



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 04-May-2020 | Report No: PIDC29451



BASIC INFORMATION

A. Basic Project Data

Country Cote d'Ivoire	Project ID P174110	Project Name Cote D'Ivoire COVID-19 Emergency DPO 2021 (P174110)	Parent Project ID (if any)
Region AFRICA	Estimated Board Date Jul 27, 2020	Practice Area (Lead) Macroeconomics, Trade and Investment	Financing Instrument Development Policy Financing
Borrower(s) REPUBLIC OF CÔTE D'IVOIRE	Implementing Agency Ministry of Finance		

Proposed Development Objective(s)

The Program Development Objectives and Pillars of the proposed operation are to: (1) strengthen the COVID-19 emergency response and (2) promote economic recovery.

Financing (in US\$, Millions)

SUMMARY

Total Financing	300.00
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DETAILS

Total World Bank Group Financing	300.00
World Bank Lending	300.00

Decision

The review did authorize the preparation to continue

B. Introduction and Context

Country Context

The proposed COVID-19 Emergency Response and Recovery Development Policy Financing (ERR-DPF) in the amount of [USD 300] million to the government of Cote d'Ivoire (CIV) seeks to cushion the impact of the COVID-19 crisis on the economy and lay the foundations for recovery. This support is both urgent and critical, given the magnitude of the economic crisis in Ivory Coast caused by the pandemic, further exacerbated by the global recession. The Program



Development Objectives of the CRR-DPF are to: (i) protect lives and livelihoods (Pillar 1), and (ii) protect the future (Pillar 2).

1. **COVID-19 will have a significant impact also for the Ivoirian economy.** This impact will be the outcome of the effects of a global recession in 2020. The World Bank's projection for global GDP growth has been cut from 2.5 percent (positive) to -2.2 percent. Initially, the global spreading in developed countries was expected to have limited impact for Cote d'Ivoire through the typical external shock channels. As Cote d'Ivoire is a net oil importer, exports are concentrated in agri-commodities and direct exposure to China is limited. However, with the first domestic cases, the government started to implement containment measures trying to restrict contagion.

2. **The government has implemented measures to limit the spread of COVID-19.** The government has closed land, aviation, and maritime borders indefinitely. Schools have been closed; and events, festivals, and gatherings larger than 50 people were banned. Non-essential retail outlets as well as bars, restaurants and recreational places also had to shut down. Social distancing is in effect: no handshakes, maintain at least one-meter distance from other persons. As the country is now affected by the disease (600 cases and increasing), the capacity of healthcare facilities and services will have to be increased to deal with community transmission. Despite their timeliness, these measures are negatively impacting domestic economic activity and might not be entirely successful in preventing a larger-scale domestic outbreak, which could bring the economy to a total stand-still.

4. **In response, the government has announced a support package for the economy.** On March 31st an economic response package was announced. It includes various measures of direct support to the private sector (tax deferrals and suspensions, several support funds, easing of regulatory burdens). The package is expected to cost up to 550 billion FCFA for now, or 1.5 percent of GDP. It includes four dedicated funds for (1) *Large enterprises* (150 billion FCFA) (2) *Small and Medium-sized enterprises* (100 billion FCFA), (3) *the Informal sector* (100 billion FCFA) and (4) a *Solidarity Fund* to support vulnerable populations (170 billion FCFA), all to be disbursed over 2020-2021. Further allocations are envisaged for the agricultural sector (300 billion FCFA), specific SOEs, expanding the possibilities of remote working in public administrations and a fund for importing essential products. About 90 percent of COVID-19-financing will be externally financed.

Relationship to CPF

5. **The operation is a single-tranche DPFs designed to support the COVID-19 Response Plan by the Government,** This series has been designed to support authorities in the implementation of the Response Plan. Selectivity has been a key guiding principle in the preparation of this DPF series. The focus has been on two strategic pillars in the Government's program: Pillar 1 – protecting health conditions and mitigating the impact; and Pillar 2 – preparing condition for a quick recovery.

C. Proposed Development Objective(s)

The Program Development Objectives of the CRR-DPF are to: (i) protect lives and livelihoods (Pillar 1), and (ii) protect the future (Pillar 2).

Key Results



Indicator Name	Baseline	Target
Indicator 1 : Number of household beneficiaries from the emergency program	0	1,000,000
Indicator 2 : Number of beneficiaries of the informal sector registered	0	200 000
Indicator 3: Number of persons registered in RSU	0	1,000,000
Indicator 4: Number of persons registered in CMU	585,000	XXXX
Indicator 5: Share of total households temporarily benefitting from the social tariff in the electricity bill	0	XXXX
Indicator 6: Quarterly publication of the list of beneficiaries of each fund .	Non	Yes
Indicator 7: Number of guarantees granted by the fund.	0	500
Indicator 8: Share of 300,000 cashew agricultural producers benefitting from new measures of the emergency program	0	75
Indicator 9: Percentage of floating debt (<i>debt envers des PME fournisseurs</i>) payée.	0	100
Indicator 10: Share of medical import merchandises benefitting from simplified procedures	0	100

D. Concept Description

Please see matrix enclosed in annex.



E. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects

Poverty and Social Impacts

Indicator Name	Baseline	Target
Indicator 1 : Number of household beneficiaries from the emergency program	0	1,000,000
Indicator 2 : Number of beneficiaries of the informal sector registered	0	200 000
Indicator 3: Number of persons registered in RSU	0	1,000,000
Indicator 4: Number of persons registered in CMU	585,000	XXXX
Indicator 5: Share of total households temporarily benefitting from the social tariff in the electricity bill	0	XXXX
Indicator 6: Quarterly publication of the list of beneficiaries of each fund .	Non	Yes
Indicator 7: Number of guarantees granted by the fund.	0	500
Indicator 8: Share of 300,000 cashew agricultural producers benefitting from new measures of the emergency program	0	75
Indicator 9: Percentage of floating debt (<i>debt envers des PME fournisseurs</i>) payée.	0	100
Indicator 10: Share of medical import merchandises benefitting from simplified procedures	0	100

Environmental, Forests, and Other Natural Resource Aspects

See above



CONTACT POINT

World Bank

Jose R. Lopez Calix
Lead Economist

Borrower/Client/Recipient

REPUBLIC OF CÔTE D'IVOIRE
Fanta Minafou Coulibaly
Director of Cabinet of the Minister of Finance
minafoufanta@gmail.com

Implementing Agencies

Ministry of Finance
FANTA MINAFOU COULIBALY
Director of Cabinet of the Minister of Finance
minafoufanta@gmail.com

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Jose R. Lopez Calix
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Approved By

Country Director:	Coralie Gevers	29-May-2020
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ANNEX 1: POLICY AND RESULTS MATRIX

Prior actions and Triggers		Results		
Prior Actions under DPO 1	Triggers for DPO 2	Indicator Name	Baseline (2019)	Target (2020)
Pillar 1—Program Development Objective 1— Protect lives and livelihoods				
Prior Action #1. To temporarily support poor and low-income households affected by the COVID-19 crisis, the Government, through the Solidarity Fund Management Committee, has adopted an action plan and a mechanism (Operational manual) outlining the operational modalities of the emergency program for the poor and vulnerable populations which describes: (i) the eligibility criteria; (ii) a methodology for identifying and targeting poor and vulnerable households affected by COVID-19, enabling the volume, speed and reliability required by the program; (iii) the priority given to cash transfers by electronic payment over other modalities; and (iv) the development of an electronic system for managing the list of beneficiaries of the program.		Indicator 1 : Number of household beneficiaries from the emergency program	0	1,000,000
Prior Action #2. To temporarily support workers and enterprises of the informal sector affected by the COVID-19 crisis, the Government, through the Management Committee [Board] of the Informal Sector Support Fund has adopted an Operational manual which makes the Informal Sector Support Fund operational, including : i) a methodology for the identification of workers and enterprises in the informal sector; ii) eligibility criteria; iii) a targeting strategy including the prioritization of the most affected sectors; iv) a coordination mechanism with the Solidarity Fund [to allow the implementation of temporary revenue for informal sector workers by the Solidarity Fund or by the Informal Sector Support Fund]; (v) a methodology for making		Indicator 2 : Number of beneficiaries of the informal sector registered	0 beneficiaries	200,000



<p>loans (at a preferential rate) available to different beneficiaries; (vi) the establishment of a register of beneficiaries; and (vii) the mechanism for registering applicants and beneficiaries from the Fund in the Single Social Registry.</p>				
<p>Prior Action #3. To strengthen the health and social protection systems, the Government has adopted the necessary texts supplementing Orders 2018-925 and 2019-759 allowing (i) the pre-registration of beneficiaries of the emergency cash transfer program and the informal sector fund (poor households infected by COVID and the working poor and the informal sector) in the RSU (Social Unified Registry) and the CMU (Universal Health Insurance); and (ii) post-collection of the socio-economic data needed to assess their eligibility for free health care schemes and other social programs.</p>		<p>Indicator 3: Number of household pre-registered in RSU</p> <p>Indicator 4 : Nombre de personnes bénéficiant du volet indigent de la CMU</p>	<p>0</p> <p>585,000</p>	<p>1,000,000</p> <p>XXXX</p>
<p>Prior Action #4. To protect poor households affected by the crisis and preserve the financial equilibrium of the electricity sector, the Government has adopted (i) a mechanism or procedure to finance, through a temporary fiscal subsidy, the consumption of electricity for the most vulnerable households (subscribers to the social tariff) and (ii) a mechanism to compensate CI-Energies for the possible shortfall in the sector's resources that could result from the impacts of the COVID-19 pandemic.</p>		<p>Indicator 5: Share of total households temporarily benefitting from the social tariff in the electricity bill.</p>	<p>0</p>	<p>XXXX</p>
<p>Pillar 2–Program Development Objective 2- Protect the Future</p>				
<p>Prior Action #5. To assure proper efficiency, transparency and control in the governance of COVID-19 special funds, the Government has adopted the <i>arrêtés d'application</i> of the <i>Ordonnances</i> creating the COVID-19 Emergency Funds (the "Funds") including the approval of a Manual of Procedures for each Fund that specifies (i) the manner in which each Fund is funded; (ii) the circumstances in which each Fund may be used;</p>		<p>Indicator 6: Quarterly publication of the list of beneficiaries of each fund</p>	<p>Non</p>	<p>Yes</p>



