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RÉPUBLIQUE DE CÔTE D’IVOIRE

Sustaining High, Inclusive, and Resilient Growth Post COVID-19

A World Bank Group Input to the 2030 Development Strategy
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Contents

Building and sustaining inclusive growth 4

Building on recent strong growth and poverty reduction and closing remaining gaps ............. 5
Challenges to continuing growth ...................... 6
Medium-term projections of economic growth under alternative growth scenarios ............. 6
Six major policy reforms to achieve long-term sustainable growth ......................... 8
The three I’s and the three T’s for accelerating shared growth ................................. 9

PART 1 Investment 12

CHAPTER 1 Realize human potential .............................................. 14
Côte d’Ivoire’s demographic profile is a key challenge to human capital development ........ 15
Uneven standing on the components of the Human Capital index .............................. 15
High-impact policy measures in health and education ................................................. 17

CHAPTER 2 Leverage digital technology ....................................... 19
Complementary policies to expand the digital economy without creating new vulnerabilities ... 21

CHAPTER 3 Nurture private investment ........................................ 24
Inadequate export diversification, pervasive informality, and high youth unemployment ...... 25
Cross-cutting constraints to private investment ......................................................... 25
Reducing the five gaps in the short and medium terms ............................................. 27
PART 2 Integration 28

CHAPTER 4 Harness global value chains 30
- Côte d’Ivoire has not undergone major structural change since 2000. 31
- GVC integration and upgrading are at the aggregate, sectoral, industrial, and enterprise levels. 31
- GVC integration is associated with growth in greater manufacturing employment, higher productivity and better wage payment. 32
- Policy entry points to harness global value chains for job creation, productivity growth and structural change. 32

CHAPTER 5 Urbanize efficiently and sustainably 34
- Cities as global, regional, and domestic economic connectors. 35
- Advancing efficient urbanization through financing, planning, connecting, and greening. 35

CHAPTER 6 Raise agriculture productivity 38
- Despite a large role in the economy, agriculture has had limited impact on income growth and poverty reduction. 39
- Addressing systemic constraints to productivity and improving the quality of public spending in agriculture. 39

PART 3 Inclusion 42

CHAPTER 7 Empower women and girls 44
- Uneven progress for women. 45
- Enhancing women’s human capital, widening their opportunities, and reinforcing their agency. 45

CHAPTER 8 Include youth 48
- Youth have been left behind, despite multiple youth employment programs. 49
- Improving youth employability in higher-productivity jobs. 49

CHAPTER 9 Strengthen resilience to climate and conflict shocks 51
- A diminishing natural resource base. 52
- Spatial disparities and disparities in human capital. 52
- Actions to reduce vulnerability to environmental, climate, and conflict risks. 53

APPENDIXES 56
- Appendix A 56
- Appendix B 65
- Appendix C 70
This report, initiated at the request of His Excellency President Alassane Ouattara to Hafez M. H. Ghanem, Regional Vice President for Africa, World Bank Group, is the first country application of the new regional strategy, Supporting Africa’s Transformation. Albert Zeufack, the Chief Economist of the World Bank Group Africa Region, led a team to synthesize knowledge and experience from Côte d’Ivoire and across the world. The report incorporates the perspective of the new International Development Association agenda, Jobs and Economic Transformation, and addresses three operational objectives for Côte d’Ivoire:

- Create sustainable and inclusive growth by maintaining macroeconomic stability, fighting corruption, advancing digital transformation, and maximizing private finance.

- Strengthen human capital by empowering women, reducing child mortality and stunting, and improving education, health, and social protection.

- Build resilience against fragility and climate change.
The National Development Plan 2016–20 consolidated pro-market reforms and reaffirmed the ambition to reach upper-middle-income status. Côte d’Ivoire is embarking on a strategy to sustain strong gross domestic product (GDP) growth through 2030 while rapidly reducing poverty. Côte d’Ivoire’s aspiration of becoming an emerging market economy with a low level of poverty requires a long period of strong and inclusive growth.

The report analyzes growth trajectories and identifies the investments needed to achieve and sustain the desired level of growth, along with the corresponding financing needs. It discusses the opportunities presented by the country’s surplus labor, young population, and huge diversification potential.

Building on recent strong growth and poverty reduction and closing remaining gaps

The economy grew rapidly over 2012–17, at an average annual rate of 8.4 percent, resulting in a more than 30 percent increase in real per capita income. Growth was particularly strong during 2012–15, averaging 9.3 percent a year. Although growth remains robust, real GDP began to slow in 2015, averaging 7.4 percent annually during 2016–17 and 6.9 percent during 2018–19. Côte d’Ivoire’s economic performance during 2012–19 was driven on the supply side by a recovery of government services, followed by private sector industry and services, and on the demand side by a resurgence of domestic consumption and investment and net exports and by total factor productivity growth.

As a result, recent growth has been associated with reduced poverty. The response of poverty to growth (growth elasticity of poverty) was estimated at –0.8 over 2015–18, up from –0.3 over 2008–15. However, this is still low compared with the Sub-Saharan Africa average of –1.9. Between 2015 and 2018, the national poverty rate fell from 46 to 39 percent, lifting 327,000 people out of poverty, a net result of about one million fewer urban poor but almost 681,00 more rural poor.

Over 2015–19, inequality declined moderately. Progress was made toward shared prosperity over 2012–18, with higher consumption growth among households at the bottom of the income distribution than among those at the top. Consumption grew 5.6 percent a year over 2015–18 for the bottom 40 percent of households and fell by 2.5 percent a year for the top 60 percent. The poor had better access to basic infrastructure, and their asset ownership rose over 2015–18. But while median consumption grew 2.5 percent nationally, it dropped 0.2 percent among rural households at the bottom of the income distribution.

Electrical service improved, as investments in electricity benefited households across all income groups. In 2019, approximately 81 percent of Ivorian households had electricity, an increase of 20 percentage points from 2015. For households in the bottom 40 percent of the income distribution, access to electricity jumped 21 percentage points, up from 49.6 percent in 2015. Poor households also gained better access to primary and secondary schools and to markets and roads.

Access to clean water is almost universal, at above 90 percent in both urban and rural areas and across income groups. But disparities remain. A smaller percentage of rural than urban households have access to clean water, and the share of households without access to clean drinking water is higher among households in the bottom 40 percent.

Investments in health infrastructure have been pro-poor. Over 2015–18, the percentage of households within 5 kilometers of a health center increased considerably. Among the poorest households, access to health infrastructure rose 37 percentage points, up from 58 percent in 2015. But a gap of 10 percentage points remains in access to health infrastructure between the bottom 10 percent and the top 10 percent, suggesting further scope to improve equity.
Challenges to continuing growth

Despite solid achievements in growth and poverty reduction, continuing growth faces a host of challenges. The COVID-19 pandemic adversely affected growth in 2020, as Ivorian exports fell due to sharp slowdowns among the country’s main trading partners, supply chain disruptions hampered domestic production, and increased uncertainty curtailed investment. The virus containment and mitigation measures taken by the Ivorian authorities also slowed economic activity.

Beyond the short-run effects of the COVID-19 outbreak, Côte d’Ivoire faces important constraints to its long-run growth potential.

Structural transformation is still in its early stages. The productivity of skilled, unskilled, and self-employed workers is low. A high percentage of the workforce is self-employed in agriculture—which generates about a fifth of GDP—and in nonagricultural industries. Labor market outcomes have not improved for poor households, reflecting decreasing job opportunities and low inclusion of the most vulnerable households. There are fewer jobs for the working-age population, and poor households have the lowest labor force participation rates. Nonagricultural self-employment is rising, particularly among women, and most wage jobs are informal. Côte d’Ivoire’s outward orientation has not kept pace with its economic objectives. The ratio of exports of goods and services to GDP is lower than in countries at a comparable development level. Exports consist mostly of agricultural products, with cocoa and its byproducts dominating. Tax revenue mobilization lags behind the finance needed for the development projects that are the foundation of an emerging market economy.

Income inequality remains high, especially in urban areas, and disparities persist between rural and urban areas in access to public services. While the consumption share of the richest 20 percent of the population dropped from 51 percent in 2015 to 43 percent in 2018, the share of the bottom 40 percent was 18 percent, just 3.5 percent higher than in 2015. And income inequality is higher in urban areas. In 2018, the top 20 percent of households in Abidjan accounted for 68 percent of consumption, while the poorest 10 percent accounted for just 1 percent. In secondary cities, the shares were 43 percent for the richest households and 6 percent for the poorest. Despite the strong growth, fewer employment opportunities are available for the working-age population.

Medium-term projections of economic growth under alternative growth scenarios

Against this background, what will it take for Côte d’Ivoire to sustain a high growth trajectory in the next decade and accelerate poverty reduction? Analyses were conducted of the medium-term performance of the economy under alternative growth scenarios and policies to derive an aspirational growth scenario for Côte d’Ivoire and assess its impact on welfare. Ultimately, the growth path the Ivorian economy will take will depend on how fast the country recovers from the slowdown that the COVID-19 pandemic is expected to bring.

Economic impact of COVID-19. The COVID-19 outbreak is an unparallel global health and economic shock. It has taken a toll on human lives and brought major disruptions to world trade, global supply chains, commodity prices, tourism, and financial markets. In addition to the loss of lives, Côte d’Ivoire is feeling the effects of the COVID-19 pandemic through three main channels. First is the impact of the restrictions on nonessential economic activities on the production and consumption of goods such as trade, transport, and business services. Second is the impact of the additional macroeconomic feedbacks that reduce aggregate absorption due to plant closings and layoffs. And third is the disruption of global trade and the adverse effects on commodity prices and exports. The consequences of these effects, consisting of both direct and indirect effects, will permeate throughout the economy. Using plausible assumptions and a method appropriate for the breakdown of markets in the supply and demand chains, in a quick recovery scenario, Côte d’Ivoire’s real GDP could fall by 3.3 percent over four quarters in 2020 relative to a no-COVID-19 base level. The effects of the shock fade away by early 2021, with the level of GDP broadly in line with what would have been projected in the absence of the COVID-19 pandemic. If recovery takes hold only with the introduction of vaccines and drugs after eight weeks, GDP could be reduced by 4.8 percent in 2020 and by 2.5 percent in 2021.

To examine what post-COVID-19 growth trajectory is possible for Côte d’Ivoire, three medium-term growth paths before COVID-19—baseline, high growth, low growth—are considered. The simulation results that are presented are not forecasts but serve to highlight the factors that could drive higher or more moderate growth in Côte d’Ivoire post-COVID-19.

Reference or baseline scenario. A no-COVID-19 reference path of the economy is estimated for the period 2020–30. It assumes a continuation of the policies applied during 2012–19. This reference path forms the basis for comparing different growth scenarios and shows the implications for growth and poverty of continuing on the current path.
The reference path reveals the key features of the evolution of the economy under current policies.

- A continuation of the current trends and policies leads to stable but noticeably slower growth for the main economic indicators. Real GDP growth decelerates to an annual average of 6.5 percent (4.0 percent in per capita terms) over 2020–30, in line with demand growth in the economy. Growth remains robust but is insufficient to increase per capita income to the desired level. GDP per capita remains well below the threshold currently used to determine upper-middle-income status,1 which Côte d’Ivoire aspires to achieve.

- A steady decline in productivity, with GDP growth driven mostly by factor accumulation—labor and capital. Productivity’s contribution to growth, including total factor productivity (TFP) growth and other technical changes, declines steadily. Capital accumulation replaces TFP as the main driver of growth, and private and public investments are expected to boost the capital stock. However, investment is limited by the availability of funding resources, including foreign savings, and its efficiency is weakened by domestic constraints.

- Only partial achievement of the government’s objective to reduce poverty to low levels. The solid and steady pace of GDP growth supports the income of households and their consumption. All workers see their real wages rise, and household income rises in both rural and urban areas. The poverty rate is halved by 2025, from an estimated 40 percent at the start of the decade, and decreases moderately thereafter, to 14.9 percent by 2030.

High growth scenario. The high growth scenario is Côte d’Ivoire’s aspirational growth scenario for the next 10 years. Assuming efficient public investment, increases in world prices of its exports due to deeper integration with other African countries, and higher foreign financing, real GDP growth rises from an estimated 7.1 percent a year in 2017–19 to 8.8 percent by 2021 (a 6 percent rise in per capita terms) and 9.0 percent by 2030, similar to the high growth period of 2012–17. As a result, GDP per capita rises to about $4,400 by 2030, more than double its level in 2018, and above the current upper-middle-income threshold.

In this trajectory, investment would have to increase at an average annual rate of 12 percent in real terms through 2030, bringing investment to about 27 percent of GDP. Achieving this level of investment would require a substantial increase in public and private investment, foreign financing, and foreign direct investment. Export growth would need to be significantly higher, averaging 10 percent annually, and the ratio of exports to GDP would need to approach 28 percent by 2030. Export growth will create extra demand for labor and various types of services. Export expansion will relax the foreign exchange constraint and ensure regular supplies of intermediate inputs and equipment, leading to an improvement in capacity utilization. The growth of exports comes not only from better prices of more processed products but also from better integration into regional and world markets. Higher import capacity facilitates access to high-technology goods and fosters the competition that drives productivity.

A major requirement for the aspirational growth scenario is higher productivity growth, with TFP accounting for as much as half or more of GDP growth during 2020–30. Countering the recent decline in the contribution of TFP to growth will require scale economies and economic specialization in areas of Côte d’Ivoire’s comparative advantage, increased competition in the economy, rapid technology adoption, and beneficial urban agglomeration. Succeeding in these areas will necessitate a capable and motivated domestic enterprise sector, encouraged by government policies toward the efficient allocation of resources in agriculture, manufacturing, and services.

Labor productivity would also need to rise substantially both at the economywide level and within sectors. With close to 50 percent of the labor force still in agriculture, a significant potential remains for realizing gains from structural transformation—the emergence and expansion of new, higher productivity industries and the transfer of labor from traditional and informal activities to modern ones. To realize these gains, policies to boost competitiveness within sectors and well-functioning markets for land, labor, and credit are essential. Rapid labor productivity growth will also necessitate higher levels of investment in human resources, physical capital, and organizational and managerial capabilities. Strong government spending on education and health would be needed to expand the stock of skilled labor and boost its productivity. A broad-based increase in tax revenues would be necessary to finance higher levels of current expenditures, with an increasing share allocated to the health and education sectors to accelerate human capital formation.

The implications of the aspirational growth scenario for poverty reduction are significant. The overall increase in productivity results in a strong increase in GDP per capita and private income and expenditure. Real wages rise substantially, and household incomes more than double by 2030. The growth elasticity of poverty suggests that the national poverty rate could fall to less than 10 percent by 2030.

Low growth scenario. We model the medium-term performance of the economy, assuming that the world prices of exports fall instead of rising, and foreign saving or external finance is fixed. The growth in skilled labor arising from government spending on education and health is also lower in the low growth scenario. TFP growth slows significantly in all sectors. The efficiency of public investment is low. Under
these assumptions, real GDP growth averages 4.9 percent over 2020-30 instead of 6.5 percent as in the reference scenario and 9.0 percent as in the high growth scenario. Growth weakens across all components of domestic investment and consumption. Investment growth is notably subdued, reflecting the limited availability of foreign financing. A slowing world economy dampens the growth of exports, while imports of goods and services expand at a significantly reduced pace. The slowdown of investment and consumption leads to a reduction in the demand for goods and services and for imports, due to the lack of foreign funds to finance a wider external current account deficit.

The contribution of TFP to growth falls substantially, so that TFP accounts for less than a third of real GDP growth by 2030. In this context, real output growth is driven primarily by capital accumulation and labor supply, more than in the reference case. Together the capital stock and labor supply account for about two-thirds of real output growth by 2030. However, the increase in capital accumulation is not matched by an increase in efficiency. Growth of the skilled labor supply slows, and its contribution to growth falls. The gap is filled by self-employed and low-skilled labor, operating mostly in the informal sector.

Income rises at a considerably slower pace than in the reference scenario because of the marked slowdown in economic activity resulting from lower investment and current expenditure levels. The slower GDP growth rate in turn affects household income and consumption. Relative to the reference path, all workers see smaller gains in real wages. Households in both rural and urban areas witness a modest increase in real incomes. As a result, although poverty declines, it remains significantly higher than in the reference scenario by 2030.

*Post-COVID-19 medium-term growth prospects.* The potential short-run impact of COVID-19 on the economy likely implies a structural break from the current growth path. New growth trends may follow in the aftermath of the COVID-19 shock. If the world economy and Côte d’Ivoire recover quickly, Côte d’Ivoire may move back onto the reference path or the high growth trajectory soon after. However, if the pandemic takes longer to contain and the economy is slower to recover, the low growth scenario would seem more likely. A combination of growth trajectories may also ensue. A soft recovery could take hold during 2020–25, followed by more vigorous growth in 2025–30, as in the reference scenario or high growth scenario.

### Six major policy reforms to achieve long-term sustainable growth

Achieving Côte d’Ivoire’s aspiration of becoming an emerging market economy requires a comprehensive reform program to boost investment and productivity to generate rapid and sustained growth. A range of domestic and external factors will determine whether investment continues to rise. Côte d’Ivoire’s Doing Business ranking, which has improved in recent years, and its competitiveness ranking, which edged up in 2019, will affect domestic investment. Inflows of foreign direct investment will hinge on the state of the global economy and the attractiveness of opportunities in Côte d’Ivoire relative to those in neighboring countries. Critically, Côte d’Ivoire would need to ensure that the new investment is productive. Measures are needed not only to stem the current decline in TFP, but also to accelerate its rate of growth.

In the context of the rapid spread of the COVID-19 virus, however, the immediate priority must be to protect lives and livelihoods.

Against this background, six major policy reforms should figure prominently.

*Contain the spread of the COVID-19 virus and protect vulnerable groups and viable firms.* The government’s response to the pandemic has been swift, implementing strong social distancing and containment measures and an emergency health plan supported by the World Health Organization. The authorities also announced an ambitious economic support and stimulus plan to prop up the income of the most vulnerable segments of the population through agricultural input support and expanded cash transfers, provide relief to hard-hit sectors and firms, and support public entities in the logistics sectors to ensure continuity in supply chains. COVID-19-related expenditures should be well targeted to the most affected households and firms and executed transparently.

*Accelerate reforms aimed at creating an incentive climate that is friendly to private investment.* Once the COVID-19 crisis passes, government investment needs to be made as effective as possible for promoting growth. This implies imposing strict criteria on the productivity of investment expenditures; channeling investments into sectors that promise the most rapid, broad-based growth; and emphasizing investments that promote private investment. The best prospect for increasing investment is a positive response of private domestic and foreign investors to an improved investment climate brought about by the government’s stabilization and reform policies.

Côte d’Ivoire has made notable progress in improving the business climate in recent years, but more remains to be done. Costs faced by businesses, particularly for energy, finance, and trade logistics, are higher in Côte d’Ivoire than in economies at a similar stage of development. Policies need
to foster greater competition across the economy, especially in sectors such as transport and telecommunications where monopolies dominate. The Competition Act could be enforced more vigorously. Ongoing reforms to streamline bureaucratic procedures, simplify corporate taxes, and support small and medium-size enterprises need to continue. More broadly, deeper institutional reforms are needed to raise the level and effectiveness of private investment significantly, including strengthening the rule of law, enhancing the efficiency of the judiciary, fighting corruption, and protecting property rights.

**Expand external trade.** The fastest growing developing economies (such as the Republic of Korea, Malaysia, and Thailand) have pursued export-led growth and progressively opened their economies to trade and investment. If Côte d’Ivoire is to develop a more diversified, modern economy, it will have to produce for the wider markets of West Africa and the outside world. It must create a trade regime that invites new investors to produce for export and that makes it easy to do so. Such a trade regime includes low and uniform tariffs, considering revenue constraints; economic integration within West Africa, which is the natural market for Côte d’Ivoire’s many potential exports; active participation in the African Continental Free Trade Area (AfCFTA) an efficient customs administration whose goals are to simplify procedures, minimize delays, and generally make it cheap and easy for firms to import and export; improved infrastructure for transport to and communication with the region and the outside world; and taxes on investment (duties on capital equipment and taxes on profits and dividends) that are competitive with low-tax countries.

**Strengthen technology adoption and innovation capabilities.** The allocation of resources and the pace of adoption of new technologies affect a country’s rate of TFP growth. International trade, foreign direct investment, and international research and development collaborations have been found to be the main channels of diffusion of new technologies. The penetration rate of new technologies is influenced by country-specific characteristics (such as political risk), firm-level characteristics (such as managerial quality), and general factors (such as infrastructure, markets, competition, and research and development). Policy makers in Côte d’Ivoire will need to improve both the operating environment and human capital and firm capabilities by encouraging investment in productivity-enhancing innovation and by enabling the entry of more productive firms and the exit of less productive ones. Facilitating the transfer of resources to more productive firms requires exploiting the country’s comparative advantage, opening markets to international trade, exposing state-owned enterprises to competition, and reducing their ability to prevent the emergence of competitors. The success of these policies will depend largely on firms’ capabilities, which in turn will reflect the quality of their human capital and governance institutions.

