A COUNTRY PRIVATE SECTOR DIAGNOSTIC

CREATING MARKETS IN CÔTE D'IVOIRE

Mobilizing the private sector in support of economic transformation in Côte d'Ivoire

Executive Summary

September 2020

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EXECUTIVE SUMMARY

Following a prolonged period of civil strife, Côte d'Ivoire has since the end of the crisis in 2011 experienced a period of exceptional economic growth. From 2012–18, real GDP growth averaged about 8 percent—higher than almost all comparators. Crucially, almost half the growth performance was because of higher productivity—for the first time since the 1980s when Côte d'Ivoire ranked among the best-performing countries in Africa with a budding manufacturing industry and strong human development indicators, including in the area of education.

Yet the global crisis sparked by the novel coronavirus (COVID-19) pandemic, in early March 2020, added a new challenge to the country's economic and social development – just when the country's growth performance was delivering on the promise of poverty reduction and job creation. Beyond the immediate health effects, which point to lower-than-expected impacts, the economic and social fallout from this epidemic will be of significant scale, with repercussions on the domestic economy, the state's budget, and the private sector.[1] While it is too early to assess the impact of this epidemic and this is not the objective of this report, it will be of paramount importance for Côte d'Ivoire, once the health crisis is over, to find innovative ways to revive and sustain economic growth, (re-)create more jobs and provide a new horizon to its population.

One of those pathways forward involves boosting the role of the private sector in the economy and developing investment opportunities that will generate the growth and jobs needed for Côte d'Ivoire to reach its potential. This Country Private Sector Diagnostic (CPSD) helps identify structural reforms for the post-crisis recovery and address how Côte d'Ivoire can achieve its vision for prosperity and development, leveraging the new forces unleashed by the COVID-19 outbreak and the changing economic landscape in which domestic value creation and digital transformation will play a pivotal role.

COUNTRY CONTEXT

Five positive features have characterized the strong Ivorian growth performance since 2012:

(i) **Acceleration in public investment, which has helped reduce infrastructure gaps.** The coming to fruition of successful public-private partnerships (PPPs), made possible by an enabling regulatory framework, led to significant improvements in the country's energy and transport infrastructure.

(ii) **Strong growth in agricultural production and incipient diversification of agricultural exports** (fruits and cashew nuts, rubber), as a result of bold measures taken by the authorities to improve price-setting mechanisms and support smallholder farmers' livelihoods. Agriculture, which accounts for 23 percent of Côte d'Ivoire's GDP and almost 45 percent of employment (73 percent in rural areas), contributes nearly two-thirds of the country's exports. Since 2013, Ivorian smallholder farmers have benefitted from a fixed "living income differential", ensuring them a minimum income equivalent to 60 percent of the price for commodities sold on international markets.[2]

(iii) **Increase in foreign direct investment (FDI)**, helped by gradual improvements in the business climate, as evidenced in the World Bank's "Doing Business" rankings.

(iv) **Improvement in access to digital services.** The information and communications technology (ICT) ecosystem has improved considerably, as evidenced by the country's rise in the relevant World Economic Forum (WEF) ranking.

(v) **Improvement in access to electricity at relatively low prices –** among the lowest in West Africa. Benefitting from substantial lower-cost gas and hydropower generation capacities, Côte d'Ivoire had achieved near-complete electrification of urban areas and achieved a remarkable general electrification rate of 92 percent in 2016, with declining costs of connection. It is also expected that villages with over 500 inhabitants will be connected to electricity by end-2020; the coverage rate, at 33 percent in 2011, increased to 69 percent in 2019, with total electricity subscribers increasing from 1 million to 2.4 million between 2011 and 2019.

