G20 COMPACT WITH AFRICA

COMPACT MONITORING REPORT

Africa Advisory Group Meeting

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WHAT IS THE G20 COMPACT WITH AFRICA

The G20 Compact with Africa (CwA) was initiated under the German G20 Presidency to promote private investment in Africa, including in infrastructure. Launched in 2017, the CwA's primary objective is to increase the attractiveness of private investment through substantial improvements of the macro, business, and financing frameworks. It brings together reform-minded African countries, international organizations, and bilateral partners from G20 and beyond to coordinate country-specific reform agendas, support respective policy measures, and advertise investment opportunities to private investors. The initiative is demand-driven and open to all African countries. So far, 12 countries have joined. With the Africa Advisory Group (AAG) as a regular G20 working group, the CwA is firmly anchored in the G20 finance track. It is currently co-chaired by Germany and South Africa.

WHAT ARE THE COMPACT WITH AFRICA COUNTRIES

- Benin
- Burkina Faso
- Côte d'Ivoire
- Egypt
- Ethiopia
- Ghana
- Guinea
- Morocco
- Rwanda
- Senegal
- Tunisia
- Togo

WHAT IS THIS REPORT

The monitoring report informs the AAG meeting, which is held twice a year. The meeting comprises all the CwA countries' representatives, CwA co-chairs Germany and South Africa, CwA partners, and G20 partners. The report describes the impact of the CwA Initiative on private investment, with updates on the macroeconomic outlook, foreign direct investment, trade, reforms, and entrepreneurship. The monitoring report also shares best practices in boosting private investment with other countries and existing or potential private sector investors.

FIND OUT MORE

www.compactwithafrica.org

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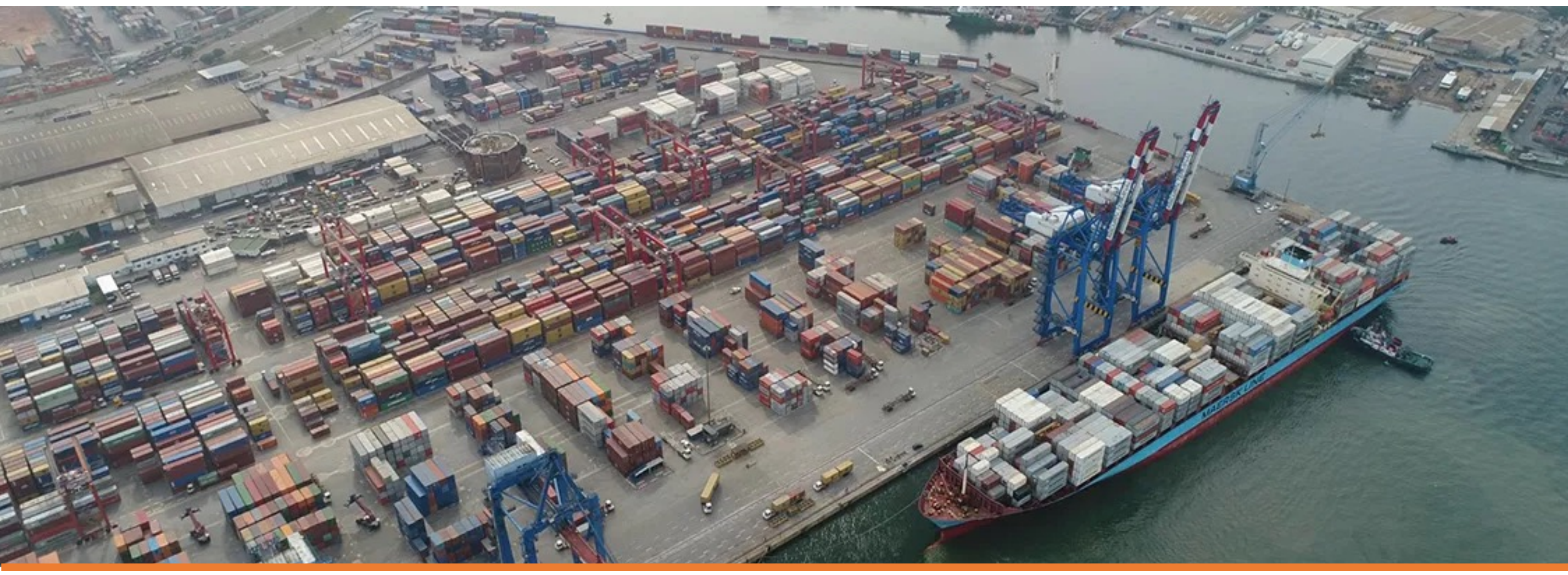
ABBREVIATIONS AND ACRONYMS

AAG	Africa Advisory Group
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
CBI	cross-border investment
CIT	corporate income tax
C-JET	Competitiveness for Jobs and Economic Transformation
COP27	27th Conference of the Parties to the United Nations Framework Convention on Climate Change
CPSD	Country Private Sector Diagnostic
CWA	Compact with Africa
DFI	development finance institution
DPO	development policy operation
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EMDE	emerging and developing economy
FDI	foreign direct investment
FY	fiscal year
GDP	gross domestic product
GIZ	German Corporation for International Cooperation
GTI	Guided Trade Initiative (by the African Continental Free Trade Area)
HIPC	Heavily Indebted Poor Countries
ICD	Islamic Corporation for the Development of the Private Sector (Member of the Islamic Development Bank)
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit (Member of the Islamic Development Bank)
ICSID	International Centre for Settlement of Investment Disputes
ICT	information and communication technology
IFC	International Finance Corporation
IMF	International Monetary Fund
IPF	investment project financing

IsDB	Islamic Development Bank
IsDBG	Islamic Development Bank Group
ITFC	International Islamic Trade Finance Corporation (Member of the Islamic Development Bank)
LDC	Least Developed Country
M&A	mergers and acquisitions
MDB	Multilateral Development Bank
MDRI	Multilateral Debt Relief Initiative
MDTF	multidonor trust fund
MIGA	Multilateral Investment Guarantee Agency
MoU	memorandum of understanding
MSME	micro, small, and medium enterprise
OECD	Organization for Economic Co-operation and Development
PIT	personal income tax
PPD	public-private dialogue
PPP	public-private partnership
RoO	Rules of Origin
SDG	Sustainable Development Goal
SME	small and medium enterprise
SOE	state-owned enterprise
TA	technical assistance
UNCTAD	United Nations Conference on Trade and Development
VAT	value added tax
WEF	World Economic Forum
WTO	World Trade Organization

All currency is in U.S. dollars unless otherwise noted.

Fiscal year 2022 (FY22) refers to July 1, 2021–June 30, 2022.



EXECUTIVE SUMMARY

1. **Strong recovery for Compact with Africa (CwA) countries, stronger than non-CwA African peers, but macro challenges remain.** CwA countries, being historically more open to trade and foreign direct investment (FDI) because of past reforms, benefited disproportionately from the strong post-pandemic recovery. For example, tourism recovery drove the performance of the three North African CwA countries (Egypt, Morocco, and Tunisia) much more than other North African countries where tourism is less developed (Algeria and Libya). Also, CwA countries depend less on oil and commodity exports, where the price recovery has been less than anticipated. Finally, the spectacular increase in FDI announcements, largely driven by renewable energy, relates to the policy initiatives taken by CwA countries to attract such FDI, especially following the COP27 in Egypt
   - **Growth.** CwA countries grew at 5.4 percent in 2022 (compared to 4.9 percent in 2021), which is twice as high than non-CwA African countries. Eight out of the 12 CwA countries grew at more than 4 percent. Growth in CwA countries is expected to decrease to 4 percent in 2023 in part because of slower growth in advanced economies due to more restrictive policies and financial conditions.
   - **Trade.** Exports of goods and services in CwA countries jumped 18.6 percent in 2022 (compared to 2.8 percent in 2021), which is significantly better than the 4.6 percent growth in non-CwA African countries. This robust performance was largely driven by tourism recovery in North African CwA countries. All CwA countries exceeded their pre-pandemic goods export performance in 2022.
   - **African Continental Free Trade Area (AfCFTA).** The implementation of the AfCFTA is proceeding well: it has been signed by 54 out of 55 countries and ratified by 46. If fully implemented, the AfCFTA is expected to boost Africa's income by 7 to 9 percent and lift 30 to 50 million people out of poverty by 2035. CwA countries are well positioned to play a leading and demonstration role in its implementation.
   - **FDI.** FDI announcements to CwA countries jumped almost six times in 2022 to $133 billion, exceeding pre-pandemic levels of about $80 billion. This is compared to $58 billion for the rest of Africa, which "only" doubled in 2022. The main driver of this jump were renewable

energy projects announced in Egypt and Morocco. Another six CwA countries saw significant increases in FDI announcements in 2022: Cote d’Ivoire, Ethiopia, Guinea, Rwanda, Senegal, and Tunisia.

- **Debt.** As a result of the pandemic, fiscal deficits grew, pushing the debt-to-gross domestic product (GDP) ratios from 68 percent in 2019 to 77 percent in 2022 in CwA countries (compared to 54 percent for other African countries). Fiscal consolidation has brought budget deficits down from 7.4 percent in 2020 to 5.9 percent in 2022, but inflation is expected to remain high in some CwA countries (Egypt, Ethiopia, Ghana, and Tunisia) in the next couple of years.

2. **Continued strong reform performance and commitments by CwA countries.** CwA countries continued to make strong progress on their 2018 reform commitments and are adding new reform initiatives across macro, business, and financial frameworks—specifically to promote green private investments (appendix A).
   - **Macro framework reforms.** Since 2020 and as of April 2023, the International Monetary Fund (IMF) approved $17.4 billion financing across all 12 CwA countries. The financing aims to mitigate the effects of the pandemic and support reforms in fiscal consolidation through domestic revenue mobilization, leveraging e-taxes (for example, in Benin, Burkina Faso, Côte d'Ivoire, and Egypt), and public investment reforms, including reforms of public procurements, public-private partnerships (PPPs), and state-owned enterprises (SOEs) (for example, Burkina Faso, Egypt, Guinea, Morocco, Togo, and Tunisia).
   - **Business framework reforms.** CwA countries pursued reforms of their investment policy frameworks, especially to promote green investments (for example, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Morocco, Rwanda, and Tunisia), echoing the spectacular increase in FDI announcements for renewable energy.
   - **Financial framework reforms.** CwA countries also continued to reform their financial sector to promote access to finance and green finance (for example, Côte d'Ivoire, Egypt, Ghana, Morocco, and Rwanda).
   - **Compact Country Teams.** Following the end of the pandemic, six Compact countries reported the reactivation of their Compact Country Teams (Benin, Burkina Faso, Ghana, Guinea, Morocco, and Tunisia). Much more is expected as part of the CwA 2.0. implementation.

3. **Implementing CwA 2.0 to take the Compact to the next level.**
   - **The Tunisia Country Platform inspired CwA 2.0.** Through peer learning events, CwA countries were exposed to Tunisia’s Country Platform supported by a $6 million multidonor trust fund (MDTF). It consists of the Compact Country Team, a consolidated reform matrix, a Reform Delivery Team at the Prime Minister’s Office, and an information technology system tracking reform implementation. The platform enabled Tunisia to better mobilize G20 partners through coordinated budget support, investment lending, and technical assistance (TA). It also led to broader and deeper engagement with the private sector through investment fora and feasibility studies. Subsequently, a majority of CwA countries

requested in writing similar strategic TA from the CwA. This request was reflected in the CwA 2.0 reforms unanimously approved at the November 2022 G20 CwA Africa Advisory Group (AAG) meeting.

- **MDTF contributions required to implement CwA 2.0.** Learning from Tunisia's experience, helping the other CwA countries to strengthen and develop their Country Platforms will require $100 million over the next five years (each Country Platform will be adapted to the country context, relying as much as possible on existing institutional arrangements). Complementary MDTFs have been mobilized to that effect: Competitiveness for Jobs and Economic Transformation (C-JET), Finance for Development (F4D), IFC Support for the G-20 Compact with Africa Initiative (ISCA), CwA–Green Business Fund (GBF), and Think Africa Partnership (TAP). G20 partners of the CwA are called upon to make contributions to these MDTFs to enable the implementation of CwA 2.0 as requested by CwA countries. This will help improve the capacity of CwA countries to coordinate and implement the large number of development programs from G20 countries and international organizations (appendix C). Thus, a relatively small contribution to these MDTFs should help mobilize private capital toward CwA countries and improve the impact of hundreds of billions of dollars' worth of development programs in these countries.
- **Expanding the impact of CwA 2.0 beyond the 12 CwA countries.** The lessons learned from CwA 2.0 will be shared broadly with other developing countries through the above-mentioned MDTFs. These MDTFs will also support additional countries interested in joining the CwA. In addition, the CwA will be featured at the upcoming Heads of State Summit in Berlin (November 20) during the German African Business Forum. Finally, at the November 2022 G20 CwA AAG meeting, a plea was made to mainstream the CwA into the G20. This could be done by strengthening the role of the African Union in the CwA, which would also position CwA countries at the heart of the AfCFTA and help pave the way for the African Union to join the G20.

1. MACROECONOMIC OUTLOOK

1.1. Outlook and Resilience of Compact with Africa Countries

CwA countries showed resilience during the COVID-19 pandemic and grew on average by 1.5 percent in 2020. Other African economies contracted by 3.8 percent, and emerging and developing economies (EMDEs) contracted by 1.8 percent. CwA countries experienced a strong rebound in 2021 (4.9 percent) and maintained momentum in 2022 (5.4 percent) despite the compound effect of the pandemic and spillovers from Russia's war on Ukraine. CwA countries' estimated growth rate in 2022 is twice that expected for other African countries (2.7 percent).

Although performance varied, the robust growth was uniform, with 8 out of 12 CwA countries estimated to have grown above 4 percent. In North African CwA countries (CwA-North Africa), Morocco and Tunisia are estimated to have grown 1.3 percent and 2.5 percent, respectively, amid severe drought (Morocco), and large increase in sovereign bond spreads (Tunisia). Egypt's growth is estimated at 6.6 percent. Among Sub-Saharan Africa CwA countries (CwA-Sub-Saharan Africa), the weakest performers were Burkina Faso and Ghana, estimated to have grown 2.5 percent and 3.2 percent, respectively, reflecting security challenges (Burkina Faso) and macro imbalances aggravated by high inflation and large currency depreciation, and debt sustainability (Ghana). The highest performers are Côte d'Ivoire and Rwanda, with estimated growth rates of 6.7 percent and 6.8 percent, respectively.

After rebounding strongly from the pandemic and growing by 6.3 percent in 2021, the world economy entered 2022 with a still strong but weakening momentum, due to the spreading of the Omicron COVID-19 variant and spillovers from Russia's war on Ukraine. The war caused energy and food prices to soar and further fueled ongoing inflationary pressures, leading to much faster monetary policy tightening in advanced economies than anticipated. Higher inflation, driven by higher food prices, led to a cost-of-living crisis and food insecurity in many countries. Higher interest rates in advanced economies and tighter financing conditions, which have been exacerbated by recent financial sector turmoil, increased capital outflows. The outflows, along with larger import bills, impacted international reserves and led to currency depreciation in many countries, straining already fragile fiscal frameworks and endangering further debt sustainability. Energy and commodity prices fell much faster than anticipated, in many cases ending 2022 at pre-war levels. The initial disinflation cycle in the United States is faster and bearing a much lower cost than previously envisaged. Yet, underlying price pressures are proving sticky, and estimated global growth for 2022 (3.4 percent) is slightly lower than that envisaged in the November 2022 CwA Monitoring Report (3.6 percent).

The brighter outlook for CwA countries reflects their resilience in recent years, though prospects in the short run differ between CwA-Sub-Saharan Africa and CwA-North Africa countries. In 2023, the global economy is expected to grow at a slower pace (2.8 percent), especially in advanced economies, where growth (1.3 percent) is expected to reach less than half the pace of 2022, reflecting higher inflation, more restrictive policies, tighter financial conditions, and the waning and final effects of relief policy packages implemented in response to the pandemic. On the other hand, prospects for EMDE economies indicate steady growth at a robust pace (3.9 percent), albeit lower than pre-pandemic levels.

Although CwA countries expect similar growth (4.0 percent) as EMDEs, it reflects an important 1.4 percentage point decrease from the 2022 rate. However, this pace is above expected growth for the other African economies (3.4 percent). In addition, that average masks important differences between CwA-Sub-Saharan Africa and CwA-North Africa countries. While the former group is expected to grow by a robust 5.3 percent in 2023, the same pace from the previous year, the latter should not exceed 3.4 percent, a sizable 2.0 percentage point reduction from the 2022 pace, a gap that is expected to decrease slightly in 2024. In the medium term (2024–28), average expected growth increases to 6.0 percent for CwA-Sub-Saharan Africa countries and jumps to 5.1 percent for CwA-North Africa countries. Though the CwA-North Africa figure remains lower than that of the former group, it is higher than average growth during the five years prior to the pandemic, which is not the case for CwA-Sub-Saharan Africa countries.

Although brighter than the outlook for many countries, the prospects for CwA countries are surrounded by large uncertainties, including lingering effects from the pandemic and spillovers from Russia's war on Ukraine. In addition, CwA countries face more constrained policy space and difficult external financing conditions, which have created a funding squeeze in the region and the need to substantially bring down inflation rates, which are expected to remain high in some countries (Egypt, Ethiopia, Ghana, and Tunisia) in the next couple of years.[1] Finally, the likelihood of a downside scenario materializing, in which fuel and food prices would rebound again, increased following China's reopening and worsening geoeconomic fragmentation. This scenario would intensify food insecurity and further pressure household budgets, deepening policy trade-offs. The

[1] In Sub-Saharan Africa, no country has been able to issue a Eurobond since spring 2022.

likelihood of a hard landing in advanced economies has risen sharply given recent banking sector turbulence, which would produce negative spillovers to CwA countries.

After increasing by 6 percent on average in the five years prior to the COVID-19 pandemic, exports from CwA countries plunged 8.8 percent in 2020 and modestly increased 2.8 percent in 2021 (trade-weighted). The global goods trade recovered, but tourism remained depressed in countries affected by the partial closure of borders and travel restrictions. However, a sharp rebound took place in 2022 as economies reopened on the back of increasing vaccination rates. Export growth is now estimated to have increased by a sizable 18.6 percent in CwA countries in 2022, a higher pace than the 13.3 percent estimated in the November 2022 CwA Monitoring Report. However, this strong rebound was mostly driven by the sharp increase of 30.4 percent in exports from CwA-North Africa countries, thanks to soaring growth of 30.1 percent in Egypt and 43.2 percent in Morocco. Exports from CwA-Sub-Saharan Africa countries are estimated to have increased by only 3.8 percent amid export restrictions adopted by some countries to address food insecurity. On the other hand, the import bill also increased, reflecting much higher food and oil prices, mainly in the first half of the year. Therefore, the CwA average current account deficit is estimated to have increased from 4.2 percent in 2021 to 4.5 percent in 2022 but remained stable in CwA-North Africa countries. As growth continues in 2023 and prospects improve in the medium term, current account deficits are expected to decrease, although slowly.

The pandemic took a heavy toll on CwA countries, as fiscal relief packages, additional external borrowing, and lower growth caused a sharp increase in public debt ratios, pushing some countries into debt distress and threatening debt sustainability in others. As a result, the average public debt ratio for African countries is now close to levels last seen in the early 2000s, before the impact of the Heavily Indebted Poor Countries (HIPC) Initiative, although with a different composition (mostly domestic). In CwA countries, debt ratios, which were declining before the pandemic and reached on average 68 percent of GDP in 2019, are now estimated to have increased to 77 percent in 2022, an almost 10 percentage point increase but slightly lower than the 80 percent ratio expected in the November 2022 CwA Monitoring Report. Nonetheless, that ratio is more than 20 percentage points higher than the average ratio for other African countries (54 percent). Debt ratios in CwA-North Africa countries are estimated to have reached 86 percent. For CwA-Sub-Saharan Africa countries, they are estimated to have reached 61 percent. In the medium term, debt ratios for both groups are expected to decrease, although at a slow pace, as fiscal adjustments are more challenging in the current global environment with large social needs and the increasing impact of climate change.

1.2. International Monetary Fund Financial and Capacity Development Support

The IMF continues to support CwA countries in strengthening their macroeconomic and financial policy frameworks (Pillars 1 and 3 under the CwA) and to provide financial support, including emergency financing during the pandemic. In addition, the IMF recently started to implement its new instrument, the Resilience and Sustainability Facility (RSF), to help low-income and vulnerable middle-income countries address longer-term challenges, including those related to climate change and pandemic preparedness.