**Increase domestic revenue mobilization.** Improving tax revenue collection and broadening the tax base would be critical to mobilize the domestic revenue needed to finance the development projects that will support Côte d’Ivoire’s inclusive growth objectives. At the tax policy level, a competitive tax structure is needed to attract foreign and domestic investment. Several measures have already been adopted to broaden the tax base, including (i) the elimination of value-added tax (VAT) exemptions on imports of cell phones and tablets as well as on applicable projects, (ii) increase of the tobacco excise rate to 37 percent, and (iii) introduction of an excise duty of 10 percent on vehicles. The audit of companies that benefit from a VAT credit should help reduce leakages and boost VAT revenue. The retail fuel price adjustment mechanism to preserve revenue from oil products is being implemented. These tax measures are consistent with the West African Economic and Monetary Union (WAEMU) action plan and should be implemented vigorously. Recent advances in revenue administration, including the digitalization of tax revenue and payments and the use of valuation risk analysis and controls in customs administration, should be sustained.

**Continue the sound macroeconomic management of recent years.** Key macroeconomic policy variables—exchange rate, monetary indicators, and budgets—must be sound to support economic growth. The real exchange rate should be monitored closely to guard against a real appreciation, which could harm exports and depress economic activity. Budgetary policy should vigorously reallocate spending toward education and health and investments in strategic infrastructure that directly assist the development of export industries. Once the COVID-19 crisis abates, the fiscal deficit should return to the pre-crisis path to preserve recent gains, particularly by adhering to the 3 percent of GDP budget deficit ceiling and maintaining a low risk of debt distress.

**The three I’s and the three T’s for accelerating shared growth**

The report’s structure adopts the framework of the Africa Regional Strategy for accelerating poverty reduction, centering on three accelerators or platforms for rapid and shared growth—investment, integration, and inclusion:

**Investment in human and physical capital (chapters 1-3).** Improving human capital requires better schooling, job training, lifelong learning, early nutrition, good hygiene, and prenatal, reproductive, and child health services. Physical capital improvements require digital connectivity infrastructure, transport and logistics, and water and sanitation services. Priorities will realize synergies between physical and human capital. Better water and sanitation
prevent diseases. Digital infrastructure raises productivity. And improved transportation linkages increase workers’ returns to schooling.

Integration externally (into global value chains) and internally (urban-rural, coastal-inland) (chapters 4–6). Integration will contribute to the transformation of the economy through productivity-enhancing structural change and job creation. Priorities in international integration include trade facilitation, logistics reform, institutional harmonization and regulatory reform, acceleration of African regional value chains and competition, and participation in global supply networks. Priorities in domestic integration include promoting rural development, raising agricultural productivity, creating markets, relocating surplus labor, and improving urban amenities.

Inclusion of people trapped in poverty, households susceptible to conflict situations, and communities that are vulnerable to climate change (chapters 7–9). Priorities will empower and enable marginalized groups to participate in and benefit from the country’s growth processes. Social and economic inclusion will be advanced by improved public services and targeted interventions. Coastal erosion and loss of habitat are pressing concerns, and inclusive growth for disadvantaged people and communities is gaining prominence in policy discussions.

These three smart I’s are also the pillars for Africa’s new agenda on Jobs and Economic Transformation for promoting three core and complementary transformations (the three T’s)—digital, sectoral, and spatial—to create more and better jobs in Côte d’Ivoire and to advance the country onto a high and inclusive growth trajectory toward upper-middle-income status (figure 1).

Digital transformation is about innovation, driven largely by adopting digital and nondigital job-creating technologies and generating new technologies. Effective practices are emerging in forerunner countries for transforming governments, services, communities, cities, and businesses. The most effective approaches include applying a holistic view of information and communications technologies (ICT) and complementary investments and mobilizing demand for good governance and better services. Promoting an inclusive information society emphasizes digital literacy, social intermediaries, and grassroots innovation. Policy measures for business transformation include affordable access to the internet and digital technologies, mobile finance, digitally-enabled government-to-business transactions, and platforms to facilitate trade and e-commerce. Mastering the digital transformation process demands policies and regulations for a digital economy, managerial and technical skills, competitive communication infrastructure and ICT industries, and competent institutions to lead the transformation process.

Sectoral transformation is about industrial reallocation of resources from less to more efficient businesses; job-creating activities across farms and firms, including through product diversification and specialization linked to trade; and participation in global supply chains, to become a locomotive for global learning and production expansion for more and better jobs. Modern market economies are constantly undergoing structural change, as some sectors shrink and others grow. Some of these changes are brief, reflecting terms of trade, temporary shifts of technology, or external idiosyncratic shocks. Others appear longer lasting. As countries develop, the most important long-run trend has been a marked shift of employment and production away from agriculture toward manufacturing and services. The share of manufacturing in GDP then declines, while the shares in services rises as countries grow through middle income into high-income economies. Coinciding with these sectoral transformations are large movements of workers across sectors, bringing about corresponding changes in productivity, wages, and living standards.

Spatial transformation is about the geographic reallocation of resources from less to more efficient job-creating locations, including through regional (inland-coastal)
connectivity and improved rural–urban integration. This transformation promotes smart city–driven learning and spillovers of prosperity to peripheral and rural areas. Spatial transformation can be thought of as the mirror image of sectoral transformation. As an economy industrializes, and production shifts from agriculture to manufacturing and services, people move from rural areas to towns and cities, attracted by jobs in manufacturing and services and by opportunities for entrepreneurship. Likewise, surplus labor inland moves to coastal regions, where connectivity with global markets is strongest. But even as urban areas boom and coastal regions flourish, a large majority of people still subsist in rural areas or lagging regions. Thus, for successful spatial transformation, policy makers need to focus on both urbanization and rural development, particularly on raising agricultural productivity.

The three pathways of digital, sectoral, and spatial transformations, centering on investment, integration, and inclusion, will enable not only job-intensive dynamism, but also higher value production that creates more and better jobs. That analytical structure guides and disciplines the discussion here of the nearer term policy priorities (2021–2025) and longer term actions (2026–2030) needed for Côte d’Ivoire to sustain high, broadly shared, and resilient growth (figure 2).
PART 1

Investment

Maintaining high growth will require substantive investments, beginning with investments in human and physical capital. Objectives in human capital are better schooling; job training; lifelong learning; early nutrition; hygiene; and prenatal, reproductive, and child health.

Physical capital improvements include digital connectivity infrastructure, transport and logistics, and water and sanitation. Priority investments will help to realize synergies between physical and human capital: better water and sanitation prevent disease, digital infrastructure raises productivity, and improved transportation linkages increase workers’ returns to schooling.

Economic transformation will not happen without a nurturing investment climate to attract private investors, sustained investment in human capital, and adoption of digital and other information and communications technology (ICT) advances. Chapter 1 focuses on human capital investment. Chapters 2 and 3 focus on physical investments. Chapter 2 dives into the investment in ICT that is needed to achieve the digital transformation of the country. Chapter 3 highlights ways to attract and nurture domestic and foreign private investment.
POLICY OVERVIEW
Building and sustaining inclusive growth

- NURTURE
- REALIZE HUMAN POTENTIAL
- LEVERAGE THE DIGITAL REVOLUTION
- NURTURE PRIVATE INVESTMENT
- INVESTMENT
- INTEGRATION
- INCLUSION
Sustained, inclusive growth will require better quality human capital and a richer mix of skills. Investments in human capital during the first 10 years of life yield large gains. Better basic education is necessary, though not sufficient. Improved nutrition and health are also required. The World Bank Group Human Capital Project (launched in October 2018) lays out an integrated approach to human capital development. The Government of Côte d’Ivoire joined the Human Capital Project soon after its launch. Drawing on Côte d’Ivoire’s Human Capital Diagnostics to highlight concerns and challenges and present options to address them, this chapter pays special attention to women’s empowerment as a strategic component of human capital development.
Côte d’Ivoire’s demographic profile is a key challenge to human capital development

Human capital is central to development. Better health, nutrition, and population outcomes are essential for sustained growth, and education is a fundamental contributor to economic and social development. Recognizing the importance of human capital to individuals and societies, the World Bank Group seeks to build consensus on effective reforms and investments that will transform human capital outcomes for the greater good of people and economies.

To that end, the Human Capital Index (HCI), developed under the Human Capital Project, measures the amount of human capital that a child, at birth, can expect to attain by age 18. It conveys the productivity of the next generation of workers compared with a benchmark of workers with complete education and health. The index is based on five indicators that are linked to the United Nations Sustainable Development Goal targets for health, education, and nutrition: child survival, early childhood development, years of school, learning, and adult survival. Each country is assigned a score from 0 to 1 on a composite of these indicators that relates to workers’ potential future productivity. In 2020, the HCI has been measured for 174 countries, including Côte d’Ivoire. Côte d’Ivoire’s index of .38 is among the lowest internationally (ranked 158) and among Sub-Saharan Africa’s low-income and lower-middle-income countries (28 of 42). Most of Côte d’Ivoire’s country peers have higher scores, including Ghana (.45), Kenya (.55), and Senegal (.42).

One challenge to human capital formation in Côte d’Ivoire is its demographic profile. Population growth, with an expanding child and youth cohort, has required continuous ramping up of the supply and delivery of social services. Côte d’Ivoire is a rapidly growing country with an estimated population of 26.48 million in 2020, up from 20.5 million in 2010. The median age is 18.9 years, and the cohort under age 15 constitutes 41 percent of the population. This results in a dependency ratio of 79.8, which is much higher than the average of 53.8 for lower-middle-income countries. Because fertility is declining slowly, Côte d’Ivoire will continue to experience rapid population growth for some time to come. Thus, Côte d’Ivoire must not only make up for lost time, but also face increasing demand for social services, including schooling and health care, from a growing number of children and youth. The demand for maternal and child health services has grown too.

Uneven standing on the components of the Human Capital index

Côte d’Ivoire’s challenges can best be understood by examining its standing on each of the indicators that comprise the HCI. Some indicators, such as healthy child growth, are relatively high for Côte d’Ivoire, but others, such as adult literacy, education effectiveness, and adult survival rates, are particularly weak. Overall, however, Côte d’Ivoire has a deficit in human capital development that requires attention from policy makers, the public, and other partners.

Child survival. Will a child born today survive to school age? According to the HCI, 91 percent of children in Côte d’Ivoire live beyond age five. Côte d’Ivoire ranks 32 of 39 low-income and lower-middle-income Sub-Saharan African countries on this indicator. However, child survival in Côte d’Ivoire improved over the past decade. Deaths per 1,000 live births declined from 84 in 1995 to 60 in 2015 for children under age one and from 125 to 96 for children under age four. Girls are more likely to survive to age five than boys, with 87 deaths per 1,000 live births compared with 105 for boys. Of children who do not survive to age five, 28 percent die before reaching 28 days, 34 percent between 28 and 364 days, and 38 percent between ages one and four. The causes of death differ for each cohort.

There are significant geographic differences in child survival. Child survival is higher in urban areas (78 deaths per 1,000 live births) than in rural areas (108). The number of deaths per 1,000 births in Abidjan (64) is half that in the north (125). Finally, income levels tend to be strongly associated with child survival. Child mortality rates are 120 per 1,000 live births among the poorest 20 percent of the population and drops to 61 for the richest 20 percent.

Child survival risk is related to certain maternal characteristics.

- **Birth interval.** More than 150 children per 1,000 live births die before the age five when there is less than a two-year interval between births. That figure drops to 95 for birth intervals of two years, 82 for three years, and 73 for more than four years.
- **Mother’s age.** The number of child deaths per 1,000 live births is 109 for mothers or guardians younger than age 20. That figure drops to 87 for mothers ages 20–34. In Côte d’Ivoire, a quarter of women ages 20–24 have given birth before the age of 18.
- **Education level.** The number of child deaths per 1,000 live births is 111 for mothers or guardians with no education. That figure drops to 73 if the mother or guardian has attended primary school and to 67 if she has attended secondary school.
Healthy start. Will children stay healthy as they grow? This is measured using stunting rates (1 minus the share of children under age five who are below normal height for age). Stunting is an indicator of the prenatal, infant, and early childhood health environment, summarizing the risks to good health that a child born today is likely to experience in the early years, with important consequences for health and well-being in adulthood.

According to the HCI, 78 percent of five-year-old children in Côte d’Ivoire experience fairly healthy growth (are not stunted during their first five years). This places Côte d’Ivoire among the top performers in Sub-Saharan Africa (ranking 5 of 39 low-income and lower-middle-income African countries). However, stunting remains a serious problem in Côte d’Ivoire, with approximately two in 10 children at risk of deficient cognitive and physical development as a result. In addition, stunting is more than two times higher in rural areas (27 percent) than in urban areas (almost 13 percent). There are also substantial regional differences. Stunting is approximately 10 percent in Abidjan, compared with 17–30 percent in the rest of the country. Stunting is particularly prevalent in the regions of the north and center-west.

As is the case for child survival, stunting rates are closely related to maternal characteristics. For example, a mother’s education is strongly associated with stunting. The risk of stunting is 24 percent for mothers or guardians with no education and 20.1 percent for mothers or guardians with only a primary school education. Stunting rates fall to 15 percent for mothers or guardians with higher levels of education. Furthermore, children of women who give birth before age of 20 are at higher risk of low birth weight.

Schooling. How much school will children complete? The HCI measures education as the number of years of schooling a child can expect to receive by age 18, given the prevailing pattern of enrollment rates. The maximum value is 14 years, corresponding to the number of years of schooling an 18-year-old would obtain if she started preschool at age four. In Côte d’Ivoire, children complete 7.2 years of schooling on average. This ranks Côte d’Ivoire at 29 of 39 low-income and lower-middle-income African countries. Over time, one consequence of this low educational attainment has been low levels of adult literacy. Only 59 percent of adults ages 15–49 are literate. Fortunately, literacy rates are higher for young people ages 15–24, at 68 percent, indicating that adult illiteracy is slowly retreating.

Over the past eight years, gross enrollment rates have increased at every level of education. However, the overall number of years of schooling in Côte d’Ivoire is reduced by low enrollment rates at the preschool and upper secondary levels. The low number of years of schooling is also the result of inefficiencies in the education system that slow the advance of students through the system (repetition) or lead to dropout.

Learning. Will children learn the basics while in school? Assessment of the quality of education is based on harmonized test scores from major international student achievement testing programs. Côte d’Ivoire ranks 19 of 39 low-income and lower-middle-income African countries on harmonized test scores that measure achievement in language and math. Côte d’Ivoire ranks higher than Ghana (38) but lower than Senegal (6) and Kenya (7). Differences are minimal between girls (371) and boys (375). Côte d’Ivoire scores lower than other countries at the grade 2 level but above others at the grade 6 level.

Outcomes on international and national exams differ considerably by region. Abidjan and the eastern regions score higher on the grade 2 and grade 6 tests. The north has the lowest scores, and the west region has average scores for grade 2 but low scores for grade 6.

Life expectancy. Will children experience a lifetime of health? This indicator measures the share of 15-year-olds who can expect to survive to age 60. This measure of mortality serves as a proxy for the range of nonfatal health outcomes that a child born today would experience as an adult if current conditions prevailed. This is the most worrying HCI indicator for Côte d’Ivoire. Only 60 percent of youth age 15 today can expect to reach their 60th birthday. This places Côte d’Ivoire among the bottom performers in Sub-Saharan Africa (36 of 39), well behind Senegal, Kenya, and Ghana.

Adult death rates declined from 10.7 per 1,000 people in 2000 to 8.8 in 2016 (unfortunately, more recent figures are not available). The top five causes of death were HIV/AIDS, respiratory infections, complications of pregnancy and childbirth, traffic accidents, and diarrheal diseases. Mortality due to HIV/AIDS was very high in 2000, at almost 4 per 1,000 people. However, this was halved by 2010 and declined to 1.5 in 2016. The tuberculosis mortality rate also declined sharply, from 1.03 per 1,000 people in 2000 to 0.3–0.4 between 2000 and 2016. A driving factor of adult mortality rates is the very high levels of maternal mortality. The main causes of maternal death in Côte d’Ivoire are hemorrhage (25 percent),
hypertension (16 percent), complications related to unsafe abortions (10 percent), and sepsis (10 percent).

High-impact policy measures in health and education

Until 2012, Côte d’Ivoire experienced adverse political and economic shocks for about 20 years that impeded its development, including its human capital development. Access to social services stagnated or declined. Political instability and consequent economic and financial constraints led to intermittent interruptions in social service delivery. Since 2012, the government has worked to accelerate social and economic development. While Côte d’Ivoire has made significant progress in economic growth, advances have been much slower in re-establishing deteriorating social services. Côte d’Ivoire’s human capital development trajectory can be defined largely as one of “catch-up”.

The HCI is just a snapshot of a country’s human capital development and does not capture trends. In addition, the rate of improvement may be shaped by structural considerations: full primary education enrollment is relatively recent and hence a critical mass of children has yet to reach the upper secondary level. However, there are many signs that decision makers could consider some interventions to accelerate progress toward better human capital outcomes. Our analysis has identified four main areas for further attention, where policies and interventions can be expected to have the greatest impact:

- **Increase public spending on health.** The health sector budget is particularly low for a country of Côte d’Ivoire’s economic standing. The health sector’s share of the government budget was 4–5 percent over 2010–18, well below the Abuja Declaration of 2001 target of 15 percent, and just 1 percent of its GDP. The government’s share of total health spending increased from 13 percent in 2010 to 28 percent in 2017. However, households contributed the most to financing health services over this period. As a consequence, health service coverage is limited throughout the country. Furthermore, people have identified high cost as the principal reason for not seeking health care when needed.

- **Rebalance spending on education.** Whereas budget allocations for education meet international standards, spending for certain expenditure categories is insufficient or regressive. Teacher pay is high, leaving little budgetary space for essential nonsalary expenditures (teacher support services, maintenance, school equipment, and supplies). While bringing salary expenditures in line with international standards is a long-term endeavor, underspending on other key inputs has an immediate effect on quality. Furthermore, to meet the growing demand for secondary school education, the government has assigned students to private schools and provided subsidies. However, the subsidy often does not cover fees, which leads to high out-of-pocket expenditures for households. There is no systematic selection process to determine which children should be assigned to schools, leading to higher dropout rates among poorer students.

- **Redress spatial imbalances in health and education spending.** Both education and health services are inequitably distributed. Regions where services are the weakest and most difficult to access tend to be rural, remote, and home to the poorest populations. On almost every HCI indicator, northern and western regions scored lowest. These are also the areas where distances to schools and health centers are greatest, where qualified human resources are scarcer (and receive less support), and where key inputs are lacking (medicine, equipment, and school supplies).

- **Increase women’s access to health and education services.** While gender differences for human capital indicators are not very large in most cases (except for years of schooling), many human capital outcomes are a result of women’s limited access to services or social-behavior factors. The high level of maternal mortality may be the most telling indicator of factors contributing to lower overall human capital formation. In the education sector, the low transition rate for girls to secondary education is a main contributor to significantly lower enrollment rates—there are strong links between dropout and early marriage and pregnancy. Furthermore, many of the health outcomes that make up the HCI reflect limited access to key services, such as prenatal, neonatal, and postnatal care, particularly in certain regions and for lower income groups and younger people. Generally, less educated women have more children, have children at an earlier age, are poorer, and have lower human capital outcomes.
Vietnam provides a good example of how a country at a certain level of development can provide high-quality education. Despite its relatively low level of economic development, Vietnamese students outperform students in Organisation for Economic Co-operation and Development (OECD) countries on average in the Programme for International Student Assessment (PISA). Recent analysis of Vietnam’s success identified five important contributing factors. First, Vietnam has always prioritized investment in primary and basic literacy education. Spending is also directed toward equity, which is an important factor contributing to Vietnam’s high and relatively equitable learning outcomes. Second, the government has implemented policies to attract and support qualified teachers through incentives and continuous professional development. Third, targeted public spending on preschool enabled the government to achieve universal preschool education for five-year-old children. Fourth, increase access, the government has also mobilized communities and the private sector for the provision of preschool education. Fifth, Vietnam has effectively benchmarked its student assessment system against international good practices and used assessment results to improve the system. For instance, in response to the PISA 2012 results, Vietnam changed the legal framework for large-scale exams to diversify testing methods, improve item quality, and pave the way for competency-based assessment.
Côte d’Ivoire needs to harness the potential of technology and the digital economy to raise productivity by lowering the barriers to affordability and availability, improving regulatory frameworks and market structures, and supporting regional harmonization to promote competition and affordability. To leverage digital technology for development, Côte d’Ivoire needs new policies and investments in digital infrastructure, digital skills and literacy, entrepreneurship, digital financial services, digital platforms, and data privacy and cybersecurity.
Wider sharing and leveraging of the benefits of digital technologies to improve the productivity of the poorest segments of society

Although the ICT sector in Côte d’Ivoire, especially the mobile internet sector, has expanded rapidly in the past few years, that expansion appears to have benefited mostly affluent urban and educated populations. A key challenge is to continue the fast pace of ICT development while ensuring that the benefits of digital technologies are more widely shared and leveraged to improve the productivity of the poorest segments of society in ways that generate more, better, and inclusive jobs. For digital entrepreneurs to design and scale apps profitably that are also inclusive requires broader usage by poorer people. Expansion of the digital economy can, if supported by appropriate policies, generate positive economywide effects for businesses and workers, including through increased productivity that expands output and jobs. This can be done by facilitating the matching of buyers and sellers over digital platforms, helping firms achieve economies of scale, improving their access to financial services, and providing farms and firms with specialized solutions.