Poverty in Côte d'Ivoire has been steadily declining since 2012. The poverty rate, which had been increasing for more than three decades (from 10 percent of the population in 1985 to 48.9 percent in 2008, according to household surveys), reached 55.4 percent of the population in 2011, after a decade of civil and political unrest. Since then, poverty has sharply dropped against a backdrop of robust economic growth and positive reform momentum, amounting to 44.4 percent of the population in 2015 and 39.5 percent in 2018.[3]

However, the wealth generated in recent years has been largely concentrated in Abidjan, highlighting spatial inequalities. Spatial inequality, especially the higher poverty rates in the north and the center of the country, remains a concern. Some human development outcomes are also not fully commensurate with the strong economic growth: in health and education, Côte d'Ivoire lags behind the averages for its region and country income group.[4] In response, the new "Governmental Social Program" (PSGouv) launched in 2019 is seeking to promote more equitable growth through various measures targeted at vulnerable population segments – with a focus on health, education, access to drinking water and electricity, housing, and basic infrastructure.

Côte d'Ivoire's export basket remains dominated by raw commodities. In 2018, the top five export items—cocoa, rubber, cashew nuts, gold and crude petroleum—represented 75 percent of the country's export earnings.[5] The share of commodities (81 percent on average over 2015-18) in Côte d'Ivoire's exports is among the highest among the country's structural peers, and is far higher than among aspirational peers such as Morocco and Vietnam. Moreover, unlike in Vietnam, the share of manufactured products in Côte d'Ivoire's export basket has remained relatively constant around 15–20 percent over the last two decades. The high concentration of commodities in the export basket makes it vulnerable to climate change and commodity price cycles.

Côte d'Ivoire's high growth has been accompanied by macroeconomic stability, and the Ivorian economy has demonstrated its resilience to external and internal shocks. According to the new national accounts published in 2020, the country's fiscal deficit was at 2.3 percent of GDP, below the West Africa Economic and Monetary Union (WAEMU) criterion of 3.0 percent of GDP, and public debt reached 37.8 percent of GDP in 2019, with external debt representing 60.0 percent of total debt. Debt interest payments - as a share of total revenue - are relatively high at 10 percent. Nevertheless, the Debt Sustainability Analysis conducted jointly by the World Bank and the International Monetary Fund (IMF) assessed Côte d'Ivoire's risk of debt distress to be moderate.

STATE OF THE PRIVATE SECTOR

The Ivorian private sector is characterized by a large informal sector and a relatively high number of large firms. The informal sector represents 80 to 90 percent of total employment, which is comparable to other West African countries. However, Côte d'Ivoire is one of the countries in West Africa with relatively large manufacturing firms.

Importantly, private investment and FDI remain below Sub-Saharan Africa and lower middle-income country peers, even though there are significant opportunities to leverage private investment further and accelerate convergence, particularly in agribusiness. FDI as a share of GDP averaged 1.4 percent (2015-18), whereas it was much higher in aspirational peers such as Vietnam (6.2 percent of GDP) and Morocco (2.8 percent of GDP). FDI was concentrated mainly in the telecommunications, agro-processing, and extractive (hydrocarbon) sectors.

With limited fiscal space and a pressing challenge to eradicate extreme poverty and achieve development objectives across the country, there is a need to better harness opportunities for the private sector in areas in which Côte d'Ivoire has a comparative advantage. The overarching challenge for Côte d'Ivoire is to create quality jobs for its growing youth bulge and to reduce spatial inequalities. While official unemployment is less than 7 percent of the total working-age population, it is twice as high among young graduates, particularly in urban areas; furthermore, underemployment remains widespread.[6]

