THE REPUBLIC OF CÔTE D'IVOIRE

US$1,250,000,000 6.125% Amortizing Notes due 2033

Issue Price: 98.747%

€625,000,000 5.125% Notes due 2025

Issue Price: 100.00%

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Law on Prospectuses of July 10, 2005, as amended, to approve this document as a prospectus. Application has been made to the Luxembourg Stock Exchange for the US$1,250,000,000 6.125% Amortizing Notes due 2033 (the "**USD Notes**") and the €625,000,000 5.125% Notes due 2025 (the "**EUR Notes**" and, together with the USD Notes, the "**Notes**", and each a "**Series**") of the Republic of Côte d'Ivoire (the "**Issuer**", the "**Republic**" or "**Côte d'Ivoire**") to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments) and to be listed on the Official List of the Luxembourg Stock Exchange. For the avoidance of doubt, the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of Article 7(7) of the Luxembourg Law on Prospectuses of 10 July 2005, as amended.

The USD Notes will, unless previously redeemed or cancelled, be redeemed in three instalments of US$416,666,666.66 on June 15, 2031, US$416,666,666.66 on June 15, 2032 and US$416,666,666.68 on June 15, 2033. The EUR Notes will, unless previously redeemed or cancelled, be redeemed in one instalment on June 15, 2025. See "*Terms and Conditions of the USD Notes—7. Redemption and Purchase*" and "*Terms and Conditions of the EUR Notes—7. Redemption and Purchase*", respectively.

The USD Notes will bear interest on their outstanding principal amount from time to time from and including June 15, 2017 at the rate of 6.125% per annum payable semi-annually in arrear on June 15 and December 15 in each year. The EUR Notes will bear interest on their outstanding principal amount from and including June 15, 2017 at the rate of 5.125% per annum payable annually in arrear on June 15 in each year. The first payment of interest on the USD Notes will be made on December 15, 2017 for the period from and including June 15, 2017 to but excluding December 15, 2017. The first payment of interest on the EUR Notes will be made on June 15, 2018 for the period from and including June 15, 2017 to but excluding June 15, 2018. Payments on the USD Notes will be made in US dollars and payments on the EUR Notes will be made in Euros, in each case without deduction for or on account of any Ivorian withholding taxes unless the withholding is required by law, in which case the Issuer will, subject to certain exceptions, pay additional amounts, if any, in respect of such taxes as described herein. See "*Terms and Conditions of the USD Notes—8. Taxation*" and "*Terms and Conditions of the EUR Notes—8. Taxation*", respectively.

The Notes are expected to be rated on issuance B+ by Fitch Ratings Ltd. ("**Fitch**") and Ba3 by Moody's Investors Service Ltd. ("**Moody's**"). All references to Moody's and Fitch included in this document are to the entities as defined in this paragraph. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. Each of Moody's and Fitch is established in the European Union (the "**EU**") and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**").

An investment in the Notes involves certain risks. Prospective investors should consider the factors described in "Risk Factors" beginning on page 9.

The Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes are being offered, sold or delivered: (a) in the United States only to qualified institutional buyers ("**qualified institutional buyers**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on, and in compliance with, Rule 144A; and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). Each purchaser of the Notes will be deemed to have made the representations described in "*United States Transfer Restrictions*" and is hereby notified that the offer and sale of Notes to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. In addition, until 40 days after the commencement of the offering, an offer or sale of any of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than in accordance with Rule 144A.

Neither this Prospectus nor the Notes are required to be registered or cleared under the regulations of the West African Economic and Monetary Union (*Union Economique et Monétaire Ouest Africaine* or "**WAEMU"**) or Côte d'Ivoire financial regulations. Unless they are registered and authorized by the financial regulators of WAEMU and Côte d'Ivoire, the Notes cannot be issued, offered or sold in these jurisdictions.

Notes in respect of each Series sold in offshore transactions in reliance on Regulation S will be issued initially in the form of a registered global note certificate (the "**Unrestricted Global Note Certificate**") and Notes in respect of each Series sold to qualified institutional buyers in reliance on Rule 144A will be issued initially in the form of a registered global note certificate (the "**Restricted Global Note Certificate**" and together with the Unrestricted Global Note Certificate, the "**Global Note Certificates**"). Each Global Note Certificate will be deposited with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**"), and registered in the name of a nominee for such common depositary. See "*Form of Notes*".

BNP Paribas, Deutsche Bank AG, London Branch, J.P. Morgan Securities plc, Natixis and Standard Chartered Bank (the "**Joint Lead Managers**") expect to deliver the Notes to purchasers in registered book entry form through the facilities of Euroclear and Clearstream on or about June 15, 2017. See "*Subscription and Sale*".

Joint Lead Managers and Bookrunners

BNP Paribas **Deutsche Bank** **J.P. Morgan** **NATIXIS** **Standard Chartered Bank**

The date of this Prospectus is June 13, 2017.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the best of the knowledge and belief of the Issuer, the information contained in this Prospectus is true and accurate in every material respect and is not misleading in any material respect and this Prospectus, insofar as it concerns such matters, does not omit to state any material fact necessary to make such information not misleading. The opinions, assumptions, intentions, projections and forecasts expressed in this Prospectus with regard to the Issuer are honestly held by the Issuer, have been reached after considering all relevant circumstances and are based on reasonable assumptions.

IMPORTANT NOTICE

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the "**Prospectus Directive**") and for the purposes of the Luxembourg Law on Prospectuses of 10 July 2005, as amended. No person has been authorized to give any information or to make any representation other than those contained in or consistent with this Prospectus in connection with the offering of the Notes (the "**Offering**") and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. This document may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorized or is unlawful, including to persons in Côte d'Ivoire. See "*Subscription and Sale*".

Generally, investment in emerging markets such as Côte d'Ivoire is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors are urged to consult their own legal and financial advisers before making an investment in the Notes.

Such risks include, but are not limited to, higher volatility and more limited liquidity in respect of the Notes, a narrow export base, budget deficits, lack of adequate infrastructure necessary to accelerate economic growth and changes in the political and economic environment. Emerging markets can also experience more instances of corruption by government officials and misuse of public funds than more mature markets, which could affect the ability of governments to meet their obligations under issued securities. See "*Risk Factors*".

Investors should also note that emerging markets such as Côte d'Ivoire are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly.

Each potential purchaser of the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential purchaser should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the resulting effect on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including any risk resulting from the currency of the Notes being different from the purchaser's functional currency;
- understand thoroughly the terms of the Notes and be familiar with financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) changes in economic conditions, interest rates and other factors that may affect its investment and its ability to bear the associated risks.

None of the Joint Lead Managers has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Offering constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to subscribe for or purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Offering is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

IN CONNECTION WITH THE ISSUE OF EACH SERIES OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH AS STABILIZING MANAGER (THE "**STABILIZING MANAGER**") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVERALLOT NOTES OF THE RELEVANT SERIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES OF THE RELEVANT SERIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION ACTION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES OF THE RELEVANT SERIES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES OF SUCH SERIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES OF SUCH SERIES. ANY STABILIZATION ACTION OR OVER ALLOTMENT SHALL BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

The Stabilizing Manager has acknowledged that the Issuer has not authorized the issuance of more than US$1,250,000,000 in aggregate principal amount of the USD Notes and €625,000,000 in aggregate principal amount of the EUR Notes.

The Issuer is relying on an exemption from registration under the Securities Act. By purchasing the Notes, each purchaser will be deemed to have made the acknowledgements, representations, warranties and agreements described in "*United States Transfer Restrictions*" in this Prospectus. Each prospective investor should understand that it will be required to bear the financial risks of its investment.

Neither the Issuer nor any of the Joint Lead Managers is making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any investment or similar laws or regulations, including those of Côte d'Ivoire. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own legal, business or tax adviser regarding an investment in the Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions.

The Issuer and the Joint Lead Managers do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in any such jurisdiction or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers (save for the approval of this document as a prospectus by the CSSF) which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction (including Côte d'Ivoire) where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable securities laws and regulations. Persons into whose possession this Prospectus or any Notes come must inform themselves about and observe any such restrictions.

The Notes have not been registered with, recommended by or approved or disapproved by the US Securities and Exchange Commission (the "**SEC**") or any other federal or state securities commission in the United States nor has the SEC or any other federal or state securities commission in the United States confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable US federal and state securities laws pursuant to an exemption from registration. See "*United States Transfer Restrictions*".

The Notes have not been registered with, recommended by or approved or disapproved by WAEMU nor has WAEMU confirmed the accuracy or determined the adequacy of this Prospectus.

This Prospectus is not for public distribution in the United States and is only being provided to a limited number of qualified institutional buyers for informational use solely in connection with the consideration of the purchase of the Notes. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements are statements that are not historical facts and include statements about the Issuer's beliefs and expectations. These statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. Although the Issuer believes that the beliefs and expectations reflected in such forward- looking statements are reasonable, no assurance can be given that such beliefs and expectations will be realized.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. The information contained in this Prospectus identifies important factors that could cause such differences, including, but not limited to, the following adverse external factors, such as:

- changes in international commodity prices, particularly cocoa, foreign exchange rates or prevailing interest rates, which could adversely affect Côte d'Ivoire's balance of payments and external reserves;

- changes in the monetary policy applicable in WAEMU countries which could affect inflation and/or growth rates;

- recession, political unrest or low economic growth in Côte d'Ivoire's trading partners or, in the event that Côte d'Ivoire increases its reliance on external borrowings, changes in the terms on which international financial institutions provide financial assistance to Côte d'Ivoire or fund new or existing projects, which could decrease exports, adversely affect Côte d'Ivoire's economy and, indirectly, reduce tax and other public sector revenues, thereby adversely affecting Côte d'Ivoire's budget; or

- adverse events in other emerging market countries, which could dampen foreign investment or adversely affect the trading price of the Notes;

and the following adverse domestic factors, such as:

- political factors in Côte d'Ivoire and trade and political disputes between Côte d'Ivoire and its trading partners and other political factors in Côte d'Ivoire, which could affect the timing, structure and continued pace of economic reforms, the climate for foreign direct investment and the pace, scale and timing of privatizations; or

- a decline in, or slowdown in the pace of, foreign direct investment, high domestic interest rates, exchange rate volatility or an increase in the level of domestic and external debt, which could lead to lower economic growth or a decrease in Côte d'Ivoire's international reserves.

The sections of this Prospectus entitled "*Risk Factors*", "*The Republic of Côte d'Ivoire*" and "*The Economy*" contain a more complete discussion of the factors that could adversely affect the Issuer. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur.

The Issuer does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law or applicable regulations. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

PRESENTATION OF ECONOMIC AND OTHER INFORMATION

Annual information presented in this Prospectus is based upon 1 January to 31 December periods (which is the fiscal year for the Issuer), unless otherwise indicated. Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be the sum of the figures which precede them.

Statistical Information

Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies and ministries of the Issuer and by the BCEAO. Some statistical information has also been derived from information publicly made available by the IMF, the World Bank, the WAEMU, and other third parties. Where information has been so sourced, the source is stated where it appears in this Prospectus. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Similar statistics may be obtainable from other sources, but the date of publication, underlying assumptions, methodology and, consequently, the resulting data may vary from source to source. In addition, statistics and data published by one ministry or agency of the Issuer may differ from similar statistics and data produced by other agencies or ministries due to differing underlying assumptions or methodology. Certain historical statistical information contained herein is provisional or otherwise based on estimates that the Issuer and/or its agencies believe to be based on reasonable assumptions. As described in respect of certain data below, the Issuer's official financial and economic statistics are subject to internal review as part of a regular validation process. Accordingly, financial and economic information may be subsequently adjusted or revised. While the Issuer does not expect revisions to be material, no assurance can be given that material changes will not be made.

The paragraphs below outline the methodologies and processes for preparing, validating and finalizing data with respect to macroeconomic, balance of payments, public debt and public finance figures.

<u>Macroeconomic Data</u>

Preparation of Estimates

Estimates of macroeconomic data for year N are prepared by the Ministry of Economy and Finance, acting through the General Directorate of the Economy, based on reference indicators (including the Harmonized Index of Industrial Production, the Harmonized Index of Consumer Prices and the Revenue Index of Retail Trade) and agricultural and mining production data (coffee, cocoa, gold, crude oil, etc.) made available by the relevant sectors during January and February of year N+1. Estimates for year N normally become available in March of year N+1 on the basis of data at the end of year N. These estimates are provided to the IMF and to the National Institute of Statistics (*Institut National de la Statistique* ("**INS**")) of Côte d'Ivoire. Until March of year N+1, all figures for year N represent forecasts made by the Ministry of Economy and Finance.

Preparation of Final National Accounts

The final national accounts are prepared by the INS based on the estimates prepared by the Ministry of Economy and Finance (as described above) and corporate financial data filed with the tax authorities. The INS data review process may take place in two stages, with an intermediary provisional accounts stage preceding the final accounts determination. The final accounts for year N are normally completed by the end of year N+2.

The process for preparing the final national accounts is as follows:

- the estimates for year N completed by the Ministry of Economy and Finance in March of year N+1 are provided to the INS;
- following the filing with the tax authorities of corporate financial data for year N, the tax authorities provide a copy of this information to the INS (from June to December of year N+1 for data concerning year N);

- the corporate financial data allows the INS to start the process of preparing the final national accounts, which will result in the determination of the final figures normally by the end of year N+2 for data concerning year N; and
- the final macroeconomic data is communicated by the INS to the Ministry of Economy and Finance and the IMF and supersedes and replaces previous estimates or provisional data.

Balance of Payments

With respect to balance of payments figures, initial forecasts for year N are normally made by the BCEAO in October and November of year N-1 and then revised in May and June of year N and again in October and November of year N. Estimates are prepared in May and June of year N+1 and then revised in October and November of year N+1. The Balance of Payments Committee (*Comité Balance des Paiements*) of Côte d'Ivoire then normally reviews and validates the final balance of payments data for year N in December of year N+1 at the latest.

Public Debt

With respect to public debt figures, estimates for year N are normally published by the Ministry of Economy and Finance, acting through the Treasury and Public Accounting Department (*Direction Générale du Trésor et de la Comptabilité Publique*), during the first 45 days of year N. These estimates are normally finalized in June of year N+1 at the latest. Estimated figures for the year 2016 are expected to be finalized at the end of June 2017.

Public Finance

With respect to public finance figures, estimates for year N are normally published by the Ministry of Economy and Finance and the Ministry of Budget during the first quarter of N+1. These estimates are normally finalized by the Ministry of Economy and Finance in June of year N+1 at the latest. Data for year N+1 corresponds to budgetary allocations. Estimated figures for the year 2016 are expected to be finalized at the end of June 2017.

IMF's General Data Dissemination Standards

The Issuer adheres to the IMF's General Data Dissemination Standards which guide members in the dissemination of economic and financial data to the public. Côte d'Ivoire participates in the IMF's General Data Dissemination System ("**GDDS**"), which is designed to guide all member countries in the provision of their economic and financial data to the public. Data covered includes the fiscal, financial and the external sectors as well as socio-demographic data.

By participating in the GDDS, Côte d'Ivoire has undertaken to:

- use the GDDS as a framework for statistical development;
- designate a country coordinator; and
- provide metadata to the IMF describing the current practices and plans for short- and long-term improvements in these practices.

A summary of the methodology under which Côte d'Ivoire prepares its metadata is found on the internet under the IMF's Dissemination Standards Bulletin Board. Côte d'Ivoire's metadata may be found on the IMF's website at http://dsbb.imf.org/Pages/GDDS/CtyCtgList.aspx?ctycode=CIV.

The BCEAO Website (www.bceao.int) contains information, relevant legislation, press releases, publications, including statistics, research papers, guidelines and regulations and speeches. Information contained in the above-mentioned websites is not incorporated by reference in this Prospectus and, therefore, does not form part of this Prospectus.

All references in this Prospectus to "**CFAF**" or "**CFAF Franc**" are to the currency of the member states of WAEMU (of which Côte d'Ivoire is one), all references in this Prospectus to "**US$**", "**U.S. dollars**" and "**USD**" are to the currency of the United States of America and all references in this Prospectus to "**EUR**", "**euro**", "**Euro"** and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

CERTAIN DEFINITIONS AND TERMINOLOGY

"2012-2015 NDP" means the 2012-2015 National Development Plan;

"2015 Prospectus" means the prospectus related to the Eurobonds due 2028 dated March 2, 2015;

"**2024 Eurobonds**" means the US$750,000,000 5.375% bonds due 2024 issued by the Issuer on July 23, 2014;

"**2028 Eurobonds**" means the US$1,000,000,000 6.375% amortizing bonds due 2028 issued by the Issuer on March 2, 2015;

"**2032 Eurobonds**" means the US Dollar denominated step-up bonds due 2032 issued by the Issuer (i) in the amount of US$2,332,149,000 on April 16, 2010 as part of the restructuring of the London Club-held Brady securities and (ii) in the amount of US$186,755,000 on November 12, 2012 as part of the restructuring of claims held by the Sphynx creditors and Standard Bank London;

"ACP" means the African Caribbean and Pacific Group of States;

"ADDR" means the *Autorité Nationale pour le Désarmement, la Démobilisation et la Réintégration*;

"AFD" means the *Agence Française de Développement*;

"AfDB" means the African Development Bank;

"AGOA" means the African Growth and Opportunity Act;

"APR" means the Annual Performance Reports;

"AU" means the African Union;

"Arbitration Law" means the Côte d'Ivoire Law No. 93-671 of August 9, 1993 on Arbitration, the *Acte Uniforme d'OHADA sur l'Arbitrage* of March 11, 1999 and the Ordonnance No. 212-158 determining the intervention of national jurisdictions in the arbitration procedure of February 9, 2002;

"ASA-CI" means the *Association des Sociétés d'Assurances de Côte d'Ivoire*;

"BADEA" means the *Banque Arabe pour le Développement Economique en Afrique*;

"BCEAO" means the *Banque Centrale des Etats de l'Afrique de l'Ouest*;

"BEAC" means the Bank of Central African States;

"BFA" means the *Banque pour le Financement Agricole*;

"BNI" means the *Banque Nationale d'Investissement*;

"BOAD" means the *Banque Ouest Africaine de Développement*;

"BPW" means building and public works;

"BRVM" means the *Bourse Régionale des Valeurs Mobilières*;

"C2D" means the *Contrats de Désendettement et de Développement*;

"CCSR" means the *Cellule de Coordination, de Suivi et de Réinsertion*;

"CDMT" means the *Cadres de Dépenses à Moyen Terme*;

"CDVR" means the Dialogue, Truth, and Reconciliation Commission;

"CEDEAO" means the *Communauté Économique des États de l'Afrique de l'Ouest*;

"CEMAC" means the *Communauté Economique et Monétaire de l'Afrique Centrale*;

"CEI" means the *Commission Electorale Indépendante*;

"CET" means the common external tariff scheme agreed on by the member nations of WAEMU;

"CGRAE" means the *Caisse Générale de Retraite des Agents de l'Etat*;

"CHU" means the *Centres Hospitaliers Universitaires*;

"CIE" means the *Compagnie Ivoirienne d'Electricité*;

"CIF" means Cost, Insurance and Freight;

"CIMA" means the Inter-African Conference on Insurance Markets;

"CMU" means the *Couverture Maladie Universelle*;

"CNDP" means the *Comité National de la Dette Publique*;

"CNP-PPP" means the National Steering Committee responsible for the promotion and development of PPPs;

"CNPS" means the *Caisse Nationale de Prévoyance Sociale*;

"CNW" means the Center-North-West zones of Côte d'Ivoire;

"CPMP" means *Cellules de Passation des Marchés Publics*;

"CPP" means *Contrats de Partage de Production*;

"CRDP" means the *Cellule de Revue des Dépenses Publiques*;

"CUT" means the *Compte Unique du Trésor*;

"DDPD" means the *Direction de la dette publique et des Dons*;

"DDR" means the Disarmament, Demobilization and Reintegration of ex-combatants;

"DGBF" means the *Direction Générale du Budget et des Finances*;

"DGI" means the *Direction Générale des Impôts*;

"DGPE" means the *Direction Générale de la Prévision Économique*;

"DGSE" means the *Direction Générale de la Sécurité Extérieure*;

“DSA” means the Debt Sustainability Analysis;

“DSF” means the IMF’s Debt Sustainability Framework;

“DSPS” means the *Direction des Stratégies, de la Planification et des Statistiques*;

“DST” means the *Direction de la Surveillance du Territoire*;

“ECF” means the three-year extended credit facility agreed between Côte d’Ivoire and the IMF;

“ECOWAS” means the Economic Community of West African States;

“**EITI**” means the Extractive Industries Transparency Initiative;

“ENSESI” means the *Enquête Nationale sur la Situation de l’Emploi et le Secteur Informel*;

“FDI” means Foreign Direct Investment;

“FPI” means the *Front Populaire Ivoirien*;

“FSF” means the *Fonds de Stabilité Financière*;

“FTP” means *Formation Technique et Professionnelle*;

“GPHC” means the General Population and Housing Census;

“HDI” means the Human Development Index;

“HIPC” means the Heavily Indebted Poor Countries;

“IBD” means the Islamic Development Bank;

“IBRD” means the International Bank for Reconstruction and Development;

“ICC” means the International Criminal Court;

“IDA” means the International Development Association;

“IFC” means the International Finance Corporation;

“IIAG” means the Mo Ibrahim Index of African Governance;

“ILO” means the International Labor Office;

“IMF” means the International Monetary Fund;

“INS” means the *Institut National des Statistiques*;

“IOF” means the International Organization of the Francophonie;

“IPUs” means Informal Production Units;

“LEP” means the *Liste Electorale Provisoire*;

“MCC” means the Millennium Challenge Corporation;

“MDG” means the Millennium Development Goals;

“MDRI” means the Multilateral Debt Relief Initiative;

“MEF” means the *Ministre en charge de l’Economie et des Finances*;

“MFIs” means the microfinance institutions;

“MIGA” means the Multilateral Investment Guarantee Agency;

“NDP” means the National Development Plan;

“NEPAD” means the New Partnership for Africa’s Development;

“NSC” means the National Security Council;

“ODA” means the Official Development Assistance;

“OHADA” means the *Organisation pour l’Harmonisation en Afrique du Droit des Affaires*;

“PAM” means Pan African Minerals;

“PARE-PME” means the *Projet d’Appui à la Revitalisation et à la gouvernance des Petites et Moyennes Entreprises*;

“PDCI” means the *Parti Démocratique de Côte d’Ivoire*;

“PDESFI” means the *Programme de Développement du Secteur Financier*;

“PETROCI” means the *Société Nationale d’Opérations Pétrolières de Côte d’Ivoire*;

“PIP” means the *Programme d’Investissements Publics*;

“PNAE” means the *Plan National d’Actions pour l’Environnement*;

“PNDEF” means the *Plan National de Développement du Secteur Éducation/Formation;*

“PNDS” means the *Plan National de Développement Sanitaire*;

“PNE” means the *Politique Nationale de l’Emploi*;

“PNIA” means the *Programme National d’Investissement Agricole*;

“PNRMN” means the *Programme National de Restructuration et de Mise à Niveau des Industries*;

“PPPs” means the public-private partnerships;

“PROGEP-CI” means the *Projet de gestion des pesticides obsolètes en Côte d’Ivoire*;

“PRSC-3” means the World Bank’s Third Poverty Reduction Support Credit;

“PSAC” means the *Projet d’appui au secteur agricole*;

“RDR” means the *Rassemblement des Républicains*;

“RHDP” means the *Rassemblement des Houphouëtistes pour la Démocratie et la Paix;*

“SDGs” means the *Sustainable Development Goals*;

“SDMT” means the *Stratégie de Gestion de la Dette Moyen Terme*;

“SDR” means the Special Drawing Rights;

“SIGFiP” means the *Système Intégré de Gestion des Finances Publiques*;

“SIGMAP” means the *Système Intégré de Gestion des Marchés Publics*;

“SIR” means the *Société Ivoirienne de Raffinage*;

“SITARAIL” means the *Société Internationale de Transport Africain par Rail*;

“SIVAC” means the *Société Ivoirienne d’Abattage et de Charcuterie*;

“SIVOMAR” means the *Société Ivoirienne de Navigation Maritime*;

“SMEs” means the small- and medium-sized enterprises;

“SMIG” means the *Salaire Minimum Interprofessionnel Garanti*;

“SNB” means the State Budget Nomenclature;

“SNM” means the *Stratégie Nationale de la Microfinance*;

“SODEMI” means the *Société pour le Développment Minier de la Côte d’Ivoire*;

“Solibra” means the *Société de limonaderies et brasseries d’Afrique*;

“SOTRA” means the *Société des Transports Abidjanais*;

“SRE” means the *Stratégie de Relance de l’Emploi*;

“STAR” means the *Société de Transports Abidjanais sur Rails*;

“STL” means the *Société de Transport Lagunaire*;

“SVT” means *Spécialistes en Valeurs du Trésor*;

“TBS” means *Taux Brut de Scolarisation*;

“TNS” means *Taux Net de Scolarisation*;

“TSA” means the Abidjan airport Transportation Security Authority;

“UN” means the United Nations;

“UNAIDS” means the Joint United Nations Programme on HIV and AIDS;

"UNCAC" means the United Nations Convention Against Corruption;

"UNDAF" means the United Nations Development Assistance Framework;

"UNDP" means the United Nations Development Program;

"UNESCO" means the United Nations Educational, Scientific and Cultural Organization;

"**UNHCR**" means the United Nations High Commissioner for Refugees;

"**UNOCI**" means the United Nations Operation in Côte d'Ivoire;

"UNTOC" means the United Nations Convention against Transnational Organized Crime;

"VAT" means the Value Added Tax;

"WAEMU" means the West African Economic and Monetary Union; and

"WHO" means the World Health Organization.

EXCHANGE RATE

Côte d'Ivoire's currency is the CFAF franc. The CFAF franc zone operates under a number of key operating principles:

- a fixed parity against the Euro, adjustable if required for economic reasons after consultation with the French government and unanimous decision of all member countries within each monetary area, namely the CEMAC, of which the member countries are Cameroon, the Central African Republic, Chad, Republic of Congo, Equatorial Guinea and Gabon, and the WAEMU, which consists of Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo;

- convertibility of the CFAF franc to Euros without any fluctuation margins, at a rate of CFAF 655.957 = €1.00 as of 1 January 1999, which is equivalent to the rate of CFAF 100 = 1 French franc prevailing before that;

- guarantee of convertibility by France through the establishment by each regional central bank of an operations account with the French treasury with market-related yields or charges (these accounts can have a positive or negative balance thus providing an, in principle, unlimited overdraft facility to each central bank);

- free movements of capital between the WAEMU and France and the CEMAC and France; and

- the pooling of the foreign exchange reserves of each regional monetary area.

Solely for convenience, this Prospectus contains historical conversions of certain Euro amounts into U.S. dollars at specified rates. These conversions are solely illustrative, and should not be taken as a representation that a Euro amount actually represents a stated U.S. dollar amount or that it could be converted into U.S. dollars at the rate suggested, or any other rate. The following table shows the historical period-end, average, high and low noon buying rates in New York City for cable transfers in foreign currencies as certified by the Federal Reserve Bank of New York for the Euro, expressed in U.S. dollars per one Euro, for the periods and dates indicated.

	U.S. dollar/Euro			
Month	**Period end**	**Average rate(1)**	**High**	**Low**
December 2016	1.0552	1.0545	1.0758	1.0375
January 2017	1.0794	1.0635	1.0794	1.0416
February 2017	1.0564	1.0646	1.0802	1.0551
March 2017	1.0698	1.0691	1.0882	1.0514
April 2017	1.0895	1.0714	1.0941	1.0606
May 2017 (through May 19, 2017)	1.1190	1.0979	1.1190	1.0869

	U.S. dollar/Euro			
Year	**Period end**	**Average rate(1)**	**High**	**Low**
2012	1.3186	1.2859	1.3463	1.2062
2013	1.3779	1.3281	1.3816	1.2774
2014	1.2101	1.3297	1.3927	1.2101
2015	1.0859	1.1096	1.2015	1.0524
2016	1.0552	1.1072	1.1516	1.0375
2017 (through May 19, 2017)	1.1190	1.0979	1.1190	1.0869

(1) The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for annual averages; on each business day of the month (or portion thereof) for monthly averages.

Source: Federal Reserve Bank of New York

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OVERVIEW

The following is an overview of certain information contained elsewhere in this Prospectus. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. Prospective investors should also carefully consider the information set forth in "Risk Factors" below prior to making an investment decision. Capitalized terms not otherwise defined in this overview have the same meaning as elsewhere in this Prospectus. See "The Republic of Côte d'Ivoire", "The Economy", "Foreign Trade and Balance of Payments", "Public Finance", "Public Debt" and "Monetary System", amongst others, for a more detailed description of the Issuer.

Overview of the Republic

General

Côte d'Ivoire is located in the western part of Africa, in the intertropical zone between the Tropic of Cancer and the Equator. It spans 322,462 km^2 and has over 500 km of coastline. It borders the Atlantic Ocean in the south, Burkina Faso and Mali in the north, Ghana in the east, and Guinea in the west. While Yamoussoukro was officially designated as the political and administrative capital of the country in 1983, Abidjan has effectively remained the economic, political and administrative center.

Côte d'Ivoire achieved independence from France on August 7, 1960. Pursuant to the Constitution in force, which was adopted on October 30, 2016, Côte d'Ivoire is a democratic republic based on the separation and balance of the three powers: executive, legislative and judicial.

Côte d'Ivoire has emerged from the political and military crisis that began in 2002 and culminated in the serious post-election crisis that followed the announcement of the results of the second round of the presidential election on November 28, 2010. Following this post-election crisis which significantly affected the economy and social cohesion, Alassane Ouattara was sworn in as President of the Republic in May 2011 and the normal course of the electoral cycle allowed for legislative elections in December 2011 and regional and municipal elections in April 2013. On October 25, 2015, Alassane Ouattara was re-elected President of the Republic with 83.66% of the vote in the first round. Following his election, Alassane Ouattara submitted a new draft constitution to a referendum, which was adopted with 93.42% of the vote on October 30, 2016, marking the start of the Third Republic. Legislative elections were then organized on December 18, 2016 with the aim of consolidating the country's democratic institutions.

President Alassane Ouattara has put national reconciliation, security and pro-growth reform at the top of his agenda. Political stability and the security situation have markedly improved. For example, the United Nations Educational, Scientific and Cultural Organization ("**UNESCO**") returned to Abidjan in September 2013, the African Development Bank ("**AfDB**") completed the relocation of its headquarters to Abidjan in late 2014 after a 10-year absence and the International Cocoa Organization moved its headquarters to Abidjan in April 2017 after 44 years in London. National reconciliation and political dialogue, particularly through the Dialogue, Truth, and Reconciliation Commission (*Commission Dialogue Vérité et Réconciliation* ("**CDVR**")) and the Permanent Framework for Dialogue, have made significant progress with the continued return of refugees and political exiles to the country. In March 2015, the CDVR was replaced by the National Commission for the Reconciliation and Indemnification of Victims (*Commission Nationale de Réconciliation et d'Indemnisation des Victimes* - CONARIV). In April 2016, the CONARIV submitted its final report and the consolidated single list of victims to President Ouattara. The end of the Commission's work paved the way for financial compensation of victims. The implementation of the Commission's final report has been delegated to the Minister in charge of solidarity. In August 2013, Côte d'Ivoire adopted laws on rural property and nationality to clarify the conditions and procedures to be granted Ivorian nationality and property rights aimed at reducing sources of tension among population groups.

Economy

Côte d'Ivoire is the leading economy in the West African Economic and Monetary Union ("**WAEMU**") in terms of GDP, according to the Central Bank of West African States (*Banque Centrale des Etats de l'Afrique de l'Ouest* ("**BCEAO**")), and according to the WAEMU demographic statistics, the country with the largest population of the

WAEMU, with an estimated population of 22.7 million inhabitants in 2014 (INS, RGPH 2014). GDP estimates published by the IMF (*Regional Economic Outlook, April 2016*) position Côte d'Ivoire among the most promising and dynamic economies in the Economic Community of West African States ("**ECOWAS**") (after Nigeria and Ghana) in 2015. Despite a slight decline from last year's figures, growth in 2017 is expected to remain robust in Côte d'Ivoire due to the sustained high level of infrastructure investment. The country is the world's largest cocoa producer and the world's largest producer and exporter of cashew nuts as of the end of 2015, according to the statistics of Côte d'Ivoire's Ministry of Agriculture and the United Nations Food and Agriculture Organization ("**FAO**"). In the May 2017 edition of its Regional Economic Outlook, the IMF reports that Côte d'Ivoire is expected to continue to show solid growth momentum despite the economic downturn resulting from the materialization of new shocks (i.e. decline in cocoa prices and intensification of social tensions).

In March 2012, the Government adopted a National Development Plan ("**NDP**") for the 2012-2015 period. The implementation of this plan was a success in many respects, as demonstrated by Côte d'Ivoire's entry and stable position within the group of countries with the highest growth rates in the world, with an average annual real GDP growth rate of 9.1%.

Following a thorough assessment of the 2012-2015 NDP's implementation and results, a new NDP for the 2016-2020 period was adopted in December 2015 with the aim of turning Côte d'Ivoire into an emerging economy by 2020 and reducing poverty by half. This plan establishes industry as one of the major pillars of the economy's structural transformation and focuses on the following strategies:

- strengthening the quality of the country's institutions and proper governance;
- accelerating the development of human capital and social well-being;
- accelerating the structural transformation of the economy through industrialization;
- developing infrastructure that is equitably spread throughout the country while at the same time protecting the environment; and
- strengthening both regional integration and international cooperation.

The implementation of the 2016-2020 NDP is designed to achieve the following results:

- economic growth should reach an average rate of 8.7% between 2016 and 2020. This performance is expected to be driven by the primary, secondary and tertiary sectors, which should record respective average annual growth rates of approximately 5.8%, 11.5% and 9.2% during this period;
- the investment rate is expected to rise from 19.3% of the GDP in 2015 to 24.5% in 2020. The private investment rate should progress from 12.9% in 2015 to 15.2% in 2020. This significant contribution expected from private investments reflects the Government's reliance on the private sector as an important pillar of emerging economies;
- inflation should remain under the community threshold of +3.0% for WAEMU countries;
- total revenues and donations are expected to rise from CFAF 3,916.8 billion in 2015 to CFAF 6,492.3 billion in 2020, representing an average growth rate of 10.6%. These resources will remain dominated by fiscal revenues, which are expected to rise from CFAF 2,954.9 billion in 2015 to CFAF 5,317.4 billion in 2020. Fiscal pressure should grow from 15.7% in 2015 to 16.9% in 2020; and
- the budget deficit, as a percentage of the GDP, should improve, from 2.9% of the GDP in 2015 to 1.9% in 2020.

After the first year of implementation of the 2016-2020 NDP, Côte d'Ivoire has recorded strong economic performance, despite less favorable international conditions, low rainfall and a fall in international cacao prices, which mitigated initial forecasts to a certain extent. Economic growth remained strong and sustained at 8.8% in 2016, compared to the 9.8% initially expected, in particular due to momentum in the secondary (+15.2%) and tertiary

(10.2%) sectors. Initially expected at 4% of the GDP, the budget deficit stood at 3.9%, due to lower than budgeted expenses, despite shortfalls in revenue. Inflation remained stable at 0.7%, well under the WAEMU community threshold of 3.0%.

In an effort to strengthen its economy's resilience, Côte d'Ivoire has engaged in a further series of reforms to transform agricultural products, improve the business climate, boost its competitiveness and improve governance. These far-reaching structural measures have been designed with the help of its international partners, in particular the IMF and the World Bank. Côte d'Ivoire has thus been ranked one of the best performing countries in the "Doing Business" reports for the past few years. It intends to pursue this dynamic and to be ranked among the top 50 in the world by 2020.

In terms of competitiveness, in 2016, Côte d'Ivoire was ranked 7th in Sub-Saharan Africa and 99th in the world among the 140 most competitive economies, according to the "Global Competitiveness Report 2016-2017" of the World Economic Forum, after having been ranked 115th and 90th in the world in 2014 and 2015, respectively. Despite a slight decline in the 2016 ranking, Côte d'Ivoire has maintained its leading position within the top 10 of the most competitive economies in Africa.

In the last quarter of 2015, Moody's and Fitch rating agencies raised Côte d'Ivoire's rating from B1 to Ba3 (Moody's) with a stable outlook and from B to B+ (Fitch) with a stable outlook, due to the country's enhanced stability after the smooth presidential elections, sound management of public finances and improvements in institutional governance and stability. These ratings were maintained in 2016 by both agencies.

As part of the new 2016-2019 EFF-ECF Program entered into with the IMF in December 2016, Côte d'Ivoire committed to implement additional reforms in all of the sectors of its economy, in order to promote productivity and competitiveness.

Statistical Data

The following selected economic and financial information is qualified in its entirety by, and should be read in conjunction with, the detailed information appearing elsewhere in this Prospectus. Data shown for 2015, 2016 and 2017 are estimates or forecasts, where indicated.

	2012	**2013**	**2014**	**2015[(1)]**	**2016[(1)]**	**2017[(2)]**
Domestic Economy						
Nominal GDP (CFAF billions)	13,677	15,446	17,461	19,408	21,438	23,600
Real GDP (growth rate) (%)	10.1	9.3	8.8	9.2	8.8	8.5
Balance of Payments (CFAF billions)						
Exports of Goods (FOB)	6,189.4	5,952.9	6,411.3	6,938.0	6,487.0	6,467.2
Imports of Goods (FOB)	(4,623.7)	(4,473.6)	(4,496.5)	(5,064.0)	(4,618.2)	(4,752.1)
Overall Balance	(263.5)	2.6	273.8	248.5	(175.6)	50.0
Public Finance (CFAF billions)						
Total Revenues and Grants	2,621.5	3,039.5	3,293.3	3,916.8	4,176.6	4,603.1
Total Expenditure	3,053.9	3,385.6	3,669.6	4,469.8	5,014.6	5,655.1
Overall Balance.	(432.4)	(346.2)	(376.2)	(553.0)	(837.9)	(1,052.0)
Public Debt (CFAF billions)						
Domestic Public Debt	2,286.6	2,651.9	3,129.9	3,425.7	4,049.1	4,256.0
External Public Debt	2,393.0	2,605.4	3,308.7	4,489.1	4,974.2	5,815.3
Gross Public Debt as % of GDP	33.9	34.0	36.9	40.8	42.1	42.7

Source: MEF

(1) Estimates.

(2) Forecasts.

Overview of the Terms and Conditions of the USD Notes and the EUR Notes

*The following is an overview of certain information contained elsewhere in this Prospectus. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. Prospective investors should also carefully consider the information set forth in "Risk Factors" below prior to making an investment decision. Capitalized terms not otherwise defined in this overview have the same meaning as in the terms and conditions (for the purposes of this section, the "**Conditions**") of the USD Notes and/or the EUR Notes. See "Terms and Conditions of the USD Notes" and "Terms and Conditions of the EUR Notes" for a more detailed description of the USD Notes and EUR Notes, respectively.*

Issuer	The Republic of Côte d'Ivoire.
Notes Offered	US$1,250,000,000 6.125% Amortizing Notes due 2033 (the **"USD Notes"**). €625,000,000 5.125% Notes due 2025 (the **"EUR Notes**", and together with the USD Notes, the **"Notes"**).
Currency	In respect of the USD Notes, U.S. dollars. In respect of the EUR Notes, Euro.
Issue Date	June 15, 2017.
Maturity Date	The USD Notes will mature on June 15, 2033. The EUR Notes will mature on June 15, 2025.
Interest	6.125% per annum in respect of the USD Notes. 5.125% per annum in respect of the EUR Notes. See "*Terms and Conditions of the USD Notes—5. Interest*" and "*Terms and Conditions of the EUR Notes—5. Interest*".
Interest Payment Dates	The Issuer will pay interest on each USD Notes semi-annually in arrear on June 15 and December 15 of each year. The first payment of interest will be made on the first interest payment date falling on or about December 15, 2017 for the period from and including the Issue Date to but excluding such first interest payment date. The Issuer will pay interest on each EUR Notes annually in arrear on June 15 of each year. The first payment of interest will be made on June 15, 2018 for the period from and including the Issue Date to but excluding such first interest payment date. See "*Terms and Conditions of the USD Notes—5. Interest*" and "*Terms and Conditions of the EUR Notes—5. Interest*".
Issue Price	98.747% of the principal amount of the USD Notes. 100.00% of the principal amount of the EUR Notes.
Yield to Maturity	Based on their issue price, the yield to maturity of the USD Notes is 6.250%. Based on their issue price, the yield to maturity of the EUR Notes is 5.125%.

Redemption

The Issuer will redeem the USD Notes in three instalments of US$416,666,666.66 on the interest payment date falling on or about June 15, 2031, US$416,666,666.66 on the interest payment date falling on or about June 15, 2032 and US$416,666,666.68 on the interest payment date falling on or about June 15, 2033.

The Issuer will redeem the EUR Notes in one instalment at their principal amount on June 15, 2025.

See "*Terms and Conditions of the USD Notes—7. Redemption and Purchase*" and "*Terms and Conditions of the EUR Notes—7. Redemption and Purchase*".

Denominations

The USD Notes will be offered and sold, and may only be transferred, in minimum principal amounts of US$200,000 and integral multiples of US$1,000 in excess thereof.

The EUR Notes will be offered and sold, and may only be transferred, in minimum principal amounts of €100,000 and integral multiples of €1,000 in excess thereof.

See "*Terms and Conditions of the USD Notes—1.1 Form and Denomination*" and "*Terms and Conditions of the EUR Notes—1.1 Form and Denomination*".

Status

The Notes of each Series constitute direct, unconditional and (subject to the provisions of the negative pledge covenant described below) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, and with all other unsecured and unsubordinated External Indebtedness of the Issuer outstanding from time to time, save only for such obligations as may be preferred by mandatory provisions of applicable law, *provided*, *however*, *that* the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the relevant Series of Notes and *vice versa*. The full faith and credit of the Issuer is pledged to the due and punctual payment of each Series of Notes.

See "*Terms and Conditions of the USD Notes—3. Status*" *and* "*Terms and Conditions of the EUR Notes—3. Status*".

Negative Pledge

So long as any Note of the relevant Series remains outstanding the Issuer will not, save for the exceptions set forth herein, create, incur, assume or permit to subsist any Security upon the whole or any part of its present or future assets, undertakings or revenues to secure (i) any of its Public External Indebtedness; (ii) any Guarantees in respect of Public External Indebtedness; or (iii) the Public External Indebtedness of any other person; without at the same time or prior thereto securing the Notes of the relevant Series equally and rateably therewith or providing such other arrangement (whether or not comprising Security) as shall be approved by an Extraordinary Resolution of Noteholders of the relevant Series or by a Written Resolution (each as defined in the Conditions of each Series of Notes). For the avoidance of doubt, any such approval shall not constitute a Reserved Matter (for the purposes of and as defined in the Conditions of each Series of Notes).

See "*Terms and Conditions of the USD Notes—4. Negative Pledge*" and "*Terms and Conditions of the EUR Notes—4. Negative Pledge*".

Events of Default

The Conditions of each Series of Notes will permit the acceleration of the relevant Series of Notes following the occurrence of certain events of default.

See "*Terms and Conditions of the USD Notes—10. Events of Default*" and "*Terms and Conditions of the EUR Notes—10. Events of Default*".

Form of Notes

The Notes of each Series will be issued in registered form only, without coupons.

The Notes of each Series sold in offshore transactions in reliance on Regulation S will be represented on issue by the Unrestricted Global Note Certificate and the Notes of each Series sold to qualified institutional buyers in reliance on Rule 144A will be represented on issue by the Restricted Global Note Certificate. Each Global Note Certificate will be deposited with a common depositary for Euroclear and Clearstream and registered in the name of a nominee for such common depositary.

Taxation and Additional Amounts

All payments in respect of each Series of Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Relevant Jurisdiction (as defined in the Conditions), unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders of the relevant Series of Notes after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the relevant Series of Notes in the absence of the withholding or deduction, subject to certain exceptions set forth under "*Terms and Conditions of the USD Notes—8. Taxation*", "*Terms and Conditions of the EUR Notes—8. Taxation*" and "*Taxation*".

Meetings of Noteholders and Amendments

The terms and conditions of the each Series of Notes contain a "collective action" clause, which permits defined majorities to bind all Noteholders of the relevant Series of Notes. Either Series of Notes would be capable of aggregation for voting purposes with any other debt securities issued by the Issuer that contain collective action clauses in substantially the same form as the collective action clause in the terms and conditions of each Series of Notes, thereby allowing "cross-series" modifications to the terms and conditions of the relevant Series of Notes (even, in some circumstances, where majorities in respect of the relevant Series of Notes did not vote in favour of the modifications being voted on). A summary of the provisions for convening meetings of Noteholders of the relevant Series of Notes and making amendments to the relevant Series of Notes is set forth under "*Terms and Conditions of the USD Notes—13. Meetings of Noteholders, Modifications and*

Waivers" and "*Terms and Conditions of the EUR Notes—13. Meetings of Noteholders, Modifications and Waivers*" (as applicable).

Concurrent Tender Offers

On May 31, 2017, Cote d'Ivoire launched tender offers (the "**Tender Offers**") for up to US$250 million in aggregate principal amount of its outstanding 2024 Eurobonds and up to US$500 million in aggregate principal amount of its outstanding 2032 Eurobonds (which maximum amounts may be decreased, in the case of the 2024 Eurobonds, and/or increased or decreased, in the case of the 2032 Eurobonds, in each case in the absolute discretion of the Issuer). The Tender Offers are scheduled to expire at 5:00 p.m. New York City time on June 7, 2017 (the "**Expiration Date**") and are expected to settle on the next business day after the settlement of the USD Notes, in each case unless extended, reopened, amended or terminated by Côte d'Ivoire. The Tender Offers are subject to the terms and conditions set forth in the tender offer memorandum dated May 31, 2017 prepared by Côte d'Ivoire. Whether Cote d'Ivoire will accept and settle the purchase of the 2024 Eurobonds and 2032 Eurobonds pursuant to the tender offers is subject (unless such condition is waived by Cote d'Ivoire in its sole discretion) without limitation, to the successful closing (in the sole determination of Cote d'Ivoire) of the offering of the Notes pursuant to this Prospectus. Cote d'Ivoire expects to announce the results of the Tender Offers and the aggregate principal amount of each series of Eurobonds finally accepted for purchase promptly following the Expiration Date. See *"Use of Proceeds"*.

Use of Proceeds

The net proceeds of the issue of the Notes are expected to amount to approximately US$1,232,000,000 in respect of the USD Notes and €624,000,000 in respect of the EUR Notes after deduction of certain fees and expenses payable by the Issuer in connection with the offer and sale of the Notes.

The net proceeds of the issue will be used (i) to finance investments of approximately US$ 1,000 million under the State's budget, including the NDP's priority structural projects with respect to an increase in agricultural output, promotion of the manufacturing sector, and improvement in the standard of living, particularly through investments in the sectors of education, health, infrastructures, trade and culture and (ii) to finance the purchase by Côte d'Ivoire of the final aggregate principal amount of the 2024 Eurobonds and 2032 Eurobonds agreed to be purchased pursuant to the Tender Offers.

Ratings

The Notes of each Series are expected to be rated on issuance B+ by Fitch and Ba3 by Moody's. Credit ratings assigned to the Notes do not necessarily mean that they are a suitable investment. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

Each of Fitch and Moody's is established in the European Union and registered under the CRA Regulation.

Listing, Admission to Trading and

Application has been made to the CSSF to approve this document as a prospectus for the purposes of the Prospectus Directive and to the

Approval	Luxembourg Stock Exchange for the listing of each Series of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Regulated Market of the Luxembourg Stock Exchange.
Further Issues	The Issuer may from time to time without the consent of the Noteholders of the relevant Series issue additional Notes of the relevant Series that will form a single series with the Notes of the relevant Series subject to certain conditions set out under "*Terms and Conditions of the USD Notes—15. Further Issues*" and "*Terms and Conditions of the EUR Notes—15. Further Issues*" (as applicable).
Governing Law	English law.
Transfer Restrictions	Neither Series of Notes will be registered under the Securities Act or any US state securities law. Consequently, no Notes of either Series may be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. See "*United States Transfer Restrictions*". Neither this Prospectus nor the Notes will be registered or cleared under the regulations of the WAEMU. Consequently, the Notes may not be offered or sold in the WAEMU, including in Côte d'Ivoire.
Fiscal Agent, Paying Agent and Transfer Agent	Deutsche Bank AG, London Branch.
Registrar	Deutsche Bank Luxembourg S.A.
Notes sold pursuant to Regulation S	USD Notes ISIN: XS1631415400 USD Notes Common Code: 163141540 WKN: A19JZW EUR Notes ISIN: XS1631414932 EUR Notes Common Code: 163141493 WKN: A19JZU
Notes sold pursuant to Rule 144A	USD Notes CUSIP Number: 221625AN6 USD Notes ISIN: XS1632632037 USD Notes Common Code: 163263203 WKN: A19JZX EUR Notes CUSIP Number: 221625AP1 EUR Notes ISIN: XS1631415079 EUR Notes Common Code: 163141507 WKN: A19JZV

RISK FACTORS

Prospective investors should read the entire Prospectus. Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect the Issuer's economy and its ability to fulfill its obligations under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay principal, interest or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes comprise an exhaustive list of the risks inherent in investing in the Notes, and the Issuer may be unable to pay amounts due on the Notes for reasons not described below.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus prior to making any investment decision.

Risks Relating to the Republic

Investing in Notes of emerging market issuers such as Côte d'Ivoire involves a higher degree of risk than more developed markets.

Investing in securities of emerging market issuers, such as Côte d'Ivoire, generally involves a higher degree of risk than investments in securities of corporate or sovereign issuers from more developed countries. These risks include the possibility of economic, political or social instability that may be caused by many different factors, including, in the case of Côte d'Ivoire, declines in the price of primary commodity exports such as cocoa, coffee and gold, failure of the Government to implement or maintain the pace of political, fiscal and economic reforms, changes in governmental economic, tax or other policies, inflation and financial crises in other emerging market countries that could have an adverse effect on investor appetite for emerging market debt securities as a class. In addition, political, civil or financial instability in Côte d'Ivoire, its neighbors or elsewhere in West Africa may have an adverse impact on Côte d'Ivoire.

Emerging markets may also experience a greater degree of corruption of government officials, misuse of public funds and administrative errors or delays (in payment or otherwise) than more mature markets. This could affect the ability of the Government to meet its obligations under the Notes. Any of the factors above, as well as the volatility in the markets for debt securities similar to the Notes, may adversely affect the liquidity of, and the trading market for, the Notes.

Côte d'Ivoire's emerging economy status objective is contingent on continued improvement of the country's social cohesion and political stability.

Côte d'Ivoire has successfully emerged from its 2002-2011 political and military crisis (see *The Republic of Côte d'Ivoire –Political History*). After the four years of implementation of the 2012-2015 NDP, peace has been restored, social cohesion has been strengthened and the economy has experienced strong growth since 2012 with an estimated average real GDP growth rate of 9.2% from 2012 to 2016 according to Government estimates. In October 2015, President Ouattara was re-elected for a second five-year term following a peaceful presidential election. A new Constitution adopted through a national referendum on October 30, 2016 added more certainty to the political environment. The Government's continued efforts toward political reconciliation are contributing to restoring the social contract. The significant progress towards stabilizing the security and socio-political situation in the country led the United Nations Security Council in April 2014 to partially lift the arms embargo to Côte d'Ivoire and to finally terminate sanctions imposed in 2005 on diamond imports from Côte d'Ivoire. The United Nations Security Council fully lifted the arms embargo to Côte d'Ivoire in April 2016. See "*The Republic of Côte d'Ivoire–Political History–Recent Political Developments*".

However, there is a need for Côte d'Ivoire to pursue its efforts to strengthen political stability in order to fully eradicate the roots and the effects of the decade-long crisis that led to the partition of the country for close to five years, disrupted the strategic sectors of the economy and culminated in the post-election crisis of early 2011. After this decade-long crisis, the quality and effectiveness of the institutions of Côte d'Ivoire still need strengthening. For example, the opposition exercises insufficient oversight over government activity and various political parties have unequal access to public funding and State media. Although the new Constitution was adopted with 93.42% of the vote on October 30, 2016, voter turnout was 42.42% and several opposition parties demonstrated against the new Constitution. In the view of the Government, the new Constitution was designed to strengthen the Ivorian political framework notably through the creation of the office of Vice President and a new chamber of the parliament. However, despite improving national reconciliation, these important reforms did not appear to benefit from wide a consensus outside the coalition supporting the Government of President Ouattara. In addition, the ongoing trial of Laurent Gbagbo before the ICC in the Hague and the earlier conviction of his wife, Simone Gbagbo, on certain charges and recent acquittal on others before Ivorian courts may maintain a degree of tension among the Gbagbo supporters and the Government of President Ouattara, in particular along the Liberian border where pro-Gbagbo refugees are still located. The succession to President Ouattara following the end of his second and last term in 2020 will also need to be managed skillfully to avoid any negative impact on the current positive economic and political trajectory.

If Côte d'Ivoire fails to effectively restore sustainable cohesion and reconciliation through more inclusive growth, poverty reduction and stronger institutions or fails to maintain political stability, this may undermine the country's ability to fully realize its economic potential, which may have an adverse effect on Côte d'Ivoire's ability to perform its obligations under the Notes, attract foreign and private sector investments and may in turn result in lower economic growth than expected under the 2016-2020 NDP.

Côte d'Ivoire continues to face internal security challenges, including in relation to the demobilization and reintegration of ex-combatants.

The Government considers that the process of disarmament, demobilization and reintegration of ex-combatants that took part in the military conflict has been substantially completed. See "*The Republic of Côte d'Ivoire –Disarmament, Demobilization and Reintegration of ex-Combatants*". However, between May 12 and 16, 2017, security concerns were illustrated by violent incidents sparked by the protests of 8,400 mutinous soldiers over a wage dispute. These 8,400 soldiers are the former members of the anti-Gbagbo *Forces Nouvelles* combatants who were integrated into the army pursuant to the Ouagadougou Political Agreements of 2007 in an effort to unify the army of Côte d'Ivoire and reconcile Ivorian society. These mutineers organized a first series of protests in January 2017 to demand a CFAF 12 million bonus payment allegedly promised to them during the civil war against former President Laurent Gbagbo's supporters. The Government agreed to pay the bonus requested following the January protests. The May protests were organized by the mutinous soldiers fearing that the bonus payment scheduled in May 2017 would not be made following the statements of certain members of the mutinous soldiers. According to the Government, the May protests resulted in four known deaths and nine other casualties. Furthermore, on 23 May 2017, former *Forces Nouvelles* combatants who were demobilized following the 2011 post-election crisis organized protests reportedly to demand the payment of a CFAF 18 million per demobilized ex-combatant. According to media reports, four of these protestors were killed and 15 injured in confrontations with police in Bouake. Demobilized ex-combatants are estimated to be about 6,000 according to media reports, although the Government does not recognize this group or their claims and believes that the situation of demobilized combatants was adequately addressed through the DDR programme. See "*The Republic of Côte d'Ivoire –Defense and Security*". These events suggest that, despite the efforts of the Government, the situation of the ex-combatants, whether reintegrated into the army or demobilized, remains sensitive and a potential source of insecurity. Despite the end of the DDR, there is therefore a continued need for the Government to further consolidate the unity of the army.

The Government believes that the agreement found with the representatives of the 8,400 disgruntled soldiers and the final bonus payment scheduled to be paid in June 2017 will resolve the claims of the former *Forces Nouvelles* combatants. To this end, the Government has also made the improvement of living standards and training of the military a priority and is committed to devoting appropriate budgetary resources to the modernization of its security and military forces. Defense and security are a priority in the 2017 budget, which forecasts CFAF 482.1 billion for defense and security spending, including CFAF 228.4 billion for the armed force, CFAF 69 billion for the *gendarmerie* and CFAF 174.5 billion for the police, in connection with the implementation of the Military Planning Act and the Domestic Security Planning Act. However, if the Government's reintegration efforts are not successful or do not result in the level of social cohesion and security required for the successful implementation of the 2016-2020 NDP, this will have a negative effect on the Government's ability to retain or attract sufficient FDI flows and private sector contribution to the growth of the economy, which may in turn affect the Government's ability to honor its financial commitments to its creditors, including those under the Notes.

These security issues are compounded by other threats, including the crises in some neighboring countries like Mali and Burkina Faso, the proliferation of small arms and light weapons in the country, repatriating and reintegrating pro-Gbagbo refugees and preserving stability along the border with Liberia. According to the United Nations High Commissioner for Refugees ("**UNHCR**"), an estimated 250,000 Ivoirians fled to Liberia during the post-election crisis, where they took refuge in one of six refugee camps. By March 2014, all but approximately 46,000 had returned home and three of the camps had been closed down. In July 2014, nearly 38,000 Ivorian refugees living in Liberia were unable to return home after Côte d'Ivoire temporally closed its borders with Liberia due to the Ebola outbreak. See "*– Côte d'Ivoire suffers from high levels of poverty and health risks*." With repatriation from Liberia resuming in December 2015, approximately 19,000 Ivoirians had returned home by mid-September 2016. In addition, concerns about security along Liberia's border with Côte d'Ivoire frequently present challenges to the repatriation program. For example, on January 10, 2015, two Ivorian soldiers were killed by militia men in a raid on an Ivorian security force close to the Liberia border. If security issues (both internal and external) are not adequately addressed or the perception of security deteriorates, this could affect social harmony and investor confidence in Côte d'Ivoire and have a material adverse effect on economic performance and the Government's ability to service the Notes.

Côte d'Ivoire's economy and security may be negatively affected by regional considerations

Côte d'Ivoire has a number of regional trading partners upon which its economy heavily relies. Côte d'Ivoire is an active member of the West African regional organizations, such as WAEMU and ECOWAS, which foster more economic integration among their member countries. For example, an important part of the activity of the ports of Côte d'Ivoire in Abidjan and San Pedro relates to goods traded by Burkina Faso, Mali and Niger, and Côte d'Ivoire exports electricity to a number of its neighboring countries. In 2016, an estimated 19.7% of Côte d'Ivoire's exports were to ECOWAS countries, and an estimated 14.4% of its imports came from ECOWAS countries, with an estimated 11.4% of such imports coming from Nigeria. Political instability, social unrest, epidemics and/or increased fragility are common in the West African region and, among other factors, could result in a reduction in Côte d'Ivoire's exports to, and imports from, those countries or in regional contagion.

The West African region has also been subject to on-going political and security concerns. In particular, the ongoing conflict and political instability in Mali, a neighbor of Côte d'Ivoire and a significant trading partner, has been the subject of significant ECOWAS and international attention and intervention (including from Côte d'Ivoire), and its impact and resolution are difficult to predict. Any further escalation of this conflict or a more aggressive stance by parties to the conflict could be a further destabilizing factor for the region. The perception of regional instability and insecurity caused by the ongoing Mali conflict has been exacerbated by the presence of Boko Haram in northeast Nigeria and the terrorist attacks by Daesh and Boko Haram and groups claiming affiliation with them in Mali, Burkina Faso and Niger during 2015 and 2016. On March 13, 2016, heavily armed assailants attacked three hotels at a beach resort in Grand-Bassam, located approximately 40 kilometers East of Abidjan resulting in 22 fatalities. See "*The Republic of Côte d'Ivoire –Fight against Terrorism and Piracy*". These regional threats and fragility among Côte d'Ivoire's neighbours and partner countries could have an adverse effect on Côte d'Ivoire's growth prospects, which could affect its ability to meet its financial obligations generally and the Government's ability to service the Notes.

In particular, the outbreak of new terrorist attacks or activities in the country and/or in the region could further strain political stability and security in the country and in the region and the Government's finances. These events could have a material adverse impact on the Ivorian economy, including declines in FDI and tourism flows or disruptions on Côte d'Ivoire's exports and imports to and from the partner countries involved. Any of the foregoing could also lead to the diversion of Government resources towards increased military and security spending, which may reduce overall economic growth and increase Côte d'Ivoire's budget deficit.

Côte d'Ivoire's NDP growth outlook for the medium-term is conditioned upon the successful implementation of an extensive reform agenda and the mobilization of sufficient fiscal resources, external funding and private sector investments.

In order to consolidate its achievements under the 2012-2015 NDP, the Government adopted the 2016-2020 NDP on December 9, 2015 with the general objective of making Côte d'Ivoire an emerging economy by 2020. See "*The Economy–National Development Plans".* The financial resources required for the implementation of the 2016-2020 NDP investment program are estimated at CFAF 30,000 billion over the 2016-2020 period, with funding expected to come from both public and private sources. This necessitates a public investment budget of CFAF 11,284 billion, and mobilizing CFAF 18,716 billion in external and private financing over the 2016-2020 period. To mobilize its share of this funding, the Government is pursuing a comprehensive set of structural reforms with the help of technical assistance from international partners, notably from the IMF and the World Bank, to improve economic governance and encourage a greater contribution from the private sector. These reforms include fiscal measures to improve revenue collection and public spending and to better control external and domestic indebtedness, which include the overhaul of the budgetary process, reforms of the tax system and of the public procurement law and the restructuring of the electricity sector and of the public banking sector. Among the problems resulting from undisciplined budgetary processes and controls before May 2011 were expenditures incurred outside the budgetary process and late payments to suppliers in the private sector. In addition, the Government will also need to complete economic and financial system reforms in order to improve the business and regulatory environment, diversify the economy, extend banking sector penetration and facilitate access to credit so as to promote and encourage participation of the domestic and international private sector in the NDP investment program.

In spite of the Government's efforts, the economic and other assumptions underlying the objectives set forth in the 2016-2020 NDP may not be met due to a number of possible factors, including: uncertainties as to the pace of the structural reforms affecting the public sector; possible delays in the effective mobilization of private sector and external financing, which could in turn negatively affect implementation of investment projects and cause an increase and greater reliance on public debt; and the time needed to eliminate remaining bottlenecks and inefficiencies (in respect of public spending, public infrastructure, business climate and subsidies to the electricity sector) resulting from the decade-long crisis. Issues that may adversely affect the implementation of the 2016-2020 NDP also include project execution risks, such as financing gaps, delays or suspensions in scheduled fund disbursements from external sources related to donor oversight programs, changes in financial commitments, shortages in resources for management and project maintenance either during or after completion including of labor/or materials, and political or social resistance to policies required for project completion, which, if materialized, could slow development progress and lead to lower-than-expected growth. If Côte d'Ivoire fails to implement its fiscal reforms successfully or to secure appropriate external and private sector funding in a timely manner to meet its 2016-2020 NDP objectives, this could result in an adverse effect on Côte d'Ivoire's economic performance and ability to service its indebtedness, including the Notes.

Côte d'Ivoire's economy is dependent on its agriculture sector which is highly vulnerable to global price volatility and to weather-related shocks.

Since the 1960s, Côte d'Ivoire's economic performance has been dominated by agriculture, in particular the cocoa and coffee sectors. According to Government estimates, the primary sector, while decreasing, still represented 19% of the country's nominal GDP in 2016, with coffee and cocoa, together, representing more than 12.1% of the country's nominal GDP, 44.3% of the value of exports (excluding exceptional goods) and 15.5% of its tax revenue. Currently, Côte d'Ivoire is considered to be the world's largest producer of cocoa and produces, according to the World Cocoa Foundation, more than one third of world cocoa production. As such, the Government considers cocoa production as a key element of the country's economic strategy. The sector is also the principal employer of a large part of the population. Côte d'Ivoire's economy is thus vulnerable to challenges affecting the performance of its agriculture, and the cocoa sector in particular including global demand, pricing levels and competition.

Côte d'Ivoire's agriculture suffered severely from the political and military crisis from 2002 to 2011. This crisis resulted in the disruption of production cycles, the interruption of a number of development programs and projects, notably in the northern, central and western regions, the destruction of plantations and production facilities and the cancellation of agricultural research programs. A further result of the crisis was the significant displacement of people, which has increased land ownership disputes, particularly in the coffee and cocoa producing areas, an issue that is being addressed by the Government through the implementation of the land reform adopted in 1998 to formalize customary land rights. In addition, for several years, the country's agriculture has suffered from inadequate management structures and inadequate funding and maintenance. These factors, individually or in aggregate, may continue to have a negative impact on Côte d'Ivoire's agricultural production and its economic performance. The Government, with the notable help of the World Bank, has engaged in a number of reforms designed to support the cocoa sector, by encouraging the domestic processing of cocoa, with approximately 40% of cocoa production being processed in Côte d'Ivoire in 2015 (aimed also at developing more value-added services and industry within the country), by enhancing transparency and efficiency through a more adequate taxation system and the creation of a single regulatory and stabilization structure in charge of all operations in the cocoa sector, and, as further discussed below, by ensuring higher remuneration levels for the farmers through the application of a farm-gate price equivalent to 60% of the CIF price (up from 30% which applied in the past). In addition, the Government is implementing measures designed to support the development of other agricultural products, such as rice, cotton, cashew nuts, bananas and palm oil. See "*The Economy–Principal Sectors of the Ivorian Economy– Agriculture*". If Côte d'Ivoire fails to successfully continue implementing its agenda on agricultural reforms outlined above, the Government may not be able to meet its medium-term strategic objectives by 2020, which could result in a loss of competitiveness and lower economic growth.

In addition, agricultural production is dependent on weather conditions. In particular, cocoa trees are sensitive to changing weather conditions. A period of low agricultural production, whether due to poor weather conditions such as drought or flood, or other causes such as diseases, may result in lower economic growth for the country than anticipated. Furthermore, cocoa production is vulnerable to the level of purchase price for producers and there is no assurance that the fluctuations of the CIF price will continue to allow the high remuneration levels required to incentivize the cocoa producers. The economic performance of the agricultural sector is also dependent on international demand and commodity prices. For instance, cocoa and coffee prices have fluctuated significantly in the past and may fluctuate in the future. According to the World Cocoa Foundation, the International Cocoa Organization (ICCO) daily price first closed above U.S.$3,000 per metric tonne on February 12, 2014 as a result of an increased demand of cocoa products in emerging markets (in particular, Asia). According to the ICCO Monthly Cocoa Market Review of March 2017, the ICCO daily price averaged US$2,058 per tonne, up by US$24 compared to the recorded average in February 2017 (US$2,034). According to Government estimates, this represented a 35% decrease in the price of cocoa compared to the first quarter of 2016, mainly due to lower than anticipated international demand as well as financial difficulties affecting certain Ivorian exporters. This has affected both the overall performance of the cocoa sector, with an expected 9% reduction in the country's export earnings for 2017, and the earnings of the farmers. As a result, the Coffee Cocoa Council (*Conseil Café-Cacao*) took several measures to support sector participants, including pre-financing arrangements for certain exporters and tax reductions designed to safeguard the price paid to producers. There can be no assurance that cocoa prices will return to their February 2014 level or will not further decrease from their current levels. Any decrease in the production, demand for or price in cocoa could have a material adverse effect on Côte d'Ivoire's level of export earnings and, therefore, its ability to service the Notes.

Failure to continue growing the non-agricultural sectors of its economy may constrain Côte d'Ivoire's economic growth.

Over the last few years, in order to reduce its dependence on the agricultural sector, Côte d'Ivoire has continued to develop the non-agricultural sectors of its economy by encouraging trade, construction, telecommunications, financial services, mining, oil and gas and manufacturing activities. Together, the secondary and tertiary sectors are estimated to have grown in real terms by 25.4% in 2016, 23.7% in 2015, 21% in 2014 and 31.4% in 2013. The secondary and tertiary sectors represented 55.8% of nominal GDP in 2014, are estimated to have represented 56.6% of nominal GDP in 2015 and 58.6% of nominal GDP in 2016. However, a slowdown in the efforts to address the remaining bottlenecks regarding infrastructure (including inadequate power and water supplies, transportation systems and transformation capabilities), reduced credit availability and consumer demand, local shortages of skilled managers and workers or inconsistent government policies may constrain development in these sectors and the current rate of growth may not be sustained in future periods.

If Côte d'Ivoire fails to continue to implement its reforms successfully and to grow the non-agricultural sectors of its economy, it may constrain Côte d'Ivoire's economic growth and thereby affect Côte d'Ivoire's ability to service the Notes.

Unsustainable levels of indebtedness could have a material adverse effect on Côte d'Ivoire's economy, its sovereign credit ratings and its ability to service its debt, including the Notes.

At the end of December 2016, Côte d'Ivoire's total outstanding external debt is estimated at approximately CFAF 4,974.2 billion, representing 23.2% of estimated nominal GDP. As a result of reaching the completion point under the IMF and World Bank enhanced initiative for the Heavily Indebted Poor Countries ("**HIPC**") in June 2012, Côte d'Ivoire's external indebtedness was reduced to what the IMF and the World Bank viewed at the time as a sustainable level (45.1% of forecast nominal GDP) and the Government resumed regular debt service payments to all of its external creditors which had been suspended partially since 2009. See "*Public Debt–Relationship with Creditors–Heavily Indebted Poor Countries Initiative*". Côte d'Ivoire has met in a timely manner all payment obligations to the holders of its 2032 Eurobonds, its 2024 Eurobonds and its 2028 Eurobonds and is up-to-date on its payment obligations to all external creditors.

The level of domestic indebtedness of Côte d'Ivoire represents a constraint for the management of public finances. At the end of December 2016, total outstanding domestic debt amounted to around CFAF 4,049.1 billion (18.9% of nominal GDP). In parallel with the implementation of the HIPC initiative for its external debt, the Government undertook to negotiate arrears settlement plans with various holders of domestic debt and has now substantially completed this process. Côte d'Ivoire is up-to-date with its payment obligations to its domestic creditors, including the BCEAO. See "*Public Debt– Domestic Public Debt*".

The Government updates each year its Medium-Term Debt Strategy (*Stratégie de la Dette à Moyen Terme* ("**SDMT**")) covering the next five years based on an updated debt sustainability analysis in order to better control its indebtedness risk in light of the gradual increase of public debt related to the significant financing mobilized for the implementation of the NDP. See "*Public Debt– The SDMT and the DSA*".

However, the IMF considers that Côte d'Ivoire remains vulnerable to economic shocks and stresses the need for continued control of the level of indebtedness, strong fiscal management and structural reforms. Failure to meet the conditions of the economic and sectorial programs agreed with the IMF and the World Bank may adversely affect Côte d'Ivoire's ability to make further drawings under the various facilities offered by these institutions and ultimately affect the Government's ability to service the Notes. Furthermore, the SDMT 2017-2021 shows that Côte d'Ivoire's public debt remains exposed to a risk of refinancing due to a short weighted average maturity of the debt. The weighted average maturity of the total debt portfolio at the end of 2016 was six years and six months; that of external debt was nine years and four months and that of the domestic debt five years. The Government has identified recourse to Eurobond instruments with longer-term maturities as an efficient way to improve the weighted average maturity of the debt portfolio, but borrowings on the international financial markets may increase the exchange risk exposure. Furthermore, Cote d'Ivoire has launched tender offers for up to US$250 million in aggregate principal amount of its 2024 Eurobonds and up to US$500 million in aggregate principal amount of its 2032 Eurobonds that it intends to finance through the issuance of the Notes contemplated by this Prospectus. If the Government fails to successfully implement its debt strategy, debt levels could once again rise to an unsustainable level, which may negatively impact Côte d'Ivoire's sovereign credit ratings and its ability to service the Notes.

Failure to continue to adequately address Côte d'Ivoire's infrastructure deficiencies could adversely affect Côte d'Ivoire's economy and growth prospects.

A long period of underinvestment (largely caused by the crisis and political and military turmoil between 2002 and 2011) resulted in significant deterioration of Côte d'Ivoire's public infrastructure, and the absence of basic infrastructure to support and sustain growth and economic development. Problems with power generation, transmission and distribution infrastructure, drinking and irrigation water infrastructures, health and educational systems, deteriorated tourist infrastructures, lack of roads and bridges, especially in rural areas, and a deteriorating road network, congested ports and airports and obsolete rail infrastructure have severely constrained socio-economic development in

Côte d'Ivoire. Although significant progress has been made in many of these sectors and the telecommunications and internet facilities in recent years, the state of development in those sectors cannot be considered on a par with that in more developed economies. The Government has identified Côte d'Ivoire's infrastructure weaknesses as an impediment to economic growth and the 2016-2020 NDP includes ambitious targets for infrastructure improvements which would require significant investments, including through FDI inflows and local private sector investments. For instance, the Government completed the construction of and inaugurated the third Abidjan bridge in December 2014 (built in 27 months), increased the production capacity of the Azito thermal power plant in April 2015 (+140 MW), and commissioned the Soubré dam in March 2017. *See* "*The Economy–Principal Sectors of the Ivorian Economy–Energy and Mining–Electricity*". Failure to continue to significantly improve Côte d'Ivoire's infrastructure or to attract investment and funds required for such improvements could adversely impact Côte d'Ivoire's economy, competitive ranking and growth prospects, including its ability to meet GDP growth targets and, accordingly, its ability to service the Notes.

A significant portion of Côte d'Ivoire's economy is not recorded.

A significant portion of Côte d'Ivoire's economy, estimated at more than one third of total nominal GDP, is comprised of the informal, or shadow, economy. In particular, informal economic activity is significant in agriculture, a key sector of Côte d'Ivoire's economy, as well as in the crafts industries. The informal economy is not recorded and is not or only partially taxed, resulting in a loss of potential revenue for the Government, ineffective regulation, unreliability of statistical information (including the understatement of GDP and the contribution to GDP of various sectors) and inability to monitor or otherwise regulate a large portion of the economy. Lack of effective regulation and enforcement in this respect also gives rise to other issues, including health and safety and employment issues. The Government is attempting to address the challenges posed by the informal economy by streamlining certain laws and regulations, particularly in the area of taxation where it is working to facilitate compliance with tax payment obligations through the implementation of online reporting and payment means, and by improving its statistical apparatus with technical assistance from the IMF. However, there can be no assurance that such reforms will adequately address the issues and bring the informal economy into the formal sector in the short term.

Failure to adequately address actual and perceived risks of corruption may adversely affect Côte d'Ivoire's economy and ability to attract foreign direct investment.

Although Côte d'Ivoire has implemented, and continues to pursue, initiatives to prevent and fight corruption and unlawful enrichment, there have been allegations and incidents of corruption and misuse of public funds in Côte d'Ivoire as is the case in other emerging markets. Côte d'Ivoire is ranked 108 out of 176 in Transparency International's 2016 Corruption Perceptions Index and 142 out of 190 in the World Bank's "Doing Business 2017" report published on October 25, 2016.

Since 2012, the Government has implemented various measures to fight corruption. In April 2012, Côte d'Ivoire adhered to the Extractive Industries Transparency Initiative ("**EITI**") to foster good governance and environmental sustainability in the extractive industry. In October 2012, it ratified the United Nations Convention Against Corruption ("**UNCAC**") and the United Nations Convention against Transnational Organized Crime ("**UNTOC**"). In November 2012, Côte d'Ivoire ratified the African Convention on Preventing and Combating Corruption, which it had signed in 2004. Furthermore, the Government adopted two ordinances regarding the issue of corruption in September 2013. The first ordinance aims at improving the legal framework to prevent and fight corruption and the second ordinance established a High Authority for Good Governance, which is in charge of developing and implementing a national strategy to fight corruption. Also, on June 5, 2014, a new law on transparency in the management of public finances was passed in accordance with WAEMU rules and regulations. As of May 2015, the IMF noted that the use of non-competitive procurement contracts has declined considerably. Non-competitive procurement contracts accounted for 5.6% of the number of government contracts approved in 2014, compared with 10.7% in 2013; they accounted for 23% of the value of those contracts in 2014, compared with 42.8% in 2013. To further support this trend, the Government is continuing its efforts to strengthen the public procurement management framework, notably by adopting more simplified bidding documents and procedural guidelines and decentralizing public procurement procedures in order to facilitate the participation of SMEs in public procurement. See "*Public Finance - Transparency, Fight against Corruption and Public Procurement Framework".* The IMF Report 16/147 dated June 2016 further notes that the amount of public procurement granted on non-competitive basis has continued to decrease. However, as pointed out by the IMF Report 16/383 of December 2016, corruption still remains a challenge to be addressed by the Government and key areas of reforms include enforcing the recently-adopted legal framework to prevent and fight corruption and improving the relations between the tax/customs services and taxpayers. Failure to continue to step up efforts to prevent or fight corruption in the public sector or perceived risks of corruption in Côte d'Ivoire could have an adverse effect on Côte d'Ivoire's economy and may have an adverse effect on Côte d'Ivoire's ability to attract and/or maintain foreign investment.

Côte d'Ivoire may face a lack of continued access to foreign direct investment.

Achieving the NDP's growth objective is conditional upon the levels and pace of foreign direct investment ("**FDI**"). Côte d'Ivoire's total FDI, which comprises equity capital and other capital inflows, increased from CFAF 204.5 billion in 2013 to CFAF 208.9 billion in 2014 and CFAF 283.8 billion in 2015 and are estimated to have represented CFAF 303.5 billion in 2016. According to the UNCTAD World Investment Report 2016, FDI inflows to Africa decreased from US$58 billion in 2014 to US$54 billion in 2015, representing a decrease of 7% compared to 2014. According to this report, FDI inflows to Côte d'Ivoire in 2015 were of only US$430 million, compared to FDI inflows above US$3.0 billion each for countries like Ghana, Nigeria, Mozambique or Morocco. In the absence of a decrease in the perceived risks associated with investing in Côte d'Ivoire, including those described in this Prospectus, FDI may continue to decline, which could adversely affect Côte d'Ivoire's economy and limit sources of funding for infrastructure and other projects which are dependent on significant investment from the private sector. This could, in particular, have an adverse effect on the implementation of the NDP objectives and the New NDP. If existing levels of FDI continue to decrease, this would significantly impede the progress of sectors important to Côte d'Ivoire's economic growth such as the infrastructure, natural resources, financial and energy sectors.