Expansion of the digital economy can also generate benefits for households that have been underserved or unserved by the traditional financial system and can give them better and easier access to public services. Appropriate complementary policies are needed, however, to ensure that expansion of the digital economy does not reinforce inequalities or open new vulnerabilities in the form of increased market power, risk to privacy, misinformation, and cyber threats.

Illiteracy and a dearth of basic skills hamper the adoption of mobile internet, jeopardizing the most critical step in the expansion of the digital economy. In addition, lack of intermediate and advanced digital skills is a major supply constraint, impeding the ability to develop programs and apps that are appropriate for the domestic context that can be used to improve the quality of life and availability of infrastructure, leverage health and social policy, and improve productivity (especially in agriculture).

Challenges to digital expansion

The challenges to digital expansion include shortcomings in competition among mobile network operators, digital skills and literacy, the startup ecosystem for entrepreneurs, limited use of digital financial services and e-platforms, and weak cybersecurity.

More competition is needed among mobile network operators. Côte d’Ivoire awarded the first licenses for 3G technology fairly recently, in 2012, but growth has been rapid. During 2016, the three incumbent mobile network operators (Orange, MTN, and Moov) upgraded their networks with 4G LTE technology. Orange has the largest market share by revenue (about 50 percent for voice and 53 percent for data), followed by MTN (25 and 28 percent) and Moov (23 and 22 percent).

However, many potential consumers are not using mobile voice and data services, even though they are available. According to the Telecommunications Regulatory Agency of Côte d’Ivoire (ARTCI), Orange’s population coverage is 95 percent for 2G, 5 percent for 3G, and 55 percent for 4G. The gross penetration rate (number of subscriptions per 100 inhabitants, counting multiple subscriptions per person) increased from 87 percent in 2013 to 113 percent in 2019, but the number of unique subscribers per 100 inhabitants is only 51 percent for voice and 28 percent for data.

Prices have declined for voice and data services but are still high, both in absolute value and especially as a percentage of national income. Mobile termination rates (the costs charged by a mobile operator for completing outgoing calls on its network) have fallen but are still high relative to rates in other countries in Africa. Thus, although Côte d’Ivoire has benefited from some competition among its three mobile network operators, lower mobile termination rates could strengthen competition. Similarly, off-net prices are still about 50 percent higher than on-net calls, which is likely an important reason why many consumers have multiple sim cards. Mobile number portability, another regulatory intervention that many countries use to promote competition, began only in 2018.

Digital skills and literacy are low. Low digital skills restrict the uptake of mobile internet and the productivity and welfare gains to consumers and firms from digital technologies. Despite strong government policies and significant improvements in recent years, educational attainment in Côte d’Ivoire remains low: the net enrollment rate is 91 percent in primary education, 40 percent in lower secondary education, and 15 percent in upper secondary education.

In addition to low educational attainment, the quality of education is also low, and many students do not acquire even basic skills. The latest Programme for the Analysis of Education Systems (PASEC) surveys conducted in 2016 indicate that Côte d’Ivoire is close to the average of French-
speaking African countries for results in French (score of 517 in Côte d’Ivoire, compared with 584 in Senegal), while results in math are among the lowest (score of 476 in Côte d’Ivoire, compared with 594 in Burundi).

The startup ecosystem does not adequately support entrepreneurship. Even though the environment in Côte d’Ivoire is favorable for entrepreneurship (young population, high economic growth), the startup ecosystem lags by comparison to its development in other emerging market economies in Africa. The main reasons:

- The level of practical business skills and entrepreneurial literacy is still low.
- Entrepreneurship support organizations are underfunded, lack sustainable business models, and face difficulties recruiting experienced staff and mentors for startups.
- Markets are restricted. Connectivity among households is low. Money transfers make up the bulk of digital financial services use. Many potential consumers still do not have digital IDs. Inadequate infrastructure and poor logistics limit the expansion of e-commerce. While the WAEMU offers companies the ability to scale beyond national borders, barriers to cross-border trade remain. Business-to-government markets are limited by perceptions that contracts are awarded to connected businesses.
- Financing at the pre-seed and seed levels is scarce.

Only basic digital financial services are available. In Côte d’Ivoire mobile money has provided access to financial services to a large part of the population. The recent increase in the population with a financial account (from 34 percent in 2013 to 41 percent in 2017) was due entirely to an increase in the share of the population that has a mobile money account; the share of the population with an account with a financial institution has remained constant at a low 15 percent.

Currently, digital financial services in Côte d’Ivoire are limited to payments (bills, personal transfers, and a few government transfers) and cash-in/cash-out transactions. While these basic digital financial services continue to expand, several bottlenecks prevent Côte d’Ivoire from mainstreaming next-generation digital financial services, such as digital credit and insurance.

Digital platforms (e-government) lack interoperability. Over the past 10 years, Côte d’Ivoire has expanded the use of public digital platforms that allow citizens and government to connect and exchange information. The country has also made progress in digitizing public financial flows, both from government to residents and from residents to government. There are initiatives for paying school fees, registering and paying for certain national competitions, paying company taxes and customs tariffs, and digitizing the payment of civil servant salaries.

However, these initiatives are uncoordinated, and digital platforms lack interoperability. Lack of a universal national identity scheme and digital identity is a critical barrier to effective deployment of public services.

Uneven cybersecurity protections. Côte d’Ivoire ranks 86 globally and nine of 42 African countries on the Global Cybersecurity Index (2018) prepared by the International Telecommunication Union. The legal and regulatory framework for cyber security in Côte d’Ivoire has reached a certain level of maturity (a level of 2–3 of 5 on the index). In other dimensions (such as policy and strategy, cybersecurity culture, education and training, standards, and technologies), the maturity of cybersecurity is lower (varying between 1, startup, and 2, formative).

Complementary policies to expand the digital economy without creating new vulnerabilities

To ensure the inclusive expansion of the digital economy, policy initiatives need to support affordable digital infrastructure. These policies are important to enable digital entrepreneurs to develop better solutions that encourage businesses, households, and other entrepreneurs—in agriculture, manufacturing, and services—to adopt and use these solutions to boost their productivity, expand production, and generate more, better, and inclusive jobs.

Digital infrastructure. A competitive environment is crucial for the development of the digital economy. While Côte d’Ivoire has benefited from some competition among its three mobile network operators, competition among operators may be insufficient to provide affordable access to mobile networks for most of the population, especially in rural areas. To reach that goal, authorities should consider using combinations of:

- Stronger coverage obligations.
- Tax incentives for building infrastructure in rural areas.
- Stronger encouragement of facility sharing.
- Various types of subsidy mechanisms.
- Leadership of a subregional initiative for key reforms to enlarge the market, create possibilities of larger economies of scale, allow incumbent mobile operators to compete over a larger market, and allow the entry of a new operator.

A system of continuous evaluation of digital markets is also needed to ensure that markets remain competitive and contestable and that they encourage innovation and new entrants. Close collaboration will be needed between the agencies that are responsible for competition rules and those responsible for sector-specific regulations (such as in
telecommunications and finance). Enforcement capacity will also be needed to take corrective actions in instances where competition is lacking.

**Digital skills and literacy.** Because low digital skills restrict the uptake of digital technologies, the government should redouble its drive to raise educational attainment and quality. In addition, it should expand e-education projects and encourage new actors to launch projects in e-education and mobile learning services. For these efforts to be successful, mobile internet must be affordable and accessible to most of the population. In addition, the government may want to:

- Train community technology assistants/educators to assist the population in acquiring basic digital skills in training centers or mobile classrooms.
- Incorporate computer code learning programs from kindergarten through high school, along with teacher training in block programming and languages, using online resources developed for this purpose.
- Strengthen support programs for startups that engage in such projects.
- Create new, agile training centers in each region (such as digital fabrication laboratories and creative rooms).

**Startup ecosystem for entrepreneurship.** To improve the startup ecosystem, the government needs to boost business skills and mobilize universities and mentors for that purpose. It should partner with the private sector to strengthen entrepreneurship support organizations, which can also be used for public training programs. Programs should be developed to generate pre-seed and seed finance. In particular, the regulatory environment needs to be improved for private equity and venture capital funds. The main regulatory barriers to the emergence and growth of startups need to be identified through a bottom-up and participatory process, and an action plan needs to be developed.

In addition, for digital entrepreneurs to design and scale apps profitably that are also inclusive requires broader usage by poorer people. Facilitating that requires a more deliberate focus on boosting affordable access and ways for potential entrepreneurs from the poorer segments of the population to build business models around these apps. In addition to economywide digital identification systems designed to improve development outcomes while maintaining trust and privacy, this may require collecting other digital information about the population (e-addresses and e-land registry for all). The government should consider supporting the production of digital infrastructure projects that address the critical problem of insufficient skills on multiple levels. While the legal and regulatory framework for cybersecurity is advancing in some dimensions, other dimensions (such as policy and strategy, cybersecurity culture, education and training, standards, and technologies) are lagging. The main recommendation for strengthening cybersecurity is participatory development of a national cybersecurity strategy, including the design and oversight of awareness programs.

**Digital financial services.** Regulatory measures will be needed to enable the provision of digital financial services products that are more advanced than e-money (where Côte d’Ivoire has already made much progress). Further expansion of digital financial services beyond payments (bills, personal transfers, and, a few government transfers) and cash-in/cash-out transactions will require measures that level the playing field for financial institutions; modernize and open financial infrastructure, including regional payment systems and USSD codes (a communications protocol used by cellular telephones to communicate with the mobile network operator’s computers); and educate and protect consumers of digital financial services. Some of these measures require actions at the regional level, through the Central Bank of West African States (BCEAO) and the Council of Ministers of the WAEMU. Some will require closer collaboration between WAEMU and ARTCI. Some are under national jurisdiction and are areas where Côte d’Ivoire could play a leadership role in the region.

**Digital platforms (e-government).** Despite expanded use of public digital platforms over the past decade, initiatives remain uncoordinated, and the lack of a universal national identity scheme and digital identity is a critical barrier to effective deployment of public services. The government should accelerate the digitalization of government services and achieve universal coverage of digital identity.

**Cybersecurity.** Improvements are needed in cybersecurity and data protection. National and possibly regional policies to support digital infrastructure should be complemented by projects that address the critical problem of insufficient skills on multiple levels. While the legal and regulatory framework for cybersecurity is advancing in some dimensions, other dimensions (such as policy and strategy, cybersecurity culture, education and training, standards, and technologies) are lagging. The main recommendation for strengthening cybersecurity is participatory development of a national cybersecurity strategy, including the design and oversight of awareness programs.

**National digital strategy.** Expanding the digital economy in Côte d’Ivoire will require coordinated and complementary actions on many fronts. For example, while inclusive expansion of digital infrastructure is a precondition for improvements in e-government and digital financial services, improvements in digital finance would enable the expansion of digital infrastructure by creating higher demand. Similarly, entrepreneurs will not design apps unless there is a digital infrastructure that reaches most of the population, while the availability of such apps greatly increases the benefits of digital access.

The best way to approach these cross-cutting tasks is to design and implement a national digital strategy through a consultative process. The strategy should specify targets and the sequencing of policy measures. A national digital
strategy should clarify complementarities across policy areas and coordinate the actions of domestic and regional public entities. Implementation of the strategy should be assessed periodically through impact evaluations that could identify areas requiring revision or support. The strategy should incorporate plans for generating the data necessary to conduct such impact evaluations.

**Regional coordination.** Côte d’Ivoire should consider taking a more regional approach to developing regional infrastructure, especially in the area of wholesale bandwidth with interconnected backbones. This would include in particular pushing forward on the incomplete implementation of Economic Community of West African States (ECOWAS) regional regulations, such as those on conditions for accessing landing stations for international submarine cables and those on access to national and international bandwidth by landlocked countries, as well as those promoting international roaming agreements that reduce excessive charges when traveling in the region. A more regional approach would enable Ivorian digital entrepreneurs to reach a larger and more competitive regional market and allow entrepreneurs across the economy to adopt and use lower cost digital infrastructure and solutions. The larger market would create possibilities of larger economies of scale and allow incumbent mobile network operators to compete in a larger market.
Based on the World Bank Group’s Private Sector Diagnostics for Côte d’Ivoire, this chapter highlights ways to improve the business climate, create markets, sustain and support physical capital investments, increase access to finance, invest in transport and logistics infrastructure, promote digital connectivity, and reduce skills gaps.
Inadequate export diversification, pervasive informality, and high youth unemployment

Côte d’Ivoire’s high growth since 2012 has been accompanied by macroeconomic and fiscal stability. Crucially, productivity gains accounted for almost half the economy’s growth performance, harking back to the 1980s, when Côte d’Ivoire ranked among the best performing countries in Africa with a nascent manufacturing industry and strong human development indicators.

However, despite the strong growth performance, Côte d’Ivoire’s exports are still dominated by commodities. All five top exports are commodities (cocoa, rubber, cashew nuts, gold, and crude petroleum) and account for 75 percent of the country’s exports in value. The share of commodities in Côte d’Ivoire’s exports is among the highest among its structural peers, and far higher than in aspirational peers such as Morocco and Vietnam. High concentrations of commodities leave exports more vulnerable to the impacts of climate change and commodity price cycles.

Furthermore, high rates of poverty and underemployment and weak employment growth in the formal sector frustrate the aspirations of many segments of the population, especially youth. The Ivorian private sector is dominated by informal firms and a high number of large firms. The informal sector accounts for 80–90 percent of total employment, which is comparable to its share in other West African countries.

With limited fiscal resources, and the urgency of eradicating poverty, Côte d’Ivoire needs to more effectively harness opportunities for the private sector in areas in which the country has a comparative advantage. A pressing challenge is to create good quality jobs for the growing youth population. Official unemployment is less than 7 percent, but the youth unemployment rate is twice as high, and underemployment persists.

Agriculture, agro-processing, and manufacturing sectors have high growth potential, according to analyses based on revealed comparative advantage, evolution of global demand, sectoral employment elasticities, prospects for domestic value addition, and private sector interest. Côte d’Ivoire’s natural resources endowment—abundant rainfall, freshwater, and arable land—and infrastructure can support a wide variety of crops.

Priority sectors for diversification and domestic value addition include cashews, cotton, horticulture, rubber, and palm oil. Côte d’Ivoire’s global export share for the priority crops has been on an upward trajectory in recent years, which also suggests that the country has a comparative advantage. Demand prospects for these products are favorable, with rising incomes in developing countries, including in the subregion, leading to changes in consumption patterns. These products have significant potential for diversification into associated derivative products. Growing and processing cashew and rubber are employment-intensive—including for women—and would reduce inequality between the north and the south, as well as gender imbalances.

Furthermore, the reductions in tariff and nontariff barriers introduced as part of the new AfCFTA offer further growth opportunities for rubber, cosmetics, and plastics manufacturing. The Ivorian manufacturing sector, which is dominated by low-tech industries, has not fully benefited from the opening of regional and global markets. Once implemented, the AfCFTA could provide Côte d’Ivoire greater access to large consumer markets in South Africa, Ethiopia, Kenya, and Angola.

Cross-cutting constraints to private investment

Realizing the considerable opportunities for investment in several sectors in Côte d’Ivoire requires alleviating multiple cross-cutting constraints. There are opportunities to nurture private investment and accelerate convergence, particularly in agribusiness. While the country has many manufacturing firms, private investment and foreign direct investment remain below the levels in its lower-middle-income country peers. Foreign direct investment averaged 1.6 percent of GDP over 2015–17, below the levels in aspirational peer countries such as Vietnam (6.2 percent of GDP) and Morocco (2.6 percent). Foreign direct investment was concentrated mainly in telecommunications, agro-processing, and extractive (hydrocarbon) industries.

To reap the full benefit of trade liberalization, foster investment, and develop these sectors, Côte d’Ivoire will need to address five major, cross-cutting challenges. Côte d’Ivoire needs to address these bottlenecks if it is to fully harness its private sector and achieve better development outcomes by increasing private investment in promising subsectors, such as cashew, cotton, horticulture, rubber, and palm oil.

**Business environment gap.** Côte d’Ivoire’s economy is characterized by high levels of informality and limited competition in several sectors. Formalizing businesses is a challenge because of cumbersome procedures for business licensing and tax compliance. Larger firms have greater opportunities to overcome shortcomings in access to finance, logistics and transport, digital services, and skilled labor (the four gaps).

While implementation of the competition law has improved, there is still evidence in several sectors that market-based competition is restricted, notably in real estate, retail, and
import of refined products. Weak competition enables prices to rise higher than in their competitive equilibrium and creates market entry barriers for new firms.

The prevalence of state-owned or -controlled enterprises in a few sectors also dampens competition. Despite past divestiture, the Ivorian government still holds substantial interests in many firms, including the refinery SIR, a public transport firm, the national television company RTI, the national lottery, the national airline, and the Land Management Agency (AGEF). While state enterprises receive no official preferential treatment and are expected to compete with private companies under the same terms and conditions, corporate governance of state firms still fails to meet OECD standards.

Other business environment challenges include excessive business regulation, political uncertainty, and corruption. In surveys, 86 percent of firms, notably in transport, commerce, and tourism, complain about excessive inspections by certain government agencies, often with dubious justification and effectiveness. High levels of perceived corruption, combined with underdeveloped institutional and regulatory frameworks, are often cited as deterrents to private investment while providing fertile ground for informal activities.

Finance gap. While Côte d’Ivoire has one of the most developed financial sectors in the ECOWAS region, credit growth remains heavily concentrated, with many small and medium-size firms experiencing difficulty accessing credit. The finance gap for these firms was estimated at $2.4 billion in 2017. Interest rates are higher than the average rate of return on investments, and loan collateral is at levels beyond the reach of most farmers and small and medium-size firms. Commercial banks have little interest in making loans to these firms, as they can easily remain profitable by investing in government bonds.

Access to credit is particularly limited in the agriculture sector. Private banks are reluctant to lend to small-scale farmers, who are viewed as too risky because of low levels of capitalization, unstable revenue flows, lack of formal credit history, difficulty evaluating 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. Key constraints to greater development of the financial sector include low deposit mobilization, weak financial inclusion, underdeveloped credit information infrastructure, lack of capital markets leading to a shortage of local currency financing, and limited availability of digital financial services.

Transport and logistics gap. Leveraging a relatively well-developed transport sector, Côte d’Ivoire aims to emerge as a key transport and trade hub for West Africa. Côte d’Ivoire’s transport infrastructure is particularly important for neighboring landlocked countries, such as Burkina Faso and Mali, which channel their imports and exports through the nearly 1,000 kilometer Abidjan–Lagos coastal corridor linking some of the most economically vibrant cities in Africa (Lagos, Accra, and Abidjan). Over the past five years, the government and the private sector have invested more than $2 billion to upgrade and rehabilitate transport infrastructure, following more than a decade of neglect during the prolonged political crisis. Côte d’Ivoire was also one of the first countries in West Africa to use public–private partnerships in the transport sector to build railway, airport, and bridge infrastructure.

Key constraints to greater private sector participation in the transport sector are operational inefficiencies at the Autonomous Port of Abidjan; poor quality of the road network due to insufficient maintenance; and a suboptimal equilibrium in the market for road transport, which has led to high transport costs. In addition, while Côte d’Ivoire has successfully carried out transport projects under public–private partnership/concession arrangements, the regulatory framework may need further clarification.

Digital connectivity gap. Digital connectivity is spatially unequal and costly. While indicators suggest that conditions for the ICT sector are improving (it contributes 8 percent to GDP compared with 3.3 percent in Senegal), growth of digital connectivity in Côte d’Ivoire has benefited mostly the affluent urban and educated population. Access to digital connectivity is hindered by the limited coverage of national ID systems: only 55 percent of the population over age five is registered. Key constraints to greater private sector activity in the digital economy are the high costs of digital services because of weak competition, poor and spatially unequal digital connectivity infrastructure, and low levels of digital literacy.

Skills gap. Notwithstanding improvements, the education system remains poorly equipped to prepare in-school or out-of-school youth for the labor market. Beyond basic competencies, youth often lack the specific skills (soft and hard) that are needed to be more productive in the workplace, including in self-employment. University and technical and vocational education and training are the weakest links in the Ivorian education system. While access remains an issue, and the number of high school graduates is expected to treble by 2030, the quality and relevance of programs are even bigger challenges. College graduates have considerable difficulty finding jobs, with employers questioning the quality of many programs, especially BTS programs (Brevet de Technicien Supérieur, a two-year professional program).