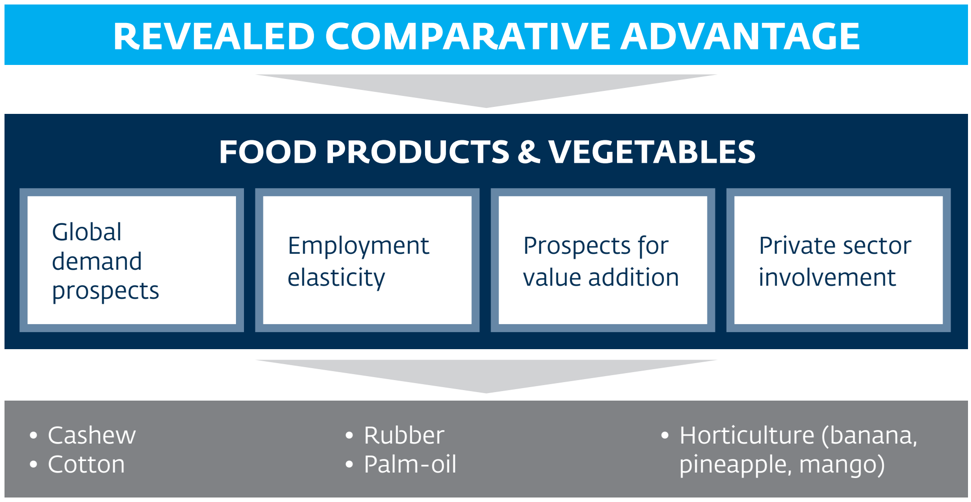
This CPSD therefore investigates where opportunities exist for the private sector to contribute more substantially to Côte d'Ivoire's development objectives. In this regard, the CPSD aims to identify: (a) the opportunities for increased private sector investment within the next five years in the sectors that can have significant development impact, (b) the cross-cutting and sector-specific obstacles and risks to achieving that growth, and (c) the actions needed to remove those constraints and realize those opportunities.

OPPORTUNITIES FOR PRIVATE SECTOR GROWTH

To identify sectors for diversification and value addition with high growth potential, the CPSD uses five criteria: (a) revealed comparative advantage (RCA); (b) evolution of global demand; (c) employment elasticity of the sector; (d) prospects for greater domestic value-addition, such as through diversification into related manufacturing sectors; and (e) private sector track-record and interest.

Using these criteria (Figure ES.1), the CPSD team identified agriculture, agro-processing and manufacturing as sectors with high growth potential. With increased deforestation and vulnerabilities from climate change, it is imperative for Côte d'Ivoire to both diversify its agriculture production beyond cocoa and move into higher value-added agro-processing and related manufacturing. Local processing of raw materials is a powerful factor in reducing the costs of transit to major European and American markets, by creating shorter, more sustainable value chains that meet growing demand for traceability of products from farmers to end-consumers. In addition, the tourism and health sectors have significant growth and job creation potential but face specific challenges that are discussed in the appendix.

