and Duties:** Implementing online payments
- **Promotion of the Private Sector:** the investment rate was 19.8% in 2018, expected to be 21.1% in 2019 and projected to be 22.7% in 2020 and 22.8% in 2021 (Post-Covid)

Public Private Partnerships

Privatizations

Free Trade and Special Economic Zones  
There are 2 industrial zones

# Reforms Support Business Climate Improvements



## ► Focus on Business Climate Reforms is Strengthening the Role of the Private Sector as the Engine of Growth and Provider of Jobs

### Enhancing the Private Sector and SMEs

- The Government has adopted an **ambitious strategy to develop and support the growth** of a culture of entrepreneurship and innovation
- The Government has adopted the "PHOENIX" program designed to promote high-performing SMEs expected to contribute to the creation of jobs and wealth in the long-term

#### Goals

SMEs to represent 20% of GDP, 17% of national investment, and to employ 25% of active working population

Facilitate the creation and development of SMEs, that could amount to between **100,000 and 120,000 enterprises by 2020**

Created credit information bureaus and developed tools such as leasing agreements (to help finance SME production / equipment)

Create a guarantee fund alongside the IMF and other financial institutions for banks to increase the global amount allocated to financing SMEs

### Significant Improvement in Ease of Doing Business Ranking

(Out of 190 countries, rank 1 is the highest)



### Employment Revival Strategy

#### General Measures

1. Improvement of the Business Climate
2. Launch of Major Infrastructure Projects with strong job potential for creation

#### Specific Measures

1. First-job provision in the new Labor Code
2. Targeted youth and women programs
3. Regional job creation strategies
4. Access to public contracts for SMEs

#### Assistance Measures

1. Accelerating the Technical Education and Vocational Training
2. Improving current tax provisions to promote employment
3. Improving the information about the job market

**Inclusive Economic Growth through Job Creation driven by the Private Sector**

Thank You



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