Côte d'Ivoire's growth prospects are vulnerable to the performance of the power sector.

Despite important energy resources and being an exporter of energy to neighboring countries, the lack of sufficient, affordable and reliable energy supply remains a serious impediment to Côte d'Ivoire's economic growth and development. Insufficient power generation, aging or insufficient infrastructure, inadequate funding, weak distribution networks and overloaded transformers result in high cost of electricity, frequent power outages, high transmission and distribution losses and poor voltage output. For instance, a delay in the start of operations of the offshore field CI-202 created a shortage of gas for electricity production. In addition, the power sector has experienced in the past, especially during the 2011 post-election crisis, a high level of illicit connections and other fraud which has resulted in losses for the sector. While the Government has adopted several measures to deal with these fraud issues, such as the development of electronic electricity meters, there is no assurance that the sector will not continue to experience fraud issues.

In the 2016-2020 NDP, the Government has identified the improvement of electricity generation, transmission and distribution infrastructure as a critical element in meeting economic growth and development objectives, and launched in 2013 a wide-ranging investment program of CFAF 5,300 billion to build new hydraulic and thermal power plants, and to improve the transmission network to reduce wastage. See "*The Economy– Energy and Mining–Electricity*". The Government adopted in February 2014 a new electricity code. The code allows various segments of the electricity sector to open up to the private sector. The Government expects transmission and distribution lines to be operated by different private companies after calls for tender and the new code establishes a framework for the development of new and renewable energies, and includes provisions to combat electric power thefts and fraudulent connections to the grid. In 2012, actions related to the identification, securing and surveillance of customer counting and a better monitoring of streetlight meters were taken by the concessionaire, the *Compagnie Ivoirienne d'Electricité* ("**CIE**"), to combat fraud in the country. These actions resulted in surplus earnings that reduced financial losses in the electricity sub-sector. However, despite the implementation of a number of measures since 2012, including the decision to invoice electricity exports to a number of neighboring countries at a price close to marginal costs, the financial position of the energy sector is still under strain. Peaceful protests in April 2016 over increased electricity bills were followed by further demonstrations in July that turned violent, necessitating security forces' intervention. Further such protests related to cost-recovery efforts in the energy sector could put pressure on the budget. The difficulties have recently been compounded by the fluctuations in international refining margins for petrol powered plants as well as changes in rainfall which negatively affect low cost hydropower generation.

Failure to adequately address the deficiencies in Côte d'Ivoire's power generation, transmission and distribution infrastructure and adopt and apply a sustainable pricing policy could lead to lower GDP growth and affect Côte d'Ivoire's ability to obtain funding and to attract and maintain FDI, thereby hampering the development of its economy and its ability to service the Notes.

Côte d'Ivoire suffers from high levels of poverty and health risks.

The combined effect of low economic growth during the past decade and the political and military crisis between 2002 and 2011 resulted in a long period of economic stagnation which had a severe social impact. Real income per capita in 2011 was only about 57% of its peak 1978 level. Côte d'Ivoire's ranking in the 2016 UNDP Human Development Index ("**HDI**"), a composite measure of life expectancy, education, and income, was 171 out of 187. In the view of the IMF, while the socio-political situation has improved substantially since the end of the post-electoral crisis, serious challenges remain, including meeting expectations of improved living standards, including in the education and health sectors. For instance, the Ivorian educational system faces social problems that hinder the schooling of vulnerable students, particularly the incidence of early pregnancy among young women, child labor and inequalities in access to educational facilities.

According to the IMF Report 16/147, overall unemployment in Côte d'Ivoire was approximately 6.9% in mid-2016, with a much higher rate among the young (with an unemployment rate of 9.6% among the 14–35 year-old age group) and people living in cities. In addition, the public sector, in particular the health and education sector, having suffered from wage restraints and payment arrears for several years, experienced work stoppages in 2012 and the first part of 2013. While the Government has increased salaries in the civil service in 2014, which resulted in a decrease in work stoppages, the country may experience further significant work stoppages in the future, which may have adverse effects on the Ivorian economy. Côte d'Ivoire also faces health risks that are compounded by the high level of poverty among the more vulnerable groups. For instance, according to the WHO's World Malaria Report 2016, malaria is the leading cause of death in children aged under five in 2015 and the incidence of malaria is estimated to be approximately 348.8 per 1,000 persons in 2015, against a regional average of 234.3 per 1,000 persons during the same period. The Ivorian public health situation is also characterized by a high HIV/AIDS related mortality rate. AIDS is the leading cause of mortality among adult men (12,000 AIDS-related death reported in 2015 according to the Joint United Nations Programme on HIV and AIDS ("**UNAIDS**")) and the second among women (11,000 AIDS-related death reported in 2015 according to UNAIDS), after pregnancy-related problems and child birth. No assurance can be given that the high incidence rate of malaria, HIV/AIDS or other diseases in Côte d'Ivoire, will not affect Côte d'Ivoire's economic performance.

In March 2014, an Ebola virus epidemic was confirmed close to the border between Guinea and Liberia. After an alert launched by the World Health Organization ("**WHO**") asking to reinforce the monitoring of illnesses akin to a viral hemorrhagic fever, the neighboring countries of Guinea and Liberia, including Côte d'Ivoire, implemented safety measures along their land borders and inside their territories in order to protect people at risk and to prevent virus propagation. While there has been no reported case of Ebola infection in Côte d'Ivoire to date, the country remains at risk given its borders with countries with potentially lower public health standards and may have to dedicate significant resources to preserving itself from epidemics. For example, according to a WHO report, one case of dengue fever was identified in Abidjan in April 2017 and the Government has been taking strong measures to prevent the spreading of the virus.

The Government of Côte d'Ivoire has implemented a number of measures attempting to reduce poverty and unemployment which it expects to pursue. Consistent with the objective of the NDP to reduce the level of poverty in Côte d'Ivoire, the Government has decided to increase "pro-poor" spending from 9.4% of GDP in 2015 to 9.5% in 2016 and 2017. Such spending is projected to reach CFAF 1,998.5 billion (9.5% of GDP) in 2016 compared to CFAF 1,770.2 billion in 2015, which represent a 12.9% increase, and cover various areas of social life (see IMF Report n°16/388 of December 2016). However, if the Government fails to successfully implement its reforms and to significantly reduce poverty and unemployment in the short- to medium-term, this may create a risk of political and social instability and have adverse effects on the Ivorian economy and on Côte d'Ivoire's ability to service the Notes.

Côte d'Ivoire's membership in the BCEAO may affect its ability to react to stresses on its economy and may subject it to economic policies that are not in its best interests.

As a member of a monetary union, Côte d'Ivoire has no independent monetary and exchange rate policies. The country must rely on its own budgetary policy (including wage policy) and structural policies to make its economy more competitive and more resilient to external shocks. The BCEAO sets interest rates and monetary and banking policies for all of the member states of the WAEMU to protect the union from fluctuations in the global market and pegs the CFAF to the Euro. As a result, the BCEAO makes interest rate policy decisions on the basis of union-wide considerations and the best interests of the WAEMU as a whole, and is unable to make jurisdiction-specific decisions other than the amendment to national reserve requirements. While the weight of the Ivorian economy, estimated to account for about 40% of the GDP of the WAEMU, remains a fact relevant to the BCEAO's decision-making, BCEAO membership nevertheless means that Côte d'Ivoire is unable to unilaterally carry out monetary policy initiatives such as amending its exchange rate, interest rate or the reserve requirement rate, currently set at 50%, and requires the BCEAO to do so across the union. See "*Monetary System – The Franc Zone and the BCEAO*". In the event that it is in the interests of Côte d'Ivoire to amend the interest rates upwards or downwards in order to stabilize its economy, for example to combat inflation, then it may be unable to do so in a timely manner, or at all. This situation may have an adverse effect on Côte d'Ivoire's economy and on its ability to service the Notes. Côte d'Ivoire's membership of the BCEAO also means that it may be adversely affected by events in other member states, more severely than would otherwise be the case. This exposure to circumstances in other member states that are out of its control may adversely affect the position of Côte d'Ivoire's economy and Côte d'Ivoire's ability to service the Notes.

Any adjustment to, or ending of, the CFA Franc's currency peg could negatively affect Côte d'Ivoire

Côte d'Ivoire shares a common currency with the other WAEMU member States, the CFA franc (or XOF), within the scope of a longstanding monetary cooperation between France and the WAEMU member States. This cooperation provides, among other things, for a guarantee by the French Treasury of unlimited convertibility of the CFA franc and a fixed peg. In exchange for this convertibility guarantee, the BCEAO has the obligation to deposit at least 50% of its currency reserves on an operational account with the French Treasury. The peg of the XOF to the French franc was replaced by a peg to the Euro as from 1 January 1999 at a fixed exchange rate of: 1 Euro = XOF 655.957. Although there is no current evidence of any plan to change this situation or of any difficulties affecting the monetary cooperation between France and the WAEMU member States, there is no assurance that the French Treasury and the WAEMU member States will be able or willing to continue to maintain the peg in the future. For example, the French Treasury's support of the CFA franc peg arrangement could be altered or abandoned due to changing political developments in France. A change or abandonment of France's commitment to the convertibility of the CFA franc or an abandonment of the Euro by France or possibly a very significant appreciation of the Euro would create uncertainty for the future of the exchange rate arrangement, its ability to support macroeconomic stability, and its status as a credit support. If a stable exchange rate or the peg to the Euro cannot be maintained, this could reduce confidence in Côte d'Ivoire's economy, reduce foreign direct investment and adversely affect Côte d'Ivoire's finances and economy.

In addition, because of the peg to the Euro, Côte d'Ivoire does not have any flexibility to devalue the CFA franc to stimulate Côte d'Ivoire's exports, and the BCEAO's ability to independently manage interest rates is constrained. Furthermore, Côte d'Ivoire does not control the BCEAO, which is a common institution that has regard to the interests of the WAEMU as a whole and not those of any particular member State. See *"-Côte d'Ivoire's membership in the BCEAO may affect its ability to react to stresses in its economy and may subject it to economic policies that are not in its best interests*". This lack of flexibility could have an adverse effect on Côte d'Ivoire's foreign trade and, in turn, on its economy.

The CFA franc peg to the Euro could be subject to devaluation risk under certain macroeconomic conditions. A structural propensity towards a positive inflation differential between the CFA franc zone and the euro area could lead to real exchange rate appreciation for the CFA franc. If WAEMU member countries collectively agree that devaluation would be an appropriate measure to address real effective exchange appreciation in order to enhance competitiveness, boost exports, and support growth for the region (similar to the 50% devaluation in 1994), then the potential effect could put pressure on Côte d'Ivoire's ability to make repayments on foreign-currency denominated debt. Côte d'Ivoire has a significant amount of debt denominated in foreign currency, including the US Dollar and the Euro. Any negative variation of the peg would increase the burden of servicing and repaying this debt, which could also increase Côte d'Ivoire's risk of debt distress. See "*—Unsustainable levels of indebtedness could have a material adverse effect on Côte d'Ivoire's economy, its sovereign credit ratings and its ability to service its debt, including the Notes*" above

Changes to the fixed exchange rate could affect the Notes.

Côte d'Ivoire, along with other countries that currently participate in the BCEAO, maintains a fixed exchange rate of CFAF 655.957/€1. If domestic or international circumstances were to force Côte d'Ivoire to abandon its fixed exchange rate policy in the future, the cost of servicing Côte d'Ivoire's external debt (including the Notes) could escalate sharply, which could have an adverse effect on Côte d'Ivoire's economy and its ability to service the Notes. In addition, while it may increase the competitiveness of Côte d'Ivoire's exports, a depreciation of the Euro relative to the US dollar may increase the cost of Côte d'Ivoire's imports, which may have an adverse effect on Côte d'Ivoire's economy.

Failure to continue to restructure and enhance the banking and financial sector may constrain Côte d'Ivoire's economic growth.

The quality of the banks' loan portfolios deteriorated in the wake of the 2011 post-election crisis, in part due to the State's domestic arrears toward the private sector. Chronic weaknesses appeared, in particular in state-owned banks and in small- and medium-sized banks which failed and are still failing to comply with banking ratios, particularly the minimum level of share capital and all equity ratios. The banks, which were closely involved with small- and medium-sized businesses or with fragile sectors, such as the transportation sector, were the hardest hit by the crisis.

As of April 30, 2017, five credit institutions are under close supervision by the WAEMU Banking Commission, one of which is under temporary administration, due to failure to comply with banking and/or prudential regulations. Of these five banks, three are State-controlled and two are private banks. Amongst these five banks, a State-controlled bank, whose financial situation was severely degraded, was placed under temporary administration in June 2015. At the end of September 2014, the Banking Commission decided to withdraw the approval of the *Banque pour le Financement Agricole* (BFA), a State-owned bank, and to place it into liquidation. A liquidator has been appointed and tasked with the preparation and implementation of a liquidation plan. As part of the implementation of the Financial Sector Development Program (*Programme de Développement du Secteur Financier*) ("**PDESFI**"), the Government has defined a strategy to build an attractive and reliable financial sector capable of responding to the growing financing needs of the economy. See "*Monetary System—Banking System–Compliance with Prudential Regulations*". If the Government of Côte d'Ivoire fails to effectively carry out this action plan in a timely manner, it may have a material adverse effect on Côte d'Ivoire's economy and its ability to service the Notes.

The review of the performance of the Ivorian banking sector reveals a number of violations of prudential regulations at the end of December 2015 and 2016. See "*Monetary System – Banking System – Compliance with Prudential Regulations*". The risk of noncompliance prudential regulations may be enhanced by the implementation of the Basel II and Basel III standards in the WAEMU region, which will be effective on January 1, 2018. In addition, these revised standards will provide for increased ratio requirements, which may have a negative effect on the banking sector's lending capacity and result in a reduction of the supply credit available to the private sector businesses, thus undermining the Government's objective to strengthen the private sector's contribution to the financing of the 2016-2020 NDP.

In addition, according to the IMF, Côte d'Ivoire's banking sector is shallow, dominated by foreign banks and requires substantial reforms to provide the level of credit and access to financial services needed for achieving the country's growth and poverty reduction objectives. While the ratio of loans to private sector/GDP increased slightly from 19.74%

in December 2014 to 24.04% in December 2016, according to BCEAO estimates, an analysis of the structure of loans reported to the BCEAO's risk department revealed that the tertiary sector remains the principal beneficiary of bank financing and the primary sector remains the least financed, benefitting from only 10.3% of bank loans. See "*Monetary System–Banking System–Financing of the Economy*". Access to long-term credit is also very limited. If the Government of Côte d'Ivoire fails to implement its strategy vis-à-vis the financial sector, this may have a material adverse effect on the contribution of the local private sector to Côte d'Ivoire's economy and Côte d'Ivoire's ability to service the Notes.

Côte d'Ivoire's natural resources are increasingly under pressure and Côte d'Ivoire faces challenges to sustainable environmental policy.

Côte d'Ivoire has a significant agriculture sector and its large rural population depends on natural resources as a basis for farming, energy production and housing. These natural resources are being put under increasing pressure due to deforestation and soil exhaustion resulting from intensive farming and non-sustainable farming practices, as well as erosion and natural hazards. The effects of climate change on the cocoa and coffee plants could impact the quality and volume of the production as well as its seasonality. The forest area of the country decreased by 75% from 1960 to 2008. Environmental degradation in Côte d'Ivoire has been exacerbated by the long military conflict and population displacement. According to the World Bank, Côte d'Ivoire's population is expected to grow at an annual rate of around 2.4% from 2014 onwards, putting further pressure on its available natural resources. The expected growth of the mining sector in the coming years may also increase pressure on acquiring and/or developing agricultural land as well as the risk of environmental hazards as a result of processes and chemicals used in the extraction and production methods. This risk can also emanate from mining operations in neighboring countries, as illustrated by the chemical pollution affecting the Bia river as a result of clandestine gold washing activities, which is the subject of talks between the Ivorian and the Ghanaian authorities aimed at finding a solution to this issue. In addition, the environment in Ivoirian cities, including the Abidjan lagoons, has deteriorated as a result of industrial and domestic effluent wastes without prior treatment. It is further affected by the lack of an adequate wastewater system, with the poor areas in the cities hardly benefitting from any wastewater equipment. These issues are compounded by the rapid growth of the urban population, which now represents more than half of the total population of Côte d'Ivoire, which is expected to continue as the country transforms its economy. See *"Economy – Environment"*.

The Government has made a strong commitment towards "greening the economy" by creating legal frameworks and bolstering institutional support for the conservation of the environment, but there can be no guarantee that these policies will be effective and severe environmental pressure will not continue. In addition, addressing the effects of environmental degradation may entail significant costs for Côte d'Ivoire's public finances. For example, the cost of the Bonoua provision center for drinking water, inaugurated in March 2015 to resolve the drinking water supply issue for the Abidjan was approximately CFAF 59.5 billion in 2015, and additional significant investments will be required to ensure sufficient drinking water for the rest of the country. If natural resources deteriorate, or if any of the environmental policies are not properly implemented or fail to meet the population growth rate, this could have an adverse effect on the agricultural sector (including rice production as a staple diet), food security, public health and the general performance of the economy.

Official statistics published by Côte d'Ivoire may be more limited and less accurate than those produced by developed countries and, to the extent currently presented as estimates and forecasts, may be materially adjusted in the future once finalized.

Statistical data appearing in this Prospectus has, unless otherwise stated, been obtained from Government sources and documents. Different departments of the Government of Côte d'Ivoire prepare statistics relating to various aspects of the Ivorian economy. Côte d'Ivoire adheres to the IMF's General Data Dissemination Standards and publishes key official data and statistics and ultimately intends to adopt the IMF's Special Data Dissemination Standards. However, Côte d'Ivoire has not yet completed the infrastructure for generating all the relevant data and the recent civil conflict has meant that such data are not available for certain parts of the economy. Accordingly, Côte d'Ivoire's official data and statistics are not as accurate and are more limited in scope and published less frequently than is the case for more advanced countries such that adequate monitoring of key fiscal and economic indicators may be difficult. As it is the case for many emerging economies, the relative size of the informal sector combined with the rapid growth of the economy and the continuous improvement of the statistical tools of the Government of Côte d'Ivoire may result in figures cited in this Prospectus becoming outdated relatively quickly. In addition, the statistics prepared by some governmental departments may not be fully consistent with similar statistics prepared by other departments and the presentation of statistical data may vary from period to period due to the application of different methodologies and processes for validating and finalizing such data. See "*Presentation of Economic and Other Information.*" For example, certain estimated and forecast figures for the years 2011 to 2015, which were previously published by the Government and included in the prospectus relating to the 2028 Eurobonds, have since been materially adjusted following application of the relevant processes for validating and finalizing them. Since some of the figures included in that prospectus for the years 2015, 2016 and beyond remain in estimated or forecast form, no assurance can be given that, upon being validated and finalized in accordance with the relevant methodologies, such figures will not be subjected to material adjustments. A 2012–15 statistics Master Plan, consistent with the NDP, is being implemented with respect to (i) conducting national and sector surveys, (ii) strengthening and monitoring short-term indicators, (iii) setting up a database for an integrated information management system, (iv) preparing quarterly national accounts, (v) updating the Harmonized Consumer Price Index, and (vi) preparing a directory of ministerial statistical staff.

Risk Factors Relating to the Notes and the Trading Market for the Notes

The Notes may be negatively affected by events in other emerging markets, including those in sub-Saharan Africa.

Economic distress in any emerging market country may adversely affect prices of securities and the level of investment in other emerging market issuers as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging market economies could dampen foreign investment in Côte d'Ivoire, adversely affect Côte d'Ivoire's economy or adversely affect the trading price of the Notes. Even if Côte d'Ivoire's economy remains relatively stable, economic distress in other emerging market countries could adversely affect the trading price of the Notes and the availability of foreign funding sources for the Government. Adverse developments in other countries in sub-Saharan Africa, in particular, may have a negative impact on Côte d'Ivoire if investors perceive risk that such developments will adversely affect Côte d'Ivoire or that similar adverse developments may occur in Côte d'Ivoire. Risks associated with sub-Saharan Africa include political uncertainty, civil unrest and conflict, corruption, the outbreak of diseases and poor infrastructure. Investors' perceptions of certain risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Côte d'Ivoire, including elements of the information provided in this Prospectus. See "*Official statistics published by Côte d'Ivoire may be more limited and less accurate than those produced by developed countries and, to the extent currently presented as estimates and forecasts, may be materially adjusted in the future once finalized*."

An active trading market for the Notes may not develop and any trading market that does develop may be volatile.

The trading market for the Notes will be influenced by economic and market conditions in Côte d'Ivoire and, to varying degrees, interest rates, currency exchange rates and inflation rates in other countries, such as the United States, the European Union Member States and elsewhere. There can be no assurance that an active trading market for the Notes of either Series will develop. If a market does develop, it may not be liquid. In addition, liquidity may be limited if the Issuer makes large allocations of one or both Series of Notes to a limited number of investors. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the Notes of either Series are traded after their initial issuance, they may trade at a discount to their offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the economic and political condition of Côte d'Ivoire.

The terms and conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The terms and conditions of each Series of Notes contain provisions for calling meetings of Noteholders of the relevant Series to consider matters affecting their interests generally. Such provisions are commonly referred to as "collective action clauses". These provisions permit defined majorities to bind all Noteholders of the relevant Series including Noteholders of the relevant Series who did not attend and vote at the relevant meeting and Noteholders of the relevant Series who voted in a manner contrary to the majority.

In addition, the terms and conditions of each Series of Notes permit "cross-series modifications" to be made to more than one series of debt securities, provided that each affected series of debt securities also contains a cross-series modification provision. Under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the terms and conditions of each Series of Notes), such cross-series modification may be made to more than one series of debt securities with the approval of the applicable percentage of the aggregate principal amount of the outstanding debt securities of all affected series and without requiring the approval of a particular percentage of the holders of any individual affected series of debt securities.

There is therefore a risk that the terms and conditions of each Series of Notes may be modified in circumstances where the holders of debt securities approving the modification may be holders of different series of debt securities and the majority of Noteholders of the relevant Series would not necessarily have approved such modification. In addition, there is a risk that the provisions allowing for aggregation across multiple series of debt securities may make the Notes less attractive to purchasers in the secondary market and adversely affect the market value of the Notes in circumstances where such modification or a proposal for such modification is expected to be made by the Issuer.

The USD Notes have amortizing redemption features.

The USD Notes are amortizing obligations and principal on the USD Notes is scheduled to be repaid in three instalments of US$416,666,666.66 on June 15, 2031, US$416,666,666.66 on June 15, 2032 and US$416,666,666.68 on June 15, 2033. Holders of USD Notes may only be able to reinvest monies they receive upon such amortization in lower-yielding securities than the USD Notes.

The Issuer's credit ratings are subject to revision or withdrawal, either of which could adversely affect the trading price of the Notes.

The Notes of each Series are expected to be rated on issuance B+ by Fitch and Ba3 by Moody's. Each of Fitch and Moody's is established in the European Union and registered under the CRA Regulation. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. Other than pursuant to Article 16 of the Prospectus Directive, the Issuer has no obligation to inform Noteholders of either Series of Notes of any revision, downgrade or withdrawal of its current or future sovereign credit ratings. A suspension, downgrade or withdrawal at any time of a credit rating assigned to the Issuer may adversely affect the market price of the Notes.

An investment in the Notes may not be suitable for all investors

Generally, investment in emerging markets such as The Republic of Côte d'Ivoire is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors are urged to consult their own legal, tax and financial advisers before making an investment. Each potential investor in the Notes must determine the suitability of that investment in own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or, any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact which the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Furthermore, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are suitable legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk based capital or similar rules.

Côte d'Ivoire is a sovereign State. Consequently, it may be difficult for investors to obtain or realize upon judgments against Côte d'Ivoire.

Côte d'Ivoire is a sovereign State. In the absence of reciprocity arrangements, the courts of Côte d'Ivoire are unlikely to enforce a judgment of a court established in another country. This is the case with the United Kingdom which does not have any execution of judgment reciprocity arrangements with Côte d'Ivoire. As a result, it may be difficult for investors to obtain judgments against Côte d'Ivoire in foreign or Côte d'Ivoire courts or to enforce foreign judgments, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States against Côte d'Ivoire. Although Côte d'Ivoire will consent in the terms and conditions of each Series of Notes to the giving of any relief or the issue of any process in connection with proceedings in England arising out of any dispute arising from or connected with the relevant Series of Notes and will agree to waive any immunity it may have in a suit, execution, attachment or other legal process in respect of any such proceedings, that waiver of immunity does not extend to any other proceedings and excludes from its scope certain diplomatic, military and other government properties. The waiver of immunity also does not extend to any actions brought against Côte d'Ivoire in the United States under any US securities law. Moreover, the enforcement of foreign judgments is subject to the conditions and limitations described under "*Enforcement of Civil Liabilities*" and such limitations and conditions may make it difficult for investors to obtain or realize upon judgments of courts outside Côte d'Ivoire. Furthermore, arbitration is recognized in Côte d'Ivoire as a method of dispute resolution and is governed by statute under Côte d'Ivoire Law No. 93-671 of August 9, 1993 on Arbitration and Ordonnance No. 212-158 determining the intervention of national jurisdictions in the arbitration procedure of February 9, 2002, together with the Treaty on the Harmonization in Africa of Business Law, signed on 17 October 1993, as revised on 17 October 2008, the *Acte Uniforme d'OHADA sur l'Arbitrage* of March 11, 1999 and the rules of arbitration of the Cour Commune de Justice et d'Arbitrage (CCJA) (together, "**Arbitration Law**"). Among other things, the Arbitration Law allows for the recognition and enforcement of an arbitral award upon application in writing to the competent court in the jurisdiction of Côte d'Ivoire, irrespective of the country in which the award was made. Foreign arbitral awards are therefore recognized and can be enforced upon being registered following a procedure known as *exequatur* in Côte d'Ivoire.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a sovereign state. Consequently, it may be difficult for investors to obtain or realize upon judgments of courts in jurisdictions outside Côte d'Ivoire (including judgments predicated upon civil liability provisions of the securities laws of the United States or any state or territory within the United States) against the Issuer without compliance with the enforcement procedure for foreign judgments in Côte d'Ivoire. The Issuer has agreed that unless a Noteholder elects by notice in writing to resolve a dispute in the courts of England any claims or disputes arising in respect of the Notes shall be referred to and finally settled by arbitration in accordance with the rules of the International Chamber of Commerce. Côte d'Ivoire is a party to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

To the extent that the Issuer may in any jurisdiction, claim or acquire for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer irrevocably agrees for the benefit of the holders of Notes not to claim, and irrevocably waives, such immunity, to the fullest extent permitted by the laws of such jurisdiction. The waiver of immunity will have the fullest scope permitted under the State Immunity Act 1978 of the United Kingdom and is intended to be irrevocable for purposes of such acts, but shall otherwise constitute a limited and specific waiver for the purpose of the Agency Agreement (as defined herein) of each Series of Notes and the Notes. The Issuer does not hereby waive such immunity from execution or attachment in respect of (a) property, including any bank account, used by a diplomatic or consular mission of the Issuer or its special missions or delegations to international organizations, (b) property of a military character and under the control of a military authority or defense agency of the Issuer or (c) property located in Côte d'Ivoire and dedicated to a public or governmental use by the Issuer (as distinct from property which is for the time being in use or intended for use for commercial purposes within the meaning of the State Immunity Act 1978). The Issuer reserves the right to plead sovereign immunity under the US Foreign Sovereign Immunities Act of 1976 with respect to any actions brought against it in any court or in the United States of America under any United States federal or State Securities law.

Subject to international conventions, enforcement of foreign court judgments in Côte d'Ivoire is subject to the following conditions:

- the foreign courts rendering the relevant judgment must offer reciprocal treatment to judgments obtained in the courts of Côte d'Ivoire; if such reciprocal treatment is not offered by the foreign court where the judgment is obtained, Côte d'Ivoire's courts will re-examine the merits of the case;
- Côte d'Ivoire's courts are not exclusively competent to hear the dispute, and the foreign courts are shown to have been competent to hear the dispute in accordance with their own respective laws;
- the foreign procedures were fully respected and the parties to the dispute were duly notified and properly represented in the proceedings;
- the dispute was properly resolved according to proper facts which were raised in the dispute;
- the foreign judgment is final, non-appealable and conclusive in accordance with relevant law; and
- the foreign judgment does not conflict with a prior Côte d'Ivoire judgment on the same subject matter and is not contrary to public order in and public law principles in Côte d'Ivoire.

There is no treaty between Côte d'Ivoire and the United Kingdom relating to the enforcement of foreign court judgments that would satisfy the first criterion above. However, Côte d'Ivoire is a contracting State (since February 1991) to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also known as the "New York Convention", under which the Republic is bound to recognise arbitral awards as binding and enforce them in accordance with the rules and procedures of the territory in which the award is relied upon, under the conditions set out in the New York Convention.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are expected to amount to approximately US$1,232,000,000 in respect of the USD Notes and €624,000,000 in respect of the EUR Notes after deduction of certain fees and expenses payable by the Issuer in connection with the offer and sale of the Notes. The net proceeds of the issue will be used (i) to finance investments of approximately US$ 1,000 million under the State's budget, including the NDP's priority structural projects with respect to an increase in agricultural output, promotion of the manufacturing sector, and improvement in the standard of living, particularly through investments in the sectors of education, health, infrastructures, trade and culture and (ii) to finance the purchase by Côte d'Ivoire of the final aggregate principal amount of the 2024 Eurobonds and 2032 Eurobonds agreed to be purchased pursuant to the Tender Offers.

THE REPUBLIC OF CÔTE D'IVOIRE

Geography

Ivory Coast or Côte d'Ivoire is located in the western part of Africa, in the intertropical zone between the Tropic of Cancer and the Equator. It spans 322,462 km^2 and has over 500 km of coastline. It borders the Gulf of Guinea (Atlantic Ocean) in the south, Burkina Faso and Mali in the north, Ghana in the east, Guinea and Liberia in the west. While Yamoussoukro was officially designated as the political and administrative capital of the country in 1983, Abidjan has effectively remained the economic, political and administrative center.

The country's climate is generally warm and humid and the territory has three main climatic regions characterized by rainfall volumes: the south (2 meters of rain per year), the west (1.5 meters of rain per year), and the north (1.2 meters of rain per year). The country is irrigated in the north and south by four rivers, namely the Bandama, the Comoé, the Sassandra and the Cavally.

The vegetation of the country is varied. The original landscape, consisting of dense forest, once occupied a third of the territory to the south and west. Open forests and wooded savannah also covered the rest of the country's territory from the center to the north, with the exception of several dense and dry forest zones. However, since the colonial period, the areas of dense forest have been significantly diminished. This plant cover shelters several animal species, including mammals, such as the elephant, the most well-known animal, given that their tusks are at the origin of the country's name. Once abundant in the forest and savannah, elephants have been extensively hunted and poached and remain only in reserves and parks, as well as certain forest areas.

The country's topography consists mainly of coastal plains, bordered by lagoons which transition into plateaux and mountain ranges in the north west of the country. The country's highest summit, Mount Nimba, reaches 1,752 meters and is located in the western part of the country close to the Guinea and Liberia borders.

Source: http://geography.about.com/

Political History

Portuguese explorers were the first Europeans to reach the coast of the country in the 15th century. At the end of the 16th century, the Portuguese were joined by the Dutch, followed by the French and the English in the 17th century. These Europeans maintained commercial relations with the populations on the coast. The abundance of ivory gave this part of the African territory its name, Côte d'Ivoire. Trade involved various tropical products, but was dominated by the slave trade.

The abolition of slavery in 1815 at the Congress of Vienna, reaffirmed in 1885 at the Congress of Berlin, opened the door to new commercial relations between the populations of Côte d'Ivoire and new European actors. Despite fierce competition from the English and hostility from the local population, the French established several trading posts in the country and founded the colony of Côte d'Ivoire in 1893. From 1904 to 1958, the colony was part of French West Africa (*Afrique Occidentale Française*).

Independence and the Economic Miracle

In 1945, the population began to fight for political emancipation from French colonization, as was the case in many other countries in Africa at the time. In December 1958, Côte d'Ivoire became an autonomous republic within the French Community (*Communauté française*) instituted between France and its former colonies. Félix Houphouët-Boigny, who was appointed Prime Minister in 1959, led Côte d'Ivoire to international sovereignty on August 7, 1960 and became the first President of the Republic of Côte d'Ivoire. Côte d'Ivoire has, nevertheless, since remained closely tied to the French currency due to its integration into the Franc Zone monetary system and the numerous French investments in the country.

Upon independence, the State's institutions were defined by a Constitution, which organized the country as a republic and stipulated the separation of executive, legislative and judiciary powers. President Félix Houphouët-Boigny ruled the country, backed by the *Parti Démocratique de Côte d'Ivoire* ("**PDCI**") through a single-party system.

Between 1960 and 1980, the political stability of the country, built in large part upon the single party regime, led to strong economic growth. The country's economic transformation was spectacular in all areas: agriculture, industry, commerce and finance, to such a point that it became known as the "Ivorian economic miracle". This was the result of policies which favored a strong role for the State, private investment and foreign capital. Côte d'Ivoire experienced profound social changes during the first 20 years of its independence, which resulted in an increased standard of living and improved sanitary, educational and social facilities. The population increased from 3.7 million in 1960 to 12.2 million in 1988, representing an average annual growth rate of 3.8%, drawing both from the natural birth rate and immigration from other francophone West African countries. The population now numbers 22.7 million as of 2014. See "*– Population, Education and Health – Population*". According to the *2016 World Population Data Sheet* published by The Population Reference Bureau, the population of Côte d'Ivoire is projected to grow to around 33.0 million by the mid-2030s and 50.1 million by the mid-2050s.

However, from the mid-1980s, the economy began to stagnate as a result of a sharp deterioration in the terms of trade, high levels of sovereign debt and governance problems, including exorbitant expenses in relation to a series of large-scale projects. This led to discontent among the population which contributed to the establishment of the multiparty system. The first multiparty elections took place in 1990, with the main opposition party being Laurent Gbagbo's *Front Populaire Ivoirien* ("**FPI**"). In that year, President Houphouët-Boigny appointed Alassane Ouattara as Prime Minister with the mission of coordinating the stabilization and economic recovery program of Côte d'Ivoire under the Structural Adjustment Program implemented with the International Monetary Fund ("**IMF**").

When President Félix Houphouët-Boigny died on December 7, 1993, Henri Konan Bédié, then President of the National Assembly, became President of the Republic. In October 1995, he won the presidential elections but these elections were marked by a boycott on the part of most of the opposition (including the FPI). The new party in power obtained rapidly an improvement of economic perspectives, a decrease of inflation and undertook actions in order to obtain external debt relief, in the context of the CFAF devaluation of 1994. See "*Public Debt–Relationship with Creditors–Multilateral Debt–HIPC Initiative*".

Military and Political Crisis

The intensification of political and social tensions and the imprisonment of several opposition leaders led to a coup d'Etat in December 1999 and President Henri Konan Bédié was overthrown by the armed forces. The army placed General Robert Guéï at the head of the State.

The military power invited political parties and civil society to draft a new constitution, which was adopted on August 1, 2000. Presidential elections took place in October 2000. General Robert Guéï claimed himself as being the winner of this election but was met with street protests. The Supreme Court announced the results and declared Laurent Gbagbo the winner. Laurent Gbagbo initiated a national reconciliation forum, and then appointed a government of national unity.

However, the debate on the question of nationality and citizenship, known as the crisis of *ivoirité*, and the crises it caused, including a crisis over land ownership, led to the attempted coup of September 19, 2002. The attempted coup failed but rebel forces called *Forces Nouvelles* emerged in the north of the country and occupied 60% of the territory.

The Economic Community of West African States ("**ECOWAS**") intervened to secure a cease-fire between the Government and the rebels in 2003, as did later, France, through a military operation called "*Opération Licorne*," to help stabilize the situation and allow a peace process. Several peace agreements were signed to end the conflict between the *Forces Nouvelles* and the Government of President Laurent Gbagbo, and resolutions were adopted by the United Nations Security Council, authorizing the deployment between the belligerents of 10,000 peacekeepers of the United Nations Operation in Côte d'Ivoire ("**UNOCI**"), including 4,600 French soldiers of the *Force Licorne*. However, these agreements and resolutions did not end the crisis and the election was postponed once again and re-scheduled for October 2006.

Slow Exit from Crisis

The peace talks between the Government of President Laurent Gbagbo and the *Forces Nouvelles* led to the Ouagadougou Political Agreement signed on March 4, 2007 and to a further postponement of the presidential elections to February 2008. This agreement was subsequently ratified by all of the political forces of Côte d'Ivoire, which represented a decisive turn to the exit of the crisis. A government of national reconciliation was put in place in March 2007, with Guillaume Soro, leader of the *Forces Nouvelles*, as Prime Minister. This Government began the reunification of the country and the redeployment of the administration over the whole territory. With the support of UNOCI forces, the Government also launched a disarmament, demobilization and reintegration program to unify the army, ensure security and enable the political process to resume with a view to organizing free, democratic and transparent presidential and legislative elections as soon as possible.

With the gradual return of confidence, Côte d'Ivoire's relations with the development partners were restored, with the signing of a Post-Conflict Assistance Program with the World Bank in July 2007 and an Emergency Post-Conflict Assistance Program with the IMF in August 2007. In addition, Côte d'Ivoire signed with the AfDB a Multisectorial Institutional Support Project to the Exit of Crisis in February 2008 in addition to a Development Assistance Framework with the United Nations in July 2008.

In parallel, the structural reforms undertaken by the authorities made Côte d'Ivoire eligible for the reinforced initiative of the IMF and of the World Bank in favor of Heavily Indebted Poor Countries ("**HIPC**"). Côte d'Ivoire reached the "decision point" of the HIPC program in March 2009 and obtained interim debt relief on the part of certain creditors such as the Paris Club. The country entered into an additional reform program to reach the "completion point", intended to secure final debt relief and debt sustainability. This required the Government to establish a credible track record in the implementation of key structural and social reforms, notably in the management of public funds, debt and governance.

2010 Presidential Election and the Post-Election Crisis

In the first round of the presidential election on October 31, 2010, President Laurent Gbagbo, the FPI candidate, obtained 38% of the votes, former Prime Minister Alassane Ouattara, the *Rassemblement des Républicains* ("**RDR**") candidate, obtained 31% of the votes and former President Henri Konan Bédié, the PDCI candidate, obtained 25% of the votes. In the second round on November 28, 2010, Alassane Ouattara won the presidential election with 54% of the votes according to the Independent Electoral Commission ("**CEI**") and the United Nations observers. However, following accusations of electoral fraud in the pro-Ouattara northern regions, and notwithstanding that international observers had indicated no serious problem in the electoral process in this area, the Constitutional Court invalidated the results of the election in the northern regions and awarded victory to President Laurent Gbagbo, leading to an open conflict between supporters of the two sides. President Laurent Gbagbo clung to power until the pro-Ouattara military forces took control of the country and defeated the pro-Gbagbo forces in Abidjan in early April 2011, with the support of United Nations forces and French forces acting under resolution 1975 of the United Nations Security Council. Alassane Ouattara was then officially accorded the presidency of Côte d'Ivoire in April 2011. He appointed a cabinet composed of 12 members with Guillaume Soro, the former leader of the *Forces Nouvelles*, as Prime Minister and Minister of Defense. Following his arrest in April 2011, the International Criminal Court ("**ICC**") formally issued an arrest warrant for former President Laurent Gbagbo. Former President Laurent Gbagbo was charged with crimes against humanity and has been incarcerated in The Hague since November 2011. On June 12, 2014, the ICC Pre-Trial Chamber I confirmed the charges against him of crimes against humanity committed between December 2010 and April 2011. The cases against Laurent Gbagbo and Charles Blé Goudé were joined in March 2015. Their trial opened in January 2016. They both pleaded not guilty. The trial continues to this day.

With respect to the former first lady, former President Laurent Gbagbo's wife, Mrs. Simone Gbagbo, in 2012 the ICC requested that she be transferred to The Hague to stand trial. On December 11, 2014, the ICC Pre-Trial Chamber I rejected the Government's challenge to the admissibility of the case and requested her immediate extradition to The Hague. On December 17, 2014, the Government submitted an appeal against the ICC decision and requested that its appeal have suspensive effect. On January 20, 2015, the ICC rejected the Government's request for suspensive effect. Mrs. Simone Gbagbo's trial in Côte d'Ivoire was held before the criminal court in Abidjan on December 26, 2014, resulting in her sentencing to 20 years imprisonment for undermining the State's security in 2015. Following another trial before the criminal court of Abidjan which started on May 2016, Simone Gbagbo was acquitted of the other charges of "crime against humanity" and "war crimes" against her on March 28, 2017. Simone Gbagbo, however, remains in custody and is serving her 20-year jail term resulting from her 2015 sentence.

The economy of the country suffered severely from the post-election political and military conflict in the first half of 2011. The effects of the conflict were notably aggravated by the impact of the sanctions imposed by the European Union against former President Laurent Gbagbo's disputed post-election Government, the suspension of all activities in the ports of the country starting in January 2011, the closing of the agencies of the Central Bank of West African States (*Banque Centrale des Etats de l'Afrique de l'Ouest* ("**BCEAO**")) and the closing of the private banking system in February 2011. Since April 2011, the Government formed by President Alassane Ouattara, has achieved significant and internationally recognized progress in reconstructing the country and in reviving economic activity.

From the end of the post-electoral crisis to the 2015 elections

Since coming to power, President Alassane Ouattara and his Government have continued to take measures to defuse political tensions, combat insecurity and accelerate economic recovery.

The year 2013 was marked by a constructive impetus in political dialogue, particularly in the context of the permanent framework for dialogue. The political dialogue took place between the Government and the FPI and between the opposition political parties. These efforts have focused on the implementation of new mechanisms to promote dialogue and negotiations with the Government.

Following direct talks with the Government on January 15, 2014, the FPI was asked to encourage its partisans living in exile to return to the country and to submit a list of its members still in prison or whose assets were frozen during the post-electoral crisis. The Government had previously announced its intention to proceed with unfreezing bank accounts of persons associated with the former regime who had been provisionally released and re-integrating them, where relevant, into public service. Between January 27 and February 7, 2014, 124 partisans of former President Laurent Gbagbo, who had been charged with undermining the State's security, were released on bail. Between May 22 and July 21, 2014, 275 other individuals, who had been arrested in the context of the post-electoral crisis, were released on bail.

According to the 35th report on the United Nations Operations in Côte d'Ivoire, at least 191 bank accounts belonging to such individuals have been unfrozen since July 2014.

President Alassane Ouattara continues to invite Ivorians living in exile to return to Côte d'Ivoire. In January 2014, the former Managing Director of the Abidjan Port Authority returned to the country, as well as the former Minister of Defense and the former Minister of Mining and Energy of the former Government under Laurent Gbagbo. In the same month, the current Minister of Defense reintegrated 1,443 members of the former Ivorian defense and security forces, who had fled the country during the post-election crisis.

In February 2014, President Alassane Ouattara renewed the mandate of the Dialogue, Truth, and Reconciliation Commission (*Commission Dialogue Vérité et Réconciliation* ("**CDVR**")), whose initial two-year term had expired in September 2013, until September 2014. The CDVR's mission was: (i) uncover the truth, (ii) hold public hearings for victims, perpetrators and witnesses, and (iii) make recommendations to the Government concerning reparations and other means of reconciliation. Between February 27 and March 12, 2014, the CDVR led a truth-seeking process in eight cities, recording the testimony of 2,106 victims concerning massacres, kidnappings, disappearances, severe injuries, acts of torture, rape, as well as looting and destruction of property. The CDVR then decided to extend this process to the entire country. Between April and August 2014, more than 64,000 victims of the Ivorian crisis testified during victims' hearings before local commissions. In September 2014, 80 cases emblematic of the Ivorian crisis that occurred between 1990 and 2011 were heard during public hearings before the CDVR. The CDVR's final report, including its recommendations for reparations and other political, judicial and non-judicial measures, was submitted to the Government in December 2014. In February 2015, approximately 3,000 individuals were granted a presidential pardon as a statement of the reconciliation process. In March 2015, the CDVR was replaced by the National Commission for the Reconciliation and Indemnification of Victims (*Commission Nationale de Réconciliation et d'Indemnisation des Victimes* - CONARIV). CONARIV is responsible for preparing a consolidated single file of victims and proposing financial compensation for victims. In April 2016, the CONARIV submitted its final report and the consolidated single list of victims to President Ouattara. The end of the Commission's work paved the way for financial compensation of victims. The implementation of the Commission's final report has been delegated to the Minister in charge of solidarity.

On March 20, 2014, the Government transferred Charles Blé Goudé, former leader of the Young Patriots (*Jeunes Patriotes*) and supporter of former President Laurent Gbagbo, to the ICC. Hearings for the confirmation of charges against him were held between September 29 and October 2, 2014. Mr. Blé Goudé faces four counts of crimes against humanity allegedly committed during the 2011 post-elections crisis. On November 2014, the ICC rejected a request from his defense that victim testimonies be excluded from the case record, as well as a challenge to the admissibility of the case. The ICC decided to combine his trial with that of the former President of the Republic, Laurent Ggagbo, which opened in January 2016 and continues to this day.

On March 26, 2014, 12 opposition parties including the FPI announced the creation of a new coalition, the *Alliance des Forces Démocratiques de Côte d'Ivoire*. On April 3, 2014, the *Alliance des Forces Démocratiques de Côte d'Ivoire* recommended establishing a new discussion framework with the Government, by proposing the nomination of a neutral mediator, the establishment of a detailed timetable and the implementation of a monitoring mechanism. The FPI also announced that talks would not resume until a mediator was named to ensure the monitoring of agreements concluded by the two parties.

Nevertheless, progress was made with respect to reforms in view of the 2015 presidential elections. On January 8, 2014, the President of the CEI announced that all political parties and other willing parties would be consulted on reforming the CEI and revising the electoral list. On June 18, 2014, President Alassane Ouattara signed into law a bill on the composition, organization and powers of the CEI. The governing body of the CEI is composed of 17 commissioners, including one representing the President of the Republic, and four for each of the ruling party, the opposition, civil society and the administration. The President of the CEI is elected from among the commissioners.

Political actors continued to prepare for the October 2015 presidential elections and several opposition leaders announced their candidacy. On September 17, 2014, Henri Konan Bédié, the President of the PDCI, announced he would support President Alassane Ouattara's presidential candidacy under the *Rassemblement des Houphouëtistes pour* *la Démocratie et la Paix* (“**RHDP**”), a coalition of five Ivorian political parties (RDR, PDCI, MFA, UPDCI and UPCI), primarily representing right-wing Ivorian Houphouëtists, founded on May 18, 2005, which allowed Alassane Ouattara to win the 2010 presidential elections. The update of the electoral list, which was expected to take place over one month, began on June 1, 2015. The CEI extended the deadline to July 15, 2015 due to low levels of participation and to allow latecomers to register. On Tuesday, July 28, 2015, the CEI delivered the Provisional Electoral List (*Liste Electorale Provisoire* (“**LEP**”)) to political parties and groups. Each among them received a memory card from the President of the CEI that contained the 6,300,504 voters registered on the LEP. Out of 33 individuals who filed with the CEI for the presidential elections to be held on October 25, 2015, 23 candidates were rejected on September 9, 2015 by the Constitutional Council for not satisfying applicable requirements (e.g., the delivery of evidence of being up-to-date on their income tax payments).

Candidates whose applications were accepted included the outgoing President, Alassane Ouattara, leading the RHDP, Pascal Affi N’Guessan, a candidate from a faction of Laurent Ggagbo’s FPI and several PDCI dissidents such as Charles Konan Banny and Amara Essy.

The Government granted CFAF 100 million to each candidate to cover electoral expenses. However, three candidates (Amara Essy, Mamadou Koulibaly and Charles Konan Banny) withdrew their application due to an alleged lack of transparency in the electoral process.

Recent Political Developments

The presidential elections took place on October 25, 2015. In the opinion of international observers such as the International Organization of the Francophonie (IOF), ECOWAS or the US Observation Mission, these elections were peaceful and transparent and no major incidents were noted that could taint the results. President Alassane Ouattara won the first round with 83.66% of the vote and was thus re-elected for another five-year term ending in 2020. Pascal Affi N’Guessan, candidate of the *Front Populaire Ivoirien*, the main opposition party, came second with 9.29%. The participation rate stood at 52.86%.

In order to strengthen the nation-building process and reinforce the social contract, President Ouattara submitted a new draft constitution to a vote by referendum, which was adopted by a 93.42% majority vote. The law instituting the constitution was promulgated on November 8, 2016, marking the Third Republic’s entry into force.

Two new institutions were created by the new Constitution: the office of Vice President and a new chamber of the parliament, the Senate. Since January 10, 2017, the Vice-President is Daniel Kablan Duncan. Daniel Kablan Duncan is a member of the PDCI which forms a coalition with the RDR, the party of President Ouattara. However, the organic law organizing the rules governing the Senate, including the definition of the relevant electorate, is still being prepared by the Government and is not yet effective. Two-thirds of senators will be elected by indirect universal suffrage as defined in the future organic law for the Senate and one-third are appointed by the President of the Republic each for a term of five years. As the second chamber of Parliament, the Senate has the same prerogatives as the National Assembly. Draft and proposed laws are submitted to the office of the National Assembly and the Senate, for review by commissions of the two chambers. Any draft or proposed law must be reviewed in succession by the two chambers of Parliament and is passed when approved by a majority vote in each chamber. The draft finance law is submitted first to the National Assembly and draft or proposed laws relating to territorial communities are submitted first to the Senate.

The legislative elections of December 2016 saw the victory of the alliance between the RDR and the PDCI, founded by former President Félix Houphouët-Boigny. On the opposition side, the FPI, former President Laurent Gbagbo's party, led by former Prime Minister Pascal Affi N'Guessan won three seats in the National Assembly.

The office of the National Assembly has been operational since April 5, 2017. Six parliamentary groups sit in the first National Assembly of the Third Republic. With 129 members of parliament (MPs), the Assembly is dominated by the RDR, which is chaired by its acting secretary-general, Amadou Soumahoro. With 89 MPs, the PDCI parliamentary group is headed by its executive secretary, Maurice Kakou Guikahué. The UDPCI has a parliamentary group consisting of nine MPs led by Laurent Tchagba. Three other parliamentary groups, each composed of nine MPs, were also formally constituted. These are "*Nouvelle Vision*", chaired by Guy-Hervé Sérodé, "*Agir pour le peuple*", led by Evariste

Méambly, MP for Facobly; and "*Vox Populi*", created under the initiative of Yasmina Ouégnin, MP for Cocody. Pascal Affi N'Guessan is the only member of the opposition who has not yet joined a parliamentary group.

Governance

Côte d'Ivoire positioned itself as the most improved country in *Overall Governance* over the past decade 2006-2015 (+13.1) according to the Mo Ibrahim Index of African Governance ("**IIAG**") 2016 published on 3 October 2016 under the theme "*A decade of governance in Africa*". The Mo Ibrahim Index examines the governance status in each of the 54 African countries. According to the 2016 annual index published by the Mo Ibrahim Foundation (which established the IIAG), Côte d'Ivoire is ranked 21st out of 54 African countries, with an overall score of 52.3 out of 100.0, above the African average (50.0) and slightly below the regional West African average (52.4). Côte d'Ivoire has registered significant progress in *Safety & Rule of Law* (+17.3) (its highest score) to become the most improved country on the continent in this measure over the last decade. It has improved across various sub-categories, registering the largest gains in *Accountability* (+25.0), *Participation & Human Rights* (+18.6) which measures NGOs' freedom of action or involvement of civil society in the political process. In *Sustainable Economic Opportunity*, Côte d'Ivoire shows positive trends registering strong progress in *Infrastructure* (+11.6), and in *Business Environment* (+13.3). Côte d'Ivoire was ranked 35th out of 54 countries in 2015 (with a score of 48.3 out of 100) and 40th in 2014 (with a score of 46.8 out of 100).

National and International Justice

The efforts to bring to justice the alleged perpetrators of the crimes committed during the post-election crisis are ongoing. The mandate of the special investigative unit created in 2011 to investigate crimes perpetrated during that period was extended by Presidential decree on December 30, 2013, and this unit has been restructured to become a special investigative and analytical unit with enhanced resources and means.

The proceedings to confirm the charges against former President Laurent Gbagbo are being pursued at the ICC. On March 12, 2014, the ICC announced that Laurent Gbagbo would be kept in detention until his trial in order to ensure his appearance before the judges and to avoid any eventual obstruction of the investigations or hearings.

On March 3, 2014, the ICC rejected the request for a stay made by the Government concerning Mr. Charles Blé Goudé and demanded his immediate transfer to The Hague. The Government, in a Council of Ministers meeting, decided to release him into the custody of the ICC on March 22, 2014. He appeared for the first time before the Pre-Trial Chamber of the ICC on March 27, 2014. On September 11, 2014, Pre-trial Chamber I of the ICC rejected the request submitted by his defense to appeal against the confirmation of charges. On September 17, 2014, it assigned the case to a reconstituted Trial Chamber I which set November 10, 2015 as the start date of the trial. On October 28, 2015, the Trial Chamber I postponed the start date of the trial to January 28, 2016.

The trial of former president Laurent Gbagbo and Charles Blé Goudé was opened at the ICC on January 28, 2016, five years after the end of the post-electoral crisis. At the beginning of February 2016, during an official visit to France, President Alassane Ouattara announced that it would not be his intention to send any more Ivorian citizens to trial at the ICC, now that the country had what he considers is a properly functioning justice system.

Former president Laurent Gbagbo's wife, Simone Gbagbo, who was sentenced to 20 years' imprisonment in March 2015 for "undermining State security," is currently incarcerated in Abidjan. She was accused of further charges of "crimes against humanity," "crimes against prisoners of war" and "crimes against the civilian population" during the post-electoral crisis in 2010-2011, for which she was tried and subsequently acquitted.

On February 3, 2014, the military prosecutor exonerated 10 high-ranking police officers who had been accused of insubordination during the post-election crisis. On February 12, 2014, the military tribunal declared that the former head of the National Police School (*Ecole Nationale de Police*) was guilty of misappropriating funds and sentenced her, as well as four of the six other police officers charged with the same offence, to two years' imprisonment.

A trial, known as the "Novotel captives" began before the Ivorian Courts in February 2017 and ended in April of the same year. The accused, including General Dogbo Blé, former commander of the Republican Guard, were under prosecution before the Criminal Court for allegations of kidnapping, confining, torturing and murdering four individuals, including one manager and three persons staying at the Novotel hotel on April 4, 2011. At the end of proceedings, the popular jury sentenced General Dogbo Blé to a prison sentence of 18 years and other accused to varying prison sentences ranging from 10 to 20 years.

Disarmament, Demobilization and Reintegration of Ex-Combatants

The Disarmament, Demobilization and Reintegration of ex-combatants ("**DDR**") is the process by which ex-combatants are required to lay down their arms and return to civilian life or rejoin the country's restructured armed forces.

With UNOCI's support, the implementation of the DDR process in Côte d'Ivoire is the responsibility of the Government through the National Authority for Disarmament, Demobilization and Reintegration (*Autorité Nationale pour le Désarmement, la Démobilisation et la Réintégration* ("**ADDR**")), an institution created by Decree No. 2012-787 of August 8, 2012 under the auspices of the National Security Council ("**NSC**"). The ADDR has established a program framework which was presented to international partners in February 2014. It has also established partnerships with national institutions within the fields of finance, training and employment as well as with international donors. The European Union and the African Development Bank ("**AfDB**") have committed €14 million and US$30 million, respectively, to financing the ADDR's activities.

The DDR process is divided into three phases: (i) disarmament, (ii) demobilization and (iii) reintegration. Disarmament consists of the collection of weapons, ammunition and other military equipment in the possession of ex-combatants. During this operation, the ex-combatants hand in their weapons to the ADDR in presence of the UNOCI experts. These weapons are then sorted, stored and secured with the help of the United Nations. Malfunctioning weapons are destroyed by the United Nations. The others are marked using the ECOWAS procedures concerning the Small Arms and Small Caliber Ammunition. These procedure are aimed at ensuring proper registration and identification.

Demobilization represents the passage of the ex-combatant into civilian life. It consists in profiling the ex- combatants, conducting a medical examination and providing a civilian package such as clothes and shoes. The ex-combatants then attend sessions on reintegration opportunities. At the end of the demobilization process, a demobilization card is given to the ex-combatant to allow him to start his rehabilitation. In Côte d'Ivoire, the ADDR has introduced an innovative "resocialization" approach to facilitate the social reintegration of the ex-combatants, reconciliation and social cohesion.

"Reinsertion" is a transitional phase between the demobilization of ex-combatants and their final reintegration into social and economic life. The ex-combatant begins his rehabilitation by receiving financial assistance upon presentation of his demobilization card. It also involves facilitating the reintegration of ex-combatants through economic opportunities offered as a social safety net. Reintegration opportunities for ex-combatants include income-generating activities, micro-projects, professional training and scholarships.

On December 31, 2014, the ADDR announced that some 46,000 ex-combatants, including 3,538 women, had been disarmed and reintegrated representing 62% of the 74,000 ex-combatants registered in the database. Around 25,000 weapons have been collected over the same period. The number of ex-combatants affiliated with the former regime and entering the DDR process has increased over time to reach 25%, reflecting the improvement in the socio-political environment, social cohesion and reconciliation in the country. A recent thorough review of the database suggests that more than 10,000 ex-combatants are either dead, no longer interested in participating in the process or have permanently relocated abroad. The UNOCI assisted the Government with its reinsertion efforts through the implementation of 79 community-based, countrywide reinsertion projects aimed at the enhancement of community safety and social cohesion, the reinforcement of the weapons collection program and the payment of transitional safety allowances to approximately 24,000 former combatants.

On November 4-6, 2014, the ADDR held an international knowledge-sharing workshop to discuss the achievements and challenges in the national program. Experts from several partner countries were impressed with achievements of the DDR process in Côte d'Ivoire so far, and commended Côte d'Ivoire's initiatives for the implementation of the re-socialization program, a unique tool to ensure adequate socio-economic reintegration of the ex-combatants.

With regard to civilian disarmament, the National Commission on Small Arms and Light Weapons, with the support of the United Nations Mine Action Service, conducted 27 weapons collection operations, collecting 376 weapons, 149 ammunition and 5,918 small arms ammunition. On October 10, 2014, the UNOCI, the ADDR and the National Commission on Small Arms and Light Weapons launched a tripartite community disarmament plan. The United Nations ("**UN**") Mine Action Service supported nine operations in Bloléquin, Dieuzon, Duékoué, Guiglo, Toulepleu and Zagné. A total of 176 weapons, 851 small arms ammunition and 66 items of explosive devices were collected.

On June 24, 2015, the Council of Ministers adopted two decrees: (i) a decree ending the activities of the ADDR and (ii) a decree creating the Coordination, Monitoring and Reintegration Cell (*Cellule de Coordination, de Suivi et de Réinsertion* ("**CCSR**")). These decrees consolidate the ADDR's success and, as a transitional measure, transfer the activities of reinserting ex-combatants demobilized by the ADDR to the CCSR, created specifically for this purpose and placed under the authority of the NSC. The CCSR is responsible for organizing and coordinating the resocialization activities carried out by the Ministry of Solidarity, Family, Women and Children, the *Gendarmerie Nationale*, the National Institute of Public Health, the Blue Cross or any other national or international organization. It also manages the database and referencing of specialized structures for the implementation of activities to reinsert ex-combatants, as well as the implementation of agreements concluded by the ADDR.

Currently, the ADDR's reinsertion and reintegration records show that out of the 64,000 ex-combatants that were identified, 58,216 cases have been treated, a success rate of 91%. This high achievement rate enabled the Government to terminate the ADDR's operations without creating undue security risk.

The table below shows the statistics concerning the reinsertion and reintegration of ex-combatants:

Category	**Number**
Individuals being resocialized	2,978
Individuals undergoing professional training	838
Individuals in training	1,982
Individuals reintegrated	52,418
Total	**58,216**

Source: ADDR

Defense and Security

Since the end of the 2011 post-election crisis, the Government has made peace and security key priorities and, to this effect, has endeavored to eliminate the roots of violence in Ivorian society by promoting national reconciliation, combating poverty among the population and putting inclusive economic growth at the top of its agenda. Political stability and security have thus markedly improved. The safety index is constantly increasing, decreasing from 3.2 in 2011 to 1.1 in January 2017. The Government considers that the State's authority is effective throughout the national territory and the security forces carry out their task of protecting people, property and the territory effectively.

This has led several international organizations to move their headquarters to Abidjan. For example, the United Nations Educational, Scientific and Cultural Organization ("**UNESCO**") returned to Abidjan in September 2013, the African Development Bank ("**AfDB**") completed the relocation of its headquarters to Abidjan in late 2014 after a 10-year absence and the International Cocoa Organization moved its headquarters to Abidjan in April 2017 after 44 years in London. In addition, several elections were organized in the country in 2015 and 2016 without giving rise to any major political incident.

Some occasional instances of violence in the country have recently highlighted the necessity for the Government to continue its efforts of consolidating a climate of peace and social cohesion. On January 6, 2017, armed soldiers started a protest in Bouaké, the second city in the country, which spread to several big cities in the country on the next day. The soldiers involved in these armed protests were the so-called "8,400", former members of the *Forces Nouvelles*, who were integrated into the regular Ivorian army after the 2011 post-election crisis. According to the Government, the army mutineers were demanding the payment of a bonus, salary increases and faster promotion.

Following negotiations between the Government and the leaders of the mutinous soldiers, President Ouattara announced an agreement on the settlement of the their demands. This agreement, which was signed in Bouaké on January 13, 2017, provided for the payment of CFAF 12 million to each of the mutinous soldiers, of which CFA 5 million was paid in January 2017, with the balance to be paid through monthly payments of CFAF 1 million as from and including May 2017. The amounts agreed to be paid in connection with the January 2017 settlement agreement are fully provisioned in the 2017 budget.

On May 11, 2017, a representative of the mutinous soldiers announced in a public statement before President Ouattara and the military hierarchy that all mutinous soldiers had consented to renounce all remaining payments under the January 2017 settlement agreement. However, on the morning of May 12, 2017, armed protests broke out again among other mutinous soldiers in all military barracks in the country to denounce the statement purportedly made on their behalf the previous day before President Ouattara and to reaffirm their demand for full payment of the amounts agreed in the January 2017 settlement agreement. The protests continued until May 15, 2017 with soldiers blocking roads and sporadic gun fire being heard in Abidjan and Bouaké, sparking security concerns. The Government later reported four dead and nine injured as a result of the protests. In the evening of May 15, 2017, the Government reached an agreement with the mutinous soldiers as a result of which the armed protests ended and the Government made the next payment instalment of CFAF 5 million per person to the mutinous soldiers on May 16, 2017. The outstanding amount of CFAF 2 million per person is scheduled to be paid in June 2017.

Furthermore, on May 23, 2017, former *Forces Nouvelles* combatants who were demobilized following the 2011 post-election crisis organized protests reportedly to demand the payment of a CFAF 18 million bonus per demobilized ex-combatant. According to media reports, four demobilized ex-combatants were killed and 15 were injured as a result of a confrontation with policemen in Bouaké. The spokesman for the protesters, who was arrested following the incidents, was released on May 26, 2017. Demobilized ex-combatants are estimated to be about 6,000, according to media reports. The Government does not recognize this group or their claims, and believes that the situation of demobilized combatants was adequately addressed through the DDR programme.

As part of its efforts to consolidate peace and security in the country, the Government is committed to devoting appropriate budgetary resources to the modernization of its security and military forces. Defense and security are a priority in the 2017 budget, which forecasts CFAF 482.1 billion for defense and security, including CFAF 228.4 billion for army services, CFAF 69 billion for *gendarmerie* and CFAF 174.5 billion for police, in connection with the implementation of the Military Planning Act and the Domestic Security Planning Act.

Population, Education and Health

Population

According to the 2014 General Population and Housing Census (GPHC), Côte d'Ivoire's population is 22.7 million, of which 11.7 million are men and 11.0 million are women. Children (ages 0-14) represented 41.8% of the total population and young people (ages 15-34) represented 35.5% of the total population. As a result, Côte d'Ivoire's population is relatively young, with 77.3% of the population being under 35.

According to the INS, the average annual population growth rate was 2.6% between 1998 and 2014 and 3.3% between 1988 and 1998.

With a population of 17.1 million (75.5%) occupying 48% of the country's territory, population density stands at 70.3 inhabitants per km². Half of the population (11.4 million, or 50.2%) is urban, primarily concentrated in Abidjan which, with a population of 4.4 million, accounts for nearly four out of ten urban residents (38.7%).

The population remains unevenly distributed across the country's territory. The district of Abidjan (Abidjan, Bingerville, Anyama and Songon), with a population of 4.7 million, accounts for one-fifth of the total population (20.8%). The least-populated regions are located in the district of Denguélé (Kabadougou and Folon), which has a population of 288,779 (0.4%), of which a population of 96,415 is in the Folon region.

Twelve cities have more than 100,000 residents. Following the 2014 census, the cities of Divo, Soubré, Abengourou and Anyama recently reached this milestone. Each of these cities is a provincial capital, with the exception of Anyama.

Côte d'Ivoire's population consists predominantly of four main ethnic groups: the Mandé group (the Dan, the Yacouba, the Toura, the Gouro, the Malinké and the Dioula) in the north-west and the west, the Voltaic group (Sénoufo, Koulango and Lobi) in the north, the Krou group (Wê, Bété, Bakwé, Godié and Dida) in the south-west and mid-west, and the Akan group, which is divided into the "*Lagunaires*," in the south, and the Agni-Baoulé in the center, the south-east and the east.

French is the official language of the country. About 60 vernacular languages are also spoken, *baoulé* and *dioula* being the most widely spoken.

Côte d'Ivoire is a secular country where a variety of religions are practiced, namely Islam (39% of the population), Christianity (about 30% of the population) and Animism (about 12% of the population).

Côte d'Ivoire's ranking in the 2016 United Nations Development Programme ("**UNDP**") Human Development Index ("**HDI**") was 171 out of 187 with an HDI of 0.474, compared to 172 in 2015. Between 1980 and 2012, Côte d'Ivoire's HDI value increased from 0.348 to 0.432, an increase of 24% or an average annual increase of about 0.7%. The HDI is developed by the UNDP and provides a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to education and a decent standard of living.

The table below sets out selected comparative macro-economic statistics regarding certain socio-economic indicators for 2015 (unless otherwise indicated) for Côte d'Ivoire and for certain other African countries:

	Côte d'Ivoire	**Ghana**	**Zambia**	**Nigeria**	**South Africa**	**Kenya**
GDP Growth (annual %)	9,2	3,9	2,9	2,7	1,3	5,6
Population Growth (annual %)	2,4	2,3	3,1	2,6	1,6	2,6
Life Expectancy at Birth (years) (male/female)..	51,1/52,8	60,5/62,5	58,8/62,9	52,7/53,4	55,5/59,5	60,3/64,1
Primary School Enrolment (% net)	79,2	91,1	87,4 (1)	63,8 (2)	85,0 (1)	84,9
Mortality Rate, under 5 (per 1,000)	92,6	61,6	64	108,8	40,5	49,4

(1) Figures for 2013.

(2) Figures for 2010.

Source: World Bank, World Development Indicators database, 2015 unless as noted otherwise

New Nationality Law

Nationality was one of the issues from which the Ivorian crisis originated. In this respect, a new nationality law was adopted by the National Assembly in August 2013 and came into effect in April 2014. This law institutes a special regime with regard to the acquisition of nationality for persons in the following categories:

- persons born in Côte d'Ivoire of foreign parents and under 21 as at December 20, 1961;
- persons whose usual and uninterrupted residence was in Côte d'Ivoire before August 7, 1960 and whose children were born in Côte d'Ivoire; and
- persons of foreign parents born in Côte d'Ivoire between December 20, 1961 and January 25, 1973, and their children.

The individuals included in one of the categories above may claim Ivorian nationality by following a declaration procedure with the Public Prosecutor or his resident Substitute for the jurisdiction in which the registrant resides, who transmits it to the Ministry of Justice. The Minister of Justice then has a six-month period to rule on the Ivorian nationality request and deliver an Ivorian nationality certificate. If the request is rejected, the claimant has a two-month period to file an internal appeal to the Ministry of Justice. If the internal appeal is rejected, the individual may appeal to the President of the Republic as the highest authority. The President of the Republic has discretionary powers in these matters.

As of April 30, 2017, 14,352 certificates of nationality were provisionally delivered. The application period provided in the law is closed, but the processing of applications is not yet completed.

Education

The educational system is made up of two types of education: general education and technical education and vocational training. General education comprises three levels: (i) pre-school and primary education, (ii) secondary general education, and (iii) higher education. Technical education and vocational training begin in secondary school.

In 1997, Côte d'Ivoire prepared a 1998-2010 National Plan for the Development of Education/Vocational Training (*Plan National de Développement du Secteur Éducation/Formation* ("**PNDEF**")). However, the results obtained were insufficient and fell short of the objectives of the PNDEF according to the State Report on the National Educational System (*Rapport d'Etat sur le Système Educatif National*) issued in 2007. This report revealed that the educational system continued to face difficulties of different magnitude, particularly related to (i) limited accessibility and supervision, (ii) mismanagement of resources, (iii) budgetary constraints, (iv) inadequacy of teaching materials and infrastructures, and (v) obsolescence of equipment. The Ivorian educational system is also faced with social problems that hinder the schooling of vulnerable students, particularly young women, early pregnancy, the HIV/AIDS pandemic, school violence, politicisation of schools and lack of birth certificates.

Subsequently, the institutional capacities of Ministries in charge of the education and vocational training sector were improved with support from the World Bank through the Education–Vocational Training Sector Assistance Program (*Programme d'Appui au Secteur Education–Formation*). This program has allowed the implementation of a series of measures, including starting the implementation of the Education-Vocational Training Information and Management System (*Système d'Informations et de Gestion de l'Education– Formation*), defining sectorial policy with the adoption of the Letter on Education Policy, drafting a medium- term action plan (*Plan d'Actions à Moyen Terme*) to make the Educational Policy operational, and drafting the Medium-Term Expenditure Frameworks (*Cadres de Dépenses à Moyen Terme* ("**CDMT**")) for the sector.

Outside of the traditional educational system, there is an alternative education system put in place by state institutions and civil society organizations. These alternative options include notably community educational centers and confessional denominational schools. Approximately 500,000 students attend these schools. In the interest of moving this alternative educational system closer to current norms, a framework for coordination and support was implemented in order to offer alternative education options to children not attending school. Following an appraisal organized by the Ministry of national education and vocational training in 2014, 209 Koranic schools, which enrolled a total of 43,299 students, of which 18,193 are girls, were integrated into the official Ivorian educational system.

The Government has recognized in the National Development Plan ("**NDP**") the urgent need to strengthen the quality of the education system to meet its economic growth targets, in particular in the area of vocational training, and has developed an ambitious agenda aimed at achieving better outcomes in the education sector. The development targets in the primary and secondary education system seek to improve the gender parity index, enrolment rate, achievement rate, transition rate from primary to secondary, and literacy rate, in relation with the Government's Education for All agenda, including by providing free access to books for pupils.

The following table shows the Government's expenses in the education sector from 2012 to 2016:

	2012	**2013**	**2014**	**2015**	**2016**
Education (CFAF billions)	601.7	685.6	788.2	926.8	1,156.9
Education (% of nominal GDP)	4.4	4.4	4.5	4.9	5.4

Source: MBPE/DGBF

Pre-school and Primary Education

Primary education is free and mandatory. However, in pre-school (children between 3 and 5 years old) and primary school, participation and accessibility rates remain low. The Gross Education Rate (*Taux Brut de Scolarisation* ("**TBS**")) for pre-school, which corresponds to the number of students enrolled as compared to the school-age population, expressed as a percentage, was 8.8%, according to data from the 2016-2017 statistical analysis report on the educational system carried out by the Strategies, Planning and Statistics Department (*Direction des Stratégies, de la Planification et des Statistiques* ("**DSPS**")). For pre-school, the low rate is primarily due to the ignorance of certain sections of the population regarding the importance of pre-school education and the weak pre-school infrastructure coverage across the national territory.

In primary schools, this rate was 104.6% in 2016-2017, with a rate of 106.0% for boys and 103.1% for girls. Although this rate is high, it conceals certain regional disparities. Furthermore, it reflects the necessity of continued efforts to attain universal education. To reach this goal, the number of children enrolled in school before or after the normal schooling age must be reduced and the Net Education Rate (*Taux Net de Scolarisation* ("**TNS**")) (which corresponds to the quotient of the population enrolled at the official school-age as compared to the school-age population, expressed as a percentage) must reach 100%. The TNS, which currently stands at 91.0%, shows that 9% of children aged 6 to 11 are not enrolled in primary school. For girls, the TBS recorded a strong increase, from 77.5% in 2010-2011 to 104.6% in 2016-2017. The continuing increase in the education rate for girls is due to awareness campaigns promoting their schooling and efforts made in recent years to stimulate demand for education, in particular via the creation and expansion of school canteens, the construction of new classrooms and the distribution of free school kits.

In terms of capacity, the number of primary school classes increased from 64,315 in 2010-2011 for 2,730,305 students, to 84,730 in 2016-2017 (of which 19% were private) for 3,772,136 students. The number of students per class remained at approximately 43 on average for the same period, with unequal distribution across the country. The number of primary school teachers increased from 58,121 in 2010-2011, 32% of which were women, to 88,756 in 2016-2017, 29.8% of which were women.

Secondary Education

In lower secondary school, the TBS is 63.5% in 2016-2017 compared to 28.4% in upper secondary school.

Secondary education capacity increased from 1,084 schools, of which 786 were private, in 2010-2011, to 1,641 of which 1,173 were private, in 2016-2017. The number of students in secondary schools increased from 999,707, of which 39% were girls, in 2010-2011, to 1,791,183, of which 42.3% were girls, in 2016-2017, or a total increase of 79.2%. Over the same period, infrastructure slightly increased by an average of 2.4% per year. Furthermore, public infrastructure recorded an average growth of 3.7% per year. This is due to the construction of local middle schools carried out by the State with the support of various development partners, which also resulted in significant increases in class sizes (an average of 23.8% per year). At the end of the secondary education, students can sit the b*accalauréat* examination.

The number of teachers in secondary schools has also increased, from 21,793 in 2010-2011, of which 16% were women, to 58,866 in 2016-2017, of which 14.4% were women. These numbers remain inadequate to face expansion needs, especially in the sciences and French. During the 2013-2014 school year, 1,783 teaching positions remained vacant. In addition, spatial distribution of teachers, especially in primary schools, shows much disparity, with a strong concentration in urban centers.

Higher Education

Higher education in Côte d'Ivoire is provided through a variety of institutions: three public universities, two Higher Education Regional Units (*Unités Régionales d'Enseignement Supérieur*), two selective public institutes (*grandes écoles publiques*), 35 private universities, and 143 selective private institutes (*grandes écoles privées*). Four-fifths of the higher education institutions are concentrated in the Abidjan district. In addition, three universities and schools

(UFHB, INP-HB and ENSEA) were identified as part of a program to create regional centers of excellence and the INP-HB has been identified as the regional center for the training of pilots for civil aviation.

The long political and military crisis severely affected the quality of higher education. The main institution, University Felix Houphouët-Boigny of Abidjan, was closed during the crisis years as it was the center of violent political confrontation. Since the end of the crisis, the University of Felix Houphouët-Boigny has reopened its doors in 2013 and is running normally in a peaceful political climate. In an effort to respond to the strong demand for access to higher education, the State pays for a number of students to enroll at private universities where tuition fees are based on students' financial capabilities.

Technical Education and Vocational Training

In 2014-2015, secondary technical education comprised 288 institutions, three of which were public, with 55,505 students for 6,726 teachers. The number of teachers grew annually at an average rate of 33% from 2011 to 2014. The rate of students repeating a year was 47.4% in 2014, of which 47.5% were girls and 42.7% were boys.

The Government initiated a program to build eight technical high schools and rehabilitate and equip existing technical high schools.

In 2014-2015, vocational training comprised 59 public institutions and 245 private institutions and State-certified private training centers. The personnel of these institutions grew annually at an average rate of 29% from 2011 to 2014. At the beginning of the 2014-2015 school year, there were 52,000 students in vocation training institutions.