Coordinated and sustained multilateral action is critical to support durable and inclusive growth in the aftermath of the pandemic and Russia's war on Ukraine. CwA countries received significant IMF support during the pandemic, and currently are benefiting from new instruments, such as the RSF and the Food Shock Window.[2] In 2020, 11 of the 12 CwA countries benefited from emergency financing. As of April 2023, the IMF had approved 22 financing requests (including augmentation) across all CwA countries, totaling $17.4 billion, to support the policy response to the health, social, and economic crisis. In addition, six of the poorest CwA countries have received $284 million in immediate debt relief under the Catastrophic Containment Relief Trust. Six countries also elected to participate in the Debt Service Suspension Initiative—Burkina Faso, Côte d'Ivoire, Ethiopia, Guinea, Senegal, and Togo. Finally, in August 2021, CwA countries received a total of $8.5 billion from the Special Drawing Rights allocation.

Support for CwA countries is expected to account for about 7 percent of IMF capacity development direct country spending in FY23. The spending includes 387 capacity development country engagements and training that reached approximately 1,280 country officials. All CwA countries are assisted by the African Training Institute and are members of a regional TA center in Africa or the Middle East. The CwA serves as a framework for Europe's contribution to all Africa Regional Technical Assistance Centers and the African Training Institute.

IMF CwA country teams actively engage with CwA country authorities, and 11 of the 12 CwA countries have Resident Representatives. Fund staff also directly engage in the monitoring and coordination of the CwA and maintain the CwA website, which provides relevant and transparent information to policymakers.

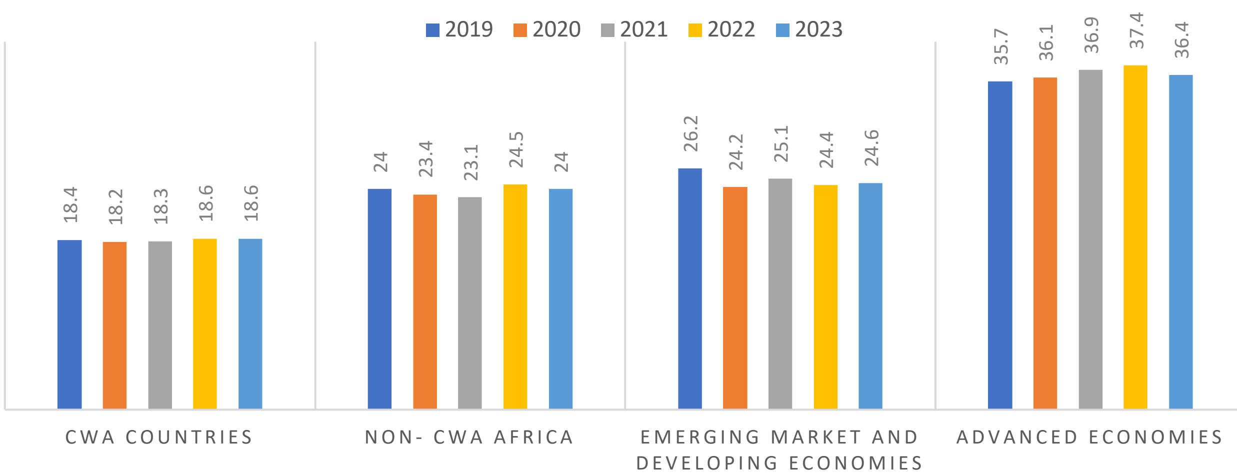
[2] Rwanda, a CwA country, is the first African country to benefit from the RSF. Guinea and Burkina Faso received a Rapid Credit Facility under the Food Shock Window on December 22, 2022, and March 27, 2023, respectively.

1.3. Fiscal Revenue and Debt Analysis

GENERAL GOVERNMENT REVENUE

Revenue mobilizations are a priority in CwA economies to finance the group's substantial development needs. However, government revenues remain muted compared to other regions, with general government revenues averaging 18.4 percent of GDP in 2019 before the pandemic (figure 1.1).

Figure 1.1. General Government Revenue as a Percentage of Gross Domestic Product



Source: World Economic Outlook database.

However, the group averages hide significant variations and uneven progress toward revenue mobilization among CwA countries. While Tunisian government revenue is estimated to be about 28.4 percent of GDP in 2022 (above the average of EMDEs), Ethiopian government revenue in 2022 as a share of GDP was as low as 9 percent (table 1.1).

Table 1.1. General Government Revenue as a Percentage of Gross Domestic Product

Country	2000–18	2019	2020	2021	Estimated 2022	Projected	
						2023	2024
Benin	13.2	14.1	14.4	14.1	14.3	15.0	15.5
Burkina Faso	18.6	20.1	19.8	21.0	21.1	20.6	20.5
Côte d'Ivoire	13.3	15.0	15.0	15.9	14.8	15.3	15.7
Egypt	23.7	19.3	18.2	19.0	19.6	19.7	20.0
Ethiopia	16.9	12.8	11.7	11.0	9.0	10.1	10.3
Ghana	12.3	13.9	13.0	14.2	14.1	14.7	15.4
Guinea	14.1	14.7	13.9	13.7	12.9	12.7	13.5
Morocco	24.1	23.8	27.0	24.2	24.8	24.3	24.6
Rwanda	21.6	23.1	23.9	24.6	26.0	23.5	23.4
Senegal	17.9	20.3	20.2	19.4	20.5	21.4	22.0
Togo	13.1	17.7	16.2	17.0	18.3	17.9	17.2
Tunisia	22.3	26.0	25.5	25.6	28.4	28.2	27.7
CwA countries	**17.6**	**18.4**	**18.2**	**18.3**	**18.6**	**18.6**	**18.8**
Non-CwA Africa	24.0	24.0	23.4	23.1	24.5	24.0	23.9
Sub-Saharan Africa	19.9	17.0	15.6	17.1	17.5	17.2	16.8
Africa	22.5	22.7	22.2	22.0	23.3	22.8	22.7
Emerging markets and developing economies	26.0	26.2	24.2	25.1	24.4	24.6	24.5
Advanced economies	35.5	35.7	36.1	36.9	37.4	36.4	36.1

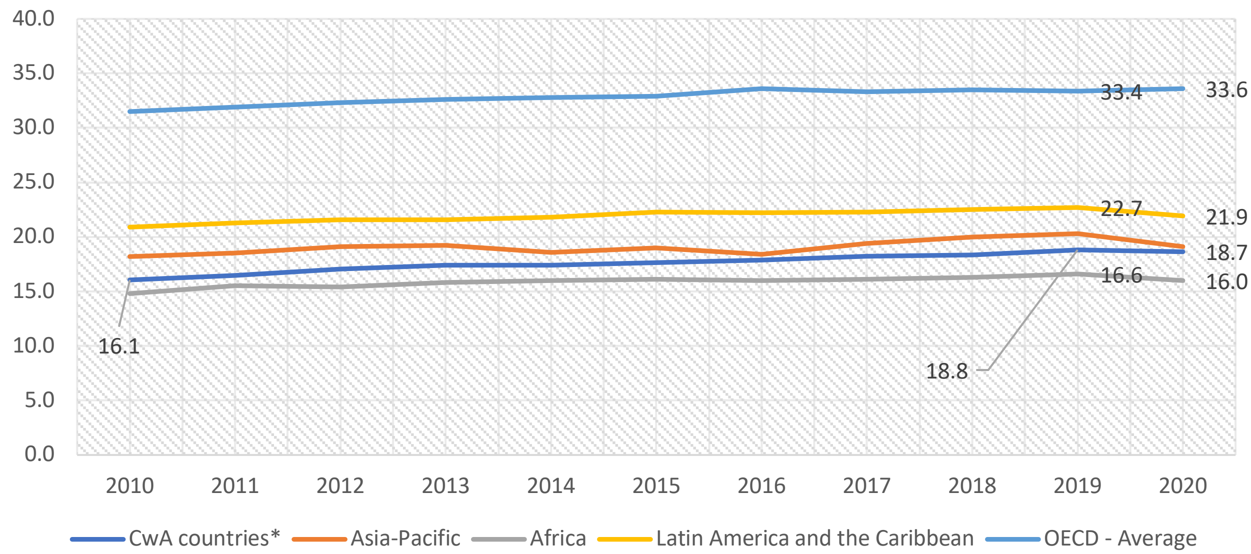
Source: World Economic Outlook database.

TAX REVENUE: LEVELS, TRENDS, AND COMPOSITION

The average tax-to-GDP ratio[3] in nine CwA countries (this excludes Benin, Ethiopia, and Guinea) is consistently above the average for 31 African countries. Yet, this ratio is still below the averages of East Asia and Pacific, Latin America and the Caribbean, and Organization for Economic Co-operation and Development (OECD) countries (figure 1.2). However, in 2020, the nine CwA countries' average tax-to-GDP ratio was 2.6 percentage points higher than in 2010, with the trend indicating annual increases in the ratios. To put it in perspective, the 2.6 percentage points average gain in tax-to-GDP ratios over the decade is still below 5 percentage points, a level that the IMF estimated—before the pandemic occurred—to be an "ambitious and appropriate" target for many countries to meet the Sustainable Development Goal (SDGs) (Gaspar et al. 2019; OECD/ATAF/AUC 2022).

[3] Total tax revenues as a percentage of GDP.

Figure 1.2. Tax-to-Gross Domestic Product Ratios, 2000–20



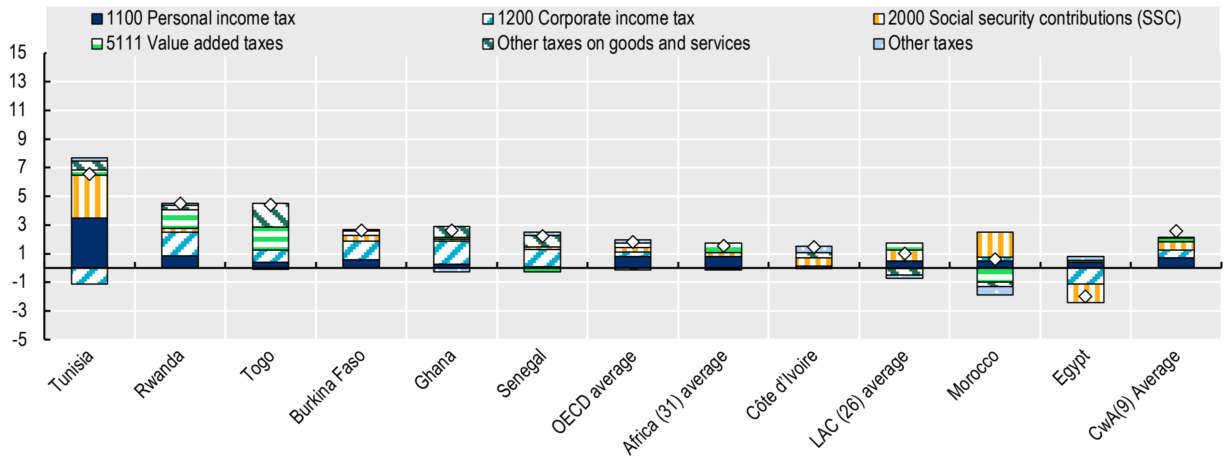
Source: OECD/ATAF/AUC 2022. *Excluding Benin, Ethiopia, and Guinea.

Regarding sources of the gain in tax-to-GDP ratios, the observed increases in the nine CwA countries' average over the decade were primarily driven by revenues from personal income tax (PIT) and value added tax (VAT). On the contrary, revenues from corporate income tax (CIT) and international trade tax have not contributed much to the increase as revenues from this tax category declined, largely because of decreases and exemptions related to CIT rates and trade liberalizations that reduce import tariffs (OECD/ATAF/AUC 2022).[4]

Between 2010–20, tax-to-GDP ratios rose in eight of the nine CwA countries. Rwanda, Togo, and Tunisia recorded the largest increases, with the largest decline in Egypt. In Rwanda and Tunisia, the increase in the tax-to-GDP ratio in this period was mainly attributable to high revenues from PIT, VAT, and social security contributions, following extensive reforms in tax policy and administration (figure 1.3). Rwanda's tax policy and administrative reforms included, among other changes, the removal of tax exemptions (OECD/ATAF/AUC 2022). Other measures included digitalization of taxpayer tools and audit processes, increased collection of VAT arrears; expansion of the PIT base; introduction of withholding taxes; increased tax rates for several excises and import duties that have driven tax compliance, especially for VAT; and increased revenues across the main tax categories (Akitoby et al. 2019; Laure et al. 2020; OECD/ATAF/AUC 2022; PwC 2019).

[4] For the latter, tariffs are expected to be further reduced under implementation of the AfCFTA.

Figure 1.3. Change in Tax-to-Gross Domestic Product Ratios by Main Tax Headings, 2010–20 Time Period, and Country

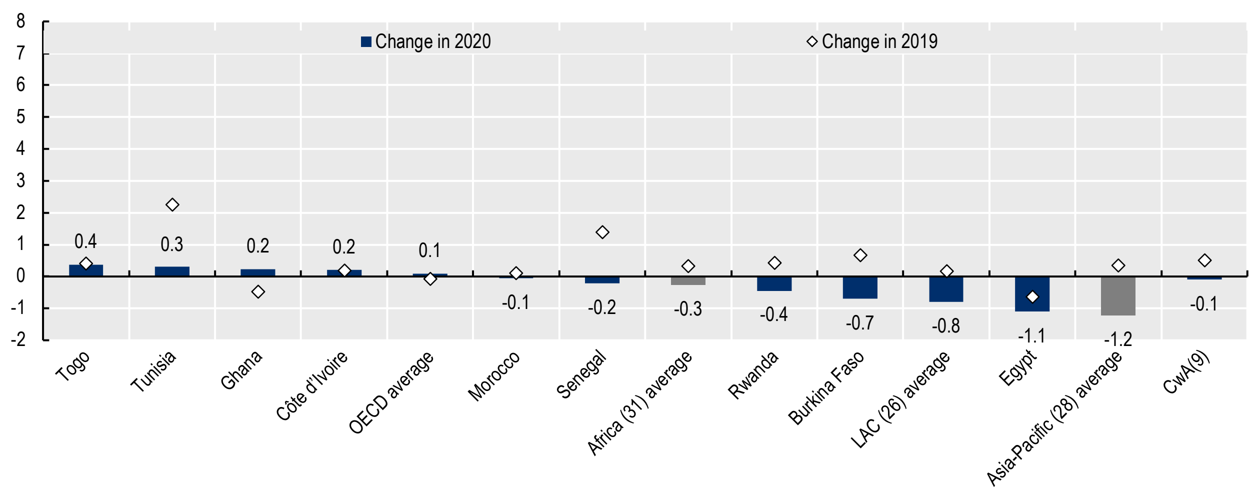


Source: OECD/ATAF/AUC 2022. *Excluding Benin, Ethiopia, and Guinea.

EFFECT OF THE PANDEMIC ON TAX RATIO, REVENUE, AND STRUCTURES

In 2020, against the backdrop of the COVID-19 crisis, the nine CwA countries' average tax-to-GDP ratio recorded its first year-on-year decline (0.1 percentage points) since 2010, driven by reduced revenues from taxes on goods and services. For comparison, the decline in the unweighted average tax-to-GDP ratio was 0.6 percentage points for 31 African countries, 0.2 percentage points for OECD countries, 0.8 percentage points for Latin America and the Caribbean countries, and 1.2 percentage points for East Asia and Pacific countries. Tax-to-GDP ratios decreased in four CwA countries, increased in three countries, and remained unchanged in one between 2019–20 (figure 1.4). Most decreases over the period were smaller than one percentage point of GDP; the fall exceeded this threshold only in Egypt (-1.1 percentage points), and Togo recorded the largest increase (0.4 percentage points).

Figure 1.4. Change in Tax-to-Gross Domestic Product Ratios, 2019–20

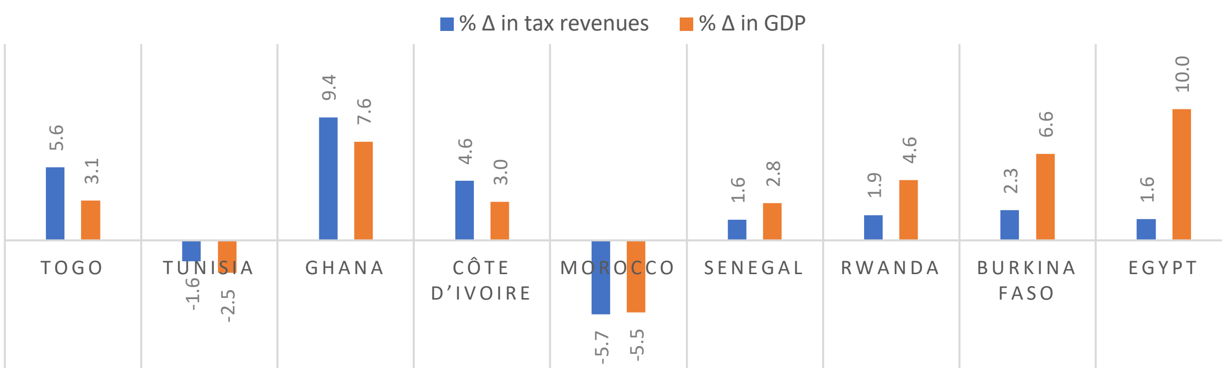


Source: OECD/ATAF/AUC 2022.

Tax-to-GDP ratios varied widely across the nine CwA countries in 2020 for which data is available, ranging from 13.3 percent in Egypt to 32.5 percent in Tunisia. Morocco and Tunisia had tax-to-GDP ratios above 25 percent; Burkina Faso, Rwanda, Senegal, and Togo above 15 percent but below 19 percent; and Côte d'Ivoire, Egypt, and Ghana below 15 percent.

In nominal terms, only Morocco (5.7 percent) and Tunisia (1.6 percent) recorded declines in tax revenues between 2019 and 2020 (figure 1.5). Other countries, such as Côte d'Ivoire, Ghana, and Togo, saw significant increases in nominal tax revenues.

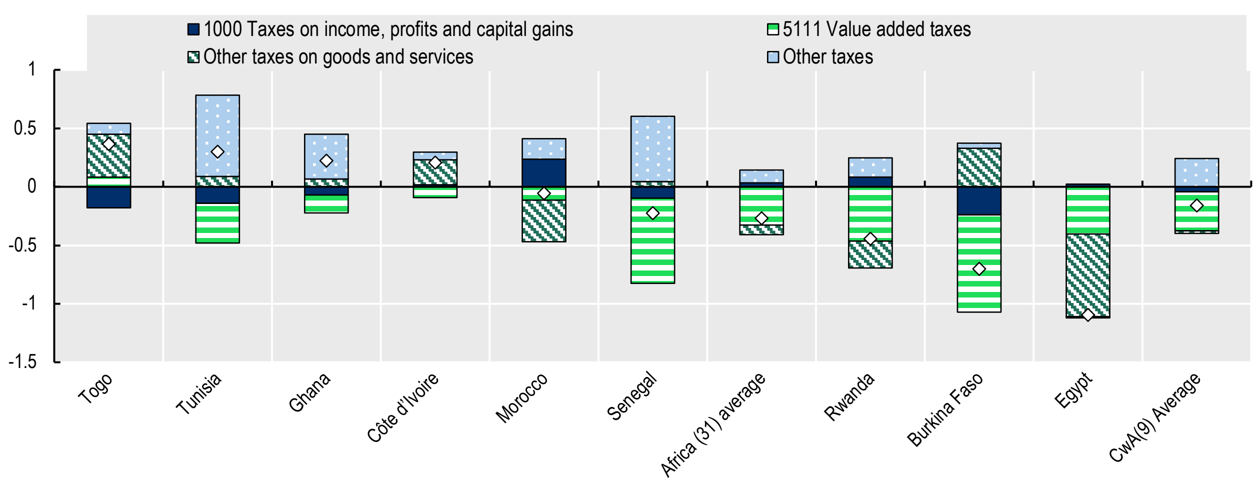
Figure 1.5. Change in Tax Revenue and Gross Domestic Product in Nominal Currency, 2019–20



Source: OECD/ATAF/AUC 2022.

Taxes on goods and services were the tax type most impacted by the COVID-19 crisis across the nine CwA countries, driven by a fall in revenues from VAT as a share of GDP of 0.3 percentage points. In contrast, revenues from PIT and CIT remained unchanged over this period, while those from other taxes rose by 0.2 percentage points, an increase driven primarily by Ghana, Senegal, and Tunisia (figure 1.6).

