

## **Sdmt 2025-2029 provisional**

# **REPUBLIC OF CÔTE D'IVOIRE**

Union – Discipline – Work

**Ministry of Finance and Budget**

National Public Debt Committee (CNDP)

## **MEDIUM-TERM DEBT MANAGEMENT STRATEGY**

### **2025 – 2029**

*(Provisional version)*

### **I. INTRODUCTION**

1. Côte d'Ivoire is today one of the most attractive countries on the African continent and displays robust medium- and long-term prospects, driven by successive National Development Plans (NDPs).
2. In 2024, Côte d'Ivoire's economic growth stood at 6.0%, compared with 6.5% in 2023. This level of performance results from the continued implementation of wide-ranging structural reforms by the Government over the past decade, spanning economic, political and social dimensions.
3. In 2025, Côte d'Ivoire is rated by Standard & Poor's (BB, stable outlook), Fitch Ratings (BB–, stable outlook) and Moody's (Ba2, stable outlook). In addition, the Multilateral Investment Guarantee Agency (MIGA), a World Bank subsidiary, has upgraded its internal credit rating for Côte d'Ivoire from B+ to BB–.
4. Côte d'Ivoire's country risk rating by the OECD is maintained at 5 on a scale of 7, reflecting solid macroeconomic performance in a context of deteriorating market conditions.
5. These various financial and institutional ratings attest to the quality of Côte d'Ivoire's economic fundamentals, its resilience to external shocks, and its solid growth prospects.
6. This Medium-Term Debt Management Strategy (MTDS) is in keeping with the Government's sustainable development guidelines, in line with the objectives of the NDP 2021–2025. It prescribes the potential sources of financing for the economy that maintain costs and risks at a reasonable level.
7. The MTDS is adopted and annexed to the Finance Law at the beginning of each year. It takes into account changes in the macroeconomic and budgetary frameworks through the implementation of priority actions defined by the Government each year. This MTDS covers the period 2025–2029.

### **II. STATUS OF IMPLEMENTATION OF THE 2024 FINANCING PLAN**

8. The MTDS 2024–2028 recommended recourse to financing in an average ratio of 42%–58% of external and domestic resources.
9. The 2024 annual financing plan, in particular, proposed mobilisation at approximately 48%–52% of external and domestic resources. However, the end-2024 assessment of this plan indicates total disbursements of CFAF 5,693.1 billion against a forecast of CFAF 5,934.5 billion, a negative variance of CFAF 241.4 billion (–4.1%), with an actual ratio of 52%–48% of external and domestic resources.
10. This financing structure reflects investor expectations on the regional market, favourable conditions on the international financial market, and the increase in budgetary support.

*Table 1 — Status of implementation of the 2024 Financing Plan (CFAF billions)*

Item	Planned	%	Actual	%	Variance
<b>Total disbursements</b>	<b>5,934.5</b>		<b>5,693.1</b>		-241.4
<b>External disbursements</b>	<b>2,859.4</b>	48%	<b>2,950.2</b>	52%	90.8
Project loans	1,033.0	17%	1,010.1	18%	-22.9
Programme loans	1,029.8	17%	1,143.5	20%	113.7
World Bank	120.4	2%	187.5	3%	67.1
IMF	840.0	14%	852.2	15%	12.2
AfDB	20.1	0%	39.4	1%	19.3
AFD	49.3	1%	49.2	1%	-0.1
Germany	-	0%	-	0%	-
Other potential financing	-	0%	15.2	0%	-
Other FX financing	796.7	13%	796.7	14%	-
<b>Domestic disbursements</b>	<b>3,075.1</b>	52%	<b>2,742.8</b>	48%	-332.2

Source: CNDP

### III. OBJECTIVES AND SCOPE OF THE MTDS 2025–2029

11. The objectives of the MTDS 2025–2029 are as follows:
- To meet the State's financing needs and payment obligations at the lowest possible cost;
  - To ensure that risks associated with the public debt portfolio remain within acceptable limits;
  - To maintain debt sustainability indicators below defined thresholds;
  - To contribute to the development of the domestic market.
12. The coverage scope of the MTDS is limited to the external and domestic debt of the Central Government.