For the purpose of modernizing and improving technical and vocational training programs to more adequately respond to the job market and the innovation challenges, the Government adopted a strategic reform plan for the technical and vocational training system (*plan stratégique de réforme du système d'enseignement technique et de formation professionnelle*) over the 2016-2020 period. The plan's main purpose is to (i) align the education-training system; (ii) enhance access to the technical teaching and vocational training system; (iii) improve the quality of training programs; (iv) strengthen the partnership between schools and businesses; and (v), as a result, develop students' employability. Accordingly, the plan aims to offer the same educational options to all young Ivorians under the same conditions. It is designed to offer students quality education and professional training programs capable of providing them with the required skills and expertise to improve their employability, and to workers an opportunity to strengthen their skills and improve their productivity. The strategic plan includes the construction of eight (8) technical and vocational high schools, ten (10) regional divisions of the *Agence nationale de la formation professionnelle* (AGEFOP), six (6) application and production workshops; four (4) sectoral centers (mines, agriculture, transportation, automobiles), the recruitment of more than 153 teachers and the improvement of technical and teaching tools in training centers. A total budget of CFAF 565 billion is devoted to the plan, financed through the State budget with the support of bilateral and multilateral financial partners.

Quality of Education

According to UNESCO, Côte d'Ivoire's literacy rate was 43.27% in 2015. The then Minister of National Education, Mrs. Kandia Camara, declared on the 48th international literacy day in 2013 that the Government intended to increase this rate by reasonable proportions (35%) by 2020.

Primary and secondary educational performance is limited by difficult practical conditions, lack of teaching materials, lack of infrastructure, as well as insufficient educational staff. The output of the educational system is still low, with increased levels of school dropouts. The education system is also characterized by substantial inequalities in access and educational performance. The chance of attending school is not equal for all children based on sex and geographic location. Over the past two decades, the Government has initiated a program for school cafeterias in public schools, free distribution of school kits including a book bag and school supplies (books and notebooks), as well as an intensive awareness program seeking to eliminate discriminatory behavior towards young women. The implementation of these projects has helped improve school access, increase primary school completion rate and decrease disparities.

The high rate of students repeating a year (13% in primary and general secondary school in 2015-2016) creates further pressure on already limited educational infrastructure. It negatively affects the internal efficiency and the performance of the educational system, and increases the costs of education for the State and for families.

Health

Côte d'Ivoire has a dual healthcare system, with the private sector and the public health sector practicing modern medicine on the one hand, and a traditional healthcare system practicing traditional medicine on the other.

The public sector is divided into three levels: (i) a primary or peripheral level including 1,964 First-Contact Health Facilities (*Etablissements Sanitaires de Premiers Contacts - ESPC*), (ii) a secondary level comprising healthcare establishments supporting the first level, composed of 84 General Hospitals, 17 Regional Hospital Centers and two Specialized Hospital Centers (Psychiatric Hospitals in Bingerville and Bouaké) and (iii) a tertiary level including healthcare establishments supporting the second level, essentially composed of National Public Establishments with four University Hospitals (*Centres Hospitaliers Universitaires* - CHU), five Specialized National Institutes: the National Institute of Public Health (*Institut National de Santé Publique*), the National Institute of Public Hygiene (*Institut National d'Hygiène Publique*), the Raoul Follereau Institute (*Institut Raoul Follereau*), the Pierre Richet Institute (*Institut Pierre Richet*) and the Heart Institute of Abidjan (*Institut de Cardiologie d'Abidjan*). There are also four other supporting National Public Institutions: (a) the National Center for Blood Transfusion (*Centre National de Transfusion Sanguine*), (b) the National Laboratory of Public Health (*Laboratoire National de Santé Publique*), (c) the New Pharmacy for Public Health (*Nouvelle Pharmacie de la Santé Publique*) and (d) the Urgent Medical Care Service (*Service d'Aide Médicale d'Urgence*). Other Ministries, including the Ministry of Defense, Ministry of Economy and Finance, Ministry of Public Service, Ministry of Interior and ministries in charge of administrative reform, solidarity, family, women and children and national education also participate in providing healthcare through their health facilities.

The private healthcare sector has evolved in recent years with the emergence of private healthcare facilities of all classes and categories such as polyclinics, clinics, medical centers and practices, pharmacies and private infirmaries, which have been well integrated into the various levels of the healthcare pyramid. Private healthcare is found primarily in large cities and economic centers.

Faith-based private sector, community associations and organizations (ABC/OBC) also participate in providing healthcare, particularly at the primary level, with 49 healthcare facilities.

Despite this large healthcare system, there are still some zones with limited access to healthcare. According to the 2015 RASS, more than 29% of the population was living over 5 km away from a healthcare facility.

In 2014, the private pharmaceutical sector represented a large portion of the healthcare system, covering the distribution of 80 to 90% of available drugs. This private pharmaceutical sector is composed mainly of: four (4) wholesaler-distributors (UBIPHARM, COPHARMED, DPCI and TEDIS PHARMA CI) that import over 90% of their products, 1,100 private pharmacies, eight drug-production units, of which four (4) are active and produce 6% of the national pharmaceutical market.

With regard to traditional medicine, the Ministry of Health and Public Hygiene has implemented the recommendations of the WHO, integrating traditional medicine as an alternative option to serve the healthcare needs of the population, in order to improve healthcare coverage and reduce inequality and disparities in the population's access to quality healthcare.

The practice and organization of traditional medicine and pharmacopoeia are regulated by Law no. 2015-536 of July 20, 2015 and Decree no. 2016-24 of January 27, 2016 establishing the Ethics and Deontology Code for practitioners of traditional medicine and pharmacopoeia. This sector comprises more than 8,500 Traditional Medicine Practitioners, organized into national associations and federations, who have received additional training in anatomy, conventional hygiene, techniques for the collection and sustainable conservation of medicinal plants, disease and programs, etc. Several research and development activities have been carried out and have resulted, for example, in the authorization to market Improved Traditional Medicines (MTAs) (Dartran®, Dimitana® and ALAFIA® Balm). In addition, a Traditional Medicine Unit (TM) was opened in September 2014 at the University Hospital (CHU) of Treichville, as part of a pilot project.

With the regular recruitment of health workers and the improvement in health personnel salaries, available human resources indicators at the national level have improved in 2015 with one doctor for 7,235 inhabitants, one nurse for 2,910 inhabitants and one midwife for 1,990 women of child bearing age. Although these national statistics are in line with WHO international recommendations (one doctor for 10,000 inhabitants, one nurse for 5,000 inhabitants, one midwife for 3,000 women of child bearing age), significant disparities persist, particularly in the ratio of doctors to the population in the various health regions, with, for example, only one doctor for 20,803 inhabitants in Cavally-Guemon.

In 2015, life expectancy in Côte d'Ivoire reached 54.3 years, according to the National Institute of Statistics (*Institut National de la Statistique*), compared to 50 years in 2012. Life expectancy at birth, taking into account the impact of HIV/AIDS on the mortality rate, was estimated by SPECTRUM to be 54.3 years in 2015 for Côte d'Ivoire, 53.4 years for men and 55.2 years for women.

According to the WHO, the child mortality rate has significantly decreased over the past 25 years, dropping from 91 deaths per 1,000 live births in 1990 to 43 deaths per 1,000 live births in 2015; 43% of these deaths were linked to malnutrition, which is an underlying factor. Neonatal mortality stood at 38 deaths per 1,000 live births in 2012, compared to 41 in 2005.

Malaria remains a major public health concern and the fight against malaria is a priority under the 2016-2020 NDP. Malaria caused 43% of morbidity in Côte d'Ivoire in 2014. The average rate of new cases of malaria in the general population was 155 per 1,000 inhabitants in 2015 after having reached 164 cases per 1,000 inhabitants in 2014. Already in 2010, malaria represented 43.0% of reasons for medical consultations. In addition, malaria is the primary cause of infant mortality. For pregnant women and children under five, malaria represented nearly 42% of reasons for medical consultation as well as 36.1% and 62.4% of causes for hospitalization, respectively. Faced with this severe problem, the Government's response is based on therapeutic programs and prevention strategies under the National Fight Against Malaria Program (*Programme National de Lutte contre le Paludisme*).

Malaria remains the primary reason for medical consultation in the country, although the results of situational analysis surveys show a decrease from 50.17% in 2010 to 43% in 2012, and then to 33% in 2014. For children under 5 years of age, the number of malaria cases dropped from 389 per 1,000 in 2011 to 291.7 per 1,000 in 2015:

Indicators	**2012**	**2013**	**2014**	**2015**
Malaria cases in children under 5 years of age (out of 1,000), *i.e.*, the number of new malaria cases in children under 5 years of age compared to the population of children under 5 years of age	352	302.61	445.89	291.79
Malaria cases in the general population (out of 1,000), *i.e.*, the number of new malaria cases compared to the general population over 12 months	120	106	164	155.49

Source : Ministry of Health and Public Hygiene

The Ivorian public health situation is also characterized by a high HIV/AIDS-related mortality rate. AIDS is the leading cause of mortality among adult men and the second among women, after pregnancy-related problems and child birth. In 2015, the prevalence rate for HIV was 3.4%, in constant decline since 2010 when the rate was 3.96%. HIV infection rates are more concentrated in women. In 2012, the HIV infection rate was 6.4% for women, compared to 2.9% for men. An internal survey conducted in 2008 indicated that 4.5% of pregnant women were HIV-positive. In rural areas, an estimated 4.1% of women were infected in 2008, compared to 5.4% of women in urban areas. HIV disproportionately affects women and adolescent girls because of their unequal cultural, social and economic status in society. The economic centers in the center-east (5.8%), the south (5.5%) and in Abidjan (6.1%) were and continue to be the most affected.

To address this threat, the Ivorian authorities have placed the fight against HIV infection and sexually-transmitted diseases at the center of their concerns. The Government has been pursuing a 2011-2015 strategic plan for the fight against the HIV pandemic aiming to reverse the HIV propagation trend and to alleviate the impact of AIDS on the Ivorian population, in particular for highly vulnerable groups. With the implementation of these reforms, the HIV prevalence rate decreased to 3.4% in 2015. The Government has taken several measures to accelerate the fight against AIDS by 2020 with a view to eliminating the AIDS epidemic by 2030. These measures include the increase of the financing for the purchase of drugs, the strengthening of the capacity of key players involved and the training of healthcare personnel.

Malnutrition is a public health issue. Chronic malnutrition is estimated at 28% (SMART 2016) and acute malnutrition is estimated at 7.1% (DHS, 2011). Malnutrition is most present in the north, north-east, north-west, west, south-west and north-central regions of Côte d'Ivoire.

On March 22, 2014, an Ebola virus epidemic was confirmed in the region of Forest Guinea, close to the border between Guinea and Liberia, and subsequently in Conakry. After an alert launched by the WHO asking to reinforce the monitoring of illnesses akin to a viral hemorrhagic fever, the neighboring countries of Guinea, including Côte d'Ivoire, implemented safety measures along their terrestrial borders and inside their territories in order to protect people at risk and to prevent virus propagation. On August 10, 2014, the Government of Côte d'Ivoire raised the risk of Ebola to "extremely high" and announced a series of prevention measures, including the suspension of all flights from affected areas and additional screening at entry points. On August 22, 2014, the Government closed the country's borders with Guinea and Liberia.

On September 1, 2014, the NSC announced the opening of humanitarian corridors for relief purposes, the operationalization of which remains a challenge. The Ivorian national carrier resumed flights to the affected countries on October 20, 2014. In 2014, the Government initially funded a CFAF 3 billion plan focused on general prevention measures. The Government subsequently put in place a CFAF 13.5 billion plan, fully financed by commitments from the EU, the World Bank, and AfDB, focused on prevention measures in the districts close to Liberia and Guinea. This plan, which was partially implemented in 2015 by continuing initiatives that had already been carried out, is part of a broader plan of a sub-regional fight against the epidemic via a synergy of efforts of the countries concerned. In this respect, Côte d'Ivoire participated in high-level African summits, namely the summit on strengthening sanitation systems and financing the fight against Ebola, which was held in Malabo, Equatorial Guinea from July 20 to 21, 2015.

In addition, a third CFAF 50 billion plan, financed through the IMF extended credit facility, will extend similar prevention measures to the whole territory. The United Nations Children's Fund and UNOCI helped to increase temporary treatment facilities, while the UNDP supported the mobilization of funds to equip and train up to 300 national and international health agents, as well as Ivorian border police, customs officers and other law enforcement officials in border areas. The UN also supported the development of a communications strategy and an outreach program, as well as the mapping of illegal border crossing points, while the Office for the Coordination of Humanitarian Affairs supported the Government's efforts to streamline clearance procedures and facilitate the operationalization of humanitarian corridors. To date, there has been no reported case of Ebola infection in Côte d'Ivoire. Furthermore, to show its support for affected countries and help them control the epidemic, Côte d'Ivoire provided a financial contribution of CFAF 500 million and sent a support team of eight doctors, four nurses and three hygienists to these countries.

In an effort to allow access to healthcare for the entire population, and in particular for more vulnerable people as well as the poorest Ivorian residents, the Parliament passed a law establishing Universal Health Coverage (*Couverture Maladie Universelle* ("**CMU**")) in March 2014. This law provides for collective coverage of health care costs as well as a contribution that is proportionate with a person's resources. The Government enacted in June 2014 a decree creating the National Health Care Authority. Technical discussions are ongoing to define the health risks and medical procedures to be covered, the costs of services to be provided, and patient cost sharing, along with negotiations with industry representatives on the payment of the mandatory contributions by employers and employees. The reform will be phased in progressively and is expected to have a limited fiscal impact in the short run.

The Government covered the launching costs of the CMU, estimated at around CFAF 10.5 billion in 2015 and CFAF 10.2 billion in 2016. In the medium-term, the CMU is expected to be self-financing from contributions, except for the cost of insuring the poorest households which will be publicly financed and covered by the budget.

The enrollment process for future insureds is underway, and the database of National Sickness Insurance Fund (*Caisse Nationale d'Assurance Maladie*) insureds includes 2,177,790 people as of February 13, 2017, for a starting target population of 3,169,382. The mechanisms in place for the collection of contributions from the formal sector are defined in the decree on contributions that was adopted in June 2014 by the Government. Concerning civil servants and State agents, the Government is expected to make a statement on the terms of contribution collection by the General Mutual Benefit Insurance Company for Public Servants and Agents of the State of Côte d'Ivoire (*Mutuelle Générale des Fonctionnaires et Agents de l'État de Côte d'Ivoire*) (865,000 current beneficiaries) to avoid double payment. For the other sectors (informal and agricultural), a study to determine the terms of coverage for contributions on a case-by-case basis will be carried out in 2017 under the auspices of the World Bank and the French Development Agency ("**AFD**"). In addition, a study to identify the poorest members of the population has been initiated with the support of the World Bank and the Japanese Cooperation. The pilot phase of the implementation of the CMU, concerning the student population of 150,000 physically enrolled, was launched on April 24, 2017 by the Prime Minister. The general implementation phase is planned for January 2018, and the start of collection of contributions is scheduled for October 1, 2017. To facilitate people's access to healthcare, the Government decided to set the contribution to the different regimes managed by the IPS-CNAM at CFAF 1,000 per person and per month. Any individual affiliated with the general basic regime of Universal Healthcare Coverage (*Couverture Maladie Universelle*) must contribute to such regime, with the exception of low-income and economically disadvantaged individuals who are affiliated with the medical assistance regime of Universal Healthcare Coverage, and whose contributions will be borne by the State.

According to a WHO report, one case of dengue fever was identified in Abidjan in April 2017. The Government has been taking measures to prevent the spreading of the virus.

Social Security

There are two social security and retirement pension funds in Côte d'Ivoire:

- the Government Employees' General Pension Fund (*Caisse Générale de Retraite des Agents de l'Etat* ("**CGRAE**")), which is in charge of (i) collecting premiums and subsidies for financing retirement pensions and other services as well as ensuring financial management of excess contributions and (ii) providing various services to designated beneficiaries in the public sector; and
- the National Social Security Fund (*Caisse Nationale de Prévoyance Sociale* ("**CNPS**")), which manages the compulsory social security scheme of the private sector. It also plays a role in the health and social welfare sector.

Poverty Reduction

The 2002-2011 political and military crisis impeded Côte d'Ivoire's efforts with regard to achieving the Millennium Development Goals ("**MDGs**"). The MDGs are development goals based on the Millennium Declaration made during the Millennium Summit of the United Nations in 2000. They are made up of eight interdependent objectives designed to reduce poverty and improve quality of life, particularly in rural areas. With the return to growth and the re-establishment of relations with development partners such as the IMF, the World Bank and the European Union, the Government has reaffirmed its commitment to work towards the realization of the MDGs, in the framework of the implementation of the NDP. Progress is being made in the fight against poverty as well as in primary education, gender parity in education, empowerment of women and maternal and infant health. The most significant progress has been made in combating HIV/AIDS and providing access to drinking water.

In September 2015, 17 Sustainable Development Goals ("**SDGs**") were adopted replacing the MDGs of 2000. In the next 15 years, all UN member countries are expected to facilitate reaching the various target numbers for the 17 SDGs.

To achieve this, the Government, which participated in the process of defining these sustainable development goals and has adopted them, is encouraging the involvement of all stakeholders in the interest of ensuring their successful implementation.

To facilitate the coordination of actions, a national workshop to promote the implementation of the SDGs in Côte d'Ivoire was held on May 12 and 13, 2016 in Grand-Bassam; the agenda addressed awareness initiatives, mobilization and support for parliamentary stakeholders, the Economic and Social Council, local and regional authorities and the Civil Society Organization in their contributions to fulfilling the SDGs.

The table below presents the "pro-poor" expenses as a percentage of nominal GDP from 2013 to 2016:

(% of Nominal GDP)	**2013**	**2014**	**2015**	**2016**
Agriculture and rural development	0.53	0.80	0.57	0.58
Fishing resources and animal production	0.05	0.05	0.05	0.04
Education	4.90	4.69	5.11	5.50
Health	1.28	1.31	1.44	1.54
Water and sanitation	0.77	0.84	0.39	0.27
Energy	0.17	0.29	0.28	0.21
Roads and engineering structures	0.52	0.79	0.80	0.72
Social affairs	0.16	0.14	0.15	0.18
Decentralization (*excluding education, health and agriculture*)	0.22	0.31	0.25	0.26
Reconstructions, rehabilitations and other pro-poor expenses	0.02	0.01	0.07	0.05
Total	**8.66**	**9.29**	**9.12**	**9.40**

Source: MBPE/DGBF

Political System

The law no. 2016-886 of November 8, 2016, instituting the Constitution of the Republic of Côte d'Ivoire, proclaims (i) a commitment to constitutional legality and democratic institutions, (ii) the organization of democratic elections permitting the people to freely choose its governors, (iii) the separation and balance of powers and (iv) the promotion of proper governance and transparency in conducting public affairs.

With regard to public authorities, the new fundamental law introduces new institutions and strengthens the organization and functioning of existing institutions. The President of the Republic alone is vested with executive power and is assisted by a Vice President, a newly-created office. Legislative power is now exercised by a bicameral structure: the National Assembly and the Senate. Judicial power is represented by two judicial institutions, the Supreme Court and the Court of Audit.

Executive Power

The executive power in Côte d'Ivoire is composed of the President of the Republic, the Vice President of the Republic and the Government.

The President of the Republic embodies national unity and ensures compliance with the Constitution. Elected for a five-year term by direct universal suffrage, the President may be re-elected once. The President of the Republic determines and directs the policy of the nation. He is the head of Administration and Commander-in-Chief of the armed forces and appoints civil and military officials. He presides over the Defense and Security Councils and Committees. The President of the Republic appoints the Prime Minister as head of the Government. He may delegate certain of his powers to the Vice President, the Prime Minister or members of the Government, by decree. In the case of vacancy of the Presidency of the Republic as a consequence of death, resignation or absolute impediment, the Vice President of the Republic automatically becomes the President of the Republic until the end of the term of office of the President being replaced. The President of the Republic is Mr. Alassane Ouattara, elected for a five-year term after the presidential election held on October 25, 2015.

The Vice-President acts under the authority of the President of the Republic. The first and current Vice-President is Daniel Kablan Duncan appointed on January 10, 2017. He is a member of the *Parti démocratique de Côte d'Ivoire* (PDCI) which forms a coalition with the *Rassemblement des républicains* (RDR), the party of Alassane Ouattara. As from the next presidential elections scheduled in 2020, the Vice-President of the Republic will also be elected on the same ballot as the President of the Republic for a five-year term by direct universal suffrage.

The Government comprises the Prime Minister, who is the head of the Government, and the ministers. The Prime Minister leads and coordinates government actions. The Prime Minister presides over the Government Council, a preparatory meeting for the Council of Ministers. The current Prime Minister, also appointed on January 10, 2017, is Amadou Gon Coulibaly. He is a member of the *Rassemblement des républicains* (RDR), the party of Alassane Ouattara, which forms a coalition with the *Parti démocratique de Côte d'Ivoire* (PDCI).

Legislative Power

Legislative power is exercised by the Parliament, which is composed of the National Assembly and the Senate. The Parliament votes on laws and determines taxes. It controls actions of the Government and evaluates public policy. Each year, the Parliament meets automatically for an ordinary session beginning on the first business day of the month of April and ending on the last business day of the month of December.

Members of the National Assembly are elected by direct universal suffrage for five years.

The Senate ensures the representation of local communities and Ivoirians living outside of Côte d'Ivoire. Two-thirds of senators are elected by indirect universal suffrage and one-third are appointed by the President of the Republic for a term of five years. As the second chamber of Parliament, the Senate has the same prerogatives as the National Assembly. Draft and proposed laws are submitted to the office of the National Assembly and the Senate, for review by commissions of the two chambers. Any draft or proposed law must be reviewed in succession by the two chambers of Parliament and is passed when approved by a majority vote in each chamber. The draft finance law is submitted first to the National Assembly and draft or proposed laws relating to territorial communities are submitted first to the Senate.

The Constitution and its Title V govern relations between the legislative and executive powers. With specific regard to its control of government actions, members of the Government have access to parliamentary commissions and may be heard by these commissions. The Parliament may be informed of Government actions by means of oral questions, written questions, an inquiry commission or an evaluation initiative. The Court of Audit assists the Parliament and the Government in monitoring the execution of finance laws and in the areas under its authority.

The first elections of the Third Republic reflected a changing political landscape. However, the current configuration of the National Assembly remains dominated by the RHDP party (*Rassemblement des Houphouëtistes pour la Démocratie et la Paix*), which holds 255 seats, 227 of which are distributed as follows across three parliamentary groups: RDR (129), PDCI (89) and UDPCI (9). 18 seats are equally distributed across three other parliamentary groups (*Nouvelle vision*, *Agir pour le peuple* and *Vox Populi*). Only one parliament member is not part of a parliamentary group.

The Judiciary

The Judiciary is independent, and the President of the Republic guarantees this independence. He is assisted by the Supreme Council of Magistracy.

The Supreme Court and the Court of Audit are the two institutions that represent the judicial power. Justice is served by the Supreme Court, the Court of Audit, the Appeals Court, the First Instance Courts, the administrative courts and the regional audit chambers.

The Supreme Court ensures the application of the law by judicial and administrative courts. It comprises: the Court of Cassation and the Council of State.

The Presiding Judge of the Supreme Court is appointed by the President of the Republic for a five-year term. The respective Presiding Judges of the Court of Cassation and the Council of State are the Vice-Presiding Judges of the Supreme Court.

The Court of Audit is the supreme controlling institution of public finances. It is vested with jurisdictional, control and consultation capacities. The Court of Audit controls the management of the financial statements of the State's Departments, national public institutions, territorial communities, independent administrative authorities and any organization benefitting from financial support from public companies and their subsidiaries. In this respect, it (i) ensures the proper use of loans, funds and assets managed by the State's departments and by other public entities; (ii) oversees the execution of finance laws (the State's budget); and (iii) expresses its opinion on the regularity and accuracy of the financial statements as well as the general management of public companies, semi-public companies and companies with public financial support. The Court of Audit is also responsible for helping the Parliament and the Government. Furthermore, the Court may be consulted by the Government, National Assembly and Economic and Labor Board (*Conseil Economique et Social*) concerning economic and financial topics or the management of State and public entity departments.

The President of the Court of Audit is appointed by the President of the Republic for a five-year term that may be renewed once.

The Supreme Council of Magistracy examines matters relating to the independence and ethics of judges. The Council also proposes candidates for appointment as judges of the Supreme Court or the Court of Audit, the First Presiding Judges of the Appeals Courts and the Presiding Judges of the first instance courts. The Supreme Council of Magistracy is presided over by an official appointed by the President of the Republic from among active or retired senior judges.

Other Courts

The Ivoirian constitutional system includes two special courts: (i) a High Court of Justice (*Haute Cour de Justice)* and (ii) a Constitutional Council (*Conseil Constitutionnel*).

The High Court of Justice handles exceptional cases. It has sole jurisdiction to try the President of the Republic, the Vice President of the Republic and the members of the Government, including over alleged acts of high treason committed by the President of the Republic and crimes or offences committed by the Vice President of the Republic and members of the Government in the course of the performance of their official duties. It is presided over by the Presiding Judge of the Supreme Court. The High Court is composed of an equal number of members elected by the National Assembly and the Senate upon the first session of the legislature.

The Constitutional Council is impartial and independent. It is the regulatory body that supervises the functioning of the public authorities. The Constitutional Council has jurisdiction over the constitutionality of the law. It also has jurisdiction over the monitoring of the presidential and parliamentary elections. It comprises the president, the former Presidents of the Republic (except in case of express waiver on their part) and six members appointed for a non-renewable six-year term, three of whom are appointed by the President of the Republic, two by the President of the National Assembly and one by the President of the Senate. One half of the members is renewed once every three years. The President of the Constitutional Council is appointed by the President of the Republic for a non-renewable six-year term.

Political Parties

The multi-party system has been authorized in Côte d'Ivoire since 1990. The main political parties of Côte d'Ivoire are: (i) the PDCI, created by former President Félix Houphouët Boigny, currently headed by former President Henri Konan Bédié, (ii) the RDR, headed by current President Alassane Ouattara, and (iii) the FPI, the political party of former President Laurent Gbagbo, currently headed by Mr. Pascal Affi N'Guessan.

Local Communities

In addition to the two autonomous districts (Abidjan and Yamoussoukro), Côte d'Ivoire is divided into 12 districts, which are subdivided into 31 regions. The country is composed of administrative constituencies of 108 departments (*départements*). The village or neighborhood constitutes the first level of administrative authority and they are respectively administered by a village or neighborhood chief. Each region is administered by a Governor or a President of the Regional Council and each town by a mayor. The departments are administered by *préfets*.

The difficulties of the State to meet the equipment and human resources requirements of the decentralized communities remain a major constraint to the efficient implementation of the decentralization policy. In addition, the local development dynamic suffers from the absence of the decrees required to implement certain powers transferred to territorial communities, the low level of legal monitoring, and the lack of precision in the nature of the relations between the State and territorial communities.

The Government grants subsidies to the decentralized communities and pays the salaries of the civil servants working for these entities. Furthermore, it returns a portion of certain taxes to these decentralized communities, such as taxes on real estate, patents and licences. In addition, some decentralized communities can also levy taxes. For instance, municipalities levy a tax on local trade.

Legal System

As a former French colony, Côte d'Ivoire derives many of its fundamental legal texts and customs from the French civil law system. The primary sources of law in Côte d'Ivoire are the Constitution, international treaties, legislation voted by Parliament and governmental decrees.

The legal texts and regulations are published in an official gazette known as the *Journal Officiel de la République de Côte d'Ivoire*.

As in most former French colonies, the French Civil Code of 1804 is the reference document for non-criminal aspects of the legal system. The civil code was introduced in French colonies in 1833. It comprises the basic family, inheritance, trust, tort and contract law and the basic rules regarding the status of persons and is dealt with in a variety of different codes today in Côte d'Ivoire including the Family Code, the Nationality Code and the Code of Civil and Commercial Obligations.

Business law in Côte d'Ivoire is governed by regulations of the Organization for the Harmonization of African Business Law ("**OHADA**") treaty, of which Côte d'Ivoire is a member. It was created on October 17, 1993 and now comprises 17 African member countries. The primary purpose of the OHADA is to harmonize laws in the area of business and commercial law. Under the OHADA, laws adopted by the group apply directly and immediately to each member country, without need for internal ratification. In addition, the OHADA treaty has created a supranational court, which is vested with judicial powers, and has authority to rule on substantive matters. Its decisions are binding on national courts. It also has advisory powers to ensure uniformity and consistent legal interpretation across the member countries.

Judicial and Arbitral Proceedings

To the knowledge of the Republic, there are no current, pending a threatened judicial or arbitral procedures that could have, or recently have had, a significant impact on the economic and financial situation of the country.

Fight against Terrorism and Piracy

The Government has taken the following measures as part of the fight against terrorism:

- creation of an anti-terrorist cell within the Territorial Surveillance Department (*Direction de la Surveillance du Territoire* ("**DST**"));
- signing of cooperation agreements with Ghana and Liberia;

- strengthening cooperation with specialized organizations such as the Central Intelligence Agency in the United States and the Directorate-General for External Security (*Direction Générale de la Sécurité Extérieure* ("**DGSE**")) in France; and
- drafting of a law on terrorism, with the aim of strengthening legislation in this domain in collaboration with institutions responsible for Côte d'Ivoire's intelligence-gathering.

Despite these security measures, on March 13, 2016, heavily armed assailants attacked three hotels at a beach resort in Grand-Bassam, located approximately 40 kilometers East of Abidjan and a popular weekend location for Ivorian families and western expatriates. Al-Qaeda in the Islamic Maghreb (AQIM) claimed responsibility for the attack, which caused 19 deaths, including 11 Ivorians, one Nigerian, one German, four French, one Macedonian and one Lebanese citizen.

The Ivorian authorities took action immediately after the attack, deploying promptly special forces and commando operations against the assailants. An inter-ministerial committee lead by Interior Minister Hamed Bakayoko and Defense Minister Alain-Richard Donwahi was immediately put in place to direct these operations.

In addition, Côte d'Ivoire called on the Sahel G5 (Burkina, Mali, Mauritania, Niger and Chad) for support and cooperation, as well as the other countries of the sub-region, who are also at risk of terrorism. Côte d'Ivoire can also count on the cooperation of western countries to contain this threat. With the support of all parties, including France, Germany and the United States, the assailants, none of whom is of Ivorian nationality, were finally overcome and placed under arrest. Thanks to the regional cooperation among intelligence services, suspect partners of the assailants were arrested in Mali, Burkina Faso and Senegal. Investigations concerning the preparation of the attacks and the complicities that the assailants benefited from are ongoing.

As part of its commitment to fight against terrorism, Côte d'Ivoire relies on its law on the suppression of terrorism enacted in 2015 and, following the Grand-Bassam attacks, has enhanced its operational response capacity by putting in place a management protocol for addressing terrorist attacks. Côte d'Ivoire also actively participates in regional cooperation efforts against terrorism in order to better manage terrorist threats through the sharing of intelligence, regular meetings among ministries in charge of security, the harmonization of standards for the surveillance of national boundaries and the harmonization of national legislations.

With respect to piracy, the Government has also taken the following measures as part of the fight against maritime piracy in the Gulf of Guinea:

- strengthening the national navy's abilities via the acquisition of a patrol boat on June 23, 2014, as well as the acquisition of a second one christened "the shield", commissioned on July 30, 2015;
- the adoption of Decree No. 2014-30 on February 3, 2014 concerning the organization and coordination of the actions by the State at sea;
- the creation of the Regional Marine Surveillance Center of West Africa (CRESMAO).
- as part of the cooperation with Canada, two Canadian vessels participated in an exercise with the naval forces of the countries of the Gulf of Guinea;
- China has offered two patrol boats to Côte d'Ivoire; and
- Côte d'Ivoire has acquired two navy patrol boats from France.

External Relations

Since its independence, Côte d'Ivoire has (like many former French colonies) maintained privileged relations with France, its former colonial power. Until 1999, Côte d'Ivoire represented a model of political stability and success for French cooperation in sub-Saharan Africa. French companies enjoy a leading position in Côte d'Ivoire's economic activity and France is still an important trading partner. Defense and cooperation agreements have also been concluded between the two countries. The recently renewed defense and cooperation treaty has now been approved by the President. French troops have been stationed in Côte d'Ivoire since its independence in 1960.

French-Ivorian relations went through a period of crisis with the military and diplomatic engagement of France in the conflict between the Government of President Laurent Gbagbo and the *Forces Nouvelles* in 2002-2003. France's initiatives were met with hostile nationalist reactions among the supporters of President Laurent Gbagbo, reflecting a feeling of dispossession of Côte d'Ivoire by foreign interests. After the victory of Alassane Ouattara in the presidential election of 2010, France has continued to play an important role alongside the United Nations Security Council in the supervision of the post-crisis process and the normalization of Côte d'Ivoire's relations with the international community. In 2014, France decided to transform its Licorne military presence in Abidjan into an advanced operational military base which took effect on January 1, 2015.

Diplomatic and economic relations with the United States of America have gradually improved since the end of the crisis. In May 2014, the US Government restored eligibility of Côte d'Ivoire for the African Growth and Opportunity Act ("**AGOA**"), legislation approved by the U.S. Congress in May 2000 with the purpose of assisting the economies of sub-Saharan Africa and improving economic relations between the United States and the region. Furthermore, in December 2014, Côte d'Ivoire became eligible for the US Government sponsored Millennium Challenge Corporation ("**MCC**") program. The MCC, a program designed for developing countries that engage in good governance, economic liberalization, and investment in human resources, provides financing for infrastructure, human development, governance, and market access improvement projects by way of grants.

Côte d'Ivoire qualified for the "Threshold" program of the MCC on December 10, 2014, which should provide additional resources for financing structural projects such as those described in the 2012-2015 NDP.

Moreover, alongside the implementation of reforms and vigorous efforts in terms of proper governance, liberalization of the economy and improvement of the quality of human resources, Côte d'Ivoire was declared eligible for the "Compact" aid program of the Millennium Challenge Corporation ("**MCC**") aiming to contribute to the reduction of poverty through inclusive and sustainable economic growth in developing countries. With a provisional cost of FCFA 290 billion (US$500 million), the "Compact" aid program should help Côte d'Ivoire to finance certain actions to fulfill the first four strategic priorities of its 2016-2020 NDP. This program is expected to be signed in the last quarter of 2017.

As a result of different governance-related corporate reforms, Côte d'Ivoire was declared eligible for the Open Government Partnership (OGP) on July 28, 2015. OGP was launched in 2011 to provide an international platform for domestic reformers committed to making their governments more open, accountable, and responsive to citizens.

Cooperation between Côte d'Ivoire and the European Union is facilitated by the Cotonou agreement signed in 2000. The main sectors of this cooperation for the period 2014-2020 are the strengthening of the State and consolidation of peace, agriculture, food security and energy.

In the context of the diversification of its external partners, Côte d'Ivoire has since 2011 increased its cooperation with a number of partners, notably China, the Republic of Korea, India and Japan. It has put an emphasis on South-South cooperation notably with Morocco, Tunisia and South Africa, and on deepening regional integration. These relations aim to increase the volume of Côte d'Ivoire's trade with the rest of the world and to take advantage of the experience of these countries while accessing additional external resources required for its development. Furthermore, Côte d'Ivoire is developing relations with new political allies in the Arab world in order to attract financing originating from these countries.

Aside from the countries listed above, Côte d'Ivoire maintains diplomatic relations with most of the world's countries, either bilaterally or regionally and multilaterally. Côte d'Ivoire's diplomatic coverage rate is 71.13 per cent in 2017 with a diplomatic presence in 138 of the 197 member states of the United Nations. Côte d'Ivoire is currently analyzing whether and how to share diplomatic representation among one or more countries in order to control costs in this domain.

Membership in International and Regional Organizations

Côte d’Ivoire is an active member of the international community, and its policy is to foster good relations with foreign countries. Côte d’Ivoire is a member of international organizations and signed several international treaties on the global, African and regional level.

Global Organizations

On the global level, Côte d’Ivoire has been a member of the United Nations since September 20, 1960 and of the majority of the multilateral organizations such as the IMF and the World Bank, in each case since March 11, 1963, and the World Trade Organization (WTO) since January 1, 1995. Côte d'Ivoire has applied to sit as a non-permanent member of the UN Security Council for the period 2018/2019.

African Union

Côte d’Ivoire is a member of the African Union (“**AU**”), the successor to the Organization of African Unity. The AU is modeled on the European Union and has had a common parliament since March 2004 when the Pan African Parliament was created. In addition, the AU aims to have a central bank in the long term, a court of justice, common defense and a single currency. Its day-to-day affairs are run by the AU Commission. All member States are required to pledge 0.5% of their GDP to fund the AU. This would allow the AU to double its staff and reach its objectives for the New Partnership for Africa’s Development (“**NEPAD**”). NEPAD is a vision and strategic framework for Africa, designed to address issues such as escalating poverty levels and underdevelopment in Africa. However, few member States comply with the AU’s funding requirement, and expansion consequently remains unimplemented and the AU is reliant on donor support. In addition, many members are reluctant to make the necessary concessions regarding their sovereignty. The AU is however prepared to sanction military interventions through its Peace and Security Council, such as its intervention in Mali. Côte d'Ivoire has served two successive terms in the Peace and Security Council of the African Union, and has chaired the Presidency four times.

ECOWAS

Côte d’Ivoire is an active member of the ECOWAS, established on May 28, 1975 with the signing of the Treaty of Lagos. The ECOWAS is headquartered in Abuja, Nigeria and has 15 West African members (Benin, Burkina Faso, Cape Verde, Côte d’Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo). The organization’s mission is to promote economic integration in all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial matters, and social and cultural matters. In 1993, the ECOWAS treaty was revised to accelerate the process of integration and establish an economic and monetary union to stimulate economic growth and development in West Africa with the following objectives: (i) the removal of customs duties for intra-ECOWAS trade and taxes having equivalent effect, (ii) the establishment of a common external tariff, the harmonization of economic and financial policies and (iii) the creation of a single monetary zone. However, regional trade within the ECOWAS as a share of total trade remains limited due to the lack of harmonization of member States’ economies. Côte d’Ivoire assumed the presidency of ECOWAS for two consecutive years in 2014 and 2015. During its term, Côte d’Ivoire helped strengthen regional integration and to contain certain crises in the region, including in Mali and Guinea Bissau.

West African Economic and Monetary Union and Central Bank of West African States

The West African Economic and Monetary Union (“**WAEMU**”) is an organization of eight West African countries established to promote economic integration among countries that share a common currency, the CFAF. The WAEMU was created by a Treaty signed at Dakar, Senegal, in January 1994 by the Heads of State and Governments of Benin, Burkina Faso, Côte d’Ivoire, Mali, Niger, Senegal and Togo. In May 1997, Guinea-Bissau, a former Portuguese colony, became its eighth (and only non-Francophone) member State.

The BCEAO is the common central bank of the eight member states that form the WAEMU. See “*Monetary System—The Franc Zone and the BCEAO–The BCEAO*”.

The WAEMU is also a customs union and monetary union. Its objectives are greater economic competitiveness, through open and competitive markets, along with the rationalization and harmonization of the legal environment, the convergence of macroeconomic policies and indicators, the creation of a common market, the coordination of sectorial policies and the harmonization of fiscal policies.

Côte d'Ivoire is currently assuming the presidency of the WAEMU. The President of the Republic of Côte d'Ivoire has initiated a reform of the institution and a reflection on the future the CFAF.

Council of the Entente

The Council of the Entente (*Conseil de l'Entente*) is a West African regional cooperation organization created in May 1959, whose purpose is primarily economic. The founding countries were Dahomey (now Benin), Upper Volta (now Burkina Faso), Côte d'Ivoire and Niger. They were joined in 1966 by Togo. In 1966, the Council established permanent administrative headquarters in Abidjan, in Côte d'Ivoire. A mutual aid and loan guarantee fund provides support for the most disadvantaged members.

African Development Bank

Côte d'Ivoire is a member of the AfDB, the main objective of which is to reduce poverty in its regional member countries by contributing to their sustainable economic development and social progress. The AfBD, which temporarily (2003-2014) moved its headquarters to Tunis after the military-civil crisis in 2003, transferred its operations back to Abidjan. The full transfer of its staff was completed in late 2014. The bank even held its annual meeting of May 2015 at Abidjan.

African, Caribbean and Pacific Group of States

Côte d'Ivoire is also a member of the African, Caribbean, and Pacific Group of States ("**ACP**"), an organization created in 1975. It is composed of 79 African, Caribbean and Pacific countries, with all of them, except for Cuba, signatories to the Cotonou Agreement, also known as the "ACP-EC Partnership Agreement" which links them to the European Union. The ACP includes 48 countries from sub-Saharan Africa, 16 countries from the Caribbean and 15 countries from the Pacific. The ACP was originally created with the aim of fostering cooperation between its members and the European Community. The ACP has evolved to also cover agreements with the European Union in the areas of trade, economics, politics and culture.

World Health Organization

The WHO is a key technical partner for Côte d'Ivoire. Although the financial cooperation of bilateral and multilateral institutions has decreased due to the political and military crisis that began in 2002, the WHO's assistance has remained uninterrupted and has in fact increased, mitigating the effects of the crisis. It has continued its assistance in social fields such as health and education.

The mission of the WHO's Country Office in Côte d'Ivoire is to promote the attainment of the highest possible level of health for the country's entire population, by collaborating with the Government and other partners in health development and by supplying technical and logistical support for the country's programs.

Alongside Côte d'Ivoire, the WHO has developed several cooperation strategies to encourage decisive qualitative guidelines for methods of intervention, coordination and advocacy by the WHO in Côte d'Ivoire. The first generation WHO cooperation strategy with Côte d'Ivoire was established covering 2004 to 2005 via a participative process that mobilized, in addition to national health entities, other technical and financial partners of Côte d'Ivoire. The second generation WHO cooperation strategy with Côte d'Ivoire was developed under a framework of priority interventions for the period covering 2009-2013.

This strategy is based on several programs, such as the 2013-2015 National Health Development Plan (*Plan National de Développement Sanitaire* ("**PNDS**")) and the CDMT. It is based upon the mission, guidelines and priorities of the WHO, the United Nations Development Assistance Framework ("**UNDAF**"), the MDGs and the Paris Declaration.

The strategic initiatives for intervention were established as follows:

- accelerating the fight against disease;
- improving maternal, neonatal and child health, as well as the health of teenagers and other vulnerable groups;
- fostering an environment conducive to health;
- strengthening the health system; and
- preparedness for and response to emergencies and catastrophes.

Following and based on the evaluation of this second cooperation strategy, which took place in November 2015, the Government developed a strategy for the 2016-2020 period as part of the 2016-2020 NDP, with the support of the WHO. In connection with this strategy, Côte d’Ivoire is launching mass vaccination campaigns, mainly targeting children up to 5 years of age, in partnership with the WHO.

THE ECONOMY

General Presentation

Côte d'Ivoire is the leading economy in the West African Economic and Monetary Union ("**WAEMU**") in terms of GDP, according to the Central Bank of West African States (*Banque Centrale des Etats de l'Afrique de l'Ouest* ("**BCEAO**")) and, according to WAEMU demographic statistics, the country with the largest population in the WAEMU, with an estimated population of 22.7 million inhabitants in 2014 according to the INS (RGPH 2014). GDP estimates published by the IMF (*Regional Economic Outlook*, *April 2016*) position Côte d'Ivoire among the most dynamic economies in the Economic Community of West African States ("**ECOWAS**") (along with Nigeria and Ghana) in 2015. In the May 2017 edition of the Regional Economic Outlook for sub-Saharan Africa, the IMF reports that Côte d'Ivoire is expected to continue to show solid growth momentum despite the economic downturn resulting from the materialization of new shocks (i.e. decline in cocoa prices and intensification of social tensions). In the same report, the IMF has included Côte d'Ivoire among frontier and emerging market economies in sub-Saharan Africa. Despite a slight decline from last year's figures, growth is expected to remain robust in Côte d'Ivoire due to the sustained high level of infrastructure investment. The country is also the world's largest cocoa producer and exporter and the world's largest producer and exporter of cashew nuts as of the end of 2015, according to the statistics of Côte d'Ivoire's Ministry of Agriculture and the United Nations Food and Agriculture Organisation.

In March 2012, following the end of the 2011 post-election crisis, the Government adopted the first National Development Plan ("**NDP**"), which sought to create an environment conducive to development, in order to boost economic growth and employment. This plan was implemented successfully over the 2012-2015 period and allowed for a dynamic revival of the economy and the stabilization of the country. Real GDP growth was 9.1% on average over the 2012-2015 period. A second 2016-2020 NDP, supported by the IMF and other development partners, aims to transform Côte d'Ivoire into an emerging country with a strong industrial base. The Government expects that the implementation of this second NDP will contribute to consolidating the achievements of the 2012-2015 NDP by maintaining the investment dynamic and ensuring an effective implementation of structural reforms.

The Government estimates GDP growth in 2016 was 8.8% as compared to the IMF's estimate of 7.7%. The Government considers that the difference between its growth data and the IMF's results from differences in the perception and methodology of certain economic indicators, with the primary difference resulting from the estimate for subsistence farming. For 2017, the national authorities forecast a real GDP growth rate of 8.5% as compared to the IMF's more modest forecast of 7.2%.

Côte d'Ivoire's economy is undergoing rapid change given the dynamism of the secondary and tertiary sectors. However, the economy remains dependent on its agriculture, and in particular the coffee-cocoa sector, and is expected to do so for the foreseeable future. See "*Principal Sectors of the Ivoirian Economy – Agriculture*". The Government's recent estimates show that, in 2016, coffee and cocoa together represented 44.3% of the value of exports (excluding exceptional goods) and 16.3% of the country's tax revenues.

This dependence on agriculture makes Côte d'Ivoire's economy vulnerable to fluctuations in global agricultural product prices and to weather conditions both of which affected this sector, in particular, the cacao industry in 2016. In order to reduce the dependency of its economy, Côte d'Ivoire has engaged in a series of reforms aiming to strengthen the resilience of its economy.

On the basis of an assessment of the industrial sector in 2012, the Government formulated a strategy with the objective of increasing the secondary sector's share of GDP from 24% in 2012 to approximately 40% in 2020. To achieve this goal, the Government has undertaken a series of measures including: (i) the adoption of an Investment Code in 2012, (ii) the creation of an Industrial Infrastructure Management and Development Agency (*Agence de Gestion et de Développement des Infrastructures Industrielles*) in 2013, responsible for designing, implementing and ensuring the management of industrial development planning, (iii) the implementation of a program for the revival of the textile industry, (iv) the creation of a new industrial zone on the PK 24 site located approximately 24 km outside Abidjan, (v) the renovation of the Yopougon industrial zone, (vi) the implementation of a National Restructuring and Upgrading

Program for industrial companies, and (vii) the promotion of agricultural raw material processing. See "*Principal Sectors of the Ivoirian Economy – Industrial Production*". With respect to the processing of agricultural products, Côte d'Ivoire aims to reach a rate of at least 50% by 2020. In 2016, this rate was 6.2% for cashew nuts, 32.6% for cocoa, and 100% for palm oil.

The table below presents Côte d'Ivoire's nominal GDP from 2012 to 2017:

	2012	**2013**	**2014**	**2015 (Estimates)**	**2016 (Estimates)**	**2017 (Forecasts)**
			(CFAF billions)			
Nominal GDP	13,677	15,446	17,461	19,408	21,438	23,600

Source: MEF

The table below presents the breakdown of GDP for each sector of activity from 2012 to 2017:

	2012	**2013**	**2014**	**2015 (Estimates)**	**2016 (Estimates)**	**2017 (Forecasts)**
Breakdown in % of GDP						
– Primary sector	22.2	21.0	21.1	20.1	19.0	18.1
– Secondary sector	24.0	26.0	27.4	28.3	30.0	30.6
– Tertiary sector	31.0	30.3	28.4	28.3	28.6	29.5
– Non trade GDP	10.6	12.6	12.7	12.5	12.0	11.6
– Duties and taxes........................	10.7	10.2	10.5	10.8	10.3	10.2

Source: MEF

The table below presents the change in volume of GDP for each sector of activity from 2012 to 2017:

	2012	**2013**	**2014**	**2015 (Estimates)**	**2016 (Estimates)**	**2017 (Forecasts)**
Change in volume (in %)						
Total GDP	**10.1**	**9.3**	**8.8**	**9.2**	**8.8**	**8.5**
– Primary sector	0.3	3.8	16.2	2.8	0.8	7.5
– Secondary sector	6.1	24.2	4.5	13.8	15.2	9.7
– Tertiary sector	6.8	7.2	16.5	9.9	10.2	9.5
– Non trade GDP	16.1	4.5	(17.1)	7.9	3.6	4.0
– Duties and taxes................	90.4	2.4	8.3	9.8	7.1	6.8

Source: MEF

Côte d'Ivoire intends to continue its efforts to modernize and diversify its economy by strengthening its competitiveness and make it more resilient to external shocks. It is committed to implementing its comprehensive agenda of far-reaching structural measures designed with the help of its international development partners, in particular the IMF and the World Bank. Côte d'Ivoire featured for two years in a row among the top 10 reforming countries that have implemented the highest number of measures to improve their respective business environments, according to the World Bank's "Doing Business 2014" and "Doing Business 2015" reports published on 29 October 2013 and 29 October 2014, respectively. According to the World Bank's "Doing Business 2016" report, dated 27 October 2015, Côte d'Ivoire climbed five spots in the ranking (from 147th to 142nd) that measures the quality and efficiency of the regulatory framework of 189 countries throughout the world. The same position is maintained in the latest "Doing Business 2017" report dated October 25, 2016 which ranks Côte d'Ivoire 142nd out of 190 countries. The same edition also ranks Côte d'Ivoire 139th out of 190 in "*Getting credit*".

Furthermore, in 2016, Côte d'Ivoire was ranked 7th in Sub-Saharan Africa and 99th in the world among the 140 most competitive economies, according to the "Global Competitiveness Report 2016-2017" of the World Economic Forum. Côte d'Ivoire was ranked 115th and 90th in the world in 2014 and 2015, respectively. Despite a slight decline in the 2016 ranking, Côte d'Ivoire has maintained its position within the top 10 of the most competitive economies in Africa.

National Development Plans

2012-2015 National Development Plan

Economic activity in Côte d'Ivoire significantly shrank by 4.2% in 2011 as a consequence of the post-election crisis, which led to a slowdown in economic activity and a rise in overall prices, in connection with the following factors:

- the suspension of cocoa export by the Government from February to April 2011;
- the embargo on imports from two ports of Côte d'Ivoire (the Abidjan Port Authority (*Port Autonome d'Abidjan*) and the San Pedro Port Authority (*Port Autonome de San Pedro*)) and the sanctions adopted by the European Union against certain public companies in Côte d'Ivoire;
- the closing of nearly all commercial banks with the exception of the national banks (*Banque Nationale d'Investissement* (BNI), *Banque de l'Habitat* (BHCI), Versus Bank, *Caisse Nationale des Caisses d'Epargne* (CNE)) by mid-February 2011; and
- the intensification of the post-election crisis from the end of March to mid-April 2011.

In March 2012, the Government adopted the NDP for the period covering 2012-2015 as well as the Public Investment Program (*Programme d'Investissements Publics* ("**PIP**")) for the period covering 2012-2014, which aimed at implementing the NDP through concrete projects supporting the Government's economic and development strategy for this period. The purpose of the NDP was to reduce poverty and increase growth through investments designed to make Côte d'Ivoire an emerging country by 2020. Through the creation of the 2012-2015 NDP, Côte d'Ivoire was committed to giving a new impetus to its development policy. The 2012-2015 NDP also provided for the implementation of structural reforms (in the spheres of the business climate and competitiveness of the economy, democratic, administrative, economic and judicial governance, debt, public finance, institutional management capacities and national statistical apparatus). This affected all sectors with growth potential such as agriculture, agrifood, building and public works, mining, petrol, gas and electricity, transportation and commerce, telecommunications and the research and development sector. This new strategy relied on a recovery and development plan based on private and public investment. It identified the main sources of growth, taking into account the comparative advantages of the country. In addition, the 2012-2015 NDP contained precise sectorial objectives and strategies to be implemented by the Ministries, with points of reference which allowed for a regular follow up on the progress achieved.

The strategic objectives of the 2012-2015 NDP included the following:

- build the basis to make Côte d'Ivoire an emerging economy by 2020;
- ensure and sustain macroeconomic stability, including a viable public debt;
- achieve a sustainable high GDP growth rate: according to Government figures, Côte d'Ivoire has exceeded by approximately 1.5% its growth target of 8.6% in 2012 with real GDP growth of 10.1% in 2012, and by approximately 0.3% its growth target of 9.0% in 2013 with an estimated real GDP growth of 9.2% in 2013; the Government reached a real GDP growth of 8.8% in 2014 and 9.2% in 2015 and estimates an 8.8% rate in 2016;
- reduce the poverty rate by half and rejoin the group of African countries with the highest rankings in terms of the Human Development Index of the UNDP;
- achieve, or make significant progress towards, the MDGs;
- create one of the best business environments in Africa, and strengthen the competitiveness of the economy;
- rejoin the group of leading African countries in terms of good governance and fighting corruption; and
- strengthen Côte d'Ivoire's position at the regional and international level.

The 2012-2015 NDP aimed to significantly increase public investment and create an environment conducive to the development of the private sector, with a view to boosting economic growth and employment. In the past decade, public investment had contracted due to the political and military crisis, so that infrastructure could not be maintained or developed, due to the lack of financing. The PIP sought to bring the public component of the investments (in sectors such as safety, health, education, roads and bridges, agriculture, telecommunications, energy, industry and SMEs) from 2.8% of GDP on average over the 2000-2011 period to 6.5% of GDP on average over the 2013-2016 period. The implementation of the PIP has helped achieve these objectives with public investments increasing from 5.5%, 6.3% and 6.9% of GDP in 2012, 2013 and 2014, respectively, to an estimated 6.4% of GDP in 2015 and 6.6% in 2016, and a forecast 7.1% of GDP in 2017.

Similarly, the Government was able to attract private investments and to maintain dynamic, sustained and inclusive growth through (i) the restoration of safety over the whole territory of Côte d'Ivoire, (ii) the consolidation of national reconciliation through the actions of the CDVR created on September 28, 2011, the efforts made by the Government to repatriate those in exile under the auspices of the tripartite agreements among Côte d'Ivoire, the host countries and the United Nations High Commissioner for Refugees, and political dialogue with the opposition resulting in the organization of peaceful elections in 2015 and 2016,(iii) the improvement of the business environment with a view to strengthening consumer confidence, as well as business and investor confidence, and (iv) the promotion of good governance.

Financing Strategy for the 2012-2015 NDP

The financing of the 2012-2015 NDP relied on an increase in public investments and the stimulation of private investment. The total cost of the 2012-2015 NDP's investments (public and private) was CFAF 11,076 billion, including a public sector contribution of CFAF 4,579.6 billion.

According to the Government's estimates, the annual average cost stood at CFAF 2,769.0 billion, with an annual financing mobilization capacity by the State of CFAF 519.6 billion. There remained an overall financing need of CFAF 2,501.1 billion, which was primarily financed through the WAEMU and international financial markets through a strategy designed to avoid jeopardizing debt sustainability, in accordance with the 2013-2016 Medium-Term Debt Strategy (*Stratégie de la Dette à Moyen Terme* ("**SDMT**")) adopted by the Government on December 19, 2013. See "*Public Debt—Public Debt Management Policy—Institutional Measures: The CNDP and the SDMT*".

The table below presents the financing outline of the NDP for the 2012-2015 period, as contemplated by the NDP:

	2012	**2013**	**2014**	**2015**	**Total**	**Average**
			(CFAF billions)			
Total Cost of the Plan	1,520.9	2,263.3	3,129.5	4,162.3	11,076.0	2,769.0
Current Revenues	2,342.6	2,873.1	3,386.3	3,985.9	12,587.8	3,147.0
Current Expenditures	2,005.5	2,130.8	2,333.5	2,552.6	9,022.5	2,256.0
Public Investment (A)	676.4	1,000.0	1,291.2	1,612.0	4,579.6	1,145.0
Financing Received for Public Investment (B)	675.9	110.1	518.0	774.5	2,078.5	519.6
Public Investment Coverage Rate	99.9	11.0	40.1	48.0	45.4	45.4
Public Financing Needs (C=B-A)	(0.5)	(889.9)	(773.2)	(837.5)	(2,501.1)	(625.4)
Private Financing	844.5	1,263.3	1,838.3	2,550.3	6,496.4	1,624.1

Source: DGPE

Monitoring the Implementation of the 2012-2015 NDP

In an effort to better monitor the implementation of the 2012-2015 NDP, the Council of Ministers adopted on February 18, 2014 an assessment report for 2013, with the main following recommendations:

- setting up of Planning Committees within sectorial departments, which correspond to the relevant governmental Ministries;
- carrying out of a General Population and Housing Census (GPHC) in order to have up-to-date available statistics;

- improvement of the investment execution rate to strengthen project implementation capacities and reduce obstacles, particularly administrative burdens;
- development of technical studies related to the projects specified in the 2012-2015 NDP to strengthen the capacities of different actors involved in setting up projects;
- reinforcement of sectorial and intra-departmental coordination for the monitoring and implementation of projects; and
- finalization of departmental policy documents in connection with the 2012-2015 NDP.

In light of this report, an inter-ministerial order was adopted on March 12, 2014 to ensure that disbursement of resources was based on progress in the execution of projects, so as to improve the physical and financial monitoring of investment projects.

Results of the 2012-2015 NDP

According to the 2012-2015 NDP Consulting Group, which were composed of Government representatives, bilateral and multilateral partners, and private sector representatives, the development partners' commitments from 2012 to 2015 amounted to US$9.9 billion (CFAF 4,950 billion), *i.e.*, a commitment rate of 146% in comparison to the amount announced. In terms of the absorption of resources, disbursements stood at US$9 billion (CFAF 4,500 billion) for the same period, representing a disbursement rate of 91% compared to the commitments made.

The implementation of the 2012-2015 NDP was therefore a success in several respects, in particular with regard to:

- the resumption of strong, lasting growth for the Ivorian economy with the support of its development partners;
- Côte d'Ivoire's inclusion and maintained presence among the countries with the highest economic growth in the world, with an annual GDP growth rate of 9% over the 2012-2015 period;
- an increase in investments, which rose from 9% of the GDP in 2011 to 20% in 2015;
- the recovery of real income per inhabitant by nearly 25% between 2012 and 2015;
- a decrease in the poverty rate from 49% in 2008 to 46% in 2015;
- control over the budget deficit and indebtedness;
- improvement of diplomatic relations and reinforcement of so-called economic diplomacy;

As regards road infrastructure and transportation services, a high point in the implementation of the 2012-2015 NDP was the completion of the first engineering projects contemplated as part of the "emergence-by-2020" plan. They included the northern (Singrobo-Yamoussoukro) highway, the Riviera II highway interchange, and the Henri Konan Bédié, Bouaflé and Jacqueville bridges. In terms of roadwork, 140 km of the Gesco–Singrobo highway were reinforced and paving was completed for 86 km of the Singrobo–Yamoussoukro section and for 120 km of the Boundiali–Tengrela section. In addition, more than 5,000 km of rural roads were upgraded.

Significant improvements were made in the social sectors. The number of jobs in the formal sector increased from 722,567 in 2012 to 756,597 in 2013, and again to 799,890 in 2014. This progress was achieved in the context of efforts to address youth unemployment.

Marked improvements were made in terms of access to education; 9,291 primary school classrooms were built, in addition to 3,500 secondary school classrooms and 45 middle schools. These achievements, in addition to a significant recruitment of staff, contributed to an increase in access to education. In that context, the gross primary school admission rate increased from 73.4% in 2008 to 97.8% in 2014. The gross school enrollment rate increased from 76.2% in 2008 to 94.7% in 2014.

Efforts undertaken to rehabilitate and re-equip hospitals and health centers contributed to an improvement in access to health services, as did the implementation of the initiative to provide mothers and children with free healthcare, cesarean sections, and medicines. In addition, efforts to equip and bring technical platforms of health facilities in line with standards contributed to an improvement in the quality of health services.

In terms of access to drinking water, the construction of 794 pumps and 76 water towers, as well as maintenance work performed on 11,446 human-powered pumps, contributed to a significant increase in access to drinking water infrastructure. Moreover, Abidjan's water treatment station now operates with a ground storage capacity of 10,000 m3. All of these developments are contributing to positive changes in the population's health and quality of life.

The commencement of 71 social housing construction projects throughout the country and allocation of 3,060 hectares of land for the low-cost social housing program is expanding the access of low-income populations to property.

The connection of roughly 800 rural towns to the electrical power grid and to ease service subscription costs for households has increased rates of access and coverage.

The private sector contributed significantly to the implementation of the 2012-2015 NDP, particularly through sizeable investments in the energy and mining sectors, especially the Tongon mine, oil and gas exploration, and the establishment of several processing units in the coffee, cocoa, and cashew sectors. During the period from 2012 to 2014, private sector investment amounted to CFAF 4,699 billion, compared with the predicted level of CFAF 3,946 billion, a 118.3% implementation rate. This performance attests to the role of the private sector as a driver of economic growth.

2016-2020 National Development Plan

In order to continue its reform agenda, the Government adopted a new NDP for the 2016-2020 period on December 9, 2015. This 2016-2020 NDP, prepared following a thorough assessment of the NDP's implementation and results, maintains the general objective of making Côte d'Ivoire an emerging economy by 2020. In the vision of the Government, emerging economy status will result in a significant reduction in poverty and a corresponding rise of the middle class, establishing a dynamic, development-oriented and liberal economy that is open to the outside world. This is expected to allow Côte d'Ivoire to successfully integrate into the global economy and further cooperate with its neighbors to strengthen regional integration.

The Government expects growth to continue to be strong, sustained and inclusive so as to allow GDP per capita to double by 2020 and to place Côte d'Ivoire among middle-income countries. A particular focus will be placed on the following: mandatory schooling, food self-sufficiency, access to drinking water, access to electricity in every village with more than 500 residents, the principle of "one citizen, one computer, one Internet connection" and local, effective health systems. Côte d'Ivoire also aims to rank within the top 50 countries in the world in terms of business environment ("Doing Business" ranking), within the leading group of African countries in terms of good governance and transparency in the management of public resources (World Bank index) and within the highest ranked African countries in the UNDP's HDI.

This plan establishes industry as one of the major pillars of the economy's structural transformation and focuses on the following strategies:

- strengthening the quality of the country's institutions and proper governance;
- accelerating the development of human capital and social well-being;
- accelerating the structural transformation of the economy through industrialization;
- developing infrastructure that is equitably spread throughout the country while at the same time protecting the environment; and
- strengthening both regional integration and international cooperation.

The implementation of the 2016-2020 NDP is designed to achieve the following results:

- an average real GDP growth rate of 8.7% between 2016 and 2020. This performance is expected to be driven by the primary, secondary and tertiary sectors, which should record respective average annual growth rates of approximately 5.8%, 11.5% and 9.2% during this period;
- a rise of the investment rate from 19.3% of the GDP in 2015 to 24.5% in 2020. The private investment rate should progress from 12.9% in 2015 to 15.2% in 2020. This significant contribution expected from private investments reflects the Government's reliance on the private sector as an important pillar of emerging economies;
- an inflation rate maintained under the community threshold of +3.0% for WAEMU countries;
- an increase of total revenues and donations from CFAF 3,916.8 billion in 2015 to CFAF 6,492.3 billion in 2020, representing an average growth rate of 10.6%. These resources will remain dominated by fiscal revenues, which are expected to rise from CFAF 2,954.9 billion in 2015 to CFAF 5,317.4 billion in 2020. Fiscal pressure should grow from 15.7% in 2015 to 16.9% in 2020; and
- an improvement of the budget deficit, as a percentage of the GDP, from 2.9% of GDP in 2015 to 1.9% of GDP in 2020.

Several key projects and programs are currently being implemented under the 2016-2020 NDP. These projects pertain mainly to road infrastructures and transportation services, social services and health, and energy and oil, including in particular:

- in the road infrastructures and transportation services sector:
  - Improvements and asphalting of the *Yamoussoukro-Tiébissou* highway (Tiébissou – Bouaké segment): the project was launched in March 2017 with a targeted completion date in 2019, and a total estimated budget of approximately CFAF 292.2 billion;
  - Improvements and rehabilitation of intercity paved roads: the project was launched in 2016, with a targeted completion date in 2020, and a total estimated budget of approximately CFAF 32.4 billion; and
  - Extension and deepening of the Vridi canal and construction of a second container terminal: the extension phase is completed; the deepening and construction works on the second container terminal are in progress. This project was launched in October 2015 with a targeted completion date in October 2018 for the deepening and in October 2019 for the second container terminal, and with a total estimated budget of approximately CFAF 125.7 billion.
- in the social service and health sector:
  - Construction and furnishing of 1,684 pre-school classrooms: 530 additional classrooms have been built and 95 classrooms rehabilitated. The total estimated budget is approximately CFAF 16.6 billion;
  - Distribution of primary school kits: as part of this project, in 2016-2017, more than 3,490,000 kits were distributed for a total amount of CFAF 9.720 billion. The total estimated budget is approximately CFAF 36.02 billion;
  - Construction of 10,107 primary classrooms: as part of this project, the Government built 5,068 classrooms in 2016. The total estimated budget is approximately CFAF 479.4 billion;
  - Increasing the number of school canteens: this program enabled the opening of 105 school canteens. The project was launched in 2016 and the targeted completion date is in 2020, with a total estimated budget of approximately CFAF 27.0 billion;

- Construction of 612 level 2 colleges: as part of this project, 24 level 2 colleges were built. The total estimated budget is approximately CFAF 149.2 billion;

- Construction of 102 level 4 colleges: as part of this project, nine level 4 colleges were built. The project was launched in 2016 and the targeted completion date is in 2020, with a total estimated budget of approximately CFAF 86.7 billion;

- Construction of four general secondary schools: this project is currently being completed. The total estimated budget is approximately CFAF 10.0 billion;

- Construction, rehabilitation and improvement of health care facilities and maintenance units: as part of this project, in 2016, seven general hospitals and two regional hospital centers (*centres hospitaliers régionaux*) were re-equipped and the construction of the Bouaké and Treichville Heart Institutes were completed. The total estimated budget is approximately CFAF 395.4 billion;

- Construction and equipment of the San Pedro University: the project was launched in April 2017 and the targeted completion date is January 2020, with a total estimated budget of approximately CFAF 184 billion;

• in the energy and oil sector:

- Implementation of the Electricity for All Program (*Programme Electricité pour Tous* (PEPT)): as part of this program, in 2016, 141,000 subscription-connections were realized, compared to a total of 175,000 subscription-connections for the 2014-2016 period. The program was launched in October 2014 and the targeted completion date is in 2020, with a total estimated budget of approximately CFAF 270 billion.

After the first year of implementation of the 2016-2020 NDP, Côte d'Ivoire has recorded strong economic performance, despite less favorable international conditions, low rainfall and a fall in international cacao prices, which mitigated initial forecasts to a certain extent. Economic growth remained strong and sustained at 8.8% in 2016, compared to the 9.8% initially expected, in particular due to momentum in the secondary (+15.2%) and tertiary (10.2%) sectors. Initially expected at 4% of the GDP, the budget deficit stood at 3.9%, due to lower than budgeted expenses, despite shortfalls in revenue. Inflation remained stable at 0.7%, well under the WAEMU community threshold of 3.0%.

The Government expects the macroeconomic framework to continue to be solid and sustainable, characterized by a low inflation rate (maintained at 2%), a continued control over the level of the budget deficit (lower than 3% by 2019) and a consolidation of net foreign assets. Its baseline scenario is strong growth driven by structural investments in the main growth sectors and continued large-scale structural reforms. The GDP growth rate reached 9.2% in 2015, 8.8 % in 2016, and is expected to reach 8.5% in 2017, 8.3% in 2018, 8.2% in 2019 and 8.1% in 2020.

Financing Strategy for the 2016-2020 NDP

To achieve these growth objectives, the 2016-2020 NDP provides for an overall investment of approximately CFAF 30,000 billion of which 60% is expected to come from the private sector, including through public-private partnerships. The investment rate is expected to increase from 18.7% of GDP in 2015 to 24.5% in 2020 (public investment being expected to increase from 8% in 2015 to 9% in 2020 and private investment from 10.7% in 2015 to 15.5% in 2020). Inflation is expected to be controlled at an average of 2% per year over the period, below the WAEMU community standard of 3%.

The table below sets forth the financing outline of the 2016-2020 NDP, as contemplated by the Government :

(CFAF Billion)	2016	2017	2018	2019	2020	Total
Revenue Excluding Grants	4,078.7	4,352.4	4,855.2	5,415.9	5,996.8	24,699.2
Total expenses and Net lending excluding Investment	3,510.2	3,613.4	3,753.5	3,901.1	4,136.7	18,915
Total Investment........................	4,277.2	5,148.5	6,000.3	6,847.3	7,726.7	30,000
Public (A)................................	1,643.7	1,950.7	2,286.3	2,560.4	2,843.4	11,284.4
Private	2,633.5	3,197.9	3,714	4,286.9	4,883.2	18,715.6
Public Savings (B).....................	568.54	739	1,101.7	1,514.8	1,860.2	5,784.2
Public Funding Requirements (C=B-A)	(1,075.2)	(1, 211.7)	(1,184.6)	(1,045.6)	(983.3)	(5,500.4)

Source: MDP/DGPLP, MEF/DPPSE, MBPE

Structure of the Economy

The contribution of the primary sector, which comprises food crops (live-stock breeding included), agriculture for export and forestry and fishing, to nominal GDP was 22.2% in 2012, 21.0% in 2013 and 21.1% in 2014; its estimated contribution for 2015 was 20.1% and 19.0% for 2016 and is forecast to be 18.1% in 2017. Agricultural production is very diversified and comprises food crops (in particular rice, cassava and corn) and export crops such as coffee, cocoa, cotton, rubber tree, palm oil and cashew nuts.

The primary sector grew by 4.3% in 2011, 0.3% in 2012, 3.8% in 2013 and 16.2% in 2014; its estimated growth for 2015 was 2.8% and 0.8% in 2016. The expected decrease in growth in 2016 is linked to a 5.3% reduction in coffee and cocoa production due to vegetative rest and the persistence of low and irregular rainfall recorded during the beginning of the year that significantly affected agricultural exports, which decreased by 8.0%. Forecasts for 2017 and 2018 are 7.5% and 9.3%, respectively, in connection with the growth of agricultural exports and the consolidation of food crops.

Generally, the growth of the agricultural sector is primarily due to the implementation of the National Agricultural Investment Program (*Programme National d'Investissement Agricole* ("**PNIA**")) over the 2010-2015 period, namely the 2012-2020 National Rice Development Strategy (*Stratégie Nationale du Développement du Riz* (SNDR)), the objective of which is to cover all consumption needs through local production. Growth of the agricultural sector also results from the continuation of the coffee-cocoa sector reform and the implementation of reforms for the cashew nut and cotton sectors, which is expected to help better structure these sectors and improve their productivity rate. See "*Principal Sectors of the Ivorian Economy—Agricultural*".

The secondary sector, which comprises mining, agro-food industries, oil products and other sub-sectors, represented 30.0% of nominal GDP in 2016, 28.3% of nominal GDP in 2015, 27.4% of nominal GDP in 2014, 26.0% of nominal GDP in 2013 and 24.0% of nominal GDP in 2012. In 2017, the secondary sector is forecast to represent 30.6% of nominal GDP. The secondary sector increased by 6.1% in 2012, 24.2% in 2013, 4.5% in 2014 and 13.8% in 2015 and 15.2% in 2016. This positive trend is primarily due to the development of the manufacturing and building and public works industries and the Government expects this to continue in 2017 at a level of 9.7%, due to the strength of most of its components.

The tertiary sector, which comprises transport, telecommunications, trade and other sub-sectors, was estimated to represent 28.6% of nominal GDP in 2016, 28.3% of nominal GDP in 2015 and 28.4% of nominal GDP in 2014 as compared to 30.3% in 2013 and 31.0% in 2012. In 2017, the tertiary sector is forecast to represent 29.5% of nominal GDP. The contribution of the tertiary sector to GDP is limited by the difficulties of certain market services such as (i) infrastructure deficiencies, (ii) disruption of the supply for markets and supermarkets due to the degradation and insufficiency of railroad infrastructures, (iii) poor access of population to banking services, and (iv) a poorly developed tourism sector. The tertiary sector increased by 6.8% in 2012, 7.2% in 2013, 16.5% in 2014 and 9.9% in 2015. This trend is explained by the revival of activities of all sub-sectors of this sector since the 2011 post-election crisis and by the benefits tied to the growth of the primary and secondary sectors. Furthermore, the Government estimates that the implementation of its SME/SMI development strategy, adopted in February 2014, the reactivation of the Abidjan Transportation Company (*Société des Transports Abidjanais*) ("**SOTRA**") and the commencement of operations of the lagoon water plan to other companies, namely the *Société de Transport Lagunaire* ("**STL**"), as well as the return of the AfDB to Abidjan which was fully completed in late 2014, contributed to a significant increase in activity in the tertiary sector in 2016. The tertiary sector's growth was 10.2% in 2016 and is forecast to reach 9.5% in 2017 due to (i) investments in the telecommunications sector for national fiber optic coverage; (ii) investments in various ports and airports; (iii) the commissioning of new hotels, (iv) the organization of the *Jeux de la Francophonie*; (v) the revival of maritime traffic, in particular in connection with cocoa and oil product exports; and (vi) the expected increase in the volume of margins for cocoa and oil product export businesses.

The table below presents the breakdown of real GDP per sector of activity in 2012:

	Primary sector	**Secondary sector**	**Tertiary sector**	**Non Merchant sector**	**Duties and Taxes**	**Total GDP**
Growth (%)[(1)]	0.3	6.1	9.8	35.1	28.4	10.1
Weight in GDP (%)[(2)]	22.2	24.0	31.0	12.6	10.2	100.0
Contribution to GDP growth (%)	0.1	1.3	2.5	3.5	2.7	10.1

Source: MEF

(1) The sector's growth/decrease in 2012 as compared to 2011.

(2) The sector's share of GDP in 2012.

The table below presents the breakdown of real GDP per sector of activity in 2013:

	Primary sector	**Secondary sector**	**Tertiary sector**	**Non Merchant sector**	**Duties and Taxes**	**Total GDP**
Growth (%)[(1)]	3.8	24.2	7.2	4.5	2.4	9.3
Weight in GDP (%)[(2)]	21.0	26.0	30.3	12.6	10.2	100.0
Contribution to GDP growth (%)	0.8	5.1	2.6	0.6	0.3	9.3

Source: MEF

(1) The sector's growth/decrease in 2013 as compared to 2012.

(2) The sector's share of GDP in 2013.

The table below presents the breakdown of real GDP per sector of activity in 2014:

	Primary sector	**Secondary sector**	**Tertiary sector**	**Non Merchant sector**	**Duties and Taxes**	**Total GDP**
Growth (%)[(1)]	16.2	4.5	16.5	(17.1)	8.3	8.8
Weight in GDP (%)[(2)]	21.1	27.4	28.4	12.7	10.5	100.0
Contribution to GDP growth (%)	3.0	1.1	5.8	(2.0)	0.9	8.8

Source: MEF

(1) The sector's growth/decrease in 2014 as compared to 2013.

(2) The sector's share of GDP in 2014.

The table below presents an estimate of the breakdown of real GDP per sector of activity in 2015:

	Primary sector	**Secondary sector**	**Tertiary sector**	**Non Merchant sector**	**Duties and Taxes**	**Total GDP**
Growth (%)[(1)]	2.8	13.8	9.9	7.9	9.8	9.2
Weight in GDP (%)[(2)]	20.1	28.3	28.3	12.5	10.8	100.0
Contribution to GDP growth (%)	0.6	3.2	3.7	0.7	1.0	9.2

Source: MEF

(1) The sector's growth/decrease in 2015 as compared to 2014.

(2) The sector's share of GDP in 2015.

The table below presents an estimate of the breakdown of real GDP per sector of activity in 2016:

	Primary sector	Secondary sector	Tertiary sector	Non Merchant sector	Duties and Taxes	Total GDP
Growth (%)[1]	0.8	15.2	10.2	3.6	7.1	8.8
Weight in GDP (%)[2]	19.0	30.0	28.6	12.0	10.3	100.0
Contribution to GDP growth (%)	0.1	3.7	3.9	0.3	0.7	8.8

Source: MEF

(1) The sector's growth/decrease in 2016 as compared to 2015.

(2) The sector's share of GDP in 2016.

The table below presents a forecast of the breakdown of real GDP per sector of activity in 2017:

	Primary sector	Secondary sector	Tertiary sector	Non Merchant sector	Duties and Taxes	Total GDP
Growth (%)[1]	7.5	9.7	9.5	4.0	6.8	8.5
Weight in GDP (%)[2]	18.1	30.6	29.5	11.6	10.2	100.0
Contribution to GDP growth (%)	1.3	2.5	3.7	0.3	0.7	8.5

Source: MEF

(1) The sector's growth/decrease in 2017 as compared to 2016.

(2) The sector's share of GDP in 2017.

The table below presents contributions to GDP growth by sector of activity from 2012 to 2017:

	2012	2013	2014	2015 (Estimates)	2016 (Estimates)	2017 (Forecasts)
Primary Sector	0.1	0.8	3.0	0.6	0.1	1.3
Secondary Sector	1.3	5.1	1.1	3.2	3.7	2.5
Tertiary Sector	2.5	2.6	5.8	3.7	3.9	3.7
Non trade GDP	3.5	0.6	(2.0)	0.7	0.3	0.3
Duties and taxes	2.7	0.3	0.9	1.0	0.7	0.7
Total GDP	**10.1**	**9.3**	**8.8**	**9.2**	**8.8**	**8.5**

Source: MEF

Gross Domestic Product (GDP)

The GDP is an economic indicator used to measure the level of economic production of a country. It is defined as the total monetary value of all the final goods and services produced over a given period in the territory of a State by the companies in the country, regardless of their nationality. To determine real GDP, its nominal value must be adjusted to take into account inflation. The growth of GDP is calculated on the basis of real GDP and used as an indicator for the economic growth of a country.