Key constraints to greater private sector participation in the education sector are the absence of a vision on how to engage with the private sector in the provision of education and training services; entry barriers for private education institutions; subsidy programs that do not foster accountability, leading to suboptimal learning outcomes; a lack of qualified teachers; and difficult access to finance.
Reducing the five gaps in the short and medium terms

A comparison of the business environment and critical assets (human capital, digital connectivity, logistics, and transport) in Côte d’Ivoire with those in aspirational peer countries, such as Morocco and Vietnam, revealed the five gaps described above. The following measures could help to reduce these gaps.

**Address business environment gaps.** In the short term, the authorities can streamline approval processes to encourage formalization; increase the resources of WAEMU and the National Competition Commission, including more technical staff; review state-owned enterprises in sectors where the state’s involvement may not be required; integrate industrial zones and new special economic zones into a dynamic vision for spatial development, supported by infrastructure (transport, energy, and communications); mobilize funding for the allocation of industrial land; and ensure the sustainability of projects in partnership with large “anchor” investors.

In the longer term, the government can revise the tax code to reduce or eliminate distortionary incentives, review the legislative framework to expand the role of national competition authorities (through WAEMU), and strengthen the resources and capacities of the National Anti-Corruption Agency and judicial institutions to identify and prosecute corruption.

**Address the finance gap.** In the short term, the authorities can replace the patchwork of know-your-customer programs with a clear risk-based know-your-customer tier (BCEAO), ensure equal application of taxes on digital transactions and mobile money payments among banks and electronic money institutions, revise asset allocation rules for pension funds and insurance companies to reduce excessive exposure to sovereign debt and real estate, adopt a clear framework for authorizing offshore accounts, and engage in policy dialogue with BCEAO on access to foreign exchange hedging instruments to improve the investment climate.

In the longer term, the government can formalize a regulatory framework for agency banking, provide financial literacy education to farmers on loan access and costs; accelerate digitalization of government payments and agriculture value chains to build credit histories, improve the benchmark yield curve and eligibility rules for guarantees and transfer mechanisms, diversify sources of income of the regional stock exchange by increasing the number of listed companies and widening the product range, and build the expertise and capacity of regional financial regulators (Regional Council for Public Savings and Financial Markets, Inter-African Conference on Insurance Markets, and Inter-African Conference on Social Security) on financial instruments and portfolio/risk management techniques.

**Address the transport and logistics gap.** In the short term, the authorities can completely automate customs cargo releases for rail and road transit goods, switch from universal to spot checking of customs cargo, and liberalize delivery of containers by accrediting operators that meet the established criteria.

In the longer term, the government can renew fleets and rolling stocks through truck scrappage schemes and a financing facility; adopt a freight exchange system (voluntary) for information sharing and matching demand and supply of freight; establish a single regulator for all transport activity (including registration of drivers, vehicles, and companies); and formalize the trucking industry through more stringent entry norms.

**Address the digital connectivity gap.** In the short term, the authorities can boost competition in mobile towers by mandating that mobile network operators divest their tower assets.

In the longer term, the government can upgrade the national broadband backbone, enable entry into the mobile market by setting aside spectrum for a potential entrant, and allow the emergence of a secondary market for spectrum or encourage the entry of mobile virtual network operators.

**Address the skills gap.** In the short term, the authorities can reduce barriers to education and training program entry for the private sector, standardize application procedures for setting up new education institutions, and streamline and accelerate payments to schools.

In the longer term, the government can experiment with vouchers to incentivize quality in the private sector and reduce user costs, consider expanding selected technical and vocational education and training programs, and encourage professional development for teachers and trainers in the private sector.
PART 2
Integration

Economic transformation occurs through industrialization and urbanization.

Industrialization can be accelerated through internal integration, both urban–rural and coastal–inland, and through external integration with Africa and the rest of the world by harnessing global value chains. Urbanization can be facilitated through the spatial integration of rural–urban economies.

Integration—both international and internal—will contribute to the transformation of the country’s economy through productivity-enhancing structural change and consequential job creation. Priorities in international integration are trade facilitation, logistics reform, institutional harmonization and regulatory reform, acceleration of African regional value chains and competition, and participation in global supply networks. Priorities in domestic integration include raising agricultural productivity, promoting rural development, creating markets, relocating surplus labor, and improving urban amenities.

Chapter 4 focuses on external integration through participation in regional and global value chains. Chapter 5 delves into domestic integration of the urban and rural economies, highlighting four areas to ensure that urbanization is efficient and sustainable. Chapter 6 discusses agricultural policy priorities to diversify production and raise productivity.
INTEGRATION

HARNESS GLOBAL VALUE CHAINS

URBANIZE EFFICIENTLY AND SUSTAINABLY

RAISE AGRICULTURAL PRODUCTIVITY

INVESTMENT

INCLUSION
CHAPTER 4
Harness global value chains

This chapter draws on micro-data analyses on global value chains for Ivoirian firms and analyzes barriers to trade and regional and global integration. It also explores opportunities for value addition, including in agro-processing. Job creation is front and center, especially with the country’s high population growth rate of 2.4 percent a year. More, better, and inclusive jobs are essential to attain sustained economic growth and shared prosperity. Industrialization and the manufacturing sector are priorities.
Côte d’Ivoire has not undergone major structural change since 2000

Economic growth in Côte d’Ivoire has been broad based, with comparable contributions from all sectors, especially since 2015. Marked improvements in the investment climate, pro-market policy reforms, and institutional capacity have also taken place. Services are the largest sector, constituting about 44 percent of value added in the economy. Industry (including manufacturing, construction, mining, and utilities) has overtaken agriculture since 2012 to become the second largest sector. Despite episodes of strong growth, the contribution of manufacturing has varied little, holding at about 15 percent. Overall, Côte d’Ivoire has not undergone major structural change since 2000. Agriculture is the least productive sector despite some productivity growth in the past few years. Likewise, there have been no substantial productivity improvements in services in recent years. In contrast, productivity in the industrial sector has been growing, especially since 2012.

The shares of exports and imports in GDP remained mostly stable over 2000–12. Since 2012, both measures of trade openness have been declining, and the decline has been more pronounced for exports. The trade balance has also declined, from 6.9 percent of GDP in 2000 to 0.5 percent in 2018 and from $742 million to $237 million. The observed decline in trade openness in part reflects GDP growth that at times exceeded export and import growth in those years. The number of manufacturing producers jumped from 433 in 2003 to 1,338 in 2014, generating 61,000–94,000 jobs annually. The median manufacturing firm has 15 employees, with about equal proportions of skilled and unskilled workers. It pays an average of $4,265 a year to its skilled workers and $1,269 to its unskilled workers and has value-added of $3,059 per worker.

Despite the high concentration of jobs in incumbent enterprises, new establishments are becoming more important sources of job creation. Entrants created 101,000 jobs over 2004–14, compared with 19,000 net jobs created by incumbent firms. Relatedly, rapid job growth has occurred mainly in startups and young businesses, regardless of their size. The availability of cheap labor is likely the main factor that has fueled employment expansion among startups and young enterprises. However, future job creation will need to be accompanied by robust productivity growth.

GVC integration and upgrading are at the aggregate, sectoral, industrial, and enterprise levels

Weak global value chain (GVC) integration relative to structural and aspirational peers. GVC integration entails functional and spatial fragmentation of value-creating activities in which production involves imported inputs and sales target foreign markets. It consists of backward integration (the share of foreign value-added content in gross exports) and forward integration (the share of domestic value added that is embodied in third-country exports). Côte d’Ivoire is the least integrated country among its structural peers (Ghana and Senegal), aspirational peers (Kenya, Morocco, Sri Lanka, and Vietnam), and the Republic of Korea. Its backward integration, at below 10 percent and mostly stable, is comparable to that of its structural peers but substantially lower than that of its aspirational peers and Korea. By contrast, the degree of forward integration is strong and rising. Only Côte d’Ivoire’s structural peers have stronger forward linkages. The dynamics of linkages in Côte d’Ivoire closely resemble the patterns observed in its peers.

Strong backward integration in manufacturing but still weak compared with peer countries. Agriculture’s participation in GVCs is about 20 percent, with the greater contribution coming from forward integration. Manufacturing’s participation is about 25 percent, with stronger backward integration than in agriculture. Backward linkages are low across all sectors, particularly compared with Côte d’Ivoire’s aspirational peers and Korea. Forward integration is high in mining (82 percent) and services (63 percent). The forward linkage in mining is strong even when compared to Côte d’Ivoire’s structural peers, which suggests that its exports are predominantly raw materials and less processed.

Strong forward integration of mining-based, capital-intensive industries. Among manufacturing industries in Côte d’Ivoire, transport equipment and electrical and machinery industries have relatively strong backward linkages, whereas food and beverages and wood and paper are the least integrated. Mining-based, capital-intensive industries (metals, chemicals, and nonmetal industries) have high degrees of forward integration. Again, food and beverages and wood and paper are the least integrated manufacturing activities. Between 1995 and 2015, metals, chemicals, and nonmetal industries and electrical and machinery industries led in GVC participation, driven by forward linkages; transport equipment experienced a modest rise.

Western Europe remains the main GVC partner, and the role of China is rising. Western Europe is the most important source of foreign value added and the most important destination for indirect value added for the manufacturing sector of Côte d’Ivoire. The GVC linkages with
Europe have weakened for all industries except electrical and machinery and transport equipment. Likewise, Côte d’Ivoire’s GVC integration with North America is loosening. In contrast, GVC linkages with China are strengthening, particularly through backward integration.

**GVC-integrated firms are larger and more experienced and productive, and two-way trading is the most common form of GVC participation.** Through the lens of GVCs, an enterprise can be characterized as domestic, export-only, import-only, or two-way. Two-way trading is the most common mode of GVC participation in Côte d’Ivoire, although its prevalence declined between 2003 and 2013. Because of sizable market entry costs, there is strong persistence in an enterprise’s mode of GVC participation. Entering export markets is especially difficult. Young enterprises (10–20 years old) and established enterprises (20 or more years old) are more likely than startups (fewer than 10 years old) to have backward and forward linkages. Larger establishments (more than 20 workers) are more likely than smaller ones (fewer than 20 workers) to have backward and forward linkages. Capital intensity and higher labor productivity also increase the chances of GVC participation. Furthermore, enterprises in food and beverages and chemicals and nonmetal industries are more likely than those in transport equipment to participate in GVC integration, whereas textile and apparel industries are less likely to import. Otherwise, there are no discernable cross-industry variations in the likelihood of GVC participation.

**GVC integration is associated with growth in manufacturing employment, greater productivity, and higher wages**

**GVC-integrated enterprises have larger workforces and hire mainly skilled workers.** A typical manufacturing firm in Côte d’Ivoire employs a median of 15 workers, five of them are skilled; pays its skilled workers $4,265 annually and its unskilled workers $1,269; and has value added of $3,059 per worker. Firms in the food and beverages industry have the largest number of workers, both skilled and unskilled; have the highest labor productivity; and pay the highest wages for both skill groups. Labor productivity is almost as high in textiles and apparel firms and electrical and equipment firms as in food and beverages firms. GVC-integrated firms are considerably larger than nonintegrated firms. They create more employment opportunities for both skilled and unskilled workers. For example, the median number of workers in export-only firms is 15 times larger than domestic-only firms; import-only firms are four times larger; and two-way traders are 20 times larger.

For each skilled worker in domestic-only firms, export-only firms have 14 workers, import-only firms have five workers, and two-way traders have 18 workers. For unskilled workers, the corresponding figures are 19, five, and 26.

GVC-integrated firms have larger workforces than nonintegrated firms and hire mostly skilled workers. Compared with nonintegrated firms, export-only firms are 15 time larger, import-only firms are 4 times larger, and two-way firms are 20 times larger. For otherwise identical establishments, export-only firms hire, on average, 9 percent more skilled workers. The corresponding skilled worker size premium is –3 percent for import-only firms, and 22 for percent for two-way traders. All GVC participants hire fewer unskilled workers: –11 percent for export-only firms, –15 percent for import-only firms, and –14 percent for two-way traders. Firms engaged in wood and paper production have the largest size premium among agriculture-based, labor-intensive industries. Among knowledge-intensive industries, transport equipment firms have the highest size premium, particularly through their export participation.

**GVC-integrated enterprises pay higher wages, especially for their unskilled employees.** Wages are significantly higher in GVC-integrated firms than in nonintegrated firms. Compared with domestic-only firms, the GVC wage premium for skilled workers is, on average, 26 percent in export-only firms, 39 percent in import-only firms, and 31 percent in two-way traders. There are also wage premiums for unskilled workers employed in GVC-integrated firms: 35 percent in export-only firms, 24 percent in import-only firms, and 40 percent in two-way traders. Among the manufacturing industries, the wood and paper industry has the highest premia.

**Policy entry points to harness GVCs for job creation, productivity growth, and structural change**

The above key findings imply the need for a policy framework aimed at promoting GVC integration and upgrading in favor of high-growth markets; facilitating the entry, survival, and growth of firms; boosting productivity through within-firm changes and reallocation between firms; improving absorptive capacity and strengthening sectoral linkages; and supporting the creation of inclusive and better jobs. This section provides a summary of key policy actions to harness the potential of GVCs for job creation, productivity growth, industrialization, and structural change. They are a mix of trade, investment, and competition policies as well as infrastructure and skill development.
**Promote GVC participation**

Trade policy plays a central role by reducing trade barriers for production inputs and facilitating market access for output. A competitive manufacturing sector usually depends on importing cheaper and/or higher-quality inputs and relies on foreign markets as an outlet for its output production. This is particularly relevant given that tariffs on manufactured products in Côte d’Ivoire have been the highest until recently and have shown no sign of decline over time. The following policy actions should be considered:

- Reduce trade barriers to allow access to cheaper and/or higher-quality imported inputs. Emphasis should be on regional value chains as they can be used as steppingstones to integrate into the GVCs, which are more competitive.
- Exploit and position to seize the opportunities available in existing regional economic agreements like ECOWAS and recent continent-wide initiatives such as the AfCFTA.
- Negotiate and effectively utilize market access through favorable trade agreements (preferential tariffs, less restrictive non-tariff trade barriers, and simplified rules of origin) in advanced economies.
- Strengthen the reliability and efficiency of transportation and trade logistics.
- Target entering and expanding activities in high-growth markets such as Asian economies and sectors like tradeable services.

**Facilitate entry of new firms and growth of young firms**

In Côte d’Ivoire, new and expanding manufacturing firms have been the primary drivers of job growth. At the same time, exiting firms have resulted in a large number of job losses. The manufacturing sector in Côte d’Ivoire has a relatively high firm turnover rate. Therefore, policy support needs to identify and address a range of issues, including business licensing, labor market regulations, cross-cutting and enabling sectors, and harnessing economic clusters. For this purpose, the following are suggested:

- Ease licensing and entry requirements to promote the formation of new establishments and investment by incumbents, especially younger firms. This also involves improving the business environment through easy access to finance, property rights protection, market regulation, and a well-functioning legal system.

**Support GVC upgrading for more high-quality jobs and productivity gain**

As shown above, most of Côte d’Ivoire’s GVC participation is through forward integration. Exploiting this comparative advantage should not be abandoned. However, there is need for GVC upgrading from labor-intensive and resource-intensive to knowledge-intensive activities. Simultaneously, issues of GVC-linked labor market frictions associated with labor displacement and mobility should be properly addressed. To this end, the following are suggested:

- Provide support to firms that are upgrading to higher skills and more productive jobs by prioritizing and streamlining fiscal incentives. This requires the adoption of better trade and investment policies, such as identifying strategic sectors in the provision of incentive packages, and trade and investment promotions.
- Promote technology adoption as well as research and development (R&D) and innovation efforts to raise labor productivity to ensure that wages are not overly suppressed to attract and keep GVC-linked jobs.
- Develop systems of education and training programs that emphasize employability and facilitate transitions from study to work, particularly into GVC-specific jobs, as well as enhance skills for upgrading.
- Adopt and enforce compliance with international standards of worker safety and benefits.
This chapter develops a comprehensive strategy for urbanization and productivity improvements in agriculture, which are two sides of the same coin. This spatial transformation will come about through job-intensive industrialization and productivity-enhancing structural change. Urban–rural integration will contribute to the economic transformation needed for job creation. Policy priorities differ for Abidjan, secondary cities, and regional towns and for connectivity between urban and rural areas.
Cities as global, regional, and domestic economic connectors

Well-managed urbanization can accelerate Côte d’Ivoire’s ascent to middle-income status. With an urban population share of 50 percent in 2014, Côte d’Ivoire’s gross national income (GNI) per capita was $1,380. By comparison, three countries in different regions but with comparable urbanization have GNI per capita more than double that: $3,570 in Georgia, $3,340 in Guatemala, and $3,580 in Indonesia. This gap suggests that Côte d’Ivoire needs to harness the economic drivers of urbanization to generate higher returns in economic growth and job creation.

Cities can be regarded as a portfolio of assets, with each city differentiated by characteristics that include size, location, and density of settlement. The World Development Report 2009 classified three types of cities. Global connectors generate urbanization economies for innovation, increasing returns to scale and agglomeration, and global competitiveness. Regional connectors generate localization economies for efficient regional trade and transport. And domestic connectors generate internal scale economies to develop regional agricultural potential.

Abidjan, San Pédro, and Yamoussoukro are Côte d’Ivoire’s global urban connectors. Greater Abidjan dominates, with 20 percent of the population, 80 percent of formal employment, and 90 percent of formal enterprises. It is an advanced urban area facing the same challenges as other large metropolitan areas around the world. The port of San Pédro—built from scratch under the country’s first development plan—is the main export gateway for agricultural products and was planned to be connected by rail to the mineral heart of the west (Man and its surroundings). Yamoussoukro has been the capital since the 1980s, although national public administration is still in Abidjan. The city has one of the most respected engineering schools in francophone Africa, offering the potential to build relationships with technology companies if ICT infrastructure is developed to international standards.

The regional urban connectors tie Côte d’Ivoire to West Africa through five corridors. The northern corridor connects Abidjan with Ouagadougou by a road and rail link that passes through Bouaké (the second-largest city), Korhogo (the capital of the northern region, with nearly 200,000 inhabitants), and Ferkessédougou (a secondary city of 75,000). Eastward, Côte d’Ivoire is connected to Lagos, Nigeria, via a road through Aboisso and Noe on the Ivorian side and through three capital cities—Accra, Lomé, and Cotonou. Another eastward connection, to Ghana (via Kumassi and Tamale), runs through Adzope, Abengourou, and Bondoukou. Abidjan is connected to Nzerekore in Guinea via a road through Yamoussoukro, Daloa, and Man, each with more than 150,000 inhabitants, and the region is rich in agriculture, minerals, and tourism. Another westward connection to Monrovia goes through Grand Lahou, Sassandra, San Pédro, and Tabou along the Gulf of Guinea.

Côte d’Ivoire’s small cities and market towns—its domestic urban connectors—could generate scale economies for agribusiness. Southwest regions contribute strongly to production and cash crop exports, and savanna areas could scale up food and cereal production to supply urban centers domestically and regionally. In the long term, with the movement of the cocoa belt from eastern and central regions to the south (with an eye on the port of San Pédro), climate change, and international economic conditions might shift the heart of these cash-crop production areas. Given increasing regional disparities in Côte d’Ivoire, good connections between the agricultural hinterlands of secondary cities and strategic regional capital cities could help smallholders modernize into agribusiness chains.

Advancing efficient urbanization through financing, planning, connecting, and greening

Policy makers should focus on four themes to advance efficient urbanization:

- Financing: finding sources for the large capital outlays that are needed to provide infrastructure and services as cities grow and urbanization accelerates.
- Planning: setting the terms of urbanization, especially policies for using urban land, enabling housing markets, and expanding basic infrastructure and public services.
- Connecting: making cities’ labor, goods, and services markets accessible to all neighborhoods within cities, to other cities, and to exports.
- Greening: enhancing livability by reducing pollution and emissions and conserving environmental and financial resources.

This framework reflects principles identified by stakeholders in national and subnational governments and the private sector. These stakeholders believe that urbanization should lead to “cities that are planned, structured, competitive, attractive, inclusive, and organized around development poles.”

Good governance is a prerequisite and pillar policy for reform to work in all four areas. Policy makers at all levels should work together. Currently, there is institutional fragmentation, with multiple urbanization institutions and overlaps of authority and responsibility, unclear mandates, and a dearth of coordination. For instance, the Ministry of Planning and Economic Development oversees planning, land...
development, and population. The Ministry of Construction, Housing, Sanitation, and Urbanization develops and implements urban master plans. The Ministry of the Interior and Security hosts the directorate that ensures oversight of municipalities and regions (Direction Générale de la Décentralisation et des Collectivités Locales). The Ministry of Economic Infrastructure is responsible for building and maintaining infrastructure. The Ministry of Transport is in charge of transportation. That is already five government bodies to coordinate; the private sector, which the government intends to serve, also needs to be included. With adequate coordination, there would be synergy: the whole would be greater than the sum of the parts. But without coordination, the whole is less than the sum of the parts.