FIGURE ES.1 METHODOLOGY FOR IDENTIFYING SECTORS WITH STRONG OPPORTUNITIES



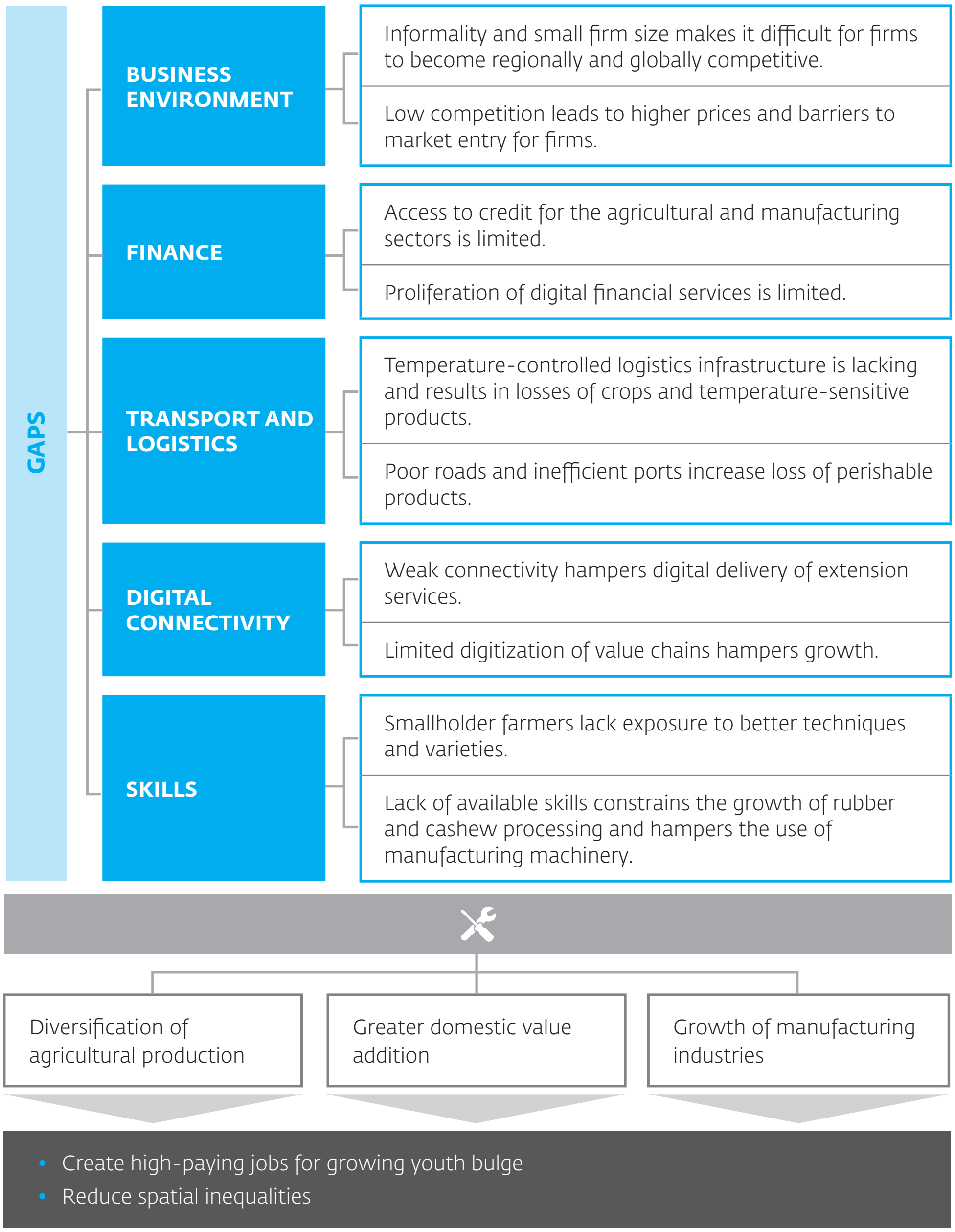
Priority sectors for diversification and domestic value addition could be cashew, cotton, horticulture, rubber, and palm oil. Côte d'Ivoire's natural resource endowment – abundant rainfall, availability of freshwater, and highly arable land – and infrastructure can support a wide variety of crops. Côte d'Ivoire's global export share for the priority crops, such as cashew nuts and horticulture, has been on an upward trajectory in recent years, which suggests that the country has a comparative advantage. The prospects for demand for these products are favorable as growing incomes in developing countries, including in the subregion, lead to changes in consumption patterns. These products have significant potential to be the basis for diversification into associated derivative products. Goring and processing cashew and rubber are employment-intensive – including for women active in the transformation of cashew nuts and cotton – and would contribute to reducing spatial inequality between the North and the South, as well as gender imbalances.

Furthermore, the reduction of tariff and nontariff barriers introduced as part of the new African Continental Free Trade Agreement (AfCFTA) offers further growth opportunities for the rubber, cosmetics, and plastics manufacturing industries. The Ivorian manufacturing sector, dominated by low-tech industries, has not fully benefitted from the opening of regional and global markets. Once implemented, the AfCFTA would not only boost intra-African trade by an estimated USD 70 billion by 2040,[7] but it would also provide Côte d'Ivoire with greater access to the large consumer markets in South Africa, Ethiopia, Kenya, and Angola. To reap the full benefit of trade liberalization, Côte d'Ivoire will need to address five cross-cutting challenges identified in this CPSD.

CROSS-CUTTING CONSTRAINTS

Comparisons of the business environment with aspirational peer countries, such as Vietnam and Morocco, helped identify five cross-cutting constraints, or "gaps": (a) business environment, (b) access to finance, (c) transport and logistics, (d) digital connectivity, and (e) skills. Figure ES.2 shows in what way the identified gaps affect performance of the selected priority sectors.