Real GDP in 2014

The primary sector recorded a 16.2% growth rate in 2014, attributable in particular to food agriculture and livestock farming (22% as compared to 1.2% in 2013) and to export-oriented agriculture (9.5% as compared to 5.7% in 2013).

The performance of food agriculture was due to the implementation of the PNIA and above all the continuation of agricultural policies, whose management was ensured by the Rice Development National Office (*Office National de Développement du Riz*).

The slow-down of export-oriented agriculture as compared to 2013 was attributable to the decline in the production of pineapple (56.4 thousand tons in 2014, as compared to 67.5 thousand tons in 2013), of banana (362.4 thousand tons in 2014, as compared to 394.1 thousand tons in 2013) and to the stagnation of cacao (+0.5%). The decline in the pineapple production resulted from the substitution of pineapple by food crops (manioc in particular) and new speculations with more regular revenues such as rubber tree in the region of Bonoua and the decline of investments. The decline in the banana production was explained by the floods that caused the destruction of close to 22% of planted areas.

The secondary sector benefited from improvements in the business environment, the promotion of investment and the strengthening of public-private partnerships. It increased by 4.5% in 2014 after having increased by 24.2% in 2013. This increase is mainly due to the rise of the construction industry (32.2%) subsequent to the continuation of public works initiated in 2012 and 2013, the start-up of new projects, the increase of agro-food industries (+3.4%) and other manufacturing industries (+4.8%) and the downturn in mineral extraction (-3.3%) in connection with the decrease of crude oil (-24.4%) production. The poor performance of crude oil is mostly due to the recurrent closure and stoppage of several wells for construction works as well as the postponement of investments for the CI-27 and CI-40 wells.

The tertiary sector experienced growth of 16.5% in 2014 after having increased by 7.2% in 2013, thanks to the dynamism of all segments: trade (+12.3%), telecommunications (+3%), transportation (+9.1%) and other services (+27.7%). These significant developments are primarily due to the strength of the secondary sector through services rendered to companies, the good health of the financial services and insurance sectors and the upturn in tourism and real estate services. In addition, the tertiary sector was positively impacted by the consolidation of economic activity, coming out at 8.8%.

Real GDP in 2015

In 2015, real GDP growth was estimated at 9.2%, as a result of positive performance in all sectors.

The primary sector recorded a growth rate of 2.8% in 2015, compared to 16.2% in 2014, due to the combined effect of increased agricultural exports (+8.2% compared to 9.5% in 2014) and a decrease in food crop agriculture (-0.9% in 2015 compared to 22% in 2014). Food crop agriculture continued to benefit from the implementation of the PNIA, but results in 2015 were negatively affected by inconsistent and unevenly distributed rainfall. Export agriculture benefitted from improved plant health measures in plantations and orchards, better service roads and more profitable prices.

The secondary sector grew by 13.8% after having increased by 4.5% in 2014, boosted by good performance in all areas, particularly mining (+26.3% compared to -3.3% in 2014), energy (+23.7% compared to +1.5% in 2014), and building and public works (33.5% compared to 32.2% in 2014). The progression of the mining industry is linked to investments in the exploration, development and maintenance of existing wells and mines. The building and public works industry benefitted from ongoing public and private investment projects initiated in 2014 and new public projects launched in 2015.

The tertiary sector rose by 9.9% as a result of dynamic activity in all areas, in association with the dynamism of the primary and secondary sectors. The transportation industry experienced growth at 11.6%, due to the positive effects of the rehabilitation and improvement of road infrastructure, increased commercial trade with inland regions and the gradual renewal of the automobile fleet. Commercial activity increased by 10.4% due to resumed consumption and renewed economic activity. Other services, such as telecommunications, banking and finance, hotels and tourism also progressed.

Real GDP in 2016

In 2016, real GDP growth was estimated at 8.8% due primarily to the performance of the secondary and tertiary sectors. Sectoral changes were as follows:

The primary sector recorded a decrease in the growth rate (+0.8% in 2016 as compared to +2.8% in 2015), due to the decrease in agricultural exports (-8.0%), namely the production of coffee (-16.6%), cocoa (-10.5%), pineapple (-27%) and cashew nuts (7.5%). This poor performance in agricultural exports was due to difficult weather conditions, cacao prices fall and various agricultural diseases. However, food crops grew by 7.4%, thereby offsetting the decrease in agricultural exports. This increase in food crops was due in particular to the performance of cassava (+20%) for tubers and corn (+18.9) for grains.

The secondary sector grew by 15.2%, driven by the significant growth in mineral extraction (+18.1%), sustained energy production (37.9%) and the strong performance of building and public works (+22.1%) in connection with construction relating to the *Jeux de la Francophonie*, the continuation of building construction and public projects (in particular the Tiébissou-Didiévi road located in the center, Ferké-Nassian-Kong road and Korhogo-Airport road from Korhogo located in the north; Adzopé-Pont Comoé road and Bettié bridge located in the south-east; Tiemba bridge; road of the PSAC project). However, the refinery sector experienced poor performance (-1.6%) due to financial difficulties faced by the SIR.

The tertiary sector recorded growth of 10.2% due to the dynamism of all of its sub-components, namely transportation (+9.3%), telecommunications (+9.1%) and trade (+9.7%) in connection with the strength of the secondary sector, better supply of markets, an increase in demand for road transportation services for merchandise and an improvement in revenue.

The non-market sector increased by 3.6% in connection with the implementation of a recruitment program in the social and security sectors, which helped increase the production of services to households.

Duties and taxes increased by 7.1% in volume due to the strong performance of household consumption, which significant affected VAT.

Real GDP in 2017

According to the Government's projections, real GDP growth in 2017 is expected to be 8.5%. This growth rate is expected to result from the rebound of the primary sector and the dynamism of the secondary and tertiary sectors.

The primary sector is expected to record growth of 7.5% as compared to 0.8% in 2016 due the recovery of agricultural exports (+7.3%) and the consolidation of food crops (+7.9%). The growth of agricultural exports should be supported by an increase in the production of cocoa (+10.1%), cotton seed (+34.3%), cashew nuts (+10.1%) due to good rainfall over the year and better crop protection treatments at plantations. Food crops are expected to benefit from the implementation of the Food Crop Production Emergency Support Plan (*Plan d'Urgence d'Appui à la Production Vivrière*).

The secondary sector is expected to increase with 9.7% growth compared to 15.2% in 2016, in connection with the increase of the building and public works (+23.7%), energy (+23%), manufacturing industries (excluding refinery and agro-food industries)(+7%) and oil products (12.1%). The energy sector should benefit from the investments realized since 2012 with a production capacity reinforced by the commissioning of the Soubré dam in March 2017 (+275 MW).

The tertiary sector is expected to benefit from the strong performances of the primary and secondary sectors and the organization of the *Jeux de la Francophonie* in July 2017. It should increase by 9.5% due to transportation (+9.1%), with the resumption of the maritime branch, and trade (+9.6%), benefitting from the increase in the volume of foreign trade margins. The telecommunications sector is expected to continue its strong performance, reaching 9.3%.

The non-merchant sector is expected to increase by 4.0% in connection with the implementation of mandatory education and universal health policies.

Duties and taxes are expected to continue their upward trend to reach 6.8%, supported by the increase in exports of cocoa and oil products as well as household consumption.

The table below presents the main economic indicators of Côte d'Ivoire between 2012 and 2017:

Indicators	2012	2013	2014	2015 (Estimates)	2016 (Estimates)	2017 (Forecasts)
GDP nominal (CFAF billion)	13,677.3	15,445.8	17,461.0	19,408.2	21,438.4	23,599.5
GDP nominal (US$ billion)	26.8	31.3	35.4	32.8	36.2	37.9
GDP per capita (CFAF thousand)	634.5	686	756.1	819.5	882.7	947.4
Real GDP growth rate	10.1%	9.3%	8.8%	9.2%	8.8%	8.5%
Real GDP per capita growth rate	7.4%	6.5%	6.1%	6.4%	6.0%	5.8%
FBCF (variation in volume)	53.0%	50.0%	18.9%	17.6%	17.1%	14.1%
Inflation rate (WAEMU convergence standard)	1.3%	2.6%	0.4%	1.2%	0.7%	1.7%
Investment rate (%)	12.8%	17.0%	18.9%	19.3%	20.5%	21.6%
Basic primary balance (in % of GDP)	13,677.3	15,445.8	17,461.0	19,408.2	21,438.4	23,599.5

Source: MEF

The table below presents the breakdown of nominal GDP between the various sectors of the economy from 2012 to 2017:

	2012	2013	2014	2015 (Estimates)	2016 (Estimates)	2017 (Forecasts)
			(CFAF billions)			
Primary sector	**3,035.0**	**3,240.3**	**3,675.8**	**3,894.6**	**4,083.2**	**4,261.3**
Food crops, breeding	1,710.8	1,754.7	2,109.5	2,133.3	2,361.8	2,557.8
Agriculture for exportation	1,291.5	1,411.4	1,508.5	1,705.8	1,656.9	1,635.8
Forestry	24.7	65.2	49.0	46.2	54.7	57.4
Fishing	8.1	9.0	8.8	9.2	9.8	10.3
Secondary sector	**3,286.6**	**4,008.3**	**4,786.1**	**5,497.6**	**6,428.4**	**7,232.4**
Mining	928.1	926.8	801.3	1,003.9	1,215.0	1,199.6
Agro-food industries	989.4	1,106.2	1,182.1	1,234.0	1,345.8	1,397.5
Oil products	(10.0)	197.5	462.1	479.5	490.8	566.7
Energy (gas, water, electricity)	40.6	98.1	291.1	364.2	518.9	664.1
Construction industries	405.5	480.7	751.3	1,014.9	1,286.1	1,638.6
Other manufacturing industries	933.0	1,199.0	1,298.2	1,401.0	1,571.8	1,765.9
Tertiary sector	**4,237.5**	**4,672.7**	**4,954.3**	**5,490.0**	**6,136.1**	**6,963.0**
Transport	469.4	571.3	556.4	618.2	697.3	783.6
Telecommunications	844.8	853.4	876.1	954.7	1,044.2	1,141.3
Trade	1,350.4	1,444.5	1,607.3	1,796.0	1,989.1	2,267.3
Other Services	1,572.9	1,803.5	1,914.5	2,121.1	2,405.5	2,770.8
Trade GDP	**10,559.2**	**11,921.3**	**13,416.1**	**14,882.1**	**16,647.8**	**18,456.7**
Non trade GDP	**1,727.3**	**1,948.5**	**2,219.3**	**2,431.9**	**2,574.6**	**2,740.6**
Services of the APRIs	1,667.8	1,886.5	2,148.7	2,359.3	2,492.9	2,652.0
Services of the APUs	59.5	62.0	70.6	72.5	81.7	88.6
Duties and taxes net of subsidies	**1,390.8**	**1,575.9**	**1,825.5**	**2,094.2**	**2,216.0**	**2,402.2**
Total GDP	**13,677.3**	**15,445.8**	**17,461.0**	**19,408.2**	**21,438.4**	**23,599.5**

Source: MEF/DGE

The following table presents certain information related to elements of Côte d'Ivoire's nominal GDP in terms of expenses between 2012 and 2017:

	2012	2013	2014	2015 (Estimates)	2016 (Estimates)	2017 (Forecasts)
				(CFAF billions)		
Internal demand	**12,655.9**	**14,418.6**	**16,454.5**	**18,276.9**	**20,406.4**	**22,670.8**
Total Consumption	**10,905**	**11,793.5**	**13,158.0**	**14,535.6**	**16,018.1**	**17,574.3**
Private	9,149.1	9,825.1	11,004.8	12,026.4	13,294.7	14,345.0
Public	1,685.2	1,894.1	2,153.2	2,509.2	2,723.4	3,229.3
Total Investments	**1,751**	**2,625.1**	**3,296.5**	**3,741.3**	**4,388.3**	**5,096.5**
Private	1,001.3	1,656.1	2,092.0	2,494.0	2,979.9	3,427.6
Public	750	968.9	1,204.5	1,247.3	1,408.4	1,668.9

	2012	2013	2014	2015 (Estimates)	2016 (Estimates)	2017 (Forecasts)
				(CFAF billions)		
Net External Demand	**572.2**	**453.4**	**846.9**	**680.2**	**643.9**	**565.5**
Stock variation	**449.3**	**573.9**	**159.6**	**451.1**	**388.1**	**363.2**

Source: MEF

The table below presents the breakdown of nominal GDP between the various sectors of the economy from 2012 to 2017:

	2012	2013	2014	2015 (Estimates)	2016 (Estimates)	2017 (Forecasts)
			(as a percentage of GDP)			
Primary sector	**22.2**	**21.0**	**21.1**	**20.1**	**19.0**	**18.1**
Food crops, breeding	12.5	11.4	12.1	11.0	11.0	10.8
Agriculture for exportation	9.4	9.1	8.6	8.8	7.7	6.9
Forestry	0.2	0.4	0.3	0.2	0.3	0.2
Fishing	0.1	0.1	0.1	0.0	0.0	0.0
Secondary sector	**24.0**	**26.0**	**27.4**	**28.3**	**30.0**	**30.6**
Mining	6.8	6.0	4.6	5.2	5.7	5.1
Agrifood industries	7.2	7.2	6.8	6.4	6.3	5.9
Oil products	(0.1)	1.3	2.6	2.5	2.3	2.4
Energy (gas, water, electricity)	0.3	0.6	1.7	1.9	2.4	2.8
Construction industries	3.0	3.1	4.3	5.2	6.0	6.9
Other manufacturing industries	6.8	7.8	7.4	7.2	7.3	7.5
Tertiary sector	**31.0**	**30.3**	**28.4**	**28.3**	**28.6**	**29.5**
Transport	3.4	3.7	3.2	3.2	3.3	3.3
Telecommunications	6.2	5.5	5.0	4.9	4.9	4.8
Trade	9.9	9.4	9.2	9.3	9.3	9.6
Other Services	11.5	11.7	11.0	10.9	11.2	11.7
Non trade GDP	**12.6**	**12.6**	**12.7**	**12.5**	**12.0**	**11.6**
Services of the APRIs	12.2	12.2	12.3	12.2	11.6	11.2
Services of the APUs	0.4	0.4	0.4	0.4	0.4	0.4
Duties and taxes net of subsidies	**10.2**	**10.2**	**10.5**	**10.8**	**10.3**	**10.2**
Total GDP	**100**	**100**	**100**	**100**	**100**	**100**

Source: MEF

Principal Sectors of the Ivorian Economy

Agriculture

Until reforms were introduced by the Government in the early 1990s, the developments in agriculture were driven by the actions of the State, which intervened at all levels of the agricultural sector. On the basis of the 1992 Agricultural Development Management Plan (*Plan Directeur de Développement Agricole* (ADMP)), Côte d'Ivoire introduced in the early 1990s restructuring efforts aimed at expanding capacity and making the professionals in the agricultural sector more responsible for their activity, managing their development, including through widespread education, research and training, and refocusing the Government on its orientation, incentivization, regulatory and control functions. For instance, as part of a plan to develop rural areas, the Government built 48,000 km of country roads to integrate villages and encampments, as well as 361 agricultural dams for the irrigation of arable land, fishing and raising livestock in rural areas. These initiatives allowed the agricultural sector to maintain a prime position in the Ivorian economy. In 2016, its contribution to GDP was 18.7% representing a growth rate of 7.4% compared to 2015. It also represented 48.8% of the country's overall exports in 2016, employed 46% of the country's active population and was the main source of income for two-thirds of a population that is 50.3% rural (2014 census).

While Côte d'Ivoire's agriculture is still dominated by the coffee-cocoa sector, which played a major role in the Ivorian economic boom of the 1970s, Ivorian agriculture has diversified to include other crops such as palm oil, bananas, cotton, rubber trees, cashew nuts and rice. In 2013, Côte d'Ivoire was the world's leading producer and exporter of cocoa, accounting for more than one-third of the world's cocoa production, and the second cashew nut exporter in the world, according to the statistics of Côte d'Ivoire's Ministry of Agriculture and United Nations Food and Agriculture Organization. Côte d'Ivoire also produced a large share of the world's cola nuts and yams, 11% and 27%, respectively, of the world's production in 2013. In 2016, Côte d'Ivoire remains the world's top producer and exporter of cocoa beans. In addition, since 2015, Côte d'Ivoire is the world's top producer of cashew nuts, which is 93% exported raw. 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.

The table below sets out the output of major agricultural crops in Côte d'Ivoire between 2012 and 2017:

Production	**2012**	**2013**	**2014**	**2015 (Estimates)**	**2016 (Estimates)**	**2017 (Forecasts)**
			(in thousand tons)			
Cocoa Beans	1,499.1	1,669.7	1,678.7	1,825.6	1,634.4	1,800.0
Yams	5,675.0	6,414.0	7,039.2	6,649.9	6,894.5	7,148.1
Plantain Bananas	1,577.0	1,634.4	1,671.7	1,739.1	1,809.3	1,882.3
Cashew Nuts	450.0	487.8	564.8	702.5	649.6	715.0
Manioc	2,412.4	2,436.5	4,239.3	4,390.9	5,269.1	6,217.5
Natural Rubber	254.7	290.0	317.3	360.0	453.0	435.6
Palm Oil	417.8	392.3	420.1	424.1	450.0	446.4
Green Coffee	121.4	103.7	105.9	126.7	105.6	43.0
Corn	654.7	848.6	960.8	906.0	1,077.0	1,141.7
Rice Paddies	1,562.0	1,934.2	2,053.5	2,152.9	2,045.3	2,147.6
Sweet Bananas	377.1	394.1	362.4	359.9	427.0	396.8
Cotton Seed	288.4	357.7	405.2	434.9	332.4	446.5

Source: MEF

The table below sets out the main exports of the agricultural crops of Côte d'Ivoire between 2012 and 2016:

Product	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
			(in CFAF billions)			
Cocoa Beans	1,185.5	1,322.2	1,505.9	2,099.7	1,818.4	1,601.7
Processed Cocoa	536.5	609.5	782.5	930.9	921.7	770.8
Cashew Nuts	167.3	158.0	391.8	427.4	469.5	526.3
Cashew Kernels	8.3	13.4	12.8	25.3	36.2	50.5
Green Coffee	77.3	89.6	57.3	60.6	67.3	30.6
Processed Coffee	37.0	43.4	39.3	49.5	33.8	15.3
Sweet Bananas	71.2	74.6	69.1	68.4	83.4	89.5

Source: MEF

Agricultural Policy

Despite a significant contribution to the GDP (18.7% in 2016), productivity of Côte d'Ivoire's agriculture sector remains weak. This is partly due to unplanned and unanticipated Government disengagement, in particular during the political and military crisis from 2002 to 2011, as well as poor governance in the sector. These factors led to (i) unfair distribution of rebates generated by the different sub-sectors given that the producers are paid the lowest share, (ii) low prices for agricultural products paid to farmers and (iii) poor financing of the industry in general.

In November 2011, the Government adopted a proposal to reform the agricultural industry in the context of the 2012-2015 PNIA. This plan was based on six priority programs: (i) improving the productivity and competitiveness of agricultural products; (ii) developing sectors; (iii) improving the governance of the agricultural sector; (iv) strengthening the capacity of stakeholders in agricultural development; (v) sustainable management of fishing resources; and (vi) renewing forest resources and reviving the wood sector. This program, with an estimated total cost of CFAF 2,040 billion, recorded a level of financial resources of CFAF 1,309 billion available for its performance, i.e. a 64.2% mobilization rate. The 2012-2015 PNIA sought to restore the agricultural growth rate to 9% per year, reduce the poverty rate to 16%, create 2.4 million jobs, reduce food insecurity and process at least 50% of Côte d'Ivoire's agricultural products in the country by 2020. The implementation of this program began in the cocoa/coffee sub-sector and then spread to the cotton-cashew nut sector. New legislation is currently being developed focusing on fertilizers and plant-treatment products. An important component of the PNIA was the SNDR, whose objective was to reach self-sufficiency in terms of rice production by 2016. For the implementation of the SNDR, the National Office for the Development of Rice Farming (*Stratégie Nationale de Développement du* Riz, or SNDR), an administrative public body, was created pursuant to decree no. 2010-202 of July 15, 2010, to replace the National Rice Program (PNR) which was attached to the office of the Minister of Agriculture. The implementation of the SNDR made it possible to achieve the following results at the end of March 2017:

- six transformation units with a five ton capacity installed, two of which are functional;
- 19 transformation units with a two ton capacity installed, four of which are functional;
- personal at 100 mini rice plants were trained in technical and administrative management;
- 744 tons of seeds were produced;
- four mobile treatment units have been acquired under the agricultural productivity programme in West Africa (*Programme de Productivité Agricole en Afrique de l'Ouest* ("**PPAAO**");
- 860.45 ha received hydro-agricultural area improvements out of a 1535 ha forecast;
- 30 storage devices (cocoons) were acquired; and
- 30 unions of operators for operationalizing the rice agricultural inter-branch organization (*Organisation Interprofessionnelle Agricole* ("OIA")) were established.

Moreover, the value chain approach which constitutes the basis of the SNDR made it possible to take into account not only the environment of each of the players of the sector but also to respond to their needs. After four years of implementation, the strategy resulted in (i) improved yields, (ii) increased rice-growing areas, (iii) improved farming techniques of rice farmers and (iv) improved quality of the industrial process of small processors.

The 2012-2015 PNIA helped the country achieve record results in terms of agricultural production and an improvement in producers' revenue. Revenues distributed to producers increased from CFAF 3,368 billion in 2012 to CFAF 5,652 billion in 2015 due to increased prices of cocoa, coffee, cashew nuts and, recently, rubber. Initiatives were also taken for agricultural processing. As a result, Côte d'Ivoire also became the world's top cocoa grinder in 2014. The PNIA financially supported food crops production in order to improve production methods to substantially increase production levels. In order to consolidate the achievements of the 2012-2015 PNIA, the Government plans to launch the 2017-2021 PNIA in 2017, whose major goals will be the local processing of agricultural production, an integrated way of addressing production questions, with full water control, agricultural mechanization, professional training and marketing.

Furthermore, land law reform remains a priority for the Agriculture Ministry, which has benefitted from the assistance of the World Bank and the European Union for this purpose. Reforms to land title are expected to bring the necessary security to use real estate as collateral for the financing of agricultural activities. The process of securing rural land rights, by which village communities can obtain land rights certificates and titles to land, would enable them to give collateral and would therefore ensure the long-term viability of investments. A new law reforming land legislation was adopted on August 23, 2013 to guarantee legal certainty for holders of land titles and to contribute to reducing poverty. Such legislation should increase the legal certainty relating to land purchases and land rentals. It should put an end to operators' hesitation in the face of uncertainty concerning real estate by opening up opportunities to develop business, thereby reducing poverty.

The Coffee and Cocoa Industries

The coffee-cocoa sector has benefitted from numerous reforms with the PNIA's implementation in order to improve the productivity and revenues of producers. Côte d'Ivoire intends to maintain its position as the world's top cocoa producer. Export revenue from these two products increased from 33.2% of the total export revenue in 2012 to 38.8% in 2014 and 46.7% in 2015. In 2016, revenue from coffee and cocoa represented 44.4% of all export revenue.

At the end of 2016, total cocoa production was 1,634,424 tons, a decrease of 10.5% as compared to 2015, for which it amounted to 1,826,073 tons. This change was primarily due to dryness and an invasion of caterpillars that affected approximately 20,368 hectares of plantations before being completely contained by the Coffee Cocoa Council's (*Conseil Café-Cacao*) actions via a plant protection treatment. At the end of the 2015-2016 season (October 2015 – September 2016), cocoa production was 1,580,611 tons, compared to 1,795,852 tons at the end of the 2014-2015 season, a decrease of 12%. The decrease in production marked a departure from the upward trend observed since 2013, due to good rainfall conditions and the use of new, more productive varieties, namely the "Mercédès Cocoa". Cocoa production increased by 11.5% in 2013 and by 0.5% in 2014, with amounts of 1,671,088.5 tons and 1,678,718 tons, respectively. In 2015, production was 1,826,073 tons, an increase of 8.8%.

In 2017, production is expected to rebound by 10.1% to reach 1,800,000 tons, in connection with improved rainfall, despite the decrease in the purchase price from producers following the decrease in international prices.

After the end of the 2011 post-election crisis, the cocoa processing rate has improved continuously. It increased from 29% in 2012 to 31% in 2013, compared to 27% in 2011. This rate reached 33% in 2014 before levelling off at 29.2% in 2015 due to a sharp increase in production. The Government has the goal of increasing the local cocoa processing rate from approximately 32.6% in 2016 to at least 50% by 2020.

Coffee production has declined greatly since 2008, and has not exceeded 150,000 tons per year for more than eight years (126,587 tons in 2015, 105,867 tons in 2014, 103,742.8 tons in 2013 and 121,400 tons in 2012). This has been mainly due to the difficulty of the work involved, coffee's high sensitivity to changes in weather conditions, aging fields and low prices compared to those of cocoa. Dissatisfied farmers are attracted to more lucrative crops such as cocoa and rubber trees. Coffee production saw a rebound of 19.6% in 2015 compared to 2014, as a result of a better maintenance of plantations made possible by the good level of purchase prices paid to producers. At the end of 2016, total production was 105,301 tons, a decrease of 16.6% compared to 2015. At the end of the 2015-2016 season (October 2015 – September 2016), coffee production was 105,601 tons, compared to 126,587 tons at the end of the 2014-2015 season, a decrease of 17%. This downward trend is expected to continue in 2017 with expected production of 43,000 tons, a decrease of 59.3% due primarily to the gradual renewal of fields.

Exports were affected by the decline in cocoa and coffee production. Cocoa exportations dropped from 1,789,522 tons for the 2014-2015 season to 1,579,907 tons for the 2015-2016 season, a decrease of 12%. As for coffee, exports increased by 1%, from 85,243 tons to 85,923 tons for the 2014-2015 and 2015-2016 seasons, respectively.

The Government approved a cocoa sector reform on November 2, 2011 and the decree establishing the sector's new regulatory structure was signed in December 2011. The main elements of this reform involved the implementation of the following schemes, which the Government uses to regulate the sector :

- a central body, the Coffee-Cocoa Council, which was created in January 2012 and includes representatives of the various actors of the coffee-cocoa sector; this body is responsible for the management, regulation, development, and stabilization of prices in the cocoa sector;
- a marketing mechanism which includes forward contracts, forward sales of export licenses and price guarantees to exporters;
- the creation of two stabilization funds: (i) a fund housed at the BCEAO with a total amount of CFAF 70 billion at the end of December 2016 ; and (ii) a technical reserve fund to cover the risks resulting from the price guarantee system intended for producers implemented by the Government. The technical reserve fund was initially approved by the Government with a capital of CFAF 40 billion and was increased to CFAF 70 billion in June 2015, then to CFAF 120 billion in January 2016 and to CFAF 170 billion in December 2016. This fund was partly used in the first quarter 2017 to support the producer prices following the decline of cocoa prices on the international market.

- quarterly communications in the Council of Ministers regarding the financial flows and production levels in the sector.

The main objectives of this reform are to:

- maintain Côte d'Ivoire's position as the world's largest cocoa producer;
- produce 200,000 tons of coffee per year as from 2020;
- improve the quality of coffee and cocoa;
- guarantee at least 60% of the CIF price to coffee and cocoa producers;
- improving the living conditions of producers;
- process 50% of cocoa production by 2020;
- process 35% of coffee production by 2020.

Furthermore, a monitoring committee for reform implementation was created in January 2012. It is responsible for ensuring the application of the core reform legislation through effective implementation of all related legislation and compliance with the rules and undertakings made in the context of the reform.

In line with these reforms, the Government took several measures in 2013 to increase production. These involved the implementation of the "Quantity-Quality-Growth" (*Quantité-Qualité-Croissance* (2QC)) program aiming to improve the quality and productivity of fields by regenerating plantations, combatting the "swollen shoot" disease affecting cocoa trees, training producers with proper agricultural practices and supporting commercialization. Similarly, support was provided under the coffee recovery program and job placements were provided for young people in coffee and cocoa culture and processing. Furthermore, with the support of the Inter-professional Agricultural Research and Advisory Fund (*Fonds Interprofessionnel pour la Recherche et le Conseil Agricole*), the National Center for Agricultural Research (*Centre National de Recherche Agronomique*) and the National Agency for Rural Support and Development (*Agence Nationale d'Appui et de Développement Rural*), the Coffee-Cocoa Council has been providing direct support since early 2012 to producers through the free distribution of improved seeds and phytosanitary products. In addition, the Government intends to promote coffee originating from Côte d'Ivoire. Besides support for productivity, reforms also seek to improve producers' living conditions by strengthening their security and health via the construction of infrastructure in rural regions.

On an operational level, the Coffee-Cocoa Council launched a new sales system, the Anticipated Forward Sales Program (*Programme de Ventes Anticipées à la Moyenne*) on January 31, 2012 with regard to the marketing of the cocoa harvest. Since February 2012, all exporters use this new sales system which ensures that farmers receive at least 60% of the CIF export price. The mechanism is based on selling 80% of the forecasted harvest for the coming crop year, while the remaining 20% is sold during the crop year. The reference price corresponds to the average weighted price of sales realized by anticipation (forward sales) and sales realized during the crop year (spot sales). It is split up between the price for producers, taxes and other levies as well as intermediary costs. The sales take place via regular auctions organized by an automatic system with an electronic messenger interface for participants. A supervisory procedure has been implemented for producers, buyers and cooperatives, in order to ensure strict compliance with the guaranteed price and with quality standards.

The implementation of this mechanism gave a minimum guaranteed price of CFAF 1,100 per kilogram for the main 2016-2017 season, compared to CFAF 1,000 for the 2015-2016 season and CFAF 850 for the 2014-2015 season, an increase of 29.4% as compared to the 2014-2015 season. On this basis, cocoa producers' gross income is estimated at CFAF 1,651 billion and CFAF 1,526 billion, respectively, for the principal 2015-2016 and 2014-2015 seasons. However, given the continued decrease (of around 40%) in international cocoa prices, the minimum guaranteed price of the intermediary 2016-2017 season was set at CFAF 700, a decrease of 35% compared to the principal 2016-2017 season. This price represents at least 60% of the CAF price, in accordance with the legislation governing the sector. The total taxation was reduced from 22% to 16.285% in order to guarantee the minimum price set for the intermediary 2016-2017 season.

Other Sectors

Rubber

In 2016, rubber production was 453,033 tons, an increase of 25.8% compared to 2015 (360,000 tons), in connection with the gradual increase of international prices, following decreases in 2014 and 2015. Côte d'Ivoire consolidated its position as the African leader in this sector. The rubber sector continued to benefit from massive investments made in new plantations due to the strong level of international prices from 2005 to 2013.

In 2017, production is expected to be 435,600 tons, a decrease of 3.8% compared to 2016, mainly attributable to a deficit in qualified labor as well as a delay in payments to producers.

In 2012, a new tax was introduced by the Finance Law for 2012 on production of crumb rubber. The Government also introduced an income tax on revenues of rubber tree producers, as a result of a continuing increase in global prices for the 2008 to 2011 period. This tax amounts to 5% of the turnover of production companies and is applicable whenever the monthly average international price per kilogram exceeds CFAF 1,000.

In 2016, the Government adopted strategic guidelines for the reform of the rubber tree and palm oil sectors. This reform is primarily based on technical assistance to planters to improve their production systems and strengthen their capacities. Furthermore, a new law establishing rules relating to the regulation, control and monitoring of the rubber tree and palm oil sectors' activities was adopted as part of the implementation of this reform. This law aims to improve the governance, productivity and competitiveness of these sectors, in order to allow all the sectors' participants, and particularly producers, to derive greater profits from their activities. It takes into account the similar problems and the agricultural complementarity of these two sectors to govern, under a single legal framework, subjects related to village plantations, marketing, processing and promoting rubber tree and palm oil products. In this respect, it establishes a single body responsible for regulating, controlling and monitoring the activities of the two sectors, in the interest of all the value chain participants.

Palm Oil

Côte d'Ivoire is, after Nigeria, the second largest producer of palm oil in Africa. Production is estimated at 450,000 tons in 2016 compared to 424,100 tons in 2015, an increase of 6.1% following growth of 1% and 7.1% in 2015 and 2014, respectively. This upturn is due to improved support for farmers by supplying equipment and tools, as well as better maintenance of plantations and village trails. In 2017, production is expected to stand at 446,400 tons.

Palm oil plantations cover approximately 240,000 hectares with more 60% of village plantations and less than 40% of industrial plantations. All locally grown oil palm fruit is processed in Côte d'Ivoire by agro-industrial companies, such as the Singaporean OLAM group and independent processors. The palm oil sector is the only sector producing 100% of finished products. Furthermore, there are ongoing plans to use the biomass from production as an input for electrical energy production.

The Ivorian market consumes approximately two-thirds of national production. The balance is exported throughout the ECOWAS region, whose demand is not sufficiently met. To satisfy sub-regional demand, Côte d'Ivoire intends to increase its production and exceed 600,000 tons of raw palm oil by 2020. In order to do so, the Government has adopted a draft law aiming to improve the sector's competitiveness, productivity and governance.

Cashew Nuts

Côte d'Ivoire became the world's top producer of cashew nuts in 2015 with a production of 702,510 tons, an increase of 24.4% compared to 2014. The sector benefits from the implementation of reforms as the basis for the increase in producer prices during recent years. There are around 250,000 producers in Côte d'Ivoire and approximately 1.5 million people in the country derive their livelihood directly from this agricultural product.

In 2016, production decreased by 7.5% to reach 649,587 tons due to unfavorable weather conditions. Production in 2017 is expected to reach 715,000 tons, an increase of 10.1% compared to 2016. 93% of cashew nuts are exported in raw form, mostly to Vietnam and India, which in 2016 accounted for approximately 62.8% and 34.3%, respectively of all cashew nuts exports from Côte d'Ivoire. Reforms undertaken in the sector to boost the processing rate increased the number of cashew nut processing companies to 22 from only 10 in 2012 and consequently to achieve an overall installed capacity of 100,900 tons in 2016. Côte d'Ivoire has the goal of reaching a processing rate of 50% by 2020, this rate stood at 6.2% in 2016. In addition, in order to improve the quality of nuts and productivity, high-quality cashew nut seeds and inputs are distributed to producers.

Cotton

Cotton production is one of the main sources of income and livelihood for communities living in the north of the country.

After enduring the political and military crisis that started in 2002, the country's cotton production since 2011 has been growing as a result of state subsidies granted to farmers over the last three years. This growth is also due to the support of the European Union through the "New Seeds" ("*Nouvelles Semences*") project which improved seed quality for many farmers. The assistance provided by the European Union allowed the restoration of these seed production stations that began producing high-quality seeds, leading to a positive effect on production. In addition, efforts were made to preserve cooperative movements and secure funding for cotton production, primarily by private operators.

In 2015, cotton production increased by 7.3% compared to 2014 to reach 434,913.6 tons, following an increase of 13.3% in 2014 thanks to improvements in productivity due to supplying agricultural products and quality seeds to producers. This sector benefitted from reforms, in particular with respect to the minimum purchase price that is guaranteed to producers by the Cotton-Cashew Council, an entity which was created on the basis of the model of the Coffee-Cocoa Council in 2013.

In 2016, significantly unfavorable weather conditions characterized by late rains during the sowing period (late May to late July) and heavy rain after boll opening (late September to October) reduced yield. Furthermore, the number of cashew nut producers has decreased. As a result, production declined by 23.6% compared to 2015 to reach 332,421.6 tons. However, the quality of cotton produced has significantly improved in connection with the distribution of higher-quality inputs. The rate of superior fiber increased to 48%, compared to 13% in 2015.

In 2017, cotton production is expected to reach 446,513 tons, a 34.3% increase compared to 2016. This positive change is expected to be due to various measures taken to stem the effects of the poor weather conditions, namely improvements in the supply of input to producers (quality, quantity and price), the rise in the purchase price from the producer, the reinforcement of the current cottonseed production system, processing and conditioning of seed for the benefit of the chain as a whole.

The Cotton-Cashew Council adopted a decree for the creation and allocation of exclusive business zones for each cotton company operating in Côte d'Ivoire, that aims to significantly reduce dysfunctions occurring following the liberalization of the sector and revive cotton production in a sustainable manner.

Bananas

With the support of the European Union for the implementation of the 2014 sector's recovery plan, dessert banana production increased by 18.6% in 2016 to reach 426,974.8 tons. This recovery follows the 0.7% and 6.8% declines recorded in 2015 and 2014 respectively due to the flooding of several hectares of plantations in 2014. The production reached 359,947.1 tons compared to 362,362.6 tons in 2014.

The banana sector's recovery plan seeks to improve competitiveness, the environmental conditions of production, workers' quality of life and a better operation both of the local and regional banana market. Côte d'Ivoire intends to double its production by 2020.

Energy and Mining

Electricity

Electricity in Côte d'Ivoire is generated from thermal and hydroelectric plants. With the commissioning of the Soubré dam in March 2017, the country now has six hydroelectric dams and four thermal power stations fueled by natural gas sourced primarily from Côte d'Ivoire, with an installed overall capacity of 2,163 MW (including Soubré's capacity of 275 MW). Electricity production was 8,624.0 GWh in 2015, an increase of 5.0% compared to 2014. In 2016, net electricity production was 10,072.1 GWh, an increase of 16.8% compared to 2015. This trend is due to the production of thermal power, which increased by 17.86% to 8,537.33 GWh, as compared to 7,243.47 GWh in 2015, due to an increase in production capacity of the Azito site in April 2015 (+140 MW) and CIPREL in December 2015 (+111 MW) to meet increased demand. In addition, hydraulic production increased by 13.02% due to the increase of hydraulic stocks. Electricity production is expected to reach 10,213 GWh in 2017, an increase of 18.4% compared to 2016.

The energy mix is dominated by thermal energy, which remains the main source of the supply of electricity with approximately 84.7% of total supply in 2016. Thermal electricity production, valued at CFAF 183.268 billion, has increased by 51.12% compared to its level at the end of the December 2015. The implicit cost of thermal electricity increased from CFAF 16.74/kWh to CFAF 21.47/kWh, or an increase of 51.12% due to the increase in the sale price of electricity produced by Azito and CIPREL sites following the addition of new units. In the past, domestic natural gas production did not meet domestic demand, resulting in the use of more expensive HVO for electricity production. However, due to increased natural gas production, the entry into production of the Soubré dam in March 2017 and the combined cycles, the use of HVO (liquid fuel) is expected to be residual, thereby resulting in a decrease in production costs over the medium and long term.

Côte d'Ivoire produces more electricity than it consumes and exports electricity to sub-Saharan African countries such as Burkina Faso, Mali, Ghana, Togo and Benin. Transmission lines are currently under construction in order to export electricity to Guinea, Sierra Leone and Liberia in the framework of the West African Power Pool (WAPP), an ECOWAS initiative that seeks to open up the West African energy market.

Many households in Côte d'Ivoire still do not have access to electricity because of the high connection costs. The Government has launched works to provide electricity to all villages with more than 500 people. In the period from 2011 to 2015, the coverage rate and access rates went from 34% to 49% and 74% to 80%, respectively. The Government plans to provide electricity to all villages by the end of 2020, and the remaining villages by 2020. Furthermore, measures are being taken to lower household electricity bills, in particular through the distribution of low-electricity-consuming lamps and decreasing subscription costs. The Government intends to increase production capacity to 4,000 MW by 2020, in order to meet external and internal electricity demand.

A new Electricity Code was adopted on February 27, 2014. The code allows various segments of the electricity sector to open up to the private sector. The Government expects transmission and distribution lines to be operated by different private companies after calls for tender and the new code establishes a framework for the development of new and renewable energies, and includes provisions to combat fraud and acts of vandalism at the electricity plants. However, in 2012, actions related to the identification, securing and surveillance of customer counting and a better monitoring of streetlight meters were taken by the concessionaire, the *Compagnie Ivoirienne d'Electricité* ("**CIE**"), to combat fraud in the country. These actions resulted in surplus earnings that reduced financial losses in the electricity sub-sector.

Electricity tariffs are regulated by the State and vary depending on the type of user (professional, household, low voltage, medium voltage and high voltage). Special tariffs exist for certain industrial users, such as textile facilities. Since 2008, fuel expenses have more than doubled because of the rising cost of natural gas sold to the electricity sub-sector, as well as increasing distributor compensation.

The outlook for the electricity sector was outlined in the Priority Action Plan of the Ministry of Energy, developed as part of the Poverty Reduction Strategy Document (*Document de Stratégie de Réduction de la Pauvreté*) process in 2009 and reflected in the 2012-2015 NDP. As a result, in the last quarter of 2011, structural reforms of the sector were launched to reduce institutional overlapping and streamline the organization of the sector. In December 2011, the Asset Management Company of the Electricity Sector (*Société de Gestion du Patrimoine du secteur de l'Electricité*), which manages assets and monitors financial flows in the sector, and the Ivorian Electricity Company (*Société d'Opération Ivoirienne d'Electricité*), which plans and monitors the management of energy flows, were replaced by a single entity, the Côte d'Ivoire Energy Company (*Société des Energies de Côte d'Ivoire*). The National Authority for Electricity Regulation (*Autorité Nationale de Régulation de l'Electricité*) remains in charge of distributors and electricity independent producers, and is responsible for litigation and arbitration between the different stakeholders, including consumers.Increasing the supply of electricity to foster economic growth remains a priority of the Government. To this end, the Government took measures to reduce losses and in particular to reinforce existing sites with production plants using new types of inputs, including biomass, and to improve the electricity transportation and distribution network to satisfy growing demand. In addition, investments amounting to CFAF 5,300 billion over the 2012-2030 period are ongoing. These investments will be financed by both the State and the private sector, with the State's share not exceeding 15% of the planned amount. In this respect, the Government has anticipated an average increase in power of about 150 MW per year for the next few years. The Government's efforts have allowed several projects to be implemented, including (i) the completion and installation of the AZITO 3 project on June 30, 2015, entailing the addition of a 139 MW steam turbine to the two existing ones, as well as recovery equipment for conversion to combined cycle, and (ii) the completion of phase B of the CIPREL 4 project on December 31, 2015, entailing the construction and installation of a combined-cycle gas plant consisting primarily of two gas turbines (TAG9 and TAG10), two recovery boilers and one steam turbine (TAV1). This plan also includes (iii) the construction and operation of the 369 MW Abatta located in Abidjan combined-cycle thermal power plant which will be delivered at the end of 2017. Implementing a deficit reduction strategy for this sector has allowed a gradual improvement of its financial situation and will help it reach financial equilibrium in the medium-term (with investments). As a result, Government subsidies to the sector, which support production costs for the entire country's needs, will decrease. Additional electricity requests from neighboring countries will continue to be billed at the marginal production cost of HVO.

Hydrocarbons

Côte d'Ivoire produces and exports crude oil, and refines imported crude oil products. On December 31, 2016, Côte d'Ivoire's natural reserves were estimated by PETROCI (*Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire*) at 280 million barrels of crude oil and 1,825 billion cubic feet of natural gas. Taking into account existing reserves, the current level of production of natural gas could be maintained until 2034 and the current level of production of crude oil until 2029. Since October 2011, twelve exploratory drillings and three appraisal drillings have been made over the Ivorian sedimentary basin. Exploratory drilling resulted in the discovery of five oil deposits and their reserves are currently being assessed. Six exploration and appraisal wells were completed in 2015. In December 2014, Côte d'Ivoire signed production sharing agreements with Exxon Mobil for two ultra-deepwater blocks in the Gulf of Guinea.

Côte d'Ivoire and Ghana share a maritime border that is currently non-delimited. In 2008, both countries established a mixed Commission responsible for the delimitation of this border. From 2008 to 2014, the mixed Commission held a series of meetings with the goal of reaching a consensus with regard to the borderline. The parties recommended different methods for the delineation of the border. In September 2014, although the parties had consistently favored a negotiated solution, Ghana chose to appeal to the International Tribunal for the Law of the Sea to settle the issue of the delimitation of the maritime border between the two countries. In the face of this unilateral act, the Ivoirian Government chose, in turn, to appeal to the International Tribunal for the Law of the Sea with regard to this territorial dispute with Ghana. Before the proceedings started in September 2014, Tullow Oil discovered hydrocarbon deposits in the disputed area. Notwithstanding the ongoing proceedings, Tullow Oil has arranged the financing for the exploitation of these deposits. On February 27, 2015, Côte d'Ivoire filed a request for precautionary measures with the International Tribunal for the Law of the Sea, requiring Ghana to cease all exploration and exploitation of oil deposits in the disputed area. The Tribunal has rendered a preliminary decision ruling that crude oil and gas extracted since August 2016 will be, as the case may be, re-allocated according to the border to be finally delimited. The International Tribunal for the Law of the Sea is expected to take a final decision at the end of September 2017.

Oil

The production of crude oil decreased from 12.4 million barrels in 2011 to 10.8 million barrels in 2012 and 9.1 million barrels in 2013 and 6.9 million barrels in 2014. This is primarily due to the natural depletion of a number of oil fields. In 2015, the production of crude oil went from 6.901 million barrels in 2014 to 10.735 million barrels, or an increase of 55.5%. This progression is linked to investments in exploration, development and maintenance of existing wells and mines. In 2013, estimated production of 25,021.6 barrels/day was significantly less than imports of approximately 71,000 barrels/day. Côte d'Ivoire remained a net importer of crude oil in 2014 with crude oil production of 18,908.3 barrels/day compared to imports of approximately 62,000 barrels/day. In 2016, crude oil production was 15,425,895 barrels, or 42,147 barrels per day, an increase of 43.70% compared to 2015 due to the contribution of wells established during drilling campaigns at the Baobab (CI-40) and Marlin (CI-27) fields from 2015 to 2016. In 2017, crude oil production is projected at 13.5 million barrels due to the decrease in oil prices which has prompted suspension of further investments on production blocks (CI-26 and CI-40 of CNR) with significant impact on the production of crude oil. Côte d'Ivoire remains a net importer of crude oil.

The Ivorian Refining Company (*Société Ivoirienne de Raffinage* ("**SIR**")) imports crude oil, mostly from Nigeria, and processes it to meet domestic demand in oil products and to export oil products to WAEMU countries.

PETROCI, a state-owned company, was created in 1962 to oversee the country's oil development following its independence in 1960. PETROCI is involved, through private partnerships with foreign oil companies, in exploring and extracting oil and natural gas reserves. PETROCI is entitled to a 10% participation right in these partnerships. Hydrocarbon research and extraction, as well as all PETROCI activities, are governed by the 1996 Oil Code, which was revised by Decree No. 2012-369 on April 18, 2012. Difficulties still persist, however, despite efforts to improve hydrocarbon production and distribution channels for oil products. In order to increase oil production, private investments in oil research and exploitation are needed. Reforms of the Petroleum Code take into account good governance, environmental sustainability and the application of Extractive Industries Transparency Initiative (EITI), adopted by the Government in April 2012.

Oil permits granted by the State to concessionaires are based on shared production contracts (*Contrats de Partage de Production* ("**CPP**")) with consortiums headed by a technical operator which has a majority share in the consortium. The consortium is also in charge of revenue distribution and gives PETROCI its respective share based on the terms of the CPP.

The SIR is the country's only oil refinery. Its main shareholders are Petroci (45.7%), Total (20.4%) and Sonangol (20.0%). Refined products include super unleaded petrol, butane and fuel gas. However, the SIR, which has a monopoly over the import of the crude oil necessary for its production, also controls the imports of competing finished products.

The SIR's production of refined products increased from 1.9 million tons in 2011 to 3.0 million tons in 2012, to 3.1 million tons in 2013 and 3.2 million tons in 2014 and 2015. This increase was due to the revival of the national economy and the strength of exports to ECOWAS countries, particularly to Nigeria. However, the SIR's production of oil products decreased by 8.82% in 2016, amounting to 2.9 million tons. This decrease in production is the result of the combined effects of the shutdown of the HSK3 facility and the SIR's hydrocracker, as well as the low export refinery margins during the second quarter of 2016. The SIR consequently reduced its crude oil processing rate to ensure the supply of the local Ivorian market to the detriment of the export market.

The SIR suffers from distortions due to price controls by the Government, which reduce its profit margin or cause losses when the world prices of oil increase. Pursuant to a revised oil price automatic adjustment mechanism adopted by the Government and implemented in April 2009, oil prices are now linked to international price fluctuations. The SIR also suffers from the Government's outstanding debts, as well as a taxation policy that grants various discounts to a range of consumers. Moreover, the SIR has also suffered due to the decline in refining margins on the international market. However, it has benefitted from several subsidies from the Government throughout the past decade. In October

2016, the Government approved a strategy for restructuring SIR's debt with a view to achieving financial stability in the medium term. An audit completed in early 2016 estimated SIR's debts to local banks and overdue liabilities to suppliers at CFAF 368 billion. The debt restructuring is aimed at eliminating short-term debt largely borne by crude oil suppliers, improving terms of payment and restoring a positive net financial result. SIR is expected to enter into a long-term loan in an amount of CFAF 368 billion, to be guaranteed by the Government. The repayment of this loan will be backed in part by the ongoing fuel surcharge (*soutien à la marge*) granted by the government to SIR. This surcharge will be consolidated in the budget and the Government will transfer its proceeds as a subsidy to SIR. The restructuring of the debt is expected to be implemented by the end of December 2017.

In November 2012, the Government adopted an oil price structure that serves as a basis for an automatic adjustment mechanism of retail station prices. This new price structure has been in place since April 1, 2013. The changes made to this mechanism relate to the introduction of a price component that supports the refinery margin, the reduction of the VAT rates on oil products (from 18% to 9%) and that of the Unique Specific Tax (*Taxe Spécifique Unique*) collected by the State so as to maintain prices at a level that is acceptable to the population. Prices at the pump are currently identical everywhere throughout Côte d'Ivoire since 1975 for liquid products and since April 2013 for butane gas. Since the beginning of September 2015, the price of super gasoline has decreased from CFAF 715 per liter to CFAF 680 per liter, then CFAF 615 and finally CFAF 570, similar to the price of diesel per liter. In addition, the price of super gasoline rose from CFAF 570 to CFAF 593 in May 2017, i.e. a CFAF 23 increase.

The distribution network for oil products significantly deteriorated during the 2002-2011 period due to the political and military crisis. About 24 distribution licenses for oil products were nonetheless granted during this period. The largest fuel distributors are members of the Professional Petrol Group created in 1971 (*Groupement des Professionnels de l'industrie du Pétrole*), including Total CI, Corlay CI, Vivo Ernergy CI, LibyaOil, Oryx Energies, Petro Ivoire, which control 90% of the "white" products (super, oil and diesel) and 76.83% of the "black" products (DDO, Fuel Oil) of the national oil products market in 2016. Other companies are members of the Côte d'Ivoire Professional Petrol Association (*Association professionnelle des pétroliers de Côte d'Ivoire*), created in November 5, 2003.

Gas

Natural gas production has been continuously growing over the 2011-2013 period, increasing from 1,631.8 million cubic meters in 2011, to 1,779.9 million cubic meters in 2012 and to 2,125.9 million cubic meters in 2013, in conjunction with the increased demand from the electricity sector. Natural gas production was 2,131.2 million cubic meters in 2014, an increase of 0.2% as compared to 2013 and 2,224.3 million cubic meters in 2015, *i.e.*, a 4.4% increase as compared to 2014. In 2016, production is estimated at 2,395.0 million cubic meters, an increase of 7.68% compared to 2015. In 2017, production is projected at 2,419.5 million cubic meters, an increase of 1.02% compared to 2016.

The population, especially within the interior of the country, has limited access to butane gas due to high prices in these regions. Since April 2013, prices have been standardized throughout the country and consumption in the interior of the country, excluding Bouaké, increased by 34.16% in 2013 as compared to 2012. The country's supply of butane gas is ensured by domestic production and imports.

In 2015, domestic production of butane gas by SIR (61.67%) and PETROCI (38.33%) represented 8.89% of national consumption, which stood at 241,887 metric tons. The remaining consumption (96.15%) was fulfilled by imports made by the SIR (66.91%) and PETROCI (33.09%). Storage capacity progressed from 9,795 metric tons in 2012 to 19,395 metric tons in 2015, an increase of 98.6%.In 2016, domestic production of butane gas by SIR (76.85%) and PETROCI (23.15%) represented 7.89% of national consumption, which stood at 268,904 metric tons. The remaining consumption (92.11%) was fulfilled by imports made by the SIR (67.74%) and PETROCI (32.26%). Storage capacity progressed from 19,395 metric tons in 2015 to 19,795 metric tons in 2016, an increase of 2.1%. Nevertheless, this capacity remains insufficient to import large batches that would result in decreased prices of such gas and more secure supplies. Furthermore, the cost of acquiring the necessary equipment (packaging, burners, connectors, stoves etc.) still remains high for the majority of the population.

This situation encourages the population to use biomasses as energy sources; which is a threat to the conservation of the environment and the balance of biodiversity.

Improving transparency in the hydrocarbon sector remains a priority for the Government, which has introduced the publication of quarterly reports since 2007 by the Council of Ministers concerning physical and financial flows related to the energy sector, including oil and gas.

Mines

Côte d'Ivoire possesses largely unexploited mining resources. The Ivorian mining sector is dominated by gold. However, other minerals are exploited in Côte d'Ivoire, such as manganese, diamond, bauxite, iron ore, columbite-tantalum and phosphates. Côte d'Ivoire's gold reserves are estimated at approximately 600 tons. The ore is located in the central, northern, western and south-eastern regions of the country. The portion of the GDP that it represents has increased over the past decade. It has risen from 0.1% in 2003 to 2.0% in 2015 and is estimated at 2.2% in 2016. The management of Ivorian mining resources is the responsibility of the General Direction of Mines and Geology (*Direction Générale des Mines et de la Géologie*) within the Ministry of Mines and Energy. As of the end of 2016, 159 exploration permits covering all minerals were currently valid, compared to 168 at the end of 2015.

The Mining Development Company of Côte d'Ivoire (*Société pour le Développement Minier de la Côte d'Ivoire* ("**SODEMI**")), created in 1962, is a State-owned company responsible for geological and mineral research and for managing the State's equity interests in the mining sector. In recent years, SODEMI has been mostly active in the production of gold and manganese, in partnership with international mining companies. SODEMI suffered from significant losses and mismanagement during Côte d'Ivoire's political and military crisis. Following the crisis, a new management team was appointed and the company has continued to expand its activities as well as develop partnerships in mining exploration and operations.

The mining subsector is confronted with four main difficulties that limit production growth: (i) lack of accurate geological maps, (ii) weak level of foreign investment in the development of deposits (iii) lack of adequate and accessible infrastructure due to the political and military crisis that started in 2002 and (iv) lack of national public and private investment due to the absence of a mining tradition.

A new mining code that is more favorable to investors was adopted on March 24, 2014. This new code increases the maximum exploration period from seven to 10 years. The new mining code also brings more transparency to the permit-awarding process and provides for more advantageous tax and customs duties treatment in order to increase the competitiveness of the Ivorian mining sector.

The table below presents the evolution of mining production from 2012 to 2017:

	2012	**2013**	**2014**	**2015**	**2016**	**2017 (Forecasts)**
Gold (kg)	12,164.1	15,516.0	18,600.0	23,500.0	25,050.0	26,000.0
Manganese (tons)	108,330.1	254,499.4	362,000.0	263,200.0	217,000.0	250,000

Source: MEF

Gold is the leading mining product in Côte d'Ivoire and comes from the mines of Ity, Angovia, Agbaou, Bonikro and Tongon located in the West, Center and North of the country, respectively. It represents 4/5 of all exploration permits granted in Côte d'Ivoire. As of 2015, eight gold mining permits were in operation, spread across the Ivorian territory. The gold production demonstrated solid growth from 2012 to 2015, increasing from 15.5 to 23.5 tons in this period and 25.1 tons in 2016. This performance was due to an increase in the operation of the Ity and Tongon gold mines as well as the beginning of production at the Agbaou mine in January 2014.

Manganese is the second-leading mining extraction product in the country and is produced by three mines located in the South and the East of the country. As of 2016, three manganese permits were active. Manganese production increased by 134.9% in 2013, compared to 2012 and constituted 254,499.4 tons. This increase was due to the commencement of production of the Lauzoua mine located in the south of the country. Previously, only the Bondoukou mine located in the East was operational. Manganese production represented 0.5% of GDP in 2013. In 2014, production was 362,000 tons, representing an increase of 42.2% as compared to 2013. In 2015 and 2016, manganese production was 263,000 and 217,000 tons, respectively, representing successive decreases of 27.3% and 17.5%, due to the decline of business in the sector following the decrease of the price of manganese at the international level. Beginning in 2017, production is expected to improve and reach 300,000 tons in 2019.

Diamonds are mined by individuals or by licensed companies. Production of diamonds was suspended in 2002 when the political and military conflict started, first by the Ivorian Government, and then by a UN resolution. In February 2012, the Government held a workshop with three other countries (Guinea, Mali and Burkina Faso) to discuss measures to efficiently combat diamond smuggling on the national and regional levels. The suspension of diamond production and trade in Côte d'Ivoire was lifted on April 29, 2014 following the termination of the restrictions applicable to Côte d'Ivoire under the Kimberley process which is an international certification regime for rough diamonds, unifying governments and diamond companies, with the objective of avoiding negotiating the purchase of diamonds from rebel groups on the global market, so as not to finance their military activities. Diamond production was 9,200 carats in 2015 and 16,290 carats in 2016, an increase of 77%. It is expected to reach 20,000 carats in 2017.

Iron is another mineral product that is available throughout western and southwestern Côte d'Ivoire but which is not yet mined. Deposits have been discovered at four locations within the country: Mont Klahoyo-Tia (Facobly), Mont Gao (Bangolo), Monogaga (San-Pedro) and TrotoSegaye (Bangolo-Douékoué). Technical studies were carried out while waiting for iron prices to recover for mining. Iron ore reserves are estimated at 4 billion tons, nickel-platinoid copper ore reserves at 50 million tons and laterite nickel at 260 million tons. The major operators in the field are SODEMI, Tata Steel and the *Compagnie Minière du Mont Klahoyo* (CMMK).

Industrial Production

Industry constitutes the main part of Côte d'Ivoire's formal private sector. Côte d'Ivoire produces a variety of goods such as processed agricultural products, cement, pharmaceuticals and chemicals, glass, plastics, textiles, cigarettes, wood, soap, refined oil, beverages, alcohol, furniture, reinforced concrete and paper.

The estimated added value of the manufacturing industry in real terms increased by 15.4%, 12.5%, 4.2%, 3.3% and 4.6% in 2012, 2013, 2014, 2015 and 2016, respectively. It is forecast to be 5.0% in 2017 and 5.1% in 2018.

The years 2012, 2013 and 2014 not only benefited from the return of peace on a domestic level after the post-electoral crisis of 2011 but also the return of Côte d'Ivoire to the international scene, with the arrival of new investors for major Government projects in the manufacturing sector. This favorable environment allowed for the recovery of the industrial sector as a whole, particularly in agro-food, energy, furniture manufacturing, construction materials, petroleum products and textiles, as shown in the table below. In 2015, the industrial sector included more than 6,500 companies and contributed to the creation of over 800,000 jobs. The year 2015 was marked by an increase in the mining sector (+26.3% compared to -3.3% in 2014) and the building and public works sector (33.5%). The year 2016 was marked by an increase in industrial activity, excluding oil and gas extraction, of 15.2%, driven in particular by the dynamism of the energy sector (+ 37.9%). The businesses active in the industrial sector include both national companies and subsidiaries of multinationals: Sifca, Nestlé, Palmci, Unilever, Solibra, Bouygues, Bolloré, Cargill, Cemoi, Olam, SICABLE, SIR, Barry Callebaut, Carena, ADM Total, Sifcom, SMB, PETROCI, Socimat, Benabé, Gandour, Filtisac, Filtisac and Uniwax are among the principal industrial players in the country.

The table below presents the variation of the value added of the secondary sector from 2012 to 2017:

Variation (in %)	2012	2013	2014	2015 (Estimates)	2016 (Estimates)	2017 (Forecasts)
Secondary Sector	**6.1**	**24.2**	**4.5**	**13.2**	**15.2**	**9.7**
Petroleum products	**(47.5)**	**18.1**	**(4.3)**	**2.5**	**(1.6)**	**12.1**
Mining extraction	**(25.8)**	**14.7**	**(3.3)**	**26.3**	**18.1**	**(3.2)**
Gold including diamonds and other extractions	(1.5)	28.7	20.5	24.6	6.6	3.8
Manufacturing industries	**15.4**	**12.5**	**4.2**	**3.3**	**4.9**	**4.6**
Agro-food	45.1	1.8	3.9	3.4	1.7	1.4
Drinks and tobacco	34.7	4.0	1.6	3.2	1.9	1.1
Textiles and clothing	81.2	25.9	56.8	(9.0)	17.0	10.0
Wood, paper and print	8.9	10.3	9.1	11.9	5.1	5.9
Chemicals, rubber, plastics	(5.2)	39.4	5.1	3.4	2.9	6.5
Non-metallic minerals	15.1	60.3	31.5	14.3	13.3	12.0
Furniture and others	(25.8)	12.5	(17.9)	(5.9)	10.7	6.4
Energy	**155.2**	**129.3**	**1.5**	**23.7**	**37.9**	**23.0**
BPW	**40.5**	**17.9**	**32.2**	**33.5**	**22.1**	**23.7**

Source: MEF

The primary industrial activity resides in agro-foods. Its share of GDP is estimated at 5.3% in 2016, representing 18.1% of the secondary sector's added-value. In 2017, the share of the sector in the GDP is forecast at 5.1%. The agrifood sector has largely diversified and remains primarily in the milling industry, the processing of coffee and cocoa, fruits and oilseeds, poultry, as well as the production of sugar, beverages and canned fish. A variety of businesses, including subsidiaries of multinationals, share this growing market.

With respect to cocoa processing, 12 companies with a capacity of 706,000 tons per year operate in Côte d'Ivoire. The goal is to increase the cocoa processing rate from 32.6% in 2016 to 50% in 2020.

The processing of cocoa into butter, cakes, chocolate, tablets and powder is done by leading companies: the American multinationals Cargill and Archer Daniels Midland, the Barry Callebaut group from Zurich (represented in Côte d'Ivoire by the *Société Africaine de Cacao*), the SN Chocodi (acquired in 2008 by the Ivorian group CKG Holding), as well as the Swiss group Nestlé, which, for the past few decades, has dominated the processing of robusta cherry into soluble coffee.

The fruit industry is controlled by subsidiaries of French groups such as Selecima, *Compagnie Fruitière* and the *Société Agricole Kablan–Joubin*, which handle the conditioning and processing of fruit into juices within Côte d'Ivoire, before exporting them to Europe. Since Unilever's withdrawal from oilseeds in 2009, the Sifca group has been controlling the national production of food oils.

In the brewery segment, the French multinational Castel, through its local subsidiary *Société de limonaderies et brasseries d'Afrique* ("**Solibra**"), dominates the high-growth sector with an annual production of more than 1 million hectoliters of beer and 400,000 hectoliters of carbonated beverages. With three factories of canned tuna and spices, the *Société des conserveries de Côte d'Ivoire*, *Pêche et froid de Côte d'Ivoire*, a subsidiary of the ThunnusOverseas Group, and a factory owned by Italian NuovaCastelli, Abidjan is one of the main canned tuna exporting centers in Africa. This sector is the fourth largest export of the country with more than CFAF 150 billion of annual turnover (EUR 228.7 million) in 2008, and clearly prevails over the milk industry, represented by eight companies, namely Nestlé CI, Eurolait, Microdis, Finamark, Sapled, Saprolait, Normandia and Cobci.

Today, many products from the Ivorian agro-food industry are exported to the WAEMU zone, despite the competition of products from Europe. The strong performance of the Ivorian agro-food sector relies on increased local demand, throughout the country, as well as from neighboring countries. This sector aims to explore the larger market of ECOWAS, in particular in light of the possibility to export in a customs duty free zone.

For certain products, in particular palm oil, all the processing is done in Côte d'Ivoire for all production volumes. Rubber tree production also undergoes primary processing in Côte d'Ivoire. However, there still remains potential for increase in the manufacturing segment. Indeed, 32.6% of cocoa production and 6.2% of cashew nut production were processed in Côte d'Ivoire in 2016. The Government intends to take measures that favor agricultural product processing in order to control the entire chain of production. The priority will be the processing of agricultural raw materials, in particular of the cashew nut, rubber tree, fruit and vegetable sectors, by removing barriers and developing the value chain.

For the cashew nut sector, the goal is to develop local processing of the cashew nut. To this effect, the Government has adopted a program for the development and transformation of cashew nuts (*Programme pour le développement de la transformation de l'anacarde*) which seeks to raise the domestic cashew nut processing from 6.2% in 2016 to 50% in 2020. This program, which has an estimated cost of CFAF 9.3 billion, aims at facilitating access to financing, improving the quality of products, enhancing the quality of infrastructure and supporting commercialization. In November, 2014, an international trade fair, "SIETTA", was held in Abidjan to introduce processing equipment and technology, support potential investors with the preparation of financial documents and mobilization of funds and promote local consumption of products made from cashew nuts.

With regard to rubber tree transformation, the Government's strategy seeks to promote the development of rubber tree re-manufacturing in Côte d'Ivoire, one of the largest African producers of natural rubber. This targeted marketing campaign was launched with the help of the International Finance Corporation, to attract investors in the re-manufacturing sector. In the fruit and vegetable sector, the Government's current policy also seeks to promote local processing. As in the rubber tree industry, a targeted marketing campaign has been launched with the help of the International Finance Corporation.

Industries in the chemicals, rubber and plastics sector accounted for 2.7% of GDP and 9.6% of the secondary sector in 2015 and 2.6% of GDP and 8.9% of the secondary sector in 2016. For the year 2016, forecasts show proportions of 2.3% of the GDP and 8.6% of the secondary sector. This sector manufactures diverse products, ranging from intermediary goods to consumer goods destined for both the local market and for export. It consists, in particular, of agrochemicals (fertilizer and pesticides), cosmetic products (perfumes, creams) and processing of dampened rubber and plastic goods (shoes, chairs, tables). In most cases, the inputs for production are imported. The principal companies are AF-Chem Sofaco, Callivoire, Polychimie, Stepc, Ghandour, 2CI, Najibco, SAI, Copaci, Africhim, Sadofoss, Saprochim, Themis and Socida.

Industries in the furniture and other industries sector comprise all branches of the industry that are not specified in the tables above. In 2015, their share of GDP stood at 2.1% and they represented 7.4% of the secondary sector. In 2016, they represented 2.1% of GDP and 7.0% of the secondary sector. In 2017, furniture and other industries are expected to account for 2.2% of the GDP and 7.1% of the secondary sector. Products manufactured by these industries include furniture for household and office use, vehicles and machine tools (fitting and assembling), barrels, trays, electrical cables and sheet metal. These products are primarily used for national and sub-regional needs. The principal companies operating in this sector are Mobidis, Macaci, Sicable, Lassire & Cie, Tôle Ivoire, Siem, Ivoiral, Metalux and Setr.

The following table shows the percentage share of the secondary sector and its principal components in the country's nominal GDP from 2012 to 2017:

As a % of GDP	2012	2013	2014	2015	2016 (Estimates)	2017 (Forecasts)
Secondary sector	**24.0**	**26.0**	**27.4**	**28.3**	**29.5**	**30.6**
Petroleum products	**(0.1)**	**1.3**	**2.6**	**2.5**	**2.3**	**2.4**
Mining extraction	**6.8**	**6.0**	**4.6**	**5.2**	**5.6**	**5.1**
Gold including diamonds and other extractions	2.7	2.3	2.2	2.7	3.0	2.6
Manufacturing industries	**14.1**	**14.9**	**14.2**	**13.6**	**13.4**	**13.4**
Agro-food	6.1	6.1	5.8	5.5	5.3	5.1
Beverages and tobacco	1.1	1.0	0.9	0.9	0.8	0.8
Textiles and clothes	0.5	0.6	0.8	0.7	0.8	0.8
Wood, paper and print	0.9	1.0	0.9	0.9	0.9	0.9
Chemicals, rubber, plastics	2.7	2.9	3.0	2.7	2.6	2.7
Non-metallic minerals	0.5	0.6	0.8	0.8	0.9	0.9
Furniture and others	2.3	2.7	2.0	2.1	2.1	2.2
Energy	**0.3**	**0.6**	**1.7**	**1.9**	**2.4**	**2.8**
Building and public works	**3.0**	**3.1**	**4.3**	**5.2**	**5.9**	**6.9**

Source: MEF

The following table shows the percentage share of the different branches of the secondary sector in the country's nominal GDP from 2012 to 2017:

As a % of secondary sector GDP	2012	2013	2014	2015	2016 (Estimates)	2017 (Forecasts)
Secondary sector	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Petroleum products	**(0.3)**	**4.9**	**9.7**	**8.7**	**7.6**	**7.8**
Mining extraction	**28.2**	**23.1**	**16.7**	**18.3**	**18.9**	**16.6**
Gold, including diamonds and other extractions	11.2	8.7	7.9	9.4	10.1	8.4
Manufacturing industries	**58.5**	**57.5**	**51.8**	**47.9**	**45.4**	**43.7**
Agro-food	25.4	23.6	21.3	19.4	18.1	16.7
Beverages and tobacco	4.7	4.0	3.4	3.1	2.9	2.7
Textiles and clothes	2.0	2.2	3.1	2.4	2.6	2.7
Wood, paper and print	3.6	3.8	3.3	3.2	3.1	3.0
Chemicals, rubber, plastics	11.4	11.2	10.8	9.6	8.9	8.6
Non-metallic minerals	2.0	2.4	2.8	2.8	2.9	3.0
Furniture and others	9.5	10.3	7.1	7.4	7.0	7.1
Energy	**1.2**	**2.4**	**6.1**	**6.6**	**8.1**	**9.2**
Building and public works	**12.3**	**12.0**	**15.7**	**18.5**	**20.0**	**22.7**

Source: MEF

In 2012, the Government carried out an assessment of the industrial sector with the aim of increasing its share in the country's GDP from 24% in 2012 to 40% in 2020. To achieve this goal, a National Program for Restructuring and Upgrade of Industries (*Programme National de Restructuration et de Mise à Niveau des Industries* (**PNRMN**)) was implemented. The PNRMN is designed to offer support to businesses in preparation for the opening-up/reduction of barriers to entry in markets in the context of the Economic Partnership Agreements (*Accords de Partenariats Economiques*) with the European Union. The program provides direct financial support in the form of financing and guarantees for investments in equipment to 120 businesses. The cost of the program is estimated at CFAF 152 billion over five years for the period covering 2014 to 2019. The financing is anticipated from several international financial institutions and banks, as well as the private sector. The program began with a start-up phase in 2013 involving 20 industrial businesses. To date, 15 new companies joined the program and strategic diagnostic reviews are under way. As for the access to financing, three of them benefit from accompanying measures, one of which has already obtained bank financing.

The Government's industrial development strategy focuses on three axes: strong contribution from the private sector, use of comparative advantages and targeted assistance from the State in terms of support (e.g., quality, norms, restructuring, access to credit and industrial zones, targeted tax advantages). This strategy is centered around five key themes: (i) agro-industry; (ii) non-agricultural natural resources; (iii) structuring industries; (iv) consumer products; and (v) light manufacturing industries. Various reforms, measures and actions were undertaken in terms of industrial infrastructure as well as raw material processing and an improved business climate in order to help Côte d'Ivoire's gradual industrialization. These are in particular:

- the adoption of an Investment Code in 2012;
- the creation of an Industrial Infrastructure Management and Development Agency (*Agence de Gestion et de Développement des Infrastructures Industrielles*) in 2013, responsible for designing, implementing and ensuring the management of industrial development planning;
- the implementation of a program for the revival of the textile industry, the objective of which is to process at least 25% of cotton fiber production in 2020. The initiatives carried out include: the resumption of UTEXI's business following its acquisition in 2013 by UTEXI-CI (the Government is continuing discussions with private partners for the sale of FTG and the former COTIVO); the implementation of a program to combat counterfeiting; the preparation of a draft framework law relating to the creation of a free trade zone system; restoring the sector's competitiveness by creating a textile free trade zone and improving labor productivity through training; and preparing the organization of a regional textile trade fair in Côte d'Ivoire.
- the creation of a new industrial zone on the PK 24 site located approximately 24 km outside Abidjan (50 Ha directly by the State and 200 Ha as part of a PPP agreement which will be finalized by the end of 2017): currently, 37 companies have acquired plots on this land, including Brassivoire, a beer brewer, and Saphyr, an oil refinery business, which are in production;
- the renovation of the Yopougon industrial zone (645 Ha) which is nearing completion, with a total cost of CFAF 25 billion, primarily includes: highways and drainage of rainwater, with the development of 23.5 km of new roads and the reinforcement of 1.7 km of asphalted roads; public lighting work with the construction of 35 km of low-voltage lines and the installation of two H 61 160 KVA transformers; hydraulic work with the extension of the drinking water supply network in the north portion of the zone over 7 km; and sewage treatment work with the renovation of the existing network, the extension of the sewage network to the entire zone and the construction of a pumping station;
- the promotion of agricultural raw material processing, and in particular:
    - the cashew processing program with the objective of processing all national production, which was approximately 650,000 tons in 2016, of which at least half by 2020. The following measures have been taken:
        - the continuation of State-financed support to operators in order to improve quality, reinforce technical capacities and marketing;
        - the implementation of a storage receipt system to accelerate processing;
        - the organization, from November 17 to 19, 2016, of the 2nd edition of the International Cashew Processing Equipment Fair with the participation of 29 equipment manufacturers and 12,000 visitors;
        - the grant of a bonus to local businesses processing cashew nuts, in the amount of CFAF 400/kg of almonds produced; and
        - the implementation of a financial mechanism to support raw nut processors with the acquisition of raw materials.
    - the cocoa processing reinforcement program with an objective of increasing processed amounts to 900,000 tons in 2020 (50% processing rate) compared to 550,000 tons (32.6%) currently. The following measures have been taken:

- implementation of measures to ensure the competitiveness of cocoa processing units (adjusting the scale to the grinders' specifications, facilitating the management of bean stockpiles without penalties , applying the actual rate of return to determine the taxable base for the Single Export Tax (*Droit Unique de Sortie*) ("**DUS**"), reserving a portion of the mid-crop harvest for grinders);

- implementation of a DUS system differentiated according to the degree of the beans' processing. The benefits of this DUS are conditional upon a commitment to increase the amount of processed cocoa over a five-year period. six companies signed this agreement with a processing commitment of 500,000 tons.

* the reduction of the costs and time required for company creation (the cost decreased from CFAF 661,613 to CFAF 182,400 (-72%) and the time required decreased from 32 days to 48 hours then to 24 hours);
* the creation of the Commercial Court of Abidjan; and
* the implementation of accompanying measures (quality, marketing, management, etc.) and tax incentives for processing companies.

The 2016-2020 NDP establishes industry as one of the pillars of the economy's structural transformation. It emphasizes the following:

* increasing the density and diversity of the industrial sector by leveraging Côte d'Ivoire's comparative advantages;
* improving the transformation rate of raw materials as well as developing comprehensive value chains, particularly in the agricultural sector; and
* consolidating the development of the mining sector, in particular via simplifying license acquisition procedures, securing the mining registry and facilitating the development of local subcontracting.

Building and Public Works Sector

Cement, sheet metal and containers, asphalt, electrical cables and wires, sand, gravel and concrete are, among others, the materials used in the building and public works sector. The usage rate of these materials reflects the production status of building and public works underway with the State's major projects as well as real estate developments and private entrepreneurs.

The building and public works sector has strengthened in recent years due to the completion of major Government projects(the third Abidjan bridge (or Rivera–Marcory bridge, built in 27 months) and road infrastructure projects), as well as through the efforts of private economic operators. International companies in the construction sector such as Colas, Bouygues, Bolloré or ArabContractors, have returned to Côte d'Ivoire in order to accompany the efficient realization of major projects. In parallel, the country has several large cement companies, namely LafargeHolcim and CIMAF, which are attracted by business opportunities in the construction sector. The share of cement in the building and public works sector is 48.1%, followed by sheet metal and containers (15.4%) and asphalt (10.6%).

Cement production has been constantly increasing since 2012. It increased from 1,969,677.93 tons in 2012 to 2,601,474 tons in 2014. In 2015, the production decreased at 2,328,825 tons and is estimated at 2,526,866 tons in 2016. The cement market has demanded more and more cement and therefore requires increased local production to sufficiently supply it. In order to confront the current economic climate and reduce tension of prices, the Ivorian authorities decided on April 24, 2017 to carry out an emergency import transaction of 150,000 tons of cement over the period from May to July 2017.