### IV. COMPOSITION OF THE DEBT PORTFOLIO AT END-2024

13. The outstanding debt of the Central Government is estimated at CFAF 31,406.9 billion (59.5% of GDP) at end-2024, compared with CFAF 27,782.6 billion (57.5% of GDP) at end-2023. It comprises CFAF 19,949.2 billion (63.5%) of external debt and CFAF 11,457.7 billion (36.5%) of domestic debt.
14. Total public debt remains dominated by CFA franc-denominated debt at 44.3%. The share of foreign-currency debt represents 55.7% overall, dominated by the Euro (43.6%) followed by the US Dollar (8.6%). This configuration reflects the Government's commitment to containing the public debt portfolio's exposure to exchange-rate risk.

### V. COSTS AND RISKS OF THE DEBT PORTFOLIO AT END-2024

15. The weighted average interest rate of the portfolio is 4.4%, with an average rate of 4.8% for domestic debt and 4.2% for external debt.
16. The concentration of maturities at the short end of the domestic debt makes the public debt portfolio vulnerable. Approximately 59.4% of the outstanding domestic debt stock is due for refinancing over the next three years. In the medium term, repayment of Treasury bond maturities could also generate refinancing pressures.

17. Debt exposed to exchange-rate fluctuations represents 12.1% of the total debt portfolio, of which 8.6% is denominated in US dollars. Côte d'Ivoire remains conservative on exchange-rate risk.

Table 2 — Costs and risks of the existing debt portfolio estimated at end-2024

Indicator	External debt	Domestic debt	Total debt
<b>Amount (CFAF billions)</b>	19,715.0	11,691.9	<b>31,406.9</b>
Amount (USD millions)	31,494.2	18,677.6	50,171.8
Nominal debt (% of GDP)	37.4%	22.2%	<b>59.5%</b>
Net present value of debt (% of GDP)	36.1%	22.2%	58.2%
Interest payments (% of GDP)	1.6%	1.1%	2.7%
Average weighted interest rate	4.2%	4.8%	4.4%
<b>Average portfolio maturity (years)</b>	8.2	3.8	<b>6.6</b>
Debt maturing within 1 year (% of total)	8.0%	25.6%	14.5%
Debt maturing within 1 year (% of GDP)	3.0%	5.7%	8.7%
Avg time to interest rate refixing (years)	6.1	3.8	5.2
Debt to be refixed within 1 year (% of total)	26.7%	25.6%	26.3%
Fixed-rate debt (% of total)	81.0%	100.0%	88.0%
<b>FX-denominated debt (% of total)</b>			<b>62.8%</b>
Debt exposed to FX fluctuations (% of total)			12.1%
FX debt service (% of reserves)			29.5%

Source: CNDP | Note: XOF-denominated instruments are classified as domestic debt except for IMF obligations.

## VI. MACROECONOMIC ASSUMPTIONS FOR THE PERIOD 2025–2029

18. Over the period 2025–2029, a consolidation of economic performance is expected in connection with the implementation of the NDP 2021–2025 and the continuation of major public and private investment projects. Real GDP is projected at an average of 6.5% per annum over the period 2025–2029.
19. Inflation would be contained at an average of 2.5% per year, thanks to increased supply of food products, stable petroleum product prices, better market supply of other consumer goods, and policies to combat the cost of living.

Table 3 — Macroeconomic aggregates for the period 2025–2029 (CFAF millions unless otherwise stated)

Indicator (CFAF millions)	2025	2026	2027	2028	2029
Public revenues (incl. grants)	10,025,029	11,199,686	12,626,879	14,148,113	15,582,629
Primary expenditure	10,159,528	11,435,644	12,916,026	14,584,244	16,394,977

Total expenditure	11,762,407	13,106,060	14,692,611	16,391,867	17,144,303
Reserves (USD million)	11,202.8	11,200.6	11,198.9	11,200.8	11,200.1
<b>Nominal GDP</b>	<b>57,576,980</b>	<b>62,920,785</b>	<b>68,295,574</b>	<b>74,299,909</b>	<b>81,620,857</b>