Figure 1.6. Change in Tax-to-Gross Domestic Product Ratios by Main Tax Headings, Time Period 2019–20, and Country

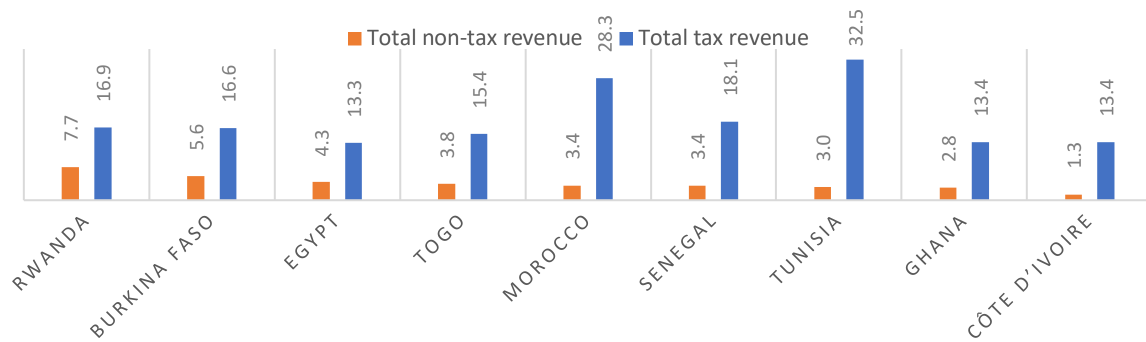


Source: OECD/ATAF/AUC 2022.

NON-TAX REVENUE: LEVELS, TRENDS, AND COMPOSITION

The average non-tax revenues across the nine CwA countries reached 3.9 percent of GDP in 2020. Individual country non-tax-to-GDP ratio ranged from 7.7 percent of GDP in Rwanda to 1.3 percent of GDP in Côte d'Ivoire (figure 1.7).

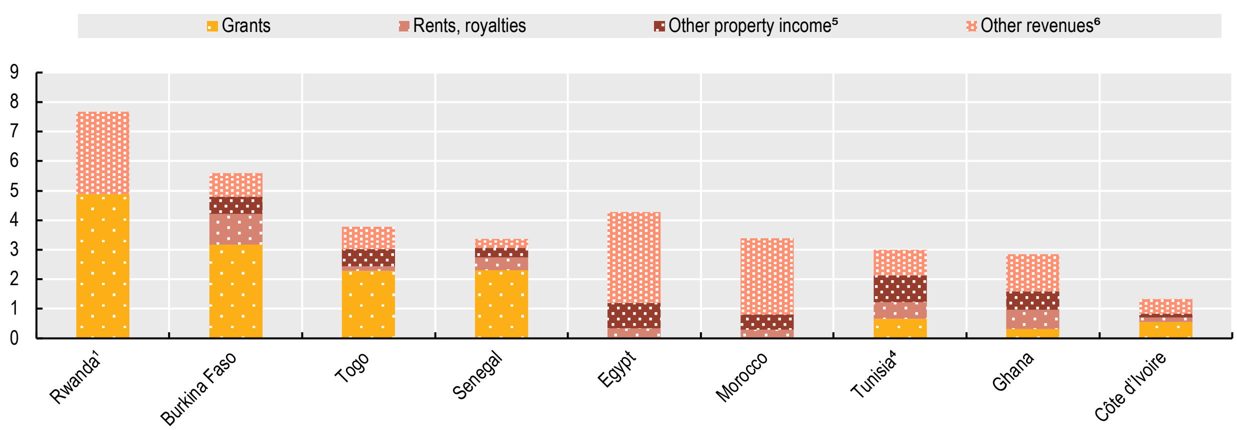
Figure 1.7. Total Tax and Non-Tax Revenue by Country as a Percentage of Gross Domestic Product, 2020



Source: OECD/ATAF/AUC 2022.

Per the contribution of each sub-category to total non-tax revenues for each country, countries such as Burkina Faso, Rwanda, Senegal, and Togo received a majority of their 2020 non-tax revenue in the form of grants (figure 1.8). Other non-tax revenues constituted the major source for Ghana (specifically fees for goods and services) and Egypt and Morocco (specifically miscellaneous and unallocated revenues).

Figure 1.8. Structure of Non-Tax Revenues by Country, 2020



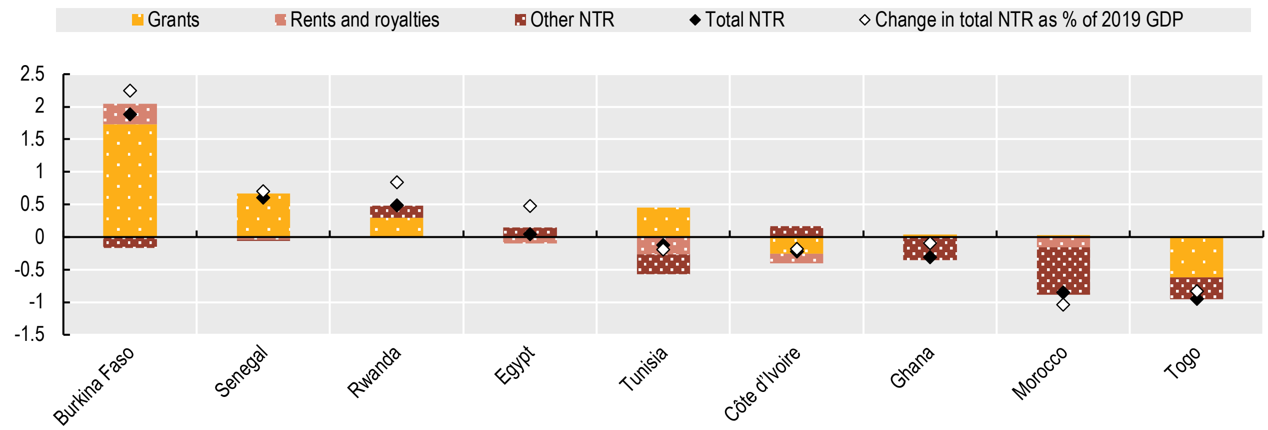
Source: OECD/ATAF/AUC 2022.

COVID-19 AND NON-TAX REVENUES IN 2020

Trends in non-tax and tax revenues have not been correlated, such that while the average tax-to-GDP ratio rose between 2010–20, average non-tax revenues declined, underpinned by drops

in grant revenues, rents, and royalties. However, in 2020, the first year of the COVID-19 crisis, these trajectories reversed as tax revenues declined but non-tax revenues increased, still yielding an average decline in total government revenues. Among the nine CwA countries, four recorded an increase in non-tax revenues and five recorded a decrease between 2019–20, all in line with recent history and trends (figure 1.9).

Figure 1.9. Increases in Non-Tax Revenues as a Percentage of Gross Domestic Product, 2019–20



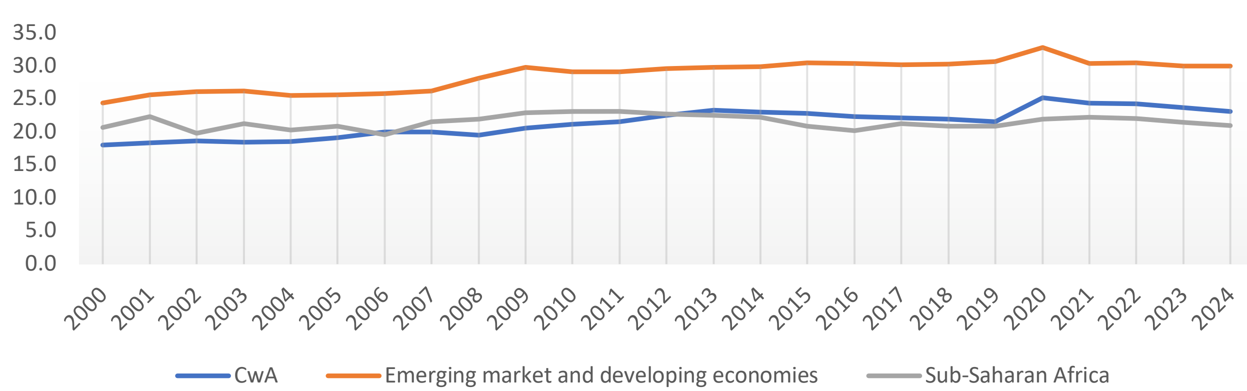
Source: OECD/ATAF/AUC 2022.

1.4. Analysis of Public Expenditure

TRENDS AND COMPOSITION OF PUBLIC SPENDING

Public expenditure in CwA countries shows an upward trend in tandem with EMDEs as recurrent expenditure dominates the budget over the review period (2000–22). However, the average expenditure-to-GDP ratio in CwA countries is consistently below EMDE and advanced economy averages (figure 1.10). Among CwA countries, Egypt, Morocco, and Tunisia have a relatively high public expenditure-to-GDP ratio of 25 percent or more (table 1.2).

Figure 1.10. Public Expenditure-to-Gross Domestic Product Ratios, 2000–24



Source: World Economic Outlook database.

Table 1.2. General Public Total Expenditure as a Percentage of Gross Domestic Product

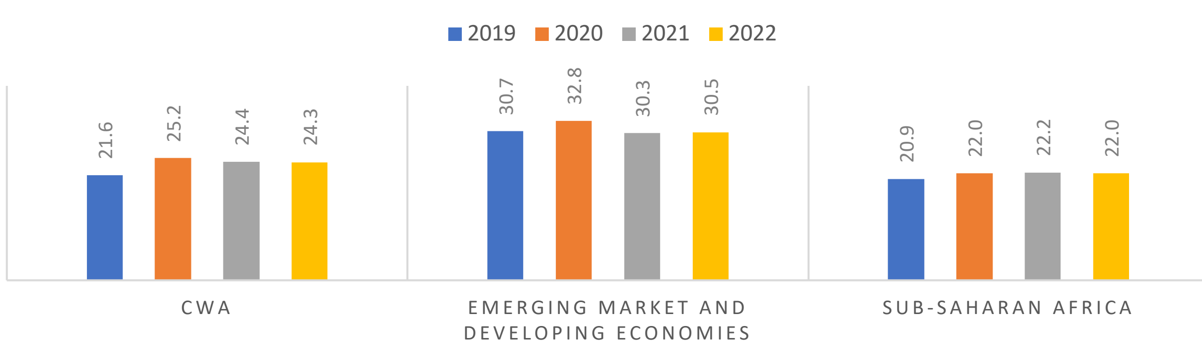
Country	2000–18	2019	2020	2021	Estimated 2022	Projected	
						2023	2024
Benin	15.2	14.6	19.1	19.9	19.8	19.3	18.4
Burkina Faso	21.3	23.5	25.5	27.4	27.1	25.9	24.8
Côte d'Ivoire	14.8	17.3	20.5	20.9	20.2	19.2	18.7
Egypt	31.2	26.9	25.7	26.0	25.8	27.1	27.5
Ethiopia	20.1	15.4	14.5	13.8	12.1	13.1	13.3
Ghana	17.4	21.1	28.3	25.7	23.3	23.3	24.3
Guinea	15.6	15.0	17.0	15.4	14.8	15.5	16.6
Morocco	27.6	27.4	34.1	30.1	30.1	29.4	29.0
Rwanda	22.7	28.2	33.4	31.6	32.3	29.2	28.6
Senegal	20.5	24.2	26.6	25.7	26.6	25.8	25.0
Togo	15.8	16.0	23.1	23.0	24.4	22.5	20.6
Tunisia	25.6	29.6	34.5	33.2	35.0	33.5	31.1
CwA countries	**20.7**	**21.6**	**25.2**	**24.4**	**24.3**	**23.7**	**23.2**
Sub-Saharan Africa	21.5	20.9	22.0	22.2	22.0	21.5	21.0
Emerging markets and developing economies	28.0	30.7	32.8	30.3	30.5	30.0	30.0
Advanced economies	39.2	39.2	39.2	39.2	39.2	39.2	39.2

Source: World Economic Outlook database.

EFFECT OF THE PANDEMIC ON PUBLIC SPENDING

With rising public expenditure, the pandemic only added to existing public spending pressures as countries implemented numerous social and economic mitigation measures. Between 2019–20, the average government expenditure-to-GDP ratio among the 12 CwA countries increased 3.6 percentage points compared to 2.1 percentage points and 1.1 percentage points in EMDE and Sub-Saharan Africa countries, respectively (figure 1.11).

Figure 1.11. Public Expenditures as a Percentage of Gross Domestic Product, 2019–22



Source: World Economic Outlook database.

After increasing from 21.6 percent of GDP in 2019 to 25.2 percent of GDP in 2020, total expenditure in CwA countries declined due to fiscal consolidation efforts and is projected to decline further in the short to medium term. Even so, the CwA group's average projected public expenditure-to-GDP ratio in 2024 (23.2 percent) will still be above the pre-pandemic statistic of 21.6 percent. Further, the expenditure compression that made the initial decline possible will be much harder to achieve as countries grapple with the lingering effects of the pandemic and Russia's war on Ukraine well into 2023 and beyond.

In terms of expenditure composition, recurrent expenditure exceeds growth-inducing capital expenditure in most CwA countries. Capital expenditure is approximately half of recurrent expenditure in most CwA countries for most of the review period, except in Ghana, which presents a worst-case scenario. In Ghana, recurrent expenditure outstrips capital expenditure by a ratio of eight to one, driven mainly by a huge public sector wage bill (table 1.3).

Table 1.3. Capital versus Current Spending (Percentage of Gross Domestic Product)

Country	2020		2021		2022	
	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
Benin	66.34	33.66	64.16*	35.64	59.23*	40.77*
Burkina Faso	68.7	31.3	68.68	31.32	65.54*	34.46*
Côte d'Ivoire	73.61	26.39	73.19	26.81	67.88	32.12
Ethiopia	56.9*	43.1*	54.92*	45.08*	52.94*	47.06*
Ghana	89.04*	10.96*	89.87*	10.13*	87.91*	12.09*
Guinea	84.85	15.15	68.89*	31.11*	62.87*	37.13*
Rwanda	60.83	39.17	63.03	36.97	63.4*	36.6*
Senegal	59.61*	40.39*	58.4*	41.6*	58.25*	41.75*
Togo	65.13	34.87	61.37*	38.63*	60.32*	39.68*

Source: Spending Watch Database. *Planned not actual.

This trend worsens the capacity of the CwA to ensure debt sustainability as recurrent expenditure is not growth-inducing. This difficulty is further worsened by CwA counties not borrowing inexpensively from multilateral lenders offering concessional financing rates. In 2010, multilateral lenders accounted for 56 percent of the public and publicly guaranteed debt of Sub-Saharan Africa countries; by 2019, that share was just 45 percent. In 2010, loans from Paris Club[5] creditors accounted for 18 percent of the debt; by 2019, the share was just 8 percent. On the other hand, borrowing from China and commercial creditors nearly tripled over the same time: from 6 percent to 16 percent, and from 8 percent to 24 percent, respectively.

As long as real economic growth remained strong, the risks were masked. Growth curbs the accumulation of public debt: according to our data, from 2011 through 2019, economic growth—adjusted for inflation—reduced public debt by about 12 percent of GDP (Estevão and Essl 2022).

[5] See https://clubdeparis.org/

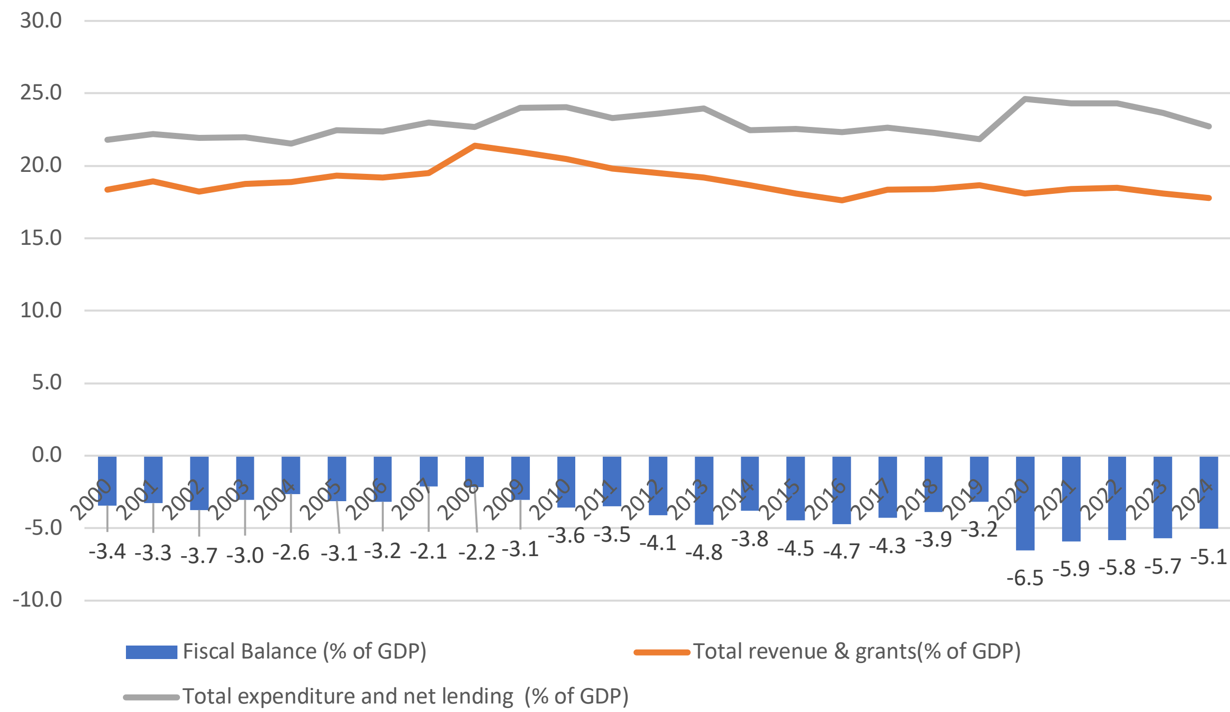
Today, however, the dynamics are in the opposite direction: developing economies are expected to grow just 3.4 percent in 2022 (Arteta et al. 2022), barely half the rate in 2021. And as interest rates surge to tackle inflation, growth is likely to remain weak for the next couple of years.

1.5. Analysis of Deficit and Debt Dynamics

FISCAL DEFICIT: TRENDS AND OUTLOOK

Fiscal deficits have been a permanent feature of public finance among CwA countries. However, with increased public spending amid constrained revenues after the pandemic, fiscal deficits sharply increased from 3.2 percent of GDP in 2019 to 6.5 percent in 2020. The average fiscal deficit of CwA countries narrowed to 5.9 percent of GDP in 2022 from 6.5 in 2021, reflecting the scaling down of COVID-19-related interventions and strengthening of domestic revenues (figure 1.12).

Figure 1.12. Revenue, Expenditure, and Deficits (Percentage of Gross Domestic Product), 2000–24



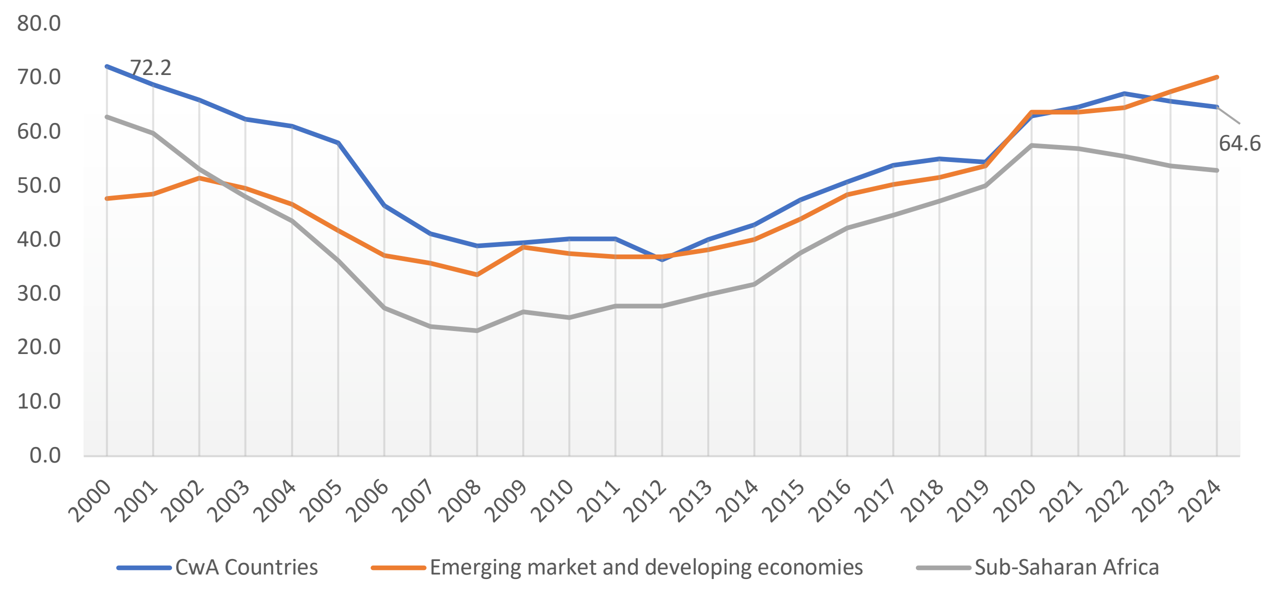
Source: African Development Bank statistics.