The table below presents the national cement consumption during the 2011 to 2016 period:

Year	Consumption *(tons)*
2011	1,435,000
2012	1,850,000
2013	2,000,000
2014	2,700,000
2015	3,000,000
2016	3,420,000

Source: Ministry of Industry and Mining

In 2017, cement consumption is forecast at 4,000,000 tons. Furthermore, the commissioning of all project units currently under construction is expected in 2017 and 2018. This concerns in particular the construction of two last generation cement plants by CIMAF, a Moroccan company. CIMAF which announced the start of the production of the San Pedro plant in June 2017 and the launch of the construction of the Bouaké plant in May 2017, to increase the production capacity from 1 million tons a year to 2.5 million extendable to 4 million tons, and the creation of more than 600 direct and indirect jobs. In addition, LafargeHolcim's local branch completed the construction of its sixth grinder, which will allow it to double its annual production capacity to two million tons at the end of 2017. These new investments will help increase domestic cement production capacity to 5,800,000 tons by the end of 2018.

In addition, the majority of large construction projects is open to international tender bids. The Government ensures that the small- and medium- enterprises participate in these projects through subcontracting in order to have a positive impact on local employment.

With respect to the overall evolution of the building and public works sector, its added value, which measures the level of activity in this sector, has recorded increases of 33.5% and 22.5% in 2015 and 2016, respectively, due in particular to the continuation of numerous public sector projects. It is projected to be 23.7% in 2017.

Financial Sector

The financial sector in Côte d'Ivoire is comprised of banks, insurance companies and microfinance institutions.

Banks and Microfinance Institutions

For information on the banking sector, see "*Monetary System*".

Insurance Companies

Côte d'Ivoire's insurance business is regulated by the insurance code of member states of the InterAfrican Conference of Insurance Markets (*Conférence interafricaine des marchés d'assurance* ("**CIMA**")). The market participants, excluding policyholders, include insurance companies (30) and insurance intermediaries (251 insurance agents and 78 certified brokers). There are two professional associations that assist in the development and the stabilization of the market. These are the Association of Insurance Companies of Côte d'Ivoire (*Association des Sociétés d'Assurances de Côte d'Ivoire* ("**ASA-CI**")) and the National Association of Côte d'Ivoire Insurance and Reinsurance Brokers (*Association Nationale des Courtiers d'Assurance et de Réassurance de Côte d'Ivoire*). There are also several professional organizations that regulate the sector: ASA-CI, the Regional Commission of Insurance Control (*Commission Régionale de Contrôle des Assurances*) and the African Federation of Insurance Companies for African National Law (*Fédération des Sociétés d'Assurances de Droit National Africain*).

The size of the insurance sector in Côte d'Ivoire is modest, with an estimated CFAF 278.5 billion in revenue in 2015 compared to CFAF 251 billion in revenue in 2014, CFAF 236 billion in revenue in 2013, CFAF 209 billion in revenue in 2012 and CFAF 185 billion in 2011. However, it continues to be the main market in the CIMA. Its contribution to

GDP (revenue/GDP) remained stable at 1.5% from 2011 to 2015. In 2016, it is estimated at 1.4%. This rate is above the average rate in the CIMA zone, which is 0.9%. According to the Federation of African National Insurance Companies, the penetration rate on the African continent is 4.31%.

The Ivorian insurance sector grew by 8.5% in 2016 after growing by 12.7% in 2015 and 8.1% in 2014, due to the performance of the non-life insurance segment in recent years.

The 30 insurance companies compete to attract the interest of a population that has not yet developed sufficient interest in insurance products. In the distribution of their products, insurance companies work with intermediaries, including brokers and general agents, such as Gras Savoye and Marsh & McLennan, that still largely dominate the market for company insurance. The Ivorian insurance market also includes a reinsurer and international reinsurance companies or reinsurance representatives.

Tourism

After a period of relative growth, Ivorian tourism experienced a sharp decline from the end of 1999 to the end of the post-electoral crisis in 2011, due to the departure of major actors in tourism, as a result of the unstable socio-political situation and increasing insecurity throughout the political and military crisis that began in 2002. The sector experienced a decline in offer and demand as well as a slowdown in marketing activities. In terms of demand, the crisis has resulted in a significant decline in the number of tourists arriving at the Félix Houphouët-Boigny international airport. In terms of supply, several major hotels closed, and other tourism infrastructure and sites deteriorated. Travel agencies have lost more than 80% of their revenue, resulting in the closure of many agencies.

Beyond socio-political instability, several factors were at the root of the decrease in tourist activity. According to the IMF report 13/172 "Côte d'Ivoire: Poverty Reduction Strategy Paper" published in June 2013, the tourism sector is affected by (i) weaknesses in the legal and institutional framework, (ii) inadequate financing of the sector's activities, (iii) the deterioration and inadequacy of tourist and road infrastructures. To these factors are added (iv) the fragility of management structures, (v) inadequacy of the development of tourist products, (vi) price increases in air transport, (vii) lack of an efficient marketing of Côte d'Ivoire as a destination spot and (viii) insufficient partnerships.

The return to socio-political stability creates a favorable environment for the contribution of the tourism sector to the country's economic growth, as demonstrated by the 2017 report of the pan-African travel platform Jumia Travel, an operator in the tourism market in Africa. According to this report dated March 2017, the tourism business' contribution to GDP was 4.8% in 2014 and 3.6% in 2013. In 2017, the forecast is approximately 7%. This contribution is expected to experience an average growth of approximately 5.6% per year until 2026. The IMF Report 15/148, published in July 2015, highlights that the main achievements of the Government included improving the legal and institutional framework of the sector by validating and adopting the new Tourism Code. Moreover, according to the same report, the private sector remains the main engine of the improvement of the tourist offer, mainly as regards the increase in the number of hotels. Between 2012 and 2014, six luxury hotels respectful of international standards (*hôtel Ivoire, Golf hôtel, hôtel golf club, hôtel le Président, hôtel les Parlementaires de Yamoussoukro et hôtel la Paix de Daoukro*) have been rehabilitated. The total number of rooms increased from 27,431 in 2012 to 30,471 in 2013, an increase of 11.09%.

Ivorian tourism provides significant financial resources to the Ivorian State. According to figures from Côte d'Ivoire Tourisme, the supervisory body, between 2000 and 2015 the number of hotels virtually doubled, resulting in revenue of more than CFAF 500 billion, with a total amount of 2,038 hotel establishments. In only five years, the revival of the tourism sector made an important contribution, providing 3,000 direct jobs and 9,000 indirect jobs to more than 2% of the active population.

The country received more than 470,000 foreign travelers in 2015, compared to 400,000 in 2014, which makes the Ivorian tourism industry one of the most dynamic in West Africa. In order to stimulate tourism in Côte d'Ivoire, the Government intends to capitalize on the country's tourist assets, in particular the tropical forest and the beaches around San Pedro. The Government aims to favor eco-tourism and contemplates creating an international airport and an *Aérocité* in San Pedro. As for the Abidjan *Aérocité,* it will be an "airport city", which will offer a range of amenities, including commerce, hotels and housing. Located near the Félix Houphouët-Boigny airport in Abidjan, the *Aérocité* will be developed on a unique site with exceptional natural qualities and located between the ocean and lagoon.

Economic Infrastructures

Road Transport

Côte d'Ivoire has approximately 82,000 kilometers of road network, of which 6,600 kilometers are asphalt roads, and a public urban road network with over 4,000 kilometers of asphalt roads throughout the national territory. Côte d'Ivoire also has approximately 20 ferry boats and approximately 4,600 engineering structures, including over 300 bridges.

Currently, this network is in a state of significant deterioration, with 90% of roads having exceeded their theoretical lifespan. This state of deterioration, the result of more than 10 years of under-investment and insufficient maintenance, has major consequences both at the economic and social level, with increased transportation costs, a reduction in exchanges between the country's different regions and the impoverishment of isolated rural populations.

However, since 2012, as part of the strengthening of road infrastructure, several projects were completed. These include, in particular: (i) the third Abidjan bridge, (ii) the extension of the northern freeway (Singrobo-Yamoussoukro) and the renovation of the Abidjan-Singrobo freeway segment, (iii) the construction of the Abobo-Anyama road, (iv) the construction of a bridge over the Marahoué, (v) the improvement of urban roads in several major cities, (vi) the construction of the Boundiali-Tengrela road, (vii) the construction of an interchange over the Valery Giscard d'Estaing Boulevard in Abidjan, (viii) the construction of the Jacqueville bridge, (ix) the completion of the Abidjan-Bassam highway, (x) the construction of the Béoumi and Bassawa bridges, (xi) the construction of the Bolona-Tengrela-Mali border road and (xii) the improvement of the Pont Comoé-Agnibilekro-Abengourou road.

In terms of outlook, during the Council of Ministers of August 3, 2016, the Government gave a green light to an extensive development program for an overall cost of CFAF 3,760 billion between 2016 and 2020, representing the first phase of its 2016-2020 National Road Development Plan. This plan includes strengthening and extending urban roads in the city of Abidjan and large-scale infrastructure projects and, for the interior of the country, extending the paving of roads in district, regional and departmental capitals. The most important project of the 2016-2020 program involves improving and renovating 3,916 km of interurban asphalt roads at a cost of CFAF 1,246 billion, and is expected to be implemented between 2017 and 2020. The Government also plans the construction of the Tiébissou-Bouaké section of the Yamoussokro-Bouaké highway, with an estimated cost of between CFAF 215 billion and CFAF 292 billion and a completion expected between 2017 and 2020. In addition, the construction and asphalting of the Abidjan-Dabou section on the Abidjan-San Pédro highway, with an estimated cost of CFAF 90 billion, is planned. The program also provides for the construction of the fifth bridge of Abidjan, connecting the Yopougon and Adjamé municipalities, for which construction is expected between 2016 and 2019, with a cost of approximately CFAF 200 billion. The Government also intends to develop the road network between large urban communities in Côte d'Ivoire, to allow for harmonized development of the territory, and the major roads to the ECOWAS countries in order to deepen regional integration, including a highway between Abidjan and Lagos.

Intercity road transport services have developed following a series of business reforms in this sector. The reforms have resulted in the emergence of several small bus stations, as well as in the creation of private passenger and merchandise transport companies. Intercity passenger transport has risen due to the launch of 1,300 large-capacity car parks that serves more than 90 connections and transports around 25 million travelers per year.

The urban road transport services are primarily concentrated in the city of Abidjan and the *Société des Transports Abidjanais* ("**SOTRA**"). The deterioration of the financial and operational condition of the SOTRA resulted in a significant reduction of its bus fleet, which accelerated in 2016. However, as of December 21, 2016, the company's net result was positive (+ CFAF 24 million), compared to a loss in 2015 (- CFAF 335 million), due in particular to pressure on expenses. The arrival of 500 buses in 2017 from the State, of which 117 have already been delivered and are in production since early April, should allow for a recovery of SOTRA's revenues and improve its financial situation. By 2020, this project to acquire new buses should increase the company's bus fleet to 2,500.

With respect to the governance of the infrastructure and transport services sector, the Government adopted the Transport Sector Investment and Adjustment Program (*Programme d'Investissement et d'Ajustement du Secteur des Transports or* CI-PAST), to reorganize the institutional framework and reform the legal and regulatory framework of the sector. This CFAF 12 billion program represents an important component of the Government's efforts to promote road maintenance and safety. Many other road infrastructure development projects are currently in progress. These projects include the construction of approximately 50 intersections and 20 other structures, including the Williamsville-Adjamé pedestrian bridge in Abidjan. In 2014, the third Abidjan bridge (built in 27 months) as well as the Riviera 2 interchange were completed. In 2015, the Bouaflé bridge over Marahoué in the central part of the country, the Jacqueville bridge and the Bassam highway were inaugurated.

River, Lagoon and Maritime Transport

Côte d'Ivoire has more than 500 km of coastline and two seaports in San Pedro and Abidjan, with San Pedro being a deep sea port. The Abidjan Port Authority handles approximately 87% of Côte d'Ivoire's international trade. After the important resumption of port operations in 2012, both 2013 and 2014 were marked by a contraction in total traffic of -1.1% and -3.1%, respectively, due to a decrease of oil products, primarily due to the closure of several oil fields. In 2015, the total merchandise traffic grew by 4.8%, as a result of dynamic economic activity. This positive development can be explained by the progression of activities in both the Abidjan Port Authority and the San Pedro Port Authority. The Abidjan Port Authority's goal is to be a hub for transshipment for neighboring land-locked countries such as Burkina Faso, Mali and Niger.

Traffic at the San Pedro Port Authority was estimated to be 4.3 million tons in 2013, of which 60.5% in exports and 39.5% in imports. In 2014, its traffic rose to 4.7 million tons, an increase of 9.3% compared to 2013, primarily in connection with the increase of imports by 1.3%. In 2015, traffic reached 4.9% million tons, an increase of 4.3% compared to the volumes achieved in 2014. The consistent good performance recorded over the past few years is a result of proper commercial and operating policies. However, despite such performance, since the disappearance of SITRAM and the *Société Ivoirienne de Navigation Maritime* (SIVOMAR), there are no longer any vessels flying the Ivorian flag. A project for the installation of an ore-tanker terminal for ore transport from Guinea and petroleum from offshore reserves off the Ivorian coast is being considered.

In 2016, the Abidjan Port Authority's activities recorded a slight 0.9% decrease in the volume of total cargo traffic, which amounted to 21,734,639.9 tons compared to 21,926,246.9 tons in 2015. This change is due to a consolidation in transshipment activities of 10.1%, a virtual stability in domestic traffic (+0.1%) and a 15.0% decrease in transit. The rebound in transshipment, following the declines in 2014 and 2015, is in connection with both oil products (+14.3%) and general cargo (+3.3%).

Nationally, traffic recorded a strong performance for general cargo, which increased by 4.6%. Traffic in oil products decreased by 7.8%, resulting from the reduction of crude oil purchases (25.9%) by the SIR. Transit was primarily affected by the decrease in general cargo (-14.8%). Trade with Burkina Faso (-15.8%), Mali (-15.4%) and Niger (-58.1%) declined. Furthermore, in terms of trade, exports increased by 1.7% while imports decreased by 2.0%.

The Abidjan port has evolved in a context characterized by the continuation of investments in major infrastructure projects in connection with the 2016-2020 NDP, including in particular, creating plots of land by filling in the Vridi-Biétry lagoon bay. Out of 120 hectares of parking spaces for trucks, 33 hectares were completed for a cost of CFAF 18 billion. The fishing port's modernization was also carried out with the inauguration of the fishing pier in September 2015. In order to help this structure carry out its purpose, other significant development projects have begun, including work to extend and deepen the Vridi canal in addition to the construction of a second container terminal, which will cost approximately CFAF 500 billion. Work is expected to continue for three and a half years. Work to expand the Abidjan port will help to increase the infrastructure's capacity, and in particular to position it as one the largest ports in Africa, capable of competing with its counterparts in South Africa and North Africa. The completion of all these projects should boost existing traffic and develop transshipment, thereby breathing new life into the Ivorian port maritime sector.

The Abidjan Port Authority and the San Pedro Port Authority are respectively rated BBB+ and A in the long term by the regional ratings agency Bloomfield Investment Corporation.

With regards to river and lagoon transport, the operation of the city of Abidjan's lagoon is primarily handled by the SOTRA boat bus service, which is one of the elements of the concession agreement with this company but has weak coverage capacity. However, the transport offering in this field has increased to 15 operational boat buses since September 2013, compared to four in 2012.

Following the arrival of a second operator, the *Société de Transport Lagunaire* ("**STL**"), which began its activities on April 1, 2017 with a fleet of six ships that will be increased to 16 by the end of June 2017, the river-lagoon transportation sector is expected to be reinvigorated. In addition, the launch of the STL's business reflects the effectiveness of the liberalization of lagoon transportation, which constitutes a viable alternative to improve the mobility of Abidjan's population.

In parallel to this formal sector, a network of pinnaces (small boats) provide daily, informal passenger services in Abidjan at relatively significant rate, as well as substantial merchandise traffic, carried out on approximately fifteen lines, in uncertain safety and comfort conditions. Beyond the Abidjan district, other pinnaces provide intercity and even interstate transport on the Aby and Ebrié canals. This method of transport is used by passengers in the lagoon zone going from the Ghana border to the city of Grand-Lahou.

Rail Transport

Côte d'Ivoire has a 639 km railroad line that links it to Burkina Faso. This railway, which is made up of only one track, (except in Abidjan where there are dual tracks), passes through several cities in Côte d'Ivoire, with 35 stations and 18 stops. The operation of the rail infrastructures, which was awarded to the *Société Internationale de Transport Africain par Rail* ("**SITARAIL**") in 1994, has resulted in a growth in merchandise traffic that doubled over five years, increasing from 504,000 tons in 1996 to more than 1 million tons in 2001.

After rail operations ceased as a result of the political and military crisis than began in 2002, traffic gradually picked up again starting in 2003. Nevertheless, the rail transport remains confronted with the shortfalls and obsolescence of the infrastructures and of the operating stock. As a result, in constant decline, railway activity has not yet reached its 2001 level.

However, in 2016, the volume of transported merchandise increased by 1.1% and stood at 804,793.4 tons after declines of 1% and 7.3% in 2015 (796,179.4 tons) and 2014 (804,192.5 tons), respectively, benefitting from the strong level of traffic toward Burkina Faso (+0.7% compared to -4.6% in 2015).

The Government has developed a plan to develop a new high-quality service that ensures the safety of passengers with the goal of developing passenger traffic. Under this plan, the tracks were restored and the Bodo Dioulasso (Burkina Faso) and Treichville (Abidjan) stations were renovated. Furthermore, construction to extend the freight station is ongoing.

The Government intends to pursue the rehabilitation of the Abidjan-Kaya line to facilitate the transit of minerals from Burkina Faso to the port of Abidjan. On July 31, 2014, an agreement for the project was signed between Bolloré, the railway manager, Pan African Minerals ("**PAM**"), the operator of the manganese deposit, Côte d'Ivoire and Burkina Faso. Renovation works began on September 9, 2015 and will continue for five years. The extension of this railway line towards Niger, which is an essential part of the railway program to connect Abidjan-Ouagadougou-Niamey-Cotonou, is currently underway. A railway network project for urban transportation, which would serve the Abidjan metropolitan area is also underway, but there have been delays in part due to the uncertainty regarding PAM's involvement in the project and the socio-political instability in Burkina Faso.

In addition, as part of the search for long-term solutions to public transportation difficulties within the Abidjan District, the State of Côte d'Ivoire decided to grant the Abidjan Rail Transport Company (*Société de Transports Abidjanais sur Rails* ("**STAR**")), a consortium of Korean and French companies, the public service concession for the design, financing, completion and operation of Line 1 of the Abidjan Metro. This line should enable the transportation of approximately 300,000 people per day along the line, which has a length of 37.5 km, connecting the town of Anyama (north) with Port-Bouët (south, up to the Félix Houphouët-Boigny Airport). The expected date for initial operations is set for December 2019. Discussions are continuing with Côte d'Ivoire's technical and financial partners to secure their support for the development of the project. The concession agreement was concluded on July 6, 2015. It provides for two important phases: (i) the completion of preparatory work, in particular the completion of studies and (ii) the completion of work directly related to the concession and the operational phase.

Furthermore, studies and fundraising efforts are underway to help complete several projects including integrated projects for ore mining in both Côte d'Ivoire and neighboring countries such as Mali and Guinea. These involve: (i) the construction of the San Pedro-Bamako railway for iron ore mining in the Klahoyo and Gao mountains, nickel in Biankouma, Man, Sipilou and Touba, manganese in Odienné and iron and bauxite in Mali; (ii) the construction of the Ouangolo-Niellé-Sikasso-Bougouni railway with a length of 338 km, of which 86 km on Ivorian territory, for an estimated cost of CFAF 240 billion, including CFAF 60 billion at Côte d'Ivoire's expense; (iii) the construction of the 181 km long Man-Nzérékoré (Guinea Conakry) railway for an estimated cost of CFAF 127 billion, of which CFAF 105 billion at Côte d'Ivoire's expense (151 km), for joint mining of Guinea's iron ore and (iv) the "Rail City" project to improve the real estate assets of the SIPF in Abidjan Plateau, representing an investment of approximately CFAF 300 billion.

Airport Transport

Côte d'Ivoire has 27 airfields open to public air traffic, three of which are international airports (Abidjan, Yamoussoukro and Bouaké). Passenger traffic more than doubled between 2010 and 2016, increasing from 827,595 passengers in 2010 to 1,677,307 passengers in 2016. It has been constantly increasing since 2011 and experienced growth of 12.4% in 2016 compared to 2015, 23.3% in 2015 compared to 2014 and 15.4% in 2014 compared to 2013. The strong level of traffic observed since the end of the 2011 post-election crisis is a result of the strengthening of economic activity, the full operation of Air Côte d'Ivoire, the development of Air France activities and the arrival of Corsair. In addition, domestic traffic contributed to this growth, benefitting from the progressive establishment of the national company throughout the country. The number of passengers on domestic flights reached 63,882 in 2016 compared to 41,357 in 2015, an increase of 54.5%.

The main airport projects are the creation of the *Aérocité* consisting of the construction of an Abidjan airport zone and the launch of a call for tender bids to construct an international airport in San Pedro. The Abidjan airport Transportation Security Authority ("**TSA**") certification project is effective as of April 10, 2015.

Environment

Since the 1992 Earth Summit, Côte d'Ivoire has undertaken a commitment to preserve the environment. To this end, the Government drew up the National Environmental Actions Plan (*Plan National d'Action pour l'Environnement* ("**PNAE**")) in 1994. This led to the strengthening of the Government's policy towards environmental protection and the management of natural resources through the implementation of an environmental Code adopted in 1996. However, Côte d'Ivoire's environmental heritage is becoming more and more fragile and threatened.

As of 2013, Côte d'Ivoire did not have an assessment and management system for industrial and hazardous waste, such as the spill from the Probo Koala vessel in 2006 at the Abidjan Port Authority, which resulted in the death of 17 people and the injury of over 30,000 Ivorians. Furthermore, the socio-political crises in Côte d'Ivoire since 2002 have had a negative effect on the sustainable management of resources (water and forests) and the protection of the environment. The major institutions responsible for production, regulation and monitoring, such as the Forests Development Company (*Société de Développement de Forêts*), the Ivorian Centre of Anti-Pollution (*Centre Ivoirien Anti–Pollution*), the National Agency Environment Agency (*Agence Nationale de l'Environnement*) and the Ivorian Office of Parks and Reserves (*Office Ivoirien des Parcs et Reserves*) have been left without a significant part of their equipment and technological resources, thereby diminishing their efficiency.

The 2016-2020 NDP includes the implementation of a series of measures targeted at ensuring the following outcomes in the medium term: (i) transparent and efficient management of the environment and of sustainable development, (ii) restoration of different ecosystems and improvement of management of natural resources, and (iii) improvement of management of risks and catastrophes.

The environmental issue is a major concern for the sustainable development of the country. The consequences of climate change show in particular a 20% reduction of waterfall volumes over the past 30 years, shorter rainy seasons and longer and more frequent dry seasons, which have a direct impact on the country's economy given the importance of the agriculture sector. The agriculture sector is affected by climate change through the decrease of productivity of cocoa, coffee, cotton and other crops, lower income for the rural population and the degradation of the environment through forest destruction. Thus, the cocoa production basin has moved gradually from the west-central region to the western region of the country, thus causing migration flows. Climate change also translates into deteriorated biodiversity, with the loss of a number of animal and botanical species.

The Ivorian forest area, made up of rural forest domains and permanent state domains, decreased from 12 million hectares in 1960 to 1.7 million hectares in 2008, representing a loss of more than 75% in less than half of a century. Similarly, the production of timber has decreased from 5 million m^3 in the seventies to 1.8 million m^3. The deterioration of forests is continuing, in particular as a result of (i) the abuse of forest resources for the production of lumber, firewood and charcoal, (ii) extensive agriculture and non-sedentary livestock farming, (iii) underground seepage of contaminated substances into forests, national parks and national reserves, (iv) decreasing forestation, (v) uncontrolled rapid urbanization, (vi) bush fires, and (vii) demographic pressure.

In general, the implementation of forest policies aimed at preserving the national forest area has primarily been met with the lack of suitable funding. Consequently, the expected results were not attained. To foster the preservation of forests, the Government aims to encourage the development of agro-forestry.

The use of toxic products in continental fishing has also resulted in the destruction of fishing areas. This situation has contributed to a drastic reduction in the number of species, some of which are threatened with extinction. Due to the lack of an adequate treatment system for contaminated waste coming from domestic, industrial, agricultural, mining and maritime activities, the sea and lagoon ecosystems are strongly affected by pollution.

The environment in urban zones has deteriorated as a result of industrial and domestic effluent wastes without prior treatment. In regard to greenhouse gas emissions, and in accordance with its United Nations Framework Convention on Climate Change commitments, Côte d'Ivoire published two national reports in 2001 and 2010 reporting on the state of greenhouse gas emissions. These reports take into account direct and indirect greenhouse gas emissions in the following industries: energy, industrial processes, use of solvents and other chemical products, agriculture, land use, change in land-use trends, forestry and waste. The urban environment in urban zones is further affected by the lack of an adequate wastewater system, with the poor areas hardly having any wastewater equipment. These issues are compounded by the rapid growth of the urban population, which now represents more than half of the total population.

With respect to water resources, Côte d'Ivoire has four primary tributaries (the Cavally, the Sassandra, the Bandama and the Comoé) and three main lagoon systems as well as many coastal rivers (the Ebrié, Grand-Lahou and Aby lagoon systems and the Mé and Agneby rivers). These lagoon systems and basins are the recipients for industrial effluents as well as agricultural and urban ground leaching. These areas are made up of invasive aquatic plant species and concentrations of algae.

Subterranean water is available throughout Côte d'Ivoire, often with varied supply and accessibility conditions, in the main geological formations which are the granitic bedrock and the sedimentary basin, occupying 97% and 3% of the territory, respectively. This water is used primarily for water supply through urban and village hydraulic systems. During the 2011 post-election crisis, the hydrological observation networks were destroyed. This situation was very detrimental to quality of data and especially to the supervision of hydrometric stations calibration. As part of a policy of sustainable development and preservation of water tables, the Government is concentrating on linking provincial villages and rural areas to rivers in close proximity, to ensure their drinking water supply. The Government thus expects to resolve the drinking water supply issue for the Abidjan area. It is in this context that it engaged in the construction and the inauguration in December 2014 of the water treatment facility of Yopougon Niangon and in

March 2015 of the provision center for drinking water in Bonoua. Additional projects designed to provide drinking water to the rest of the country are underway.

In an effort to restore its reputation as a woodland country, the Ivorian Government has been strengthening the legal and institutional framework. Several programs have been developed within various sectors in order to increase the level of national forest area and the quality of life of the urban population.

In the environmental sector, the implementation of the PNAE seeks to (i) promote a strategy of sustainable development and manage natural resources in a rational manner, (ii) protect the country's biodiversity heritage and (iii) improve quality of life.

With regards to protected areas, the Protected Areas Management Framework Program (*Programme Cadre de Gestion des Aires Protégées*), generally seeks to contribute, in a sustainable manner, to the preservation and enhancement of national parks and natural reserves and of a representative sample of national biological diversity, as well as to the support of ecological processes. Its specific objective is to put into place an efficient and lasting system for the protection and enhancement of parks and reserves, while also expanding their network.

In the agricultural sector, the PNIA, estimated at CFAF 2,003 billion (approximately US$4 billion) for the 2010-2015 period, was divided into six sub-programs, of which the final two directly involved environmental management relating to sustainable management of fisheries, forest restoration and the revival of the wood sector. The sub-program relating to sustainable management of fisheries aimed, in particular, to streamline the use and management of marine, lagoon and river-lake environments whose productivity is threatened by pollution, in order to restore national aquaculture production and reduce imports of fishery products. The forest restoration and wood sector revival sub-program sook to create conditions for sustainable management of forest resources (fauna, flora, non-timber products) with a view to rebuilding and protecting the country's woodland heritage damaged by the extensive agricultural practices during the years of crisis. The implementation of the 2010-2015 PNIA helped achieve, among others, the following goals as of December 31, 2015:

- improving the governance of the agricultural sector, particularly the institution of two reforms (cotton-cashew and coffee-cocoa sectors), preparing the application of various legislation (in particular law no. 2015-537 of July 20, 2015 on the Agricultural Guidelines of Côte d'Ivoire, the law of agricultural organizations, the enactment of a new forestry law and a draft law on fishing and aquaculture for the sustainable management of fishing resources);

- improving hydro-agricultural infrastructure and animal and fishing production (building and renovating agricultural infrastructure);

- creating approximately 1.27 million direct jobs via projects and programs;

- resuming support policies for agricultural mechanization;

- boosting crop yields through access to efficient plant materials, agricultural inputs and small equipment, agricultural warehouses (rice paddy (from 1.6 tons to 6 tons), cassava (from 7.43 tons to 22.5 tons), plantain banana (from 3.73 tons to 10 tons));

- increasing agricultural production (food crops: 11.5% on average per year with a target of 7.8% in 2015, cash crops: 7.04% on average per year with a target of 6.8% in 2015); and

- improving animal and fishing production: installing and supporting agro-pastoralists (48 agro-pastoralists), distributing productive animals (preselection and sale of 50 male lambs, 10 pairs of young bulls for animal-drawn cultivation, sale of two hybrid F1 animals), improving animal feed, protecting animal health.

A new PNIA for the 2016-2025 period, with an initial phase from 2016 to 2020, is currently being finalized in order to consolidate the achievements of the 2012-2015 PNIA and continue initiatives for agricultural product processing.

At the international level, Côte d'Ivoire has ratified several international treaties, including the Kyoto Protocol to the United Nations Framework Convention on Climate Change, and implements policies with other WAEMU or ECOWAS countries, as reflected by the creation of two international authorities to protect the Niger and Waka rivers.

Information and Communication Technologies

Information and communication technologies have experienced a remarkable expansion since the privatization of the telecommunications sector at the end of the 1990s. The telecommunications sector today counts three mobile telephone operators, two fixed telephone operators, five Internet providers and many value-added service providers. The sector is supported by high-quality and modern infrastructure as well as an expanding market. It represented 5.5% of nominal GDP in 2013 and generated approximately CFAF 952.6 billion of revenue the same year. In 2014 and 2015, this sector contributed 5.0% and 4.9% of the GDP, respectively, and its contribution remained at 4.9% of the GDP in 2016 and is projected at 4.8% of the GDP in 2017.

In 2013, the investment in this sector was CFAF 146.5 billion, of which CFAF 131.4 billion were for mobile telephony and CFAF 15.1 billion for fixed telephony and Internet. In 2014, investments in the sector reached CFAF 131.7 billion, of which CFAF 106.6 billion were for mobile telephony, CFAF 21.3 billion for fixed telephony and CFAF 3.8 billion for Internet. In 2015, investments came to CFAF 108.3 billion, of which CFAF 94.4 billion were for mobile telephony, CFAF 12.9 billion for fixed telephony and CFAF 937.5 billion for Internet. In 2016, investments significantly increased to reach CFAF 280.3 billion, primarily in connection with the acquisition of 4G licenses by the three mobile telephony operators and the completion of significant investments to deploy such technology. Over the past six years, cumulative investments in the telecommunications sector are estimated at approximately CFAF 1,023.3 billion. The number of jobs created in December 2015 was 2,310 as compared to 2,620 in December 2016.

The sector is dominated by mobile telephony with revenues of CFAF 743.3 billion in 2013, or 78.0% of total revenues for the sector, which reached CFAF 952.6 billion in 2013. In 2014, mobile telephony revenues reached CFAF 776.1 billion, fixed telephony revenues reached CFAF 172.1 billion and Internet revenues stood at CFAF 34.3 billion. In 2015, revenues reached CFAF 852.3 billion for mobile telephony, CFAF 142.4 billion for fixed telephony and CFAF 34.9 billion for Internet. In 2016, mobile telephony recorded revenues of CFAF 872.2 billion, or 79.4% of the sector's overall revenues, fixed telephony revenues reached CFAF 196.5 billion, or 17.9% of the sector's overall revenues, and CFAF 30.0 billion for fixed Internet (the revenue connected to mobile Internet and to mobile money are included in the revenues of mobile telephony operators), or 2.7% of the sector's overall revenues. Fixed and mobile telephony respectively count 272,145 and 19.4 million subscribers in 2013. In 2014, the number of mobile telephony subscribers was 22.1 million and 5.2 million subscribers to the internet service (including mobile internet). In 2015 and 2016, mobile telephony comprised 25.4 million and 27.5 million subscribers, respectively. In order to increase their number of subscribers, private operators have extended their telecommunications services to users living in rural areas.

The services offered to clients of the sector are mobile telephony 2G/3G/4G, fixed telephony (with and without cable), data transmission, access to fixed and mobile Internet as well as added value services (games, multimedia downloading and virtual currency).

In 2013, the number of Internet subscribers in Côte d'Ivoire was 133,955, an increase of 12.1% as compared to 2012. From 2009 to 2013, the revenue generated by the activities of Internet providers increased from CFAF 16.9 billion to CFAF 30.2 billion, which reflects the expansion of the Internet market in Côte d'Ivoire. In 2014 and 2015, taking into account mobile internet, the number of subscribers to internet services rose to 5.2 million and 8.7 million, respectively. In 2016, the number of mobile telephony subscribers was estimated at 27.5 million. International connectivity passes through three undersea cables (SAT-3, WACS and ACE) while national connectivity passes through the National Internet Exchange Point (*Point d'Echange Internet National*). Some mobile telephone operators also offer mobile Internet solutions, by using technologies such as GPRS/EDGE, CDMA (EVDO protocol), 3G as well as Wimax. The means of connection used are USB data Internet, boxes and WIFI stations.

The table below presents the number of telephone lines as well as Internet subscriptions from 2012 to 2016:

Year	2012	2013	2014	2015	2016
Mobile Telephones (in millions)	18.1	19.4	22.1	25.4	27.5
Fixed Telephones	276,135.0	272,145.0	242,684	277,248	NC
Internet	119,526.0	133,556.0	5,232,831(1)	8,712,464(1)	10,402,348(1)

Source: Ministry of Communication, the Digital Economy and the Post Office

(1) The 2014, 2015 and 2016 data take into account mobile internet.

NC: Not communicated

The audiovisual space is comprised of multiple private and public television channels as well as private, public and local radio channels. In the audiovisual sector, the leading national channel covers the entire country, as compared to a 80% coverage before the political and military crisis than began in 2002. The written press includes approximately 30 dailies, weeklies, monthlies, bimonthlies and quarterlies.

The 2016-2020 NDP provides for the elaboration of a new telecommunications code and a new postal code to allow for the creation of a legal and regulatory framework promoting access to information and communication technologies as well as a universal postal service.

The Government is also planning certain measures to encourage the population's access to a high-quality, low-cost telecommunications service, including (i) the realization of a project to develop the country's optic fiber network, (ii) the reopening of 66 postal offices, and (iii) the reopening the *Institut Supérieur Africain des Postes et Télécommunications*.

Labor Market

The labor market in Côte d'Ivoire is divided into three sectors: the public sector, the private formal sector and the private informal sector. Information about Côte d'Ivoire's labor market is limited by the lack of available statistical data.

After the November 2012 study of the employment situation, the Government carried out a second study for which the indicators were determined by the new rules adopted by the International Labor Office ("**ILO**") in October 2013. This second study found an unemployment rate of 5.3%, as compared to 5.8% in the previous study, as calculated in accordance with the new ILO rules. However, the results of the 2016 National Survey on Employment and the Informal Sector (*Enquête Nationale sur la Situation de l'Emploi et le Secteur Informel* ("**ENSESI**")) reveal that Côte d'Ivoire's unemployment rate is 2.8%.

According to this survey, the unemployment rate is high in urban areas (6.9% in Abidjan, 3.4% in other cities) compared to rural areas (0.9%). It is also higher among young people. The unemployment rate is higher among women (3.5%) than men (2.3%). The survey also indicated that the majority of unemployed individuals seek a salaried (37.9%), permanent and full-time position (67.9%), regardless of whether such position corresponds to the profession they have learned (71.3%), and they are indifferent as to the type of organization at which they would work (44.0%).

This survey shows that the employed population is relatively significant in rural areas (62.2%) compared to 53.0% in urban areas, higher among men (67.2%) than women (45.8%) and particularly among those between 36 and 59 years old (75.2%).

An analysis of the characteristics of employment in Côte d'Ivoire reveals that independent agricultural jobs are the most prevalent (34.0%), followed by non-agricultural independent jobs (27.0%) and non-agricultural salaried jobs (21.0%). Agriculture remains the largest provider of employment in Côte d'Ivoire, with 49.3% of jobs, and recorded an increase of nearly 6 points compared to 2014 (43.55%), as indicated by the ENSESI. In addition, the survey shows that employment in Côte d'Ivoire is almost exclusively informal (93.6%), regardless of socio-demographic characteristics, except for workers with higher levels of education (52.8%). Salaried employment accounts for less than 25% of employment. It is held mostly by men over 25 years old with relatively low levels of education and residing in urban areas.

Informal Sector

According to the ENSESI 2016, more than half of the persons operating in Informal Production Units (IPUs) (53.0%) are found in the "commerce, vehicle repair and household items" area, as well as in the "hotels and restaurants" area (24.1%). Approximately eight persons out of 10 (77.1%) are recorded in these two areas. This structure of distribution of IPUs according to the business area remains the same regardless of gender or place of residence.

The distribution by gender shows that the informal sector is mostly held by women whose share is 59%. Approximately two persons out of three employed in the informal sector working for their own account or providing home help are women. Conversely, the share of women is low among employees (29.2%), paid interns (11.4%), paid apprentices (21.7%) and even lower among employers (1.9%).

The average age of the workforce is 34. However, differentials in the average age can be observed depending on the employment status. The average age of the workers of the informal sector is relatively low for paid apprentices (23.7), paid interns and caregivers (27.1 for each). Conversely, it is relatively high for independent workers (36.8 for own account workers and 39.7 for employers).

The informal sector exists in industry, trade and services. The table below presents the structure by branch of IPU:

Business area	Socio-demographic characteristics						Collectively
	Men	Women	Collectively	Abidjan	Other urban	Rural	
Industry							
Mining	0.3	0.2	0.3	0.0	0.6	0.0	0.3
Manufacturing	15.3	5.0	8.5	7.4	7.5	10.7	8.5
Construction	6.3	0.2	2.3	3.2	1.5	2.6	2.3
Trade							
Trade; Repair of motor vehicles and household goods	49.7	54.7	53.0	54.8	56.0	47.7	53.0
Services							
Hotels and restaurants	7.8	32.6	24.1	23.1	21.0	28.8	24.1
Transportation, auxiliary transportation and communication	7.8	0.2	2.8	3.0	3.5	1.7	2.8
Real estate, renting and services to companies	1.7	0.0	0.6	0.5	0.7	0.5	0.6
Healthcare and social work	0.9	0.4	0.6	0.7	0.5	0.7	0.6
Collective and personal services(1)	10.2	6.7	7.9	7.4	8.6	7.3	7.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

(1) This includes activities of membership organisations, repairs of personal equipment, household and personal properties, and various personal service activities.

Source: ENSESI 2016

The table below presents information on employment by business segments according to the place of residence:

Socio-demographic characteristics	Business Segments				Total
	Agriculture	Industry	Trade	Services	
Place of Residence	*(as a percentage)*				
Abidjan	1.2	14.6	36.7	47.5	100.0
Other Urban	29.9	10.2	29.8	30.1	100.0
Rural	77.7	4.1	10.7	7.5	100.0
Total	**49.3**	**7.9**	**21.2**	**21.6**	**100.0**

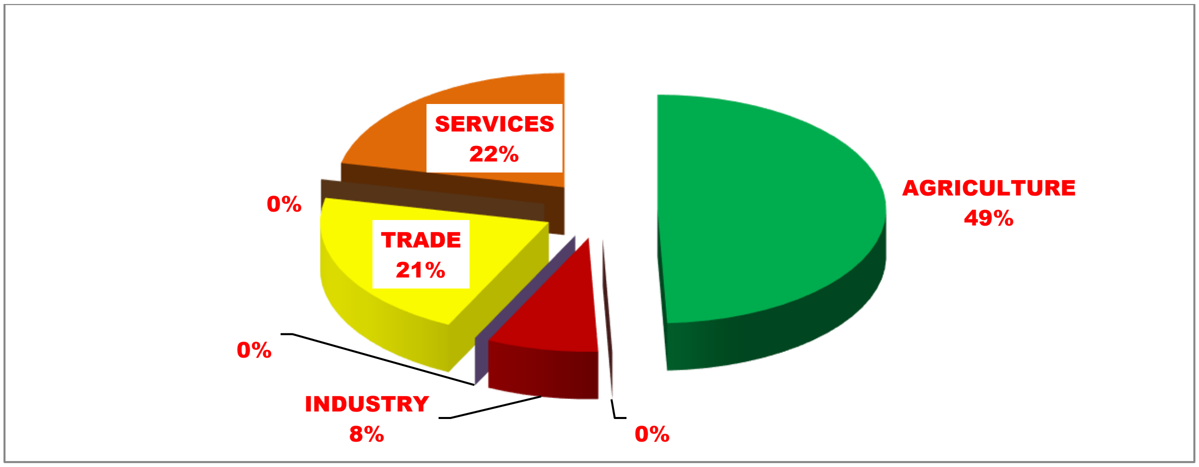
Source: ENSESI 2016

An analysis of the characteristics by business segment indicates that in 2014 men (54.9%) work more in agriculture than do women (41.0%). However, within the trade segment, women were more prevalent, with two women for every man. In the industry segment, there were nearly three times as many men (10.7%) as women (3.7%).

Furthermore, in 2014 agriculture remained a larger provider of jobs in rural areas (77.7%) than in urban areas (29.9% in other cities and 1.2% in Abidjan).

However, most jobs in other segments were concentrated in urban areas, particularly in services and trade, with, respectively, 47.5% and 36.7% in Abidjan, 30.1% and 29.8% in other cities and only 7.5% and 10.7% in rural areas.

The graph below presents information by business segment:



Source: ENSESI 2016

Employment continues to be at the center of the Government's priorities and has been subject to several reforms in order to offer more jobs to young people and further reduce the unemployment rate. After having adopted a National Employment Policy (*Politique Nationale de l'Emploi* ("**PNE**")) on June 7, 2012, and an Employment Revival Strategy (*Stratégie de Relance de l'Emploi* ("**SRE**")) on November 26, 2013, the Government, in its desire to promote the creation of sustainable employment, established the Youth Employment Agency (*Agence Emploi Jeunes*) in April 2015. This organization is responsible for organizing the contributions of various participants in order to address the issue of youth employment in full. The Youth Employment Agency has already provided employment opportunities to over 43,911 young people since its creation.

On November 26, 2013, the Government adopted the SRE, which places particular emphasis on youth employment. In this respect, 114 development and integration projects were identified and are expected to help attain a target of over 1,770,326 jobs by 2016/2017. In parallel, the Government is carrying out significant reforms relating to updating available degree and skills training programs in order to ensure youth employability and integration. As such, a Fund to Support Youth Professional Integration and Employment (*Fonds d'Appui à l'Insertion Professionnelle et à l'Emploi des Jeunes*) was estalibshed to support, in particular, the National Program to Support the Integration of Vulnerable Individuals (*Programme National d'Appui à l'Insertion des Personnes Vulnérables*) (women, handicapped individuals, individuals over 35 years of age) and the 2016-2020 Decent Employment Country (*Pays du Travail Décent*) program. The SRE's cost has not been determined or budgeted.

The Government is committed to adapting professional training to the needs of the labor market by carrying out reforms to professional training. These reforms aim to (i) meet the demands of technical and professional training, (ii) provide training adapted to the qualification needs expressed by the labor market, (iii) strengthen the school and company partnership, (iv) ensure the conditions for the sustainable integration of job seekers and individuals in precarious situations, (v) set up a skill certification mechanism, in cooperation with professional communities and (vi) promote an effective and efficient governance of Technical and Professional Training (*Formation Technique et Professionnelle* ("**FTP**")), while emphasizing the autonomy and responsibility of educational and training institutions.

The labor market in the formal sector in Côte d'Ivoire recorded a net creation of 83,906 jobs in 2014, 96,942 jobs in 2015 and 86,195 jobs in 2016. This performance mainly emanates from the private sector, which is responsible for 88.3% of the net creation of jobs in 2016. The number of employees in the formal private sector increased by 76,072 in 2016 compared to 79,629 in 2015, while, in the public sector, this number rose by 10,123 compared to 17,313 in 2015.

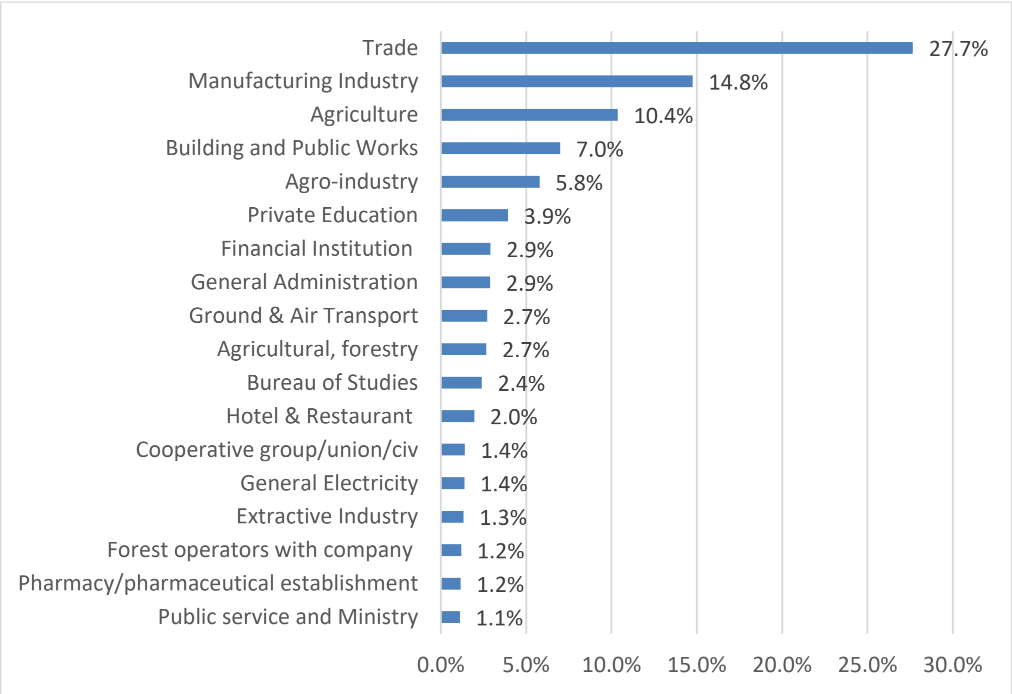
As a result, since 2011, the labor market recorded 2,021,168 new jobs (formal and informal employment).

The table below presents the evolution of average annual job creation for the formal sector from 2012 to 2016:

Sector	**2012**	**2013**	**2014**	**2015**	**2016**	**Total**
Private sector (CNPS data: gross flow of registered employees)	74,392	58,719	73,610	79,629	76,072	362,422
Public sector (CGRAE data: gross flow of contributors)	11,799	10,992	10,296	17,313	10,123	60,523
Total...	**86,191**	**69,711**	**83,906**	**96,942**	86,195	**422,945**

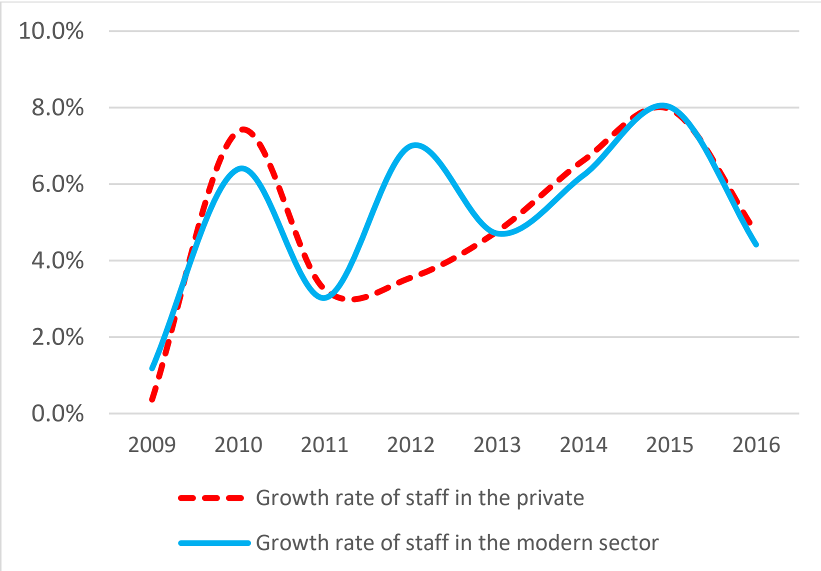
Source: Directorate–General for Employment based on CNPS and CGRAE figures

The graph below presents the evolution jobs created in the formal sector by business segment in 2016. The sectors represented constitute approximately 93% of jobs in 2016:



Source: DGE/DPPSE; CGRAE; CNPS

The chart below presents the evolution in the rate of employees in the modern sector and the evolution in average jobs created per month in the private sector from 2009 to 2016:



Source: DGE, CNPS, SOLDE

In Côte d'Ivoire, employees have the right to organize themselves to defend and promote their interests vis-à-vis their employers. The rights of trade unions and the right of strike are guaranteed by the Constitution. The major unions in Côte d'Ivoire are the General Union of Côte d'Ivoire Workers (*Union Générale des travailleurs de Côte d'Ivoire* (UGTCI)); the Federation of Autonomous Unions of Côte d'Ivoire (*Fédération des syndicats autonomes de Côte d'Ivoire* (FESACI)); and the *Confédération des syndicats libres de Côte d'Ivoire,* also known as "*Dignité*". There are also sub-groups of unions, depending on their corporation, their ministerial entity or other considerations, that are affiliated to these central unions.

Promotion of SMEs

The implementation of the 2016-2020 NDP, which aims to change Côte d'Ivoire into an emerging economy, establishes the private sector as the engine of economic growth and the principal provider of jobs. As such, the Government has drafted a strategy with respect to small- and medium- size enterprises ("**SMEs**"), which accounted for 98% of the formal economic fabric, 20% of GDP, 12% of national investment and 23% of the active population in 2015. This strategy seeks to establish a series of measures to facilitate the creation, development and improved access to credit for SMEs, which represent approximately 50,000 companies). The goal is to create by 2020 a critical mass of competitive, dynamic and innovative SMEs, significantly contributing to Côte d'Ivoire's sustainable socio-economic development.

To achieve this goal, the Government has developed an ambitious strategy to support SMEs, through the execution of a program called "PHOENIX" in order to have a global strategy for the development of SMEs. The coherence of this strategy is ensured by the adoption of a road-map for the promotion and development of SMEs, and the creation of a SMEs Development Agency (*Agence de Développement des PME*). Its role will be to coordinate strategic actions to promote SMEs.

The PHOENIX program focuses on four strategic axes: (i) facilitating access to financing and to public and private markets, (ii) reinforcing technical and managerial capacities, (iii) improving the business environment for SMEs, and (iv) developing a culture of entrepreneurship and innovation. The plan was adopted by the Council of Ministers on February 25, 2014. At a cost of between CFAF 150 and 250 billion, the plan is designed to facilitate the creation and development of a fabric of innovative, dynamic and performing SMEs, that could amount to between 100,000 and 120,000 enterprises by 2020 and would contribute to the creation of jobs and wealth in the long term. With respect to public procurement, the State and the banks signed a convention on March 11, 2015 to facilitate access to bank loans for SMEs participating in public procurement.

Furthermore, the Government will continue to implement the Financial Sector Development Strategy (*Stratégie de Développement du Secteur Financier*) driven by the Financial Sector Development Program (*Programme de Développement du Secteur Financier*) ("**PDESFI**") to build a stable, attractive financial sector that responds to the economy's growing financing needs. The strategy's major initiatives relate primarily to stabilizing and developing the sector and improving financial inclusion. In this context, the final options concerning the portfolio restructuring of public banks and the microfinance sector will be finalized and implemented. Furthermore, improving the business framework, strengthening the transparency and availability of financial information and developing innovative financing for SMEs will be pursued, in addition to implementing the National Financial Inclusion Strategy (*Stratégie Nationale d'Inclusion Financière*) and strengthening the supervision of the insurance sector. The PDESFI is expected to help entrench the stability of the financial sector over time and allow for increased financing of the economy by increasing the bank usage rate and improving access to loans by households and SMEs.

The Government will also pursue the stabilization and strengthening of the supervision of the microfinance sector in order to facilitate financing of SMEs. In this respect, it will continue to carry out the National Microfinance Strategy (*Stratégie Nationale de la Microfinance*) to consolidate the stability of the microfinance institutions sector, improve the sector's governance and boost small savers' confidence.

Several other initiatives are planned in order to increase the interest of different actors in financing SMEs. Accordingly, the regional stock exchange (*Bourse Régionale des Valeurs mobilières* ("**BRVM**")) plans to establish a compartment dedicated to SMEs that will thereby benefit from direct access to stock exchange financing.

The Government is also focused on increasing the share of the SMEs in public procurement. The Government has thus adopted a competition management framework for public procurement below the procurement threshold of CFAF 100 million and intends to complete in 2017 the creation of Public Procurement Departments (*Cellules de Passation des Marchés Publics* ("**CPMP**")) within different ministries, with a view to gradually decentralizing public procurement procedures in order to facilitate competition by SMEs for public procurement.

Lastly, the Government plans to strengthen the attractiveness of its economy by pursuing the implementation of "Focus Doing Business" reforms designed to develop and strengthen the role of the private sector as an engine of economic growth and a job provider. In this respect, several reforms have already been implemented: (i) the single window for building permits and the Loan Information Office (*Bureau d'Information sur le Crédit*), (ii) enhancing minority shareholder rights against agreements involving a conflict of interest, (iii) facilitating the repayment of VAT credits and (iv) implementing special procedures to settle small disputes. In addition, for the 2017-2018 period, several other reforms will be finalized regarding, in particular:

- Company creation
    - creating companies online in Côte d'Ivoire.
    - making information relating to business licenses and permits available online.
    - gradually decentralizing the delivery of business licenses and permits (licenses, certificates, authorizations).
- Contract execution
    - reducing enforcement timeframes for court decisions to 90 days.
    - rendering operational the judicial activities module of the Commercial Court
- Insolvency settlement
    - creating a website dedicated to the publication of information on insolvency procedures and carrying out online auctions.

- Investor services
    - o establishing a single portal for investor services.
- Payment of taxes and duties
    - o implementing online payment of taxes, duties and social security contributions
    - o making tax forms available online.

Private Investment Promotion

Strategy

Faced with the challenge of economic development, Côte d'Ivoire is committed to making the private sector the engine of its growth. The promotion of the private sector, begun in the 1990s with the policy of Government withdrawal from productive sectors, has accelerated over the years with the implementation of reforms aiming to increase Côte d'Ivoire's attractiveness. Since the implementation of the first 2012-2015 NDP, the private sector has contributed to more than two-thirds of the GDP and to the creation of jobs. The Government has focused on consolidating the business climate. The "Doing Business 2017" ranking positions Côte d'Ivoire 142nd out of 190 countries. The 2015 edition of the same report showed an increase of five spots compared to 2014, from 147th to 142nd. Côte d'Ivoire is also among the most competitive African economies according to the 2016-2017 Global Competitiveness Index of the World Economic Forum, ranking 99th out of 140 economies globally and 7th in Sub-Saharan Africa. The same ranking already saw a progression of 25 spots for Côte d'Ivoire in its 2015-2016 edition. In terms of achievements, the private investment rate was 13.9% of GDP in 2016 compared to 12.9% of GDP in 2015, reflecting efforts undertaken by the Government to simplify procedures to create business, good governance and the fight against corruption. This rate is expected to be 14.5% of GDP in 2017.

In addition, a Foreign Direct Investment (FDI) strategy was prepared by the Government. It is based on recent reports that present Asia and North America as the largest providers of FDI in the world. As such, the Government's efforts are targeted toward these geographic areas without forgetting its traditional partner, Europe.

Furthermore, the Government intends to continue attracting private investments and to maintain the dynamic of strong, sustained and inclusive growth through (i) the restoration of security throughout the entire country, (ii) the consolidation of national reconciliation, (iii) the continued improvement of the business environment, with a view toward consolidating the confidence of households, economic operators and investors and (iv) the promotion of good governance. This framework is designed to encourage strong involvement of the private sector in building and public works, port and airport sectors, agriculture, energy, road infrastructure and housing. These investments are expected to help reduce the poverty rate and to revive employment, especially in the youth.

Investment Incentive Measures

The Government's private investment promotion strategy is strengthened by a set of investment incentive measures provided by the investment Code, the mining Code, the telecommunications code, the environmental code and the labor Code. In this context, fiscal reductions were agreed upon in order to create the conditions necessary for a sustainable revival of the private sector. As such, the tax rate for industrial and commercial profits was reduced from 35% to 27% for individuals and to 25% for companies and legal persons. Furthermore, in the context of regional economic integration, customs, fiscal and sector-specific reforms were initiated to benefit companies.

The Investment Code, adopted through law 2012/487 of June 7, 2012 in order to encourage the flow of foreign capital, significantly improved the business climate. The code provides, in particular, (i) specific advantages to small and medium enterprises, (ii) lower investment caps, (iii) lengthening of the duration of guarantees (five, eight and 15 years) and (iv) the possibility to grant more favorable advantages to investors than those under the 1995 code.

The Government adopted Decree No. 2012-05 of January 11, 2012, defining Small- and Medium-Sized Enterprises (SMEs) for better targeting of policies. In 2013, the Government established a single window for business formalities (*Guichet Unique des Formalités d'Entreprise* - GUFE) which aims to reduce the time required to set up businesses to a maximum of 48 hours and a minimum of 24 hours while simplifying procedures; and a single window for foreign trade (*Guichet Unique de Commerce Extérieur* - GUCE) to simplify formalities for the import of goods and reduce the number of documents required and deadlines for approvals.

Furthermore, on May 2, 2013, the Government adopted a new competition law to combat anti-competitive cartels and the abuse of dominant positions. In addition, the Government has carried out an in-depth reform of the public procurement law. Except for strictly regulated exceptions, public procurement contracts are the subject of a competitive tender bid process. The National Authority of the Regulation of Public Markets (*Autorité Nationale de Régulation des Marchés Publics*), an independent administrative authority, is in charge of ensuring fair and independent attribution procedures. Furthermore, a guideline to strengthen public markets was adopted on May 27, 2014 and provides for a separation of regulatory, executive and control functions in contracting as well as a procurement plan for credit administrators for greater transparency in the implementation in the budget. As of the date of this Prospectus, the public procurement system is operational and will continue to be improved by, in particular, implementing the CPMP throughout different ministries and putting the Integrated System for Public Procurement Management (*Système Intégré de Gestion des Marchés Publics* (SIGMAP)) online, which is intended to make transactions more accessible and accelerate their processing. The implementation of the CPMP, which was launched in 2015 through a pilot phase with five ministries, was extended to 18 ministries in 2016. In 2017, the ten remaining ministries will be equipped with CPMP. In a gradual manner, the Government will decentralize public procurement procedures, in order to facilitate competition under public procurement.

In addition to these measures, the implementation of a single form and other measures related to online procedures (online payments and statements) are effective and operational since January 2017. They are expected to spread to all taxpayers. The Government also intends to intensify the implementation of medium-term reforms, which are based on the decentralization of procedures relating to an improved business climate. Out of 32 reforms in the 2017-2019 agenda, 22 are IT-related and target the decentralization of all procedures. The estimated cost of these reforms is CFAF 16 billion over the 2017-2019 period.

Several targeted actions have been undertaken to favor the private sector, including the continuation of fiscal measures to support economic recovery, within the framework of the 2011, 2012, 2013 and 2014 tax annexes; the establishment of a bipartite committee to monitor VAT credit payments resulting in the non-accumulation of new VAT credits in 2012; the continuation of efforts to clear internal arrears; the regular payment of capital expenditure within 90 days to stimulate economic recovery by increasing investment through a system of isolation of resources allocated to the payment of investments with dedicated monitoring; the improvement of the conditions under which economic activity is carried out in order to fight against smuggling and counterfeiting and strengthen customs risk analysis; the strengthening of the fight against money laundering, with the creation of the National Cell for Financial Information Processing (*Cellule Nationale de Traitement de l'information Financière* - CENTIF) and the operationalization of the Intergovernmental Action Group Against Money Laundering (*Groupe Intergouvernemental d'Actions contre le Blanchiment d'Argent* - GIABA); the strengthening of private initiative dedicated structures such as the Investment Promotion Center in Côte d'Ivoire (*Centre de Promotion des Investissement en Côte d'Ivoire* - CEPICI), the Exportation Promotion Association in Côte d'Ivoire (*Association pour la Promotion de l'Exportation en Côte d'Ivoire* - APEX-CI), the Ivorian Fund for Development of National Enterprise (*Fonds Ivoirien pour le Développement de l'Entreprise Nationale* - FIDEN), the Laboratory of Metrology and Analysis (*Laboratoire de Métrologie et d'Analyses* - LANEMA); and the creation of credit offices (*Bureaux de credit).*

Reforms of the legal system have also been undertaken to improve the business climate, including the adoption in 2012 of a regulation on the recognition of arbitration judgments and the creation of commercial courts which issue decisions within a maximum period of 90 days.

Public-Private Partnerships

The Government considers public-private partnerships ("**PPPs**") to be a major tool for the fulfillment of the NDP and an important factor of growth and job creation. In addition to facilitating the realization of major infrastructure projects, PPPs are expected to boost Ivorian production, particularly in the agricultural sector, to stimulate the core of local

SME/SMIs and develop the private sector. They are also expected to reinforce the Government's decentralization policy by fostering the creation of local regional economic poles.

Côte d'Ivoire already has a long tradition in PPPs under various forms, particularly in the sectors of water (SODECI), energy (CIE, AZITO, CIPREL) and transport (AERIA, SITARAIL, BIVAC and WEBB FONTAINE). PPPs have also been put into place for the hydraulics and sanitization sectors (wastewater treatment and household waste collection). Concessions have been signed in the telecommunications sector between the State and Orange Côte d'Ivoire (formerly Côte d'Ivoire Telecom). Some PPPs have also been entered into in the domain of public health (such as the Mère-Enfant de Bingerville Hospital). The most recent relates to the construction of the third bridge of Abidjan (Henri Konan Bédié).

To capitalize on the country's strong potential to attract private investors and realize such partnerships, and to assist the Government's PPP strategy, a specific legal framework was implemented, in addition to the Investment Code and the Public Procurement Code, via three decrees: Decree No. 2012-1151 of December 19, 2012 relating to PPP contracts; Decree No. 2012-1152 of December 19, 2012 on the responsibilities, organization and functioning of the institutional framework for managing PPPs; and Decree No. 2014-246 of May 8, 2014 amending Decree No. 2012-1152 of December 19, 2012. Furthermore, a National Steering Committee responsible for the promotion and development of PPPs ("**CNP-PPP**") was officially created on August 23, 2011. It is currently operational and constitutes a decision-making, validation and policy-making body for PPPs.

Privatizations

In order to promote the private sector and efficiently manage the State's portfolio, the Ivorian Government adopted a strategy on May 26, 2012 in order to restructure public companies. The strategy's goal was to reduce the State's portfolio by 25% through privatization, merger and liquidation. At the December 2, 2013 Council of Ministers, the Government established a list of 15 companies to be privatized: SIB, BIAO-CI, BFA, VERSUS-BANK, SMI, NEI-CEDA, SUCRIVOIRE, CI-ENGINEERING, SN-SOSUCO, SIVAC, SONITRA, TRCI, CI-TELECOM, IPS-WA and PALMAFRIQUE.

To successfully accomplish this goal, a Privatization Committee was created in May 2013 by the President of the Republic, via decree no. 2013-321 of May 21, 2013 appointing nine members, later supplemented by 11 members via decree no. 2014-315 of June 4, 2014. This committee became operational in November 2013. It is responsible for implementing the privatization strategy prepared by the Government. From 2013 to 2016, it carried out six privatization transactions concerning the SMI, SIB, NEI-CEDA, the 10 villas of the Indénié hotel, Sucrivoire and the CIDT. These transactions provided the State of Côte d'Ivoire with total proceeds of CFAF 72.9 billion. Furthermore, BFA bank was liquidated on September 30, 2014 and the Communications of the Council of Ministers with respect to the privatization of Versus Bank and Sucrivoire were approved.

In addition, 10 privatization transactions are underway and the process is expected to accelerate during 2017. Two transactions have been rendered irrelevant. These include the *Banque pour le Financement de l'Agriculture* ("**BFA**") and the *Société Ivoirienne d'Abattage et de Charcuterie* ("**SIVAC**"). With respect to the BFA, via decree no. 215/MPMEF/DGTCP/DT of September 30, 2014, the Minister of Economy and Finance, reporting to the Prime Minister, withdrew the BFA's authorization and placed the bank in liquidation. As a result, the BFA ceased to operate and was removed from the list of companies to be privatized. With respect to SIVAC, by letter no. 180/MIRAH/CAB of January 21, 2014, the Minister of Animal and Fish Resources issued a request to the Prime Minister to postpone the State's sale of its stake in SIVAC's share capital, highlighting SIVAC's strategic importance in terms of protecting the health of pork consumers and combatting certain epizootic diseases that were experiencing a resurgence. The Minister also drew the Privatization Committee's attention to a recovery and development plan for the pork sector that required an increase in SIVAC's share capital, with significant use of private partner financing. After reviewing these points, the Council of Ministers decided that the State's withdrawal from SIAVAC would take place under a PPP. SIVAC was thus removed from the list of companies to be privatized.

Privatizations are normally carried out via calls for tenders. However, as an exception to this rule, the State may select the acquirer, after consulting with the Privatization Committee, under conditions set by decrees made in the Council of

Ministers, by specifying the publicity conditions to which this decision is subject, in accordance with Article 10 of Law No. 94-338 of June 9, 1994 relating to the privatization of the State's shareholdings and assets in certain companies and public enterprises.

Free Trade Zones and Special Economic Zones

The development of free trade zones or of special economic zones plays an increasing role in Ivorian economic policy. It targets two main objectives: (i) creating a regional development center and (ii) increasing the labor sector's potential. The creation of the first free trade zone, initially planned in Grand Labou (152 km from Abidjan), was finally completed in 2007 in the city of Grand Bassam (43 km from Abidjan). A company with a minority public shareholding, *Village des Technologies de l'Information et de la Biotechnologie* (VITAB SA), was created in November 2007 to develop and coordinate the activities of this free trade zone, known as the "Free Trade Zone of Biotechnology and Information and Communication Technologies" (*Zone Franche de la Biotechnologie et des Technologies de l'Information et de la Communication*) (ZBTIC) of Grand-Bassam. As of March 31, 2017, 23 companies are users (licensed) and there is one authorized facilitating company within the Free Trade Zone.

In addition, since 2015, development works of 180 hectares are underway to establish high-quality, viable facilities that are easy to access and less than 10 minutes from the Abidjan airport, thereby making the ZBTIC the most attractive zone for investment within the region.

The Government intends to exports goods to the region from this free trade zone and thereby strengthen its business leadership. In this respect, VITIB's development plan will take place over 20 years. The Government's objective is to involve the country in the knowledge-based economy of the future and offer foreign and multinational companies an economic space favorable to their investments.

FOREIGN TRADE AND BALANCE OF PAYMENTS

Introduction

Balance of Payments

The balance of payments is used to record the value of the transactions carried out between a country's residents and the rest of the world. The balance of payments is composed of:

- the current account, which comprises:
  - net exports of goods and services (the difference in value of exports minus imports);
  - net financial and investment income; and
  - net transfers; and
- the capital and financial accounts, which comprise the difference between financial capital inflows and financial capital outflows.

Current Account

One of the most important components of the current account is the trade balance. The four primary factors that drive the trade balance are:

- the relative rate of economic growth of a country as compared to that of its trading partners generally – if a country's economy grows faster than that of its trading partners, its relative level of consumption of goods and services will tend to increase, and its level of imports will tend to increase more rapidly than its level of exports;
- the relative level of domestic prices against foreign prices, as reflected by the real exchange rate – generally, if a country's domestic prices increase relative to those of its trading partners, there is a tendency for the country's level of exports to decline, and for its level of imports to increase;
- changes in production costs, technology and worker skills – more efficient production will tend to lower production costs, which in turn will tend to lower prices. As prices fall, there will be a tendency for the country's level of exports to increase; and
- changes in consumer tastes – which may affect the demand for a country's goods and services abroad, and the demand for foreign products in the domestic market.

Capital and Financial Accounts

The capital and financial accounts quantify Foreign Direct Investments ("**FDI**") and monetary flows into and out of a nation's financial markets.

Balance of Payments

As a member country of the West African Economic and Monetary Union ("**WAEMU**"), Côte d'Ivoire's balance of payments is established by the Central Bank of West African States (*Banque Centrale des Etats d'Afrique de l'Ouest* ("**BCEAO**")).

The table below presents balance of payments data for Côte d'Ivoire from 2014 to 2018:

	2014	2015	2016 (Estimates)	2017 (Forecasts)	2018 (Forecasts)
			(in CFAF billions)		
a. Current account (1+2+3)	252.2	(119.1)	(236.2)	(502.1)	(617.7)
1. Goods and services	**846.9**	**680.2**	**658.9**	**466.9**	**442.0**
Balance of goods	**1,914.8**	**1,874.0**	**1,868.8**	**1,715.1**	**1,747.9**
Exports of goods FOB	6,411.3	6,938.0	6,487.0	6,467.2	6,766.1
Imports of goods FOB	(4,496.5)	(5,064.0)	(4,618.2)	(4,752.1)	(5,018.2)
Imports of goods CAF	(5,290.0)	(5,957.6)	(5,433.1)	(5,590.7)	(5,903.8)
Balance of services	**(1,067.9)**	**(1,193.9)**	**(1,210.0)**	**(1,248.2)**	**(1,305.9)**
Credit	446.4	453.0	459.6	466.4	473.2
Debit	(1,514.3)	(1,646.8)	(1,669.6)	(1,714.6)	(1,779.1)
2. Primary income	**(449.3)**	**(595.5)**	**(662.4)**	**(704.0)**	**(760.2)**
3. Secondary income	**(145.4)**	**(203.7)**	**(232.7)**	**(265.1)**	**(299.5)**
Public administrations	124.1	98.1	97.4	91.3	86.0
Other sectors	(296.6)	(301.8)	(330.1)	(356.4)	(385.5)
b. Capital account (4+5)	**138.6**	**156.4**	**134.0**	**223.9**	**280.0**
4. Acquisitions/sale of non-financial assets	**1.3**	**0.0**	**0.0**	**0.0**	**0.0**
5. Capital transfers	**137.3**	**156.4**	**134.0**	**223.9**	**280.0**
Public administrations	137.3	128.6	105.9	195.5	248.9
Other sectors	0.0	27.8	28.1	28.5	31.1
c. Balance of current account and capital account (a+b)	**390.7**	**37.4**	**(102.2)**	**(278.2)**	**(337.7)**
d. Financial account (6+7+8+9)	**89.9**	**(250.3)**	**73.4**	**(328.3)**	**(407.8)**
6. Direct investments	**(208.9)**	**(283.8)**	**(303.5)**	**(328.4)**	**(357.1)**
7. Portfolio investments	**(462.8)**	**(574.2)**	**(367.3)**	**(269.8)**	**(324.2)**
8. Derivative financial instruments	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
9. Other investments	**761.6**	**607.7**	**744.3**	**269.9**	**273.5**
Public administration	(95.4)	(174.5)	(14.7)	(262.6)	(368.0)
Other sectors	857.1	782.2	759.0	532.5	641.5
e. Errors and omissions (net)	**(27.0)**	**(39,1)**	**0**	**0**	**0**
f. Overall balance (c+d+e)	**273.8**	**248.5**	**(175.6)**	**50.0**	**70.0**
g. Valuation Difference	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
h. Change in net external asset position	**(273.8)**	**(248.5)**	**175.6**	**(50.0)**	**(70.0)**

Source: MEF/BCEAO

Balance of Payments in 2015

The balance of payments recorded a surplus of CFAF 248.5 billion at the end of 2015, after recording a global positive balance of CFAF 273.8 billion a year before.

In particular, the current account balance recorded a deficit of CFAF 119.1 billion (-0.6% of the GDP), compared to a surplus of CFAF 252.2 billion in 2014, in connection with a deepening of the deficit in services, primary and secondary income, combined with a decrease in the surplus of the balance of goods.

The surplus of the balance of payments decreased by 2.1% compared to the level reached in 2014, in connection with a less significant rise in exports than in imports.

The negative balance of services grew by 11.8% compared to 2014, due to an increase in freight payments, consumption of construction and public works services and a strong demand in various specialized services.

Similarly, the primary income deficit worsened by 32.5% in 2015, due to an increase in public debt interest and investment income payments, as a result of increased financial liabilities of companies towards foreigners.

With regard to secondary income, the deficit worsened by 40.1% compared to 2014, due to a decrease in budgetary aid received by the Public Administration and an increase in contributions to the functioning of international organizations, in particular the payment of community contributions and an increase in migrants' remittances issued.

The capital account surplus improved, in particular, with an increase of project donations received by the private sector.

The financial account showed a negative balance of CFAF 250.3 billion, after a positive balance of CFAF 89.9 billion in 2014, reflecting increased financial liabilities due to growth in foreign direct investments and portfolio investments.

Balance of Payments in 2016 – Estimates

According to Government and BCEAO estimates, the balance of payments shows a deficit of CFAF 175.6 billion in 2016, after showing a surplus of CFAF 248.5 billion in 2015.

The current account records a deficit of 1.1% of GDP due to negative balances in primary and secondary incomes, as well as in services, despite the surplus of the balance of goods.

In 2016, the balance of goods decreases (-0.3% compared to 2015), in connection with a concurrent drop in the value of exports (-6.5% compared to 2015) and imports (-8.8% compared to 2015) of goods. Exports decrease, due to a drop in the prices of several products, such as: crude oil, oil products, rubber, processed wood and green coffee. In addition, the quantities exported decrease in connection with the decrease in production of main export crops, particularly cocoa, cashew nuts, cotton and certain processed products, such as palm oil, processed cocoa and crude oil. In addition, difficulties that have arisen in the cacao industry over the course of the last quarter of 2016 have led to a decrease in the quantities exported.

With regard to imports, 2016 showed a rise in the volume of goods acquired and a decrease in prices. The quantities of equipment goods, food products and intermediary goods grow in connection with the implementation of the second national development plan (2016-2020) and the increase in household consumption. Conversely, prices of goods have fallen, due to the lowering prices of food products, energy products, intermediary goods and equipment goods.

The structural deficit of the balance of services remained at a similar level to the preceding year, in connection with decreased payments owed to non-residents for freight services and an increase in specialized services for surveys, advice and other construction and public works services.

With regard to the balance of primary income, the deficit worsened in 2016 by 11.2% compared to 2015, in connection with higher investment income payments, due to the public debt repayment and growth in commitments of businesses with respect to foreign countries.

The balance of secondary income decrease in 2016 by 14.2% compared to 2015 as a result of an increase in amounts paid to sub regional bodies for community contributions and increased outward transfers of migrants.

The capital account records a reduced positive balance in 2016 compared to the preceding year, as a result of a decline in inward project grants.

In 2016, the financial account experience, on the one hand, a net decrease in financial assets in connection with an improvement in the repatriation of export proceeds and, on the other hand, an increase in the commitments of the national economy, in connection with the increase in inflows of foreign direct investments and the continued mobilization of the State's external financial resources.

Balance of Payments in 2017 – Projections

According to Government and BCEAO forecasts, the balance of payment is expected to show a deficit of CFAF 50.0 billion in 2017, compared to an overall deficit of CFAF 175.6 billion in 2016.

The current account is expected to show in 2017 a deficit of 2.1% of GDP, due to structural deficits in services, primary income and secondary income, notwithstanding the surplus in the balance of goods.

With regard to trade in goods, exports are expected to continue to decline as a result of the fallen cocoa prices. Cocoa beans and derivatives accounted for 43.0% of total exports in 2016. Imports are expected to increase, due to an improvement in prices and continued growth in the quantity of goods purchased. Imports of equipment goods are expected to continue to grow, in congruence with investments to be made in connection with the implementation of the second national development plan (2016-2020) and the further improvement of business climate.

The structural deficit of services balance is expected to worsen in 2017, in connection with higher payments owed to non-residents for freight and other services provided to businesses.

The deficit in the primary balance is also expected to worsen in 2017, due to an increase in payments of investment income, as a result of higher financial liabilities of businesses with respect to foreign countries.

Similarly, secondary income is expected to worsen in 2017 as a result of higher amounts paid to sub-regional entities for community levies and an increase in outward transfers of migrants.

The capital account is expected to record moderate changes in 2017, in connection with the stagnating value of inward project grants.

The financial account is expected to show in 2017 a net increase of financial liabilities, in connection with inflows of foreign direct investments, inward portfolio investments and public drawings on external resources.

Balance of Payments in 2018 – Projections

In 2018, the total balance of payments is expected to record a surplus of CFAF 70.0 billion.

The current account is expected to record a deficit of 2.4% of GDP, resulting from a deterioration of the deficit in the services balance and in primary and secondary income.

The surplus in the balance of goods is expected to improve. It will be driven by the strong performance of imports in connection with a general improvement in quantities, a rebound in the prices of industrial and export agricultural products and the effects of the economy's structural transformation. However, imports will continue to rise, in connection with an increase in the demand for goods in view of completing investment projects and satisfying household consumption.