FIGURE ES.2 CROSS-CUTTING CONTRAINTS TO PRIVATE SECTOR DEVELOPMENT IN CÔTE D'IVOIRE



Over a five-year time horizon, it will be essential for Côte d'Ivoire to address these bottlenecks as a priority if the country is to fully harness its private sector and steer it towards achieving better development outcomes.

The Business Environment Gap

Côte d'Ivoire's economy is characterized by high levels of informality and a limited degree of competition in several sectors. Formalizing businesses is a challenge because of cumbersome procedures for business licenses and tax compliance, as well as the other four gaps described below. Larger firms have greater opportunities to overcome shortcomings in access to finance, logistics and transport, digital services, and skilled labor. Specifically, the *impôt synthétique*, designed to enhance tax compliance of smaller and informal businesses, may generate unintended incentives for such businesses to stay small and informal.[8]

As for competition policy, while implementation of the competition law has improved, there is still evidence that market-based competition in several sectors is restricted, notably in real estate and in the importation of refined products. This contributes to an increase in prices relative to a competitive equilibrium and creates market entry barriers for new firms.

While corporate governance of state-owned or state-controlled enterprises (SOEs) has improved significantly over the past few years, their sheer prevalence in a few sectors of the Ivorian economy inhibits market-based competition. The Ivorian government still holds substantial interests in many firms, including the refinery, SIR (49 percent); the public transport firm (60 percent); the national television authority, RTI (98 percent); the national lottery (80 percent); the national airline, Air Côte d'Ivoire (58 percent); and the land management agency, AGEF (35 percent). However, on paper there is no preferential treatment offered to SOEs, which are expected to compete with private companies under the same terms and conditions.

Other aspects of Côte d'Ivoire's business environment challenges include business regulations and the perception of corruption – with notable progress also achieved in both areas in the recent past. According to the latest Enterprise Survey (2016), 86 percent of firms, notably in the transport, commerce, and tourism sectors, complain about excessive inspections by certain government agencies, whose effectiveness and justification are sometimes considered doubtful. Levels of perceived corruption, combined with little-developed institutional and regulatory frameworks, are deterrents to private investors while providing fertile ground for informal activities. Finally, the run-up to the 2020 presidential elections and heightened apprehensions associated with the future political and economic direction of the country generate some measure of uncertainty that risk dampening investor confidence.

The Finance Gap

While Côte d'Ivoire has one of the most developed financial sectors in the Economic Community of West African States (ECOWAS) region, credit growth remains heavily concentrated, and many micro, small and medium-sized enterprises (MSMEs) are experiencing difficulties in accessing credit. According to the SME Finance Forum, the MSME finance gap in Côte d'Ivoire was estimated to be USD 2.4 billion in 2017. Available credit often has interest rates that are higher than the average rate of return on the investments and require large collateral, which is prohibitive for most farmers and MSMEs. An important reason behind the low extension of credit is the fact that commercial banks can easily be profitable through investment in government bonds that have high profitability.

Access to credit is particularly limited for the agricultural sector. Private banks are reluctant to provide loans to rural small-scale farmers because they are deemed too risky on account of low levels of capitalization, unstable revenue flows, lack of formal credit history, difficulty in evaluating small farmers' repayment capacity, lack of collateral such as titled land, the influence of exogenous factors such as weather conditions, and limited legal avenues for enforcing contracts (World Bank 2018c).

