

The contents of this document are preliminary and subject to change.

GRAY/21/2104

July 19, 2021

**Statement by Mr. Massourakis and Ms. Mateus on Côte d'Ivoire
(Preliminary)
Executive Board Meeting
July 21, 2021**

We thank staff for the interesting set of reports and Mr. Andrianarivelo, and Mr. Alle for their helpful Buff statement. Côte D'Ivoire has so far managed the pandemic fairly well, registering positive GDP growth and even tapping international capital markets in 2020. Despite many challenges, notably high poverty rates, the country has improved significantly, also during the ECF/EFF, and has the potential to continue to grow in a more sustainable and inclusive path. We offer the following specific comments:

- **The policy support to address the pandemic was well justified.** We welcome the authorities' measures to contain the pandemic and the associated economic support package. We appreciate the procurement of vaccines beyond COVAX, so as to inoculate a larger part of the population. In the short-run, fiscal policy should remain in line with pandemic developments, supporting health and livelihoods, and a well-balanced recovery.
- **In the medium-term, the authorities should strive to enlarge fiscal space.** We agree with staff that strengthening Domestic Revenue Mobilization is key to create space for much-needed public investment and social spending. There is room to broaden the tax base, strengthen the VAT regime and revenues, decrease tax expenditures, and improve Public Financial Management. These efforts, which can be strengthened by digital solutions, can be instrumental in providing nimble public services to support private investment.
- **We welcome the goals of the National Development Plan (NDP).** We find that the Selected Issues Paper on "Sustaining Côte d'Ivoire's Growth Spell: What Will It Take?" provides useful ideas to identify areas for a successful development strategy. We strongly encourage the authorities to devote substantial effort to enhance education outcomes and

deepen human capital, paying particular attention to closing the gender gap. We also found the Annex VI, on Poverty Reduction and Economic Opportunities in Côte D'Ivoire, very informative. Despite reductions in poverty and inequality in the years prior to the pandemic, the low growth elasticity of poverty deserves to be tackled decisively. In this regard, we welcome the implementation of the social plan of the government (PSGouv). We encourage the authorities to push ahead with these efforts and to develop a registry of beneficiaries of social support. In this regard, we commend the authorities for providing mobile phones to vulnerable households to allow for targeted cash transfers.