With respect to services, the structural deficit is expected to worsen as a result of the increase in payments due to non-residents as part of freight and other services to companies.

Similarly, the primary balance deficit is expected to worsen due to the increase in payments of investment revenue following the growth of liabilities in connection with FDI received and portfolio investments. The secondary income balance is also expected to decrease due to the increase in WAEMU deductions and the rise in migrant transfers to foreign countries.

The financial account is expected to record a net increase in financial liabilities in connection with foreign direct investment inflows, portfolio investment inflows and public drawdowns on external resources.

Foreign Trade

Trade Policy

Foreign trade in Côte d'Ivoire is not regulated by a specific law. Most trade policy tools were instituted by presidential decree, sometimes supplemented by orders from the relevant ministry or by decrees and administrative rulings. Questions of trade policy are the responsibility of the head of the Ministry of Trade, which oversees its coordination. Other ministries that exercise jurisdiction in this domain include the Ministries of Agriculture and Animal Resources, Economy and Finance, Industry, Foreign Affairs, Mining and Energy and Transportation.

The major objective of Côte d'Ivoire's trade policy is to consolidate its economic growth following the 2011 post-election crisis, particularly through foreign trade. Côte d'Ivoire is pursuing a policy aimed at encouraging and further liberalizing imports in order to stimulate the external competitiveness of the Ivorian economy and lower consumer prices.

Côte d'Ivoire's tariff policy is primarily governed by the Common External Tariff ("**CET**") regime of the Economic Community of Western African States ("**ECOWAS**"). The ECOWAS CET requires members to harmonize ad valorem tariff rates into four bands: (i) zero duty on social goods such as medicine and publications, (ii) 5% duty on imported raw materials, (iii) 10% duty on intermediate goods, and (iv) 20% on finished goods. The four-band CET was subsequently revised in June 2009 to include a fifth band of 35% duty on finished goods that are manufactured locally and which are considered to require some protection in the interest of promoting local industries. In September 2008, Côte d'Ivoire's trade regime was amended to lower tariffs for a wide range of goods and to replace a number of import bans with tariffs. The CET was confirmed in October 2013 in Dakar by ECOWAS member state presidents and came into force on January 1, 2015.

Exports and Imports

In 2015, exports of goods stood at CFAF 6,729.1 billion, compared to CFAF 6,141.5 billion the year before, i.e. an increase of CFAF 587.6 billion (+9.6%), due to cocoa beans (+593.8 billion; +39.4%), processed cocoa (+148.4 billion; +19%), cashew nuts (+35.5 billion; +9.1%) and gold (+99.3 billion; +28.6%). The main exports comprise : cocoa (beans and processed cocoa), petroleum products (crude and processed goods), cashew nuts, gold and rubber. These goods represented 76.8% of export revenues in 2015.

In 2016, exports of goods stood at CFAF 6,404.2 billion, compared to CFAF 6,729.1 billion in the previous year, representing a decrease of CFAF 324.9 billion (-4.8%). Exports have decreased due to the combined effects of diminishing values in the sale of primary goods (-3.8%) and processed goods (-6.3%).

This decrease in value of primary goods originates from industrial agriculture and export products (-6.8%), in particular cocoa beans (CFAF -281.3 billion; -13.4%) and uncarded, uncombed cotton (CFAF -25.0 billion; -18.0%). However, this decrease was attenuated by growth in exports of cashew nuts (CFAF +42.2 billion; +9.9%) and rubber (CFAF +29.5 billion; +9.9%), as well as mining products, such as gold (CFAF +37.9 billion; 8.5%) and crude oil (CFAF +23.3 billion; +7.2%).

The decrease in value of processed goods was primarily evident in oil products (CFAF -199.3 billion; -31.2%), processed cocoa (CFAF -9.2 billion; -1.0%) and essential oils (CFAF -0.9 billion; -0.7%). This decrease in processed goods was offset by an increase in exports of certain products, in particular, palm oil (CFAF +12.5 billion; +13.6%).

Imports represented CFAF 5,227.7 billion in 2015, compared to CFAF 4,951.8 billion in 2014, i.e. an increase of 5.6%, in connection with higher purchases of consumer goods (+7.8%) and higher acquisitions of capital goods (33.6%). The main goods acquired from suppliers are, in particular, crude oil, mechanical machinery, "iron, cast iron, steel and steel works", refined oil products, rice, plastics and fish. Together, these goods represent 50.0% of purchases from abroad.

In 2016, imports represented CFAF 5,516.0 billion, an increase of 5.5% (CFAF 288.2 billion) compared to 2015, due to the combined effect of an increase in purchases of consumer goods (CFAF +57.6 billion; +2.4%), a decrease in intermediary goods (CFAF -452.4 billion; -23.5%) and equipment goods (CFAF -34.0 billion; -2.8%).

Consumer goods increased mainly due to increases in pharmaceutical products (+40.4%), rice (+6.4%), oil products (+3.9%) and automobiles (+4.5%). These increases were countered by a decrease in imports of rubber (-20.3%), plastic products (-11.1%), dairy products (-15.4%), "meat and edible offal" (-15.8%) and spring wheat (-8.3%).

Intermediary goods decreased due to the diminished value of crude oil (-32.3%), "iron, cast iron, steel and steel works" (-36.1%), clinker (-11.2%) and metal products (-13.8%). However, this decrease was offset by increased purchases of chemical products (+2.0%), "essential oils and plant extracts" (+5.4%) and cement (+15.9%).

Equipment goods decreased due to diminished acquisitions of mechanical machinery (-13.8%), automatic machinery (-2.1%), road transportation equipment (-24.1%) and air navigation equipment (-44.0%).

The table below presents Côte d'Ivoire's imports and exports of goods from 2014 to 2017:

	2014	**2015**	**2016**	**2017 (Forecasts)**
		(CFAF millions)		
Exports				
Cocoa beans	1,505,896	2,099,744	1,818,438	1,601,681
Cashew nuts	391,841	427,352	469,546	526,276
Cotton, not carded or combed	159,599	139,198	114,191	169,795
Rubber	302,678	299,997	329,341	316,397
Crude oil	322,461	322,172	345,521	381,387
Gold	347,605	446,953	484,816	495,059
Processed cocoa	782,533	930,910	921,691	770,797
Palm oil	103,565	91,462	103,941	107,862
Essential oils and vegetal extracts	113,786	131,329	130,387	139,372
Petrol products	980,762	639,107	439,721	771,019
Total principal products	***5,010,726***	***5,528,224***	***5,157,593***	***5,279,645***
Total exports	**6,141,466**	**6,729,065**	**6,404,152**	**6,467,236**
Imports				
Fish	193,379	230,393	228,773	217,461
Semi-milled rice	216,373	290,838	309,420	304,046
Petrol products	139,507	133,413	138,595	355,815
Pharmaceutical products	191,869	175,882	246,901	249,370
Plastics	209,092	266,652	237,164	224,544
Crude oil	1,292,625	897,472	607,204	794,068
Iron, cast iron, steel and construction	269,505	389,466	248,860	254,833
Mechanical equipment	431,055	547,161	471,774	480,266
Electrical machinery	178,671	205,918	263,325	268,065
Road transportation equipment	193,510	258,925	196,466	200,002
Total principal products	***2,022,961***	***3,396,120***	***2,948,482***	
Total imports	**4,951,792**	**5,227,747**	**5,515,996**	**5,590,701**

Source: MEF/DGCE/DPPSE

Principal Trading Partners

Based on customs statistics, export sales to Europe stand at CFAF 2,979.4 billion, as compared to CFAF 1,622.9 billion for Africa, CFAF 917.2 billion for Asia and 837.8 billion for North and Latin America in 2016. These figures amounted to CFAF 3,296.0 billion for Europe, CFAF 1,737.8 billion for Africa, CFAF 749.1 billion for North and Latin America and CFAF 888.5 billion for Asia the year before.

Europe thus remains the main market for Côte d'Ivoire exports. The share of this continent stood at 46.5% in 2016 compared to 49.0% in 2015. Europe is followed by Africa, with a share of 25.3% in 2016, compared to 25.8% in 2015; Asia is next, with a share of 14.3% in 2016, compared to 13.2% in 2015, followed by North and Latin America with a 13.1% share in 2016, compared to 11.1% in 2015.

In Europe, the main clients of resident economic operators are the Netherlands (11.6% of total exports and 25.0% of sales to the area in 2016, after 12.5% and 25.6% respectively in 2015), France (5.4% of total exports and 11.7% of sales to the area in 2016, after 6.0% and 12.3% respectively in 2015) and Belgium (6.2% of total exports and 13.3% of sales to the area in 2016, after 6.8% and 13.9% respectively in 2015).

In Africa, Ghana remains the leading buyer of Ivorian products (4.8% of total exports compared to 3.5% in 2015).

In North and Latin America, shipments of goods are mainly to the United States (8.9% in 2016 compared to 8.4% in 2015 of total exports) and to Canada (2.2% of sales, after 1.1% in 2015).

In Asia, the most significant buyers are India (3.5% compared to 4.4% in 2015) and China (0.7% of exports to this area in 2016, after 0.8% in 2015).

The table below presents the geographic exports distribution from 2014 to 2017:

GEOGRAPHIC AREAS	2014	2015	2016	2017 (Forecasts)
		(CFAF millions)		
Europe	**2,543,025**	**3,295,950**	**2,979,364**	**3,008,111**
European Union	**2,216,472**	**2,858,676**	**2,577,920**	**2,603,470**
Euro zone	**1,996,773**	**2,611,153**	**2,329,168**	**2,356,882**
France	387,127	404,513	348,939	352,362
Germany	270,554	425,973	326,159	329,358
Italy	154,391	138,890	140,573	141,952
Netherlands	641,609	843,605	745,111	752,420
Belgium	280,865	458,824	397,024	400,919
Other EU countries	**210,671**	**244,247**	**244,192**	**246,587**
United Kingdom	113,556	169,769	189,714	191,575
Other European countries	**326,553**	**437,274**	**401,404**	**179,829**
Switzerland	200,849	270,238	294,133	297,018
Russia	1,521	1,539	1,429	1,443
Africa	**1,812,013**	**1,737,812**	**1,622,909**	**1,638,830**
WAEMU	**708,251**	**726,411**	**777,474**	**785,101**
Benin	35,131	37,903	23,672	23,904
Burkina-Faso	281,915	227,234	256,739	259,257
Côte d'Ivoire	-	-	-	-
Guinea-Bissau	453	400	1,299	1,312
Mali	182,395	226,481	279,981	282,727
Niger	42,558	45,094	25,849	26,103
Senegal	73,751	69,310	70,381	71,071
Togo	92,049	119,989	119,553	120,726
ECOWAS (without WAEMU)	**623,158**	**594,925**	**481,706**	**486,431**
Nigeria	301,531	271,812	106,576	107,621
Ghana	226,122	259,704	303,335	308,330
CEMAC	**167,272**	**111,940**	**62,332**	**62,943**
Cameroon	66,986	48,077	18,187	18,365
Gabon	9,455	10,430	6,904	6,972
Other African countries	**313,332**	**304,536**	**301,397**	**304,354**
South Africa	161,551	189,149	190,677	192,547
Morocco	10,309	5,497	14,188	14,327
Tunisia	4,201	2,951	1,030	1,040
Algeria	43,317	45,812	53,533	54,058
Libya	68	7	13	13
Egypt	2,172	3,360	5,443	5,496
Americas	**804,469**	**748,085**	**837,776**	**845,994**
USA	538,414	568,475	569,948	575,539
Canada	176,122	76,685	141,362	142,749
Brazil	28,645	35,923	26,455	26,715
Asia	**908,070**	**888,474**	**917,236**	**926,234**
China	70,836	56,245	42,383	42,799
Japan	4,062	3,407	1,643	1,659
India	262,947	292,966	221,282	223,453
Pakistan	1,385	22,778	11,210	11,320
United Arab Emirates	6,416	8,859	10,671	10,776
Thailand	7,549	7,157	5,208	5,259
Other countries	**73,889**	**57,743**	**46,866**	**48,066**
TOTAL	**6,141,466**	**6,729,065**	**6,404,152**	**6,467,236**

Source: DGD/MEF/DGE/DPPSE

The geographical distribution of imports (special trade excluding exceptional goods) was characterized in 2016 by the continued decline in the market share of African countries (-4.7%), for the benefit of those of European (+4.2%), Asian (+2.2%) and North and Latin American countries (+1.0%) compared to 2015.

The share of imports originating from European countries increased from 31.1% in 2015 to 35.3% in 2016. Asia's share was 33.2% in 2016, compared to 35.5% in 2016. The share of African countries declined to 21.1% in 2016, as compared to 25.8% the year before. As for North and Latin American countries, their share was 7.5% in 2016, as compared to 6.4% in 2015.

In Europe, France remains the main supplier with 13.3% of purchases after 12.5% in 2015. The share in total imports represents 37.6% of the area in 2016.

The same goes in Africa for Nigeria totalling 11.4% of total orders originating from the country, compared to 13.9% in 2015. The share of Nigeria represents in 2016, 54.1% of imports originating from Africa.

In Asia, Côte d'Ivoire gets supplies predominantly from China with 17.4% of exports of Côte d’Ivoire towards other countries. This country accounts for 49% of imports from the Asian continent in 2016. The second Asian supplier is India, with a share of 4.4% of imports in 2016, compared to 3.6% in 2015.

In North and Latin America, purchases originate mainly from the United States with 3.8% of total imports in 2016. At the level of the area, the share of products imported by the USA represent 50.8% of the total of imports.

The table below presents the geographic imports distribution from 2014 to 2017:

GEOGRAPHIC AREAS	2014	2015	2016	2017 (Forecasts)
		(in CFAF millions)		
Europe	**1,623,500**	**1,623,500**	**1,623,500**	**1,918,274**
European Union	**1,489,949**	**1,764,843**	**1,618,599**	**1,728,139**
Euro zone	**1,335,187**	**1,561,245**	**1,459,941**	**1,558,744**
France	675,191	769,931	674,674	720,333
Germany	176,494	154,997	164,801	175,954
Italy	117,617	217,849	119,029	127,084
Netherlands	121,456	106,256	139,269	148,694
Belgium	69,710	94,904	117,345	125,286
Other EU countries	**154,692**	**203,528**	**158,551**	**169,396**
United Kingdom	95,093	135,262	96,349	102,870
Other European countries	**133,551**	**153,951**	**178,314**	**190,134**
Switzerland	19,031	22,001	20,404	21,785
Russia	30,654	24,139	35,131	37,509
Africa	**1,625,735**	**1,625,735**	**1,625,735**	**1,144,252**
WAEMU	**71,710**	**104,524**	**118,480**	**126,498**
Benin	6,064	5,007	7,359	7,857
Burkina-Faso	7,970	3,972	5,349	5,711
Côte d'Ivoire	-	-	29	31
Guinea-Bissau	-	1,612	6,127	6,542
Mali	3,052	1,931	2,237	2,388
Niger	2,478	3,302	3,526	3,765
Senegal	46,602	77,335	82,826	88,431
Togo	5,545	11,364	11,027	11,773
ECOWAS (without WAEMU)	**1,239,268**	**883,874**	**616,088**	**657,782**
Nigeria	1,204,461	854,413	579,434	618,648
Ghana	33,330	26,689	31,855	34,011
CEMAC	**30,599**	**27,014**	**19,728**	**21,063**
Cameroon	851	2,196	1,549	1,654
Gabon	645	1,185	1,970	2,103
Other African countries	**284,158**	**284,158**	**284,158**	**338,908**
South Africa	60,579	61,349	67,631	72,208
Morocco	85,590	121,922	106,305	113,499
Tunisia	26,668	25,945	24,735	26,409
Algeria	3,116	7,159	3,698	3,948
Libya	1,046	2,506	16	17
Egypt	18,773	26,819	24,598	26,263
Americas	**391,990**	**395,413**	**379,168**	**404,829**
USA	190,933	220,822	192,573	205,606
Canada	15,305	14,567	16,964	18,112
Brazil	35,655	25,424	32,808	35,028
Asia	**1,424,436**	**1,424,436**	**1,424,436**	**1,928,688**
China	485,156	717,371	884,100	945,639
Japan	96,105	129,196	122,329	130,608
India	275,285	219,955	224,000	239,159
Pakistan	17,466	36,992	35,567	37,974
United Arab Emirates	24,858	28,412	32,259	34,442
Thailand	120,269	135,951	156,229	166,802
Other countries	**162,086**	**162,086**	**162,086**	**229,019**
TOTAL	**5,227,747**	**5,515,996**	**5,087,149**	**5,433,140**

Source: DGD/DCPE/BCEAO

Foreign Direct Investments

Inflows of foreign direct investments ("**FDI**") recorded an estimated net capital inflow of CFAF 303.5 billion in 2016. FDI recorded a net capital inflow of CFAF 283.8 billion in 2015, compared to CFAF 208.9 billion in 2014, due to the establishment of new plants in various sectors of the economy. The following factors have encouraged FDI : 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 and an improvement in the supply and quality of labor. FDI trends form part of prospects for growth in 2017 and 2018 and over the medium-term, in connection with the significant reforms implemented and currently underway. In the industrial sector, the most important projects involve five cement projects, one beer production project and one ready-mix asphalt and concrete manufacturing project, representing a total amount of CFAF 310.8 billion. In the services sector, the most important projects are three telecommunication projects, one hotel project and one merchandise transportation project, representing a total amount of CFAF 288.8 billion. See "*The Economy – Principal Sectors of the Ivorian Economy"*.

The table below presents the FDI from 2014 to 2017:

2014	2015	2016 (Estimates)	2017 (Forecasts)
	(in CFAF billions)		
208.9	283.8	303.5	328.4

Source: BCEAO

Europe is the main source of FDI (50% in 2013, 58% in 2014 and 53% in 2015). France and Belgium were the two leading investors in Côte d'Ivoire with CFAF 59.8 billion and CFAF 58.5 billion, respectively, in 2015. Africa was the second largest contributor over the 2013 to 2015 period (51% in 2013, 30% in 2014 and 20% in 2015). Within this region, Morocco was the largest investor in Côte d'Ivoire in 2015, with a share of 11%. In 2015, it was only slightly under the level of Canada in the Americas region (12%).

The table below presents gross incoming FDI per country of origin from 2014 to 2016:

Country	2014	Country	2015	Country	2016
France	40.5%	Belgium	20.5%	France	16%
Angola	9.8%	France	20.0%	Nigeria	14%
Libya	7.4%	Canada	12.2%	England	12%
Netherlands	5.4%	Morocco	11.0%	Lebanon	11%
Togo	5.4%	Netherlands	7.0%	Mauritius	10%
Singapore	4.3%	Other	29.3%	Morocco	8%
United Kingdom	3.5%			Togo	8%
Switzerland	3.2%			Other countries	21%
Lebanon	3.1%				
Other	17.4%				

Source: BCEAO/CEPICI

Sectors that received the most investment in 2015 were telecommunications (32%), followed by financial intermediation (27%), manufacturing industries (18%) and energy (11% - electricity and gas). Other sectors accounted for 12% in 2015.

PUBLIC FINANCE

General

The 2015 and 2016 budgets were executed in a context shaped by the consolidation of the political and economic progress achieved since 2011. At the political level, peaceful presidential and legislative elections were organized in October 2015 and December 2016, respectively and the new Constitution of Côte d'Ivoire was adopted by referendum on October 30, 2016, marking the beginning of the Third Republic. See "*Republic of Côte d'Ivoire – Recent Political Developments".* At the economic level, the 2015 budget contributed to the satisfactory implementation of the 2012-2015 National Development Plan (*Plan National de Développement* ("**2012-2015 NDP**")). Budget execution significantly contributed to the achievement of the objectives of the Government's economic and financial programme for the same period, thanks to an overall control of expenditure and a good level of revenue collection. As a result, despite an election environment characterized by significant expenses, the Government's efforts to control public financial management helped reach a global balance (including grants) of -3.9% of GDP in 2016 compared to a forecast of -4.0%.

Côte d'Ivoire's public financial management efforts continued throughout 2016, resulting in strong collections of budgetary resources. Budgetary tax revenue amounted to CFAF 2,991.5 billion, an increase by 10.6% compared to 2015, due to progress on the recovery of main taxes, including income tax, tax on industrial and commercial profits tax, value-added tax, telecommunications and telephone communications taxes, as well as general merchandise taxes. Optimizing the potential recovery of tax revenue recovery has been a Government priority to achieve the budget revenue objectives and to finance the activities set out by the 2012-2015 NDP. Furthermore, thanks to strong management control, the increase of budgetary public expenditures in 2016, a year marked by the referendum on the new Constitution and the legislative elections, was limited to 8% compared to 2015.

To capitalize on the stabilization of the socio-political situation and the return of national security, the Government, through the implementation of the 2016-2020 NDP, intends to maintain the growth dynamic initiated in 2012 and driven predominately by investments. It also intends to continue sectoral reforms and to work on consolidating private sector confidence through relevant reforms resulting in significant positive effects on the business climate. Thus, after a real GDP growth rate of 8.8% in 2014 and 9.2% in 2015 and an estimated real GDP growth rate of 8.8% in 2016, the Government forecasts a real GDP growth rate of 8.5% in 2017.

Budget policies for 2017 and the medium-term are built around the 2016-2020 NDP's objectives. They are based on the 2016-2020 NDP's list of priority actions through the Public Investment Programme (*Plan d'Investissements Publics* ("**PIP**")) which are included in the budget. In this context and in keeping with the 2016 budget, the 2017 budget aims to enhance the consolidation of the economic fabric with a focus on structural transformation through accelerated industrialization. It also aims to improve the living conditions of the population, through investment projects in high-growth sectors and the intensification of actions to reduce poverty. It evidences the Government's continued commitment to improving quality of life for the population of Côte d'Ivoire and strengthening the foundations for economic growth, in particular through the improvement of the educational system with a view to developing skills adapted to the needs of the economy, the strengthening of the health system to make it more accessible to the most vulnerable, the improvement of the nutritional situation of the population, the development of basic socio-economic infrastructure with a strong impact on the well-being of the population, and the enhancement of security based on guidelines defined in military and security planning laws.

The Government is pursuing an economic policy aimed at consolidating the stability of the macroeconomic framework and ensuring the stability of its public finances through the improvement of revenue collection, in addition to streamlining expenses by prioritizing public investments. In particular, the Government intends, in the medium term, to bring expansion of the public sector payroll and operational expenses under control, to reduce subsidies to the electricity sector until it reaches financial balance, and to stabilize domestic debt.

However, to take into account the noteworthy evolutions over the course of the first quarter of the year 2017, including uncertainties linked to the international situation, namely the United States' economic policy orientation and the impact of the implementation of the exit of the United Kingdom from the European Union, the 35% fall of the price the cocoa, and the return of the rise of crude oil prices, the initial 2017 budget has been revised on May 10, 2017. This revision involves a shift in spending priorities, in order to restrict the effect of shocks on the budgetary deficit, which is expected to reach -4.5% of GDP in 2017. The continuation of efforts to improve tax collection and cost containment is expected to bring the budgetary deficit to -3.7% of GDP in 2018, in line with the WAEMU standard of -3% of GDP in 2020.

Nonetheless, the Government intends to pursue the implementation of the policies and priorities in terms of improvement of population well-being namely through the development of educative and sanitary infrastructures and the reinforcement of economic activity.

To this end, the Government intends to accelerate the rate of implementation of its investments, notably those subject to C2D financing, through the implementation of measures designed to regularly monitor project execution. The purpose of C2Ds is to ensure that resources that should be used to repay loans are (with the lender's approval) allocated instead toward financing specific expenses relating to targeted development projects. When a loan repayment is made, France offers Côte d'Ivoire a non-refundable grant in an equivalent amount. The grant is then allocated to finance poverty reduction programs that have been selected by joint agreement between the two parties. In this way, the country is able to use resources previously allocated to debt repayment to finance development projects. Following bilateral negotiations, France agreed in 2012 on a cancellation of CFAF 1,486 billion (€2.265 billion) and signed the first C2D agreement for a total of CFAF 413.25 billion (€630 million for 2012-2015), of which 85% has already been allocated to projects. A second C2D agreement of CFAF 738 billion (or €1.125 billion) was signed in Paris on December 3, 2014 between France and Côte d'Ivoire for the 2014-2020 period.

The Priorities of the 2017 budget

The initial 2017 budget, amounting to CFAF 6,501.4 billion, was adopted by the Parliament on November 28, 2016 and reflects the Government's ambition to contribute to increasing the offering of good quality basic services, the improvement of the education system and the reinforcement of the healthcare system and, given the new terrorist threats, to give particular attention to questions of defense and security. The 2017 budget represents an increase of 11.8% as compared to the initial 2016 budget.

Employment and Improvement of Living Conditions

The promotion of employment across multiple sectors benefits from CFAF 30.1 billion under the 2017 budget of which CFAF 28.8 billion in favor of promoting youth employment.

The 2017 budget provides for personnel expenses in an amount of CFAF 1,508.1 billion in accordance with the strategy of payroll control for the 2014-2022 period adopted by the Government. However, the budget takes into account:

- the recruitment of 13,897 agents including 7,194 for the education sector and 3,285 for public health (CFAF 61.4 billion);
- the postponing of salary payments from 2016 to 2017 (CFAF 12.4 billion), as a result of delays in processing the files for personnel recruited in 2016
- the taking into account of advancements and promotions (CFAF 26.5 billion);
- the advancements in military ranks for 10,832 military personnel (307 officers, 9,426 sub-officers and 1,099 entry-level military members) scheduled in 2015 but not taken in account in the 2016 budget (CFAF 3.6 billion);
- compensations with regard to the pay adjustments for military personnel on duty abroad and internship compensation, for a cost of CFAF 0.9 billion; and
- the raise in the provision of employer contribution up to CFAF 0.8 billion to take into account the General Pension Fund for Civil Servants (*Caisse Générale de Retraite des Agents de l'Etat* ("**CGRAE**")) reform.

Education and Training

Credits forecasted for training, education and research amount to CFAF 1,171.1 billion for the 2017 budget. These credits cover:

- the construction, equipment and renovation of school infrastructures;
- strengthening the operational resources of educational structures;
- private school subsidies for student school fees (CFAF 123.6 billion);
- the payment of scholarships, school kits and transportation costs (CFAF 62.6 billion); and
- the organization of exams (CFAF 13.6 billion) and teacher overtime hours (CFAF 7.4 billion).

The 2017 budget also focuses on the development of infrastructure in the education and vocational training sectors, through:

- the expansion of Pelèforo Gon Coulibaly University (CFAF 6.8 billion);
- the construction of Bondoukou University (CFAF 15.7 billion);
- the expansion of Lorougnon Guédé University (CFAF 7.7 billion);
- the construction of Man University (CFAF 2.2 billion); and
- the construction of San Pedro University (CFAF 14.5 billion).

Health and Social Affairs

The health and social services sector benefit from a CFAF 451.7 billion allocation. This allocation includes CFAF 388.8 billion for the health sector, representing a 11.5% increase compared to the initial 2016 budget, intended for:

- the renovation and provision of new equipment to University Hospitals (*Centres Hospitaliers Universitaires*) ("**CHU**"), general hospitals and other health facilities;
- consolidating efforts to prevent and fight pathologies and endemic diseases, as well as HIV/AIDS.
- free targeted healthcare (CFAF 15 billion) covering childbirth costs, caesarian sections, the fight against malaria, social expenditures targeted to support the vaccination and drug price reduction policy, including antiretrovirals (CFAF 8.8 billion); and
- orphanages and nurseries (CFAF 1.4 billion).

Defence, Security and Justice

The 2017 budget forecasts CFAF 482.1 billion for defence and security, including CFAF 228.4 billion for army services, CFAF 69 billion for *gendarmerie* and CFAF 174.5 billion for police. This allocation is destined to numerous expenditures, namely:

- expenditures concerning the operation of the CNS (CFAF 5 billion);
- military installation leases (CFAF 28.1 billion) and police installation leases (CFAF 15 billion);
- food for the military (CFAF 33.4 billion) and fuel (CFAF 13.8 billion);
- the Military Planning Act (CFAF 5 billion) and the Domestic Security Planning Act (*loi de programmation de sécurité intérieure*) (CFAF 3.8 billion).

Sanitation, Water and Electricity

A CFAF 197.6 billion allocation is allocated for actions to improve sanitation and the supply of drinking water and the supply of electricity. These allocations are dedicated namely to sanitation and removal of domestic waste, as well as urban and village hydraulics via the reparation and installation of human-powered pumps. These allocations also cover the continuation of rural electrification programs and the extension of urban networks.

Agriculture, animal and fishing resources

The agricultural, animal and fishing resources sectors are allocated CFAF 113.9 billion in the 2017 budget, covering programs for the development and promotion of agriculture, hydro-agricultural planning projects, agricultural diversification projects and land management as well as rural equipment. These credits also take into account the reliance on cattle rearing, dairy production, fishing, aquaculture, and subsistence crops in order to ensure food self-sufficiency.

Road Infrastructure

For the reinforcement of road infrastructure, the 2017 budget provides CFAF 196.1 billion for the purpose of road opening and refurbishment works, as well as for the construction of civil engineering works. This entails multiple specific projects, including:

- developing Cocody Bay (CFAF 30 billion);
- asphalting the Odienné-Gbeleban axis (CFAF 5 billion);
- asphalting the Mankono-Tiéningboué axis (CFAF 14 billion);
- asphalting the Airport-Korhogo City axis (CFAF 5.1 billion); and
- asphalting the Fergé-Kong (CFAF 18.4 billion).

Fiscal Policy

The Government is implementing a series of measures to significantly strengthen revenue collection. The tax pressure rate is forecast to be 15.4% in 2017. The goal is to attain 20% in 2022 (the convergence indicator for the tax pressure rate set by WAEMU is between 15% and 20% of GDP). To reach this goal, the Government has undertaken the following tax policy and administration reforms:

- the adoption of a single declaration form in January 2016, which helped significantly reduce the number of procedures undertaken by taxpayers as well as the amount of time spent on tax formalities;
- the establishment of online declarations and payments as of January 2017 for companies whose revenue is equal to or greater than CFAF 200 million. These companies must now declare and pay their taxes and duties online via an online e-tax portal on the e-impots.gouv.ci or dgi.gouv.ci website;
- the digitalization of the land registry via the creation of an electronic land registry. It has been accessible to sector professionals (notaries) since 2014 via the link http://econsultation.dgi.gouv.ci;
- the creation of a Fiscal Policy Coordination Cell in November 2016 within the cabinet of the Ministry of Treasury. This Cell is responsible for coordinating and conducting fiscal reform activities;
- since January 2017, the implementation of a programming and execution system for the automated fiscal control program in order to avoid overlapping controls, and the increase in the number of companies subjected to this procedure;
- the continuation of large-scale survey operations targeted at taxpayers in January 2016;
- the improvement in the quality of financial information contained in the summary financial statements of companies, through the creation in 2016 of an obligation for a prior visa on such financial statements before

their transmission to the Single Filing Window for Financial Statements (*Guichet unique de Dépôt des Etats Financiers* (GUDEF)). This procedure will enter its operational phase by end of 2017;

- the improvement of customs clearance for land borders, namely through the modification of the procedure of customs clearance and the deployment of two new scanners at the land border offices by end of 2017;
- since 2011, the reinforcement of the control of customs transformation regime for the purpose of insuring the veracity of declarations;
- since 2013, the reinforcement of international transit controls to improve the traceability of goods in transit;
- in 2015, the harmonization of tax rates applicable to income from capital to adapt Ivorian tax to WAEMU community standards;
- since 2014, the improvement of telecommunications taxation, by imposing a new tax on telephone communications at a rate of 3% of revenues and increasing the income tax rate from 25% to 30% for companies in this sector;
- in 2014, the establishment of a minimum tax charge of CFAF 400,000 for taxpayers subject to the simplified taxation regime;
- developing regulations relating to transfer prices, namely via the establishment of an obligation to produce a status of transactions between related companies or with foreign companies, as well as the adoption of a more restrictive tax regime on transactions made with low-tax countries (tax havens) in terms of income tax; and
- the optimization of VAT credit repayments to companies by improving the processing of repayments to such companies.

In addition, reforms are underway, in line with policies to streamline the fiscal incentives offered. In this respect, as part of the 2018 Finance Law, the Government will offer the following measures:

- the gradual reduction of VAT exemptions by terminating certain such exemptions, except for those provided for by the WAEMU Directive and in compliance with prior commitments;
- the extension of online tax declarations and payments to all taxpayers;
- the limitation of one-time exemptions to the social sectors and those related to grants, and the non-renewal of temporary exemptions;
- the completion of various studies relating to increasing VAT proceeds and reinforcing its neutrality;
- the implementation of a policy to streamline the Investment Code’s fiscal incentives, on the basis of recommendations from an analysis of the Investment Code adopted in 2012. The study on streamlining fiscal incentives will be carried out by an international firm and finalized in August 2017;
- a revamp of the General Income Tax;
- the completion of studies to control the revenue of certain business sectors, such as the informal and large-scale distribution sectors;
- the strengthening of the regulatory and legislative framework, and the adoption of additional measures to better combat tax optimization and evasion;
- the implementation of measures relating to thin capitalization;
- an upward adjustment of excise duties on alcoholic and energy drinks; and
- the electronic transmission of financial statements and the development of an IT processing application for financial statement data. This project is expected to be completed before the end of 2017.

On an organizational level, the measures implemented by the Government involved the creation at the end of 2016 of the Medium-Sized Companies Department to ensure better tracking of transactions as part of the continued segmentation of taxpayers, and the Investigation, Cross-Referencing and Analysis Department (*Direction des enquêtes, des recoupements et de l'analyse*) to enhance the fight against tax fraud and evasion. In addition, fiscal controls were decentralized by assigning this responsibility to the Large Companies Department (revenue greater than CFAF 3 billion), the Medium-Sized Companies Department (revenue between CFAF 200 million and CFAF 3 billion) and the Regional Departments (revenue below CFAF 200 million). The National Verification Department's controls are now limited to companies of groups of national size. This department also ensures that these fiscal controls are shared by exchanging experiences and control techniques among departments, assisting departments with controls and the production of documents relating to the application and techniques of controls. As a result, controls will be more fairly applied to companies.

In addition, the customs authorities plan to step up the fight against fraud by (i) optimizing the use of scanners for imported and exported goods at the PAA and the PASP's scanner, (ii) increasing the monitoring of the coastline and lagoons by acquiring ammunition for weapons in 2017 and speedboats in 2018, (iii) strengthening the capacity to combat fraud and smuggling at land borders through the acquisition of scanners at main border posts in 2017 and 2018. Concerning the acquisition of speedboats and ammunition, the DGD, in order to strengthen its abilities and operational means, has expressed its needs under the military planning law. Weapons have already been granted to the DGD and ammunition will be acquired before the end of 2017. As for the acquisition of new scanners to facilitate exchanges and combat fraud, two new scanners were acquired in 2017 for the land border offices at Noé in the east and Ouangolodougou in the north. The installation of these scanners is planned for the second half of 2017. Renovation work on the platform of each of these sites is underway. The acquisition of scanners for three land border offices (Takikrou in the east, Pogo in the north and Sipilou in the west) is also expected in 2018.

The Medium-Term Payroll Control Strategy

On May 5, 2014, the Government adopted a medium-term payroll control strategy for the 2014-2022 period. The purpose of this strategy is to implement mechanisms to efficiently support the control and improvement measures currently being applied to the compensation of civil servants and State agents, in order to ensure compliance with the WAEMU requirement that the payroll bill should not exceed 35% of tax revenues. Indeed, according to the initial strategy, the payroll/tax revenue ratio would drop from 41.2% in 2016 to 33% in 2020.

The main measures approved by the payroll control strategy document are the following:

- completion of the measures designed to unfreeze indexed salary increases by taking into account all remaining public employees in 2015: in order to improve the social climate;
- the readjustment of the State's employers' contribution rates from 19% to 16.67%, as of the last year of the unfreezing;
- resumption of indexed advances every two years: this proposal will make it possible to avoid recreating a situation similar to that of 1988, which led to the freezing of indexed advances from 1988 to 2014; and
- supervised hiring: hiring forecasts for the 2014-2020 period are based on personnel reinforcement needs due to the implementation of the NDP, mainly in social sectors (education and health).

In the three years following the implementation of the strategy, the "payroll to tax revenue" ratio has been on a decreasing trend: it stood at 46% in 2014, 43.2% in 2015 and 40.6% in 2016. For 2017, this ratio is expected to stand at 38.6%.

As part of this payroll control strategy strategy's implementation, special emphasis is placed on recruitments in the education and healthcare sectors. In other sectors, recruitments are significantly reduced, based on a principle of two departures for one hire. These measures, combined with the reduction in military recruiting as part of the military planning law's implementation and the policy of voluntary departures within the army, are expected to help secure the targeted reduction of the total payroll/tax revenue ratio within a context shaped by significant revenue collection reforms.

Transparency, Fight against Corruption and Public Procurement Framework

The Government prioritizes the fight against corruption. To this effect, the Government has implemented a Program for Supporting Good Governance (*Programme d'Appui à la Bonne Gouvernance*) for the 2009-2013 period, which benefited from US$83.8 million of Government funding. The Government has also funded the development of a National Good Governance and Anti-Corruption Plan (*Plan National de Bonne Gouvernance et de Lutte contre la Corruption*), the implementation of which has resulted in the following measures and actions:

- a High Authority for Good Governance (*Haute Autorité pour la Bonne Gouvernance*) and a National Anti-Corruption Secretariat (*Secrétariat National de Lutte contre la Corruption*) were created by a presidential decree adopted on November 20, 2013;
- communication campaigns were launched in 2013 to raise awareness among political, economic and social figures about the harmful effects of corruption. It is expected that specific actions will be implemented through the newly created institutions to prevent and punish acts of corruption pursuant to the mandate assigned to these institutions; and
- an Observatory on fight against corruption (*Observatoire de la lutte contre la corruption*) and a Special Court in charge of preventing and fighting against corruption (*Cour spéciale de prévention et de lutte contre la corruption*) will be created once the regulations for their operation are finalized.

In addition, the Government intends to strengthen further the rules of public procurement. Ivorian legislation on public procurement prohibits discrimination, aims to intensify competition and establishes a regulatory framework to combat corruption and fraud in public procurement. Subsequent to the adoption of a new Public Procurement Code in August 2009, the National Public Procurement Authority (*Autorité Nationale de Régulation des Marchés Publics*) was set up and a public procurement enforcement guide was adopted. The enforcement guide provides for a separation of the regulatory, enforcement and control functions and a plan providing for public procurement for the execution of the 2014 budget. The general procurement plan and the detailed plan are developed each year. Since 2012, a report detailing the status of public procurement operations is submitted quarterly to the Council of Ministers. Regular monitoring of deadlines in the procurement chain has been implemented to identify corrective actions to enable the streamlining of investment expenses during the year.

The Government took measures to further regulate the conditions of applicability of the public procurement code with respect to bilateral contracts awarded without tenders below CFAF 30 million and therefore were not subjected to the public procurement code.

The Government is fighting against corruption in particular by seeking to make public procurement systems more transparent on two fronts:

- since November 2013, all procurements agreed outside of public procurement proceedings are systematically audited by the Public Spending Review Unit (*Cellule de Revue des Dépenses Publiques*) ("**CRDP**")) before they may be approved; and
- sanctions are effectively implemented through decree n°118 MPMB of March 26, 2014 which sets out the rules for the application of sanctions for violations of public procurement regulations.

In addition, Côte d'Ivoire complies with the standards established by the EITI since May 2013. The purpose of this organization is to increase public transparency with regard to state revenues originating from the oil, gas and mining sectors and their use.

In order to strengthen the public procurement management framework, new measures promoting SMEs were adopted by the Government in 2016. These measures aim to promote the extensive participation of SMEs in public procurement and facilitate their access to public procurement. They involve:

- increasing the public procurement threshold: increasing the thresholds helped to reduce the volume of contracts subject to prior controls by the Public Procurement Department (*Direction des Marchés Publics*) and thereby increasing the share of transactions made below this reference threshold subject to more accessible procedures for SMEs;
- reserving bids for SMEs by setting the bid quota to be granted to SMEs: to increase the share of bids won by SMEs, contracting authorities are asked to reserve an annual share of their budget for SMEs equal to 20% of the expected value of expenses for works, supplies and services that are eligible for public procurement;
- granting a preference margin for local subcontracting: this involves encouraging large companies to subcontract a share of their bids (30% of total value) by granting them, during tender bids, a preference margin on the price that may not exceed 5%;
- reducing requirements of administrative documents: in order to reduce constraints and thus the rejection of SMEs' offers during the Tender Opening and Bid Assessment Committee (*Commission d'Ouverture des plis et de Jugement des Offres* (COJO)) preliminary review for absence or non-validity, it was decided that tax and labor certifications are now only required upon market approval;
- raising awareness of contracting authorities for a favorable allocation to SMEs;
- reducing the amount of the provisional deposit; and
- implementing a company categorization.

Furthermore, the Government plans to implement the following measures:

- revising the Public Procurement Code in 2017 in order to conform it with international standards, which will help improve the business climate via the management of projects co-financed by the country system;
- continuing the dematerialization process to help improve the companies' involvement in the public procurement process; and
- continuing the work to transpose the WAEMU Directives on Public Service Delegations (*Délégations de Service Public* (DSP)) and Delegated Project Management (*Maîtrise d'Ouvrage Déléguée* (MOD)), begun in 2016.

The Budget Process

The process begins each year in March and ends with the submission of the draft budget to the National Assembly at the latest on the first Tuesday of October. The draft budget becomes a Finance Law (*Loi des finances*) upon a vote by the National Assembly, once the Senate instituted by the new Constitution becomes effective, the Senate. The Finance Law for each year is enacted by the President of the Republic and made effective as of January 1st of the relevant year.

During the political and military crisis, which began in 2002, the budget was effectively adopted by ordinance issued by the President of the Republic without consulting the legislative power. The adoption of the budget by the National Assembly resumed in 2012.

Côte d'Ivoire's budget elaboration process comprises the following steps:

- development of the macro-economic framework: it allows for the making of projections for the main aggregate figures for the years to come with regards to macroeconomic growth;

- validating the macroeconomic framework: it allows the Government to declare its approval or suggest adjustments to the macroeconomic framework;

- development of the budgetary framework: this aims to establish a balance between the commitments of the State and available resources;

- validation of the budgetary framework: this enables the Government to approve the spending decisions and the level of available resources and opens the way to the distribution of funds between the Ministries, institutions and decentralized authorities;
- determination of the use of budgetary funds: this allows the allocation of budgetary credits to the Ministries, institutions and decentralized authorities;
- Prime Minister's framework letter: this communicates to the Ministries, Institutions and Decentralized Authorities the budgetary funding allocated to each of them;
- budgetary conferences with the Heads of Administrative and Financial Affairs (*Directeurs des Affaires Administratives et Financières*): this allows for an examination of the proposed allocations prepared by the Ministries, Institutions and Decentralized Authorities;
- arbitrage and amendments to the draft budget: these aim to summarize the modifications carried out and an arbitrage of additional requests;
- adoption of the draft budget by the Council of Ministers: this marks the end of the executive power's involvement in the budget elaboration process; and
- examination of the budget by the National Assembly: this step allows the National Assembly to examine the budget after a presentation by the Minister in charge of Budget, after which the budget is voted into law.

In order to carry out budgeted investments efficiently, a research fund was set up by the Government in 2012 to finance the necessary feasibility studies for relevant projects so as to guarantee their immediate implementation. For 2015, this fund received an allocation of CFAF 20 billion in the initial budget.

To render Côte d'Ivoire's budget management more transparent and more efficient, the Government has instituted a publicly available quarterly report in order to ensure follow-through on the execution of the State budget. A publicly available quarterly report on the status of public procurement contracts awarded by the Ministry in Charge of the Budget has also been instituted. Adjustments may be made to the national budget via Amended Finance Laws (*Lois de Finances Rectificatives*), adopted under the same conditions as the Finance Law (*Loi de Finances Initiale*).

WAEMU Framework for Multiyear Programming and Program Budgets

In 2009, the Council of Ministers of the WAEMU adopted six new Directives for purposes of harmonizing the public financial management legal framework in the Union. This new framework institutes, among other things, multi-year expenditure programs and budgeting by program.

Côte d'Ivoire transposed the WAEMU Directives into national law following the adoption by the National Assembly of two laws (*lois organiques*) voted on June 5, 2014: one establishing a Transparency Code, and another one dealing with Finance Laws. Four implementing decrees were adopted on July 9, 2014 with respect to:

- the State Budget Nomenclature: this decree sets the fundamental principles of presentation of the general budget, ancillary budgets and special Treasury accounts.
- the State Financial Transactions Table: this decree sets the general principles relating to the preparation and presentation of the statistics on the financial transactions of the WAEMU member States.
- the Accounting Plan of the State: it determines the subject matter of the State's general accounting and the standards, rules and procedures relating to its preparation and the production of the accounts and financial statements. It adopts an accounting plan the basis of which is common to all WAEMU member States.
- the General Rulebook on Public Accounting: it sets the fundamental rules governing the spending of public budgets, accounting, control of financial transactions, management of public funds, values and assets.

The principal changes brought about by the adopted laws include:

- the shift from a means to an outcome-oriented strategy so that public money is spent more efficiently;
- the use of multi-year budgets;
- a program-based approach: the budget will no longer be presented by expense items but by “programs” regrouping credits implementing an action or a coherent set of defined actions for the medium-term;
- the decentralization of the principal authorizing power: the Ministers and Institution Presidents are the principal authorizers of credits and their programs;
- a debate on budget execution in the National Assembly at the end of the second quarter of every year, during which the Government will defend its social and economic policies; and
- the reinforcement of the mission of each Technical Minister: to this effect, each Minister will have to defend his budget in front of the National Assembly and provide an account of his management through a detailed yearly performance report.

In order to facilitate the application of these rules, the Government will carry out several actions in the course of 2017, including:

- the transposition of the Directives establishing the Financial Regime of the Local Communities and Materials Accountancy: this Directive sets the fundamental rules and principles governing the budgetary and accounting framework for local communities;
- the transposition of the Directive relating to Materials Accountancy: the purpose of this Directive is to organize the inventory, registration and follow up of materials, to make accessible information relating to the composition and value of the materials held by public entities. This sincere, accurate, regular, precise and exhaustive information is meant to facilitate the decision-making process, and so, to contribute to the control of asset management by public decision makers. A draft decree is currently under review and is expected to be adopted before the end of 2017;
- the finalization of the Budgetary and Accounting Information System (BIS) which will allow for the preparation and spending of the budget as part of the budget program; this system is expected to be finalized in December 2017;
- the finalization of the State Budget Nomenclature (“**SNB**”) : this nomenclature is stabilized with respect to both administrative classifications (by programs, functional and geographical) and economic classifications. A draft decree on the codification of the SNB has been finalized and is expected to be adopted in the first quarter of 2018. The detailed codification of all ministries and agencies departments and programs (instruction on the detailed codification of budgetary nomenclatures) began in 2017;
- the continuation of the preparation of the Annual Performance Reports (“**APR**”) by the five pilot ministries: a methodological plan has been made available to all the ministries in view of preparing the APR, and all ministries are now required to prepare APRs, including with respect to the year 2016 for which APRs are due in 2017;
- the continuation of communication and training: a specific communication effort on the budgetary reform but be strengthened for the attention of the media, press and civil society. The publication of collections of transposed regulations, of the methodological guide on performance and instructional guides on the directives will strengthen communication;
- the finalization of the decree establishing a Program Management Charter : this is the document defining the role of the various parties involved and their responsibilities. It established the functional connections and reporting lines between them and defines the bases for the management dialogue. A draft instrument establishing a Program Management Charter has been prepared for this purpose. Its adoption is expected in 2017;

- the designation of the Program Managers; and
- the continued strengthening of the capacities of the central and decentralized parties involved in the organic law relating to finance laws.

Management of Public Finances

Treasury Single Account

A methodology for the creation of a Treasury Single Account (*Compte Unique du Trésor*) ("**CUT**")) and a timetable for closing the public accounts in commercial banks were adopted in December 2014. Treasury management will be further modernized and optimized through the CUT's implementation. The CUT will allow for better visibility of the State's day-to-day cash position, greater efficiency in the State's management of cash, particularly for clearing operations, and a reduction in financial expenses as well as control of the State's exposure to commercial banks. A project team was appointed and a project timetable was clearly defined. In addition, the Government is carrying out a permanent inventory of accounts opened at commercial banks and will reduce the amount of such accounts. It plans to deploy the CUT's Management System beginning in September 2017. The CUT's management is expected to be operational as of the end of 2018, following an experimental stage. Furthermore, the Government intends to lead discussions in order to ensure consistency between the public procurement procedures plans, the commitment plan and the liquidity plan.

Integrated System for the Management of Public Finances

In order to ensure control over public expenditures, in 1999 the Government introduced a management tool for public finances, known as the Integrated System for the Management of Public Finances (*Système Intégré de Gestion des Finances Publiques*) ("**SIGFiP**")). SIGFiP is a system that connects principal participants of the public expenditure chain via a network. This system provides a framework for public expenses within budgetary allocations as well as the implementation of regulations to adjust expenses in line with the mobilization of financial resources.

Revenues and Expenses

The table below provides certain information on public revenues and expenses from 2010 to 2017 as set forth in the State Financial Transactions Table (*Tableau des Opérations Financières de l'Etat* ("**TOFE**")):

	2010	2011	2012	2013	2014	2015	2016	2017 Forecasts
					(CFAF billions)			
Total revenues and Grants	**2,282.7**	**1,725.9**	**2,621.5**	**3,039.5**	**3,293.3**	**3,916.8**	**4,176.6**	**4,603.1**
Total revenues[(1)]	2,176.2	1,693.0	2,540.2	2,838.0	2,989.4	3,634.6	3,884.2	4,260.0
Tax revenues..........................	1,928.5	1,493.1	2,213.0	2,408.6	2573.3	2,954.9	3,352.6	3,435.5
Including direct taxes	551.1	507.8	720.4	765.5	741.0	788.4	851.9	964.7
Including taxes on oil profits................................	119.9	154.9	213.5	141.8	92.4	72.0	55.0	65.8
Indirect taxes	457.8	335.8	542.2	537.4	603.2	691.6	789.7	853.8
Non -tax revenues..................	247.7	199.9	327.3	429.4	416.1	679.8	531.6	632.7
Social Security contributions........................	162.8	131.0	235.9	307.3	340.7	383.5	443.3	486.9
Others..................................	84.9	68.9	91.4	122.2	75.4	296.2	88.3	145.7
Including: PETROCI dividends...........................	34.3	12.0	0	26.1	0.0	18.8	0.0	7.0
Grants	**106.5**	**32.9**	**81.2**	**201.5**	**304.0**	**282.2**	**253.5**	**343.1**
Projects	41.0	21.9	51.5	96.2	137.0	128.6	105.9	195.5
Programs (including those linked to the crisis)...................	65.5	11.0	29.7	105.2	167.0	153.6	147.6	147.6
Total expenses...........................	**2,498.8**	**2,208.7**	**3,053.9**	**3,385.6**	**3,669.6**	**4,469.8**	**5,014.6**	**5,655.1**
Current expenses......................	2,115.5	1,924.0	2,443.9	2,451.4	2,677.8	3,222.7	3,606.2	3,314.8
Salaries and wages.................	800.5	719.8	934.7	1,038.9	1,183.3	1,331.6	1,400.8	1,508.1
Social security benefits...........	212.6	181.7	229.2	252.2	258.4	255.4	260.7	325.2
Subsidies and other current transfers (including health and education)	272.8	314.6	410.5	325.0	304.1	414.7	385.8	365.8
Including: electricity subsidies..............................	82.6	104.5	137.1	84.1	60.7	77.7	7.5	0.1
Other current expenses	493.9	413.1	580.1	545.2	656.1	814.8	1,069.4	1,106.9
Including: damages paid with respect to toxic waste	11.8	0.0	5	5.0	0.0	13.2	20.9	0.0
Expenses connected to the crisis	141.5	75.4	56.5	75.4	62.2	108.7	129.4	11.8
Interest owed	194.3	219.3	232.9	214.8	213.6	297.5	360.1	433.6
Domestic debt	66.3	89.6	79.6	115.6	119.5	145.3	183.2	227.2
External debt	128.1	129.7	153.4	99.1	94.2	152.2	177.0	206.4
before rescheduling/ refinancing on new financings								
Investment expenses	349.9	285.6	607.7	934.2	994.2	1,247.3	1,408.4	1,668.9
Financed by domestic resources	263.4	237.2	502.2	618.0	608.1	790.9	1,054.0	887.3
Financed by external resources	86.4	48.4	105.5	316.2	386.1	456.3	354.4	781.6
Net loans	33.4	(0.9)	2.3	0.0	(2.4)	(0.2)	0.0	0.0
Basic primary balances[(1)]..........	**(30.0)**	**(248.0)**	**(170.3)**	**(11.7)**	**(80.5)**	**68.1**	**(394.9)**	**(179.8)**
% of GDP						**(0.4)**	**(1.8)**	**(0.8)**
Global balance, including grants	**(216.1)**	**(482.9)**	**(432.4)**	**(346.2)**	**(376.2)**	**(553.0)**	**(837.9)**	**(1,052.0)**
% of GDP						**(2.9)**	**(3.9)**	**(4.5)**
Global balance, excluding grants	(322.7)	(515.7)	(513.7)	(547.6)	(680.2)	(835.2)	(1,091.5)	(1,395.0)
Variation of domestic past due amounts (excluding debt service)	(35.2)	(25.7)	95.4	39.7	(152.4)	1.5	78.9	(75.0)
Net variation of external past due amounts (interests)	(255.5)	26.5	(7.1)	(16.8)	0.0	0.0	0.0	0.0
Past due amounts write offs	(271.6)	(1.1)	(7.1)	(16.8)	0.0	0.0	0.0	0.0
Accumulation of new past due amounts	16.1	27.6	0.0	0.0	0.0	0.0	0.0	0.0
Global balance (cash basis)	**(506.8)**	**(482.1)**	**(344.1)**	**(323.2)**	**(528.6)**	**(551.4)**	**(759.1)**	**(1,127.0)**
% of GDP							**(3.5)**	**(4.8)**

Source: MEF/DGE/DPPSE

(1) Total revenues (excluding grants) minus expenses, excluding scheduled interests and investment expenses financed through foreign resources.

2017 First Quarter Performance

It should be noted that 2017 budget projections discussed below are different from the 2017 forecasts set out in the TOFE table above. The TOFE has a different scope and methodology than the national budget. The TOFE figures are used in economic analysis and take into account certain financial transactions that are not included in the national budget. The national budget only covers the financial transactions of the central government and not, for example, the financial transactions of the social security funds (*Caisses de Sécurité Sociale*) or of State-owned enterprises.

The 2017 Revised Budget

Cyclical developments during the first quarter of 2017, notably the decrease of around 35% in the cocoa price, the increase in crude oil prices and social demands (in particular due to the fall in the cocoa price), have prompted a revision of the initial 2017 budget. Côte d'Ivoire's 2017 revised budget adopted by the Council of Ministers on May 10, 2017 is balanced in terms of resources and expenditures and amounts to CFAF 6,447.6 billion compared to the initial 2017 budget of CFAF 6,501.4 billion, a net decrease of CFAF 53.8 billion.

The table below highlights the weight of some resource items in the 2017 budget:

Total Budget Resources	Initial Budget	Revised Budget
Tax revenues	51.5%	47.6%
including oil and gas revenues	1.4%	1.5%
including coffee-cocoa revenues	8.8%	7.2%
Other Domestic Resources	2.1%	2.4%
Various other funding	18.9%	20.5%
External Resources	19.3%	20.9%
Special Treasury Accounts Revenues	8.3%	8.5%
TOTAL	**100%**	**100%**

The 2017 revised budget resources consist of 79.1% of domestic resources and 20.9% of external resources:

- Domestic resources projected at CFAF 5,097.5 billion are composed of tax revenues (60.2%), non-tax revenue (3.1%), loans on monetary and financial markets (25.9%), and resources of the Special Treasury Accounts (*Comptes Spéciaux du Trésor*) (10.8%).

  Tax revenues projected at CFAF 3,070.9 billion (or 47.6% of the revised budget's resources), show a decrease of CFAF 247.5 billion compared to the initial 2017 budget, representing a tax pressure rate of 15.4%. This decrease is mainly due to the downward trend in international cocoa prices (-35%); the Government's waiver of the cocoa registration fee (5% of the CIF price) to support the producer price; the revision of cocoa export volumes in the light of the sector's recent reported data; the impact of upward trends in international oil prices; the downward revision of foreign trade data to + 5.6% from an initially projected increase of + 9.1%; and the amount of tax revenue at the end of 2016, which was below the estimate on the basis of which objectives were initially projected in September 2016.

  Therefore, the tax on industrial and commercial profit (excluding oil and gas) is revised at CFAF 299.1 billion, a decrease of CFAF 6.9 billion compared to the 2017 initial budget of CFAF 306 billion, to take into consideration the effective achievements of 2016 and the revision of the economic growth rate to 8.5% from a forecasted 8.9% in the initial budget.

  The oil and gas revenues (industrial and commercial profit tax and operational charges) are revised at CFAF 94.1 billion compared to an initial projection of CFAF 91.1 billion, an increase of CFAF 2.9 billion mainly due to the rise of oil prices (US$54.9 per barrel compared to US$51 per barrel initially).

Similarly, the 2017 revised budget revised the following types of taxes:

- income and wage tax, projected at CFAF 452.8 billion compared to an initial projection of CFAF 450.2 billion, due to the consideration of the impact of 2016 achievements which is greater than initially expected;
- value added tax (VAT), a decrease of CFAF 5.8 billion compared to initial projections of CFAF 366.4 billion, with respect to the downward revision of the growth rate of households' final consumption from 8.8% to 6.1% in 2017;
- import taxes on petroleum products are revised to CFAF 192.4 billion compared to an initial projection of CFAF 338 billion, a decrease of CFAF 145.5 billion due to an unfavorable expected level of taxation for the rest of the year compared to the initial forecast (i.e. super fuels and diesel: CFAF 149.5 / liter and CFAF 150.1 / liter compared to the initially projected CFAF 255.7 / liter and CFAF 249.2 / liter); and growth rates in volumes of diesel and super fuels which stand at 6.5% and 15%, respectively compared to initially projected growth rates of 8% and 16.1%;
- taxes on banking operations, representing a decrease of CFAF 2.6 billion compared to initial projections of CFAF 68.6 billion in connection with banking and financial activities;
- registration duties, revised to CFAF 124.7 billion, a net decrease of CFAF 76.1 billion compared to the initial level, as a result of the Government reducing registration duties owed in respect of cocoa exports from 5% to 0% to support producers, resulting in a shortfall of CFAF 80.9 billion;
- taxes on the importation of general merchandise are revised to CFAF 801.8 billion, a decrease of CFAF 10.2 billion compared to initially projected CFAF 812.0 billion in connection with new international price hypotheses and the downward revision of projected volumes of imports of goods and services (excluding drilling platforms) to 5,481.1 thousand tons from initially projected 6,202.7 thousand tons.

- The main components of the 2017 revised budget expenditures, projected at CFAF 6,447.6 billion, are public debt service (22.6%), payroll expenses (23.4%), other operational expenditures (18.3%), investment expenditures including the investment fund in rural area (*Fonds d'Investissement en Milieu Rural* ("**FIMR**")) and the road maintenance fund (*Fonds d'Entretien Routier* ("**FER**")) programs (28.9%) and expenditures on other revenues allocated to Special Treasury Accounts (6.7%).

  Public expenses of the 2017 revised budget decreased by CFAF 53.8 billion compared to the 2017 initial budget. They include, in particular, payroll expenses, which level (CFAF 1,508.1 billion) remains the same as for the initial 2017 budget, credits allocated to investment expenditures (including FIMR and FER), except expenses on other revenues, of CFAF 1,865.9 billion, representing 7.9% of GDP. These investment projects, in accordance with the 2016-2020 NPD, are financed up to 53.8% by internal resources and up to 46.2% by external resources.

  Investment expenditures financed by domestic resources, projected at CFAF 940.3 billion (including FIMR and FER), include an endowment of CFAF 35 billion allocated to Territorial Collectivities (*Collectivités Territoriales*) to support the local development with a view to improving the population's quality of life. The investment expenditures also take into account projects financed in the context of C2D (CFAF 56.6 billion), bank restructurings (CFAF 15 billion), the construction of the Soubré dam (CFAF 7.8 billion), the fund for studies on the implementation of projects (CFAF 13 billion) and the Universal Healthcare Coverage (*Couverture Maladie Universelle*) (CFAF 10.5 billion).

  In addition, the 2017 budget places special emphasis on actions to reduce poverty. As such, an allocation of CFAF 2,070.1 billion is forecasted in the 2017 revised budget for "pro-poor" spending, representing 32.1% of the budget.

First Quarter Performance

The public financial status as at the end of the first quarter of 2017 with respect to budget implementation is summarized below:

- Budgetary resources stood at CFAF 1,281.3 billion compared to a forecast of CFAF 1,340.6 billion, an achievement rate of 95.6%. These funds consist of 80.1% of domestic resources and 19.9% of foreign resources:
    - Domestic resources include tax revenue, non-tax revenue and loans on the monetary and financial markets. They represented CFAF 1,026.6 billion compared to a target of CFAF 1,127.8 billion, an achievement rate of 91%.
        - Tax revenue represented 81% of domestic resources. They amounted to CFAF 831.1 billion compared to a target of CFAF 822.8 billion, an achievement rate of 101%.
        - Non-tax revenue amounted to CFAF 82.8 billion compared to a forecast of CFAF 15 billion, a positive difference of CFAF 67.8 billion due primarily to the payment during the third quarter of CFAF 65 billion in cellular telephony fees in connection with license renewals, initially expected for the fourth quarter.
        - The State's financing through monetary and financial markets stood at CFAF 121.4 billion compared to a forecast of CFAF 270 billion, a negative difference of CFAF 148.6 billion.
    - Foreign resources amounted to CFAF 254.6 billion compared to a target of CFAF 212.8 billion, a surplus of CFAF 41.8 billion. These resources include drawdowns on project loans of CFAF 213.9 billion compared to a forecast of CFAF 173.7 billion and project grants of CFAF 40.8 billion compared to a forecast of CFAF 39.1 billion.
- Expenditures as of March 2017 stood at CFAF 1,250.1 billion compared to a forecast of CFAF 1,380.8 billion, an achievement rate of 90.5%. These expenditures include CFAF 1,224.3 billion of budgetary expenditures (97.9% of total expenditures) and CFAF 25.8 billion of treasury expenditures (2.1%). These expenditures primarily include public debt service, personnel expenses, other operational expenses and investment expenses.
    - Public debt service amounted to CFAF 269.3 billion compared to a forecast of CFAF 284.7 billion. It is divided between domestic debt (CFAF 199 billion) and foreign debt (CFAF 70.3 billion).
    - Personnel expenses at March 2017 stood at CFAF 362.2 billion compared to a forecast of CFAF 377.7 billion, or CFAF 14.5 billion below the target, primarily due to the delay in transferring payment orders for newly-hired employees.
    - Other operational expenses amounted to CFAF 132.8 billion compared to a forecast of CFAF 155.8 billion.
    - Investment expenses (excluding security and election expenses) amounted to CFAF 398.9 billion compared to a forecast of CFAF 414.8 billion, an achievement rate of 96.2%. These expenses were 36.2% financed by domestic resources and 63.8% financed by foreign resources.

The primary balance recorded a surplus of CFAF 235.5 billion and the overall balance recorded a deficit of CFAF 43.7 billion. Debt issued on the monetary and financial market in the amount of CFAF 269.8 billion financed the deficit in the overall balance and settled a portion of amounts due to suppliers in 2016 as well as maturing debts.

Taxation

Missions of the General Tax Directorate (Direction Générale des Impôts)

The *Direction Générale des Impôts* ("**DGI**") is responsible for elaborating and applying fiscal and para-fiscal legislation and preparing and applying international tax treaties. As such, it is responsible for determining the tax base, the liquidation and the collection of taxes and the collection of fiscal and para-fiscal revenue other than customs duties on behalf of the State. It is also responsible for managing tax disputes relating to the tax base and tax collection. The DGI collect on average 53% of the tax revenue.

Certain Duties and Taxes

General Income Tax

Côte d'Ivoire's taxation system for natural persons includes category-specific taxes and a base tax on overall revenue, after deduction of category-specific taxes.

The base for the general income tax is the net overall income of natural persons. This is a progressive tax with a specific rate per earning band.

The general income tax is part of payroll and income taxes (excluding taxes on securities), which amounted to CFAF 260.1 billion in 2012, CFAF 314.7 billion in 2013, CFAF 339.5 billion in 2014, CFAF 354 billion in 2015 and CFAF 403 billion in 2016.

Tax on Industrial and Commercial Profit

The tax on profits is due on profits generated in Côte d'Ivoire, in particular arising from the exercise of commercial or industrial activities, provision of services, crafts or forestry, agricultural, mining or oil operations.

The ordinary tax rate is 25% for legal entities and 20% for individuals. The ordinary tax rate for companies operating in the telecommunications sector is 30%.

However, the amount of the tax may not be lower than a minimum amount equal to 0.5% of revenues (all taxes included) for the ordinary tax regime and 2% of revenues for the simplified tax regime, subject to certain exceptions.

Special provisions are provided for the taxation of the mining and oil sectors.

Côte d'Ivoire's taxes on industrial and commercial profit (excluding oil and gas) represented CFAF 168.8 billion, CFAF 211.0 billion, CFAF 226.6 billion and CFAF 237,1 billion in 2012, 2013, 2014 and 2015, respectively. The estimation for 2016 is CFAF 259.4 billion.

Value Added Tax (VAT)

VAT is applied to activities carried out against payment such as deliveries of goods and provisions of services, excluding salaried and agricultural activities. Imports, operations carried out by the developers, and real estate agents and similar, the specialized transports and the deliveries of materials extracted in Côte d'Ivoire are also subject to VAT.

The WAEMU set the basic rate of VAT at between 15% and 20%, with a restricted list of exemptions.

However, in accordance with WAEMU community standards, WAEMU member states have the option of applying a reduced VAT rate ranging from 5% to 10% for certain products and operations.

With respect to Côte d'Ivoire, the base rate was reduced by the Finance Act 2003 from 20% to 18% to be applied to revenues before tax. A reduced 9% rate applies to certain recurrent consumer goods such as milk, 100% durum wheat semolina pasta and oil products.

Côte d'Ivoire's VAT revenues were CFAF 515.3 billion, CFAF 570.5 billion, CFAF 610.0 billion and 619.4 billion in 2012, 2013,2014 and 2015, respectively. The estimation for 2016 is CFAF 703.8 billion.

The table below presents information on the total tax revenues and the contribution of VAT to total tax revenues from 2010 to 2017:

	2012	2013	2014	2015	2016	2017 Forecasts
			(CFAF billions)			
Total tax revenues..............	**2,213.0**	**2,408.6**	**2,573.3**	**2,954.9**	**3,352.6**	**3,627.4**
of which VAT..................	**515.3**	**570.4**	**610.0**	**619.4**	**710.5**	**745.9**
of which DGI....................	196.4	228.4	255.5	286.2	323.0	376.8
of which DGD	318.9	342.0	354.6	333.2	387.5	369.1
VAT / tax revenues (%)........	23.3	23.7	23.7	21.0	21.2	20.6

Source: MEF/DGE/DPPSE

PUBLIC DEBT

Overview

The Government stresses that external debt figures in this section for 2012 and later years do not take into account the amount of debt eligible under Debt Reduction and Development Contracts (*Contrats de Désendettement et de Développement* ("**C2D**")). C2D-eligible debt is excluded from the stock of external debt in accordance with the new definition of the International Monetary Fund ("**IMF**") and the World Bank.

Public debt is comprised of domestic and external debt and excludes debt of public enterprises and local communities. Public debt amounted to an estimated CFAF 9,023.2 billion at the end of 2016 (including CFAF 4,974.2 billion of external debt), CFAF 7,914.8 billion at the end of 2015 (including CFAF 4,489.1 billion of external debt) and CFAF 6,438.5 billion at the end of 2014 (including CFAF 3,308.7 billion of external debt). As of December 31, 2016, estimated outstanding public debt represented 42.1% of nominal GDP, compared to 40.8% in 2015 and 36.9% in 2014. The WAEMU threshold for public debt is 70% of nominal GDP; according to the IMF's debt sustainability framework, it is 49% of nominal GDP.

Total debt eligible under C2D amounted to CFAF 1,106.1 billion at the end of 2016 (5.2% of GDP), compared to CFAF 1,283.3 billion at the end of 2015 (6.6% of GDP) and CFAF 1,374.1 billion (7.9% of GDP) at the end of 2014. See "*Bilateral Debt-Debt Reduction and Development Contracts (*Contrats de Désendettement et de Développement*)*".

At the end of 2016, external debt is comprised of bilateral debt (20.1%), multilateral debt (26.6%) and private debt (53.3%). Debt owed to non-members of the Paris Club represents 85.0% of bilateral debt, with France representing 97.6% of the debt due to members of the Paris Club. Debt eligible under C2D represented 88.0% of debt due to France. Among the six bilateral creditors who are not members of the Paris Club, China is the largest creditor representing 88.1% of the debt owed to bilateral creditors which are not members of the Paris Club. With respect to multilateral debt, the main creditors are the World Bank, the IMF, the African Development Bank ("**AfDB**"), the Islamic Development Bank, the West African Development Bank and the Arab Bank for Economic Development in Africa, which together represent 95,6% of multilateral debt at the end of 2016, with the IMF's share (46,7%) being the largest. With respect to private debt, debt due to holders of the 2032 Eurobonds, 2024 Eurobonds and 2028 Eurobonds is by far the largest and represents 99.0% of the total stock.

Domestic public debt is comprised of banking sector debt and non-banking sector debt incurred in the West African Economic and Monetary Union ("**WAEMU**") zone. Banking sector debt is principally borrowed from commercial banks, the Central Bank of West African States (*Banque Centrale des États de l'Afrique de l'Ouest* ("**BCEAO**")), the Atlantic Bank of Côte d'Ivoire (*Banque Atlantique de Côte d'Ivoire*) and the National Investment Bank (*Banque Nationale d'Investissement* ("**BNI**")). Non-banking sector public debt is borrowed from private organizations and holders of securities issued by the Government on the sub-regional financial market.

The table below presents the trends in public debt figures between 2013 and 2016.

	2013	2014	2015	2016 (provisional figures)
		(CFAF billions)		
Total debt (as % of GDP)	**34.0%**	**36.9%**	**40.8%**	**42.1%**
Total debt	**5,257.3(1)**	**6,438.5**	**7,914.8**	**9,023.2**
Outstanding	4,948.2	6,018.6	7,896.5	9,023.2
Arrears	309.1	420.0	18.3	0.0
Debt service due	886.7	1,002.1	1,151.7	1,191.8
Debt service paid	649.1	995,0	1,093.7	1,210.1
Total external debt	**2,605.4(2)**	**3,308.7**	**4,489.1**	**4,974.2**
Outstanding	2,605.4	3,308.7	4,489.1	4,974.2
Arrears	0.0	0.0	0.0	0.0
Debt service due	145.0	149.9	264.0	336.7
Debt service paid	145.0	176.0	264.0	336.7
Total domestic debt	**2,651.9**	**3,129.9**	**3,425.7**	**4,049.1**
Outstanding	2,342.8	2,709.9	3,407.4	4,049.1
Arrears	309.1	420.0	18.3	0.0
Debt service due	**741.7**	**852.2**	**887.7**	**855.1**
Debt service paid	**504.1**	**819.0**	**829.7**	**873.4**
Nominal GDP (current prices)	**15,446.0**	**17,461.0**	**19,408.0**	**21,438.4**

Source: Department of Public Debt and Donations (Direction de la Dette Publique et des Dons)

(1) Total debt, including C2D-eligible debt, amounted to CFAF 6,697.3 billion at the end of 2013, CFAF 7,812.5 billion at the end of 2014, CFAF 9,198.1 billion at the end of 2015 and, on a provisional basis, CFAF 10,129.0 billion at the end of 2016.

(2) External debt, including C2D-eligible debt, amounted to CFAF 4,045.4 billion at the end of 2013, CFAF 4,682.7 billion at the end of 2014, CFAF 5,772.4 billion at the end of 2015 and, on a provisional basis, CFAF 6,080.2 billion at the end of 2016.

Due to greater public investments (6% of GDP on average over the 2012-2014 period), the outstanding amount of public debt after cancellation of external debt obtained as a result of achieving the completion point of the HIPC initiative reached CFAF 5,257.3 billion (34.0% of GDP) in 2013, CFAF 6,438.5 billion (36.9% of GDP) in 2014, CFAF 7,914.8 billion (40.8% of GDP) in 2015 and CFAF 9,023.2 billion (42.1% of GDP) in 2016.

The debt service due is the sum of principal and interest due, initially recorded in the State's annual budget. The debt service paid corresponds to the sum of settlements made of both principal and interest, be it redemptions due in the current year or arrears paid in the current year.

Public Debt Management Policy

Public indebtedness and public debt management policies in Côte d'Ivoire seek to optimize the use and absorption of loans, maintain the debt at a sustainable level and make effective, on-time payments upon the debt maturity dates, at the lowest cost and a prudent level of risk, both in the medium- and long-term. They serve to improve the process through which the form of financing for the economy is determined and optimize the decision-making process regarding the allocation of budget and financing resources to promote continued and inclusive growth.

Since 2012, the State has undertaken reforms in connection with public debt management to adopt an approach that meets international standards. This involves:

- implementing a new public debt management institutional framework (the CNDP and the new Department of Public Debt incorporating the management of the State's treasury and organized in front, middle and back office);
- implementing a new legislative framework for managing public debt, including the Law on national policy of public indebtedness in Côte d'Ivoire, the Decree amending Decree 83-501 of June 2, 1983 regulating the

conditions for the grant of State guarantees and their management and the Decree on the reorganization of the National Public Debt Committee (*Comité National de la Dette Publique*) ("**CNDP**"));

- regulating and monitoring indebtedness via the Medium-Term Debt Strategy (*Stratégie de Gestion de la Dette Moyen Terme* ("**SDMT**")) and the Debt Sustainability Analysis ("**DSA**");
- reducing the country's credit risk, reflected by the Government's intent to continually improve the country's sovereign credit rating in foreign and local currencies; and
- complying with commitments toward its creditors.

Indebtedness and debt management institutional framework

In order to attain all of the objectives relating to indebtedness and debt management, the Government considered it necessary to undertake further institutional reforms. The reforms carried out in 2011 resulted in the creation of the CNDP and the reorganization of the Department of Public Debt and Donations (*Direction de la dette publique et des Dons* ("**DDPD**")).

The CNDP was created by Decree No. 2011-424 of November 30, 2011. The CNDP is a body that coordinates the national indebtedness and debt management policy with budgetary and monetary policies. It is under the authority of the Minister of Economy and Finance, reporting to the Prime Minister. This Committee is responsible for approving and monitoring the SDMT's implementation, validating significant readjustments to the annual financing plan during the course of the fiscal year and approving non-concessional and unanticipated financing to the annual financing plan.

Pursuant to Article 13 of WAEMU Regulation No. 9, which provides that "*Each Member State shall prepare and implement a manual of procedures relating to the borrowings and debt management functions and activities"*, a CNDP Manual of procedures has been prepared.

The new Department of Public Debt and Donations, created by Decree No. 298/MPMEF/DGTCP/DEMO of August 11, 2015 as amended by Decree n°512/MPMEF/DGTCP/DEMO of 30 December 2016, is now the sole debt management entity. It is organized with a front, middle and back office, in accordance with international standards. The reorganization of the Department of Public Debt and Donations aims to centralize all the departments responsible for public debt management (single debt desk) and the treasury for more effective functioning.

At the WAEMU sub-regional level, the *Agence UMOA-Titres*, in collaboration with the BCEAO, undertook reforms, namely with the introduction of Primary Dealers (*Spécialistes en Valeurs du Trésor* ("**SVT**") to stimulate the financial market in order to raise more significant amounts. Côte d'Ivoire has 10 institutions authorized as SVTs by the Public Treasury since September 7, 2015. SVTs are responsible for participating in Treasury securities issuances by tender and by syndication, leading the secondary market of public debt securities, promoting Treasury securities and providing advisory and information services to the Treasury and the Agence UMOA-Titres. SVTs are effectively operating since March 1st, 2016.

The SDMT and the DSA

The use of loans is governed by the SDMT, which is prepared each year and consolidated by the DSA. At the end of 2016, the rate of indebtedness of 42.1%, like that of previous years, remained below 70% (the WAEMU indebtedness threshold) with a moderate risk of over-indebtedness. However, the Government is working to improve the debt sustainability level, namely by strengthening the macroeconomic framework.

New financing over the 2016-2020 period required for the implementation of the National Development Plan ("**NDP**") stands at CFAF 30,000 billion, including CFAF 11,284 billion for the public sector (38%). In order to reach this target, the State, while remaining cautious, is focusing in particular on investor diversification, new financing opportunities and liability management. This includes resorting to (i) the international financial market, (ii) Islamic loans and (iii) the WAEMU financial market, with a view to developing this market. The SDMT's objective for this same period is to borrow under the most favorable conditions (extend the maturities of public securities, reduce the cost of loans, limit exchange rate risk, favor external financing for structural projects and increase the use of concessional and semi-concessional loans).