Reform in financing. First and foremost, Côte d’Ivoire will need to get its public finance system in order to attract strategic investments in its global and regional connector cities and improve the incentive structure in its municipal finance to create a competitive, entrepreneurial, vibrant private sector. The authorities would need to:

- Reduce the inconsistencies between devolution and decentralization so that delegated functions are better financed and sufficient human resources capacity is in place.
- Strengthen local financing and revise the fiscal transfer system, simplifying the number of transfers to improve own-source revenue collection and public financial management.
- Leverage collaboration between regions, municipalities, and utilities to generate economies of scale in infrastructure services delivery.
- Improve the efficiency of transfer schemes, consolidate administrative decentralization to improve commune-level performance, and consider new elements to incentivize performance.
- Seek new sources of financing for global connectors and creditworthy regional and domestic connectors.

Reform in planning. Several areas would benefit from improvements in planning, including land market institutions, tenure and property rights, service delivery, and the regulatory regime.

- Improve the fluidity of land markets to encourage industrial and residential development because constrained land markets limit private investment.
- Improve tenure security through simpler, shorter, and low-cost procedures.
- Expand trunk infrastructure, especially for new extensions not yet connected to urban services (in particular, roads, electricity, and water), before areas are settled.
- Identify, plan, and allocate land for different purposes to meet increasing demands.
- Expand service delivery. Most basic infrastructure services should reach all residents;
  - Step up efforts to develop serviced land.
  - Implement financially sustainable service delivery models and strengthen regulation to increase cost recovery and, accordingly, investment and service coverage.
- Simplify planning regulations. Land use plans should allow harmonious public and private development in various zones and provide mixed economic and residential activities as well as green and protected areas.
  - Improve coordination in assigning responsibilities for governing urban areas.
  - Align land use policies and planning standards with infrastructure availability and plans.
  - Simplify and relax regulations on land use and zoning to reduce housing costs.

Reform in connectivity. Key measures to improve mobility include the following:

- Coordinate land use and infrastructure investment.
- Accelerate reforms for greater professionalism.
- Improve financing of transport sector operators.
- Better organize the freight transport sector and make it more competitive.
- Establish a market information system to connect transporters with customers.
- Invest in strategic corridors and strengthen urban agglomerations and city development.
- Diversify the corridors connecting the domestic economy to regional markets.
Reform in greening. To enhance livability by reducing pollution and emissions and conserving environmental and financial resources:

- Expand coverage of basic services for reduced pollution—water, sanitation, waste collection, and electricity—to make urbanization environmentally sustainable.

- Coordinate land use planning and infrastructure to reduce emissions by linking people to jobs through mixed land use and mass transport systems when density is sufficient and by linking goods to markets through improved freight logistics.

- Coordinate land use planning and infrastructure by integrating assessments of flood and climate change risks into city planning, which is just as important for mobility as for resilience.
CHAPTER 6

Raise agricultural productivity

Enhancing the productivity of agriculture is vital for Côte d’Ivoire’s economic future and is one of the most important tools to end extreme poverty, boost shared prosperity, and make urbanization more efficient and inclusive. Boosting agricultural productivity would raise the incomes of farm households, which make up more than half the country’s population, while lowering food costs for the nonfarm population and promoting the development of agro-industry. These outcomes, in turn, would promote broader economic growth by stimulating demand for nonfarm goods and services. Higher productivity would also free up resources, such as labor, that could be shifted to other economic sectors.
Despite its large role in the economy, agriculture has had limited impact on income growth and poverty reduction

The agriculture sector is the cornerstone of Côte d’Ivoire’s economy, accounting for 22 percent of GDP and more than 75 percent of exports. It is also the primary source of livelihood for two-thirds of the country’s households. Agriculture is linked with other sectors of the economy—manufacturing, commerce, and transport. Cotton, rubber, palm oil, and sugar factories—some large and relatively modern, others small and artisanal—are vital constituents of the rural economy, while cocoa, textiles, coffee, cottonseed oil, and oil-based soaps and cosmetics are all critical components of the urban industrial sector. Growth in agriculture can have substantial positive effects on nonagricultural self-employment and microenterprise establishment and growth in rural areas, including in the service sector.

Despite its critical importance to the economy, agriculture has had only a modest impact on income growth and poverty reduction in rural areas. Although it continues to provide the livelihood for a majority of Ivorians, value addition in the sector is low and unstable. The poverty rate is highest among households whose head is occupied in the agriculture sector. Poorer rural households rely heavily on crop production. For the poorest 40 percent, crop production constitutes nearly 70 percent of their income. For the top 20 percent, however, crop production accounts for only 47 percent of income, and wage and nonfarm income account for 37 percent.

Land use and land cover in Côte d’Ivoire have changed dramatically over the past few decades. Most striking has been the expansion of agricultural land, with a net increase of 84 percent. In the southern half of the country, rainfall is higher and the soils are more productive, making it the center of production for most export crops, including coffee and cocoa. In the northern half of the country, large increases in subsistence and cash crops, such as cotton, sugar, starches, and rice, have fragmented the broad expanses of woodland and savannas. Because a large part of the population in Côte d’Ivoire obtains its subsistence from farming, agricultural land expansion has been driven mostly by population growth.

Land is the main productive asset of rural households in Côte d’Ivoire. Insecure property rights over land and other assets limit agricultural productivity and economic activity through expropriation risk, which dampens incentives to invest; limited land market activity, which prevents land from being transferred (for example, through sales or rentals) to the most productive users; and restricted use of collateral for access to credit, which reduces productive investments. Land policies and institutions may be constraining investment and productivity growth.

Farmers in Côte d’Ivoire face numerous constraints to raising productivity. These include technical and circumstantial issues, such as limited access to inputs; weak extension services; large postharvest handling, transport, and storage losses; inadequate information about modern farming techniques; and poor plantation maintenance (especially for coffee, cocoa, and palm oil). These limitations are compounded by structural economic factors, such as volatile market prices, poor sector governance, deteriorating physical infrastructure, and a general absence of public goods, all of which have contributed to the long-term stagnation of productivity.

Addressing systemic constraints to productivity and improving the quality of public spending in agriculture

The successes of African countries such as Ethiopia, Kenya, Rwanda, and Tanzania offer lessons for Côte d’Ivoire’s agricultural productivity growth. Evidence shows that investments in rural public goods, combined with better policies and institutions, have driven agricultural productivity growth across the region. The dividends from investments to strengthen markets, land and water management, and the development and dissemination of improved technologies, for example, can be enormous. In addition, improving the business environment through trade and regulatory policy reforms can increase incentives for producers and innovators to take advantage of public goods that enable private investment. Sustained productivity growth depends crucially on addressing systemic constraints to productivity through integrated investments in improved technologies, extension services, land governance, water management, and market linkages.

**Public investment in agriculture.** Not only does average public agricultural spending in Sub-Saharan Africa lag far behind that in other developing regions, but it is also vitiated by subsidy programs and transfers that benefit the better off and leave insignificant gains for the sector and the poor. Shortcomings of the budgeting process also reduce spending effectiveness. Addressing the quality of public spending and the efficiency of resource use is even more important than addressing the level of spending. Rebalancing the composition of public agricultural spending could reap massive payoffs. Input promotion during the green revolution periods of high agricultural productivity in Asia and South America, for instance, addressed systemic constraints to productivity through integrated investments in improved technologies, extension support, irrigation, and market linkages.

Spending on agricultural research and development (R&D) is worth an especially close look, given the strong evidence
that returns to investments in this area are consistently high around the world. A large sample of studies estimated rates of return averaging 43 percent in developing countries and 34 percent in Sub-Saharan Africa. Yet agricultural R&D capacity in Sub-Saharan Africa is still low by international norms. Most high-income countries spend around 1 percent of their agricultural GDP on R&D, as does Brazil, a country whose research agency, Embrapa, is widely regarded as very effective.

Examination of the shift in the patterns of spending on agricultural R&D in Sub-Saharan African countries reveals important country differences and challenges. Despite the large, well-documented payoffs to agricultural R&D and the demonstrated political commitment to agricultural R&D in Africa, many countries in the region have continued to underinvest in this activity. Over 2000–11, half the Sub-Saharan African countries experienced near-zero or negative growth in agricultural R&D spending. In Côte d’Ivoire, especially, many producer organizations have raised research funds through membership fees. In 2014, these organizations financed about 45 percent of the research conducted by Côte d’Ivoire’s National Agricultural Research Center. Several other countries in Sub-Saharan Africa have also used levies to support agricultural research for export commodities, particularly for cocoa, coffee, tea, sugar, and tobacco.

In the past, policies in many developing countries have discriminated against agriculture, effectively taxing farmers to provide subsidies to urban dwellers or nonagricultural sectors. Such policies lower returns to agricultural investment, discourage technology adoption, and lead to inefficient use of economic resources. At the same time, due to the unique characteristics of agriculture—farms are highly heterogeneous and geographically dispersed, production is seasonal and subject to severe weather shocks, and property rights over land and other assets are often insecure—markets suffer from asymmetric information and high transactions costs and may fail to provide critical services needed for rapid and efficient technology adoption. From a farmer’s perspective, these factors can make technology appear unprofitable and too risky. Overcoming barriers to technology adoption may require government policies to improve farmers’ access to information and learning, help farmers manage and hedge risk, strengthen financial services, build rural marketing infrastructure, and provide secure land tenure. Extensive experience across Sub-Saharan African countries shows that land titling programs increase soil conservation investments, productive on-farm investments, yields, and profits for farmers.

**Investment in extension services.** For sustained productivity growth, Côte d’Ivoire needs to invest in high-return areas of human capital. Human capital-enhancing effects are associated with investments in extension, training, and information services that transfer knowledge and skills to those engaged in agricultural production. These investments create positive externalities through demonstration effects: if one farmer benefits from adopting new productivity-enhancing technology, neighbors may learn from that experience. As agricultural production processes become increasingly knowledge intensive, there will be higher demand for precise and timely information.

Attention to extension services peaked in the 1980s and early 1990s, when money was poured into systems that promoted the adoption of agricultural technology in a centralized, linear, one-size-fits-all approach. In the late 1990s, when many of these traditional systems were exposed as deficient in quality and relevance, investments in extension declined. However, the rapid adoption of digital technologies in rural areas shows promise in reviving the importance of some aspects of extension services and consequently improving productivity. Innovative models are being implemented in Kenya, Nigeria, and Uganda. New digital tools and approaches have helped to overcome information problems that impede market access for many small-scale farmers, promote knowledge and skill development, and stimulate opportunities for agricultural supply chain management.

Although much attention has been paid to understanding farm-level patterns of adoption of modern agricultural production technologies and identifying the causal drivers of technology adoption and diffusion, the greatest changes today are occurring in post-harvest systems of distribution and processing as modern value chains are rapidly replacing traditional markets matching smallholder supply to consumer demand. The agri-food value chain transformation occurring throughout the developing world has significant implications for the poor. Farmers increasingly have the opportunity to access higher value markets, both domestically and globally, but at a cost of higher standards demanded for the quality, reliability, and volume of the products they supply. Complying with these higher standards commonly necessitates technology upgrading by producers and marketing intermediaries alike.
Integrating agriculture into global value chains. The rise of value chains in agriculture radically changes the landscape of global agricultural production and marketing and offers new tools to resolve market failures that impede research and adoption of new technologies in the presence of weak government capabilities. But whether smallholders can benefit from value chain productivity effects has been widely discussed. Several theoretical arguments explain why companies might prefer working with fewer, larger, and more modern suppliers: transaction costs favor larger farms in supply chains, small farms are more constrained in making the investments necessary to participate in some value chains, and small farms typically require more assistance per unit of output. However, empirical studies show that companies work with surprisingly large numbers of suppliers, of surprisingly small size, for several reasons. Companies may have no choice if small farmers represent most of the supply base. In addition, farmers’ willingness to learn may be more important than farm size in farmer–processor relationships. Small farms may have cost advantages in undertaking labor-intensive production activities. Moreover, processors may prefer a mix of suppliers as a risk management strategy. Other empirical studies have documented that as standards rise, a decreasing share of exports is sourced from small farmers. For example, studies find decreased inclusion of smallholders in food export chains in Kenya and Côte d’Ivoire.
When directed to people trapped in poverty, households susceptible to conflict situations, and communities vulnerable to climate change, priorities in inclusion will empower and enable these marginal segments of society to participate in and benefit from the country’s growth processes.

Social and economic inclusion will be advanced by public services and targeted interventions. Coastal erosion and loss of habitat are pressing concerns, and ensuring the inclusiveness of growth for disadvantaged people and communities is gaining prominence in policy discussions.

The final three chapters focus on inclusion and explore ways to empower women, promote youth employment, and strengthen resilience to shocks. Chapters 7 and 8 examine the inclusion of women and youth. Chapter 9 considers marginalized communities living in conflict or fragile areas and those most susceptible to climate risks. The girls, women, youth, populations living in lagging regions or fragile parts of the country, and communities facing climate risks can easily fall behind—and often do. For robust and inclusive growth, Côte d’Ivoire cannot afford to leave some people behind.
Côte d’Ivoire has recognized the challenges of gender equity and women’s empowerment and made commendable progress toward closing gender gaps. However, women still face gender-specific challenges in education, health, employment, and earnings, as reflected in the country’s relatively low ranking in the United Nations Gender Inequality Index. This chapter looks at the challenges to women’s social and economic empowerment in Côte d’Ivoire and examines the evidence on what has worked to reduce gender inequality in Côte d’Ivoire and elsewhere in Sub-Saharan Africa.
Uneven progress for women

Women contribute significantly to Côte d’Ivoire’s economic development, yet they remain disadvantaged relative to men in human capital, economic empowerment, and voice and agency. Women constitute more than 40 percent of the labor force, but they fare worse than men in outcomes that affect both genders, such as youth unemployment, education, productivity, and earnings. In addition, women face unique challenges because of their gender, such as teen pregnancy and maternal mortality. The COVID-19 pandemic threatens to exacerbate these challenges and widen gender gaps in human capital and economic outcomes in Côte d’Ivoire.

The past decade has seen real, albeit uneven, progress in improving the status of girls and women. Girls’ completion of primary school and progression to secondary school have improved, and gender gaps at these education levels have narrowed, though the gaps in lower secondary completion and in youth unemployment have widened. For instance, young women are substantially more likely to be unemployed than young men: the ratio of female to male youth unemployment increased to 160 between 2012 and 2018, a 73 percent deterioration. This increase is unique in magnitude among regional comparator countries and diverges from the Sub-Saharan African average, highlighting the severity of youth unemployment for Ivorian women. Following the onset of the COVID-19 pandemic, an April 2020 survey revealed sizable shocks to economic activity and the labor market, with only around 20 percent of household heads experiencing no impact on their working hours or employment, and the rest reporting reduced working hours, unemployment, or other disruptions to their work. These impacts on workers are likely to be even more acute among women than men, given that young women already face greater challenges to employment due to differential access to key resources as well as underlying social norms.

To address gender gaps in human capital and economic opportunity, certain programs with a gender dimension have been shown to have meaningful impacts in Côte d’Ivoire. For example, using critical junctures in household decision-making (such as a new cash crop or plot certification) can help to promote gender egalitarian resource allocation within households. Promoting gender dialogue groups and alleviating administrative burdens for opening bank accounts have had positive impacts in Côte d’Ivoire. Pilot testing of innovative interventions—such as the provision of foundational skills training and coaching for young women and the reduction of transaction costs related to civil marriage—are currently under way. Evidence-based solutions from other countries include reducing the cost of schooling and creating safe spaces for girls to receive job and life skills training. For women of working age, interventions include improving access to labor and nonlabor inputs, new kinds of entrepreneurship training, subsidized childcare, parental and paternity leave, and modeling and media interventions to achieve norm change.

Enhancing women’s human capital, widening their opportunities, and reinforcing their agency

The government plays a crucial role in creating an enabling legislative framework, investing in women’s equality, and convening the partnerships that are likely to accelerate progress toward gender equity and women’s empowerment. Policy makers should focus these efforts on three key themes:

1. Enhancing the human capital of girls and women.
2. Strengthening economic opportunities and securing property rights for women.
3. Reinforcing women’s agency and reducing violence.

Enhance the human capital of girls and women. Côte d’Ivoire has made significant strides in narrowing gender gaps in primary school completion and progression to secondary school. However, substantial gender gaps remain in primary school enrollment (making Côte d’Ivoire an outlier in Sub-Saharan Africa), completion of lower secondary school, and rates of out-of-school youth. On average, girls still attend two fewer years of school (7.8 years) than boys (9.8 years). The cost of schooling, social norms that underpin parental preferences for schooling boys over girls, girls’ greater domestic responsibilities, gender-based violence in schools, and early marriage and childbearing contribute to these gaps. School closures due to the COVID-19 pandemic also threaten to increase girls’ vulnerability to leaving school due to early pregnancy, child marriage, or increased domestic responsibilities, thus affecting their life trajectories and economic opportunities.

Getting and keeping girls in schools is so crucial that Côte d’Ivoire should explore solutions from other countries that have succeeded in retaining girls in school. Among the strategies that work are reducing the direct and indirect costs of schooling; offering improved water treatment, sanitation access, and health services at schools, such as deworming programs and malaria treatment; increasing transportation options (for example, giving girls bicycles) or creating local community schools; providing structured pedagogy and interventions that help teachers instruct at the right level for their students; and enhancing student motivation by holding information sessions on job opportunities for educated women and providing merit-based scholarships.

In Côte d’Ivoire, estimated maternal mortality declined 12 percent between 2012 and 2017—faster than the 10...
percent average decline for Sub-Saharan Africa. However, maternal mortality remains high, and less than a quarter of women of childbearing age use any form of contraception. The adolescent fertility rate also declined slightly, though the decline has been slower than the Sub-Saharan African average. Between 2012 and 2017, adolescent fertility declined 5.4 percent in Côte d’Ivoire, 11.76 births per 1,000 women ages 15–19. High rates of HIV infection are a longstanding problem: Ivorian women were 2.5 times more likely than men to have HIV in 2012 and were still twice as likely in 2018. Disproportionate impacts of lack of access to water, sanitation, and hygiene (WASH) for women may also underlie these gendered health patterns in Côte d’Ivoire.

Despite a law mandating universal health care, budget allocations are insufficient to cover all women and girls through public health insurance schemes, and estimates suggest that only 10 percent of the population benefits from health insurance. Prioritizing investments in the provision of free basic, maternal, and sexual and reproductive health services, especially for adolescents, as well as free HIV treatment for women, could accelerate progress in improving sexual and reproductive health outcomes for women and girls.

**Strengthen economic opportunities and secure property rights for women.** Women in Côte d’Ivoire were still substantially less likely than men to have a financial account in 2017. Only 9.8 percent of women (in contrast to the WAEMU average of 16.4 percent) had a formal financial account. However, growth in female account ownership came from the expansion of mobile money, with a 10-percentage point increase between 2014 and 2017. The share of women with a mobile account is the highest among the WAEMU countries (29.9 percent in Côte d’Ivoire versus 19.3 percent in WAEMU). Since mobile money accounts can help facilitate access to cash transfer payments as well as digital savings and financial products, increasing women’s access to these accounts is especially important for fostering the resilience of households and spurring economic recovery following the COVID-19 pandemic.

In Tanzania, training sessions for women-owned microfirms on M-Pawa, a mobile savings account linked to M-Pesa (a mobile phone-based money transfer service, payments, and micro-financing service) that also gives customers access to credit, had large impacts on investment and business outcomes. Women saved almost four times more on M-Pawa and were 16 percent more likely to obtain a loan than a comparison group. In Malawi, combining business registration with a bank information session and help opening a business bank account increased firm sales and profits. Linking bank accounts with information on how to use them helped unlock the potential of bank accounts to improve women’s businesses. A recent impact evaluation of cashew-processing factories in the Toumodi and Dimbokro regions of Côte d’Ivoire found that access to a direct-deposit commitment savings account increased women’s productivity and earnings by more than 10 percent. Other ways to boost the benefits women realize from access to finance include improving trust in financial institutions through increased proximity and better regulation, enabling deposits to be made privately and automatically, and decreasing administrative hurdles to opening accounts.

Women’s property rights, especially secure land tenure, are weak in Côte d’Ivoire. The most recent Demographic and Health Survey data from 2012 show that only 10.6 percent of women in Côte d’Ivoire own land individually and 29.4 percent own land individually or jointly. Moreover, in 2019, women in Côte d’Ivoire were 21 percentage points more likely than men to express concern about losing access to their property in the event of a divorce and 35 percentage points more likely in the event of widowhood. Analysis suggests that targeting attitudes and reducing costs during critical junctures in household decisions (such as land certification) may be effective in Côte d’Ivoire in promoting gender-egalitarian resource allocation. Impact evaluation evidence for Uganda shows that nudges (such as subsidies and educational videos) can be effective in encouraging men to include their wives in property registration and to co-title their land in both their names.