Source: CNDP

20. Regarding external trade, projections for 2025–2029 are characterised by a deterioration in the current account balance, moving from –1.9% of GDP in 2025 to –4.5% of GDP in 2028, before recovering to –2.9% in 2029. The widening deficit between 2025 and 2028 is driven by an increase in the services deficit, linked to investments in the oil and mining sectors. For goods, exports would grow at an average of 6.6% per year, in connection with the ramp-up of phases 2 and 3 of the 'Baleine' oilfields and increased non-monetary gold sales. As for imports, they would increase in connection with equipment and intermediate goods requirements generated by state investment programmes. The services balance would experience a deterioration in the structural deficit, linked to freight payments on merchandise imports and technical services needed for the production of new oil and mining fields. The financial account would show a net inflow of foreign capital due to FDI inflows and continued mobilisation of external financial resources by the public administration. The overall balance would be in surplus from 2025 onwards.
21. Regarding the monetary and financial sectors, the country's net external assets stock should consolidate from 2025 to 2029, in line with positive overall balance of payments surpluses. Claims on the economy would increase by an average of 13% per year, in line with the financing needs of the economy.
22. Tax revenues should record an average increase of 13.4% over the period 2025–2029, consistent with the Government's vision focused primarily on the continuous improvement of revenue mobilisation. Tax revenues as a percentage of GDP are projected at an average of 16.2% per year over the same period.
23. Total expenditure as a percentage of GDP is projected at an average of 21.2% per year over the period 2025–2029, reflecting the growing needs of the population.
24. The budget deficit should reach 3.0% in 2025 in line with the WAEMU community norm and should be maintained over the rest of the period.

## VII. FINANCING SOURCES AND MARKET CONDITIONS

13. Over the past ten years, the Ivorian Government has invested in the mobilisation of innovative instruments as part of its financing strategy, particularly at the domestic level through several reforms aimed at broadening the domestic investor base.
14. In this dynamic, Côte d'Ivoire carried out an innovative Eurobond issuance denominated in CFA francs amounting to CFAF 220 billion, placed with international investors. This issuance — the first on the continent — reflects Côte d'Ivoire's leadership in mobilising innovative instruments on international markets.
15. On the regional market, the State of Côte d'Ivoire mobilised CFAF 2,294.7 billion in 2023 and CFAF 2,742.8 billion in 2024, representing a 19.5% increase. This demonstrates the regional market's strong capacity to meet the State's needs.
16. In 2025 and 2026, the State plans to mobilise more than CFAF 3,000 billion and CFAF 4,000 billion respectively. This forecast reflects growing confidence in the State's financing strategy and anticipation of a favourable economic environment.
17. On the international financial market, momentum remains positive and innovative. Recent international bond operations have targeted longer maturities and larger amounts. All these operations have incorporated various innovative features, such as liability management exercises, currency hedging operations, ESG labelling, and debt-swap-for-development transactions. These efforts help diversify the investor base while limiting risks to the sustainability of public finances.
18. The strategy also explores 'blended finance' instruments, leveraging partnerships with multilateral and bilateral institutions to obtain semi-concessional financing.

19. The State of Côte d'Ivoire's financing strategy is focused on regular, diversified, effective and responsible mobilisation of borrowing resources, prioritising domestic financing sources in order to build a prosperous future for all citizens.

## VIII. METHODOLOGY

20. The selected financing strategy was determined using the MTDS analytical tool, based on assumptions regarding the debt stock, the TOFE (Government Finance Operations Table), and the real and external sectors for the period 2025–2029. The results enabled the determination of expected objectives in terms of costs, risks and the external-domestic mix. Given the dynamism of the State's resource mobilisation on both regional and international markets, financing needs should be met on average through a split of approximately 45%–55% of external and domestic resources over the period 2025–2029.

## IX. COST AND RISK INDICATOR TARGETS

21. The desired composition of the public debt portfolio by 2029 is a 66–34 split between external and domestic debt, compared with 63–37 in 2024.
22. The debt-to-GDP ratio would stand at 51.9% of GDP in 2029, compared with 59.5% in 2024, a reduction of approximately 8 percentage points.
23. Debt exposed to exchange-rate fluctuations in 2029 would stand at less than 11.0%, compared with 10.0% at end-2024, driven primarily by expected issuances of public securities on Asian markets (Samurai Bonds, Panda Bonds, etc.).
24. The share of total public debt maturing within one year should be limited to 10.1% in 2029, compared with 14.6% in 2024.