The table below sets out the public debt profile of the central Administration for 2017 to 2021:

Sources and Types of Instruments	2017	2018	2019	2020	2021	2022	Average 2017-2022
External debt (%)	**64%**	**30%**	**30%**	**30%**	**30%**	**30%**	**36%**
Instruments:							
Concessional	3%	5%	5%	5%	5%	5%	5%
Semi-concessional	53%	95%	95%	95%	95%	95%	88%
Non-concessional	44%						7%
Domestic debt (%)	**36%**	**70%**	**70%**	**70%**	**70%**	**70%**	**64%**
Instruments:							
WAEMU market	78%	88%	88%	88%	88%	88%	86%
Bond 1 year	15%	9%	9%	9%	9%	9%	10%
Bond 2-5 years	30%	31%	31%	31%	31%	31%	31%
Bond > 5 years	33%	48%	48%	48%	48%	48%	46%
Other domestic loans	22%	12%	12%	12%	12%	12%	14%

Source: SP/CNDP

The 2017 financing plan, prepared in accordance with the SDMT, provides for a CFAF 2,122.6 billion financing requirement, including CFAF 1,495.5 billion in external project loans and CFAF 627.1 billion to be issued in the domestic market. The issuance of the Notes on the international capital markets will contribute to reducing the pressure on the regional financial market.

The table below sets out the outstanding public debt profile for 2016 to 2022, taking into account borrowings projected during the period from 2017 to 2022:

YEAR	2016 provisional	2017 SDMT	2018 SDMT	2019 SDMT	2020 SDMT	2021 SDMT	2022 SDMT
TOTAL	**9, 023**	**10,071**	**11,031**	**11,900**	**12,870**	**13,895**	**14,912**
As a % of GDP	*42.1%*	*42.7%*	*42.3%*	*41.3%*	*40.5%*	*39.7%*	*38.7%*
Source of financing							
External	**4,974**	**5,815**	**6,189**	**6,513**	**6,892**	**7,342**	**7,811**
Domestic	**4,049**	**4,256**	**4,842**	**5,388**	**5,979**	**6,552**	**7,101**
Nominal GDP (CFAF billions)	21,438	23,600	26,069	28,797	31,757	34,973	38,536

Source: Department of Public Debt and Donations

This strategy helps to contain the average cost of the debt portfolio, reduce the risk of refinancing, limit exchange rate risks and improve the indebtedness rate over the long-term. By 2022, the indebtedness rate is expected to be 38.7%, compared to 42.1% in 2016, whereas the required standard is set to a 70% cap by WAEMU.

Nevertheless, Côte d'Ivoire's risk of external over-indebtedness remains moderate. Solvency and liquidity indicators all remain below their respective thresholds over the debt sustainability analysis period (2017-2037). However, these indicators reveal vulnerability to a shock as modeled by a 2% increase in the average interest rate of financing.

The risk of overall indebtedness is also moderate. The most relevant indicator (debt VA/GDP) has remained permanently below its benchmark. However, simulating a one percentage point (1%) decrease in the real GDP growth rate over the 2017-2037 period results in a deterioration of this ratio by 2026.

The SDMT, reinforced by the DSA, helps to guide the Government's decisions on indebtedness and public debt management every year.

Reducing the country's credit risk

Sovereign financial ratings help to evaluate solvency and credit risk. The authorities have adopted this process to meet the Government's objective of improving the country's image vis-à-vis investors and strengthening mutual confidence in order to obtain financing under competitive conditions. In 2014, the international financial rating agencies Moody's and Fitch assigned Côte d'Ivoire ratings of B1 and B, respectively, with positive outlook. These ratings reflect the country's performance on economic, financial and socio-political levels following the post-election crisis. At the end of the last quarter of 2015, Côte d'Ivoire's rating was increased, from B1 to Ba3 (Moody's), stable outlook, and from B to B+ (Fitch), stable outlook. These ratings were confirmed in 2016 in most recent sovereign rating reviews by Fitch and Moody's in mid-July 2016 and late November 2016, respectively. Moody's next review of the country's credit rating is expected in June 2017 and Fitch's review of the country's next credit rating is expected in July 2017.

The country benefited from a stable currency, moderate inflation and lower macroeconomic volatility than of its peers, resulting to a large extent from its membership to the WAEMU and, to a lesser extent, a certain degree of economic diversification. As the Côte d'Ivoire is the largest economy of the WAEMU, it benefits from its situation of regional center, which increases investment opportunities.

The country has a structural trade surplus (estimated at 8.7% of GDP in 2016 and 8.3% of GDP in 2015), supported by diversified agricultural crops, reducing external vulnerabilities. This translates to a large extent by a moderate current account deficit despite strong investments momentum. Good relations with the international community since 2012 have helped the country secure substantial amounts of concessional loans to finance reconstruction and development efforts.

Complying with commitments toward creditors

The Government's commitment also entails making debt service payments on time and not accumulating debt arrears. In this respect, Côte d'Ivoire respected all of its external and domestic debt service commitments for the 2012-2016 period and during the first quarter of 2017. Consequently, there are no payment arrears. In 2016, the total debt service (CFAF 1,306.2 billion) was fully paid. These payments include CFAF 336.7 billion of external debt service and CFAF 951.3 billion of domestic debt service. Furthermore, the Government made a payment of CFAF 147.6 billion for the annual C2D payment. As of 31 March 2017, current debt maturities (external and domestic) were fully paid amounting to CFAF 268.2 billion.

Public Debt

The table below sets out the debt profile for the next 10 years on the basis of provisional outstanding debt estimates at the end of December 2016 (provisional figures in CFAF billion), using average annual exchange rates published by the IMF (*World Economic Outlook*) in March 2017, with the situation in 2015 and 2016 as a reminder. As a result, they do not take into account the amounts borrowed after the date of this Prospectus in respect of domestic and external debt.

(CFAF billions)	2015 Actual	2016 Est.	2017 Fore.	2018 Proj.	2019 Proj.	2020 Proj.	2021 Proj.	2022 Proj.	2023 Proj.	2024 Proj.	2025 Proj.	2026 Proj.
						(CFAF billions)						
Total Debt	**7,914.8**	**9,023.3**	**8,147.4**	**7,288.5**	**6,319.1**	**5,534.7**	**4,893.4**	**4,377.6**	**3,987.6**	**3,145.2**	**2,785.8**	**2,265.6**
As a % of GDP	*40.8%*	*42.1%*	*34.5%*	*28.0%*	*21.9%*	*17.4%*	*14.0%*	*11.4%*	*9.5%*	*6.9%*	*5.7%*	*4.4%*
External Debt	**4,489.1**	**4,974.2**	**4,761.7**	**4,521.6**	**4,255.6**	**4,009.3**	**3,774**	**3,535**	**3,301**	**2,572**	**2,323**	**1,880.6**
As a % of GDP	*23.1%*	*23.2%*	*20.2%*	*17.3%*	*14.8%*	*12.6%*	*10.8%*	*9.2%*	*7.9%*	*5.7%*	*4.8%*	*3.6%*
Domestic Debt	**3,425.7**	**4,049.1**	**3,385.7**	**2,766.9**	**2,063.5**	**1,525.4**	**1,119.4**	**842.5**	**686.8**	**573.7**	**462.6**	**385.0**
As a % of GDP	*17.7%*	*18.9%*	*14.3%*	*10.6%*	*7.2%*	*4.8%*	*3.2%*	*2.2%*	*1.6%*	*1.3%*	*1.0%*	*0.7%*
Nominal GDP	19,408	21,438	23,600	26,069	28797	31,757	34,973	38,536	42,000	45,355	48,524	51,915

Source: Department of Public Debt and Donations

Taking into account the Country Policy and Institutional Assessment (CPIA) of the World Bank and the IMF, the debt/GDP ratio remains below the reference level (49%) of the IMF's Debt Sustainability Framework ("**DSF**").

The continuation and the finalization of ongoing investment works in the country require more borrowing in 2017 and for the following years. These borrowings should lead to a significant increase in total outstanding debt. The Government intends to align the pace of the debt's growth with that of the GDP so that changes in the debt ratio remain under control.

The table below sets out Côte d'Ivoire outstanding public debt with a residual maturity of more than one year from 2014 to 2016:

	2014	2015	2016
		(CFAF billions)	
External debt	7.40	7.20	0
Domestic debt	370.89	401.98	339.20
Total debt	**378.29**	**409.18**	**339.20**

Source: Department of Public Debt and Donations

The weighted average maturity of the total debt portfolio at the end of 2016 was six years and six months; that of external debt was nine years and four months and that of the domestic debt five years. The average interest rate of the total public debt portfolio stood at 3.4% at the end of 2016. The average cost of external debt (including concessional and non-concessional borrowings) stood at 2.4% of the total public debt portfolio at the end of 2016.

External Public Debt

External debt is comprised of bilateral debt, multilateral debt and private debt (including commercial debt and international capital markets issues).

At the end of December 2016, the total outstanding amount of external public debt was estimated to be CFAF 4,974.2 billion, a 10.8% increase compared to CFAF 4,489.1 billion in 2015 which, in turn, represented a 35.7% increase compared to CFAF 3,308.7 billion in 2014. The increase in 2016 was attributable to the new loans including disbursements relating to the financings of Eximbank China (CFAF 250 billion), Islamic Development Bank (CFAF 22.0 billion), Eximbank India (CFAF 10.8 billion); BOAD (CFAF 20.0 billion), and budgetary assistance from the IMF (CFAF 58.4 billion).

As of December 31, 2016, debt service due for external debt, totaling CFAF 484.24 billion, was fully repaid, including the C2D payment of CFAF 147.59 billion.

During the first quarter of 2017, the Government has complied with all its obligations, making all debts payments (CFAF 70.3 billion) to its external creditors in a timely manner.

The provisional external public debt position of Côte d'Ivoire on March 31, 2017 is set out in the table below (in CFAF billions):

March 31, 2017		MULTILATERALS			BILATERALS			PRIVATE CREDITORS			TOTAL		
		Capital	**Interest**	**Total**	**Capital**	**Interest**	**Total**	**Capital**	**Interest**	**Total**	**Capital**	**Interest**	**Total**
Outstanding as of December 31, 2016		**1,321.1**	**-**	**1,321.1**	**1,000.8**	**-**	**1,000.8**	**2,652.3**	**-**	**2,652.3**	**4,974.2**	**-**	**4,974.2**
DRAWINGS	***n 31 Mar. 2017***	8.9	-	8.9	2.6	-	2.6	-	-	-	11.5	-	11.5
DEBT SERVICE DUE	*Total*	16.0	3.0	19.0	9.9	6.2	16.1	2.6	32.5	35.1	28.5	41.7	70.3
	Arrears	-	-	-	-	-	-	-	-	-	-	-	-
	Maturities	16.0	3.0	19.0	9.9	6.2	16.1	2.6	32.5	35.1	28.5	41.7	70.3
DEBT SERVICE PAID	*Total*	16.0	3.0	19.0	9.9	6.2	16.1	2.6	32.5	35.1	28.5	41.7	70.3
	Arrears	-	-	-	-	-	-	-	-	-	-	-	-
	Maturities	16.0	3.0	19.0	9.9	6.2	16.1	2.6	32.5	35.1	28.5	41.7	70.3
ARREARS	*Total*	-	-	-	-	-	-	-	-	-	-	-	-
	Arrears	-	-	-	-	-	-	-	-	-	-	-	-
	Maturities	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding as of March 31, 2017		1,313.9	-	1,313.9	993.4	-	993.4	2,649.7	-	2,649.7	4,957.1	-	4,957.1
Total Debt as of 31 March 31, 2017		1,313.9	-	1,313.9	993.4	-	993.4	2,649.7	-	2,649.7	4,957.1	-	4,957.1

Source: Department of Public Debt and Donations

The table below presents information on the breakdown of total external debt by creditor category as at December 31, 2016:

CFAF billions	**Total Debt** (*in CFAF billions*)	**As a % of total debt**	**As a % of GDP**
Total External Debt	**4,974.2**	**100.0%**	**23.2%**
MULTILATERAL DEBT	**1,321.1**	**26.6%**	**6.2%**
IMF	617.2	46.7%	2.9%
BM-IDA	324.8	24.6%	1.5%
AfDB/AED	28.3	2.1%	0.1%
Other Multilaterals	350.8	26.6%	1.6%
BILATERAL DEBT	**1,000.8**	**20.1%**	**4.7%**
Paris Club	**150.3**	**15.0%**	**0.7%**
C2D (for the record)	*26.0*	-	*0.1%*
C2D France	*1,080.1*	**-**	*5.0%*
C2D Spain	*26.0*	-	*0.1%*
EXCLUDING PARIS CLUB	**850.5**	**85.0%**	**4.0**
of which China	749.6	88.1%	3.5%
COMMERCIAL DEBT	**2,652.3**	**53.3%**	**12.4%**
Eurobond	**2,625.9**	99.0%	12.2%
Huawei Technologies	26.5	1.0%	0.1%
Revised GDP (current prices in CFAF billions)			**21,438.4**

Source: Department of Public Debt and Donations

The table below sets out the currency composition of Côte d'Ivoire's total public debt as at December 31, 2016:

Currency	Total Debt in Original Currency *(millions)*	CFAF Exchange Rate	Total Debt *(CFAF billions)*	U.S. Dollars Exchange Rate	Total Debt (*USD millions*)	Distribution by Currency
CFAF[(1)]	4,808,914.00	1.00	4,808.91	0.00	7,725.59	53.29%
USD	5,216.01	622.47	3,246.78	1.00	5,216.01	35.98%
EUR	585.70	655.96	384.19	1.05	617.21	4.26%
SDR	361.13	838.53	302.82	1.35	486.48	3.36%
CNY	2,918.94	89.57	261.44	0.14	420.00	2.90%
KWD	5.17	2,033.84	10.51	3.27	16.88	0.12%
SAR	51.71	165.99	8.58	0.27	13.79	0.10%
TOTAL			**9,023.24**		**14,495.97**	**100,00%**

Source: Department of Public Debt and Donations

(1) External debt and domestic debt.

The CFAF (XOF) is the dominant currency in Côte d'Ivoire's debt (53.3% of the total), followed by the U.S. Dollar (36.0%) and the Euro (4.3%). The CFAF is the national currency and all domestic debt (44.9% of the portfolio of public debt) is denominated in CFAF. Furthermore, certain multilateral organizations, in particular the IMF and the West African Development Bank (*Banque Ouest Africaine de Développement*), hold loans denominated in CFAF. Outstanding debt denominated in Euro includes mainly debt owed to France and to the European Investment Bank (*Banque Européenne d'Investissement*), which together represent 3.1% of total external debt. All outstanding commercial debt is denominated in U.S. Dollars (53.3% of external debt) and consists in large part of the outstanding Eurobonds due 2032, Eurobonds due 2024 and Eurobonds due 2028.

The table below sets out the outstanding external public and publically guaranteed debt in 2017, 2018 and over the medium-term:

	2017	2018	2019	2020	2021	2022	2017-2022 average
External debt..........	**5,815.3**	**6,188.6**	**6,512.5**	**6,891.7**	**7,342.2**	**7,811.1**	**6,760.2**
Bilateral	1,330.3	1,533.7	1,721.0	1,934.1	2,188.4	2,446.5	1,859.0
Commercial	2,707.2	2,669.2	2,610.4	2,550.8	2,499.4	2,440.9	2,579.6
Multilateral	1,777.8	1,985.7	2,181.2	2,406.8	2,654.5	2,923.7	2,321.6
Guaranteed debt	**19.5**	**40.6**	**57.8**	**72.2**	**84.3**	**70.1**	**57.4**
Total........................	**5,834.8**	**6,229.2**	**6,570.4**	**6,963.9**	**7,426.5**	**7,881.1**	**6,817.6**

Source: Department of Public Debt and Grants

Over the 2017-2020 period, external public debt service is expected to record a slight upward trend, due to the maturities on the 2032 Eurobonds, whose grace period on principal payments expired at the end of 2015 (22.39%); the coupons and amortising principal of the 2024 Eurobonds (3.74%); the coupons of the 2028 Eurobonds (5.89%); and repayments of IMF budgetary support.

Domestic Public Debt

The amount of domestic debt has been constantly growing since 2002 after the removal of statutory advances by the BCEAO. Indeed, the BCEAO used to grant to each member state of the WAEMU a cash advance as a percentage of the member State's economic weight within the WAEMU. This direct monetary assistance was terminated in 2003, resulting in significant recourse to domestic issuance on the WAEMU market to finance the Government's budget needs. As at the end of 2016, the total amount of domestic debt amounted to CFAF 4,049.1 billion (excluding the CFAF 23.98 billion outstanding publicly guaranteed debt), compared to CFAF 3,425.7 billion in 2015, CFAF 3,129.9 billion in 2014 and CFAF 2,651.9 billion in 2013. This debt is held principally by various investors, including banks (CFAF 3,353.8 billion of Government bonds and CFAF 214.6 billion of bank loans, or a total of 88.1%), followed by the BCEAO (CFAF 453.6 billion or 11.2%) and private sector companies (CFAF 27.1 billion or 0.7%). It is denominated in CFAF.

At the end of March 2017, this total domestic debt amounts to CFAF 3,927.4 billion and is held principally by various investors, including banks (CFAF 3,262.8 billion of Government bonds and CFAF 195.8 billion of bank loans, or a total of 88.1%), followed by the BCEAO (CFAF 446.5 billion; 11.4%) and private sector companies (CFAF 22.3 billion; 0.6%).

It is important to note that the Government negotiations with the BCEAO led to the signing of a rescheduling agreement in January 2015 with respect to the debt stock due December 31, 2014, excluding DTS special allowances for which the maturities are paid on time. The terms of this restructuring, of a global amount of CFAF 366.48 billion, are as follows:

- rescheduling over 40 years, with a ten-year grace period, of the consolidated statutory overdrafts. The interest rate is 3% and repayments would be semi-annual; and
- rescheduling over 30 years, with a ten-year grace period, of the repayment of cash withdrawn from the BCEAO branches of Bouaké, Man and Korhogo during the post-election crisis and the payments due to the IMF made by the BCEAO for the account of Côte d'Ivoire. The rate is nil and repayments would be semi-annual.

The agreed-upon restructuring plan is currently underway.

The table below presents the composition of domestic debt on December 31, 2016 (in CFAF billions, unless indicated otherwise):

	Total Debt on December 31, 2016	**As a % of Total Debt**	**As a % of GDP**
	(CFAF billions)		
Domestic Debt	**4,049.1**	**100.0%**	**18.9%**
I – Central Bank	**453,6**	**11.2%**	**2.1%**
DTS Allocations	87.1	2.2%	0.4%
Restructuring	366.5	9.1%	1.7%
II – Commercial Banks	**214.6**	**5.3%**	**1.0%**
Securitized Debt	163.0	4.0%	0.8%
Authorized Debt	51.6	1.3%	0.2%
III - Securities	**3,353.8**	**82.8%**	**15.6%**
Including Public Securities	3,353.8	82.8%	15.6%
IV – Companies	**27.1**	**0.7%**	**0.1%**
Securitized Debt	27.1	0.7%	0.1%
Authorized Debt	0.0	0.0%	0.0%
Nominal GDP	**21,438.4**		

Source: Department of Public Debt and Donations

The table below presents the provisional situation of outstanding domestic public debt at late March 2017 (in CFAF billions, unless otherwise indicated):

	Total Debt on 31 March 2017	As a % of Total Debt	As a % of GDP
		(CFAF billions)	
Domestic Debt	**3,927.4**	**100.0%**	**16.6%**
I – Central Bank	**446.5**	**11.4%**	**1.9%**
DTS Allocations	80.0	2.0%	0.3%
Restructuring	366.5	9.3%	1.6%
II – Commercial Banks	**195.8**	**5.0%**	**0.8%**
Securitized Debt	151.1	3.8%	0.6%
Authorized Debt	44.7	1.1%	0.2%
III - Securities	**3,262.8**	**83.1%**	**13.8%**
Including Public Securities	3,262.8	83.1%	13.8%
IV – Companies	**22.3**	**0.6%**	**0.1%**
Securitized Debt	22.3	0.6%	0.1%
Authorized Debt	0.0	0.0%	0.0%
Nominal GDP	**23,599.5**		

Source: Department of Public Debt and Donations

Guarantees

Unlike public debt borrowings, the issue of guarantees by the State is not subject to parliamentary approval. Guarantees are granted by the Minister in charge of finance and subject to authorization or ratification by a decree adopted in the Council of Ministers. Guaranteed debt is not included in the calculation of the State's public debt figures. However, the Government's policy is to grant guarantees only in limited cases, in light of the fact that amounts covered by State guarantees are taken into account in Côte d'Ivoire's debt sustainability analysis. Currently, the only outstanding guarantee is a guarantee granted by the State for a 10-year loan incurred by Air Côte d'Ivoire in December 2015 for the purpose of financing the acquisition of aircrafts. The total amount covered by this guarantee was CFAF 23.9 billion as of December 31, 2016. In October 2016, the Government approved a strategy for restructuring SIR's debt, estimated at CFAF 368 billion in early 2016. The strategy entails the restructuring of accumulated debts through a new long-term loan in an amount of CFAF 368 billion, to be guaranteed by the Government. The repayment of the loan will be backed in part by the ongoing fuel surcharge (*soutien à la marge*) granted by the government to SIR. This surcharge will be consolidated in the budget and the Government will transfer its proceeds as a subsidy to SIR. The restructuring of the debt is expected to be implemented by the end of December 2017. See "*–The Economy–Principal Sectors of the Ivorian Economy–Energy and Mining–Hydrocarbons–Oil*".

Hedging

The Minister in charge of finance of Côte d'Ivoire may enter into swap and other derivatives transactions for the purpose of managing the State's debt liabilities, subject to prior authorization by the Council of Ministers. On the date of this Prospectus, Côte d'Ivoire has not entered into any hedging transactions regarding its public debt. It is the intention of the Government to enter into cross-currency USD-to-Euro swaps with respect to a significant portion of its outstanding USD-denominated Eurobond debt in the short term.

Relationship with Creditors

Concessional and Non-Concessional Debt

Unlike non-concessional debt, concessional debt is characterized by lower interest rates, longer maturities and relatively long grace periods. For Côte d'Ivoire, concessional loans include a grant element of at least 35%. According to the IMF, a non-concessional loan includes a negative grant element, whereas concessional financing contains a grant element of at least 35%. A loan is deemed semi-concessional when its grant element is positive but less than 35%. As such, the authorities prioritize recourse to concessional loans in the context of the SMDT management. See "*Public*

Debt Management Policy–Institutional Measures: The CNDP and the SDMT". However, the significant financing need, in line with the high level of public investments and the scarcity of concessional financings, have led the Government to turn to non-concessional forms of financing, including bond issuances such as the 2024 Eurobonds. These resources will be used for the financing of development projects provided for 2016-2020 NDP.

The issuance of the 2028 Eurobonds on non-concessional terms was taken into account by the SDMT 2015-2019 and was authorized in the 2015 budget. In order to become an emerging country by 2020, Côte d'Ivoire intends to find the means to finance its development with controlled costs and risks. The reliance on financing by the State should not lead to unlimited borrowing. To this end, the Government intends to use new sources of financing, while complying with the strategic choices recommended by the SDMT.

Multilateral Debt

In terms of multilateral debt, the principal creditors, depending on their share in the outstanding debt at the end of 2016, are the IMF, the World Bank, the Islamic Development Bank ("**IBD**"), the West African Development Bank ("**BOAD**"), the Arab Bank for Economic Development in Africa ("**BADEA**") and the AfDB Group.

Heavily Indebted Poor Countries Initiative

Côte d'Ivoire reached the completion point of the Heavily Indebted Poor Countries ("**HIPC**") initiative in June 2012. This success allowed the country to benefit from CFAF 4,090.0 billion in external debt relief vis-à-vis its multilateral creditors and the Paris Club creditors. These debt cancellations involved debt relief under the HIPC initiative and additional debt relief under the Multilateral Debt Relief Initiative ("**MDRI**") and the implementation of C2Ds by France. In addition to HIPC debt cancellations, 80% of total commercial debt in connection with the Brady bonds held by London Club creditors was exchanged in April 2010 for 2032 Eurobonds, of a term of 23 years, with the remaining 20% being cancelled.

All this restructuring significantly contributed to restoring Côte d'Ivoire's payment capacity, the sustainability of its public debt and of its public finances. The most recent Ivorian DSA prepared by the CNDP's experts in November 2016 and the one prepared by the IMF's department in December of that same year concluded that the risk of over-indebtedness remains moderate, notwithstanding the significant volume of loans taken out between 2012 and 2016 (U.S.$750 million 2024 Eurobonds and U.S.$1,000 million 2028 Eurobonds). However, Côte d'Ivoire's debt remains vulnerable to potential external economic shocks. Since 2011, the Government has undertaken various institutional reforms whose primary objective is to control the level of its indebtedness. The following main reforms were carried out:

- the CNDP was created in 2011 and is operational;
- a draft law establishing a national public debt policy was prepared and is currently being finalized;
- a document on the SDMT is regularly prepared and annually updated at the same time as a DSA;
- the department responsible for public debt management was reorganized into a single entity with a front, middle and back office.

In terms of the outlook of external debt management, the authorities intend to continue to carry out and strengthen reforms in order to effectively contain costs and risks related to new external loans, in particular funds to be obtained from the international financial market. This involves:

- sustaining improvement of the SDMT's quality, including through the conduct of more detailed analysis and evaluating risks related to different loan instruments, simulating a larger debt burden by taking into account the debt of public organizations and other conditional liabilities;
- smoothing out the medium-term debt repayment profile (for example, avoiding a concentration of significant maturities between 2024 and 2028);

- carrying out, as needed, buyback transactions as important debt maturities draw near;
- hedging against potential risks related to new loans from the international market;
- diversifying the investor base by focusing new loans on niche financing that has not yet been sufficiently explored (for example, Islamic finance); and
- strengthening the operational capacities of managers of the new DDPD.

International Monetary Fund (IMF)

Côte d'Ivoire has always maintained good relationships with multilateral institutions, including the IMF, as evidenced by the visit made to Cote d'Ivoire by the Deputy Managing Director from 24 February to 27 February 2016 and the entering into of a new economic program supported by the Extended Credit Facility ("**ECF**") and the Extended Fund Facility ("**EFF**") for the 2016-2019 period.

During the first two decades following its independence, Côte d'Ivoire remained prosperous and stable. However, this stability was threatened by the economic recession at the end of the 1980s and the military-political crises beginning in 1999 that reached their climax from November 2010 to March 2011 with the post-election crisis.

Between 2009 and 2011, an economic and financial program supported by the Extended Credit Facility (formerly the PRGF) was adopted, but its implementation was disrupted by the post-election crisis from November 2010 to April 2011. The Rapid Credit Facility was then adopted in May 2011 and its successful implementation allowed the creation of another ECF over the 2011-2015 period.

The 2011-2015 ECF allowed for the implementation of important structural reforms in key economic sectors (public finance, governance, the coffee-cocoa sector, financial sector, energy sector, business climate and a reform of public administrations). This was followed by the restoration of macroeconomic stability and an improvement in the economy's competitiveness and resilience.

The implementation of the 2009-2011 and 2011-2015 three-year programs, supported by the ECF, helped to reach the completion point of the HIPC initiative in June 2012, thereby significantly reducing total debt from 69.9% of GDP in 2011 to 33.9% of GDP in 2012.

The debt portfolio remained relatively less costly due to, in particular, a diversification of instruments used and international sovereign ratings.

The satisfactory implementation of the Economic and Financial Program resulted in access to more significant resources. Total disbursements under the 2012-2015 ECF agreement stood at U.S.$728.84 million. Furthermore, Côte d'Ivoire was able to raise funds on the international capital markets at competitive interest rates.

To support the 2016-2020 NDP, the Government entered into a new agreement on December 12, 2016 under an economic and financial program with the IMF for the 2016-2019 period. The new EFP/EFF-ECF program has granted access to a combined total of SDR 487.8 million (about US$658.9 million, or 75% of Côte d'Ivoire's quota), given Côte d'Ivoire's outstanding credit (119.1% of its share) and the fact that its share doubled at the end of 2015 to reach SDR 650.4 million.

World Bank

Côte d'Ivoire has also always maintained good relationships with the World Bank. The World Bank Group took an active role in implementing Côte d'Ivoire's social and economic development program through its institutions (the International Bank for Reconstruction and Development ("**IBRD**"), International Development Association ("**IDA**"), International Finance Corporation ("**IFC**") and Multilateral Investment Guarantee Agency ("**MIGA**") and its special funds).

The World Bank's operations in Côte d'Ivoire began prior to independent infrastructure financing (U.S.$7,500,000 for the Abidjan-Niger Railway in 1954). They were consolidated after 1960 with an initial loan in 1968 (U.S.$5,800,000 for a road network project) and in 1969 (U.S.$3,300,000 for the palm oil sector).

In addition, Côte d'Ivoire benefits from MIGA guarantees in its capacity as a member country of the World Bank Group. These guarantees are subject to framework agreements attached to each financing and are used according to needs defined by the Government.

Overall, there have been five phases in the development of the World Bank's operations in Côte d'Ivoire:

- Until 1980, Côte d'Ivoire had access to international financial markets and the World Bank's gross disbursements stood at U.S.$492 million and did not exceed 0.5% of Côte d'Ivoire's GDP. These loans were primarily dedicated to infrastructure in an expanding economy. During this period, more than half of all loans were for agriculture and transportation; in 91% of cases, project results were deemed satisfactory.
- During the 1980-1993 period, given that Côte d'Ivoire had lost access to financial markets in 1981 and to most sources of credit after the first debt rescheduling in 1984, the World Bank's loans reached 2% of GDP. Between 1980 and 1987, the World Bank's disbursements reached 2.4% of Côte d'Ivoire's GDP and adjustment loans replaced investment loans. From 1988 to 1993, the World Bank's involvement was limited to analyzing measures to accompany a potential devaluation. This preparatory work contributed to the preparation of extensive economic liberalization measures.
- From 1994 to 2000, the World Bank's disbursements reached their maximum (3.6% of GDP over the 1994-1996 period) and the World Bank enhanced its role as a coordinator of aid to Côte d'Ivoire's development. Its principal partners were the European Union, the United States and Japan. The World Bank's influence was also strengthened by its close cooperation with the IMF.
- From 2000 to 2011, the World Bank adapted its interventions to the successive sociopolitical and military crises, namely in 2000, 2002, 2004 and 2010. Certain projects were interrupted and the IDA program was suspended in June 2004 due to arrears. Nonetheless, the World Bank maintained its relationship with Côte d'Ivoire via (i) analysis activities and a Trust Fund program to promote the reinsertion of child soldiers, support community recovery in former Center-North-West ("**CNW**") zones and employment of at-risk youth and (ii) a grant of U.S.$120 million for a post-conflict assistance project exceptionally approved in 2007 before the clearance of arrears toward the IDA.
- Since 2011, the World Bank's actions have been reinforced and close to 30 financing agreements were entered into with the Republic of Côte d'Ivoire. These actions are, for the most part, budgetary support in an amount of approximately CFAF 283.2 billion. With regard to project financing, the main sectors that benefitted from the support of the World Bank are infrastructure, in an amount of approximately CFAF 114.8 billion, and employment and socio-professional integration of young people, in an amount of CFAF 52.1 billion. The education-training and agricultural sectors each received financing in a total amount of CFAF 29.5 billion and CFAF 34.7 billion, respectively. On April 21, 2017, alongside the Spring meeting of the International Monetary Fund (IMF) and the World Bank, a U.S.$325 million credit agreement was signed with the IDA to finance the electricity access and transport project.

The implementation of the Ouagadougou Political Agreement signed in March 2007 helped restore relationships with technical and financial partners and to adopt a post-conflict program with the IMF, the World Bank and the AfDB. The satisfactory implementation of this program combined with the adoption of the Poverty Reduction Strategy Papers prepared with the technical support of the World Bank resulted in attaining the decision point of the HIPC initiative and the adoption of a three-year economic program supported by the ECF in March 2009.

In addition, in November 2009, in connection with the post-Ivorian economic crisis recovery strategy, the World Bank granted Côte d'Ivoire U.S.$15 million to implement the Small and Medium Enterprise Revitalization and Governance Project (*Projet d'Appui à la Revitalisation et à la gouvernance des Petites et Moyennes Entreprises* ("**PARE-PME**").

The 2010 post-election crisis led to another suspension of the ECF program, thereby explaining the low amount of disbursements during this period during which interventions were designated as "post-election financing", as the World Bank solely approved grants.

The 2012-2015 period was characterized by the normalization and consolidation of Côte d'Ivoire's relationship with the World Bank. Due to participants' proactiveness, Côte d'Ivoire quickly restored its relationships with all its technical and financial partners. Projects begun since 2009 (PIUIR, PASEF, etc.) were strengthened and new projects were launched.

Among others, these include the Agriculture Support Project (*Projet d'appui au secteur agricole* ("**PSAC**")) of an amount of CFAF 25 billion, which is part of recovery efforts for agricultural development, via the implementation of the National Agricultural Investment Program (*Programme National d'Investissement Agricole* ("**PNIA**")). A total of U.S.$993 million was approved, including U.S.$502 million already disbursed.

The table below sets out changes in the World Bank's disbursements to Côte d'Ivoire:

	Authorized ($)	Disbursed ($)
Before 1980	**492,800,000**	**492,800,000**
IBRD	485,300,000	485,300,000
IDA	7,500,000	7,500,000
1980-1993	**2,521,850,843**	**2,521,850,843**
IBRD	2,376,700,000	2,376,700,000
IDA	138,700,000	138,700,000
Trust Funds	6,450,843	6,450,843
1994-2000	**1,749,741,154**	**1,749,741,154**
COFIN	10,542,878	10,542,878
IDA	1,691,418,000	1,691,418,000
Trust Funds	47,780,277	47,780,277
2001-2011	**1,207,712,075**	**1,204,270,793**
IDA	1,190,670,366	1,187,552,290
Trust Funds	17,041,709	16,718,503
2012-2015	**933,548,699**	**502,128,428**
IDA	885,000,000	480,856,119
Trust Funds	48,548,699	21,272,309
Total	**6,905,652,771**	**6,470,791,219**

Source: World Bank

In conclusion, since the reopening of the portfolio in 2007, Côte d'Ivoire benefits from budgetary assistance to support its financing plan. Over the 2007-2015 period, the cumulative amount of this budgetary assistance was U.S.$943.7 million, or approximately CFAF 471.5 billion.

Budgetary assistance for 2015 was U.S.$150 million, or approximately CFAF 88 billion, distributed as follows:

- U.S.$100 million (CFAF 58.8 billion) in connection with the Third Poverty Reduction Support Credit ("**PRSC-3**"); and
- U.S.$50 million (CFAF 29 billion) for regional budgetary assistance in connection with the Business and Competition Facilitation between Burkina Faso and Côte d'Ivoire.

On September 29, 2015, the World Bank Group's Board of Directors approved a new partnership framework with Côte d'Ivoire covering the 2015-2019 period. For this four year period, the World Bank Group is providing a loan and investment program of approximately U.S.$3 billion. The goal is to help Côte d'Ivoire build a competitive and inclusive economy.

On October 20, 2015, the following three financing agreements were signed with the World Bank:

- The PRSC-3 of an amount of U.S.$100 million, or approximately CFAF 58,800,000,000;

- The Obsolete Pesticides Management Project (*Projet de gestion des pesticides obsolètes en Côte d'Ivoire* ("**PROGEP-CI**")) of an amount of U.S.$7 billion, or approximately CFAF 4,224,288,000, in the form of a grant;
- The African Centers of Excellence in Higher Education Project (*Projet de Centres d'Excellence d'Enseignement Supérieur en Afrique*) of an amount of €13,400,000, or approximately CFAF 8,879,823,800, in the form of a loan.

The situation of disbursements for these three loans as of May 12, 2017 was the following:

- Financing for the Poverty Reduction Support Credit 3 (PRSC-3), i.e. EUR 89.5 million or CFAF 59.6 billion, was fully disbursed;
- The loan relating to the project for the management of obsolete pesticides and related waste in Côte d'Ivoire (PROGEP-CI) stood at U.S.$1.1 million or CFAF 687.1 million, i.e. 16.3% of the amount signed; and
- The Centers of Excellence in Higher Education in Africa project was disbursed for 12.5%, i.e. EUR 1.7 million.

African Development Bank

As Côte d'Ivoire is home to the AfDB's headquarters, the Government and the population have many hopeful expectations with respect to its return and its involvement in support of the NDP.

Following the end of the post-election crisis in April 2011, the AfDB has risen to the challenge by preparing a 2011-2012 Country Brief ("**CB**") defining a rapid recommitment strategy under the African Development Fund-12 ("**AFD**") and in compliance with the Fragile States Facility ("**FSF**"). The CB evaluation and the portfolio's review showed that interventions were well-adapted to the context of crisis recovery, namely the Emergency Program for the Restoration of Basic Social and Administrative Services (*Programme d'Urgence pour la Restauration des Services Sociaux et Administratifs de Base* ("**PURSSAB**")) and the Emerging from Conflict Multi-sector Support Project (*Projet d'Appui Institutionnel Multi-secteur de Sortie de Crise* ("**PAIMSC**"), which helped cover the country's urgent needs and strengthen social cohesion and reconciliation in former CNW zones.

In July 2013, the PAIMSC project received one of the two awards for excellence given to the AfDB by the U.S. Treasury.

The 2013-2017 Country Strategy Paper ("**CSP**") aims to assist the Ivorian Government by supporting three of the NDP's major strategic objectives with respect to (i) strengthening governance and social cohesion (objective no. 1), (ii) creating wealth and distributing it equally (objective no. 2) and (iii) repositioning Côte d'Ivoire on the regional and international stage (objective no. 5). These objectives are consistent with the operational priorities of the AfDB's 2013-2022 ten-year strategy and those of the 2011-2015 Regional Integration Strategy Papers ("**RISP**") for West Africa, which emphasize the need to extend development opportunities to all social classes, to develop infrastructure to support economic structural transformation and promote intra-regional trade.

- *Status of implementation of the AfDB's Country Strategy in Côte d'Ivoire*

The AfDB's portfolio in Cote d'Ivoire currently includes 14 projects representing a total budget of Units of Account 370 million (as of May 2017, one Unit of Account amounts to USD 1.37, CFAF 822.81 or EUR 1.25), of which UA 342 million (or 88%) originate from the strategy currently underway. In addition to these 14 projects, 2 additional projects have not yet been signed and account for a total of UA 80 million. The cumulative disbursement rate for the 14 projects underway, all desks combined, is 50.72%. For the public desk, the disbursement rate is 22.33%, while, for the private desk, it stands at 91.94%. The AfDB's current portfolio in Côte d'Ivoire is relatively new, with an average age of 2.3 years, and does not include any risky or problematic projects. However, it should be noted that the launch of the power interconnection line component of the multinational power grid interconnection project involving Côte d'Ivoire, Liberia, Sierra Leone and Guinea (CLSG) has encountered delays since its approval in November 2013.

The sectorial distribution of the portfolio shows a predominance in the infrastructure sector, particularly transportation (41%), followed by energy (29%), the social sector (16%), water and sanitation (7%), agriculture (6%), multi-sectorial activities (0.6%) and finance (0.4%). This distribution accurately reflects the priorities established for the Bank's intervention strategy in Côte d'Ivoire for the 2013-2017 period, which focuses on infrastructure, basic social services and strengthening capacities in view of re-establishing essential State functions.

The current portfolio, as a whole, can be considered healthy, and its performance is satisfactory, but urgent action is needed for certain projects, particularly multinational projects and specifically the multinational power grid interconnection project involving Côte d'Ivoire, Liberia, Sierra Leone and Guinea (CLSG).

A review of the portfolio has provided valuable lessons for future operations, including: (i) the importance of flexibility in setting preconditions for the entry into force of projects, particularly for Emergency operations, (ii) the improvement of quality analysis upon the launch of projects, (iii) the implementation of measures to facilitate the timely launch of projects, (iv) the need for beneficiaries to appropriate projects through readily available preparatory surveys, and (v) improved awareness with regard to compliance with the Bank's regulations.

Considerable progress was made, and all established goals were met at the end of 2015. The strategy specified 9 projects to be completed at the half-way point, i.e. by the end of 2015, out of a total of 12 projects for the 2013-2017 period. Midterm results showed 10 approved operations in the form of projects or programs, excluding technical assistance operations.

In total, the implementation of the CSP over the 2013-2015 period allowed for the mobilization of approximately UA 401 million for an initial forecast of UA 277 million.

- *Prospects for Côte d'Ivoire-AfDB cooperation*

An amount of UA 300 million earmarked for the AfDB public desk remains to be confirmed. This amount is primarily for the road building program addressing missing route links. This program will be completed on the basis of the results of the 2018-2022 CSP projects, which will define a new cooperation plan. The AfDB intends to initiate the dialogue on the 2018-2022 CSP and its associated loan as soon as possible.

Côte d'Ivoire is entering the 2016-2020 period with the strengths and experience acquired since 2012. Certain precursors to a structural transformation of the economy exist and need to be consolidated and accelerated.

The goal of the 2016-2020 NDP, drawing on lessons learned from the 2012-2015 NDP, with regard to its implementation, and deriving its fundamental aspects from the "Côte d'Ivoire 2040" Vision, is to complete the process of Cote d'Ivoire's emergence by 2020 and substantially reduce poverty rates. In order to do this, the strategy will rely on the structural transformation of the economy, driven by main centers of competitiveness and the transformation of staple commodities and exports. Improved redistribution of growth proceeds is also an important factor of the new strategy.

In addition, at the Bank's level, the adoption of the 2016-2020 NDP coincides with the approval by the AfDB's Board of Directors of the amendment to the credit policy allowing countries solely under the authority of the AFD, such as Côte d'Ivoire, to have access to sovereign loans from the AfDB desk in order to finance viable projects. This initiative, which substantially alleviates the financial constraints of the 2013-2017 CSP, also provides the resources necessary to strengthen cooperation with Côte d'Ivoire.

It also coincides with the AfDB's commitment to five operational priorities, called "High 5s," working toward objectives similar to those of the five main strategic focuses of the 2016-2020 NDP, namely: (i) feeding Africa; (ii) lighting Africa; (iii) industrializing Africa; (iv) integrating Africa; and (v) improving living conditions in Africa.

In view of ensuring an alignment of strategies between the 2016-2020 NPD and the AfDB cooperation program, the following can be considered priority areas of concern: (i) social sectors, including the employment and professional training sector; (ii) agricultural infrastructure; (iii) transportation infrastructure and infrastructure relating to the development of agropoles; (iv) the development of energy infrastructure; (v) the safe drinking water and sanitation sector; (vi) the development of Small and Midsize Businesses (*INPME*); (vii) the diversification of the financial sector and the development of a rich and resilient capital market; (viii) the implementation of a strategy addressing nutrition, in particular to provide institutional support to the functioning of the multi-sector framework of nutrition.

Bilateral Debt

Paris Club

In terms of bilateral debt, debt owed to non-Paris Club creditor countries has become largely dominant (85.0%). In June 2012, following admission to the "completion point" under the HIPC initiative, the Paris Club creditors of Côte d'Ivoire (the main creditors being France, the United States, Germany, Spain, the United Kingdom, Italy and Japan) granted a debt cancellation in principal amount equal to U.S.$1.77 billion (approximately CFAF 900 billion).

Following bilateral negotiations, certain Paris Club creditors of Côte d'Ivoire agreed on an additional cancellation of CFAF 3,143.7 billion, including CFAF 1,486.2 billion from France under the first C2D, agreed upon in December 2012 and covering the 2012-2015 period and CFAF 23.6 billion through debt conversion agreement with Germany. As of December 31, 2016, the amount of outstanding debt owed to the Paris Club creditors was CFAF 150.3 billion, excluding the outstanding amount qualifying under C2D.

Debt Reduction and Development Contracts (*Contrats de Désendettement et de Développement*)

Upon reaching the completion point of the HIPC initiative, France granted Côte d'Ivoire an additional cancellation of its debt under the terms of Official Development Assistance ("**ODA**"), in December 2012. This cancellation involved the gradual implementation of the C2D program, a process whereby France transfers back to Côte d'Ivoire in the form of aid all of its reimbursements made under conditions defined in the C2Ds. Total C2D-eligible debt was CFAF 1,106.1 billion (5.2% of GDP) at the end of 2016 compared to CFAF 1,283.3 billion in 2015 (6.6% of GDP) and CFAF 1,634.5 billion in 2014 (9.4% of GDP). This total represents the outstanding principal amount, including a debt of CFAF 26.0 billion toward Spain, qualifying as an agreement similar to a Spanish C2D.

Two C2Ds have already been concluded with France, amounting to CFAF 1,151.2 billion. The first C2D, totaling CFAF 413.25 billion, was signed in December 2012 and has been repaid over the 2012-2015 period. The second C2D, totaling CFAF 737.95 billion, was signed in December 2014 and is to be repaid over the 2016-2020 period. The C2Ds effectively modify the initial structure of the repayment schedule of the cancelled ODA debt. These C2Ds take into account the State's ability to mobilize its resources to meet debt repayments as well as the State's capacity to absorb equivalent subsidies, as part of the implementation of development projects that are mutually agreed upon and monitored by France and Côte d'Ivoire.

Given the C2D mechanism and the cancellation of this debt by France, maintaining C2D-eligible debt within the total debt classification contributes to a deterioration of Côte d'Ivoire public debt ratios. The C2Ds effectively have no impact on the sustainability of public debt since the net flows of C2D transfers are zero. As a result, total C2D is excluded from total bilateral debt when calculating debt ratios.

China

China is the most significant bilateral creditor outside the members of the Paris Club. At the end of 2016, the outstanding debt of Côte d'Ivoire to China represented 74.9% of its bilateral debt, or 15.1% of the total external public debt, as compared to 62.4% and 10.4% in 2015, respectively. Côte d'Ivoire maintains close economic and financial relations with China. The Government concluded financing agreements for important development projects with China, in particular through Eximbank of China, following the signature of the financing agreement for the building of the Soubré hydroelectric dam for an amount of U.S.$500 million in January 2013. Construction work for the dam was completed at the end of March 2017.

The financing agreements concluded with China were assigned to certain public companies in order to complete the relevant public projects. In particular, these include: (i) the Abidjan Port Authority, in connection with a loan for its expansion and modernization, (ii) Côte d'Ivoire Energie (CI-ENERGIES), for the financing of the renovation project of Côte d'Ivoire's electrical network, and (iii) the National Water Fund (*Fonds National de l'Eau* ("**FNE**")) for the financing of the second phase of the project to supply drinking water to Abidjan from the Bonoua groundwater.

External Debt due to Commercial/Private Creditors

At the end of 2016, external debt due to commercial/private creditors amounted to U.S.$4,261.1 million[1] (CFAF 2,652.3 billion), compared to U.S.$4,185.4 million (CFAF 2,605.2 billion) on December 31, 2015. Private debt represented 53.3% of external debt, compared to 58.0% at the end of 2015. At the end of 2016, the 2032 Eurobonds, 2024 Eurobonds and 2028 Eurobonds together represented 99.0% of external debt due to private creditors.

WAEMU Financial Stability Fund

Following a decision by the WAEMU Council of Ministers on May 10, 2012, a Financial Stability Fund (*Fonds de Stabilité Financière* ("**FSF**")) was established to manage the member states' potential payment defaults on their debt issued on financial markets.

The financial assistance of the FSF consists exclusively in managing the public debt service issued in the form of Treasury bills and bonds on the regional or international markets. FSF assistance cannot exceed a period of five years and repayment procedures are determined on a case-by-case basis, subject to significant fund replenishment constraints. The initial endowment of the FSF, which is not yet operational, was CFAF 383 billion.

Liability Management

On May 31, 2017, Côte d'Ivoire launched tender offers for up to US$250 million in aggregate principal amount of its outstanding 2024 Eurobonds and up to US$500 million in aggregate principal amount of its outstanding 2032 Eurobonds (which maximum amounts may, in the case of the 2024 Eurobonds, be decreased, and/or, in the case of the 2032 Eurobonds, be increased or decreased, in each case in the absolute discretion of the Issuer). The tender offers are scheduled to expire at 5:00 p.m. New York City time on June 7, 2017 (the "**Expiration Date**") and are expected to settle on the next business day after the settlement of the USD Notes, in each case unless extended, reopened, amended or terminated by Côte d'Ivoire. The tender offers are subject to the terms and conditions set forth in the tender offer memorandum dated May 31, 2017 prepared by Côte d'Ivoire. Whether Côte d'Ivoire will accept and settle the purchase of the 2024 Eurobonds and 2032 Eurobonds pursuant to the Tender Offers is subject (unless such condition is waived by Côte d'Ivoire in its sole discretion) without limitation, to the successful closing (in the sole determination of Côte d'Ivoire) of the offering of the Notes pursuant to this Prospectus. Côte d'Ivoire expects to announce the results of the Tender Offers and the aggregate principal amount of each series of Eurobonds finally accepted for purchase promptly following the Expiration Date. See *"Use of Proceeds"*.

[1] 1 U.S. Dollar = CFAF 622.4555, to estimate the private debt for the years 2015 and 2016

MONETARY SYSTEM

The Franc Zone and the BCEAO

Côte d'Ivoire has been a member of the Franc zone since its independence in 1960 and a member of the West African Economic and Monetary Union ("**WAEMU**") since 1962. The Central Bank of West African States (*Banque Centrale des Etats de l'Afrique de l'Ouest* ("**BCEAO**")), headquartered in Dakar, Senegal, is the common central bank for the WAEMU member States.

The Franc Zone

The Franc zone is composed of 14 French-speaking countries of sub-Saharan Africa, the Comoros and France. It is the offspring of monetary relations between France and its former African colonies, and it reflects the desire of its member nations to maintain an institutional framework of monetary cooperation. Like the Bank of Central African States ("**BEAC**") and the Central Bank of the Comoros, the BCEAO has an operational account on the books of the French Treasury, which guarantees the convertibility of its CFAF. The peg of the CFAF to the French franc was replaced by a peg to the Euro from January 1, 1999, with a fixed exchange rate of 1 Euro = CFAF 655.957. The substitution of the Euro for the French franc did not affect the monetary cooperation mechanism of the CFAF zone.

The monetary cooperation between France and the African countries of the CFAF zone is governed by four fundamental principles: (i) a guarantee by the French Treasury of unlimited convertibility of the three central banks' currency, (ii) a fixed peg, (iii) free transferability and (iv) centralization of currency reserves. In exchange for this convertibility guarantee, the BCEAO and the BEAC are required to deposit at least 50% of their currency reserves in an "operational" account with the French Treasury (this rate is set at 65% for the Central Bank of the Comoros). The management of the operational accounts is formalized by agreements between the French authorities and representatives of the member States of the three central banks. These accounts are operated as current accounts opened at the French Treasury, are remunerated and may, in exceptional circumstances, have a debit balance. The convertibility guarantee comes into play when the operational account is overdrawn. Several preventive measures provided for in the operational account agreement, such as direct debits by the BCEAO from foreign currency cash results other than those deposited on the operational account, the use by member States of their SDR with the IMF, or the exchange of their SDR against cash are put into place to avoid any overdrafts.

The cooperation between France and the CFAF zone is the subject of regular meetings between French and African officials, in particular the bi-annual meeting of the Finance Ministers of the CFAF zone.

The BCEAO

The BCEAO is the common central bank of the eight member States of the WAEMU, which are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. The BCEAO is a public international institution with headquarters located in Dakar, Senegal. It is governed by the bylaws annexed to the WAEMU Treaty. In all WAEMU member States, it enjoys privileges and immunities usually only granted to international financial institutions. The BCEAO is managed by a Governor, with the support of a board of directors and national credit boards. The Governor is appointed by the Council of Ministers for a renewable six-year term.

The reform of the institutions of the WAEMU and Central Bank which took place in 2010 strengthened the independence of the BCEAO and established a better division of roles and responsibilities between the different WAEMU and BCEAO entities. These entities are as follows:

- the WAEMU Council of Ministers, in which every member-state of the WAEMU is represented by two ministers, is responsible for implementing the general guidelines and decisions made by the Conference of Heads of States and Governments (*Conférence des Chefs d'Etat et de Gouvernement*), which is the WAEMU supreme body. The WAEMU Council of Ministers is also responsible for defining the regulatory framework for the financial and banking system and, with the assistance of the Exchange Rate Committee (*Comité de Change*), for defining the WAEMU exchange rate policy);

- the Monetary Policy Committee (*Comité de Politique Monétaire*) is responsible for defining monetary policy;
- the Board of Directors is in charge of the management of BCEAO, in accordance with its constitutional provisions. The Board is assisted by an Audit Committee:
- the Governor is responsible for the management of the BCEAO and implements the monetary policy defined by the Monetary Policy Committee; and
- the National Credit Councils (*Conseils Nationaux de Crédit*) are consultation committees at the member State level, comprised of representatives of the administration and of the principal associations or socio-professional groups. They are in charge of issuing opinions and recommendations on the functioning of the banking system to better manage the concerns of economic actors in the implementation of credit and monetary policy.

As an issuing institution and a monetary authority, the BCEAO maintains a wide range of relationships with banks and financial institutions working with the WAEMU member States. These relationships consist mainly of banking system monitoring operations and distribution/credit control operations. As part of its implementation of monetary policy, the BCEAO regulates liquidity on the WAEMU interbank market. Assistance granted to credit institutions includes advances guaranteed by negotiable debt securities, as well as discounts, acquisitions, sales, repurchases or secured loans against security of claims in respect of WAEMU's member states, companies and individuals.

In addition to issuing the common currency in the member States, which is the exclusive mission of the BCEAO, the BCEAO is in charge of (i) defining and implementing monetary policy, (ii) ensuring the stability of the banking and financial system, (iii) promoting, monitoring and safeguarding payment systems, (iv) implementing the WAEMU exchange rate policy, (v) centralizing the WAEMU currency reserves, (vi) accounts keeping for WAEMU member States, and (vii) monitoring banking and financial activity. The principal objective of the BCEAO is to ensure monetary and price stability, target inflation and maintain the CFA-Euro peg. The BCEAO also supports the economic policies of WAEMU member States to foster sound and sustainable growth.

Monetary policy tools include setting reference rates and establishing the system of mandatory reserves. Their implementation takes into account changes in the internal and external economic and financial environment of the WAEMU zone, in particular the situation of the Euro zone. As a result of the peg of the CFAF to the Euro, the monetary policies of the CFAF zone closely follow those of the European Central Bank. Slight policy differences will normally arise because the BCEAO takes into account its members' economic situation such as inflationary pressures, the outcome of agricultural campaigns, trends in credits to the economy and bank liquidity.

With respect to the monitoring of credit institutions, a community supervisory institution, the Banking Commission (*Commission Bancaire*), was created on April 24, 1990 for the WAEMU. It is chaired by the Governor of the BCEAO and is entrusted with the supervision of the organization and control of the banking system in the WAEMU.

The current regulation of the banking sector is based on several texts, namely the banking law and its implementing provisions, memoranda from the Banking Commission, regulations governing banking and financial activity, prudential regulations and instructions and notices to credit institutions.

The WAEMU is characterized in particular by the adoption of a single foreign exchange policy in all member States in order to ensure the freedom of financial relations within the union. Financial payments and capital movements between the WAEMU and foreign countries, as well as foreign exchange transactions within the WAEMU, can only take place through the BCEAO, the postal administration or a licensed intermediate bank.

Inflation

The table below sets out certain information regarding inflation rates in Côte d'Ivoire for the periods indicated:

Inflation (Consumer Price Index)	**2012**	**2013**	**2014**	**2015**	**2016**
Côte d'Ivoire – Annual average	1.3%	2.6%	0.4%	1.2%	0.70%
WAEMU – Annual average	2.4%	1.5%	0.1%	1.0%	0.30%

Source: MEF, BCEAO

The panel used for the determination of Consumer Price Index includes 684 different products and has not been modified since 2008.

In 2012, inflation was maintained below the WAEMU community target of 3%. Measures were still in place to contain inflationary tensions recorded in 2011, which allowed relative price stability in 2012. In particular, distribution channels to supply markets were improved, following the disruptions experienced in 2011. Moreover, the general recovery of the economy for a large part due to a catch-up effect, did not lead to excessive tensions compared to 2011. Prices increased by 1.3% on average in 2012 as a result of measures adopted to fight against anti-competitive practices and abuses of a dominant position.

In 2013, inflation was at 2.6% on average, driven mainly by the increase in imported products (an increase of 4.3%), while local products saw an increase of 2.3%. Changes in gas tariffs and tuition fees also had an impact on prices. The price of domestic gas, which was previously wholly subsidized, underwent an increase in the context of the Government's efforts to reach a financial equilibrium in the electricity sector. Furthermore, the tuition fees for public universities were increased in order to be able to offer the students a training better suited for employment opportunities.

In 2014, inflation was at 0.5% on average, as a result of the action plan implemented by the Government since 2013 against the high cost of living. This plan significantly lowered the prices of basic products, and accordingly decreased inflation. The measures taken include a better supply of markets supported by an efficient subsistence agricultural sector, due to the results of the implementation of the PNIA and the Government's efforts in ensuring a smooth flow of trade.

In 2015, inflation was at 1.2% on average, due to good food crop production and improved distribution channels. Control of inflation was also facilitated by market measuring instruments.

In 2016, inflation decreased to 0.7% on average. The evolution of consumer prices reflected, on the one hand, the actions of the Government which allowed to contain tensions on food prices, and, on the other hand, the contraction in the prices of non-food products. The Government's actions included improvements to the water management system, distribution of enhanced seeds, and extension of cultivated areas dedicated to food crop production.

The BCEAO forecasts for 2017 project inflation at about 1.7% on a year-on-year basis, thanks to the dynamism in food crop production and improvements in market supply.

The Government expects inflation to stay below WAEMU's 3.0% inflation rate ceiling. The entire CFA franc zone has historically exhibited low inflation, because of the relative stability of the regional currency as well as the conservative monetary policy of the BCEAO. This helps dampen inflationary volatility in Côte d'Ivoire, which stems in part from the diversification of the food-crop production.

WAEMU Foreign Reserves

Foreign reserves are centralized within the BCEAO and managed according to a solidarity principle between WAEMU member States, subject to the conditions set out in the operational account agreement. There is no apportionment between the member States.

The table below sets out certain information regarding the WAEMU's foreign reserves in number of months of imports for each of the years indicated:

	2013	2014	2015	2016
Reserves (in CFAF billions)	6,574.0	7,033.6	7,487.0	–
Reserves (in number of months of imports)	4.6	4.8	5.4	4.3

Source: MEF, BCEAO

In 2014, WAEMU's foreign reserves covered 4.8 months of imports. In 2015, this ratio increased to 5.4 months of imports due to an increased mobilization of external resources, in particular the issuance of bonds on the international capital markets by some member States. At the end of December 2016, foreign reserves amounted to 4.3 months of imports, well above the initial target of 3 months.

Money Supply

The table below sets out certain information regarding Côte d'Ivoire's monetary situation, including foreign reserves, as at December 31 for each of the years indicated:

	2012	2013	2014	2015	2016
			(CFAF billions)		
Net foreign assets	1,555.9	1,558.5	1,784.7	1,989.0	1,808.9
Central bank	1,296.6	1,299.7	1,558.9	1,790.7	1,551.8
Commercial banks	259.4	258.8	225.8	198.3	257,1
Net domestic assets	3,441.5	4,137.3	4,936.7	5,911.6	7,001
Net credit to the State	1,133.2	1,306.6	1,490.3	1,445.0	1,846.6
Central bank	634,2	647,7	592.8	496.2	528.9
Commercial banks	499,0	658,9	897.5	948.7	1,317.7
Including guaranteed obligations	(7.1)	(6.1)	(9.2)	(9.2)	9.2
Postal savings bank (*Caisse d'épargne et des chèques postaux* ("**CNCE**"))	0.0	0.0	0.0	0.0	0
Credit to the economy	2,308.3	2,830.7	3,446.4	4,466.6	5,154.3
Seasonal credits	156.0	186.4	275.8	389.7	460.3
Other credits (including guaranteed obligations)	2,152.3	2,644.3	3,170.6	4,077.0	4,694
Other items (net)	(86.0)	(214.9)	(3,75.6)	(338.8)	332.4
Money supply (M2)	4,911.4	5,481.0	6,363.8	7,561.8	8,477.4
Currency outside banks	1,591.4	1,747.7	1,877.5	2,137.5	2,309.1
Deposits	3,251.0	3,679.4	4,419.6	5,424.3	6,168.3
Other deposits	0.0	0.0	0.0	0.0	0.0
CNCE	0.0	0.0	0.0	0.0	0.0
Change in percentage as at December 31					
Net foreign assets	(14.2)	0.2	14.5	11.4	(9.1)
Net domestic assets	18.9	20.2	19.3	19.7	18.4
Net credit to the State	29.6	15.3	14.1	(3.0)	27.8
Central bank	19.6	2.1	(8.5)	(16.3)	6.6
Commercial banks	45.2	32.0	36.2	5.7	38.9
Credit to the economy	12.4	22.6	21.8	29.6	15.4
Money supply	4.4	11.6	16.1	18.8	12.1

Source: MEF, BCEAO

The monetary situation at the end of December 2016 was marked in particular by a decrease in net foreign assets of 9.05% and stood at CFAF 1,808.9 billion compared to CFAF 1,989 billion in 2015 and CFAF 1,784.7 in 2015. This decrease was due to difficulties in mobilizing export revenues. The growth in credits to the economy and net credits to the State was due to the vibrancy of the economic activity, improvements in the business climate and restored confidence in both the economic operators and the banking system.

Exchange Rate

Due to its membership in the WAEMU monetary zone, Côte d'Ivoire applies an exchange regime that is exempt from any restrictions on payments and transfers relating to normal international transactions.

The common currency of the WAEMU is the CFAF, which is pegged to the Euro at a fixed exchange rate of 1 Euro = CFAF 655.957. As a result the U.S. Dollar exchange rate will fluctuate in line with Euro/U.S. Dollar rates. This rate has been fixed and has not changed since the introduction of the Euro. Prior to this, it was fixed to the French Franc.

Monetary Policy

During each of its sessions held on June 11, 2012 and March 6, 2013, the BCEAO's Monetary Policy Committee decreased the reference rate by 25 basis points. As a result, the minimum bid interest rate for liquidity injection tender bids and the marginal lending rate changed from 3.25% to 2.75% and from 4.25% to 3.75%, respectively, during this period.

Following its session held on September 4, 2013, the BCEAO's Monetary Policy Committee decided to lower again the BCEAO reference rate by 25 basis points. The reference rate went from 2.75% to 2.50% and the marginal lending rate was fixed at 3.5%, lowered from the previous rate of 3.75%. This initiative sought to encourage the downward trend in bank interest rates for clients and improve financing conditions for the economy.

In 2014 and 2015, the Monetary Policy Committee decided to maintain the BCEAO's reference rates in effect since September 2013 due to favorable monetary conditions characterized by a decrease in interbank market rates and inflation forecasts in line with monetary policy objectives.

In 2016, the Monetary Policy Committee decided to maintain the minimum bid rate applied to tenders for cash injections at 2.50%, the rate in force since September 2013, thus confirming the accommodating trend in the BCEAO monetary policy. However, in order to boost the interbank market and generally improve the functioning of the Union's monetary market, the Committee decided to expand the range between the minimum bid rate applied to tenders for cash injections and the marginal counter rate by one percentage point. Thus, the marginal counter rate was raised from 3.50% to 4.50%, effective as of December 16, 2016.

In 2017, to accompany the implementation of measures aiming to improve the functioning of the interbank market, the Monetary Policy Committee decided to decrease the mandatory reserves coefficient applicable to banks within the Union by 200 basis points, lowering it from 5.0%, the rate in effect as of March 16, 2012, to 3.0%. This decision came in effect as of March 16, 2017.

Banking System

Banking Environment

At of the end of December 2016, the Ivorian banking system comprised 29 approved credit institutions, 27 of which are banks, the remaining two being financial institutions with banking activities. Among these, only one banking institution, Stanbic Bank, approved on July 21, 2016, has not yet started its operations.

The Ivorian banking system is relatively segmented. As of December 31, 2016, 10 banks among the 26 operating had total assets of over CFAF 200 billion each. They represented 86.1% of the deposits and 88.0% of the outstanding loans of the banking sector.

The table below presents information on assets of Côte d'Ivoire's banking sector from 2013 to 2016:

	2013	2014	2015	2016
		(CFAF billions)		
Commercial banks' assets by maturity				
Total assets	5,480	6,639	8,294	9,669

Source: BCEAO

Banking sector performance

The table below presents information on the performance of Côte d'Ivoire's banking sector from 2013 to the 2016:

	2013	2014	2015	2016
Result indicators				
Capital adequacy ratio (%)(1)				
Equity capital/ assets weighted according to risk				
(Core capital/RWA)	10.20	10.70	8.15	8.04
Total skilled human capital / assets weighted by risk	9.24	8.87	6.98	7.01
Asset quality				
Non-performing loans / total loans (%)	12.65	11.32	10.64	9.00
Provisions / gross non-performing loans (%)	76.02	77.09	68.59	71.05

(1) The capital adequacy ratio is equal to equity capital divided by risk-weighted assets.

Source: BCEAO

As at the end of December 2016, the Ivorian banking system showed a negative cash position of CFAF 638.9 billion compared to a CFAF 31.1 billion deficit the previous year. This deficit was funded through loans from the BCEAO, the regional interbank market and other financial institutions outside the WAEMU.

Indicators of financial stability in the Ivorian banking sector are shown in the table below:

	As of the end of December 2014	As of the end of December 2015	As of the end of December 2016
Capital Standards		***(In %)***	
Regulatory capital/Risk-weighted assets	10.07	8.15	8.04
Core capital/Risk-weighted assets(1)	8.87	6.98	7.01
General provisions/ Risk-weighted assets	8.62	7.87	7.00
Equity capital/Total assets	5.58	4.53	4.31
Composition and quality of the assets			
Gross distressed credits/Total credits	10.3	10.5	9.0
General provisions/Gross distressed credits	74.8	68.6	71.0
Liquidity			
Liquid assets/Total assets	49.83	52.0	52.76
Liquid assets/Total deposits	67.52	71.0	73.77
Total credits/Total deposits	72.82	76.07	81.72

Source: BCEAO

(1) Tier 1 Capital.

Financing of the Economy

Since 2009, the offer of new payment means and of new financial services in general has become more diverse thanks to the use of mobile phones as a support system. The use of this instrument has significantly contributed to increasing access of populations to financial services, which stood at nearly 49% in Côte d'Ivoire in 2014, while the rate of bank use, strictly speaking, was 15.62% in 2014 and 15.83% in 2015.

In addition, the meeting of the WAEMU Council of Ministers of June 24 and 25, 2016 adopted the framework document of policy and regional strategy for financial inclusion in the WAEMU, along with a corresponding roadmap and budget. Elaborated in the context of the prominent role of microfinance and the solid expansion of financial services via mobile phones, this strategy aims at ensuring access to a diversified range of suitable and affordable products and financial services over the next five years to 75% of the WAEMU adult population.

With regards to the quality of the banks' loan portfolios, the net deterioration rate, defined as the ratio of outstanding debt to credits to the economy, was of 2.8% at December 31, 2016, as compared to 3.7% at the end of December 2015 and 2.8% at the end of December 2014. Ivorian banks' portfolio slightly deteriorated from December 2015 to March 2016, in connection with an increase in gross distressed credits of 7.7% over the period.

As regards the quality of the credit portfolio, the gross degradation rate improved to 9.0% at the end of December 2016, compared to 10.5% the previous year. The net rate went from 3.7% to 2.8% over the abovementioned period.

According to the IMF report 15/341 of December 2015 and the Government, despite strong growth, financial intermediation is still low as measured by the total credit-to-GDP ratio (20.0%). The main obstacles to greater financial intermediation are in particular:

- the difficulties to register property and land, which inhibits owners from using them as collateral to obtain loans and banks from repossessing them in the event of default;
- a legal system that does not allow fast resolution of trade or credit disputes, which discourages bank credit; and
- a lack of information relating to borrower solvency and the lack of internal credit desks to which banks can resort to make their loan decisions, in particular for small businesses.

An analysis of the structure of loans reported to the BCEAO's risk department revealed that the tertiary sector absorbed 50.6% of outstanding loans at the end of August 2016 and remains the principal beneficiary of bank financing. The secondary sector ranks second and accounts for 38.9% of bank loans. The 10.3% share accounted for by the primary sector is nevertheless rising. Medium- and long-term loans, which are essential for real estate investments and other investment projects, represented 24.1% and 1.9%, respectively, of global outstanding loans declared.

However, the ratio of loans to the private sector/GDP, which represents an indicator of the depth of the financial system, increased slightly from 19.74% in December 2014 to 24.04% in December 2016, according to BCEAO forecasts, reflecting the slight improvement of the business climate and a consolidation of the economic recovery.

Compliance with Prudential Regulations

The table below presents banking violations of prudential regulations at the end of December 2015 and 2016:

PRUDENTIAL STANDARDS	**December 2014**	**December 2015**	**December 2016**
Number of Banks in operation	**24**	**23**	**23**
1- Minimum share capital representation[(1)]	6	10	7
2- Risk coverage ratio (min: 8%)	3	3	4
3- Risk exposure coefficient:			
Limitation of individual risks (max.: 75%)	5	8	7
Limitation of large risks (max.: 8 x EPE)	2	3	2
4- Liquidity coefficient (min.: 75%)	5	5	4
5- Coverage of medium- and long-term liabilities by stable resources (min.: 50%)	2	2	3
6- Investments (max.: 25% of minimum share capital)	2	2	3
7- Non-operating assets (max: 25% of FPB)	3	3	4
8- Assets and investments (max: 100% of FPE)	2	3	4
9- Loans to directors (max.: 20% of FPE)	4	4	6
Total	**34**	**44**	**44**

Source: BCEAO, prudential situations received by banks

(1) Institutions have, however, been given a grace period until June 30 2017 to comply with the CFAF 10,000 million threshold.

As of April 30, 2017, five credit institutions are under close supervision by the WAEMU Banking Commission, one of which is under temporary administration, due to failure to comply with banking and/or prudential regulations. Of these five banks, three are State-controlled and two are private banks. Amongst these five banks, another State-controlled bank, whose financial situation was severely degraded, was placed under temporary administration in June 2015. At the end of September 2014, the Banking Commission decided to withdraw the approval of the *Banque pour le Financement de l'Agriculture* (BFA), a State-owned bank, and to place it into liquidation. A liquidator has been appointed and tasked with the preparation and implementation of a liquidation plan.

As part of the implementation of the Financial Sector Development Program (*Programme de Développement du Secteur Financier*) ("**PDESFI**"), for which a decree determining the organization and functioning of the programme was adopted by the Council of Minister in September 2015, the Government has built a strategy to build an attractive and reliable financial sector capable of responding to the growing financing needs of the economy. The key aspects of the strategy include the consolidation and development of the sector and the improvement of financial inclusion. In the long term, this program will help to (i) maintain the soundness of the financial sector, (ii) increase the financing of the economy by fostering the utilization of the banking system, and, ultimately, (ii) improve access to credit for households and SMEs.

A privatization process is underway for two of the four State-controlled banks and will be completed while prioritizing the valuation and commercial policy objectives put forward by the Government. As for the other two banks, one will be restructured and the other strengthened. The Government will ensure the effective implementation of the plans adopted for such purpose in the fixed timeframe. The transfer of the State's minority stake in the last bank will be completed through the bank's listing on the regional stock exchange market. Moreover, the Government expects to complete the recapitalization and restructuring of one of the public banks which recorded operating losses over several years with negative effects on its equity capital. A restructuring plan was prepared for this purpose and submitted to the Regional Banking Commission in mid-2016. A private consultant has been appointed to further develop the plan and the Government is fully committed to its implementation. In particular, the Government has injected CFAF 20.0 billion liquidity into the bank in 2016. The Government expects to complete the restructuring and recapitalization of the bank by the end of March 2018, with an equity increase of CFAF 10.0 billion.

Basel II and Basel III Implementation

During its session held on June 24 and 25, 2016, the WAEMU Board of Ministers adopted the following regulations:

- a revised Banking Accounting Plan (BAP), which has been prepared on the basis of the IFRS standards;

- prudential regulations implementing Basel II and Basel III Standards in the WAEMU; and

- regulations relating to the supervision of parent credit institutions and financial institutions in the WAEMU on a consolidated basis.

These new regulations were presented to the banking and accounting professions in 2016 and at the beginning of 2017.

A transitional period ending on 31 December 2017 should give the institutions subject to these new regulations time to review them before their expected entry into force on 1 January 2018. As a result of Côte d'Ivoire's economic dynamism, domestic loans increased, resulting in a relative increase in risks. Strengthening the banks' own funds will help improve their ability to face potential risks related to their activities (the non-repayment of issued loans or other asset impairment losses). In addition, it will allow the Central Bank to monitor the preparation of credit institutions. The conditions of implementation of the BAP are specified by 13 directives already issued by the BCEAO. Revised prudential regulations will be based upon directives to be issued by the BCEAO and instructions of the WAEMU Banking Commission.

Microfinance

In addition to the traditional banks, the financing of Côte d'Ivoire's economy also relies on microfinance institutions (*Institutions de Microfinance* ("**MFIs**")). The MFIs seek to meet the needs of the less solvent population.

MFI's total assets amount to CFAF 272.3 billion as of September 30, 2016, as compared to CFAF 231.5 billion as of December 31, 2015.

The MFIs have multiplied over the past decade, increasing from a single licensed MFI in 1996 to 55 licensed MFIs as at September 2016 (4 cooperative unions (*unions coopératives*); 35 unitary cooperatives (*coopératives unitaires*); and 16 public limited companies (*sociétés anonymes*). The MFIs have (i) 350 points of service across the country, (ii) 1,093,107 clients, (iii) aggregate savings amounting to CFAF198 billion, and (iv) aggregate outstanding loans amounting to CFAF 176.2 billion. The microfinance sector benefited from significant support between 1994 and 1999 through subsidies, subsidized loans and technical support, which helped its expansion. Following this period, the issuance of licences to unsustainable institutions was not matched by a strengthening of their institutional capacities, which led to a deterioration of their operating conditions, in connection with the low repayment rate of numerous "bad debtor" enterprises that benefit from microloans.

The MFIs tend to be undercapitalized and often suffer from problems of governance, non-compliance with prudential laws, poor management capabilities, and low-quality information systems. Since 2008 as of September 30, 2016, a total of 126 approvals were withdrawn (including the basic funds which are affiliated to network), including 15 in 2016. According to monitoring tasks reports and collected financial statements, four other Decentralized Financial Systems (*Systèmes Financiers de Décentralisation*) ("**SFD**") were identified as non-viable. With respect to such entities, procedures for the withdrawal of their approvals are underway.

To address this situation, Côte d'Ivoire has developed a National Strategy for Microfinance (*Stratégie Nationale de la Microfinance* ("**SNM**")) for the 2010-2018 period. The SNM's action plan has a budget of CFAF 61.8 billion over eight years covering three objectives:

- improving the legal, regulatory and institutional environment, for a safer development of the sector;
- developing a viable and sustainable offer for an adapted, diversified and larger range of products and services, particularly in rural regions and regions not covered by increasingly professional MFIs; and
- strengthening the collaboration between MFIs and banks, encouraging the financing of SMEs and integrating the microfinance sector into the financial sector.

There has been a significant focus on strengthening the supervision over the last few years as part of a consolidation policy. This includes (i) strengthening the conditions for the grant of approvals, (ii) auditing Decentralized Financial Systems, and (iii) adopting and implementing measures and sanctions.

The Government intends to pursue its efforts with respect to the restructuring and consolidation of the sector of microfinance. Significant progress has been made regarding the delivery of licenses, the closing of illicit institutions, the control of documents and the implementation of measures and sanctions imposed on MFIs. For instance, the UNACOOPEC-CI, one of two main networks, was placed under temporary administration.

Banking Regulator

The regulation of the banking sector is performed by the Banking Commission. This commission is responsible for monitoring the organization and control of banks and financial institutions. It meets at least once every quarter. It has a permanent secretariat composed of BCEAO officers, who prepare reports and studies concerning compliance by WAEMU credit institutions with liquidation and sound management rules.

In order to fulfill its responsibilities, the Banking Commission has the following powers: (i) document inspection and on-site visits of banks and financial institutions, (ii) approval of banks and financial institutions operating on the territory of a WAEMU member state, (iii) implementation of administrative measures in case of non-compliance with applicable provisions (warning, injunction, disciplinary measures) and (iv) disciplinary sanctions depending on the seriousness of the violation (warning, reprimand, suspension or ban of some or all operations, limitations on practicing the profession, suspension or resignation of responsible executives, withdrawal of authorization).

Regional Stock Exchange

On December 18, 1996, the eight member States of the WAEMU established the *Bourse Régionale des Valeurs Mobilières* ("**BRVM**"). It is a specialized financial institution headquartered in Abidjan which is responsible for organizing and ensuring the proper execution of securities transactions and proper information of the public in the WAEMU zone.

The BRVM has the following functions: organizing the market, managing the rating and trading of securities, publishing stock prices and stock market information and ensuring the promotion and development of the securities market. The BRMV has a representative from each WAEMU country.