Despite women’s importance in agriculture, women tend to farm less profitable crops than men, producing food crops for domestic sale rather than cash crops for export. Occupational segregation across crop types is the key driver of the gender gap in agricultural productivity in Côte d’Ivoire. However, there has been notable progress in key areas over the past decade, resulting in a 14 percent narrowing of the agricultural productivity gap between male- and female-headed households. Productivity improved across crop types but has been particularly notable for export crops, likely due to female farmers’ increased adoption of fertilizer and pesticides. Promising impact evaluation findings from Uganda suggest that engaging men, and society more broadly, in shifting gender norms around women’s market inclusion is part of the solution. An intervention in Uganda that encouraged husbands to transfer or register contracts in their wife’s name increased women’s integration into more lucrative value chains. Forthcoming results from an impact evaluation of an intervention (Projet d’Appui au Secteur Agricole) in Côte d’Ivoire that encourages men to involve their wives in cash crop farming and management should offer additional country-specific insights on this policy recommendation. Encouraging couples to cooperate in agriculture, particularly in light of the COVID-19 pandemic, could offer an opportunity to integrate women farmers into higher-value agricultural activities and boost agricultural productivity to foster stronger economic recovery in the aftermath of the crisis.

**Reinforce women’s agency and reduce violence against women.** Women’s lower labor force participation than men’s is shaped both by preferences and by the additional challenges that
women face in entering the labor force and maintaining employment, including early marriage, childbirth, and gender norms around domestic responsibilities. Women in the labor force work on average four fewer hours per day outside the home than men do. Altering norms around women’s domestic responsibilities requires a collective change of mindset. Reducing women’s time constraints related to domestic responsibilities can enable greater female participation in the labor force. In Kenya, subsidized center-based childcare significantly improved married mothers’ ability to work. Single mothers benefited more from reducing the time spent working, without any loss to their earnings, by shifting to jobs with more regular hours. WASH interventions may also help reduce women’s time constraints.

Ivorian women often face discrimination and violence within their household. Nearly one in three women report that they have experienced emotional, physical, or sexual violence from their intimate partner. Although gender norms underlie issues of political representation and violence against women, gender-based violence is perpetuated by inadequate or poorly implemented laws. Evidence for Côte d’Ivoire suggests that lack of support networks, changing gender roles, and precarious living arrangements are key contributors to intimate partner violence. Strengthening formal and informal mechanisms for seeking help and implementing interventions that both address economic stress and challenge inequitable gender norms could ease the underlying pressures that contribute to domestic violence. An impact evaluation in Côte d’Ivoire found that adding a couples gender discussion group to a women’s savings group significantly reduced women’s symptoms of post-traumatic stress syndrome following domestic violence. Furthermore, in contexts of crisis such as the COVID-19 pandemic, investing in gender-based violence (GBV) response service providers could help equip the health system to more effectively respond to higher incidence of GBV, given that violence can increase during times of isolation and economic stress. Strategically targeting the binding constraints to women’s empowerment with evidence-backed policy solutions can not only improve women’s outcomes at the individual level, but also generate immense benefits to the economy and society overall. The government can take several steps to ease the constraints to women’s empowerment:

- **Create an enabling legislative framework**, which may include mandating parental or paternity leave in addition to maternity leave; criminalizing domestic violence, sexual harassment, and discrimination in access to credit; and reducing administrative hurdles for women to open safe and private bank accounts. Removing legal restrictions on women in certain male-dominated industries may help close gender gaps in socioeconomic outcomes.

- **Model gender-egalitarian attitudes** (along the lines of the “Ikuboss” phenomenon in Japan), and enforce legislation mandating women’s representation on electoral lists, to ensure gender-balanced cabinets and state-owned company boards.

- **Invest in women’s equality** through subsidized childcare, cash transfers for girls’ education, and strengthened public health insurance schemes. Other critical investments include those to develop and mainstream gender-egalitarian content and methods in the basic and continuing education of teachers; strengthen the network of domestic violence shelters, and launch a 24-hour helpline service; and reduce the amount of time women spend on household work by providing clean running water and more effective cooking fuel and sanitation.

- **Convene partnerships** across the social sector, the private sector, and the media and ensure that these partners consider gender in their data collection efforts. Problems must be counted before they can be solved.
Job creation is central to increasing prosperity and accelerating poverty reduction, and a focus on youth is essential because youth constitute the largest share of the unemployed. The unemployment gap between the general population and youth has persisted even at times when unemployment rates have fallen. Early work experience affects employment and well-being throughout life, and youth employment has spillovers across society, affecting social and political stability and future generations. Côte d’Ivoire has implemented diverse programs to improve youths’ employment outcomes. This chapter assesses their effectiveness, applies international evidence, and draws lessons for current and future programs.
Youth have been left behind, despite multiple youth employment programs

Côte d’Ivoire has enjoyed strong economic growth and rising prosperity since 2012, but many youth have been left out. Young people ages 15–29 account for more than a quarter of the population, and 80 percent of the population is under age 40. Young people lag in learning outcomes and educational attainment, and low skills confine them to marginal jobs. Most youth work in the informal sector, where labor productivity, security, and earnings are low.

Improving employment outcomes for youth requires stimulating employment-intensive growth through measures ranging from business and labor regulation reforms to digital transformation, economic diversification, and trade policies. Youth can be reached by targeting productivity, skills, social safety nets, and labor market functioning in the informal economy. For training programs to be effective, skills training needs to be combined with training in life and employability skills and with on-the-job experience.

The government has implemented many programs to support youth employment, with mixed success.

Support for formalization. Among the strategies tried in Côte d’Ivoire, financial incentives and coercive measures were the most effective, but the interventions had little effect. Programs that support firms’ formalization have had little or no impact on the number of firms formalizing or on the performance or job creation of informal firms.

Support for microenterprises. Boosting productivity in micro and small enterprises requires eliminating multiple barriers, including limited access to credit and markets and inadequate financial, business, and managerial skills. A World Bank Group review of programs that included innovative forms of support for micro and small enterprises, with a focus on jobs-related outcomes, such as personal initiative training and specialized finance or marketing training to firms, found limited impacts on job creation or firm performance.

Apprenticeship programs. Beyond basic education, there are few opportunities for skills development for young Ivorians who are out of school and unemployed. The Youth Employment and Skills Development Project (PEJEDEC) includes an apprenticeship program to support youths’ school-to-work transition. To prepare apprentices to start their own business or find wage jobs in their technical field, the project offers 12–24 months of training leading to a certificate. Youth are placed in micro or small enterprises for on-the-job training. The PEJEDEC evaluation found that it is financially profitable for firms to receive apprentices, even if they have to pay them a stipend. It also found that the project increased the number of youths in apprenticeships.

Economic inclusion and public works programs. Economic inclusion programs, such as the Project for Socioeconomic Inclusion (PRISE), are designed to support the poor and other vulnerable groups and reduce productivity-related constraints, often by combining consumption support, access to saving options and assets, entrepreneurship training, and coaching. To date, they have been tested only on a small scale. The cost-effectiveness and feasibility of large-scale programs are at the core of current policy debates.

Labor-intensive public works programs offer temporary jobs (generally for one to six months), sometimes supplemented by general training (job search, entrepreneurship), technical training (electronics, trash collection), or financing (matching grants, support for entrepreneurship) that aims to sustain the impact beyond the temporary public works job. Recently, PEJEDEC’s High Labor Intensity Public Works (THIMO) project added measures to public works programs to increase participants’ human and financial capital. These programs tend to be most effective for women and other vulnerable groups.

Entrepreneurship training. Programs in Côte d’Ivoire that have included entrepreneurship training have not proven effective. Experience from other countries suggests that, to be effective, entrepreneurship training needs to combine core business administration skills, such as accounting, with softer skills, such as problem solving. Applicants should be screened for entrepreneurial characteristics, such as innovative thinking, leadership attributes, passion, and results orientation. Training also needs to include support services, such as coaching, mentoring, and financing.

Improving youth employability in higher-productivity jobs

Several steps can be taken to improve youth employability in higher-productivity jobs.

Sustain economic growth. The most fundamental role for government to expand youth employment is to support inclusive, job-creating economic growth through long-term industrial policies and sound macroeconomic management.

Enable youth to acquire and upgrade skills. Because most youth are employed in agriculture and the informal sector, skills training should include preparing youth for better agricultural and nonagricultural informal employment. Apprenticeship schemes, for example through local training committees, and training schemes for agricultural or related occupations need to be strengthened and expanded. Skills acquired in nonformal learning need to be recognized and certified, and education institutions need to integrate nonformal schemes into their strategies.
Basic literacy is indispensable to employment. Improving the quality of literacy instruction in primary and secondary education is a high priority. For young people out of school who are past the age of basic secondary schooling, second-chance education can overcome literacy and numeracy deficiencies.

Skill shortages and mismatches can be addressed through formal and nonformal general education, vocational education and training, and apprenticeships. Hard skills training needs to be combined with life and employability skills training and on-the-job experience.

**Improve program effectiveness.** Evaluations have found that youth training programs are more effective if they combine complementary interventions and include work experience from the beginning, rather than focusing on skills first and jobs later. In addition, soft skills such as communication, teamwork, responsibility, and motivation also affect youth employability and should be integrated into all program activities.

Flexibility in implementation is important. Pace, components, content, and teaching approaches should be adapted to the capacities and interests of participating youth.

Vocational education and training programs need to pay more attention to the transitions among training, education, and work. Mobility into and out of education and training facilitates social mobility. Vocational education and training programs should not preclude youth from re-entering formal education. Mobility means that students can move between vocational education and training and other educational tracks, which could increase the attractiveness of vocational education and training.
CHAPTER 9

Strengthen resilience to climate and conflict shocks

Resilience is the ability to resist, absorb, accommodate, and recover from the effects of hazards in a timely and efficient manner.\textsuperscript{10} This chapter analyzes the environmental, climate, and conflict risks in Côte d’Ivoire and identifies policy solutions to strengthen the economy’s resilience to these risks over the next decade along the three dimensions of a country’s wealth: natural capital, physical capital, and human capital.\textsuperscript{11} It discusses policies and incentives to address externalities and the government’s role in compliance, monitoring, administrative capacity, mitigation technologies, and pricing externalities. And, through the perspectives of trust, governance, and institutions, the chapter examines the interactions between risks and resilience.
Diminishing natural resource base

Over the past 50 years, Côte d’Ivoire has achieved impressive economic performance but has struggled with the consequences of the lack of inclusive growth. Despite high growth and sustained poverty reduction in the 1970s, an economic downturn in the following decades, along with a loss of key political leadership, led to a period of political uncertainty that culminated in the collapse of its development model, civil war (2002–04), the de facto division of the country (2004–10), and a post-election crisis and armed conflict (late 2010 to April 2011). Unfavorable economic conditions and degradation of the governance framework that was holding the country together reinforced the country’s social divisions and regional disparities. After years of political and economic crises in the 2000s, Côte d’Ivoire regained political stability in mid-2011 and since then has experienced sustained economic recovery. This vibrant growth attests to the country’s resilience, and projections indicate that Côte d’Ivoire is transitioning to emerging market economy status.12

Since 2012, Côte d’Ivoire has been adapting to the challenges of climate change and addressing the causes of social conflict. Despite government efforts to tackle the root causes of violence and conflict, however, Côte d’Ivoire is still experiencing social and economic dynamics that could lead the country back into instability. The impacts of climate change are expected to aggravate existing challenges, making natural resources management and sustainable development all the more important. The country needs to act immediately to build resilience to environmental and climate change risks.

The natural resource base on which Côte d’Ivoire’s recent economic performance has relied is diminishing. Between 1990 and 2014, the country’s natural capital per person shrank by 26 percent. The unrestrained use of the natural capital could slow economic growth in the long run and increase the country’s vulnerability to climate and economic shocks. Climate change is anticipated to undermine Côte d’Ivoire’s resilience because of its large expected impacts and the country’s lack of preparedness. By 2050, the country is projected to face the combined effects of hotter average temperature, greater variability in rainfall, and higher sea levels. Climate change could reduce GDP by CFAF 380 billion by 2040 and by CFAF 770 billion by 2100. Already by 2030, climate change could add an additional one million people to the six million who are poor today.

A particularly vulnerable asset is Côte d’Ivoire’s forests. Forest cover contracted from an estimated 37 percent of the country’s land area in 1960 to less than 14 percent in 2010, making soils more vulnerable to climate change and reducing ecosystems’ capacity to absorb greenhouse gas emissions. Deforestation in Côte d’Ivoire is caused mainly by the rapid expansion of land under cultivation. Cocoa is the main driver of deforestation, particularly in the southwest where most of Côte d’Ivoire’s remaining forests are located.

In a vicious cycle, reducing the forest cover increases the vulnerability of agriculture, the main driver of Côte d’Ivoire’s economy. Agriculture employs more than two in three workers and contributes approximately 28 percent of GDP and 10 percent of tax revenues. Côte d’Ivoire is the world’s largest producer and exporter of cocoa, which generates 58 percent of the country’s export revenue and provides income to about one-fifth of the population. Deforestation reduces the productivity of cocoa farming by depleting nutrient sources, changing rainfall patterns, and decreasing biodiversity. Climate change is likely to aggravate these challenges. The expected changes in temperature and rainfall patterns may reduce soil fertility, accelerate evaporation and the drying of soils, and increase the risks of plant pests and diseases. Yields may start to decline by 2030, and if temperatures rise by 2.3 degrees Celsius by 2050, production in major cocoa-producing areas could decline substantially, depriving farmers of a major source of income and the government of a major source of foreign currency.

Côte d’Ivoire’s coast is highly vulnerable to the effects of climate change. The coastal zone is home to 7.5 million people, or 30 percent of the country’s population, and hosts around 80 percent of its economic activity. The ports process more than 90 percent of Côte d’Ivoire’s foreign trade, which accounts for about 60 percent of its GDP. Some two-thirds of Côte d’Ivoire’s coastline is already affected by erosion, threatening people and their livelihoods and key economic assets. The economic cost of flooding on the coast has been estimated at 2.9 percent of GDP for 2017—4.9 percent when combined with the costs of other types of environmental degradation. Sea level rise is expected to make flooding worse.

Spatial disparities and disparities in human capital

Land is among the most controversial and sensitive topics in Côte d’Ivoire and remains an important driver of tensions and violence. Land tenure and who has the right to own land have long been key issues of contention fueling the civil war, and even today intercommunity tensions remain high, with incidents of violence. Rural land rights are still unclear, and gaining secure access to land remains a constraint on investment and development.

Spatial disparities are pronounced and impede Côte d’Ivoire’s development. The country has made little progress on decentralization. Access to public goods is highly uneven, with gaps especially pronounced in the north and northwest. The poorest regions tend to be remote, while leading regions are more urbanized or located in rural areas with large-
scale farming operations. Insecurity remains a concern, particularly in urban areas, with sporadic, if limited, spikes of violence (community conflicts, youth gangs, road bandits). Since the late 1990s, new forms of violence have emerged, linked to the profound transformation of Ivorian society and the post-electoral crisis.

Disparities in human capital remain, despite strong economic performance. Economic growth has not been sufficiently inclusive. A key challenge for the country is to shift from a quantitative to a qualitative growth process. Côte d’Ivoire needs to deal with multiple issues related to human capital development, including inequalities in the distribution of the benefits of growth and the delivery of services; persistence of gender inequality; unemployment, particularly among youth; public and social spending that is not adequately pro-poor; the intersection of demographic growth and migration; and social fragmentation.

**Actions to reduce vulnerability to environmental, climate, and conflict risks**

Aware of the country’s current and future vulnerabilities, the Government of Côte d’Ivoire is responding through policies and legislation, engagement in regional and international dialogue, and investments. The country has one of Africa’s most ambitious climate risk reduction strategies, as submitted in its Nationally Determined Contribution to the United Nations Framework Convention on Climate Change in 2015. The strategy identifies water resources management, agriculture, forests and land use, coastal zones, and energy as key areas for reducing the country’s vulnerability. To increase the resilience of agriculture, the government is preparing a system for tracing cocoa to improve the income and resilience of producers and reduce deforestation. The government has also adopted a new Forest Code, which provides a regulatory framework for implementing its Forest Policy, which seeks to promote public–private partnerships for forest management, agroforestry, and tree tenure security.

Further action is needed to reduce Côte d’Ivoire’s vulnerability. Overall, to strengthen resilience to conflict, environment, and climate risks, policy makers should focus on four key areas of reform:

**Strengthen resilience to climate change.** Agriculture needs to adapt to the projected impacts of climate change. Research on resilient crop varieties and technological innovation will be necessary. Farmers will require support in accessing new markets, improving agricultural practices, and reducing risk of crop failure. The 2019 Forest Strategy needs to be implemented to stabilize the forest cover. Achieving zero-deforestation agriculture will be key. Among the steps to take are development and implementation of forest management plans and improved sustainable forest management techniques, as well as better coordination between government agencies. Improving coastal resilience will require a joint effort with other countries in the region to deal with transborder challenges. Investments, particularly in hotspots, should build on experience from pilot projects currently under way.

**Improve governance.** As structural and institutional reforms have stalled, corruption has become rampant. Corruption impedes the development of a thriving private sector and a vibrant civil society, while preventing the country from achieving its economic and social goals. Structural and institutional reforms are especially important now, because Côte d’Ivoire is facing constraints related to declining cocoa prices and rising oil prices. Government overcentralization and limited devolution of financing, the proliferation of ineffective controls, and weak implementation and follow through on important governance and institutional reforms are potential drivers of poor governance. More—and more open—policy dialogue is needed between the government and citizens, and donors, and impact monitoring of development projects and programs should be more systematic.

**Promote redistribution policies.** Rebuilding trust between the government and its citizens is crucial. That requires improving access to and the quality of basic social services and infrastructure and implementing an effective social safety net. In turn, doing this requires reinvigorating the decentralization and devolution agenda. Sufficient resources need to be allocated to the local level to ensure that they can adequately meet local needs for social services and infrastructure. Attention remains focused on investing in Abidjan and its region, to the neglect of lagging regions and cities. This has to change, through open dialogue with the government. The need for change is urgent, given the regional nature of the tensions that led to civil war and the increasing perception that the poor and the lower-middle class are not sharing in the benefits of economic growth.

In addition, risk management systems need to be strengthened, to protect individuals and households against disease, disability, premature death, poverty, and unemployment and to improve job and earning opportunities. An integrated risk management system should expand coverage of social protection and labor policies to the informal sector, integrate social insurance and social assistance programs, and expand labor programs, especially to rural areas.

**Ensure the success of the upcoming election.** As in any country with a relatively recent history of tensions and civil war, elections represent a risk. Even if a majority of the population is strongly opposed to political violence, some groups,
nurturing acute grievances, could be attracted by a narrative of fear and a discourse aimed at redressing injustice to resort to violence as a disruptive strategy. Experience shows that an early coalition of the private sector, civil society organizations, and the regional and international communities is needed to ensure the transparency, accountability, and fairness of elections. Early mobilization of support is critical, as in Kenya in 2017.

The transition from war to peace is long and complex. That process remains uncertain and incomplete in Côte d’Ivoire. Experience from other countries shows that it takes decades to achieve reconciliation after a civil war. Countries that have successfully built lasting peace focused for decades after the end of their civil war on preventing violent conflicts and promoting reconciliation. Thus, despite some real progress, Côte d’Ivoire needs to continue to nurture reconciliation, foster the reintegration of former armed groups, rebuild trust between citizens and the state, address exclusion, and reduce real and perceived inequalities. Two areas vital to peacebuilding remain particularly weak: stalled efforts to reform state institutions and the lack of redistributive policies. Left unaddressed, they could undermine agreement on a strong and inclusive social contract, which is critical to reduce tensions and prevent violence over the medium and long terms.
1 In the World Bank income classification, lower-middle-income economies are defined as those with a gross national income (GNI) per capita between $1,006 and $3,955 and upper middle income economies as those with a GNI per capita between $3,956 and $12,235 (2018).


3 Goyal and Nash 2017.

4 ASTI 2017.

5 Fuglie et al. 2020.

6 Deininger and Byerlee 2011.

7 Aker and Mbiti 2010, Deichmann, Goyal, Mishra 2016.

8 Maertens, Minten, and Swinnen 2012; Reardon et al. 2009.


10 This definition of resilience is based on the terminology used by the United Nations International Strategy for Disaster Reduction. See, for example: United Nations International Strategy for Disaster Reduction 2009: UNISDR Terminology on Disaster Risk Reduction, Geneva.

11 The conceptualization of national wealth and income is derived from the World Bank’s Changing Wealth of Nations report. National income and well-being are underpinned by a country’s assets or wealth—measured comprehensively to include produced capital, natural capital, human capital, and net foreign assets (Grange 2018:2)

12 Luc Christiaensen and Patrick Premand (editors), 2017, Côte d’Ivoire Jobs Diagnostic—Employment, Productivity, and Inclusion for Poverty Reduction, World Bank, Washington, DC.