<p>(iii) the eligibility of expenditure; (iv) the guidelines governing the administration of each Fund, including the application/approval and reporting process; (v) the principles of transparency and accountability, including the adoption by the Council of Ministers of the annual report on the management of the resources of the Funds and the publication of annual reports on the Funds; (vi) the ex-post audit, by IGF and an international audit firm, of the use of the Funds' resources in return for the flexibilities granted in relation to ex-ante control; (vii) the annual audit of the Funds' accounts by the Court of Auditors as part of the audit of the execution of the Finance Law and publication of the said audit report; and (viii) the publication of an Annual Borrowing Plan 2020 consistent with its Multiannual Medium-Term Debt Strategy.</p>				
<p>Prior Action #6. To preserve PME access to financing and increase their possibilities to take off during economic recovery, the Government has issued an Arrêté to complement Decree No. 2020-18 of January 8, 2020, to define a procedure for granting guarantees according to which the Fund Management Committee (FMC) (i) sets delegations for commercial banks to pledge guarantees without prior authorization from the FMC, with the latter being responsible for carrying out ex post controls, including by mandating statutory auditors of the banks to carry out said controls; (ii) set eligibility criteria; and (iii) regularly assesses the economic and social performance of the fund's activities and, if necessary, adjusts its intervention policies so as to maximize them, including by seeking leverage effects with other guarantees mobilizing unsubsidized resources. For this assessment, the FMC will be required to ask banks for regular reports on bad debts which they have chosen not to restructure despite the existence of the guarantee mechanism.</p>		<p>Indicator 7: Number of guarantees granted by the fund.</p>	<p>0</p>	<p>500</p>
<p>Prior Action #7. To support export value chains recovery, the Government through the Inter-Ministerial Committee on Raw Materials [decision-making body of the emergency program for support to agricultural export chains affected by the COVID</p>		<p>Indicator 8: Share of 300,000 cashew</p>	<p>0</p>	<p>75</p>



<p>health crisis 19] has adopted new modus operandi for the implementation of measures to mitigate the effects of COVID on the cashew nut chain: (i) price subsidies [level to be defined] to producers; (ii) support for the capacity of the <i>Groupement d'exportateurs</i> (GEPPA) and any other approved exporters to mobilize financing for the acquisition of raw cashew nuts; and (iii) support for the promotion of local processing.</p>		<p>agricultural producers benefitting from new measures of the emergency program</p>		
<p>Prior Action #8. To support productive activity and employment, the Government approves an exceptional budgetary allocation for the payment of (a) debts owed to the private sector that had been securitized in 2018 and for which payments were spread over a period of 5 years; and (ii) debts [for 300 billion] to suppliers, with a preference for debts to SMEs.</p>		<p>Indicator 9: Percentage of floating debt due to PME suppliers (<i>PME fournisseurs</i>) payée.</p>	<p>0</p>	<p>100</p>
<p>Prior Action #9. To ease the fiscal burden and simplify imports procedures and cost of medical equipment, the Government has adopted a decree aimed at temporarily reducing the tax burden of individual and corporate taxpayers which includes (i) extending the deadlines for filing and paying taxes and duties; (ii) deferring the payment of social security contributions for businesses; (iii) advancing the payment of VAT credit refunds subject to ex-post reviews; (iv) suspending penalties for late payment or filing; (v) adjusting early payment policies; (vi) discontinuing measures for the recovery of tax arrears based on adopted criteria; (vii) exempting from the submission of tax declarations and reports those business payers with temporary suspension of activities; (viii) introducing simplified customs procedures for the import of logistic materials, medicines and medical devices related to COVID-19 and (ix) abolishing the payment of fees collected under the <i>Guichet Unique de Commerce Extérieur</i> (GUCE) convention (0.45% of the FOB value on the said products).</p>		<p>Indicator 10: Share of medical import merchandises benefitting from simplified procedures</p>	<p>0</p>	<p>100</p>



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