With almost all countries undertaking some fiscal consolidation following the pandemic, the CwA countries' deficits are projected to narrow by about 0.1 percentage points and 0.6 percentage points in 2023 and 2024, respectively. This brings the average fiscal deficits to 5.1 percent of GDP in 2024—still above the pre-pandemic level. However, more importantly, the prospects of further declines in 2023 and 2024 are threatened by rising commodity prices and inflationary pressures triggered by Russia's war on Ukraine, especially for economies dependent on imports of energy and food commodities.

PUBLIC DEBT: TRENDS AND PROJECTIONS

As with many EMDEs, the upsurge in fiscal deficits following the pandemic is reversing the reduction in public debt burden achieved (in some countries) over the last decade and inducing significant debt vulnerabilities. In 2021 and 2022, the debt-to-GDP ratio among CwA countries saw upward changes reaching an estimated 67.2 percent of GDP in 2022 despite recent debt relief initiatives (figure 1.13).[6] While the debt relief measures helped alleviate liquidity pressures in some countries by boosting external buffers, they did not erase debt vulnerabilities, as many CwA countries are either in or at risk of debt distress.

Figure 1.13. Gross Government Debt as a Share of Gross Domestic Product, 2000–24



Source: World Economic Outlook database.

[6] Including the Debt Service Suspension Initiative, Common Framework, and IMF's August 23, 2021 general allocation of $650 billion-equivalent Special Drawing Rights.

Despite the near universal upsurge in debt burden, individual CwA countries and groupings show notable differences in debt vulnerability (table 1.4).

Table 1.4. Gross Government Debt as a Share of Gross Domestic Product, 2000–24

Country	2000–18	2019	2020	2021	Estimated 2022	Projected	
						2023	2024
Egypt	83.0	80.1	85.3	89.2	89.2	85.6	84.6
Oil exporters	**83.0**	**80.1**	**85.3**	**89.2**	**89.2**	**85.6**	**84.6**
Burkina Faso	30.1	42.5	46.4	52.4	59.6	59.3	58.5
Ghana	44.4	62.7	79.1	82.1	90.7	87.8	89.2
Guinea	63.1	38.6	47.5	42.5	39.0	37.2	38.2
Other resource-intensive countries	**45.9**	**47.9**	**57.7**	**59.0**	**63.1**	**61.4**	**62.0**
Benin	25.8	41.2	46.1	49.9	54.8	55.6	54.3
Côte d'Ivoire	46.8	38.4	47.6	52.1	56.0	55.1	53.7
Ethiopia	62.1	54.7	53.7	53.0	46.4	40.4	37.4
Morocco	54.4	60.3	72.2	68.9	70.3	70.1	70.6
Rwanda	43.6	49.8	65.6	66.6	68.1	68.6	69.4
Senegal	40.1	63.6	69.2	73.2	77.3	74.3	69.0
Togo	53.9	52.4	60.3	63.7	66.1	65.4	63.4
Tunisia	52.5	69.0	82.8	81.8	88.8	89.2	87.1
Non-resource intensive countries	**47.4**	**53.7**	**62.2**	**63.7**	**66.0**	**64.8**	**63.1**
CwA countries	**50.0**	**54.4**	**63.0**	**64.6**	**67.2**	**65.7**	**64.6**
Sub-Saharan Africa	37.9	50.1	57.6	57.0	55.5	53.7	52.9
Emerging markets and developing economies	42.9	53.8	63.7	63.7	64.5	67.5	70.2

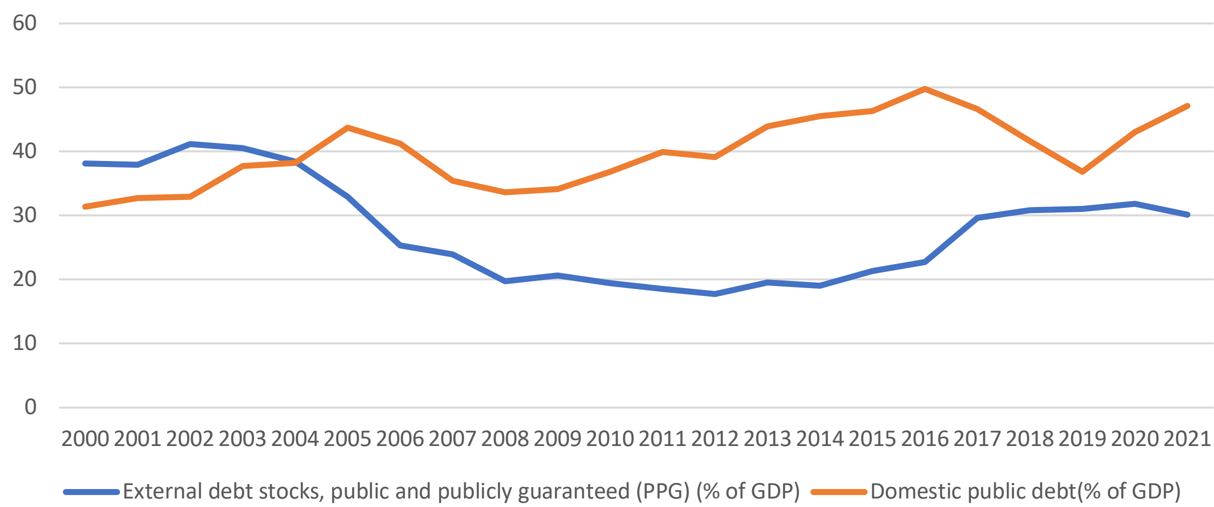
Source: World Economic Outlook database.

In the short to medium term, CwA countries' public debt is projected to reach 64.6 percent of GDP in 2024, remaining higher than pre-pandemic levels and above the Sub-Saharan Africa average. Even worse, the fiscal adjustments (including a reduction in public expenditure) that partly underpin the projection of a decline in public debt in 2023 and 2024 could become much more difficult to achieve as food and fuel price shocks make additional spending necessary to ward off social discontent and hardships. In addition, heightened exchange rate depreciation pressures, particularly among net importers of commodities following Russia's war on Ukraine, could increase the cost of debt servicing in some countries. Strikingly, the share of domestic debt since 2004 has been large and increasing, reflecting growing reliance on local currency borrowing, predominantly in the form of bonds held by local residents—increasing the domestic debt-to-GDP ratio from 38 percent in 2004 to 47 percent in 2021.

A significant share of the money borrowed locally comes from local banks that find it easier to buy government bonds than to assess the reliability of businesses. Banks in CwA countries have high exposure to sovereign debt, suggesting that a sovereign debt crisis could fast turn into a banking crisis. This points to a difficult trade-off between the need to restructure sovereign debt owed to domestic banks and the impact of such restructuring on financial sector stability and the capacity of domestic banks to finance growth.

The shift of CwA countries toward non-concessional and domestic debt also affects the cost of debt service and private investment (figure 1.14). On the one hand, domestic debt has high interest rates that increase the debt-servicing burden. On the other hand, excessive domestic debt can potentially stifle credit to the private sector, the main engine of growth and job creation.

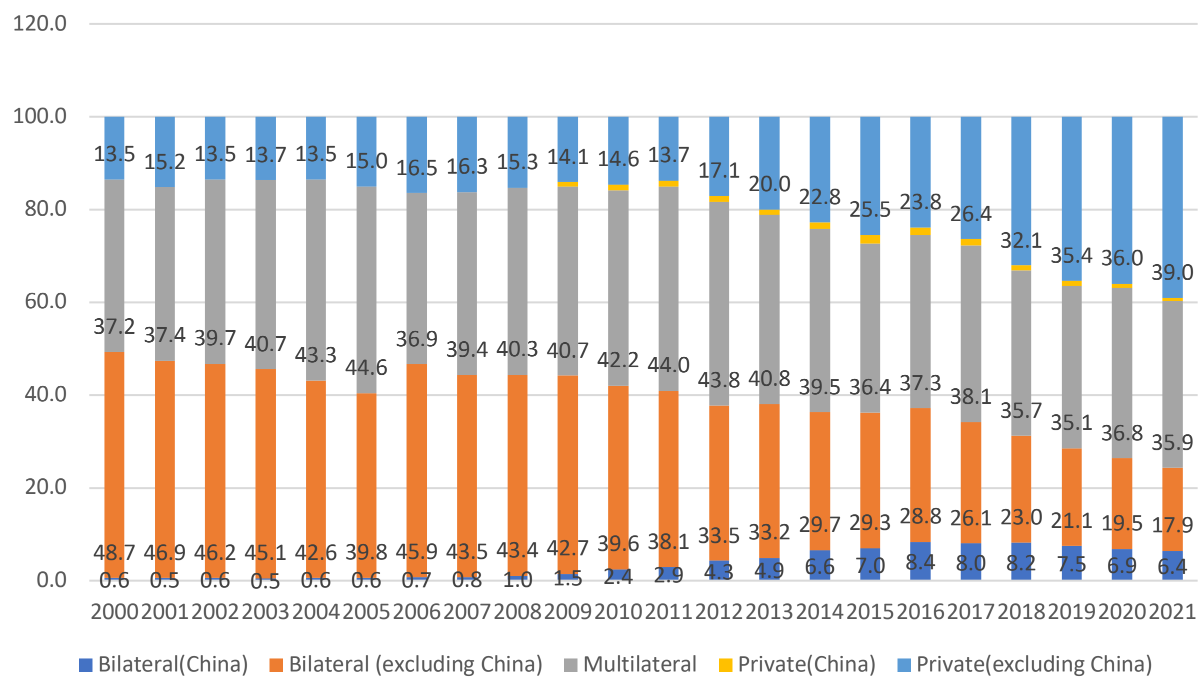
Figure 1.14. Domestic and External Public Debt as a Percentage of Gross Domestic Product in Compact with Africa Countries



Source: Calculations based on IMF, World Economic Outlook, and World Development Indicators.

Besides the shift toward domestic debt following the HIPC Initiative and Multilateral Debt Relief Initiative (MDRI), the structure of CwA countries' debt profile has significantly changed. First is the shift from multilateral and bilateral to private creditors. Between 2000–21, external debt owed to bilateral creditors (excluding China) fell from 48.7 percent to 17.9 percent, and the share owed to multilateral creditors fell and stagnated at about 35 percent (figure 1.15). Yet the share owed to private creditors more than doubled, rising from about 13.5 percent in 2000 to a whopping 39 percent in 2021. The increasing share of private sector debt is primarily driven by the prominence of Eurobonds (relative to other creditors and commercial banks) as a share of private credit since 2000.

Figure 1.15. External Debt Stock by Creditor Type (Percentage Share)



Source: International Debt Statistics.

The second change in the debt profile is the emergence of China as a dominant financier relative to other creditors, as well as new creditors, such as the Arab Gulf States, including Saudi Arabia and the United Arab Emirates. Over the past two decades, bilateral credit from China rose from a mere 0.6 percent of external credit in 2000 to 6.4 percent in 2021, making China the biggest bilateral lender of CwA countries. Over the same period, bilateral loans from traditional creditors (the members of the Paris Club) saw a decline from 48.7 percent of CwA countries' external credit in 2000 to just 17.9 percent in 2021.

The dramatic shift in the composition of CwA countries' external debt stock presents multiple implications, including increasing and expensive debt servicing; shorter term claims; increased susceptibility to market perceptions; and greater exposure to interest rate volatility and rollover risk—all due to shifts toward market-based loans. In addition, the prominence of Chinese lending (alongside new bilateral creditors) leads to concern that such loans are non-transparent as a matter of policy and may be sharply underestimated in global debt data—complicating both the credit-monitoring role of the multilateral and the IMF's role in coordinating creditor behavior. The lack of transparency in loan agreements makes it difficult to evaluate debt effectiveness and affordability.

Combined, the increased diversity of creditors (through the emergence of China and other lenders, both official and private) raises coordination challenges. Creditor coordination could potentially complicate the debt restructuring process, delay the resolution of debt distress, or even precipitate distress by paralyzing creditors' capability to provide short-term liquidity relief.

Consistent with rising public debt, African debt service payments substantially increased in the past decade, in part due to higher interest payments on private loans. Debt-service ratio—a key debt sustainability measure—is on an upward trajectory since 2010 (figure 1.16). It increased from a pre-pandemic level of 10.4 percent in 2019 to 17.2 percent in 2021 of foreign-exchange income—measured as a combination of goods and services export revenue, together with inflows of primary income and workers' remittances—on servicing foreign debt. The weighted averages, however, mask significant differences in debt service burden across countries because some countries dedicate as much as 20 percent or more of foreign-exchange income to external debt servicing. With debt service consuming increasingly large proportions of foreign-exchange income as well as budgets and revenues, a wave of defaults is imminent. Indeed, the IMF surmises that eight African countries are already in debt distress, meaning they cannot service external commitments. A further 14 countries are classified as being at high risk of debt distress.

Figure 1.16. Compact with Africa Countries' Debt Service and Debt-Service Ratio, 2000–21

Source: International Debt Statistics; World Bank; and World Development Indicators; author calculations.

Looking ahead, even without a system debt crisis, the squeeze on public finance and government budget due to excessive debt and a heavy debt-service burden is expected to weigh on economic growth and stability in several countries, especially those in distress or listed as being at high risk of distress. Further, one can expect more increments to already high external debt levels and higher debt-service costs as global interest rates rise from monetary policy tightening and African countries suffer a heightened risk perception. Another debt crisis will threaten gains in robust economic growth and positive gains in poverty reduction following debt relief under the HIPC Initiative and MDRI. This makes the need for a swift and effective policy response to ensure fiscal responsibility urgent but to do so without neglecting development needs.

1.6. Key Challenges and Reform Options

Policymakers face the most challenging environment in years. With elevated debt stocks approaching levels (65.7 percent of GDP by the end of 2023) last seen in the early 2000s before the impact of the HIPC Initiative, public debt constitutes a major threat to economic recovery.

Much of the current debt burden was contracted during a period of historically low interest rates. As policy rates normalize, global financial conditions will become less forgiving, with high global interest rates (coupled with pressure on currencies of many CwA countries) adding to external borrowing costs and weighing on the debt dynamics of CwA countries (IMF 2022; AfDB 2022). The higher cost of borrowing is not a concern for only external borrowing as inflationary pressures have promoted a general tightening of monetary policy with direct consequences for domestic interest rates and public borrowing costs (IMF 2022).

In this context, improving revenue mobilization and enhancing public spending efficiency has become urgent. However, raising taxes could be politically challenging going forward, as the crisis left many businesses and households with fewer resources. Equally, the asymmetric effect of the multiple crises across sectors risks engendering structural changes that could affect countries' tax capacity, thus tightening the tax frontier. Stated differently, it remains unclear whether outputs and revenues will bear scars from the pandemic, leading to some permanent losses.

What is certain is that current macro-fiscal instability stems from systemic challenges, including weaknesses in revenue mobilization and public finance management. As countries work to address imminent socioeconomic challenges, it is crucial to not lose sight of underlying structural factors that have left these countries vulnerable to these shocks. For the international community and partners, supporting CwA countries to build forward better requires looking beyond current crises and valuing structural reforms, including fiscal regimes.

The multiple crises expose gaps and weaknesses in implementing fiscal policy and legislation, with significant implications for tax revenue mobilization, public spending efficiency, and public finance sustainability. Therefore, taking stock of the gaps and challenges of fiscal regimes, proposing policy and reform options, and examining the feasibility of different policy options is crucial—noting a vast difference between formulating sound fiscal policy and legislation and successful implementation. With this in mind, two key challenges of fiscal regimes in CwA countries and options for reform require special attention.

INVESTMENT AND TAX POLICY, ADMINISTRATION, AND TAX INCENTIVES

Across CwA countries, improvements in tax revenue mobilization have been slow and uneven, despite progress in some of the countries over recent years. Underpinning the poor revenue mobilization are persistent structural issues, high levels of informality, and weak reform efforts (IMF 2018; Aslam et al. 2022). Of particular concern is that tax systems across the group (and the region more broadly) "…continue to be riddled with exemptions and incentives that undermine revenue potential, while administration and compliance remain weak" (Aslam et al. 2022, p.1).

COVID-19 exacerbated weaknesses in the revenue collection infrastructure by adding to a long list of exemptions, rate reductions, and tax breaks and deferrals, further weakening tax systems and revenue administration capacity. Before the pandemic, the often-excessive tax incentives were linked to investment policy reforms geared toward improving the investment climate and boosting global FDI market competitiveness. Over the past decade, almost all CwA countries renewed efforts in investment promotion facilitation, with most measures directed toward FDI entry (UNCTAD 2021).

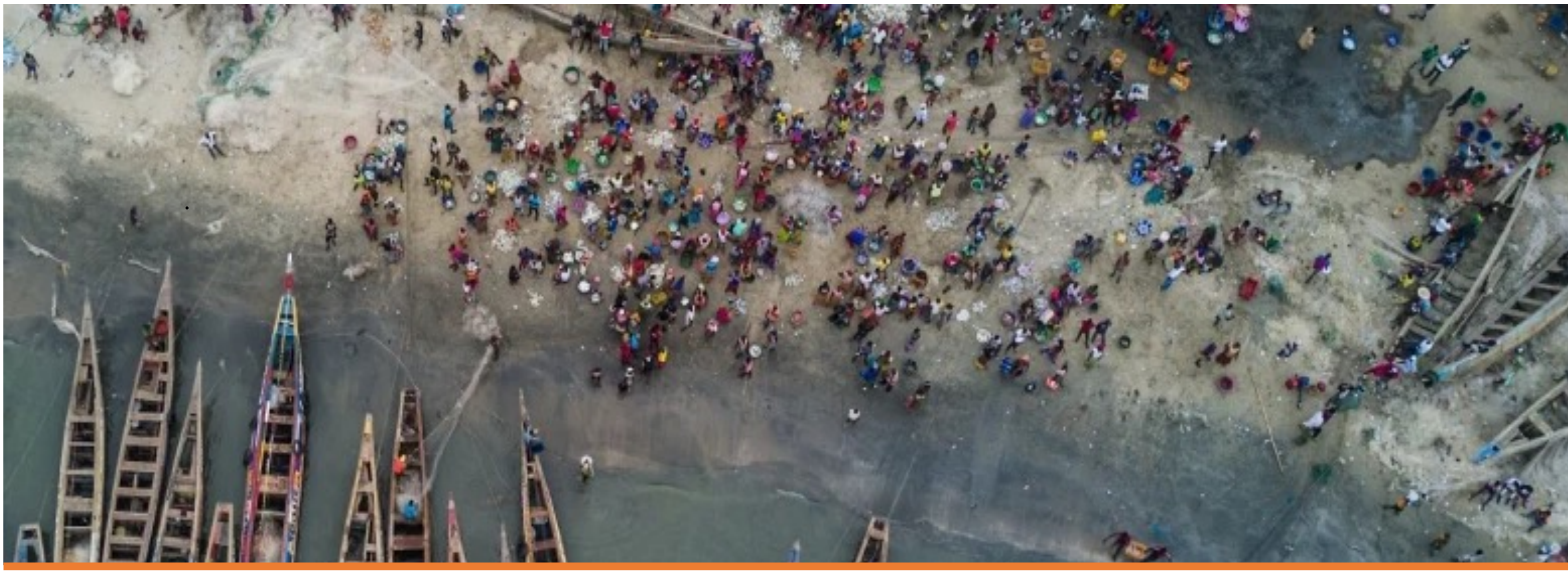
In the face of rising public debt and constrained budgets, the need for private capital and FDI could drive fierce competition to attract foreign investment. Thus, CwA countries could tilt toward excessive tax and fiscal incentives in promoting and competing for international investment. This raises a question about the feasibility of financial and investment agreements among CwA countries to curtail costly incentives, avoid a race to the bottom in attracting investment through favorable tax provisions for large companies, and ensure sustainable revenue mobilization.

Investment agreements, whether bilateral or multilateral, are crucial in regulating provisions and the obligation of investors to ensure sustainable investment. However, intra-Africa bilateral and multilateral investment agreements are few. Within regional economic communities, multilateral and regional investment treaties have emerged; however, the overlapping membership of member states in multiple Regional Economic Communities makes harmonizing investment inefficient and complex. At the continental level, the AfCFTA investment protocol constitutes a framework that covers all aspects of international investment policymaking, namely, investment facilitation, promotion, and protection (UNCTAD 2021). The importance of such investment protocols in driving sustainable and inclusive investment and the multiplicity of such frameworks at bilateral and multilateral levels necessitate examining the feasibility of financial and investment agreements among CwA countries.

