

Newsletter – May 2023



Abidjan, May 5, 2023 - Adama Coulibaly, Minister of Economy and Finance, and Francesca di Mauro, Ambassador of the European Union to Côte d'Ivoire, have signed three financing agreements worth a total of €37.3m.

Today's headlines...

1. **IMF Executive Board approves \$3.5 billion Extended Fund Facility / Extended Credit Facility**
2. **S&P confirms Ivorian credit rating at BB-/B stable outlook**
3. **Ivorian hydrocarbon production to rise by 6% by 2022**
4. **The European Union signs 3 financing agreements worth a total of €37.3 million for Côte d'Ivoire**
5. **Côte d'Ivoire continues to improve sanitation, with the national sanitation access rate rising from 22% in 2011 to 56% in 2021**
6. **Côte d'Ivoire sets up a national rice observatory and a digital agricultural school to boost local agricultural production**

1. IMF Executive Board approves 3.5 billion Extended Fund Facility / Extended Credit Facility

The IMF Executive Board approves 40-month Extended Fund Facility and Extended Credit Facility arrangements for Côte d'Ivoire (approximately \$3.5 billion). The program aims to support the country's transformation to upper middle-income status, through the implementation of the National Development Plan 2021-2025. The program will also enable Côte d'Ivoire to increase its contribution to regional foreign exchange reserves.

The mobilization of domestic revenues is one of the program's key priorities. Its main goal is to preserve the sustainability of public finances and debt, by improving the efficiency of spending to finance investment needs and essential spending on health and education.

To this end, the planned structural reforms should also improve the business climate, catalyze private-sector investment, and increase financial inclusion. These achievements will foster the conditions necessary for inclusive growth, while strengthening governance and investment in human capital, particularly among young people and women.

2. S&P confirms Ivorian credit rating at BB-/B stable outlook

In the context of its May 2023 rating review, the rating agency highlighted Côte d'Ivoire's good performance in 2022. Real GDP growth, estimated at 6.7%, remained strong last year, despite the challenges posed by the war between Russia and Ukraine. In particular, the construction (+18.2%), energy (+20.3%), mining (+10.8%), and oil extraction (+10%) sectors contributed strongly to the growth of the Ivorian economy.

The rating agency's projections underline the robustness of Côte d'Ivoire's economic performance over 2023-2026, forecasting real GDP growth averaging 6.5% over the period. This growth is expected to be underpinned by significant investment in infrastructure, and increased oil and mining production. S&P also based its decision on the country's good access to concessional financing, thanks to strong relations with lenders (notably the IMF).

3. Ivorian hydrocarbon production to rise by 6% by 2022

On May 4, 2023, the Government reported that in 2022, crude oil production recorded an annual increase of 6%, thanks to the production of new wells on block CI-27.

Natural gas production is up 7.8%, following the launch of new wells and increased demand for gas. Crude oil and natural gas production for the year was estimated at 9.3 million barrels and 90.3 million BTU. As a result, the valuation of the State's share of crude oil and natural gas stands at \$295.2 million, up 110% with respect to 2021.

4. The European Union signs 3 financing agreements worth a total of €37.3 million for Côte d'Ivoire

On Friday, May 5, 2023, the European Union Ambassador to Côte d'Ivoire, Francesca Di Mauro, and the Ivorian Minister of Economy and Finance, Adama Coulibaly, signed three financing agreements for a total of €37.3m. These agreements are part of the 2021-2027 Multi-Annual Indicative Program (MIP) between Côte d'Ivoire and the European Union.

These agreements cover priority areas such as human capital development, inclusive and sustainable growth, the rule of law, democracy, peace and stability.

The first agreement, worth €20.6 million, aims to support the efforts of the Ministry of Mines, Petroleum and Energy to promote renewable energies and energy efficiency. The second €12.7 million agreement aims to support the development of corporate social responsibility and improve the employability of young people in the digital sector. The final €4 million agreement supports initiatives by associations in Côte d'Ivoire, with a view to strengthening the capacities of civil society organizations (CSOs).

5. Côte d'Ivoire continues to improve sanitation, with the national sanitation access rate rising from 22% in 2011 to 56% in 2021

During a conference at the Centre d'Information et de Communication Gouvernementale (CICG) on May 16, 2023, Konan Ahou, Director of Operations and Quality Monitoring at the Office National de l'Assainissement et du Drainage (ONAD), highlighted the fact that the national rate of access to sanitation has risen from 22% in 2011 to 56% in 2021. According to Konan Ahou, between 2013 and 2022, 81.5 billion FCFA have been invested in sanitation and drainage projects in Abidjan and 20 inland towns.

By 2030, the government plans to have invested 550 billion FCFA in sanitation works.

6. Côte d'Ivoire sets up a national rice observatory and a digital agricultural school to boost local agricultural production

The constituent general assembly of the National Rice Observatory - Côte d'Ivoire (ONRiz-CI) was held on May 9, 2023 and is intended to serve as a permanent framework for coordinating the interventions of the major players (Government, private sector, technical and financial partners) in the rice sector in Côte d'Ivoire. According to the Director General of Rice Promotion, Côte d'Ivoire currently imports around 1.5Mt of rice a year, i.e. half of its consumption.

In addition, on May 10, 2023, during a meeting between the management team of the Institut National Polytechnique Felix Houphouët-Boigny (INPHB) and representatives of the Moroccan fertilizer group OCP, the project for an AGRITECH-digital school of digital agriculture was discussed. This school is the result of a partnership between Côte d'Ivoire and OCP signed in March 2023 and aims to accelerate agricultural transformation in Côte d'Ivoire. It will launch in 2024 and will be backed by a digital farm to complement training in new technologies for agriculture.

Issuance calendar on the West African Monetary Union financial market

List of issues on the WAMU market – May 2023

Instrument	Date	Amount raised (M CFAF)	Subscription rate (%) ¹	Maturity (mois)	Coupon (%) ²	Rate (%) ³
BAT	02/05/2023	33,000	193%	3M	n.a.	6.00%
BAT		3,491		3M	n.a.	6.01%
BAT	10/05/2023	31,935	146%	6M	n.a.	6.55%
BAT		15,654		12M	n.a.	6.87%
OAT		25,920		36M	6.00%	7.21%
BAT		47,000		3M	n.a.	6.09%
BAT	16/05/2023	5,500	105%	12M	n.a.	6.85%
OAT		15,822		36M	5.50%	7.28%
BAT		24,500		6M	n.a.	6.55%
BAT	30/05/2023	29,240	102%	12M	n.a.	7.05%
OAT		5,703		36M	5.50%	7.26%
TOTAL BAT 2023		851,850				
TOTAL OAT 2023		95,164				
TOTAL 2023		947,014				

1. Subscription rate = amount submitted / amount targeted 2. The BATs are issued through multiple rates auctions and present pre-counted interests, unlike OATs which bear post-counted interests 3. Weighted average yield
Source : UMOA – Titres

To continue the conversation...

Do not hesitate to visit the site to consult the quarterly Public Debt Statistical Bulletins.

If you have any questions or comments, please use the e-mail address IR@tresor.gouv.ci We will be happy to answer you.