## X. OPTIMAL STRATEGY

25. The State's financing needs should be covered on average according to a 40%–60% ratio of external and domestic financing instruments over the period 2025–2029. External resources would comprise concessional, semi-concessional, commercial and international market financing at 13%, 46%, 7% and 34% respectively over the period 2025–2029. Domestic resources would be mobilised through short-, medium- and long-term borrowings at 45%, 36% and 19% respectively over the same period.

Table 4 — Financing plan 2025–2029 under the optimal strategy (% of total financing in each year)

Financing source	2025	2026	2027	2028	2029	Average
<b>External financing</b>	<b>58%</b>	<b>40%</b>	<b>35%</b>	<b>35%</b>	<b>33%</b>	<b>40%</b>
Concessional	11%	9%	16%	15%	15%	13%
Semi-concessional	45%	48%	44%	57%	36%	46%
Commercial	13%	8%	5%	5%	5%	7%
International capital markets	31%	35%	35%	24%	44%	34%
<b>Domestic financing</b>	<b>42%</b>	<b>60%</b>	<b>65%</b>	<b>65%</b>	<b>67%</b>	<b>60%</b>
Short-term market (1yr)	45%	45%	45%	45%	45%	45%
Medium-term market	36%	36%	36%	36%	36%	36%
Long-term market	19%	19%	19%	19%	19%	19%

Source: CNDP

26. This strategy favours domestic debt over external debt. The latter should be dominated by euro-denominated, fixed-rate financing.
27. This strategy has been validated by a Debt Sustainability Analysis (DSA), which enables Côte d'Ivoire to maintain its moderate risk of debt distress status.
28. The annual financing plan will provide further details on the Government's intentions.

## XI. FINANCING PLAN FOR THE 2025 BUDGET YEAR

29. The State's financing requirements for 2025 are estimated at CFAF 7,504.5 billion. The State plans to cover them as indicated in the table below.

Table 5 — Annual financing plan 2025 (CFAF billions)

Item	Amount (CFAF bn)	Share
<b>Total disbursements</b>	<b>7,504.5</b>	<b>100%</b>
<b>External disbursements</b>	<b>4,369.6</b>	<b>58%</b>
Project loans	1,338.1	18%
Programme loans	1,056.1	14%
Other FX financing	1,975.4	26%
<b>Domestic disbursements</b>	<b>3,135.0</b>	<b>42%</b>
Regional market	3,135.0	42%
BOAD programme loans	0.0	0%

Source: CNDP

30. Details of the auctions to be conducted on the regional market will be set out in a quarterly issuance calendar published by UMOA-Titres.
31. Actual financing could differ from the amounts indicated in the table, due to changes in budgetary and monetary policies. Adjustments may be made to financing needs and sources. Major adjustments to the financing plan will be communicated to interested parties.

## XII. RECOMMENDATIONS

32. The success of this strategy requires the implementation of the following recommendations:
  - Active debt management: Ensure continuous and proactive management of public debt, including liability management operations on external debt bond tranches.
  - Domestic revenue collection: Continue efforts to optimise budgetary revenue collection through the implementation of the Medium-Term Revenue Mobilisation Strategy (SMRT 2024–2028).
  - Macroeconomic dynamism: Maintain the dynamism of the current macroeconomic framework by pursuing the reforms provided for in the Côte d'Ivoire Strategic Plan (PSCI 2030).
  - Domestic market development: Improve the liquidity of public securities by:

- Developing the secondary market;
- Strengthening communication with investors;
- Diversifying the investor base, with particular emphasis on the participation of individuals, insurance companies and pension funds;
- Increasing the participation of foreign investors on the regional market;
- Innovating borrowing resource mobilisation instruments, including CFA franc-denominated Eurobonds.
- Promotion of public securities: Encourage investment in public securities by facilitating access for individuals through digitalised subscription channels, including mobile banking.
- Commercial and variable-rate financing: Maintain the conservative strategy on mobilising commercial and variable-rate financing sources.
- Innovative financing: Explore innovative financing solutions guaranteeing the viability of public debt through ESG financing and public-private partnerships (PPPs).
- Institutional investor participation: Accelerate reforms to increase the participation of pension funds, insurance and reinsurance companies, and individual investors in public securities issuances.