FISCAL RULES AND FISCAL RISK MANAGEMENT FRAMEWORKS

The current macro-fiscal instability may recall the 1990s. But CwA countries and the region more broadly have made significant progress since then in improving budget frameworks, monetary credibility, and governance. Nevertheless, while past reforms helped cushion some recent turmoil, evidence of gaps and weaknesses in frameworks and implementation necessitate investigation. In particular, the feasibility and options of fiscal frameworks, including effective debt management, are crucial.

For CwA countries, a credible fiscal framework and effective implementation are crucial to building trust in fiscal sustainability, reducing poor risk sentiment, and reducing borrowing costs. A framework supported by strong budget institutions, transparent reporting practices, and sound management of fiscal risks requires consideration toward reforms to help countries grow out of debt and prevent a return to debt distress.



2. INTERNATIONAL TRADE OVERVIEW

2.1. Global Trends in International Goods and Services Trade

Trade expanded by 5.1 percent in 2022 despite Russia's war on Ukraine and growing global macroeconomic imbalances.[7] The global impact of the war quickly dissipated as traders found new suppliers and markets and fears of food insecurity diminished. Russia's trade with China and India expanded significantly. Goods trade nonetheless contracted in the fourth quarter, in part because China imposed new COVID-19 restrictions and the global economy slowed. Trade in services grew 15 percent relative to 2021 and 11 percent relative to 2019 with travel recovering to pre-pandemic levels in countries where pandemic restrictions were removed. Logistics constraints continue to ease, and containerized shipping capacity remains stable.

Global trade growth is expected to slow to 2.4 percent in 2023 down from 5.1 percent in 2022, with multiple factors weighing on global demand. Such factors include the shift in consumption from goods to service, in a gradual return to pre-pandemic patterns; tight monetary stance to combat inflation worldwide; growing financial stress (such as recent bank failures) in advanced economies; elevated geopolitical and trade tensions; and an increased incidence of trade protection and uncertainty. Pressures on global supply chains subsided to a four year low in the first half of 2023, consistent with expectations of slow global demand. China's goods demand recovered to some extent, with metal prices firming up as a result, but the boost is expected to be constrained by the fading of COVID-19 stimulus measures. Meanwhile, China's services imports are in for a strong rebound, following removal of travel restrictions.

[7] Global trade estimates are from IMF's World Economic Outlook (April 2023). Services trade estimates are based on WTO data. See World Bank's Trade Watch for more details on recent global trade trends.

2.2. Recent Trade Trends in Compact with Africa Countries

In 2022, CwA countries saw their collective goods and services export volumes (in constant U.S. dollars) surge 18.6 percent and exceed pre-pandemic levels amid a strong rebound in travel services.[8] Following a plunge of 8.8 percent in 2020 caused by the pandemic, the overall export volumes of the CwA group grew 2.8 percent in 2021 due to a quick recovery in goods exports, yet stayed below 2019 pre-pandemic levels (by 6 percent) as services exports remained depressed. In 2022, the removal of most travel restrictions triggered a surge in travel services, particularly in Egypt, Ethiopia, and Morocco. This development, along with the continuing robust growth of goods exports, led to an increase in the group's total exports of goods and services of 18.6 percent relative to 2021, and about 12 percent relative to 2019, a pre-pandemic year. However, goods export growth in 2023 is expected to slow to 5.5 percent on the back of weakening global demand.

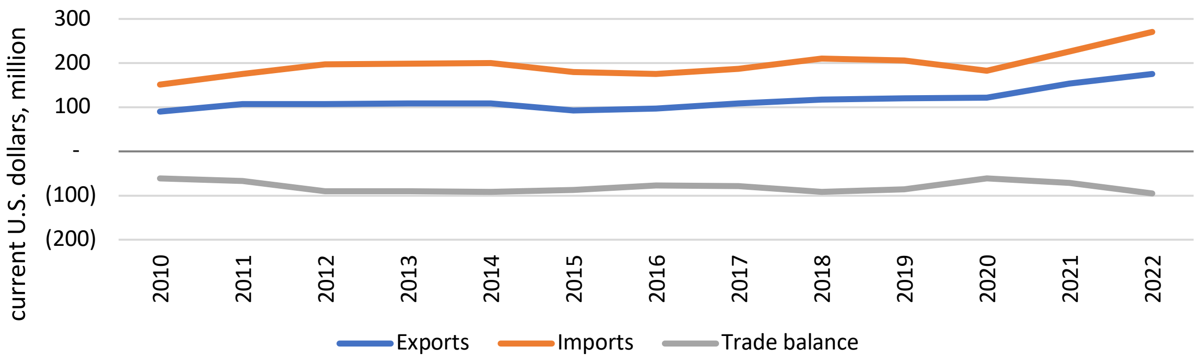
The collective CwA export volumes and values have been more resilient on average over the past three years compared to other African countries. In 2022, the 4.9 percent growth in overall goods and services export volumes in non-CwA African countries was far below the 18.6 percent in CwA countries. In the same year, goods export volumes grew 11.8 percent in CwA countries as opposed to 4.6 percent in other African countries, strengthening the trend of superior performance observed in 2020 and 2021. The goods trade volumes of the CwA countries contracted only 2.2 percent in 2020 (versus 14.2 percent in non-CwA African countries) and grew 10.5 percent in 2021 (versus 9.1 percent in non-CwA African countries). Recent trends in CwA goods export values (in current U.S. dollars) also indicate resilience.[9] In 2020, the goods exports values of CwA members stagnated, while the goods export receipts of non-CwA countries in Africa plunged 23.7 percent. Further, since 2017, the group's share in Africa's total export values averaged 27 percent and was 7 percentage points above the share between 2010–16.

The goods trade deficit of CwA countries widened 30 percent in 2022, as fuel and food prices surged further in the first half of the year and global inflation pressures spread to a wider range of products. As a share of GDP, the trade deficit increased from 4.2 in 2021 to 4.5 in 2022. The global economic recovery that followed the lifting of the pandemic lockdowns pushed up prices of fuels, metals, stones, and agriculture products to historic levels, benefiting the terms of trade of commodity exporters in CwA and partly offsetting the slow rebound in imports. As a result, the trade deficit shrunk in 2020 and expanded moderately in 2021 (figure 2.1). However, in 2022, the pace of import bills picked up, with geopolitical conflicts accelerating the surge in fuels and foodstuffs during the first half of the year—which temporarily raised food security concerns and triggered a flurry of protection measures—and with global inflationary pressures gradually engulfing manufacturing products. Consequently, the trade deficit returned to pre-pandemic levels in 2018.

[8] Trade-weighted estimates that are subject to change due to data revision.

[9] While goods export volumes are estimated in constant U.S. dollars and indicate the quantity of merchandise (net of the price effect), goods export values capture the receipts based on prices in current U.S. dollars and may differ significantly from the exported volumes, particularly for commodity exporters. When commodity prices increase, the values increase relative to volumes and vice versa.

Figure 2.1. Trends in Overall Compact with Africa Export and Import Values

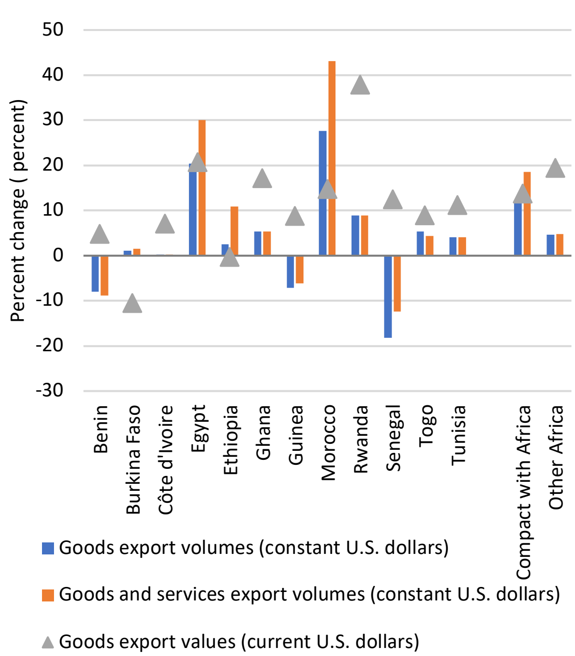


Source: WTO.

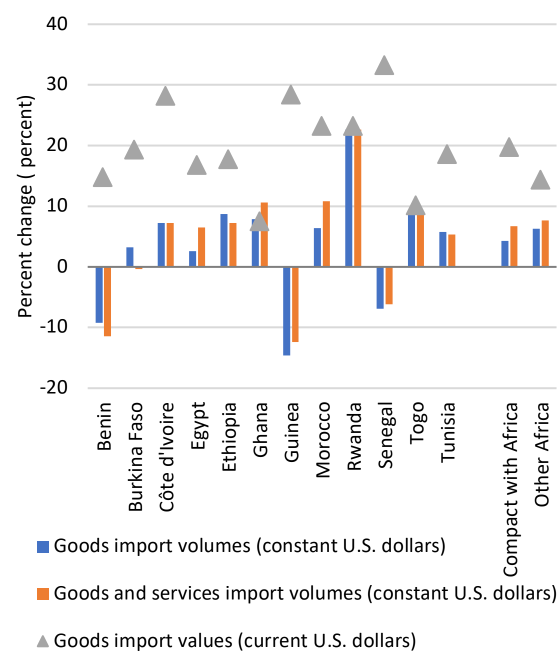
Aggregate trends in CwA trade hide significant variation by country (figure 2.2). CwA-North African countries drove the overall increase in exports, notably Egypt and Morocco, which had a surge in export volumes and values of goods and services. By contrast, growth in export volumes was modest in most CwA-Sub-Saharan Africa countries, while exports in Benin, Guinea, and Senegal declined. However, in value terms (in current U.S. dollars), exports rose in almost all CwA countries on the back of elevated commodity prices. In sobering evidence of persistent inflation pressures, import bills in current U.S. dollars surged in all CwA countries at rates that exceeded in most cases the changes in import volumes and the growth in export receipts in current U.S. dollars.

Figure 2.2. Trends in the Aggregate Trade of Compact with Africa Countries, 2022 versus 2021

a. Exports



b. Imports



Source: IMF 2023a; WTO. Other Africa's goods export volumes estimate is based on 39 countries. Other Africa's goods and services export volumes estimate is based on 29 countries.

In 2022, exports of goods and services of most CwA countries were above pre-pandemic levels, and the average recovery pace was consistently better than other African countries (table 2.1). The goods exports of CwA countries rebounded faster than services, consistent with global trends, as the services trade remained depressed for a longer time amid persistent travel restrictions. In value terms (current U.S. dollars), goods exports of all but one CwA country had caught up to pre-pandemic levels as early as 2021 and no country was lagging in 2022. In volume terms (constant U.S. dollars), the exports of only two countries were lower in 2021 than in 2019. This number increased to three countries in 2022, as goods export volumes declined in Benin, Ghana, and Senegal (albeit their exports increased in value terms).[10] In sharp contrast to goods exports, only four of 12 CwA countries had higher services exports in 2021 compared to 2019, largely because of severely depressed travel services. On average, CwA countries saw less declines and faster recoveries than the average African countries in both goods and services in the past two years.

Table 2.1. Compact with Africa's Exports of Goods and Services, 2021 and 2022: Changes from Pre-Pandemic Levels

Country	Goods exports, current U.S. dollars (percent change)		Goods exports, constant U.S. dollars (percent change)		Overall services exports, current U.S. dollars (percent change)		Travel service exports, current U.S. dollars (percent change)	
	2021 vs 2019	2022 vs 2019	2021 vs 2019	2022 vs 2019	2021 vs 2019	2022 vs 2019	2021 vs 2019	2022 vs 2019
Benin	12.9	18.3	3.9	-4.4	5.0	n.a.	6.2	n.a.
Burkina Faso	55.7	39.5	-0.2	0.9	6.1	n.a.	-4.3	n.a.
Côte d'Ivoire	20.6	29.2	7.6	7.9	-25.1	n.a.	-50.6	n.a.
Egypt	40.7	69.9	9.1	31.3	-12.6	28.0	-31.7	3.9
Ethiopia	44.1	43.7	15.1	18.0	15.2	52.4	24.0	42.7
Ghana	-6.0	10.2	-17.3	-12.8	-7.6	-9.1[a]	-60.2	-50.7[a]
Guinea	159.5	182.6	30.6	21.4	-71.7	23.5[a]	33.9	28.6[a]
Morocco	23.0	41.2	18.3	51.1	-20.1	18.1	-53.5	7.4
Rwanda	23.4	70.2	12.0	22.0	-43.0	-10.8	-67.3	-2.8
Senegal	24.5	40.0	16.8	-4.5	-23.6	n.a.	-55.2	n.a.
Togo	27.9	39.4	18.4	24.8	0.3	n.a.	-10.8	n.a.
Tunisia	11.8	24.3	0.1	4.2	-34.9	12.3	-52.6	-22.5
CwA	27.5	45.0	8.1	20.8	-14.0	24.7[b]	-40.5	3.9[b]
Other Africa	12.4	34.3	-6.5	-2.1	-31.5[c]	7.6[c]	-58.2[c]	-0.9[c]

Source: IMF 2023a; WTO services statistics.

Note: [a] Services data for Ghana and Guinea in 2022 is based on the first two quarters of each of the compared years. [b] Services growth for the CwA group in 2022 is based on 5 of 12 countries for which estimates of annual data are available. [c] Services growth aggregate for Other Africa is based on varying number of countries depending on data availability: 32 countries for the -31.5 percent estimate; 19 countries for the 7.6 percent estimate; 26 countries for the -58.2 estimate and 18 countries for the 0.9 percent estimate. n.a.=not available.

[10] For Senegal, the decline in volumes seems related to a decline in the export values of ground nuts (by 53 percent to selected destinations that report monthly data). However, the loss in value terms was greatly compensated by a surge of exports of chemicals. For Guinea, the decline in volumes may be related to declining gold exports (in current U.S. dollars) to selected destinations that report monthly data. The loss in value terms was offset, however, by a surge in export receipts for bauxite. For Benin, the reason for the decline in export volumes is less clear based on the reporting of countries with available monthly data yet it was compensated in value terms by an increase in exports of groundnuts.

By the end of 2022, of the 12 CwA countries, only Burkina Faso and Tunisia had food export bans in place to alleviate food security concerns. During 2022, several countries globally temporarily resorted to restrictive trade policies to cope with increasing food security concerns in the wake of Russia's war on Ukraine. CwA countries implementing export banks included Burkina Faso, Ghana, and Tunisia. Cameroon already had similar measures in place since 2021. However, the concerns dissipated as cereal trade resumed on the Black Sea and traders found new suppliers and markets. By the end of 2022, exports bans were still in place in Burkina Faso (on millet, maize, and sorghum flours) and Tunisia (on fruits and vegetables), both due to expire in December 2023. Export-limiting measures may undermine rather than enhance food security in the long run because they weaken the incentive to invest in the production of agricultural products. Rather, countries should prioritize policy responses to a short-term food price shock, such as emergency food support, and ones that build capacity for food security over the long term, such as access to seeds or fertilizers.

2.3. African Continental Free Trade Area and Compact with Africa Countries

The second year of trading under the AfCFTA Agreement, which officially launched on January 1, 2021, took place amidst the economic turbulence triggered by Russia's invasion of Ukraine and climate change, underlining the crucial need for enhancing regional trade and integration. As the implementation of the AfCFTA takes root in its third year, it is important that the Agreement be leveraged to contribute to economic recovery, self-sufficiency, and resilience, and buffer the continent from current and future economic shocks.

The AfCFTA, signed by 54 (out of the 55) African Union member countries and ratified by 46 of them,[11] seeks to unite the continent in a single market worth an estimated $3 trillion. The pace of ratification—unprecedented in the history of the African Union—signals strong political will to actualize the AfCFTA and means that the rights, provisions, and obligations of the Agreement now apply to 46 countries. Nevertheless, for the AfCFTA to be more effective, certain outstanding actions remain. These include finalizing negotiations on the Rules of Origin (RoO); finalizing negotiations on schedules of tariff concessions (tariff offers and concessions submitted so far cover 46 AfCFTA member states); finalizing negotiations on trade in services; concluding negotiations for the Protocols on Digital Trade and Women and Youth in Trade under Phase II of negotiations; and strengthening institutional arrangements regarding the AfCFTA Secretariat. The AfCFTA instruments on which member states agreed also need to be finalized and operationalized to enable implementation.[12]

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[11] As of May 2023, 46 countries had ratified the AfCFTA. The eight countries that have not ratified the AfCFTA are Benin, Liberia, Libya, Madagascar, Mozambique, Somalia, South Sudan, and Sudan. Eretria is the only country that has not yet signed the Agreement.
[12] Instruments include the web-based and mobile-based AfCFTA Application for Business; trade documents at the national level (based on a template in the Protocol on Trade in Goods); African Trade Observatory; national-level preparations to start trading under the AfCFTA; national AfCFTA implementation strategies; Pan-African Payment and Settlement Systems; AfCFTA Adjustment Facility; and African Business Council.

READINESS FOR COMMERCIALLY MEANINGFUL TRADE UNDER THE AfCFTA

Efforts have been enhanced to accelerate implementation of the AfCFTA and facilitate the realization of commercially meaningful trading. Until September 2022, such trade still had not occurred. To ensure the successful implementation of the AfCFTA, several implementing institutions, including committees and sub-committees, have been established. Efforts are also underway to establish the Appellate Body under the Protocol on the Rules and Procedures for the Settlement of Disputes. The AfCFTA Secretariat is providing technical support and capacity building to assist countries in preparing and submitting their tariff offers. Currently, 88.3 percent of tariff lines have been agreed upon under the RoO, forming the basis for commercially meaningful trade. However, outstanding RoO remain in textiles, automotives, and sugar. Regarding trade in services, 52 countries have submitted their initial services offers, and progress is being made in various priority sectors. The AfCFTA Secretariat launched the E-Tariff Book and the RoO Manual for Customs Officials and Economic Operators to facilitate trade operations. To address non-tariff barriers, mechanisms for reporting, elimination, and monitoring have been deployed. Additionally, the Pan-African Payments and Settlement System was established to facilitate cross-border payments in local African currencies, promoting intra-AfCFTA trade. The AfCFTA Adjustment Fund Management Agreement was also signed with AfreximBank, further supporting implementation efforts. Furthermore, trade facilitation projects along trade corridors, including the Abidjan-Lagos Corridor, are being implemented. Negotiations on Phase II Protocols, including Competition Policy, Investment, and Intellectual Property Rights, were successfully concluded in 2022 and were approved by the 36th Ordinary Session of the Assembly of Heads of State and Government of the African Union in February 2023. Negotiations have commenced for the Protocols on Digital Trade and Women and Youth in Trade, highlighting the commitment to further enhancing the AfCFTA. The negotiations are expected to be concluded in 2023.

AfCFTA GUIDED TRADE INITIATIVE

The AfCFTA Secretariat recognized the urgency to initiate trade under the AfCFTA and, in response, launched the AfCFTA Guided Trade Initiative (GTI) in collaboration with AfroChampions and Afreximbank in October 2022. This solution-driven approach aims to encourage commercial trade between State parties that have fulfilled the minimum trading criteria stipulated under the Agreement, such as the receipt and technical verification of tariff offers. The GTI serves as a testing ground for AfCFTA's operational, institutional, legal, and trade policy framework. A landmark milestone for the GTI was the inaugural trade transaction on October 5, 2022, marking the export of tea from Kenya to Ghana. The GTI's success hinges on matching businesses with their respective export and import products among participating State parties while maintaining coordination with national AfCFTA Implementation Committees. Eight State parties from the five regions of Africa and eight Regional Economic Communities (officially recognized by the African Union) are currently participating GTI. These countries include Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania, and Tunisia—the latter four being CwA countries. The products identified for trading within this initiative align with AfCFTA's focus on value chain development, and they encompass ceramic tiles, batteries, tea, coffee, processed meat products, corn starch, sugar, pasta, glucose syrup, dried fruits, and sisal fibre, among others. In 2023, the GIT plans to extend its focus to trade in services within five priority sectors: tourism, transport, business services, communication services, financial services, and tourism and travel-related services.

THE AFCFTA AND THE CwA

The AfCFTA presents numerous opportunities for CwA countries to boost their economies and foster socioeconomic development. The African Union's designation of 2023 as the "Year of AfCFTA: Acceleration of the AfCFTA Implementation" is anticipated to drive a stronger political commitment, thus providing an added boost to expedite the AfCFTA implementation. The AfCFTA will open a market of 1.3 billion people across Africa, presenting CwA countries with vast opportunities to access new markets for their goods and services. The AfCFTA also encourages economic diversification, mitigating the reliance on a few export commodities by promoting a wider range of industries and services. The AfCFTA can be a driver for steady industrialization through regional integration and cooperation. The structure of intra-African trade shows a higher composition of intermediate and sometimes finished goods than does trade with the rest of the world, in which African exports are typically unprocessed raw materials and imports are often finished goods. Further benefits include improving competitiveness through reduced tariff costs, attracting domestic and foreign investment through expanded regional value chains, and fostering job creation and poverty reduction.