Appendix A

Time-Phased Policy Priorities for 2021–2025 and 2026–2030

1. Leverage the Digital Revolution
2. Nurture Private Investment
3. Harness Global Value Chains
4. Urbanize Efficiently and Sustainably
5. Raise Agricultural Productivity
6. Empower Women and Girls
7. Include Youth
8. Strengthen Resilience to Climate
9. Realize Human Potential

INVESTMENT
INCLUSION
INTEGRATION
Sequencing Reform
Priorities for 2021-2025 and 2026-2030

This appendix presents recommendations for every topic and separates them into nearer term priorities for 2021–2025 and longer term priorities for 2026–2030. The recommendations are structured according to the framework of the new World Bank Group Africa Regional Strategy centering on three smart I’s: investment, integration, and inclusion.

INVESTMENT
Maintaining high growth will require substantive investments. The first set of instruments will be investment in human and physical capital. The objectives for human capital are better schooling; job training; lifelong learning; early nutrition; hygiene; and prenatal, reproductive, and child health. Physical capital improvements include digital connectivity infrastructure, transport and logistics, and water and sanitation. The priority will be to help realize synergies between physical and human capital: better water and sanitation prevents diseases; digital infrastructure raises productivity; and improved transportation linkages increase workers’ returns to schooling.

INTEGRATION
The second set of instruments will be both internal integration (e.g., urban-rural, coastal-inland) and international integration (e.g., global value chains). Priorities in domestic integration include raising agricultural productivity, promoting rural development, creating markets, reallocating surplus labor, and improving urban amenities. Priorities in international integration entail trade facilitation, logistics reform, institutional harmonization and regulatory reform, acceleration of African regional value chains and competition, and participation in global value chains. Integration will contribute to the transformation of the country’s economy through productivity-enhancing structural change and consequential job creation.

INCLUSION
Directed at people trapped in poverty, households susceptible to conflict situations, and communities vulnerable to climate change, priorities in inclusion will empower and enable these marginal segments to participate in and benefit from the country’s growth processes. Social and economic inclusion will be advanced by customized measures, public services, and targeted interventions. Coastal erosion and loss of habitat are pressing concerns, and the inclusiveness of growth for disadvantaged people and communities is gaining prominence in policy discussions.

These three I’s are aligned with the framework of Africa’s new agenda on Jobs and Economic Transformation, which argues that an economy requires three core and mutually reinforcing transformations—digital, sectoral, and spatial transformations to create more and better jobs.
These “Smart I’s”—investment, integration, and inclusions—constitute the pillar instruments for economic transformation and job creation. It will be through three complementary transformations—digital, sectoral, and spatial—that Côte d’Ivoire can sustain on a high and inclusive growth trajectory to upper-middle income.

**Digital Transformation** is about innovation, largely driven by adoption of digital as well as nondigital job-creating technologies, as well as the generation of new technologies.

**Sectoral transformation** is about industrial reallocation of resources from less to more efficient job-creating activities across farms and firms, including through product diversification and specialization linked to trade, and participation in global supply chains. The latter will be a locomotive for global learning and sufficient sales to the world market with production expansion for more and better jobs.

**Spatial transformation** is about geographical reallocation of resources from less to more efficient job-creating locations, including through regional (inland-coastal) connectivity and improved rural-urban integration. This transformation will promote “smart city”-driven learning and also transmit spillovers of prosperity to peripheral and rural areas.

The three pathways of digital, sectoral, and spatial transformations, centering on investment, integration, and inclusion, will enable not only a job-intense dynamism for employment growth, but also higher-value production and better paid jobs. This analytical structure guides and disciplines the discussion of the nearer-term policy priorities (2021–2025) and longer-term actions (2026–2030) for Côte d’Ivoire to sustain high, broadly shared, and resilient growth.
Investment

Realize Human Potential
Leverage Digital Technology
Nurture Private Investment

Policy Priorities to Realize Human Potential

2021–2025
1. Set annual targets and track progress for all solution areas.
2. Increase the health budget annually, bringing it up to international standards.
3. Ensure availability of basic inputs for all schools and health facilities.
4. Improve governance and accountability of education and health through better monitoring and reporting.
5. Target areas with the lowest human capital outcomes with social safety net interventions.
6. Determine the impact of actions in other sectors (e.g., transport, water & sanitation, power, housing) on human capital formation and develop a comprehensive action plan with budgetary commitments.
7. Ensure that human capital formation is prioritized in annual budget discussions.

2026–2030
1. Prioritize the weakest in human capital systems and services (e.g., northern and western regions).
2. Address the learning crisis where children are not meeting minimum standards.
3. Ensure that the health system has the funds, qualified staff, and management capacity to meet priority services in an equitable manner.
4. Institutionalize a safety net that is sustainable, not dependent on external resources, and well targeted.
5. Make sure that recurrent budgets are available for all human capital development investments.
6. Require all human capital investments to include a gender-based assessment of human capital impact.
7. Encourage all public investment decisions to include assessments of human capital impact.
8. Use the Human Capital Index as a dashboard to track human capital outcomes.

Policy Priorities to Leverage Digital Technology

2021–2025
1. Develop in a consultative manner, a comprehensive national strategy for the digital economy that can be updated and renewed as necessary.
2. Make digital infrastructure available and affordable for the population.
3. Take leadership to convince one or two neighboring countries to undertake a subregional West African Economic and Monetary Union (WAEMU)-Economic Community of West African States pilot for a broader market and regional digital infrastructure.
4. Continue policies to increase educational attainment and reduce illiteracy, but also engage in various types of e-learning programs.
5. Enhance the range of digital government services and payments to attain universal digital identity.
6. Capitalize on the progress made in digital financial services and create an enabling environment for the next generation services at the regional level (e.g., Unstructured Supplementary Service Data code for Financial Service Value Added Providers, the national treasury linked with the Interbank Electronic Banking Group of the Economic and Monetary Union of West Africa, activate the automated module of the WAEMU Automated Interbank Clearing System.)
1. Update the quality of science, technology, engineering, and mathematics education at the secondary level and through technical and vocational and tertiary education.
2. Invest in digital fluency and ICT literacy skills, including artificial intelligence/machine learning and data analytics.
3. Make markets competitive, by close collaboration with agencies responsible for competition rules as well as sector-specific regulations (e.g., telecommunications and finance), to encourage innovation and new entry.

POLICY PRIORITIES TO NURTURE PRIVATE INVESTMENT

2021–2025

2. Access to finance: increase the financialization of savings, improve agricultural financing, increase the penetration of digital financial services, and deepen capital markets for long-term funding.
3. Transport and logistics: raise operational efficiency at ports and market-based competition.
5. Skills: reduce barriers to entry for private sector.

2026–2030

1. Business environment: reform the tax code to encourage formalization; fight fraud and corruption.
3. Transport and logistics: foster fleet renewal, formalization of the trucking industry, and reduction/elimination of middlepersons in the transport sector.
4. Digital connectivity: address gaps in digital connectivity and promote competition.
5. Skills: improve learning outcomes, develop technical and vocational education and training (TVET), and improve teacher quality.
Integration
Harness Global Value Chains
Urbanize Efficiently and Sustainably
Raise Agricultural Productivity

**POLICY PRIORITIES TO HARNESS GLOBAL VALUE CHAINS**

**2021–2025**

1. Facilitating firm entry, survival, and growth
   - Improve the business environment (e.g., property right protection, market regulation, and legal framework).
   - Ease access to finance for new entries and investment of incumbents.
   - Reduce market distortions by reforming state-owned enterprises.

2. Boosting productivity to ensure job and income growth
   - Promote research and development (R&D) and innovation efforts of new entrants as well as incumbents.
   - Leverage and bolster economic clusters and agglomeration economies.

3. Promoting global value chain (GVC) participation and upgrading
   - Expand activities in high-growth markets and improve competitiveness.
   - Enhance market access through favorable trade agreements (preferential tariffs, less restrictive non-tariff trade barriers, and simplified rules of origin), trade facilitation, and logistics.
   - Liberalize trade by reducing tariff and non-tariff barriers on inter- and intraregional trade.

4. Strengthening sectoral linkages and improving productive and absorptive capacities
   - Adopt foreign direct investment policy with incentive packages that prioritize strategic sectors.
   - Invest in enabling sectors such as digital infrastructure, energy, finance, and logistics.
   - Reduce the infrastructure gap through investments and appropriate public sector management.

5. Supporting inclusive and better job creation
   - Adopt and enforce compliance with high standards of worker safety and benefits.
   - Focus on employability and transition from study to work, particularly into GVC-specific jobs.

**2026–2030**

1. Facilitating firm entry, survival, and growth
   - Enhance mobility and entrepreneurship (e.g., better hiring and firing practices, effective training, and skill development).

2. Boosting productivity to ensure job and income growth prospects
   - Promote greater trade openness and participation in regional and global value chains.
   - Improve human resource management practices.
   - Leverage urbanization and agglomeration economies.

3. Promoting GVC participation and upgrading
   - Increase trade liberalization to gain market access.
   - Lead and push for a regional initiative like the African Continental Free Trade Area for scale economies and complementarities in processing and high-value exports.

4. Strengthening sectoral linkages and improving productive and absorptive capacities
   - Continue to promote trade and investment.
   - Invest in digital infrastructure, energy, finance, transportation, and logistics.
   - Raise efficiency of public infrastructure investments; adopt good public sector management.

5. Supporting inclusive and better job creation
   - Raise labor productivity and upgrade to higher value-added activities.
   - Upgrade the systems of education and training.
POLICY PRIORITIES TO URBANIZE EFFICIENTLY AND SUSTAINABLY

2021–2025

1. Financing
   • Reduce the inconsistencies between devolution and decentralization.
   • Improve transfer schemes, consolidate, and consider measures to incentivize performance.
   • Seek financing for global connectors and creditworthy regional and domestic connectors.

2. Planning
   • Improve land markets.
   • Expand services.

3. Connecting
   • Coordinate land use and infrastructure to improve mobility.
   • Accelerate reforms for greater professionalism and better financing of transport operators.
   • Better organize the freight transport sector and make it more competitive.

4. Greening
   • Increase coverage of basic services—water, sanitation, waste collection, and electricity—to reduce pollution.

2026–2030

1. Financing
   • Strengthen local financing and revise the fiscal transfer system.
   • Leverage regional collaboration to generate economies of scale in infrastructure and utilities.

2. Planning
   • Simplify planning regulations.

3. Connecting
   • Establish a market information system to connect transporters with customers.
   • Invest in strategic corridors and strengthen urban agglomerations and city development.
   • Diversify the corridors connecting to regional markets.

4. Greening
   • Coordinate land use planning and infrastructure to reduce emissions.
   • Coordinate land use planning and infrastructure for resilience by integrating the assessment of flood and climate change risks into city planning.

POLICY PRIORITIES TO RAISE AGRICULTURAL PRODUCTIVITY

2021–2025

1. Improve the agricultural policy environment through trade and regulatory policy reforms.
2. Rebalance the composition of public agricultural spending.
3. Increase spending on agricultural R&D.
4. Strengthen financial services and help farmers manage and hedge risk.
5. Begin better land titling programs and processes.
6. Invest in extension, training, and information services.

2026–2030

1. Invest to strengthen markets, land and water management, development, and dissemination of improved technologies.
2. Invest in improved technologies, extension services, land governance, and market linkages.
3. Integrate investments in improved technologies, extension support, irrigation, and market linkages.
4. Provide secure land tenure.
5. Build rural marketing infrastructure.
6. Enable adoption of post-harvest systems of distribution and processing to replace traditional markets, matching smallholder supply to consumer demand by modern value chains.
Inclusion

Empower Women
Include Youth
Strengthen Resilience

**POLICY PRIORITIES TO EMPOWER WOMEN**

**2021 – 2025**

1. Tackling interlocking constraints among adolescents
   • Target educational attainment and skill-building among adolescent girls could address several challenges simultaneously, changing the trajectory of girls’ lives by delaying childbearing, opening up economic possibilities, and reducing fertility.

2. Creating an enabling legal framework
   • Examples include allowing women to work in the same industries as men, simplifying procedures to open financial accounts, criminalizing domestic violence, and enforcing legislation on representation of women on electoral lists.

3. Investing in solutions with an established evidence base
   • Examples for health care provision include investing in deworming programs and malaria prevention and treatment.
   • Another evidence-based solution is giving women more direct control over resources by employing design or features such as privacy or digital payment systems.

**2026 – 2030**

1. Ramp up investments
   • Enhance support for violence prevention and intervention, increase investment in women-friendly transportation, and address technology constraints (e.g., improving women’s access to mobile-based banking platforms).

   • Develop entertaining mass media approaches to address gender-inegalitarian social norms (potentially in partnership with private sector media outlets).

2. Mainstream gender egalitarian approaches in public services
   • Introduce messaging and protocols at critical junctures for recipients of government programs (e.g., offer subsidized benefits to households that include the wife as a property holder).

3. Legislate for a modernizing economy
   • Adopt legislation to match expected economic changes, such as paid parental leave and encouraging more equal leave-sharing between parents as Côte d’Ivoire continues to formalize.

**POLICY PRIORITIES TO INCLUDE YOUTH IN ECONOMIC OPPORTUNITIES AND ENHANCED EMPLOYABILITY AND PRODUCTIVITY**

**2021 – 2025**

1. Skills: formal and nonformal general education, TVET, and apprenticeship training.

2. Literacy: improving literacy through better primary education is a high priority.

3. Multiple interventions: evaluations establish that programs are more effective if they combine complementary interventions. Training programs are effective only if they integrate work experience, rather than focusing on skills first and jobs later.

4. Flexibility: pace, components, content, and teaching approaches should be adapted to the capacities and interests of different types of youth.
**2026–2030**

1. Transitioning: mobility into and out of education and training facilitates social mobility, such that youth can re-enter education later in life. Mobility would allow students to move between TVET and other tracks, which could increase the attractiveness of TVET.

2. Agricultural and informal employment: skills development should include youth in agricultural and nonagricultural informal employment.

3. Soft skills: Communication, teamwork, responsibility, motivation, and so forth matter for improving youth employability. Soft skills should be integrated into all program activities.

**POLICY PRIORITIES TO STRENGTHEN RESILIENCE TO CLIMATE AND CONFLICT SHOCKS**

**2021-2025**

1. Implement the 2025 roadmap of the zero deforestation agriculture orientation note
   - Support farmers in accessing new markets, diversifying sources of income, improving agricultural practices, and reducing risk from crop failure.
   - Establish standards for sustainable cocoa production.
   - Develop a traceability system, including verification.

2. Implement the forest strategy 2019-2030
   - Clarify the boundaries and typology for the network of classified forests and protected areas.
   - Finalize and implement the forest development plans, including for classified forests and agro-forests.
   - Implement the emissions reduction program in the Tai National Park area and the Mé Reducing Emissions from Deforestation and forest Degradation (REDD+) project.

3. Build coastal resilience
   - Engage in the WACA platform to support knowledge, partnerships, and investments in coastal zone management.
   - Implement the WACA resilience investment project, including building national institutions (coastal agency) and monitoring systems, national coastal planning (PAGLI), investment in Grand-Lahou, and strengthening the protection of protected coastal areas (Azagnie and Ehotilé islands National Parks).
   - Develop a national multisectoral investment plan, including hotspots of coastal degradation (Assinie, Grand-Bassam, Abidjan, Grand-Lahou, and San Pedro).

4. Broaden social safety nets, community-driven development, and youth employment opportunities, especially in the north of the country.

5. Focus on lagging regions in terms of basic social services.

**2026–2030**

1. Implement the multisectoral REDD+ strategy at the national scale based on findings from the implementation of REDD+ activities (enterprise resource planning in the Tai area and Mé REDD+ project).

2. Continue to implement the 2025 roadmap of the zero deforestation agriculture orientation note
   - Priority: support farmers in implementing the standards for sustainable cocoa production.

3. Continue to implement the forest strategy 2019-2030
   - Generalize management plans for all classified forests and protected areas and implement them, including co-management agreements with local communities, nongovernmental organizations, and the private sector.

4. Build coastal resilience
   - Implement the national multisectoral investment plan in line with the integrated coastal management plan and strategy.

5. Carry out the decentralization and devolution agenda
This appendix contains the complete set of the recommenda-
tions made by World Bank specialist teams on each topic in
the report. Each team compiled recommendations based on
its diagnostic work to overcome specific impediments to Côte
d’Ivoire’s accelerated growth and broader inclusion. Some
recommendations are operational; some are aspirational.

There are 114 recommendations—some of which are com-
pounds of multiple specific actions. Taken together, they
comprise a comprehensive reform agenda. None of these
recommendations is simple or noncontroversial. Some of the
reforms have already begun.

There are five types of recommendations, with varying
impacts, timeframes, and discretion for government action.
These are listed here in terms of the degree of government
control, from the greatest control to the lowest control:

- **Strategic** – These are longer-term actions, “think
  pieces,” entirely within control of the government, but
  with no direct impacts.

- **Administrative** – These are entirely within the
government’s control, can be done in the short term,
but they may be difficult to implement to overcome
inertia. Their impacts depend on how effectively they
are adopted.

- **Budgetary** – Increasing or shifting resources can
deliver strong impacts. There is usually limited
flexibility in the short term, but complete flexibility
over time. However, the government may have to
overcome entrenched political and economic interest
groups.

- **Regulatory** – Regulations set the rules for private
action and regulators or the government have
flexibility within the legislative framework to change,
amend, or suspend them. They are established
to respond to specific needs and concerns, but as
conditions change, they should be reconsidered and
modified or eliminated to adapt to emerging goals and
realities. Change can be swift as many governments
have overcome regulatory obstacles to respond more
effectively to COVID-19.

- **Legislative** – Unless the government enjoys a
legislative majority, it has the least control over
legislation. This may be the most time-consuming
recommendation and has no impact before
new legislation is fully implemented. But, once
implemented, it can be the most impactful and far-
reaching. Legislative change is necessary to redirect a
country’s structure and course.

Below is a list of the 114 recommendations, numbered and
identified by the section of the report from which they are
drawn, and sorted according to which of the five types of
recommendations they represent. There were only three
recommendations for legislative change, and the most
frequent recommendation (36 occurrences) was budgetary—
new programs or greater funding for existing programs.
The three other types of recommendations (planning,
administrative, regulatory) were about equally frequen.

Ranking the 114 recommendations according to any
criterion—most urgent, most important, most impactful,
most immediate, most difficult, easiest—requires specifying
the criterion that matters. There would be different rankings
under each criterion. However, there are some commonalities
among the specialist teams’ recommendations that would
move them near the top of the rankings on any criterion.
These themes are interlocking, and they provide the
programmatic foundations of reforms underlying improved
growth and broader inclusion.
RECOMMENDATIONS SORTED BY TYPE IDENTIFIED BY PROGRAMMATIC AREA

**AP**  Agricultural Productivity  
**DT**  Digital Technology  
**EWG**  Empowering Women and Girls  
**GVC**  Global Value Chains  
**HP**  Human Potential  
**IG**  Inclusive Growth  
**IY**  Include Youth  
**PI**  Private Investment  
**SR**  Strengthening Resilience  
**URZ**  Urbanization

**STRATEGIC**

**IG 1.**  Invest in a rural development strategy.  
**IG 4.**  Set up a program to promote (i) teaching as one of the best public professions and (ii) accountability and a performance-based program with schools and teachers.  
**IG 5.**  Rethink agricultural strategy in connection with rapid urbanization and growing population.  
**IG 6.**  Rethink spatial development to create economic opportunities outside the Greater Abidjan Area.  
**IG 7.**  Rethink education system for better human capital outcomes.  
**HP 6.**  Determine the impact of other sectors on human capital formation and develop an action plan.  
**DT 1.**  Develop a comprehensive national strategy for the digital economy.  
**DT 3.**  Convince one or two neighboring countries to jointly undertake reforms within a subregional West African Economic and Monetary Union–Economic Community of West African States pilot.  
**DT 4.**  Enact policies to increase educational attainment and reduce illiteracy and engage in and support e-learning.  
**URZ 15.**  Coordinate land use planning and infrastructure to reduce emissions.  
**URZ 16.**  Coordinate land use planning and infrastructure for resilience by integrating the assessment of flood and climate change risks into city planning.  
**GVC 5.**  Target entering and expanding activities in high-growth markets and improving competitiveness.  
**GVC 8.**  Adopt better trade and investment policies for foreign direct investment, trade, and investment promotion.  
**GVC 18.**  Push for a regional industrial policy.

**SR 2.**  Establish standards for sustainable cocoa production.  
**SR 3.**  Develop a traceability system, including verification.  
**SR 4.**  Clarify the boundaries and typology for the network of classified forests and protected areas.  
**SR 5.**  Finalize and implement the forest development plans, including for classified forests and agro-forests.  
**SR 6.**  Implement the emissions reduction program in the Tai National Park area and the Mé Reducing Emissions from Deforestation and forest Degradation (REDD+) SR project.  
**SR 7.**  Engage in the West Africa Coastal Areas Management Program (WACA) platform to support knowledge, partnerships, and investments in coastal zone management.  
**SR 8.**  Develop a national multisectoral investment plan, including hotspots of coastal degradation.