Key constraints to greater development of the financial sector include (a) low deposit mobilization, (b) poor financial inclusion, (c) weak credit information infrastructure, (d) underdeveloped local capital markets, and (v) limited availability of digital financial services.[9]

The Transport and Logistics Gap

Endowed with a relatively developed transport sector, Côte d'Ivoire aims to emerge as a key transport and trade hub for West Africa. Over the last five years, the government and the private sector have invested over USD 2 billion to upgrade and rehabilitate transport infrastructure, following more than a decade of underinvestment caused by the prolonged political crisis. Côte d'Ivoire was also one of the first countries in West Africa to effectively use PPPs in the transport sector with concessions in railway, airport and bridge infrastructure. Côte d'Ivoire's transport infrastructure is particularly important for neighboring landlocked countries, such as Mali and Burkina Faso, which channel their imports and exports through Côte d'Ivoire – and the nearly 1,000 km Abidjan-Lagos coastal corridor linking some of the most economically vibrant cities in Africa (Lagos, Accra, and Abidjan).

Key constraints to greater private sector participation in the transport sector include (a) operational inefficiencies at the Abidjan Autonomous Port (PAA); (b) poor road network maintenance; (c) a sub-optimal equilibrium in the market for road transport, which has led to high transportation costs; and (d) roadblocks. In addition, while Côte d'Ivoire has successfully carried out transport projects under PPP and concession arrangements, the regulatory framework for PPPs may need to be further refined.

The Digital Connectivity Gap

Digital connectivity in Côte d'Ivoire is spatially unequal and relatively costly. While indicators suggest improving conditions for the ICT sector, which has consistently expanded during the last few years and contributed 8 percent of GDP in 2017 (versus 3.3 percent of GDP in Senegal), the growth of digital connectivity in Côte d'Ivoire has mostly benefitted the affluent urban and educated population. Access to digital connectivity is hindered by the limited coverage of national ID systems. In Côte d'Ivoire, only 59 percent of the population (over the age of five) benefitted from a formal identification in 2018, yet birth certificates are an annual prerequisite for school enrollment.

Key constraints for greater private sector activity in the digital economy sector are the high costs of digital services because of low competition; poor and spatially unequal digital connectivity infrastructure; and low levels of digital literacy.

The Skills Gap

Notwithstanding improvements, the education system is insufficiently equipped to prepare for work either those currently in school or out-of-school youth. Beyond basic competencies, youth often lack the specific skills (soft and hard) needed to be more productive in the workplace, including as self-employed. University and technical and vocational education and training (TVET) are the weakest links of the Ivorian education system. While access remains an issue, with the number of high school graduates expected to triple by 2030, the quality and relevance of advanced programs are even bigger challenges. College graduates have considerable difficulty finding jobs, with employers questioning the quality of many tertiary programs, especially the two-year *Brevet de Technicien Supérieur* (BTS) vocational program.

Key constraints for greater private sector involvement in the education sector are (a) the need to define a strategic vision on how to engage with the private sector in the provision of education and training services; (b) poor "ease of entry" for private education institutions; (c) subsidy programs that do not foster accountability, leading to suboptimal learning outcomes; (d) a lack of qualified teachers; and (e) poor access to finance.

RECOMMENDATIONS

Table ES.1 summarizes the constraints and recommended priority interventions to increase the role of the private sector in the Ivorian economy.

TABLE ES.1 RECOMMENDATIONS FOR INTERVENTIONS

OPPORTUNITIES	CONSTRAINTS	PRIORITY INTERVENTIONS	TIME HORIZON
BUSINESS ENVIRONMENT			
Simplifying processes to improve formalization	Complicated and cumbersome procedures hinder key sectors.	• Streamline approval processes in order to encourage greater formalization.	• Short term
Reforming the tax code to encourage formalization	*Impôt synthétique* creates incentives for companies to remain small, because the tax payments become significantly higher once companies have been formalized.	• Review the tax code to gradually reduce and then eliminate distortionary incentives.	• Medium term
Improving competition policy	WAEMU and the national competition commission lack resources and capacity to enforce antimonopoly rules.	• Enhance the resources of WAEMU and the national competition commission, including the induction of technical staff. • Review the role of SOEs in sectors in which a strong role of the public sector may not be required. • Review the legislative framework to increase the role of national competition authorities (WAEMU).	• Short term • Short term • Medium term