The AfCFTA—if fully implemented—is expected to boost Africa's income, ranging from $450 billion to $571 billion (7 percent to 9 percent gain, respectively) by 2035 and lift 30 to 50 million people out of poverty, depending on the depth of integration.[13] Moreover, the AfCFTA promotes the integration of businesses into global supply chains and facilitates policy and regulatory harmonization, reducing trade barriers. Reform-minded CwA countries are strategically positioned to take the lead in the AfCFTA implementation, thereby reaping substantial benefits from increased trade. These countries have all signed the AfCFTA Agreement, but Benin is yet to ratify it. Moreover, half of these countries—including Egypt, Ghana, Rwanda, and Tunisia—are participating in the GTI. Five CwA countries[14] are ranked by the Overseas Development Institute in the top 10 of the "readiness of African countries to participate and lead on AfCFTA issues" index (Sebahizi et al. 2023).

Realizing the benefits of the free trade area requires effective implementation of the AfCFTA Agreement, adoption of necessary domestic policy reforms, and capacity-building measures. Eight of the 12 CwA countries, with assistance from the United Nations Economic Commission for Africa, African Union Commission, International Trade Centre, United Nations Conference on Trade

[13] The lower bound is from https://au-afcfta.org/about/. The upper bound is from the World Bank, and assumes that the AfCFTA will go beyond trade liberalization (tariffs, NTBs, and trade facilitation measures) to cover deeper provisions for investment, competition, and intellectual property rights, also factoring in the expected boost in FDI flows stimulated by the deeper AfCFTA (Echandi et al. 2022).
[14] Egypt (ranked 2), Morocco (3), Ghana (5), Côte d'Ivoire (7), and Senegal (8).

and Development (UNCTAD), and several independent trade experts, have already developed and validated their national AfCFTA implementation strategies. The European Union has also financially supported this effort. Focus should now shift to building the capacity required to implement these national strategies and supporting nations that are in the early stages of their drafting process to finalize their respective strategies. The CwA can provide a platform to mobilize resources from G20 partners for implementing the AfCFTA. This can include financial resources for infrastructure development, capacity-building programs for trade facilitation, and TA for regulatory reforms.

3. FOREIGN DIRECT INVESTMENT OVERVIEW

TERMINOLOGY

- FDI refers to both FDI and cross-border mergers and acquisitions (M&As) from quarterly data derived from the UNCTAD FDI/multinational enterprise database (www.unctad.org/fdistatistics).
- Cross-border investment (CBI) refers to announced greenfield FDI projects in accordance with information from the Financial Times Ltd, fDi markets (www.fdimarkets.com).
- CBI data is based on announcements and not necessarily actual data or implemented investments; it is used in this report as a proxy for FDI because it is more up to date; the latest available FDI data by UNCTAD is for 2021.

3.1. Global Foreign Direct Investment Takes a Hit in 2022

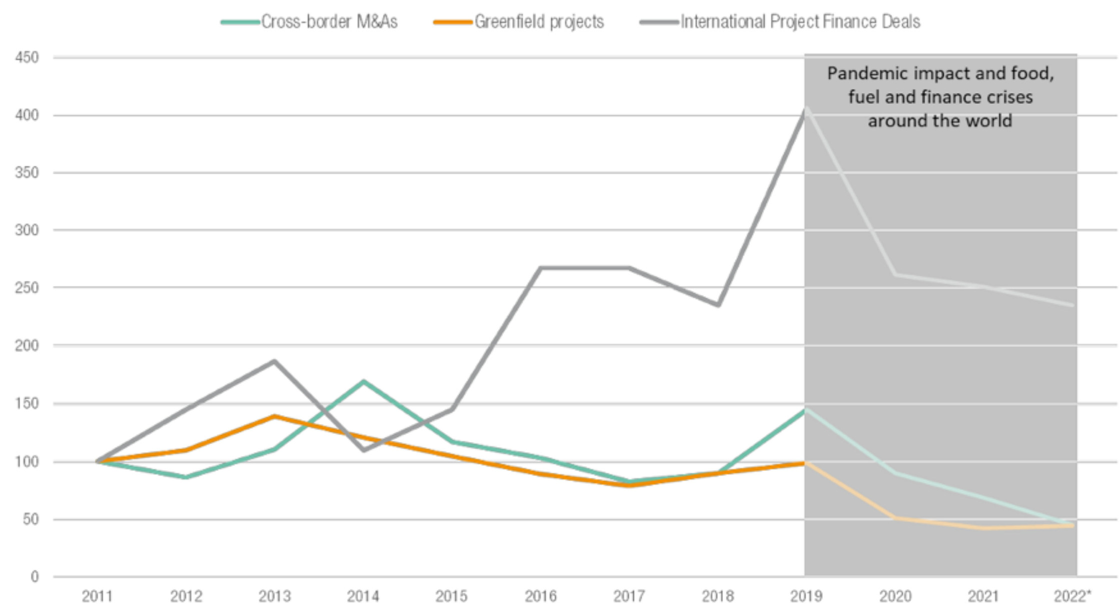
Globally, FDI experienced significant momentum in 2021, while Africa's recovery was led by a single transaction. According to the latest UNCTAD World Investment Report (June 2022), FDI flows exhibited a strong rebound in 2021, increasing 64 percent to an estimated $1.58 trillion (from $929 billion in 2020), which surpasses their pre-COVID-19 level. The significant momentum was mainly due to booming M&A markets and rapid growth in international project finance as a result of loose financing conditions and major infrastructure stimulus packages. The 134 percent increase in FDI flows to developed economies—up from exceptionally low values in 2020—accounted for most of the global growth, with FDI flows to developing regions also increasing significantly. Flows to Africa more than doubled in 2021, however, most of the increase was due to a single corporate transaction, without which they would have increased moderately.[15] FDI flows to South Africa

[15] The single transaction was a $46 billion share swap between South African multinational Naspers and its Dutch-listed investment unit Prosus. Prosus is one of the world's largest technology investors, with stakes in educational software companies, meal delivery firms, and online marketplaces around the globe. Under the deal, concluded in August 2021, Prosus bought 45 percent of Naspers shares, bringing its ownership in Naspers to 49 percent in all—while Naspers owns 56.92 percent of Prosus ordinary shares. The logic underlying the swap was that moving part of the companies' assets out of South Africa might improve their valuations.

jumped to $41 billion (from $3 billion in 2020), while most other African recipients saw only a moderate rise in FDI.

The multitude of global crises—Russia's war on Ukraine, elevated food and energy prices, and financial turmoil and debt pressures—inevitably affected global FDI in 2022. The impact of the multidimensional crises is evident across all types of investment flows. Investment project financing (IPF), which involves multiple financiers and is often in infrastructure and extractive industries, suffered the most. In 2022, the number of IPF deals were 42 percent lower than in 2019 (76 percent lower in value). The number of greenfield project announcements by multinational enterprises fell by 55 percent over the same period (40 percent in value). Project finance and M&As were especially affected by deteriorating financing conditions, rising interest rates, and growing uncertainty in financial markets (UNCTAD 2023b) (figure 3.1).

Figure 3.1. Investment Trends, 2011–22 (Indexed 2011=100)



Source: UNCTAD based on information from fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd. For announced greenfield projects; Refinitiv SA for international project finance and cross-border M&A database (https://unctad.org/fdistatistics) for M&As.
Note: Project data for 2022 are preliminary; greenfield data is estimated based on 11 months.

Preliminary data on greenfield project announcements in 2022 show a growth of 6 percent in the first part of the year. Values increased significantly because of several megaprojects and a shift from project to corporate financing in the renewables sector leading to an increase in average project size. Due to changing financing conditions in 2022, IPF, normally the preferred financing option for large projects, partly gave way to financing by individual firms, leading to a shift from IPF to greenfield (UNCTAD 2023a).

The sectoral distribution of greenfield megaprojects announced in 2022 illustrates key trends in CBI. Three of the 10 largest announcements concerned chip factories in response to global shortages and supply chain restructuring trends. Six of the top 10 project announcements were in renewables, with four announcements in Egypt showing how COP27 motivated several investors to announce large projects (UNCTAD 2023a).

UNCTAD's preliminary data for 2022 shows a decline in FDI flows to Least Developed Countries (LDCs) of about 30 percent (UNCTAD 2023b), compared to a marginal increase in developing countries as a group. The multiple crises have hit investment flows to the poorest countries disproportionately.

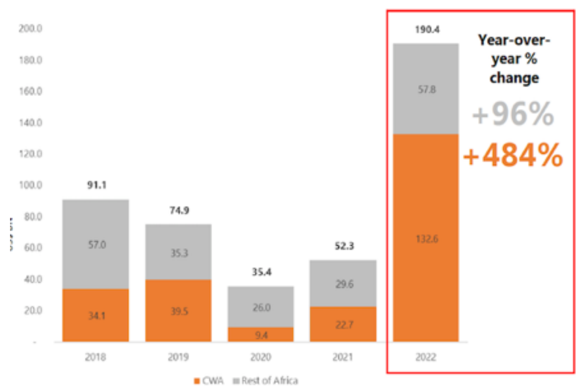
The outlook for global FDI in 2023 appears weak, with many economies around the world expected to enter a recession. Negative or slow growth in many economies, further deteriorating financing conditions, investor uncertainty in the face of multiple crises, and, especially in developing countries, increasing risks associated with debt levels will put significant downward pressure on FDI (UNCTAD 2023a).

3.2. Compact with Africa Countries Show Resilience in Attracting Cross-Border Investment

Following a tepid increase in CBI announcements in 2021 in CwA countries, CBI announcements witnessed a strong rebound in 2022, surpassing the general trend on the African continent.[16] After witnessing sharply weaker inflows over 2020 and moderate increase in 2021, CwA countries experienced high growth in CBI volume in 2022 that exceeded pre-pandemic levels. CBI flows to CwA countries rose 484 percent year-on-year in 2022 to reach $132.6 billion, from about $22.7 billion in 2021, exhibiting the extreme resilience of CwA countries in the face of multiple global crises. While the number of projects also increased by 63 percent year-on-year in 2022 to reach 345 projects, they have remained slightly below pre-pandemic levels, still highlighting the significance of large investment deals in CwA. As a share of total CBI flows to Africa, CwA countries' share substantially increased to 69.6 percent of total announced CBI in 2022—higher than their share of 42.5 percent in 2021 and 26.5 percent in 2020 (Figures 3.2, 3.3, 3.4).

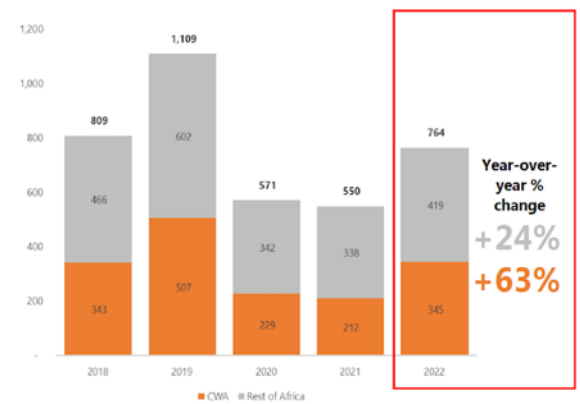
[16] Financial Times' fDi Markets Database (http://www.fdimarkets.com/), a service from the Financial Times Ltd.; calculations by Country Economics and Engagement (IFC)/Global Macro and Market Research (IFC).

Figure 3.2. Cross-Border Investments, 2018–22 (U.S. billion)



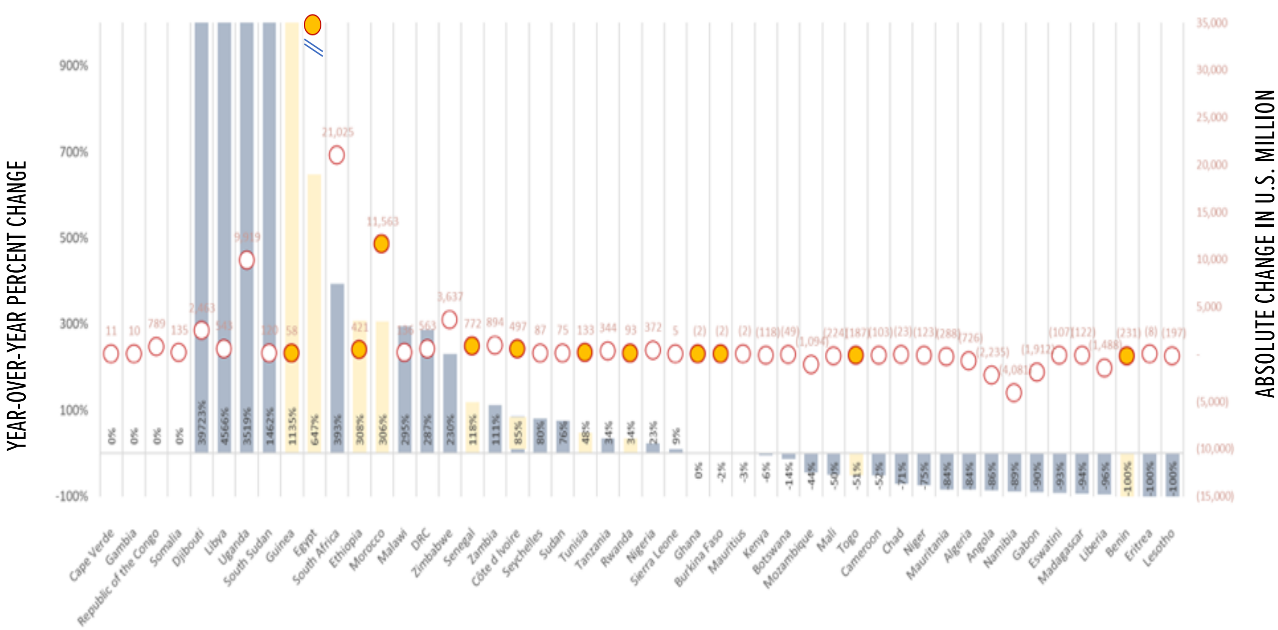
Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IMF International Financial Statistics and Balance of Payments database; IFC staff calculations.

Figure 3.3. Cross-Border Investments, 2018–22 (Project Count)



Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IMF International Financial Statistics and Balance of Payments database; IFC staff calculations.

Figure 3.4. Cross-Border Investments, Compact with Africa Countries versus the Rest of Africa, 2022



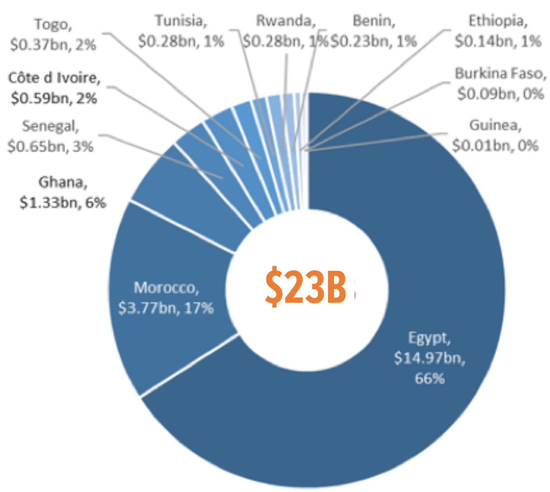
Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IMF International Financial Statistics and Balance of Payments database; IFC staff calculations.

Note: Bars show year-over-year change in percent, round markers show absolute change in U.S. million, orange are CwA countries.

In country allocation, Egypt maintained its position as the top investment destination among CwA countries, followed by Morocco. Egypt is the leading investment destination among CwA countries two years in a row, attracting a record $111.75 billion worth of CBI in 2022, representing 84 percent of total CBI inflows to CwA countries. Morocco, with $13.34 billion of CBI attracted in 2022 (compared with $2.35 billion in 2021), saw its share of total CBI in the CwA decrease to 12 percent in 2022 from 17 percent in 2021. Higher volumes and number of projects in 2022 were due to numerous large-scale renewables projects in Egypt and Morocco: several projects (hydrogen, wind) in Egypt by companies from Australia, France, India, United Arab Emirates, United Kingdom, and others, and one project by Eren Groupe (Luxembourg) in Morocco.

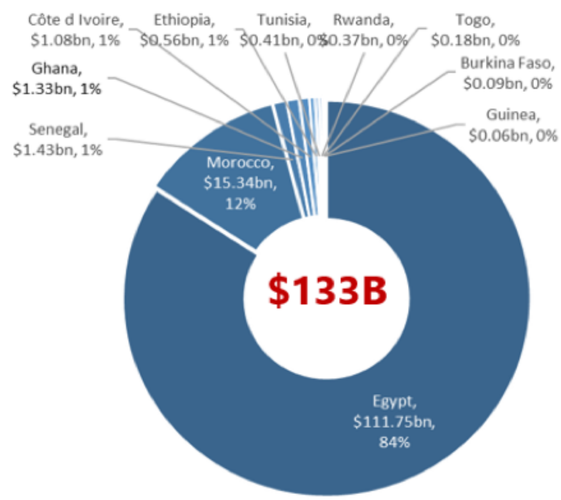
Eight of the 12 CwA countries experienced a significant increase in CBI volumes over the past year: Egypt (+646 percent), Guinea (+500 percent), Morocco (+307 percent), Senegal (+120 percent), Ethiopia (+100 percent), Côte d'Ivoire (+83 percent), Tunisia (+46 percent), and Rwanda (+32 percent) (figures 3.5, 3.6, 3.7, 3.8).