The Regional Council for Public Savings and the Financial Market is the regulatory body of the regional financial market. In 2012, this body strengthened market regulations to safeguard transactions and the interests of market participants.

The BRVM is a an entirely electronic stock exchange. The central site of the stock exchange in Abidjan ensures all of the quotation services, the negotiations and the diffusion of information. The BRVM is composed of a stock market which has a debt securities compartment and an equity securities compartment.

Stock Market

Currently, of the 43 companies which have their equity listed on the BRVM market, 33 are Ivorian companies, three companies are from Senegal, three companies from Burkina Faso and one each from Benin, Niger, Mali and Togo.

To measure the development of the listed companies' stock price, the BRVM has implemented two indices: the BRVM 10 index, grouping the 10 most liquid shares, and the BRVM composite index, regrouping the listed companies.

The BRVM recorded a slight decrease of its benchmark indices in 2016 as compared to 2015 with the BRVM 10 falling from 290.38 in 2015 to 261.95 in 2016 and the BRVM composite falling from 303.93 in 2015 to 292.17 in 2016. However, capitalisation increased by CFAF 206.0 billion from CFAF 7,499.0 billion in 2015 to CFAF 7,706.0 billion in 2016. *Société Générale de Banque de Côte d'Ivoire* ("**SGBCI**") and *Bolloré Africa Logistics Côte d'Ivoire* ("**BALCI'**), both incorporated in Cote d'Ivoire, are among the BRVM's most heavily traded and largest stocks. Viewed as the "engines" of the market, SGBCI and BALCI had a market capitalisation of CFAF 454.222 billion and CFAF 323.343 billion, respectively, as of 30 December 2016.

The table below shows the evolution of BVRM 10 and of BVRM composite over the past three years.

	2014	**2015**	**2016**
BVRM 10	267.50	290.38	261.95
BVRM composite	258.10	303.93	292.17
Total capitalisation (in XOF billion)	6,319.72	7,499.67	7,706.27

Source: BRVM

Bond Market

The BRVM is one of the most dynamic bond markets in Africa with 42 bond issues listed as of December 30, 2016, for a total market capitalization of CFAF 2,509 billion.

The 42 bonds are composed of 17 sovereign bonds, 10 public and private sector bonds, 10 bonds by regional and international institutions, and 5 Sukuk issues. The sovereign bonds, including the Sukuk issues, are the largest in the market and represent in aggregate CFAF 2,225.7 billion in principal amount, or 88.7% of the total market capitalisation as of 30 December 2016.

Ongoing Reforms

The WAEMU has adopted a 2014-2021 Strategic Plan for the WAEMU regional financial market centered around four key objectives:

- enhancing the attractiveness of the regional financial market and its contribution to financing WAEMU economies;
- strengthening protections for savings, as well as monitoring market participants;
- improving regional and international institutional integration, and the organization, functioning and financing of all market players; and
- promoting the financial market at the WAEMU level and strengthening inter-African and international cooperation.

The current major reforms aim at ensuring stronger regional integration and increasing significantly the stock market's impact on financing the economy. The BRVM and other ECOWAS stock markets are working to implement a mechanism for cross-transactions with stock markets in Lagos, Nigeria and Accra, Ghana. Other measures include the organization of an regional analysis and research seminar for brokerage firms (*sociétés de gestion d'intermédiation*) and the signing of an agreement with member States' Chambers of Commerce. The possibility to invest across these three markets should contribute to improving the depth of the WAEMU regional financial market. In addition, the BRVM plans to open a compartment dedicated to SMEs in order to position itself as an alternative to bank financing.

TERMS AND CONDITIONS OF THE USD NOTES

The following is the text of the Terms and Conditions of the USD Notes which, upon issue, will represent the terms and conditions applicable to all USD Notes, and, subject to completion and amendment, will be endorsed on each Global Note Certificate in respect of the USD Notes. The terms and conditions applicable to any USD Note in global form will differ from those terms and conditions which would apply to the Note in individual form to the extent described under "Form of the Notes" section.

The U.S.$1,250,000,000 6.125% Amortizing Notes due 2033 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) of the Republic of Côte d'Ivoire (the "**Issuer**") are issued subject to and with the benefit of an Agency Agreement to be dated on or about June 15, 2017 (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") entered into between the Issuer, Deutsche Bank AG, London Branch, as fiscal agent (the "**Fiscal Agent**"), as paying agent (the "**Paying Agent**") and as transfer agent (the "**Transfer Agent**") and Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**" and, together with the Fiscal Agent, the Transfer Agent and the Paying Agent, the "**Agents**"). The holders of the Notes are entitled to the benefit of a Deed of Covenant dated June 15, 2017 (the "**Deed of Covenant**") and made by the Issuer.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the Noteholders (as defined below) at the Specified Office (as defined in the Agency Agreement) of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent, the Registrar, the Paying Agents and the Agents shall include any successor appointed under the Agency Agreement.

1. Form, Denomination and Title

1.1 Form and Denomination

The Notes are issued in registered form in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, each an "**Authorized Denomination**". A note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**", and in relation to a "**Note**", "**holder**" means the person in whose name a Note is registered in the Register (or, in the case of a joint holding, the first named thereof).

2. Transfers of Notes and Issue of Certificates

2.1 Transfers

Subject to Condition 2.4 (*Closed Periods*) and Condition 2.5 (*Regulations*), a Note may be transferred, in whole or in part, by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the Specified Office of the Registrar or any of the Agents together with such evidence as the Registrar or Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided however that* a Note may not be transferred unless the principal amount of the Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the Notes not transferred, are Authorized Denominations.

2.2 Delivery of New Certificates

Each new Certificate to be issued upon transfer or exchange of Notes will, within five business days of receipt by the Registrar or the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the Specified Office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

2.3 Formalities Free of Charge

Any transfer of Notes will be effected without charge by or on behalf of the Issuer, the Registrar, or any Agent but upon payment (or the giving of such indemnity as the Registrar or any Agent may reasonably require) in respect of any stamp duty, tax or other governmental charges which may be levied or imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest on that Note.

2.5 Regulations

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder upon request.

3. Status

The Notes constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, and with all other unsecured and unsubordinated External Indebtedness (as defined in Condition 10.2 (*Interpretation*)) of the Issuer outstanding from time to time, save only for such obligations as may be preferred by mandatory provisions of applicable law, *provided*, *however*, *that* the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and *vice versa*. The full faith and credit of the Issuer is pledged to the due and punctual payment of the Notes.

4. Negative Pledge

4.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement) the Issuer will not, save for the exceptions set out below in Condition 4.3 (*Exceptions*) create, incur, assume or permit to subsist any Security upon the whole or any part of its present or future assets, undertakings or revenues to secure (i) any of its Public External Indebtedness; (ii) any Guarantees in respect of Public External Indebtedness; or (iii) the Public External Indebtedness of any other person; without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other arrangement (whether or not comprising Security) as shall be approved by an Extraordinary Resolution or by a Written Resolution (each as defined in the Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*)). For the avoidance of doubt, any such approval shall not constitute a Reserved Matter (for the purposes of and as defined in the Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*)).

4.2 **Interpretation**

In these Conditions:

(a) **"Guarantee"** means any obligation of a person to pay the Indebtedness of another person including, without limitation: an obligation to pay or purchase such Indebtedness; an obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness; an indemnity against the consequences of a default in the payment of such Indebtedness; or any other agreement to be responsible for such Indebtedness;

(b) **"Indebtedness"** means any obligation (whether present or future) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and leasing);

(c) **"person"** means any individual, company, corporation, firm, partnership, joint venture, association, organization, trust or other juridical entity, state or agency of a state or other entity, whether or not having a separate legal personality;

(d) **"Public External Indebtedness"** means any Indebtedness (i) expressed or denominated or payable or which, at the option of the relevant creditor may be payable, in any currency other than the lawful currency from time to time of the Republic of Côte d'Ivoire, and (ii) which is in the form of, or is represented by, bonds, notes or other securities with a stated maturity of more than one year from the date of issue which are, or are capable of being, quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system, over the counter or other securities market; and

(e) **"Security"** means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance including, without limitation, anything analogous to the foregoing under the laws of any jurisdiction.

4.3 **Exceptions**

The following exceptions apply to the Issuer's obligations under paragraph 4.1 (*Negative Pledge*) of this Condition:

(a) any Security upon property to secure Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing the acquisition or construction of such property and any renewal and extension of such Security which is limited to the original property covered thereby and which (in either case) secures any renewal or extension of the original secured financing; and

(b) any Security securing Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; provided that (A) the holders of such Public External Indebtedness or Guarantee expressly agree to limit their recourse to the assets and revenues of such project or the proceeds of insurance thereon as the sole source of repayments of such Public External Indebtedness and (B) the property over which such Security is granted consists solely of such assets and revenues.

5. Interest

The Notes bear interest on their outstanding principal amount from time to time from and including June 15, 2017 to but excluding the Maturity Date (as defined in Condition 7.1 (*Redemption*)) at the rate of 6.125% per annum, payable semi-annually in arrear on June 15 and December 15 in each year (each an "**Interest Payment Date**") commencing on December 15, 2017.

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) seven days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12 (*Notices*) (except to the extent that there is any subsequent default in payment).

All interest shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months and shall be rounded up to the nearest cent (half a cent being rounded upward).

6. Payments

6.1 Payments in Respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the Noteholder or by a cheque in US dollars drawn on a bank that processes payments in US dollars mailed to the registered address of the Noteholder if it does not have a registered account. Payment of principal will only be made against presentation and surrender of the relevant Certificate at the Specified Office of any of the Paying Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the date (the "**record date**") being the fifteenth day before the due date for the payment of interest.

*For so long as the Notes are in global form, the Issuer will make each interest payment to the holders of record of the Notes at the close of business (in the relevant clearing system) on the Clearing System Business Day immediately before the due date for such payment (which date shall constitute the "record date" when the Notes are in global form), where "**Clearing System Business Day**" means a day on which each clearing system for which the Notes in global form is being held is open for business.*

For the purposes of this Condition 6, a Noteholder's "**registered account**" means the US dollar account maintained by or on its behalf with a bank that processes payments in US dollars, details of which appear on the Register at the close of business, in the case of principal, on the second Business Day (as defined below) before the due date for payment and, in the case of interest, on the relevant record date, and a Noteholder's "**registered address**" means its address appearing on the Register at that time.

6.2 Payments Subject to Applicable Laws

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

6.3 No Commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 6 (*Payments*).

6.4 **Payment on Business Days**

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the due date for payment or, in the case of a payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the Specified Office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition 6 arrives after the due date for payment.

In this Condition 6, "**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, New York City and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

6.5 **Partial Payments**

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid.

6.6 **Agents**

The names of the initial Agents and their initial Specified Offices are set out in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents *provided that* there will at all times be a Fiscal Agent, a Registrar and a Transfer Agent in a major European city.

Notice of any termination or appointment and of any changes in Specified Offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

7. **Redemption and Purchase**

7.1 **Redemption**

Redemption by Amortization and Final Redemption

Unless previously redeemed, or purchased and cancelled, the Issuer will redeem the Notes in three instalments on each amortization date specified in column A below (each an "**Amortization Date**") at the related amortization amount specified in column B below (each an "**Amortization Amount**") payable as provided in Condition 6 (*Payments*). The outstanding principal amount of the Notes shall be reduced by the Amortization Amount for all purposes with effect from the relevant Amortization Date such that the outstanding aggregate principal amount of the Notes following such reduction shall be as specified in column C below, unless the payment of the relevant Amortization Amount is improperly withheld or refused. In such a case, the relevant principal amount will remain outstanding until whichever is the earlier of (a) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant Noteholders and (b) the Business Day after the Fiscal Agent has given notice to the Noteholders of receipt of all sums due in respect of all sums due in respect of all Notes up to that Business Day (except to the extent that there is any subsequent default in payment in accordance with these Conditions). The Notes shall be finally redeemed on June 15, 2033 (the "**Maturity Date**") at their final Amortization Amount payable as provided in Condition 6 (*Payments*).

Amortization Date (A)	**Amortization Amount (B)**	**Outstanding Aggregate Principal Amount of the Notes (C)**
Interest Payment Date falling on June 15, 2031 ..	U.S.$416,666,666.66	U.S.$833,333,333.34
Interest Payment Date falling on June 15, 2032 ..	U.S.$ 416,666,666.66	U.S.$416,666,666.68
Maturity Date..	U.S.$ 416,666,666.68	U.S.$0

In these Conditions, references to "**principal**" shall, unless the context requires otherwise, be deemed to include any Amortization Amount and references to the "**due date**" for payment shall, unless the context requires otherwise, be deemed to include any Amortization Date.

7.2 **Purchase and Cancellation**

The Issuer may at any time purchase Notes in the open market or otherwise and at any price, *provided that* such purchase is made in accordance with the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and any other applicable securities laws. Any Notes so purchased may be cancelled or held or resold (*provided that* any resales in the United States must be in accordance with an effective registration statement or in a transaction exempt from or not subject to the registration requirements of the Securities Act). Any Notes so purchased, while held by or on behalf of the Issuer shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of such meetings. Any Notes so cancelled will not be reissued.

8. **Taxation**

8.1 **Payment Without Withholding**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction ("**Additional Amounts**"); except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

(a) in circumstances where the holder of the Note is liable for the Taxes in respect of the Note or Taxes on payments in respect of the Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or

(b) if such Note is presented or surrendered for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the relevant holder would have been entitled to such Additional Amounts if it had presented or surrendered such Note on the last day of such period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day (as defined in Condition 6 (*Payments*)); or

(c) where such withholding or deduction is imposed as a result of any combination of (a) and (b) above.

8.2 **Interpretation**

In these Conditions:

(a) **"Relevant Date"** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and

(b) **"Relevant Jurisdiction"** means the Republic of C**ô**te d**'**Ivoire or any political subdivision or any authority thereof or therein having power to tax in respect of payments made by it of principal and interest on the Notes.

8.3 **Additional Amounts**

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 8.

9. **Prescription**

Claims against the Issuer in respect of principal and interest will become void unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date, as defined in Condition 8 (*Taxation*).

10. **Events of Default**

10.1 **Events of Default**

If any of the following events (each, an "**Event of Default**") shall have occurred and be continuing:

(a) **Non-payment**

(i) the Issuer fails to pay any principal on any of the Notes when due and payable and such failure continues for a period of 15 business days; or

(ii) the Issuer fails to pay any interest on any of the Notes or any amount due under Condition 8 (*Taxation*) when due and payable, and such failure continues for a period of 30 days; or

(b) **Breach of Other Obligations**

the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Agency Agreement, which default is incapable of remedy or is not remedied within 45 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) **Cross-acceleration**

(i) any other External Indebtedness of the Issuer becomes due and payable prior to stated maturity thereof by reason of default, or

(ii) any such External Indebtedness is not paid at maturity; or

(iii) any Guarantee of such External Indebtedness is not honored when due and called upon, and, in the case of (ii) or (iii), that failure continues beyond any applicable grace period,

provided that the aggregate amount of the relevant External Indebtedness in respect of which one or more of the events mentioned in this paragraph (c) have occurred equals or exceeds U.S.$25,000,000 or its equivalent in any other currency or currencies; or

(d) **Moratorium**

a moratorium on the payment of principal of, or interest on, the External Indebtedness of the Issuer shall be declared by the Issuer; or

(e) **International Monetary Fund Membership**

the Issuer shall cease to be a member of the International Monetary Fund or any successor (whether corporate or not) that performs the functions of, or functions similar thereto (the "**IMF**") or shall cease to be eligible to use the general resources of the IMF; or

(f) **Validity**

(i) the validity of the Notes shall be contested by the Issuer; or

(ii) the Issuer shall deny any of its obligations under the Notes (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise); or

(iii) it shall be or become unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Agency Agreement, including, without limitation, the payment of interest on the Notes, as a result of any change in law or regulation in the Republic of Côte d'Ivoire or any ruling of any court in the Republic of Côte d'Ivoire whose decision is final and unappealable or for any reason such obligations cease to be in full force and effect; or

(g) **Consents**

if any authorization, consent of, or filing or registration with, any governmental authority necessary for the performance of any payment obligation of the Issuer under the Notes, when due, ceases to be in full force and effect or remain valid and subsisting, then the holders of at least 25% in aggregate principal amount of the outstanding Notes (as defined in the Agency Agreement) may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer.

If the Issuer receives notice in writing from holders of at least 50% in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall, give notice thereof to the Noteholders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

10.2 **Interpretation**

As used herein:

"**External Indebtedness**" means Indebtedness expressed or denominated or payable, or which at the option of the relevant creditor may be payable, in any currency other than the lawful currency from time to time of the Republic of Côte d'Ivoire.

11. Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. Notices

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the Register. Any notice shall be deemed to have been given on the fourth business day after being so mailed. Notices concerning the Notes shall also be published (so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require) in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange's website (www.bourse.lu).

13. Meetings of Noteholders, Modifications and Waivers

13.1 Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions

(a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Agency Agreement. The Issuer will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

(b) The Issuer or the Fiscal Agent will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 13.9 (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer or the Fiscal Agent (with a copy to the Issuer) setting out the purpose of the meeting. The Fiscal Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Fiscal Agent, as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.

(c) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

(d) The notice convening any meeting will specify, *inter alia;*

- (i) the date, time and location of the meeting;
- (ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
- (iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
- (iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
- (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;

(vi) whether Condition 13.2 (*Modification of this Series of Notes only*), or Condition 13.3 (*Multiple Series Aggregation – Single limb voting*), or Condition 13.4 (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;

(vii) if the proposed modification or action relates to two or more series of debt securities issued by the Issuer and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;

(viii) such information that is required to be provided by the Issuer in accordance with Condition 13.6 (*Information*);

(ix) the identity of the Aggregation Agent and the Calculation Agent (each as defined in these Conditions), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 13.7 (*Claims Valuation*); and

(x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.

(e) In addition, the Agency Agreement contains provisions relating to Written Resolutions. All information to be provided pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*) shall also be provided, mutatis mutandis, in respect of Written Resolutions.

(f) A **"record date"** in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

(g) An **"Extraordinary Resolution"** means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

(h) A **"Written Resolution"** means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(i) Any reference to **"debt securities"** means any notes (including the Notes), bonds, debentures or other debt securities (which for these purposes shall be deemed to include any sukuk or other trust certificates representing the credit of the Issuer) issued by or on behalf of the Issuer in one or more series with an original stated maturity of more than one year.

(j) **"Debt Securities Capable of Aggregation"** means those debt securities which include or incorporate by reference this Condition 13 (*Meetings of Noteholders, Modifications and Waivers*) and Condition 14 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

13.2 **Modification of this Series of Notes only**

(a) Any modification of any provision of, or any action in respect of, these Conditions, the Agency Agreement and/or the Deed of Covenant (other than changes which are formal, minor or technical nature, are made to correct a manifest error, or in the sole opinion of the Issuer, are not materially prejudicial to the interests of Noteholders, as provided in the Agency Agreement) may be made or taken if approved by a Single Series Ordinary Resolution, a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

(b) For the purposes of a meeting of Noteholders convened in respect of the Notes only and for the purposes of passing a Single Series Ordinary Resolution and/or a Single Series Extraordinary Resolution (each as defined below) (a **"Single Series Meeting"**), at any such Single Series Meeting any one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 50 per cent. in principal amount of the Notes for the time being outstanding (or, in the case of an adjourned meeting, one or more persons present in person holding Notes or being proxies or representatives (whatever the principal amount of Notes so held or represented)) shall (except for the purposes of passing a Single Series Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any such Single Series Meeting unless the requisite quorum be present at the commencement of business. The quorum at any such Single Series Meeting convened for the purpose of passing a Single Series Extraordinary Resolution shall be one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 66.67 per cent. of the principal amount of the Notes for the time being outstanding, (or, in the case of an adjourned meeting, one or more persons so present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 33.34 per cent. in the principal amount of Notes for the time being outstanding).

(c) A **"Single Series Ordinary Resolution"** means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Conditions 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*) and 13.2(b) in respect of any matter other than a Reserved Matter, by a majority of at least 66.67 per cent. of the votes cast.

(d) A **"Single Series Extraordinary Resolution"** means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*) and Condition 13.2(b) in respect of a Reserved Matter by a majority of least 75 per cent. of the votes cast.

(e) A **"Single Series Written Resolution"** means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or

(ii) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

(f) Any Single Series Ordinary Resolution, Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended such Single Series Meeting, whether or not they voted in favor thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

13.3 Multiple Series Aggregation – Single limb voting

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.

(b) A **"Multiple Series Single Limb Extraordinary Resolution"** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

(c) A **"Multiple Series Single Limb Written Resolution"** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

(d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

(e) The **"Uniformly Applicable"** condition will be satisfied if:

(i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

(ii) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).

(f) It is understood that a proposal under Condition 13.3(a) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

(g) Any modification or action proposed under Condition 13.3(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 13.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

13.4 Multiple Series Aggregation – Two limb voting

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(b) A **"Multiple Series Two Limb Extraordinary Resolution"** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:

(i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of affected series of all Debt Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(c) A **"Multiple Series Two Limb Written Resolution"** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

(e) Any modification or action proposed under Condition 13.4(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 13.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

13.5 **Reserved Matters**

In these Conditions, "**Reserved Matter**" means any proposal:

(a) to change the dates, or the method of determining the dates, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;

(b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;

(c) to change the majority or quorum required to pass a Single Series Ordinary Resolution, an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;

(d) to change this definition, or the definition of "Extraordinary Resolution", "Single Series Ordinary Resolution", "Single Series Extraordinary Resolution", Multiple Series Single Limb Extraordinary Resolution, Multiple Series Two Limb Extraordinary Resolution, Written Resolution, Single Series Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution;

(e) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";

(f) to change the definition of "Uniformly Applicable";

(g) to change the definition of "outstanding" or to modify the provisions of Condition 13.9 (*Notes controlled by the Issuer*);

(h) to change the legal ranking of the Notes or other specified substantive covenants as appropriate, to be determined on a case-by-case basis;

(i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 10 (*Events of Default*);

(j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 16 (*Governing Law and Submission to Jurisdiction*);

(k) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;

(l) to modify the provisions of this Condition 13.5;

(m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or

(n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:

(i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

(ii) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

13.6 **Information**

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 13.2 (*Modification of this Series of Notes only*), Condition 13.3 (*Multiple Series Aggregation – Single limb voting*) or Condition 13.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 14 (*Aggregation Agent; Aggregation Procedures*), and provide the Fiscal Agent with the following information:

(a) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;

(b) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;

(c) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and

(d) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 13.1(d)(vii) (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*).

13.7 **Claims Valuation**

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 13.3 (*Multiple Series Aggregation – Single limb voting*) and Condition 13.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a calculation agent (the "Calculation Agent"). The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

13.8 **Manifest error, etc.**

The Notes, these Conditions and the provisions of Agency Agreement may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

13.9 **Notes controlled by the Issuer**

For the purposes of (i) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution and (ii) this Condition 13 (*Meetings of Noteholders; Modifications and Waivers*) and (iii) Condition 10 (*Events of Default*), any Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer shall be disregarded and be deemed not to remain outstanding, where:

(a) **"public sector instrumentality"** means the Central Bank of West African States (BCEAO), any department, ministry or agency of the government of the Republic or any corporation, trust, financial institution or other entity owned or controlled by the Republic or any of the foregoing; and

(b) **"control"** means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 14.4 (*Certificate*), which includes information on the total number of Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

13.10 **Publication**

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 14.7 (*Manner of publication*).

13.11 **Exchange and Conversion**

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the

Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders.

14. Aggregation Agent; Aggregation Procedures

14.1 Appointment

The Issuer will appoint an aggregation agent (the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

14.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

14.3 Written Resolutions

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

14.4 Certificate

For the purposes of Condition 14.2 (*Extraordinary Resolutions*) and Condition 14.3 (*Written Resolutions*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 13.2 (*Modification of this Series of Notes only*), Condition 13.4 (*Multiple Series Aggregation – Single limb voting*) or Condition 13.4 (*Multiple Series Aggregation – Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

(a) list the total principal amount of Notes outstanding and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and

(b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 13.9 (*Notes controlled by the Issuer*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

14.5 Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 14 (*Aggregation Agent; Aggregation Procedures*) to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

14.6 Binding nature of determinations; no liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 14 (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

14.7 Manner of publication

The Issuer will publish all notices and other matters required to be published pursuant to the Agency Agreement including any matters required to be published pursuant to Condition 13 (*Meetings of Noteholders, Modifications and Waivers*), this Condition 14 (*Aggregation Agent; Aggregation Procedures*) and Condition 10 (*Events of Default*):

(a) through Euroclear and Clearstream and/or any other international or domestic clearing system(s) through which the Notes are for the time being cleared and otherwise in accordance with Condition 12 (*Notices*);

(b) in such other places and in such other manner as may be required by applicable law or regulation; and

(c) in such other places and in such other manner as may be customary.

15. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes; *provided, however, that unless any further Notes are issued pursuant to a "qualified reopening" of the original Notes, are otherwise treated as part of the same "issue" of debt instruments as the original Notes or are issued with no more than a* de minimis *amount of original issue discount, in each case for U.S. federal income tax purposes, such further Notes will have a separate CUSIP, ISIN or Common Code (as applicable) so that they are distinguishable from such Notes.*

16. Governing Law and Submission to Jurisdiction

16.1 Governing Law

The Notes and the arbitration agreement contained in Condition 16.2 (*Arbitration*) including any non-contractual obligations arising from or connected therewith are governed by, and shall be construed in accordance with, English law.

16.2 Arbitration

Subject to Condition 16.3 (*Noteholders' Option*) and 16.4 (*English Courts*), the Issuer agrees that any claim, dispute or difference of whatever nature arising under, out of or in connection with the Notes (including a claim, dispute or difference regarding its existence, termination or validity or any non-contractual obligations arising out of or in connection with the Notes) (a "**Dispute**"), shall be referred to and finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The seat or legal place of the arbitration shall be London, England. The language of the arbitration shall be English. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

16.3 Noteholders' Option

At any time before any Noteholder has nominated an arbitrator to resolve any Dispute or Disputes pursuant to Condition 16.2 (*Arbitration*), the Noteholders, at their sole option, may elect by notice in writing (an "**Election Notice**") to the Issuer that such Dispute(s) shall instead be resolved in the manner set out in Condition 16.4 (*English Courts*), 16.5 (*Appropriate Forum*) and 16.6 (*Rights of the Noteholders to take proceedings outside England*).

Following any such election, no arbitral tribunal shall have jurisdiction in respect of such Dispute(s).

16.4 English Courts

In the event that any of the Noteholders serves an Election Notice in respect of any Dispute(s) pursuant to Condition 16.3 (*Noteholders' Option*), the Issuer agrees for the benefit of the Noteholders that Condition 16.2 (*Arbitration*) shall not apply to any such Dispute and that the courts of England shall have exclusive jurisdiction to hear and determine any such Dispute(s) and that the Issuer may not commence proceedings ("**Proceedings**") for the determination of any such Dispute(s) in any other jurisdiction.

16.5 Appropriate forum

For the purposes of Condition 16.4 (*English Courts*), the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and agrees not to claim that any such court is not a convenient or appropriate forum.

16.6 Rights of the Noteholders to take proceedings outside England

Condition 16.4 (*English Courts*) and 16.5 (*Appropriate Forum*) are for the benefit of the Noteholders only. As a result, following the service of an Election Notice by any of the Noteholders, nothing in this Condition 16 (*Governing Law and Submission to Jurisdiction*) shall (or shall be construed so as to) limit the right of any of the Noteholders to bring Proceedings for the determination of any such Dispute(s) in the courts of England or in any other court of competent jurisdiction, nor shall the bringing of such Proceedings in any one or more jurisdictions preclude the bringing of Proceedings by any other Noteholders in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

16.7 Process Agent

The Issuer confirms and agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to His Excellency Mr. Ambassador of the Republic of Côte d'Ivoire located at 2 Upper Belgrave Street, London SW1X 8BJ, United Kingdom. If such agent ceases to be able to act as a process agent or to have an address in England, the Issuer irrevocably agrees to appoint a new process agent in England as soon as practicable thereafter. Nothing in this paragraph shall affect the right of any party to serve process in any other manner permitted by law.

16.8 Consent to Enforcement and Waiver of Immunity

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation but subject as provided in the following paragraph) the making, enforcement or execution against any property whatsoever of any order or judgment which is made or given in such Proceedings.

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, including in relation to the enforcement of any arbitration award, and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction (and consents generally for the purposes of the State Immunity Act 1978 to the giving of any relief or the issue of any process in connection with any Proceedings). The Issuer does not hereby waive such immunity from execution or attachment in respect of (a) property, including any bank account, used by a diplomatic or consular mission of the Issuer or its special missions or delegations to international organizations, (b) property of a military character and under the control of a military authority or defence agency of the Issuer or (c) property located in the Republic of Côte d'Ivoire and dedicated to a public or governmental use by the Issuer (as distinct from property which is for the time being in use or intended for use for commercial purposes within the meaning of the State Immunity Act 1978). The Issuer reserves the right to plead sovereign immunity under the US Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of or in the United States of America under any United States federal or State securities law.

17. Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

TERMS AND CONDITIONS OF THE EUR NOTES

The following is the text of the Terms and Conditions of the EUR Notes which, upon issue, will represent the terms and conditions applicable to all EUR Notes, and, subject to completion and amendment, will be endorsed on each Global Note Certificate in respect of the EUR Notes. The terms and conditions applicable to any EUR Note in global form will differ from those terms and conditions which would apply to the Note in individual form to the extent described under "Form of the Notes" section.

The €625,000,000 5.125% Notes due 2025 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) of the Republic of Côte d'Ivoire (the "**Issuer**") are issued subject to and with the benefit of an Agency Agreement to be dated on or about June 15, 2017 (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**" entered into between the Issuer, Deutsche Bank AG, London Branch, as fiscal agent (the "**Fiscal Agent**"), as paying agent (the "**Paying Agent**") and as transfer agent (the "**Transfer Agent**") and Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**" and, together with the Fiscal Agent, the Transfer Agent and the Paying Agent, the "**Agents**"). The holders of the Notes are entitled to the benefit of a Deed of Covenant dated June 15, 2017 (the "**Deed of Covenant**") and made by the Issuer

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the Noteholders (as defined below) at the Specified Office (as defined in the Agency Agreement) of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent, the Registrar, the Paying Agents and the Agents shall include any successor appointed under the Agency Agreement.

1. Form, Denomination and Title

1.1 Form and Denomination

The Notes are issued in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof, each an "**Authorized Denomination**". A note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**", and in relation to a "**Note**", "**holder**" means the person in whose name a Note is registered in the Register (or, in the case of a joint holding, the first named thereof).

2. Transfers of Notes and Issue of Certificates

2.1 Transfers

Subject to Condition 2.4 (*Closed Periods*) and Condition 2.5 (*Regulations*), a Note may be transferred, in whole or in part, by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the Specified Office of the Registrar or any of the Agents together with such evidence as the Registrar or Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided however that* a Note may not be transferred unless the principal amount of the Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the Notes not transferred, are Authorized Denominations.

2.2 Delivery of New Certificates

Each new Certificate to be issued upon transfer or exchange of Notes will, within five business days of receipt by the Registrar or the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the Specified Office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

2.3 Formalities Free of Charge

Any transfer of Notes will be effected without charge by or on behalf of the Issuer, the Registrar, or any Agent but upon payment (or the giving of such indemnity as the Registrar or any Agent may reasonably require) in respect of any stamp duty, tax or other governmental charges which may be levied or imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest on that Note.

2.5 Regulations

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder upon request.

3. Status

The Notes constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, and with all other unsecured and unsubordinated External Indebtedness (as defined in Condition 10.2 (*Interpretation*)) of the Issuer outstanding from time to time, save only for such obligations as may be preferred by mandatory provisions of applicable law, *provided*, *however*, *that* the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and *vice versa*. The full faith and credit of the Issuer is pledged to the due and punctual payment of the Notes.

4. Negative Pledge

4.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement) the Issuer will not, save for the exceptions set out below in Condition 4.3 (*Exceptions*) create, incur, assume or permit to subsist any Security upon the whole or any part of its present or future assets, undertakings or revenues to secure (i) any of its Public External Indebtedness; (ii) any Guarantees in respect of Public External Indebtedness; or (iii) the Public External Indebtedness of any other person; without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other arrangement (whether or not comprising Security) as shall be approved by an Extraordinary Resolution Noteholders or by a Written Resolution (each as defined in the Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*)). For the avoidance of doubt, any such approval shall not constitute a Reserved Matter (for the purposes of and as defined in the Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*)).

4.2 **Interpretation**

In these Conditions:

(a) **"Guarantee"** means any obligation of a person to pay the Indebtedness of another person including, without limitation: an obligation to pay or purchase such Indebtedness; an obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness; an indemnity against the consequences of a default in the payment of such Indebtedness; or any other agreement to be responsible for such Indebtedness;

(b) **"Indebtedness"** means any obligation (whether present or future) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and leasing);

(c) **"person"** means any individual, company, corporation, firm, partnership, joint venture, association, organization, trust or other juridical entity, state or agency of a state or other entity, whether or not having a separate legal personality;

(d) **"Public External Indebtedness"** means any Indebtedness (i) expressed or denominated or payable or which, at the option of the relevant creditor may be payable, in any currency other than the lawful currency from time to time of the Republic of Côte d'Ivoire, and (ii) which is in the form of, or is represented by, bonds, notes or other securities with a stated maturity of more than one year from the date of issue which are, or are capable of being, quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system, over the counter or other securities market; and

(e) **"Security"** means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance including, without limitation, anything analogous to the foregoing under the laws of any jurisdiction.

4.3 **Exceptions**

The following exceptions apply to the Issuer's obligations under paragraph 4.1 (Negative Pledge) of this Condition:

(a) any Security upon property to secure Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing the acquisition or construction of such property and any renewal and extension of such Security which is limited to the original property covered thereby and which (in either case) secures any renewal or extension of the original secured financing; and

(b) any Security securing Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; provided that (A) the holders of such Public External Indebtedness or Guarantee expressly agree to limit their recourse to the assets and revenues of such project or the proceeds of insurance thereon as the sole source of repayments of such Public External Indebtedness and (B) the property over which such Security is granted consists solely of such assets and revenues.

5. Interest

The Notes bear interest on their outstanding principal amount from time to time from and including June 15, 2017 (the "**Issue Date**") to but excluding the Maturity Date (as defined in Condition 7.1 (*Redemption*)) at the rate of 5.125% per annum (the "**Rate of Interest**"), payable annually in arrear on June 15 in each year (each an "**Interest Payment Date**") commencing on June 15, 2018. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) seven days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12 (*Notices*) (except to the extent that there is any subsequent default in payment).

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, the day count fraction applied to calculate the amount of interest payable in respect of each Note shall be the number of days in the relevant period from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

6. Payments

6.1 Payments in Respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the Noteholder or by a cheque in Euro drawn on a bank that processes payments in Euro mailed to the registered address of the Noteholder if it does not have a registered account. Payment of principal will only be made against presentation and surrender of the relevant Certificate at the Specified Office of any of the Paying Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the date (the "**record date**") being the fifteenth day before the due date for the payment of interest.

*For so long as the Notes are in global form, the Issuer will make each interest payment to the holders of record of the Notes at the close of business (in the relevant clearing system) on the Clearing System Business Day immediately before the due date for such payment (which date shall constitute the "record date" when the Notes are in global form), where "**Clearing System Business Day**" means a day on which each clearing system for which the Notes in global form is being held is open for business.*

For the purposes of this Condition 6, a Noteholder's "**registered account**" means the Euro account maintained by or on its behalf with a bank that processes payments in Euro, details of which appear on the Register at the close of business, in the case of principal, on the second Business Day (as defined below) before the due date for payment and, in the case of interest, on the relevant record date, and a Noteholder's "**registered address**" means its address appearing on the Register at that time.

6.2 Payments Subject to Applicable Laws

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

6.3 No Commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 6 (*Payments*).

6.4 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the due date for payment or, in the case of a payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the Specified Office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition 6 arrives after the due date for payment.

In this Condition 6, "**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, on which the the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "**TARGET System**") is open and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

6.5 Partial Payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid.

6.6 Agents

The names of the initial Agents and their initial Specified Offices are set out in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents *provided that* there will at all times be a Fiscal Agent, a Registrar and a Transfer Agent in a major European city.

Notice of any termination or appointment and of any changes in Specified Offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

7. Redemption and Purchase

7.1 Redemption

Redemption at Maturity

Unless previously redeemed, or purchased and cancelled, the Issuer will redeem the Notes at their principal amount on June 15, 2025 (the "**Maturity Date**") as provided in Condition 6 (*Payments*).

7.2 Purchase and Cancellation

The Issuer may at any time purchase Notes in the open market or otherwise and at any price, *provided that* such purchase is made in accordance with the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and any other applicable securities laws. Any Notes so purchased may be cancelled or held or resold (*provided that* any resales in the United States must be in accordance with an effective registration statement or in a transaction exempt from or not subject to the registration requirements of the Securities Act). Any Notes so purchased, while held by or on behalf of the Issuer shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of such meetings. Any Notes so cancelled will not be reissued.

8. Taxation

8.1 Payment Without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction ("**Additional Amounts**"); except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

(a) in circumstances where the holder of the Note is liable for the Taxes in respect of the Note or Taxes on payments in respect of the Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or

(b) if such Note is presented or surrendered for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the relevant holder would have been entitled to such Additional Amounts if it had presented or surrendered such Note on the last day of such period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day (as defined in Condition 6 (Payments)); or

(c) where such withholding or deduction is imposed as a result of any combination of (a) and (b) above.

8.2 Interpretation

In these Conditions:

(a) **"Relevant Date"** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and

(b) **"Relevant Jurisdiction"** means the Republic of Côte d'Ivoire or any political subdivision or any authority thereof or therein having power to tax in respect of payments made by it of principal and interest on the Notes.

8.3 **Additional Amounts**

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 8.

9. **Prescription**

Claims against the Issuer in respect of principal and interest will become void unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date, as defined in Condition 8 (*Taxation*).

10. **Events of Default**

10.1 **Events of Default**

If any of the following events (each, an "**Event of Default**") shall have occurred and be continuing:

(a) **Non-payment**

(i) the Issuer fails to pay any principal on any of the Notes when due and payable and such failure continues for a period of 15 business days; or

(ii) the Issuer fails to pay any interest on any of the Notes or any amount due under Condition 8 (*Taxation*) when due and payable, and such failure continues for a period of 30 days; or

(b) **Breach of Other Obligations**

the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Agency Agreement, which default is incapable of remedy or is not remedied within 45 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) **Cross-acceleration**

(i) any other External Indebtedness of the Issuer becomes due and payable prior to stated maturity thereof by reason of default, or

(ii) any such External Indebtedness is not paid at maturity; or

(iii) any Guarantee of such External Indebtedness is not honored when due and called upon, and, in the case of (ii) or (iii), that failure continues beyond any applicable grace period,

provided that the aggregate amount of the relevant External Indebtedness in respect of which one or more of the events mentioned in this paragraph (c) have occurred equals or exceeds U.S.$25,000,000 or its equivalent in any other currency or currencies; or

(d) **Moratorium**

a moratorium on the payment of principal of, or interest on, the External Indebtedness of the Issuer shall be declared by the Issuer; or

(e) **International Monetary Fund Membership**

the Issuer shall cease to be a member of the International Monetary Fund or any successor (whether corporate or not) that performs the functions of, or functions similar thereto (the "**IMF**") or shall cease to be eligible to use the general resources of the IMF; or

(f) **Validity**

(i) the validity of the Notes shall be contested by the Issuer; or

(ii) the Issuer shall deny any of its obligations under the Notes (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise); or

(iii) it shall be or become unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Agency Agreement, including, without limitation, the payment of interest on the Notes, as a result of any change in law or regulation in the Republic of Côte d'Ivoire or any ruling of any court in the Republic of Côte d'Ivoire whose decision is final and unappealable or for any reason such obligations cease to be in full force and effect; or

(g) **Consents**

if any authorization, consent of, or filing or registration with, any governmental authority necessary for the performance of any payment obligation of the Issuer under the Notes, when due, ceases to be in full force and effect or remain valid and subsisting, then the holders of at least 25% in aggregate principal amount of the outstanding Notes (as defined in the Agency Agreement) may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer.

If the Issuer receives notice in writing from holders of at least 50% in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall, give notice thereof to the Noteholders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

10.2 **Interpretation**

As used herein:

"**External Indebtedness**" means Indebtedness expressed or denominated or payable, or which at the option of the relevant creditor may be payable, in any currency other than the lawful currency from time to time of the Republic of Côte d'Ivoire.

11. **Replacement of Certificates**

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. Notices

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the Register. Any notice shall be deemed to have been given on the fourth business day after being so mailed. Notices concerning the Notes shall also be published (so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require) in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange's website (www.bourse.lu).

13. Meetings of Noteholders, Modifications and Waivers

13.1 Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions

(a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Agency Agreement. The Issuer will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

(b) The Issuer or the Fiscal Agent will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 13.9 (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer or the Fiscal Agent (with a copy to the Issuer) setting out the purpose of the meeting. The Fiscal Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Fiscal Agent, as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.

(c) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

(d) The notice convening any meeting will specify, *inter alia;*

  (i) the date, time and location of the meeting;

  (ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;

  (iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;

  (iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;

  (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;

  (vi) whether Condition 13.2 (*Modification of this Series of Notes only*), or Condition 13.3 (*Multiple Series Aggregation – Single limb voting*), or Condition 13.4 (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;

(vii) if the proposed modification or action relates to two or more series of debt securities issued by the Issuer and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;

(viii) such information that is required to be provided by the Issuer in accordance with Condition 13.6 (*Information*);

(ix) the identity of the Aggregation Agent and the Calculation Agent (each as defined in these Conditions), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 13.7 (*Claims Valuation*); and

(x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.

(e) In addition, the Agency Agreement contains provisions relating to Written Resolutions. All information to be provided pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*) shall also be provided, mutatis mutandis, in respect of Written Resolutions.

(f) A **"record date"** in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

(g) An **"Extraordinary Resolution"** means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

(h) A **"Written Resolution"** means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(i) Any reference to **"debt securities"** means any notes (including the Notes), bonds, debentures or other debt securities (which for these purposes shall be deemed to include any sukuk or other trust certificates representing the credit of the Issuer) issued by or on behalf of the Issuer in one or more series with an original stated maturity of more than one year.

(j) **"Debt Securities Capable of Aggregation"** means those debt securities which include or incorporate by reference this Condition 13 (*Meetings of Noteholders, Modifications and Waivers*) and Condition 14 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

13.2 **Modification of this Series of Notes only**

(a) Any modification of any provision of, or any action in respect of, these Conditions, the Agency Agreement and/or the Deed of Covenant (other than changes which are formal, minor or technical nature, are made to correct a manifest error, or in the sole opinion of the Issuer, are not materially prejudicial to the interests of Noteholders, as provided in the Agency Agreement) may be made or taken if approved by a Single Series Ordinary Resolution, a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

(b) For the purposes of a meeting of Noteholders convened in respect of the Notes only and for the purposes of passing a Single Series Ordinary Resolution and/or a Single Series Extraordinary Resolution (each as defined below) (a "**Single Series Meeting**"), at any such Single Series Meeting any one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 50 per cent. in principal amount of the Notes for the time being outstanding (or, in the case of an adjourned meeting, one or more persons present in person holding Notes or being proxies or representatives (whatever the principal amount of Notes so held or represented)) shall (except for the purposes of passing a Single Series Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any such Single Series Meeting unless the requisite quorum be present at the commencement of business. The quorum at any such Single Series Meeting convened for the purpose of passing a Single Series Extraordinary Resolution shall be one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 66.67 per cent. of the principal amount of the Notes for the time being outstanding, (or, in the case of an adjourned meeting, one or more persons so present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 33.34 per cent. in the principal amount of Notes for the time being outstanding).

(c) A **"Single Series Ordinary Resolution"** means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Conditions 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*) and 13.2(b) in respect of any matter other than a Reserved Matter, by a majority of at least 66.67 per cent. of the votes cast.

(d) A **"Single Series Extraordinary Resolution"** means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*) and Condition 13.2(b) in respect of a Reserved Matter by a majority of at least 75 per cent. of the votes cast.

(e) A **"Single Series Written Resolution"** means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or

(ii) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

(f) Any Single Series Ordinary Resolution, Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended such Single Series Meeting, whether or not they voted in favor thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

13.3 **Multiple Series Aggregation – Single limb voting**

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.

(b) A **"Multiple Series Single Limb Extraordinary Resolution"** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

(c) A **"Multiple Series Single Limb Written Resolution"** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

(d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

(e) The **"Uniformly Applicable"** condition will be satisfied if:

(i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

(ii) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).

(f) It is understood that a proposal under Condition 13.3(a) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

(g) Any modification or action proposed under Condition 13.3(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 13.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

13.4 Multiple Series Aggregation – Two limb voting

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(b) A **"Multiple Series Two Limb Extraordinary Resolution"** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 13.1 (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:

(i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of affected series of all Debt Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(c) A **"Multiple Series Two Limb Written Resolution"** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

(e) Any modification or action proposed under Condition 13.4(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 13.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

13.5 Reserved Matters

In these Conditions, "**Reserved Matter**" means any proposal:

(a) to change the dates, or the method of determining the dates, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;

(b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;

(c) to change the majority or quorum required to pass a Single Series Ordinary Resolution, an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;

(d) to change this definition, or the definition of "Extraordinary Resolution", "Single Series Ordinary Resolution", "Single Series Extraordinary Resolution", Multiple Series Single Limb Extraordinary Resolution, Multiple Series Two Limb Extraordinary Resolution, Written Resolution, Single Series Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution;

(e) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";

(f) to change the definition of "Uniformly Applicable";

(g) to change the definition of "outstanding" or to modify the provisions of Condition 13.9 (*Notes controlled by the Issuer*);

(h) to change the legal ranking of the Notes or other specified substantive covenants as appropriate, to be determined on a case-by-case basis;

(i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 10 (*Events of Default*);

(j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 16 (*Governing Law and Submission to Jurisdiction*);

(k) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;

(l) to modify the provisions of this Condition 13.5;

(m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or

(n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:

(i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

(ii) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

13.6 **Information**

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 13.2 (*Modification of this Series of Notes only*), Condition 13.3 (*Multiple Series Aggregation – Single limb voting*) or Condition 13.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 14 (*Aggregation Agent; Aggregation Procedures*), and provide the Fiscal Agent with the following information:

(a) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;

(b) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;

(c) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and

(d) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 13.1(d)(vii) (*Convening Meetings of Noteholders; Conduct of Meetings; Written Resolutions*)

13.7 **Claims Valuation**

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 13.3 (*Multiple Series Aggregation – Single limb voting*) and Condition 13.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a calculation agent (the "Calculation Agent"). The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

13.8 **Manifest error, etc.**

The Notes, these Conditions and the provisions of Agency Agreement may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

13.9 **Notes controlled by the Issuer**

For the purposes of (i) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution and (ii) this Condition 13 (*Meetings of Noteholders; Modifications and Waivers*) and (iii) Condition 10 (*Events of Default*), any Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer shall be disregarded and be deemed not to remain outstanding, where:

(a) **"public sector instrumentality"** means the Central Bank of West African States (BCEAO), any department, ministry or agency of the government of the Republic or any corporation, trust, financial institution or other entity owned or controlled by the Republic or any of the foregoing; and

(b) **"control"** means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 14.4 (*Certificate*), which includes information on the total number of Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

13.10 **Publication**

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 14.7 (*Manner of publication*).

13.11 **Exchange and Conversion**

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders.

14. **Aggregation Agent; Aggregation Procedures**

14.1 **Appointment**

The Issuer will appoint an aggregation agent (the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

14.2 **Extraordinary Resolutions**

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

14.3 **Written Resolutions**

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

14.4 **Certificate**

For the purposes of Condition 14.2 (*Extraordinary Resolutions*) and Condition 14.3 (*Written Resolutions*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 13.2 (*Modification of this Series of Notes only*), Condition 13.3 (*Multiple Series Aggregation – Single limb voting*) or Condition 13.4 (*Multiple Series Aggregation – Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

(a) list the total principal amount of Notes outstanding and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and

(b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 13.9 (*Notes controlled by the Issuer*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

14.5 **Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 14 (*Aggregation Agent; Aggregation Procedures*) to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

14.6 **Binding nature of determinations; no liability**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 14 (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

14.7 **Manner of publication**

The Issuer will publish all notices and other matters required to be published pursuant to the Agency Agreement including any matters required to be published pursuant to Condition 13 (*Meetings of Noteholders, Modifications and Waivers*), this Condition 14 (*Aggregation Agent; Aggregation Procedures*) and Condition 10 (*Events of Default*):

(a) through Euroclear and Clearstream and/or any other international or domestic clearing system(s) through which the Notes are for the time being cleared and otherwise in accordance with Condition 12 (*Notices*);

(b) in such other places and in such other manner as may be required by applicable law or regulation; and

(c) in such other places and in such other manner as may be customary.

15. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes; *provided, however, that unless any further Notes are issued pursuant to a "qualified reopening" of the original Notes, are otherwise treated as part of the same "issue" of debt instruments as* the original Notes *or are issued with no more than a* de minimis *amount of original issue discount, in each case for U.S. federal income tax purposes, such further Notes will have a separate CUSIP, ISIN or Common Code (as applicable) so that they are distinguishable from such Notes.*

16. **Governing Law and Submission to Jurisdiction**

16.1 **Governing Law**

The Notes and the arbitration agreement contained in Condition 16.2 (*Arbitration*) including any non-contractual obligations arising from or connected therewith are governed by, and shall be construed in accordance with, English law.

16.2 **Arbitration**

Subject to Condition 16.3 (*Noteholders' Option*) and 16.4 (*English Courts*), the Issuer agrees that any claim, dispute or difference of whatever nature arising under, out of or in connection with the Notes (including a claim, dispute or difference regarding its existence, termination or validity or any non-contractual obligations arising out of or in connection with the Notes) (a "**Dispute**"), shall be referred to and finally settled under the

Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The seat or legal place of the arbitration shall be London, England. The language of the arbitration shall be English. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

16.3 **Noteholders' Option**

At any time before any Noteholder has nominated an arbitrator to resolve any Dispute or Disputes pursuant to Condition 16.2 (*Arbitration*), the Noteholders, at their sole option, may elect by notice in writing (an "**Election Notice**") to the Issuer that such Dispute(s) shall instead be resolved in the manner set out in Condition 16.4 (*English Courts*), 16.5 (*Appropriate Forum*) and 16.6 (*Rights of the Noteholders to take proceedings outside England*).

Following any such election, no arbitral tribunal shall have jurisdiction in respect of such Dispute(s).

16.4 **English Courts**

In the event that any of the Noteholders serves an Election Notice in respect of any Dispute(s) pursuant to Condition 16.3 (*Noteholders' Option*), the Issuer agrees for the benefit of the Noteholders that Condition 16.2 (*Arbitration*) shall not apply to any such Dispute and that the courts of England shall have exclusive jurisdiction to hear and determine any such Dispute(s) and that the Issuer may not commence proceedings ("**Proceedings**") for the determination of any such Dispute(s) in any other jurisdiction.

16.5 **Appropriate forum**

For the purposes of Condition 16.4 (*English Courts*), the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and agrees not to claim that any such court is not a convenient or appropriate forum.

16.6 **Rights of the Noteholders to take proceedings outside England**

Condition 16.4 (*English Courts*) and 16.5 (*Appropriate Forum*) are for the benefit of the Noteholders only. As a result, following the service of an Election Notice by any of the Noteholders, nothing in this Condition 16 (*Governing Law and Submission to Jurisdiction*) shall (or shall be construed so as to) limit the right of any of the Noteholders to bring Proceedings for the determination of any such Dispute(s) in the courts of England or in any other court of competent jurisdiction, nor shall the bringing of such Proceedings in any one or more jurisdictions preclude the bringing of Proceedings by any other Noteholders in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

16.7 **Process Agent**

The Issuer confirms and agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to His Excellency Mr. Ambassador of the Republic of Côte d'Ivoire located at 2 Upper Belgrave Street, London SW1X 8BJ, United Kingdom. If such agent ceases to be able to act as a process agent or to have an address in England, the Issuer irrevocably agrees to appoint a new process agent in England as soon as practicable thereafter. Nothing in this paragraph shall affect the right of any party to serve process in any other manner permitted by law.

16.8 **Consent to Enforcement and Waiver of Immunity**

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation but subject as provided in the following paragraph) the making, enforcement or execution against any property whatsoever of any order or judgment which is made or given in such Proceedings.

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, including in relation to the enforcement of any arbitration award, and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction (and consents generally for the purposes of the State Immunity Act 1978 to the giving of any relief or the issue of any process in connection with any Proceedings). The Issuer does not hereby waive such immunity from execution or attachment in respect of (a) property, including any bank account, used by a diplomatic or consular mission of the Issuer or its special missions or delegations to international organizations, (b) property of a military character and under the control of a military authority or defence agency of the Issuer or (c) property located in the Republic of Côte d'Ivoire and dedicated to a public or governmental use by the Issuer (as distinct from property which is for the time being in use or intended for use for commercial purposes within the meaning of the State Immunity Act 1978). The Issuer reserves the right to plead sovereign immunity under the US Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of or in the United States of America under any United States federal or State securities law.

17. Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

FORM OF NOTES

Form of Notes

All Notes of each Series will be in registered form, without coupons attached. The Notes of each Series sold in offshore transactions in reliance on Regulation S will be represented on issue by the Unrestricted Global Note Certificate, which will be deposited with a common depositary and registered in the name of a nominee of Euroclear or Clearstream. Until 40 days after the issue date of each Series of the Notes, beneficial interests in the Unrestricted Global Note Certificate may be held only through Euroclear or Clearstream, unless delivery is made through the related Restricted Global Note Certificate in accordance with the certification requirements described below. The Notes of each Series sold to qualified institutional buyers in reliance on Rule 144A will be represented on issue by the Restricted Global Note Certificate, which will be deposited with a common depositary, and registered in the name of a nominee of Euroclear or Clearstream.

The Notes of each Series (including beneficial interests in the Global Note Certificates) will be subject to certain restrictions on transfers, set forth in the relevant Notes and in the relevant Agency Agreement and will bear a legend regarding such restrictions as provided in the "*United States Transfer Restrictions*". Under certain circumstances, transfer may be made only upon receipt by the Registrar of a written certification in the form of Schedule 8 (*Form of Transfer Certificate*) to the relevant Agency Agreement.

Book Entry Ownership of the Global Note Certificates

The Issuer has applied to Euroclear and Clearstream for acceptance in their respective book entry settlement systems of the relevant Unrestricted Global Note Certificate and Restricted Global Note Certificate for each Series.

Principal and interest payments on each Series of the Notes will be made by the Issuer through the Paying Agents to a nominee of Euroclear and Clearstream as the holder of the respective Unrestricted Global Note Certificates and of the respective Restricted Global Note Certificates. All payments duly made by the Issuer as aforesaid shall discharge the liability of the Issuer under the relevant Series of the Notes to the extent of the sum or sums so paid. Therefore, after such payments have been duly made, none of the Issuer or any of the Paying Agents will have any direct responsibility or liability for the payment of principal or interest on each Series of the Notes to owners of beneficial interests in the respective Global Note Certificates.

Exchange of Interests in Notes

On or prior to the fortieth day after the issue date of each Series of the Notes, a beneficial interest in the relevant Unrestricted Global Note Certificate may be held only through Euroclear or Clearstream, unless delivery is made through the respective Restricted Global Note Certificate in accordance with the certification requirements described in this paragraph.

A holder of a beneficial interest in each Unrestricted Global Note Certificate may transfer such interest within the United States to a person who takes delivery in the form of an interest in the respective Restricted Global Note Certificate in accordance with the rules and operating procedures of Euroclear and Clearstream and only upon receipt by the Registrar of a written certification in the form of Schedule 8 (*Form of Transfer Certificate*) to the relevant Agency Agreement from the transferors. Where such transfer or exchange is to occur prior to the fortieth day of the issue date of the relevant Unrestricted Global Note Certificate, the certificate shall include a statement that the transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a qualified institutional buyer and that the transaction is being made in reliance on Rule 144A. After the fortieth day of the issue date of the Notes (but not earlier), investors may also hold interests in each relevant Unrestricted Global Note Certificate through organizations other than Euroclear or Clearstream that are either Euroclear participants or Clearstream participants.

Beneficial interests in the relevant Restricted Global Note Certificate may be transferred to a person who takes delivery in the form of an interest in the respective Restricted Global Note Certificate without any written certification from the transferor or the transferee.

Beneficial interests in each relevant Restricted Global Note Certificate may be transferred to a person who takes delivery in the form of an interest in the respective Unrestricted Global Note Certificate only upon receipt by the Registrar of a written certification in the form of Schedule 8 (*Form of Transfer Certificate*) to the Agency Agreement of each series of Notes from the transferor to the effect that such transfer is in accordance with the transfer restrictions applicable to the Notes and Rule 903 or 904 of Regulation S or Rule 144A under the Securities Act (if applicable). If such transfer occurs on or prior to the fortieth day after the issue date of the Notes, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Any beneficial interest in one of the Global Note Certificates that is transferred to an entity who takes delivery in the form of an interest in the other respective Global Note Certificate will, upon transfer, cease to be an interest in such Global Note Certificate and become an interest in the other respective Global Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other respective Global Note Certificate for as long as it remains such an interest.

Transfer of interests in Global Note Certificates within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some States of the United States require that certain persons receive Individual Note Certificates in respect of their holdings of the Notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited. Because Euroclear and Clearstream only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing system or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

Although Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Note Certificates among participants and account holders of Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, the Registrar nor any Paying Agent will have any responsibility for the performance of Euroclear and Clearstream or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

Individual Note Certificates

The Issuer will issue the Notes in individual form only if:

(i) Euroclear or Clearstream is closed for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to permanently cease business; or

(ii) the Issuer, at its option, elects to terminate the book entry system through Euroclear or Clearstream; or

(iii) an Event of Default (as defined in Condition 10 (*Events of Default*) of each of the Terms and Conditions of the USD Notes and the Terms and Conditions of the EUR Notes) has occurred and is continuing, upon request of a Noteholder.

Global Depositaries

The information set out below in connection with Euroclear and Clearstream (together the "**clearing systems**") is subject to change in or reinterpretation of the rules, regulations and procedures of the clearing systems currently in effect. The information in this section concerning the clearing systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any Joint Lead Manager takes any responsibility for the accuracy of such information. Investors wishing to use the facilities of any of the clearing systems are advised to confirm the applicability of the rules, regulations and procedures of the relevant clearing system. Neither the Issuer nor any other party to each relevant Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of interest in the Notes held through the facilities of, any clearing system or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Euroclear and Clearstream

Euroclear and Clearstream have advised the Issuer as follows:

Euroclear and Clearstream hold securities and book entry interests in securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

TAXATION

The following discussion summarizes certain US federal income and Côte d'Ivoire tax considerations that may be relevant to a holder of Notes who is not a resident of Côte d'Ivoire. This overview does not describe all of the tax considerations that may be relevant to the holder or such holder's situation, particularly if the holder is subject to special tax rules. The holder should consult its tax adviser about the tax consequences of holding debt securities, including the relevance to such holder's particular situation of the considerations discussed below, as well as of state, local and other tax laws.

The Republic of Côte d'Ivoire Taxation

This section, which has been approved by the *Direction générale des impôts* of the Republic, describes the material Ivorian tax consequences of owning and disposing of the Notes with respect to Ivorian taxes, including in particular under the tax on income from movable capital (*Impôts sur le revenu des capitaux mobiliers*), for investors that are not considered to be residents of the Côte d'Ivoire for tax purposes ("**Non-residents**").

Tax treatment applicable to the Notes

The following section does not purport to address the treatment of Notes with respect to any other Ivorian taxes than tax on income from movable capital.

Ivorian tax on income from movable capital encompasses two schedular taxes, namely (a) the tax on income from transferable securities such as bonds (*Impôt sur le revenu des valeurs mobilières*), and (b) the tax on income from debt claims (*Impôt sur le revenu des créances)*.

Tax on income from transferable securities

Under Article 180 of the Côte d'Ivoire general tax code (*Code Général des Impôts de Côte d'Ivoire*), the tax on income from transferable securities is imposed on interest, arrearages and other amounts payable on bonds (*obligations*) issued by public entities and certain other issuers.

Under Article 218 of the Côte d'Ivoire general tax code, interest, arrearages and other amounts payable by or on behalf of the Republic as well as capital gains with respect to loans raised by the Republic outside the Republic are exempt from the tax on income from movable capital.

Under Article 236 of the Côte d'Ivoire general tax code, payments and redemption premiums on bonds made or paid to holders of bonds that are not established in a member state of the WAEMU are exempt from the tax on income from movable capital.

Tax on income from debt claims

The tax on income from debt claims applies to interest, arrearages and other amounts payable on debt claims of a kind described in Article 192 of the Côte d'Ivoire general tax code. Article 192 does not refer to amounts payable on bonds.

As described above, Article 218 of the Côte d'Ivoire general tax code provides for an exemption of tax on income from movable capital, which includes tax on income from debt claims, on sovereign loans raised outside the Republic.

Taxes withheld at source

Based on the provisions described above, and in particular on Article 218, the Ivorian tax administration has confirmed that all payments and income (including capital gains) that could be generated by the Notes will be exempt from all and any Ivorian withholding tax applicable to Non-resident bondholders.

US Federal Income Taxation

The following discussion summarizes certain U.S. federal income tax considerations that may be material to a beneficial owner of Securities that is a citizen or resident of the United States, or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes (a "**U.S. Holder**"). This overview does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in the Notes, including tax considerations that arise from rules of general application to all taxpayers or to certain classes of taxpayers or that are generally assumed to be known by investors. This overview also does not address the tax considerations applicable to (i) persons that may be subject to special treatment under U.S. federal income tax law, such as banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, partnerships and partners therein, traders in securities that elect to mark-to-market and dealers in securities or currencies, (ii) persons that hold or will hold Notes as part of a position in a "straddle" or as part of a "hedging," "conversion" or other integrated investment transaction for U.S. federal income tax purposes, (iii) persons whose functional currency is not the U.S. dollar, or (iv) persons that will not hold Notes as capital assets.

This overview is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change, possibly on a retroactive basis. The discussion does not describe any tax consequences arising out of the laws of any state, local or foreign jurisdiction.

Interest Income

Payments of stated interest on a Security (including any Additional Amounts) will generally be taxable to a U.S. Holder as ordinary interest income when such interest is accrued or received, in accordance with the U.S. Holder's regular method of tax accounting. Interest income on the Notes will be treated as foreign-source income for U.S. foreign tax credit purposes.

In the case of the EUR Notes, the amount of interest income realized by a U.S. Holder that uses the cash method of tax accounting will be the U.S. dollar value of the Euro-denominated stated interest payment based on the exchange rate in effect on the date of receipt regardless of whether the payment is in fact converted into U.S. dollars. A U.S. Holder that uses the accrual method of accounting for tax purposes will accrue interest income on the EUR Note in Euros and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. Holder's taxable year), or, at the accrual-method U.S. Holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if this date is within five business days of the last day of the accrual period. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the U.S. Internal Revenue Service (the "**IRS**"). A U.S. Holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a EUR Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will generally be treated as ordinary income or loss and will not be treated as an adjustment to interest income received on the EUR Note.

Sale, Exchange or Disposition of Notes

A U.S. Holder will generally recognize gain or loss on the sale, exchange or other disposition of the Notes in an amount equal to the difference between the amount the holder realizes on such sale, exchange or other disposition (less any accrued and unpaid interest, which will be taxable as such) and the holder's adjusted tax basis in the Notes. A U.S. Holder's adjusted basis in a Note will, in general, equal the U.S. Holder's cost for the Note reduced by any principal payments received on the Note. Subject to the discussion below of foreign currency gain or loss in respect of the EUR Notes, the gain or loss that the holder recognizes on the sale, exchange or retirement of a Note generally will be capital gain or loss and will be long-term capital gain or loss if the holder has held the Note for more than one year on the date of disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of taxation on long-term capital gain. The ability of U.S. Holders to offset capital losses against ordinary income is limited.

In the case of the EUR Notes, if a U.S. Holder receives Euros on a sale, exchange or retirement, its amount realized will be the U.S. dollar value of the Euros received calculated at the exchange rate in effect on the date the instrument is disposed of or retired. The cost of a EUR Note to a U.S. Holder will be the U.S. dollar value of the Euro-denominated purchase price on the date of purchase. If the EUR Notes are treated as traded on an established securities market, a cash-method U.S. Holder (and, if it so elects, an accrual-method U.S. Holder) will determine the U.S. dollar value of the cost of, or amount realized on, the EUR Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase or sale. This election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. U.S. Holders should consult their own tax advisors about the availability of this treatment, and in the case of accrual-method U.S. Holders, the advisability of making this election in their particular circumstances.

Gain or loss recognized by a U.S. Holder on the sale, exchange or retirement of a EUR Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the U.S. Holder held the EUR Note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the EUR Notes. In addition, upon the sale, exchange or retirement of a EUR Note, a U.S. Holder that uses the accrual method may realize foreign currency gain or loss attributable to amounts received in respect of accrued and unpaid interest. The amount of foreign currency gain or loss realized with respect to principal and accrued interest will, however, be limited to the amount of overall gain or loss realized on the disposition. For an accrual-method U.S. Holder that cannot or does not make the election described above, the foreign currency gain or loss may include amounts attributable to changes in exchange rates between the trade date and the settlement date. The conversion of U.S. dollars to Euros and the immediate use of Euros to purchase a EUR Note generally will not result in taxable gain or loss for a U.S. Holder.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to payments in respect of the Notes that are made within the United States unless the U.S. Holder establishes it is an exempt recipient, and backup withholding will apply to such payments if the U.S. Holder fails to establish it is an exempt recipient and fails to provide an accurate taxpayer identification number or is notified by the IRS that it has failed to report all interest and dividends required to be shown on its federal income tax return.

Specified Foreign Financial Assets

Individual U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which may include any Notes issued in certificated form) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

EUR Notes and Reportable Transactions

A U.S. Holder that participates in a “reportable transaction” will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss relating to a EUR Note as a reportable transaction if the loss exceeds US$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership or disposition of a EUR Note constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder will be required to disclose its investment to the IRS, currently on Form 8886. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of EUR Notes.

The Proposed Financial Transaction Tax

On February 14, 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a Directive for a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Each of the Joint Lead Managers has, pursuant to a Subscription Agreement entered into with Côte d'Ivoire (the "**Subscription Agreement**") to be dated on or about June 13, 2017 severally and not jointly agreed to subscribe or procure subscribers for the principal amount of the Notes at the issue price of 98.747% of the principal amount of USD Notes and 100.00% of the principal amount of EUR Notes.

The Issuer will reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities (including liabilities under the Securities Act) incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the net subscription money in respect of the USD Notes and EUR Notes to the Issuer. The Subscription Agreement provides that the obligations of the Joint Lead Managers to subscribe for, or procure subscriptions for, the Notes are subject to certain customary conditions. Each of the Joint Lead Managers and its affiliates have, from time to time, engaged in, and may in the future engage in, various investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business. In addition, in the ordinary course of their business activities, each of the Joint Lead Managers and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer. Certain of the Joint Lead Managers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Allocation of the Notes

Allocations of the Notes to potential investors in the offering will be made in accordance with customary allocation processes and procedures following the completion of the bookbuilding process for the offering of Notes and will be made at the sole discretion of Cote d'Ivoire. Cote d'Ivoire intends, in connection with the allocation of the USD Notes in the offering, to consider among other factors whether or not the relevant investor seeking an allocation of the Notes has also tendered 2024 Eurobonds or 2032 Eurobonds pursuant to the Tender Offers, and if so, the aggregate principal amount of such Eurobonds tendered by such Investor and accepted for purchase by the Issuer. When determining allocations of USD Notes, Cote d'Ivoire intends to look favourably upon those investors whose 2024 Eurobonds or 2032 Eurobonds have been validly tendered and accepted for purchase pursuant to the Tender Offers. However, no assurance can be given that any investor that tenders 2024 Eurobonds or 2032 Eurobonds in the Tender Offers will receive an allocation of USD Notes at the levels it may wish to subscribe for, or at all.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Joint Lead Managers have severally and not jointly agreed to offer the Notes for resale in the United States initially only to persons they reasonably believe to be qualified institutional buyers in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the respective meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Each Joint Lead Manager has severally and not jointly represented and agreed that neither such Joint Lead Manager nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes, and such Joint Lead Manager, its affiliates and any persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S.

To the extent that any Joint Lead Managers that are not U.S. registered broker dealers intend to effect any sales of Notes in the United States, they will only do so through one or more U.S. registered broker dealer affiliates as permitted by Financial Industry Regulatory Authority guidelines.

United Kingdom

Each Joint Lead Manager has severally and not jointly represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended from time to time, (the "**FSMA**") received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Republic of Côte d'Ivoire

Each Joint Lead Manager has severally and not jointly represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Notes in Côte d'Ivoire except in compliance with all applicable rules and regulations.

The Republic of Italy

The offering of the Notes has not been registered or cleared with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Joint Lead Manager has severally but not jointly represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, any Notes in the Republic of Italy ("**Italy**") and that copies of the Prospectus or any other document relating to the Notes have not and will not be distributed in Italy by it, except (i) to qualified investors (*investitori qualificati*), as defined under Article 100, first paragraph, letter a) of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Act**"), as implemented by Article 26, paragraph 1, letter (d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended ("**Regulation No. 16190**"), pursuant to Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or (ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including, without limitation, as provided under Article 100 of the Italian Financial Act and Article 34-*ter* of Regulation No. 11971.

Each Joint Lead Manager has severally but not jointly represented and agreed that any such offer, sale or delivery of the Notes, or distribution of copies of the Prospectus, or any other document relating to the Notes, by it in Italy under (i) or (ii) above must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations and, in particular, must be made:

(a) by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation No. 11971, Regulation No. 16190 and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and any other applicable laws or regulation;

(b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and

(c) in compliance with any other applicable laws and regulations or requirements that may be imposed from time to time by the Bank of Italy, CONSOB or any other Italian authority.

General

No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has severally and not jointly undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish the Prospectus or any other document or information relating to the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance, in all material respects, with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

UNITED STATES TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

Each purchaser of the Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S under the Securities Act are used herein as defined therein):

1. it is not an "**affiliate**" (as defined in Rule 144 under the Securities Act) of the Republic or acting on behalf of the Republic and (A) (i) is a qualified institutional buyer, (ii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A, and (iii) is acquiring such Notes for its own account or the account of a qualified institutional buyer or (B) it is, or at the time the Notes are purchased will be, the beneficial owner of such Notes and is outside the United States (within the meaning of Regulation S);

2. it acknowledges that the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the US except as set forth below;

3. it understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any Notes or any beneficial interests in any Notes other than an Unrestricted Global Note Certificate, such Notes may be resold, pledged or transferred only (A) by an initial investor (i) to the Republic, (ii) to a person whom the seller reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A under the Securities Act, (iii) in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act or (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (which may or may not be available) (resales described in sub clauses (i) through (iv) of this clause (A), "**Safe Harbor Resales**"), or (B) by a subsequent investor, in a Safe Harbor Resale or pursuant to any other available exemption from the registration requirements under the Securities Act (*provided that*, as a condition to the registration of transfer of any Notes otherwise than in a Safe Harbor Resale, the Republic or the Fiscal Agent may require delivery of any documents or other evidence (including but not limited to an opinion of counsel) that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption), and in each of such cases, in accordance with any applicable securities laws of any state of the US and any other jurisdiction;

4. it agrees to, and each subsequent holder is required to, notify any purchaser of the Notes from it of the resale restrictions referred to in clause 3 above, if then applicable;

5. it understands and agrees that (A) Notes initially offered in the US to qualified institutional buyers will be represented on issue by a Restricted Global Note Certificate and (B) that Notes offered outside the US in reliance on Regulation S will be represented on issue by an Unrestricted Global Note Certificate;

6. it understands that the Notes, other than the Unrestricted Global Note Certificate, will bear a legend to the following effect unless otherwise agreed to by the Republic:

   THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "**SECURITIES ACT**"). THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE REPUBLIC OF CÔTE D'IVOIRE (THE "**REPUBLIC**") THAT THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) BY AN INITIAL INVESTOR (AS DEFINED BELOW)(1) TO THE REPUBLIC, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (WHICH MAY OR MAY NOT BE

AVAILABLE) (RESALES DESCRIBED IN SUBCLAUSES(1) THROUGH (4) OF THIS CLAUSE (A), "**SAFE HARBOR RESALES**"), OR (B) BY A SUBSEQUENT INVESTOR, IN A SAFE HARBOR RESALE OR PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (*PROVIDED THAT*, AS A CONDITION TO THE REGISTRATION OF TRANSFER OF ANY NOTES OTHERWISE THAN IN A SAFE HARBOR RESALE, THE REPUBLIC OR THE TRANSFER AGENT MAY REQUIRE DELIVERY OF ANY DOCUMENTS OR OTHER EVIDENCE (INCLUDING BUT NOT LIMITED TO AN OPINION OF COUNSEL) THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION), AND IN EACH OF SUCH CASES, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION, AS PROVIDED IN THE AGENCY AGREEMENT OF EACH SERIES OF NOTES. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE REPUBLIC THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE;

FOR ALL PURPOSES OF THIS NOTE, THE TERM "**INITIAL INVESTOR**" MEANS ANY PERSON WHO, IN CONNECTION WITH THE INITIAL DISTRIBUTION OF THIS NOTE, ACQUIRES SUCH NOTE FROM THE REPUBLIC OR ANY JOINT LEAD MANAGER (AS SUCH TERM IS DEFINED IN THE AGENCY AGREEMENT OF EACH SERIES OF NOTES) PARTICIPATING IN SUCH DISTRIBUTION OR ANY AFFILIATE OF ANY OF THE FOREGOING;

7. it acknowledges that, prior to any transfer of Notes or of beneficial interests in a Global Note Certificate, the holder of Notes or the holder of beneficial interests in a Global Note Certificate, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the relevant Agency Agreement; and

8. it acknowledges that the Republic and the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgments, representations and agreements deemed to have been made by virtue of its purchase of Notes are no longer accurate, it shall promptly notify the Republic, and if it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

GENERAL INFORMATION

Authorization

The Republic has obtained all necessary consents, approvals and authorizations in Côte d'Ivoire in connection with the issue and performance of the Notes. The issue of the Notes was authorized pursuant to (i) the Finance Law no. 2016-1116 dated December 8, 2016 (as published in the Official Journal on December 30, 2016), (ii) the Presidential Decree no. 2017-14 dated January 11, 2017 (as published in the Official Journal on January 11, 2017) appointing, notably, the Minister of Economy and Finance and the Minister of Budget and State Portfolio and (iii) the Presidential Decree no. 2017-45 dated January 25, 2017 (as published in the Official Journal on May 18, 2017) delegating certain powers, notably, to the Minister of Economy and Finance and the Minister of Budget and State Portfolio.

Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments) and to be listed on the Official List of the Luxembourg Stock Exchange. So long as the Notes remain in global form, Deutsche Bank Luxembourg S.A., acting as listing agent, will act as intermediary between the Luxembourg Stock Exchange and the Issuer and the Noteholders. It is expected that admission of the Notes to trading will be granted on or before June 15 2017.

The total expenses related to the admission to trading of the Notes are approximately USD 10,000.

Clearing Systems

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The relevant trading information is set out below:

USD Notes sold pursuant to Regulation S:	Common Code..................................	163141540
	ISIN	XS1631415400
	WKN	A19JZW
USD Notes sold pursuant to Rule 144A:	Common Code..................................	163263203
	ISIN	XS1632632037
	CUSIP..	221625AN6
	WKN	A19JZX
EUR Notes sold pursuant to Regulation S:	Common Code..................................	163141493
	ISIN	XS1631414932
	WKN	A19JZU
EUR Notes sold pursuant to Rule 144A:	Common Code..................................	163141507
	ISIN	XS1631415079
	CUSIP..	221625AP1
	WKN	A19JZV

No significant change

Since 31 December 2016, there has been no significant change in the Issuer's gross public debt, foreign trade and balance of payments, foreign exchange reserves, tax and budgetary systems figures, financial position and resources and income and expenditure.

Litigation

The Republic is not, nor has it been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Republic is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position of the Republic.

Documents

For the period of 12 months following the date of this Prospectus, copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified office of the Paying Agent for the time being in London:

(a) the Agency Agreement which includes the forms of the Global Note Certificates and the Deed of Covenant in respect of the USD Notes;

(b) the Agency Agreement which includes the forms of the Global Note Certificates and the Deed of Covenant in respect of the EUR Notes; and

(c) the budget of the Republic for the current fiscal year.

In addition, copies of this Prospectus are available on the Luxembourg Stock Exchange's website at www.bourse.lu.

Joint Lead Managers transacting with the Republic

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Republic and its affiliates in the ordinary course of business.

Yield

On the basis of the issue price of the USD Notes of 98.747% of their principal amount, the yield on the Notes is 6.250% on an annual basis. On the basis of the issue price of the EUR Notes of 100.00% of their principal amount, the yield on the Notes is 5.125% on an annual basis.

Interested Persons

No person involved in the offering of the Notes has any interest in such offering which is material to such offering.

Contact

The Issuer's contact numbers are +225 20 25 09 80 and +225 20 20 08 70.

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