Fighting fraud and corruption	Corruption perceptions and fraud remain a concern for businesses.	• Strengthen the resources and capacities of the National Anti-Corruption Agency and of judicial institutions for the identification and prosecution of corruption cases.	• Medium term
Rolling out the development of industrial zones and new Special Economic Zones	Newly-developed SEZs are not sufficiently developed, while existing industrial zones suffer from congestion.	• Integrate industrial zones and new SEZs into a coherent and dynamic vision of spatial development, supported by key infrastructure (transport, energy, and communications). • Mobilize funding and resources to the allocation of industrial land and ensure sustainability of projects – in partnership with large "anchor" investors.	• Short term • Short term
ACCESS TO FINANCE			
Increasing the financialization of savings	Low deposit mobilization: Low public trust in financial institutions and the lack of an agency banking framework hamper banks' use of agents.	• Regulatory framework for agency banking (by the Central Bank of West African States, BCEAO) can eliminate banks' and microfinance institutions' hesitation to use agents. • Replace the patchwork of "Know Your Customer" (KYC) processes with a clear risk-based KYC tier (BCEAO). • Provide financial literacy education to farmers to educate them about loan access and costs.	• Medium term • Short term • Long term
Increasing penetration of digital financial services	Digitization of government payments is at a nascent stage.	• Ensure equal application of the tax on digital transactions and mobile money payments among banks and electronic money institutions (EMIs). • Accelerate the digitization of government payments.	• Short term • Medium term
Improving agriculture financing	High credit concentration: Private banks are reluctant to provide loans to small-scale farmers, whom they deem too risky. Cash dominates in agriculture value chains. Links of financial institutions with farmers are limited.	• Digitization of agriculture value chains can help build credit history: the World Bank Group (WBG) can work with small holder farmers, cooperatives and processors to digitize value chains.	• Medium term

Deepening capital markets for long-term finance	The sovereign debt market is fragmented.	• Improve the benchmark yield curve and the eligibility rules for guarantees and transfer mechanisms, diversify sources of income of the regional stock exchange (BRVM) by increasing the number of listed companies and widen the product range.	• Medium term
	Excessive allocation of portfolios to sovereign debt and speculative real estate investments by pension funds.	• Revise asset allocation rules for pension funds and insurance companies in order to reduce excessive exposure to sovereign debt and real estate.	• Short term
	The number of foreign exchange hedging instruments is lacking.	• Build the expertise and capacity of regional financial sector regulators on financial instruments and portfolio/risk management techniques.	• Medium term
		• Adopt a clear framework for authorization of offshore accounts and engage in policy dialogue with the BCEAO on access to foreign exchange hedging instruments in order to improve the investment climate.	• Short term
TRANSPORT AND LOGISTICS			
Enhancing operational efficiency at ports	Long duration in customs cargo release creates uncertainty in transit times.	• Totally automate customs cargo releases for rail and road transit goods.	• Short term
		• Apply randomized (as opposed to current 100 percent) checking of customs cargo.	• Short term
Fostering formalization of the trucking industry	Industry dominated by small and informal operators.	• Formalize the trucking industry through more stringent entry norms.	• Medium term
		• Establish a single regulator for all transport activity (including registration of drivers, vehicles and companies).	• Medium term
Renewing fleets	Old truck fleet (85 percent of trucks over 10 years old) reflects low profitability of truckers, who resort to short-term profit-maximizing behavior.	• Initiate a truck scrappage scheme along with a financing facility for new trucks (potentially with refinancing and risk sharing facilities offered by the IFC).	• Medium term
Promoting market-based competition	Cost of container delivery to Abidjan is one of the highest in the world.	• Implement a decree liberalizing delivery of containers by accrediting operators that meet the established criteria.	• Short term
Reducing number of intermediaries in the transport sector	Intermediaries (syndicates and coxeurs) increase costs. Shortage of backhaul freight is caused by the imbalance between exports and imports.	• Adopt a freight exchange system (voluntary) for information sharing and matching demand and supply of freight.	• Medium term