Figure 3.5. Cross-Border Investment Inflows by Country, 2021 (U.S. billion)



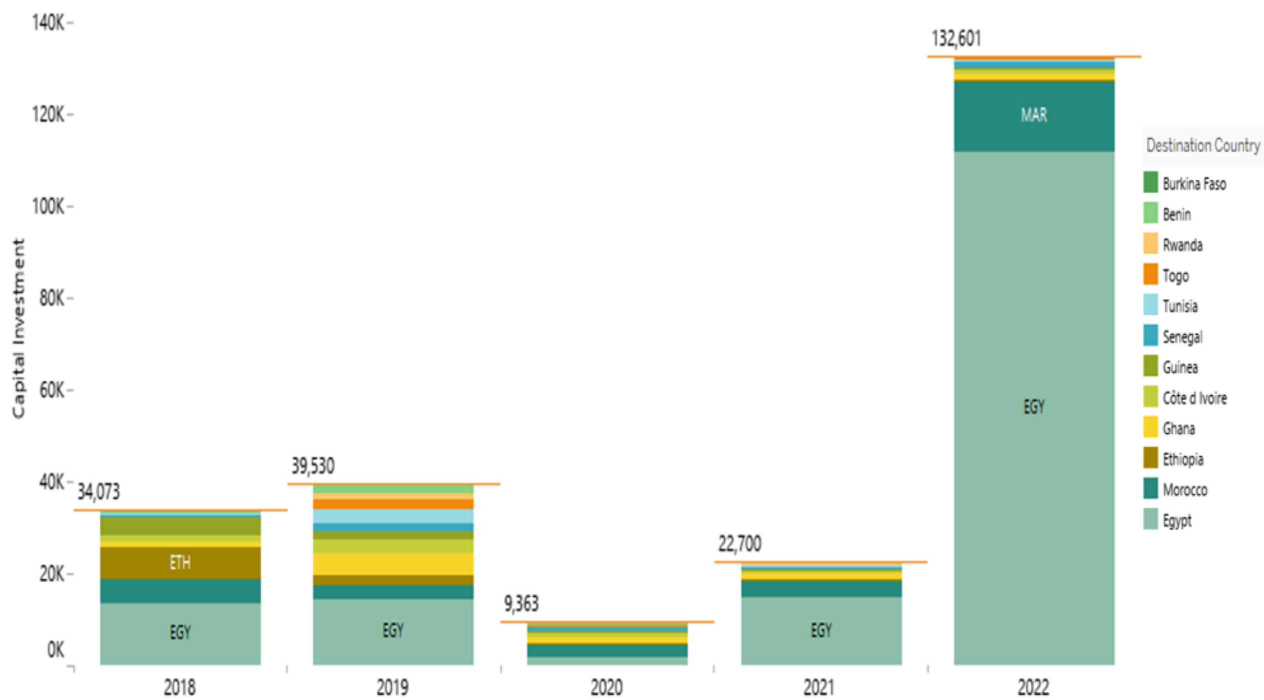
Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

Figure 3.6. Cross-Border Investment Inflows by Country, 2022 (U.S. billion)



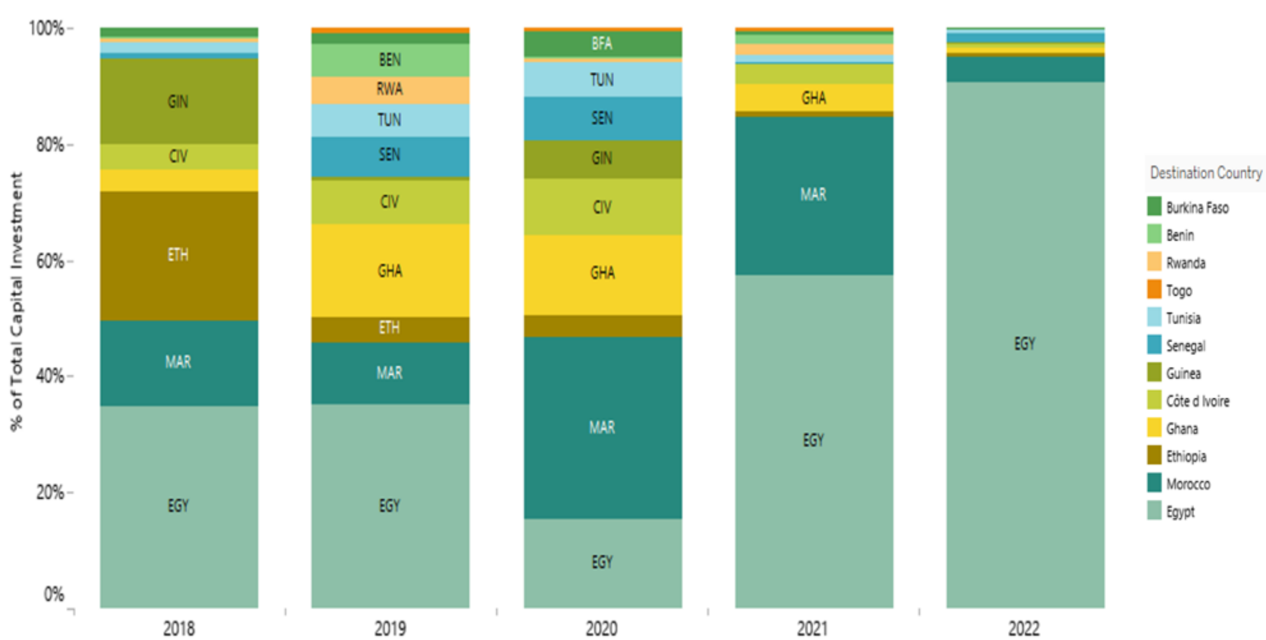
Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

Figure 3.7. Cross-Border Investment Inflows among Compact with Africa Countries, by Volume, 2018–22



Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

Figure 3.8. Share of Cross-Border Investment among Compact with Africa Countries, by Volume, 2018–22



Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

The notable performance of CwA countries in 2022, despite the global economic setback, is attributed to:

(i) Investments concentrated in renewables and in Egypt and Morocco. For Egypt, hosting COP27 is a major trigger for the increased investment announcements in renewables. For Morocco, a commitment to reforms, sustainable development, and regional integration with the rest of Africa is driving this momentum.

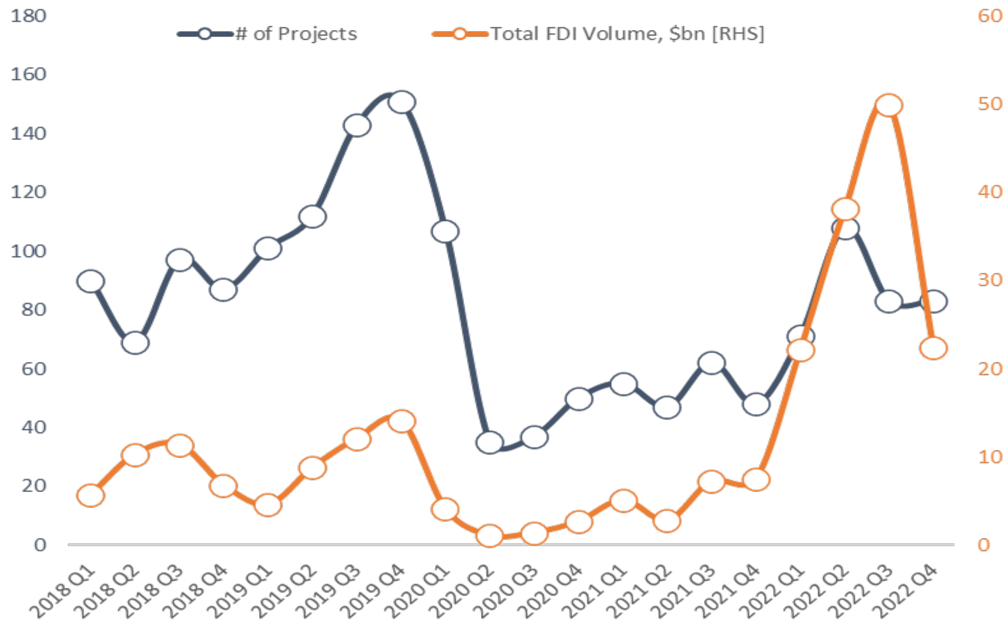
(ii) The general global move toward green investments, which represent the biggest share of investment inflows to CwA countries.

(iii) Pledges from Gulf States to invest $22 billion in various sectors in Egypt.

The surge of CBI in the CwA in 2022 is attributed to large-scale projects in Egypt and Morocco, all in renewable energy due to mobilizing climate investments post COP27 (figure 3.9). Of importance is three large deals announced in 2022:

- **India's Acme Group signed** a memorandum of understanding (MoU) with Egypt for an investment of $13 billion to build a plant in Sokhna to establish green hydrogen production plant with a total capacity of 2.2 million tons annually.
- **U.K.-headquartered Globaleq** signed an MoU with Egypt to establish a green fuel production plant with an annual production capacity of 2 million tons with a total investment of $11 billion.
- **French energy-focused group Total Eren** launched a $10.2 billion green hydrogen and ammonia production plant in Morocco's southern region Guelmim-Oued Nour.
- **Fortescue Future Industries**, an affiliate of the Australian iron ore company Fortescue Metals Group, signed an MoU with the Egyptian government to conduct studies to develop green hydrogen production in the country, including a project with a 9.2 gigawatts installed capacity. The project would produce green hydrogen from solar and wind.
- **French major TotalEnergies** is the latest firm to sign an MoU as part of Egypt's green hydrogen and ammonia drive. On May 12, Egypt's cabinet announced that it signed an MoU with TotalEnergies and Africa-focused investor Enara Capital to build a state-of-the-art facility at the Suez Canal Economic Zone to produce 300,000 tons per year of green ammonia in its first phase, with the potential to raise capacity to 1.5 million tons per year.
- **Emirati firm AMEA Power** finalized an agreement with the Egyptian government to build a solar park and a wind farm with a combined capacity of more than a gigawatt in a $1.1 billion deal.

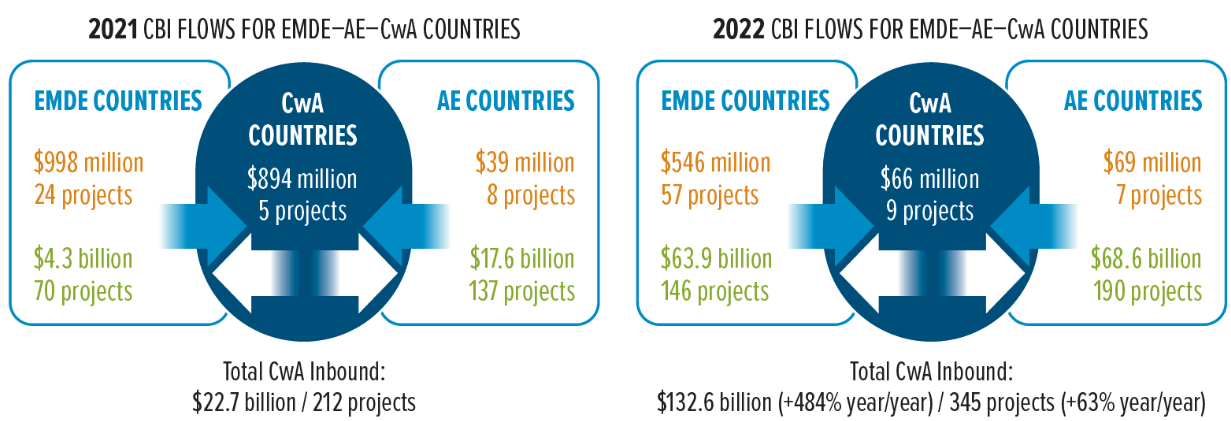
Figure 3.9. Monthly Cross-Border Investment Flows in Compact with Africa Countries (U.S. million)



Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

The analysis of FDI source countries in the CwA also reveals a balanced composition, with similar shares of foreign investments coming from advanced economies and EMDEs (figure 3.10). The investments from advanced economies to CwA countries reached $68.6 billion in 2022 up from $17.6 billion in 2021, while investments from EMDEs to CwA countries reached 63.9 billion in 2022 up from $4.3 billion in 2021. In terms of source countries by size of investments, Australia, India, Luxembourg, and United Kingdom are the top investor nationalities in 2022 (figure 3.11).

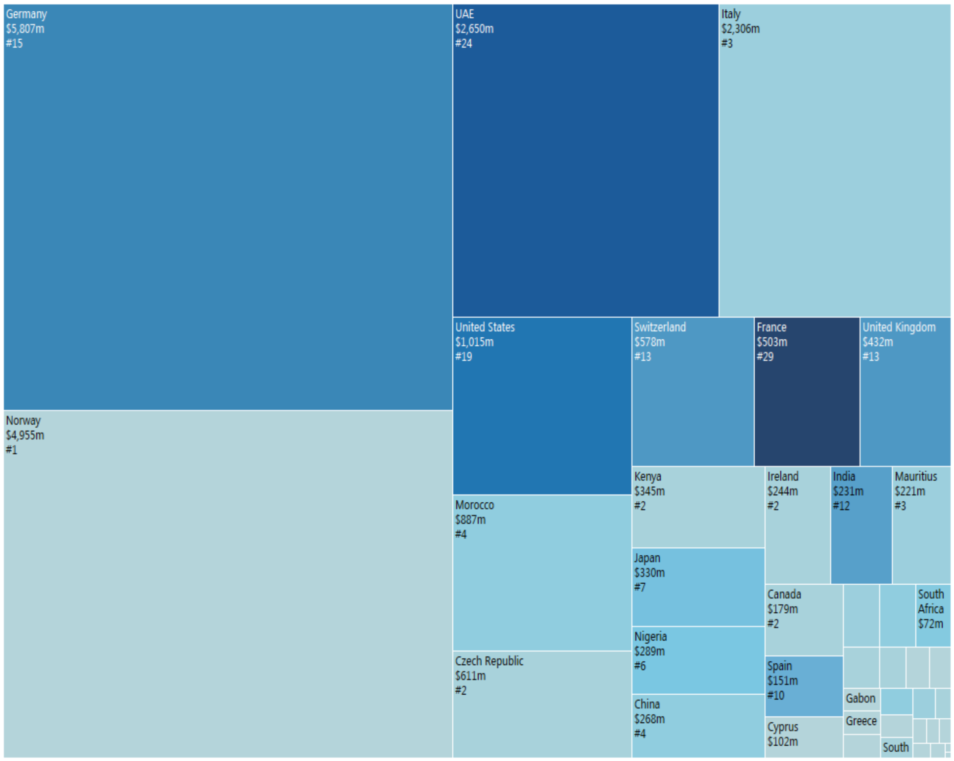
Figure 3.10. Cross-Border Investment Flows, 2021 and 2022



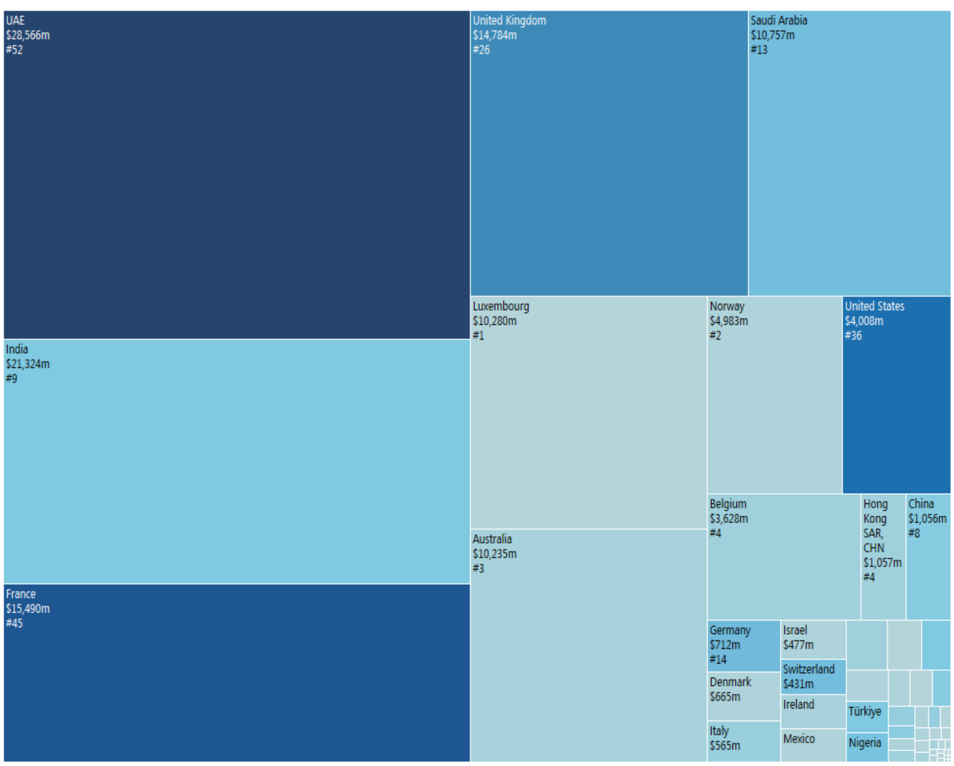
Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.
Note: EMDE = Emerging Market and Developing Economy; AE = Advanced Economy.s

Figure 3.11. Cross-Border Investment Volumes by Source Country, 2021 and 2022

a. 2021



b. 2022



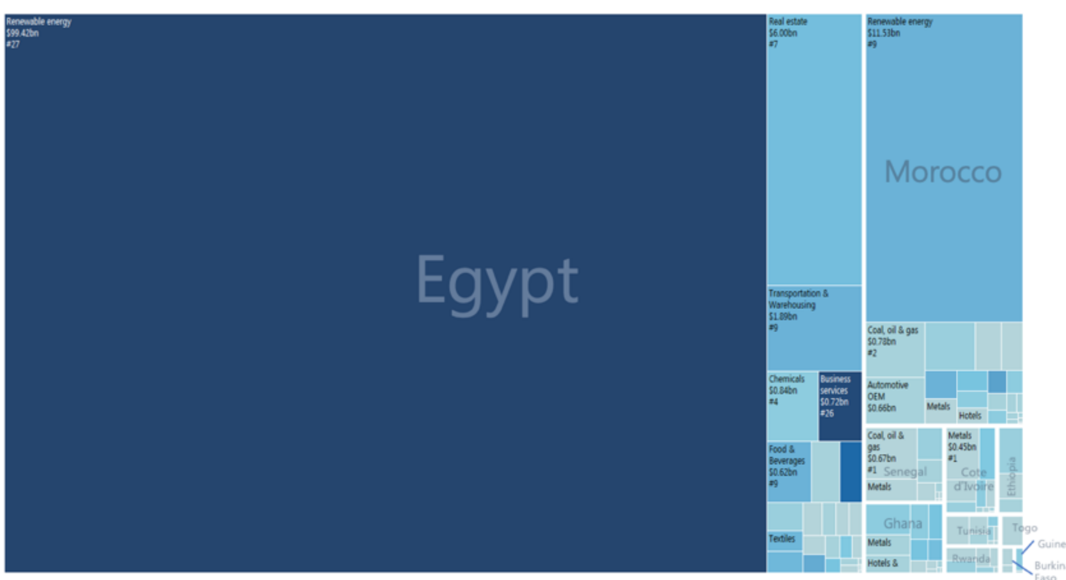
Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

3.3. Sector Trends in Foreign Direct Investment: Renewables Continue to Attract the Most Investments

Foreign investor appetite continued in 2022 to gradually move away from traditional sectors, such as extractive industries (coal, oil, and gas), toward sustainable infrastructure (figures 3.12, 3.13, 3.14). New projects included, for example, the Xlinks subsea transmission cables project in Morocco, which involves the construction of a 3,800-kilometer transmission line with 3.6 gigawatts of capacity (estimated at $20 billion) to enable solar energy from the Sahara. Renewable energy project finance and greenfield investments represented 70 percent of all international climate change investments in 2021, with projects in developed economies accounting for the largest portion (61 percent) (UNCTAD 2022c). In addition, with the increase in commodity prices in 2022, there were increased investment inflows in metals, chemicals, and extractives in some countries rich in natural resources.

Infrastructure finance was globally up in 2021 due to recovery stimulus packages and favorable long-term financing conditions. Project finance deals in infrastructure in 2021 exceeded pre-pandemic levels with a heavy emphasis on renewable energy and industrial real estate. In contrast, investor confidence in industry and global value chains (such as electronics) remains weak, and greenfield investment activity remains muted across industrial sectors. In other sectoral trends, greenfield investment activity remains 30 percent below pre-pandemic levels on average across industrial sectors. The number of SDG-relevant investment projects in developing economies rose by only 11 percent, reflecting structural weaknesses and how several sectors have been hit hard by the pandemic (UNCTAD 2022c). Only the information and communication (digital) sector is fully recovered. Other sectors benefiting from renewed investment include real estate (construction and housing), agribusiness (food and beverages), and business services.

Figure 3.12. Trends in Sector Composition of Cross-Border Investment, 2022



Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

Figure 3.13. Trends in Sector Composition of Cross-Border Investment, 2018–22

Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

Figure 3.14. Top Cross-Border Investment Projects, 2022

#	Parent Company	Source Country	Dest. Country	Sector	Investment $ million	#	Parent Company	Source Country	Dest. Country	Sector	Investment $ million	#	Parent Company	Source Country	Dest. Country	Sector	Investment $ million
1	**ACME Group (ACME Cleantech Solutions)**	IND	**EGY**	Renewable energy	13,000	11	**Voltalia**	FRA	**EGY**	Renewable energy	4,955	21	**Fawaz Alhokair Group**	SAU	**EGY**	Real estate	1,475
2	**Globeleq Generation**	GBR	**EGY**	Renewable energy	11,000	12	**Ackermans & van Haaren**	BEL	**EGY**	Renewable energy	3,600	22	**Fawaz Alhokair Group**	SAU	**EGY**	Real estate	1,475
3	**Mubadala Investment Company**	ARE	**EGY**	Renewable energy	10,815	13	**Alfanar**	SAU	**EGY**	Renewable energy	3,500	23	**Al Nowais Investments**	ARE	**EGY**	Renewable energy	800
4	**Eren Groupe**	LUX	**MAR**	Renewable energy	10,280	14	**H2-Industries (H2 Industries)**	USA	**EGY**	Renewable energy	3,000	24	**SDX Energy**	GBR	**MAR**	Coal, oil, and gas	753
5	**Fortescue Metals Group**	AUS	**EGY**	Renewable energy	10,000	15	**Electricite de France (EDF)**	FRA	**EGY**	Renewable energy	3,000	25	**ACWA Power International**	SAU	**SEN**	Coal, oil, and gas	671
6	**ReNew Power Ventures**	IND	**EGY**	Renewable energy	8,000	16	**Alcazar Energy**	ARE	**EGY**	Renewable energy	2,000	26	**Orange (France Telecom)**	FRA	**MAR**	Communications	574
7	**TotalEnergies (Total)**	FRA	**EGY**	Renewable energy	5,000	17	**ACWA Power International**	SAU	**EGY**	Renewable energy	1,500	27	**AMEA Power**	ARE	**EGY**	Renewable energy	550
8	**Scatec AS**	NOR	**EGY**	Renewable energy	4,955	18	**Actis**	GBR	**EGY**	Renewable energy	1,500	28	**AMEA Power**	ARE	**EGY**	Renewable energy	550
9	**AMEA Power**	ARE	**EGY**	Renewable energy	4,955	19	**URB**	ARE	**EGY**	Real estate	1,475	29	**AP Moller - Maersk**	DNK	**EGY**	Transportation and warehousing	500
10	**KK Power**	ARE	**EGY**	Renewable energy	4,955	20	**Rawabi Holding**	SAU	**EGY**	Real estate	1,475	30	**Endeavour Mining**	GBR	**CIV**	Metals	448

Source: fDi Markets (www.fdimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

3.4. Investment Policy Trends

The global environment for international investment changed dramatically with the onset of Russia's war on Ukraine, which occurred while the world was still reeling from the impact of the COVID-19 pandemic. Investor uncertainty and risk aversity put considerable downward pressure on global FDI in 2022. The outcome will be of enormous significance for development prospects. The need for investment is enormous in productive capacity, in the SDGs, and in climate change mitigation and adaptation. Current investment trends in these areas are not unanimously positive. Although global FDI flows rebounded strongly in 2021, industrial investment remains weak and well below pre-pandemic levels, especially in the poorest countries. SDG investment—project finance in infrastructure, food security, water and sanitation, and health—is growing but not enough to reach the goals by 2030; and investment in climate change mitigation, especially renewables, is booming, but most of it remains in developed countries and adaptation investment continues to lag well behind (UNCTAD 2022).