**ADMINISTRATIVE**

**HP 1.**  Set annual targets and track progress for all human potential solution areas.  
**HP 4.**  Improve governance and accountability of education and health through better monitoring and reporting.  
**HP 5.**  Target areas with the lowest human capital outcomes with social safety net interventions.  
**DT 5.**  Enhance the range of digital government services and payments and attain universal digital identity.  
**PI 2.**  Access to finance: increase financialization of savings, increase the penetration of digital financial services, and deepen capital markets for long-term funding.  
**PI 3.**  Transport and logistics: enhance efficiency at ports and promote market-based competition.  
**URZ 1.**  Reduce the inconsistencies between devolution and decentralization.  
**URZ 2.**  Improve transfer schemes, consolidate, and consider measures to incentivize performance.  
**URZ 6.**  Coordinate land use and infrastructure to improve mobility.  
**URZ 10.**  Leverage collaboration between regions, municipalities, and utilities to generate economies of scale in infrastructure.  
**GVC 3.**  Reduce market distortions by reforming state-owned enterprises.  
**GVC 6.**  Gain market access through favorable trade agreements, trade facilitation, and logistics.  
**GVC 7.**  Provide support that improves human resource management practices.
**GVC. 12.** Focus on systems of education and training that emphasize employability and facilitate transition from study to work, particularly into global value chain (GVC)-specific jobs.

**GVC. 14.** Work toward more trade openness and participation in regional and global value chains.

**GVC. 15.** Provide support that improves human resource management practices.

**GVC. 23.** Focus on systems of education and training that emphasize employability and facilitate transition from study to work, particularly into GVC-specific jobs.

**AP 4.** Help farmers manage and hedge risk.

**EWG 1.** Improve educational attainment and skills-building among adolescent girls; enforce legislation on representation of women on electoral lists.

**EWG 7.** Introduce messaging and protocols for beneficiaries of government programs.

**IY 3.** Multiple interventions for youth: integrate training programs with work experience, rather than focusing on skills first and jobs later.

**IY 4.** Flexibility: pace, components, content, and teaching approaches should be adapted to the capacities and interests of different types of youth.

**IY 5.** Transitioning: mobility into and out of education and training facilitates social mobility, such that youth can re-enter education later in life.

**IY 6.** Agricultural and informal employment: skills development should include youth in agricultural and non-agricultural informal employment.

**IY 7.** Soft skills: communication, teamwork, responsibility, motivation, and so forth matter for improving youth employability. Soft skills should be integrated into all program activities.

**SR 11.** Focus on lagging regions in terms of basic social services

**BUDGETARY**

**IG 2.** Tackle vulnerability in urban areas.

**IG 3.** Coordinate and provide training and capital to support informal sector workers.

**HP 2.** Increase the health budget annually, bringing it up to international standards.

**HP 3.** Ensure availability of basic inputs for all schools and health facilities.

**HP 7.** Ensure that human capital formation is prioritized in annual budget discussions.

**DT 7.** Improve human capital in preparation for jobs with high digital intensity and to support an entrepreneurship ecosystem that promotes digital creators, designers, and makers.

**PI 10.** Skills: improve learning outcomes, developing technical and vocational education and training and improving teacher quality.

**URZ 3.** Seek financing for global connectors and creditworthy regional and domestic connectors.

**URZ 5.** Expand services.

**URZ 9.** Increase coverage of basic services for reduced pollution—water, sanitation, waste collection, and electricity.

**URZ 12.** Establish a market information system to connect transporters with customers.

**URZ 13.** Invest in strategic corridors and strengthen urban agglomerations and city development.

**URZ 14.** Diversify the corridors connecting to regional markets.

**GVC. 4.** Subsidize research and development (R&D) and innovation efforts of new entrants as well as incumbents.

**GVC. 9.** Invest in cross-cutting and enabling sectors such as digital infrastructure, energy, finance, transportation, and logistics.

**GVC. 10.** Narrow the infrastructure gap through public investments and adopting an appropriate public sector management system.

**GVC. 22.** Raise labor productivity and upgrade to higher value-added activities along the GVCs to ensure that wages are not overly suppressed to attract and keep GVC-linked jobs.

**AP 2.** Rebalance the composition of public agricultural spending.

**AP 3.** Increase spending on agricultural R&D.

**AP 7.** Invest in extension, training, and information services.

**AP 8.** Invest to strengthen markets, land and water management, and development and dissemination of improved technologies.

**AP 9.** Invest in improved technologies, extension services, land governance, and market linkages.

**AP 10.** Integrate investments in improved technologies, extension support, irrigation, and market linkages.

**EWG 3.** Invest in deworming programs and malaria prevention and treatment.

**EWG 5.** Develop programs for violence prevention and intervention.

**EWG 6.** Develop mass media approaches to address gender-inegalitarian social norms.

**IY 1.** Skills for youth: formal and nonformal general education, TVET, and apprenticeship training.
IY 2. Literacy: improve literacy through better primary education.
SR 8. Implement the WACA resilience investment project, including building national institutions (coastal agency) and monitoring systems, national coastal planning (PAGLI), investment in Grand-Lahou, and strengthening the protection of protected coastal areas.
SR 10. Expand social safety nets, community-driven development, and youth employment opportunities, especially in the north of the country.
SR 12. Implement the multisectoral REDD+ strategy at the national scale based on findings from the implementation of REDD+ activities (enterprise resource planning in the Tai area and Mé REDD+ project).
SR 14. Generalize management plans for all classified forests and protected areas and implement them, including co-management agreements with local communities, nongovernmental organizations, and the private sector.
SR 15. Implement the national multisectoral investment plan in line with the integrated coastal management plan and strategy

REGULATORY

DT 2. Make digital infrastructure available and affordable for a large part of the population.
DT 6. Capitalize on progress in digital financial services and create an enabling environment for next generation services at the regional level.
DT 8. Develop, evaluate, and maintain a system of competitive, contestable, and innovative digital markets.
PI 1. Business environment: simplify processes to improve formalization, improve competition policy, and roll out the development of industrial zones and new special economic zones.
PI 5. Skills: reduce barriers to entry for the private sector.
PI 8. Transport and logistics: formalize the trucking industry, fleet renewal, and reduce the number of middlepersons in the transport sector.
PI 9. Digital connectivity: address gaps in digital connectivity and promote market-based competition.
URZ 4. Improve land markets.
URZ 7. Accelerate reforms for greater professionalism and better financing of transport operators.
URZ 8. Better organize the freight transport sector and make it more competitive.
URZ 12. Simplify planning regulations.
GVC 1. Improve the business environment like property right protection, market regulation, and legal framework.
GVC 2. Ease access to finance to promote entry rate of new establishments and investment of incumbents.
GVC 11. Adopt and enforce compliance with high standards of worker safety and benefits.
GVC 13. Establish labor market regulations to enhance labor mobility and entrepreneurship such as better hiring and firing practices, effective training, and skill development programs.
GVC 17. Reduce tariff and non-tariff trade barriers on inter- and intra-regional trade.
AP 1. Improve the agricultural policy environment through trade and regulatory policy reforms.
AP 5. Strengthen financial services.
AP 11. Provide secure land tenure.
AP 12. Build rural marketing infrastructure.
AP 13. Enable adoption of post-harvest systems of distribution and processing to replace traditional markets, matching smallholder supply to consumer demand by modern value chains.
EWG 4. Give women more direct control over resources in privacy or digital payment systems and mobile banking platforms

LEGISLATIVE

EWG 2. Create equal legal rights: allow women to work in the same industries as men, simplify procedures to open financial accounts, criminalize domestic violence, and enforce legislation.
EWG 8. Adopt legislation to mandate economic change, such as paid parental leave and requiring more equal leave-sharing between parents.
Appendix C

World Bank Group Specialist Team’s 114 Recommendations Based on Their Analyses in the Main Report’s Ten Areas
POLICY OVERVIEW – APPENDIX

INCLUSIVE GROWTH

IG 1. Invest in a rural development strategy.
IG 2. Tackle vulnerability in urban areas.
IG 3. Coordinate, provide training and capital to support informal sector workers.
IG 4. Set up a program to promote (i) teaching as one of the best public professions and (ii) accountability and a performance-based program with schools and teachers.
IG 5. Rethink agricultural strategy in connection with rapid urbanization and growing population.
IG 6. Rethink spatial development to create economic opportunities outside the Greater Abidjan Area.
IG 7. Rethink the education system for better human capital outcomes

HUMAN POTENTIAL

HP 1. Set annual targets and track progress for all solution areas.
HP 2. Increase the health budget annually, bringing it up to international standards.
HP 3. Ensure availability of basic inputs for all schools and health facilities.
HP 4. Improve governance and accountability of education and health through better monitoring and reporting.
HP 5. Target areas with the lowest human capital outcomes with social safety net interventions.
HP 6. Determine the impact of actions in other sectors (e.g., transport, water and sanitation, power, housing) on human capital formation and develop a comprehensive action plan with budgetary commitments.
HP 7. Ensure that human capital formation is prioritized in annual budget discussions

DIGITAL TECHNOLOGY

DT 1. Develop, in a consultative manner, a comprehensive national strategy for the digital economy that will guide policies in the medium and long term. The strategy should include generation and maintenance of data that would be necessary to monitor implementation and evaluate impact so that the strategy can be updated and renewed as necessary.
DT 2. Make digital infrastructure available and affordable for a large part of the population as a high priority for the government in the short to medium term.
DT 3. Take a leadership role in convincing one or two neighboring countries to jointly undertake key reforms within the context of a subregional West African Economic and Monetary Union (WAEMU)-Economic Community of West African States (ECOWAS) pilot, thereby allowing digital entrepreneurs to reach a broader regional market, and entrepreneurs across the economy to adopt and use lower-cost digital infrastructure and solutions enabled by a larger and more competitive regional market. The larger market could both create possibilities of larger economies of scale for the incumbent mobile network operators and create the possibility of a spectrum auction to be held simultaneously in these two or three countries so that an additional non-incumbent operator could also enter, thereby increasing competition.
DT 4. Enhance human capital. Continue policies to increase educational attainment and reduce illiteracy. Engage in and support various types of e-learning programs.
DT 5. Expand digital government services and payments to attain universal digital identity.
DT 6. Capitalize on the progress already made in digital financial services and create an enabling environment for next generation services at the regional level. Actions would include (i) liberalization of the access Unstructured Supplementary Service Data (USSD) code for financial service value-added providers; (ii) connection of the National Treasury to the Interbank Electronic Banking Group of the Economic and Monetary Union of West Africa, the regional switch platform operated by the Central Bank of West African States, and the activation of an automated module of the WAEMU Automated Interbank Clearing System, the regional retail payment system; (iii) the digitalization of major government-to-person programs; and (iv) launch of a multi-year National Education Program. Côte d’Ivoire should be at the forefront and lead in encouraging its neighbors to adopt these actions.
DT 7. The most important policy long term is to improve the country’s human capital both in preparation for jobs with high digital intensity and to support an entrepreneurship ecosystem that promotes digital creators, designers, and makers. Update the quality of science, technology, engineering, and mathematics education at the secondary level and through technical and vocational and tertiary education to develop a workforce capable of competing in technology-driven economies. In particular, this entails investing in digital fluency and information and communications technology literacy skills, including in promising areas such as artificial intelligence/machine learning and data analytics.
The second priority is to develop and maintain, with close collaboration between agencies responsible for competition rules as well as sector-specific regulations (such as telecommunications and finance), a system of continuous evaluation of digital markets to ensure that these markets remain competitive and contestable and encourage innovation and new entry, with sufficient authority to take corrective actions in instances where competition is lacking.

**PRIVATE INVESTMENT**

**PI 1.** Business environment: simplify processes to improve formalization, improve competition policy, and roll out the development of industrial zones and new special economic zones.

**PI 2.** Access to finance: increase the financialization of savings, increase the penetration of digital financial services, and deepen capital markets for long-term funding.

**PI 3.** Transport and logistics: enhance operational efficiency at ports and promote market-based competition.

**PI 4.** Digital connectivity: reducing the cost of digital connectivity.

**PI 5.** Skills: reduce barriers to entry for the private sector.

**PI 6.** Business environment: reform the tax code to encourage formalization; fight fraud and corruption.

**PI 7.** Access to finance: increase financialization of savings, improve agricultural financing, and deepen capital markets for long-term funding.

**PI 8.** Transport and logistics: foster formalization of the trucking industry, fleet renewal, and reduced number of middlepersons in the transport sector.

**PI 9.** Digital connectivity: address gaps in digital connectivity and promote market-based competition.

**PI 10.** Skills: improve learning outcomes, develop technical and vocational education and training (TVET), and improve teacher quality.

**GLOBAL VALUE CHAINS**

**GVC 1.** Improve the business environment (e.g., property right protection, market regulation, and legal framework).

**GVC 2.** Ease access to finance to promote new entries and investment of incumbents.

**GVC 3.** Reduce market distortions by reforming state-owned enterprises.

**GVC 4.** Subsidize research and development (R&D) and innovation efforts of new entrants and incumbents.

**GVC 5.** Target expansion in high-growth markets and improve competitiveness.

**GVC 6.** Exert effort toward gaining market access through favorable trade agreements (preferential tariffs, less restrictive non-tariff trade barriers, and simplified rules of origin) as well as trade facilitation and logistics.

**GVC 7.** Support improved human resource management.

**GVC 8.** Adopt better trade and investment policies such as foreign direct investment policy (identify strategic sectors in the provision incentive packages), trade, and investment promotions.

**GVC 9.** Invest in cross-cutting and enabling sectors such as digital infrastructure, energy, finance, transportation, and logistics.

**GVC 10.** Narrow the infrastructure gap through raising public investments and adopting an appropriate public sector management system.

**GVC 11.** Adopt and enforce compliance with high standards of worker safety and benefits.

**GVC 12.** Focus on systems of education and training that emphasize employability and facilitate transition from study to work, particularly into global value chain (GVC)-specific jobs.

**GVC 13.** Establish labor market regulations to enhance labor mobility and entrepreneurship, such as better hiring and firing practices, effective training, and skill development programs.

**GVC 14.** Work toward more trade openness and participation in regional and global value chains.

**GVC 15.** Provide support that improves human resource management practices. Leverage urbanization as well as establish and bolster economic clusters.

**GVC 16.** Exert effort toward gaining market access through favorable trade agreements (preferential tariffs, less restrictive non-tariff trade barriers, and simplified rules of origin) as well as trade facilitation and logistics.

**GVC 17.** Promote trade liberalization by reducing tariff and non-tariff trade barriers on inter- and intra-regional trade.

**GVC 18.** Push for a regional industrial policy much like the African Continental Free Trade Area to bolster scale economies and complementarities in processing and high-value exports.
GVC 19. Adopt better trade and investment policies such as foreign direct investment policy (identify strategic sector in the provision incentive packages), trade, and investment promotions.

GVC 20. Invest in cross-cutting and enabling sectors such as digital infrastructure, energy, finance, transportation, and logistics.

GVC 21. Reduce the infrastructure gap by raising public investments and adopting an appropriate public sector management system.

GVC 22. Raise labor productivity and upgrade to higher value-added activities to attract and keep GVC linked jobs.

GVC 23. Focus on systems of education and training for employability and transition from study to work, particularly into GVC-specific jobs.

URZ 1. Reduce the inconsistencies between devolution and decentralization of fiscal resources and responsibility.

URZ 2. Improve transfer schemes, consolidate, and consider measures to incentivize performance.

URZ 3. Seek financing for global connectors and creditworthy regional and domestic connectors.

URZ 4. Improve land markets.

URZ 5. Expand public amenities and social services.

URZ 6. Coordinate land use and infrastructure to improve mobility.

URZ 7. Accelerate reforms for professionalism and better financing of transport operators.

URZ 8. Better organize the freight transport sector and make it more competitive.

URZ 9. Increase coverage of basic services for reduced pollution—water, sanitation, waste collection, and electricity.

URZ 10. Leverage collaboration between regions, municipalities, and utilities to generate economies of scale in infrastructure.

URZ 11. Simplify planning regulations.

URZ 12. Establish a market information system to connect transporters with customers.

URZ 13. Invest in strategic corridors to strengthen agglomerations and city development.

URZ 14. Diversify the corridors connecting to regional markets.

URZ 15. Coordinate land use planning and infrastructure to reduce emissions.

URZ 16. Coordinate land use planning and infrastructure for resilience by integrating the assessment of flood and climate change risks into city planning.

**AGRICULTURAL PRODUCTIVITY**

AP 1. Improve the agricultural policy environment through trade and regulatory reforms.

AP 2. Rebalance the composition of public agricultural spending.


AP 6. Improve land titling programs and processes.

AP 7. Invest in extension, training, and information services.

AP 8. Invest to strengthen markets and land and water management.

AP 9. Invest in improved technologies, extension services, land governance, and market linkages.

AP 10. Integrate investments in improved technologies, extension support, irrigation, and market linkages.

AP 11. Provide secure land tenure.

AP 12. Build rural amenities and infrastructure (marketing, distribution).

AP 13. Enable adoption of post-harvest systems of distribution and processing to replace traditional markets, matching smallholder supply to consumer demand by modern value chains.

**EMPOWER WOMEN AND GIRLS**

A. Tackle interlocking constraints among adolescents

EWG 1. Educational attainment and skill building among adolescent girls could address several challenges simultaneously, changing the trajectory of girls’ lives by delaying childbearing, opening up economic possibilities, and reducing fertility.

B. Create an enabling legal framework

EWG 2. Examples include allowing women to work in the same industries as men, simplifying procedures to open financial accounts, criminalizing domestic Violence, and enforcing legislation on representation of women on electoral lists.

EWG 3. Examples for health care provision include investing in deworming programs and malaria prevention and treatment.
**EWG 4.** Another evidence-based solution is giving women more direct control over resources by employing design or program features such as privacy or digital payment systems.

**C. Mainstream gender egalitarian approaches in public services and legislation**

**EWG 5.** Enhance support for violence prevention and intervention, increase investment in women-friendly transportation, and address technology constraints (e.g., improving women’s access to mobile-based banking platforms).

**EWG 6.** Develop entertaining mass media approaches to address gender-inegalitarian social norms (potentially in partnership with private sector media outlets).

**EWG 7.** Introduce messaging and protocols at critical junctions for recipients of government programs (e.g., offer subsidized benefits to households that include the wife as a property holder).

**EWG 8.** Adopt legislation to match expected economic changes, such as mandating paid parental leave and encouraging more equal leave-sharing between parents.

**INCLUDE YOUTH**

**IY 1.** *Skills:* formal and nonformal general education, TVET, and apprenticeship training.

**IY 2.** *Literacy:* improving literacy through better primary education is a high priority.

**IY 3.** *Multiple interventions:* evaluations establish that programs are more effective if they combine complementary interventions. Training programs are effective only if they integrate work experience, rather than focusing on skills first and jobs later.

**IY 4.** *Flexibility:* pace, components, content, and teaching approaches should be adapted to the capacities and interests of different types of youth.

**IY 5.** *Transitioning:* mobility into and out of education and training facilitates social mobility, such that youth can re-enter education later in life. Mobility would allow students to move between TVET and other tracks, which could increase the attractiveness of TVET.

**IY 6.** *Agricultural and informal employment:* skills development should include youth in agricultural and non-agricultural informal employment.

**IY 7.** *Soft skills:* communication, teamwork, responsibility, motivation, and so forth matter for improving youth employability. Soft skills should be integrated into all program activities.

**STRENGTHEN RESILIENCE**

**SR 1.** Support farmers in accessing new markets, diversifying sources of income, improving agricultural practices, and reducing risk from crop failure.

**SR 2.** Establish standards for sustainable cocoa production.

**SR 3.** Develop a traceability system, including verification.

**SR 4.** Clarify the boundaries and typology for the network of classified forests and protected areas.

**SR 5.** Finalize and implement the forest development plans, including for classified forests and agro-forests.

**SR 6.** Implement the emissions reduction program in the Tai National Park area and the Mé Reducing Emissions from Deforestation and forest Degradation (REDD+) SR project.

**SR 7.** Engage in the West Africa Coastal Areas Management Program (WACA) platform to support knowledge, partnerships, and investments in coastal zone management.

**SR 8.** Implement the WACA resilience investment project, including building national institutions (coastal agency) and monitoring systems, national coastal planning (PAGLI), investment in Grand-Lahou, and strengthening the protection of protected coastal areas.

**SR 9.** Develop a national multisectoral investment plan, including hotspots of coastal degradation.

**SR 10.** Expand social safety nets, community-driven development, and youth employment opportunities, especially in the north of the country.

**SR 11.** Focus on lagging regions in terms of basic social services.

**SR 12.** Implement the multisectoral REDD+ strategy at the national scale based on findings from the implementation of REDD+ activities (enterprise resource planning in Tai area and Mé REDD+ project).

**SR 13.** Priority: support farmers in implementing the standards for sustainable cocoa production.

**SR 14.** Generalize management plans for all classified forests and protected areas and implement them, including co-management agreements with local communities, nongovernmental organizations, and the private sector.

**SR 15.** Implement the national multisectoral investment plan in line with the integrated coastal management plan and strategy.