DIGITAL CONNECTIVITY			
Addressing gaps in digital connectivity	Inequalities exist in access to digital infrastructure, especially in the poorer North.	• Upgrade the national broadband backbone.	• Medium term
Promoting market-based competition	Competitive intensity in the telecommunications market is low.	• Enable entry into the mobile market by setting aside spectrum for a potential new entrant, allowing a secondary market for spectrum, or encouraging the entry of mobile virtual network operators.	• Medium term
Reducing the cost of digital connectivity	Only one independent tower operator and a lack of infrastructure sharing among mobile network operators (MNOs) are available.	• Improve competition in the tower sector by mandating that MNOs divest tower assets.	• Short term
SKILLS			
Improving learning outcomes	The subsidy program does not foster competition, because subsidies are independent of program performance.	• Experimenting with vouchers would help incentivize quality in the private sector and save costs.	• Medium term
Reducing barriers to entry for the private sector	Inconsistent application of standards to private providers is a disincentive for new entrants.	• Ensure prompt payments to schools. • Procedures for establishing a new educational institution should be streamlined.	• Short term • Short term
Developing TVET	Limited access to vocational training is available.	• Extend the subsidy system to TVET programs.	• Medium term
Improving teacher quality	The government has a monopoly on teacher training.	• Expand professional development for teachers and trainers in the private sector.	• Medium term

Note: BCEAO = Banque Centrale des États d'Afrique de l'Ouest; KYC = know your customer; SEZ = special enterprise zone; SOE = state-owned enterprise; TVET = technical and vocational education and training; WAEMU = West Africa Economic and Monetary Union; WBG = World Bank Group.

NOTES

1 In response to the COVID-19 outbreak in March 2020, the Government of Côte d'Ivoire adopted an emergency economic rescue packaged aimed at mitigating the economic and social repercussions from the pandemic. This package, equivalent to 5 percent of GDP, seeks to help vulnerable households and firms weather the crisis through a variety of support measures for MSMEs, businesses, and informal sector workers, and to prepare for post-crisis recovery.

2 Between 2011 and 2019, Ivorian farmers received FCFA 21,177 billion (around USD 37.8 billion) of income for cash crops and FCFA 23,000 billion (around USD 41.05 billion) for food crops.

3 As a result of differences in computation methods and in household survey design, the poverty rate series from 1985 to 2008 is not comparable to the data from 2011 to 2018. Yet poverty rates for 2011 and 2015 are estimated using a methodology comparable to that of 2018. Previous communications from the Ivorian authorities indicate slightly different poverty rates (46.3 percent in 2015 and 37.2 percent in 2018).

4 Despite considerable central government education expenditures, the results in terms of school enrollment and learning outcomes remain below expectations. The findings are based on the latest data available at the preparation of this report.

5 Crude petroleum does not include refined products.

6 The official unemployment rate is based on International Labor Organization (ILO) standards. In the Ivorian context, few workers can afford to earn nothing, and they often find themselves in situations of self-employment characterized by low productivity. According to the Jobs Diagnosis conducted by the World Bank on Côte d'Ivoire (2017), 77.2 percent of the Ivorian working-age population is self-employed, whether in the agricultural or in the non-agricultural sector, while 15.1 percent of the active population is made up of informal private sector employees. Self-employed workers (mainly in the informal sector) and informal workers often work at low levels of productivity and income, in what is commonly referred to as "under-employment". The report thus recommends focusing on how to improve the quality of employment in Côte d'Ivoire.

7 The United Nations Economic Commission for Africa (UNECA) estimates that AfCFTA has the potential to raise intra-African trade by 15 to 25 percent by 2040, representing up to 70 billion US dollars.

8 Many firms choose to split up their operations in multiple smaller entities and remain below the threshold to remain subject to the "*impôt synthétique*". Firms subject to it make up half of the taxpayers but pay only 1 percent of the taxes.

9 Côte d'Ivoire's National Strategy for Financial Inclusion, adopted in 2019, aims to increase the country's financial inclusion rate from 41 percent of the population currently to 60 percent by 2024.

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