International investment plays a critical complementary role to domestic public investment. With higher food and energy import bills and worsening costs of borrowing due to higher interest rates, developing countries' primary fiscal balance shrunk by $315 billion since the start of the war. New tax rules will affect how countries have traditionally promoted—and often competed—for international investment, through low tax rates, fiscal incentives, and special economic zones. The tax reforms are opportunities for developing countries from a revenue perspective and an investment attraction perspective. The need to review the investment promotion toolkit is a chance to make costly incentives more sustainable.

More recently, with multiple headwinds caused by the COVID-19 pandemic and Russia's war on Ukraine that have squeezed governments' fiscal space, the need to attract foreign investments is becoming more crucial. Investment facilitation is becoming increasingly important for countries to attract international and local financing for sustainable development, large infrastructure financing needs, and climate change adaptation and mitigation. Progress around the world focuses on information provision, regulatory transparency, and streamlining of administrative procedures for investors through digital information portals and single windows. These tools, which increased in coverage and quality over the past five years, represent the most impactful elements among the gamut of investment facilitation measures. Since 2016, the number of countries with digital information portals increased from 130 to 169 and those with digital single windows from 29 to 75. Developing countries are catching up. Their use of digital information portals and single windows has jumped. While on average their ratings are lower, several achieve top marks, often with TA. UNCTAD 2022 data shows that most countries—including those outside the negotiations—recognize the importance of investment facilitation to revive stagnant CBI in industry, absorb an expected global push for investment in sustainability and infrastructure, and remain competitive as international tax reforms reduce the scope of fiscal incentives (UNCTAD 2022a).

African emerging economies have led the reform drive for the past decade, with 77 percent of the LDCs in the continent adopting investment reforms, compared to 63 percent of LDCs in Asia and 25 percent of Island LDCs (UNCTAD 2022b). Over the past decade, 10 African LDCs (half of which are CwA countries) introduced or amended investment-specific legislation (Angola, Benin, Burkina Faso, Burundi, Ethiopia, Guinea, Mauritania, Rwanda, Sudan, and Uganda). Angola is the most active country in this respect, introducing six investment-related instruments during the review period. About 85 percent of the new or revised laws dealt with investment promotion and facilitation, indicating the willingness of African LDCs to encourage private investment. More than half were adopted between 2018–21, reflecting a recent momentum to enhance their investment climate. Half of the revisions to the investment legislation addressed FDI entry and establishment conditions and typically opened new sectors or activities to FDI or streamlined the entry process. Seven dealt with treatment standards and operations of foreign investors, removing instances of discrimination in the conduct of business operations (UNCTAD 2022b).

In 2022, many CwA countries introduced new policies and measures to increase and facilitate investments. On May 15, 2022, the government of Egypt announced the introduction of a special license for foreign investments in three specific fields. The prime minister granted the so-called "golden license" to several projects in a bid to attract foreign investments, including green hydrogen, electric cars, infrastructure, seawater desalination, and renewable energy. The license allows investors to bypass several procedures for establishing projects. On February 12, 2022, Morocco's Fnideq Economic Activities Zone opened its doors for businesses, officially welcoming the first batch of business owners. Through the project, Morocco aims to stimulate regional socioeconomic development. Morocco also overhauled and the implemented the framework law of the Investment Charter and reviewed the corporate tax rates as part of a whole reform aiming at progressive converging towards a unified rate. Côte d'Ivoire adopted a more favorable tax regime for investment in 2022. The Tax Annex to the Finance Law for 2022 (Law no. 2021-899 of December 21, 2021), which entered into force on January 4, 2022, provides a favorable tax regime for new investment. This includes income tax exemptions for 15 years and exemptions on capital gains from the sale of securities and registration fees. Ethiopia also adopted new investment incentives in 2022. On July 12, 2022, the Council of Ministers of Ethiopia issued Investment Incentives Regulation No. 517-2022, which offers income tax exemption for investors from the date of obtaining the business license or expansion permit, as provided in the schedule attached to the Regulation. The Regulation also allows investors to import capital goods, construction materials, and motor vehicles free from custom duties. Finally, it expands eligible incentives to the mining, petroleum, and geothermal sectors.

In 2020 and 2021, CwA countries continued their investment promotion and investment facilitation efforts.[17] In 2021, Rwanda enacted a new Investment Code (Law no. 006/2021 of February 5, 2021), which introduces new priority sectors and activities, including mineral exploration, the construction or operation of specialized innovation or industrial parks, transport, logistics and electric mobility, horticulture and cultivation of other high-value plants, creative arts,

[17] UNCTAD Investment Policy Hub, at https://investmentpolicy.unctad.org/investment-policy-monitor

and skills development. The Code also introduces new tax incentives, including several aimed at establishing Kigali as a regional financial hub, and for philanthropic investors, angel investors, and strategic investment projects, among others. In 2020, Ethiopia adopted new investment liberalization measures, such as Investment Regulation No. 474/2020 (adopted on September 7, 2020), which opens the transport services sector. Previously, the provision of transport services, including air, railway, ground, and marine transport, was closed to foreign investment. The Regulation lifts this restriction to allow foreign investment in the following transport services areas: railway transport, cable car transport, cold-chain transport and freight transport. Also, more transport services are partially liberalized for joint investment with domestic investors. On March 20, 2020, Benin adopted a new Investment Code (Act No. 2020-02), which offers clear and precise tax incentives, including advantages. and benefits. It also offers new guarantees to investors, including protection of intellectual property rights, such as patents, trademarks, and trade names. Without imposing performance requirements, the State facilitates investors' access to developed industrial zones, agricultural land, and areas of interest by investors. In addition, it urges international investors to train local personnel through continuing education, development of skills, and transfer of technology, while conditioning access to privileged regimes on increasing the qualification of local employees. It reinforces transparency requirements on investments. Unlike the previous Investment Code of 1990, which placed the mandate for the approval process mainly with the Minister for Planning and Development, the 2020 Code provides for three main State institutions to deal with investment.[18]

3.5. Outlook: Private Investments Are Key Amid Squeezed Funding

The FDI outlook is surrounded by substantial downside risks resulting from global economic uncertainties. However, while the 2022 FDI rebound is unlikely to be repeated, CwA countries feature some above-average growth prospects and greater resilience to shocks resulting from past fiscal consolidation efforts. Downside risks include the speed of implementation of infrastructure investment stimulus, further labor and supply chain bottlenecks, energy prices, and inflationary pressures.

Policymakers in Sub-Saharan Africa are looking at yet at another difficult year, facing tighter financing conditions on top of ongoing repercussions from a recent cascading series of shocks. Despite serious financing constraints, a few policy levers are available to alleviate the situation. For instance, domestic revenue mobilization offers a potential source of financing. Moreover, improving domestic legal and regulatory frameworks and undertaking financial systems reforms would not only attract much needed climate finance but also other types of private finance to the region that can help address basic needs and development goals in addition to those arising from climate change (IMF 2023a).

[18] UNCTAD Country Investment Policy Monitor, at https://investmentpolicy.unctad.org/investment-policy-monitor

Therefore, during economic recovery policymakers should act now to rein in uncertainty and remain competitive in the global FDI market. In the near term, policymakers should strengthen policies to foster investment, including improving the legal environment and easier approvals for foreign-owned businesses. In the longer term, shifts in global production may require policymakers to boost their countries' investment competitiveness. Therefore, governments should restore investor confidence by maintaining a stable and predictable investment policy environment and resisting protectionist policies.

It is crucial for countries to exhibit sound macroeconomic policies. The current crisis is presenting a new set of macroeconomic challenges, from widening twin deficits, currency pressures, soaring inflation, and squeezed liquidity. Even before Russia's war on Ukraine, inflation pressures were impacting multinational enterprise affiliates through rising input costs (Saurav et al. 2021). As countries compete to attract foreign investment to meet increasing financing needs amid tight fiscal space, those that exhibit sound macroeconomic policies that increase resilience will prove as attractive investment destinations.

An increase in liberalization and facilitation policies are expected in specific sectors. New investments in 2022 remained in infrastructure due to favorable long-term financing and large stimulus packages. New opportunities could emerge from new global value chain restructuring. Given the current situation, governments will likely liberalize more sectors and leverage PPPs to support infrastructure projects.

Trade liberalization in Africa should boost FDI because lowering entry barriers and regulatory risks should attract investors. By creating a continent-wide market and eliminating barriers to trade in goods and services, the AfCFTA will also encourage competition and improve the environment for FDI. The negotiations on the Protocol on Trade in Services and the Protocol on Investment will critically influence foreign investment (Echandi et al. 2022).

4. PROGRESS ON COMPACT WITH AFRICA REFORM MATRICES AND NEW REFORM COMMITMENTS

Since the November 2022 CwA Monitoring Report, CwA government counterparts have provided a progress update on the 2018 reform commitments, and on reform initiatives that go beyond their original CwA commitments in support of the Compact's overarching goal of promoting sustainable private investment (sustainable from an economic, social, and environmental standpoint). The new commitments respond to challenges and opportunities stemming from the aftermath of the COVID-19 pandemic and concurrent crises, such as climate.

Some of the reform initiatives have been informed by World Bank Group Country Private Sector Diagnostics (CPSDs).[19] CSPDs emphasize SOE reforms and PPPs[20] and sector-specific policy reforms to promote competition and competitiveness, links between FDI and SMEs, digital and green economies, and secured access to serviced land. The CPSDs also inform World Bank Group operations supporting these new initiatives, for example, the Côte d'Ivoire Competitive Value Chains for Jobs and Economic Transformation Project; Senegal Jobs, Economic Transformation and Recovery Program; and TA to strengthen Morocco's Competition Council.

These inputs are captured in the country CwA reform matrices in Appendix A. The matrices are structured around the three main CwA reform areas: macroeconomic, business, and financing frameworks. Many of the new reform initiatives aim to facilitate green investments and green financing, echoing the spectacular increase in FDI announcements related to green projects, as discussed in the third chapter.

[19] The World Bank Group CPSD program launched in 2017 covers all 12 CwA countries. CPSDs have been completed and published in 11 CwA countries (Benin, Burkina Faso, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, and Togo). The Tunisia CPSD is being finalized.

[20] An upcoming technical workshop will focus on this topic.

4.1. Macroeconomic Framework

Since 2020 and as of April 2023, the IMF approved $17.4 billion financing across all 12 CwA countries to mitigate the effects of the pandemic and support fiscal consolidation reforms. Reforms would focus on domestic revenue mobilization, leveraging e-taxes (for example, in Benin, Burkina Faso, Côte d'Ivoire, and Egypt), and public investment reforms, including reforms of public procurements, PPPs, and SOEs (for example, in Burkina Faso, Egypt, Guinea, Togo, and Tunisia).

- **Tax and custom reforms continued across the board, leveraging digitization.**
    - Benin is working on digitizing the foreign exchange authorization application process related to international trade by creating an e-forex module of the single window for foreign trade. As reported by the government in 2022, digital platforms are being improved and already allow individual taxpayers to meet their obligations through mobile money transfers and bank e-cards.
    - Burkina Faso is setting up an e-customs platform.
    - Côte d'Ivoire extended online tax payment to SMEs in 2022. Local tax collection is also being digitized, with 20 municipalities out of 70 digitized at the end of March 2023.
    - By the end of FY23 the full automation of the tax system in Egypt will be in place, including the rollout of e-payment and e-receipts.
    - In 2023, Morocco has been reviewing its corporate tax rates toward a unified progressive rate.
    - The PiT law was approved by the Rwandan Parliament in September 2022.

- **Reforms of Public Investment Management, Procurements, PPPs, and SOEs continued on a fast pace.**
    - Burkina Faso issued Decree No. 2021-1384PRES/PM/MINEFID of December 31, 2022, on the attributions, composition, and functioning of the PPP Commission.
    - In February 2023, the government of Egypt announced a plan to sell stakes in 32 SOEs working in 18 business sectors, starting from the first quarter of 2023.
    - A transversal electronic platform for managing public procurements will be finalized in 2023 in Guinea. The solution will reduce procedural delays and increase transparency in the process of awarding and managing public contracts.
    - Morocco pursued the operationalization of its PPP framework, for example, in August 2022, it published two decrees related to PPP contracts carried by Regional Authorities.
    - To improve the transparency and efficiency of public procurements, Togo passed the Decree 2022-080/PR of July 6, 2022, on the Public Procurement Code.
    - Tunisia issued the Presidential Decree No. 2022-451 of May 6, 2022, setting the organization and attributions of the General Authority for PPP.

- **Macro reforms to address climate change.** Côte d'Ivoire and Ghana are developing a strategy to implement their National Determined Conditions on emissions. Côte d'Ivoire is also developing the framework for carbon markets.

4.2. Business Framework

CwA countries pursued reforms of their investment policy frameworks, especially to promote green investments (for example, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Rwanda, and Tunisia), echoing the spectacular increase in FDI announcements for renewable energy.

- **Investment promotion and investment facilitation efforts were pursued in most CwA countries.**
    - Côte d'Ivoire adopted a more favorable tax regime for investment in 2022. The Tax Annex to the Finance Law for 2022 (Law no. 2021-899 of December 21, 2021), which entered into force on January 4, 2022, provides for a favorable tax regime for new investment. This includes income tax exemptions for 15 years and exemptions on capital gains from the sale of securities and from registration fees.
    - Ethiopia adopted new investment incentives in 2022. On July 12, 2022, the Council of Ministers of Ethiopia issued Investment Incentives Regulation No. 517-2022, which offers income tax exemption for investors from the date of obtaining the business license or expansion permit, as provided in the schedule attached to the Regulation. The Regulation allows investors to import capital goods, construction materials and motor vehicles free from custom duties. Finally, it expands the incentives' eligibility to the mining, petroleum, and geothermal sectors.
    - Ghana is establishing an integrated information technology solution for a one-stop shop for investor support services. Additionally, Ghana is passing the Competition, Consumer Protection, and Special Economic Zones Act.
    - Morocco's new Investment Charter entered into force in December 2022.
    - Tunisia issued Presidential Decree No. 2022-114 of October 21, 2022, to facilitate access to land to private investors

- **Support to green investments.**
    - On May 15, 2022, the government of Egypt announced the introduction of a special license for foreign investments in three specific fields. The Prime Minister granted the so-called "golden license" to several projects to attract foreign investments to projects in sectors including green hydrogen, electric cars, infrastructure, seawater desalination, and renewable energy projects. The license allows investors to bypass several procedures for establishing projects.
    - Ghana is developing the capacity of the public and private sectors, including SMEs and financial institutions in climate change, climate finance, and green business.
    - Morocco's Law 102.21 related to industrial zones entered into force in February 2023 to ensure their sustainable and effective management. Besides sustained efforts are deployed for strengthening decarbonation and access of industrial zones to renewable energy.
    - Rwanda will update the national investment policy to integrate the climate agenda. This will include publication of guidelines for appraisal and selection criteria, including

climate considerations, at the MINECOFIN website. It will also include the publication of a consolidated report on major projects in the pipeline by sector with (i) appraisal and selection criteria related to adaptation and mitigation, and (ii) distribution of ratings according to the appraisal and selection criteria related to adaptation and mitigation.

  - Tunisia passed the Decree-law n°2022-68 of October 19, 2022, to facilitate renewable energy projects.

4.3. Financing Framework

CwA countries continued to reform their financial sector to promote access to finance and green finance (for example, Côte d'Ivoire, Egypt, Ghana, Morocco, and Rwanda).

- **Reforms to facilitate access to finance.**
  - Côte d'Ivoire finalized its strategy to reform public banks, the restructuring of two banks is ongoing, and the Law to regulate factoring activities was adopted by parliament in April 2023.
  - In Egypt, after the publication of a medium-term debt strategy for FY18–21 in May 2019, an update of the strategy was published in December 2020 to cover FY20–24, supported by a mission by the World Bank in November. The government designed and launched a new issuance policy, a robust Central Securities Depository company with sophisticated clearing and settlement functionalities, and a new trading system for government bonds.
  - In Morocco, the government council approved the draft law on credit bureaus in March 2023 and transmitted it to parliament for discussion.
  - In Rwanda, a ministerial order is being drafted in collaboration with the World Bank regarding the governing and functioning of insolvency practitioners. The timeline for its adoption is the end of July 2023.

- **Reforms to promote green finance.**
  - Ghana is preparing for securing green finance and the issuance of green, climate, and sustainability bonds.
  - Morocco is studying the development of a financing offer relating to the green economy with main objectives:
    - Gap analysis of the offer and needs for green finance instruments across sectoral value chains targeting SMEs
    - Design of initial outlines of a new instrument to partially meet SMEs needs based on the gap analysis conclusions.
  - The Ireme Fund green financing was created in Rwanda. Ireme Invest is a one-stop center for green and sustainable investment, launched with an initial capitalization of $104 million to support the private sector to access green finance.
  - Rwanda is enhancing climate-related risk management for financial institutions. It is developing a green finance market through issuing a guideline for climate-related risk

management for financial institutions, and issuing a guideline to financial institutions regarding the implementation of recommendations of the International Sustainability Standards Board.

4.4. Compact Country Teams and Other Reform Coordination Efforts

Compact Country Teams are composed of high-level government officials, representatives from international organizations, bilateral partners, and private sector representatives. These representatives meet to (i) obtain an understanding of key constraints on increased levels of private investment; (ii) define the necessary reforms to address those constraints; (iii) record these in a Compact reforms matrix; (iv) define indicators for measuring progress, and (v) support the government in implementing reforms in the Compact matrix, including through technical and/or financial assistance. Thus, the Compact Country Teams ensure coordinated action by all development partners.

Recent examples of CwA Country Team meetings include:

- The government of Benin held a CwA workshop on October 18, 2022, with representatives from the private sector and development partners to present and discuss its reforms to promote sustainable, private sector-led growth.

Photo: Kaliza Karuretwa

- In Burkina Faso, the CwA Country Team meeting took place in August 2022. The Compact Country Team identified the reforms needed to achieve increased levels of private investment and opportunities for private sector investment.
- In Ghana, the CwA Country Team meeting took place in March 2023. Ghana's country team discussed a rich set of reforms (box 4.1) and stated their intention to develop an information technology-based system to monitor reform implementation.

Box 4.1. Spotlight: Ghana's Engagement on a Broad Reform Front

The government is improving the macro framework by rationalizing expenditures and public procurements approval processes to ensure projects align with budget allocation; reviewing the efficiency of statutory funds; and imposing a debt limit on non-concessional financing. Ghana passed the State Interest and Governance Authority Act and the Public Financial Management (Public Investment Management) Regulations, ensuring that new guidelines are in place for public investment projects. The PPP Act was passed and the State's equity in SOEs will be reviewed.

To continue to improve the business framework, the government will pass regulations for the Companies, Corporate Insolvency and Restructuring Acts. Further, the government will pass the Competition and Consumer Protection Acts and a comprehensive Investment Code.

Regarding the financial framework, the minimum capital requirement for banks was increased to GH¢400 million and the government is reforming the Ghana Amalgamated Trust to support future interventions in the financial sector through a market-oriental approach. The Development Bank of Ghana is rolling out operations to provide affordable credit and partial risk guarantees for SMEs through loans to commercial banks. The government is committed to the implementation of the Ten-Year Capital Market Master Plan meant to provide foreign and domestic investors with a range of attractive products.

- In Guinea, the CwA Country Team meeting took place on May 23, 2023. In this technical meeting, the team discussed and approved the latest updates to the reform matrices.
- In Morocco, the CwA Country Team meeting took place on May 8, 2023. Enhancements to the matrix inspired by the discussion included the competition framework, SOE reform, and the climate and decarbonization agenda.
- In Tunisia, the CwA Country Team meeting took place December 12, 2022. The Minister of Economy and Planification chaired the meeting, with participation from private sector representatives. A few technical subjects were addressed: (i) informal economy reforms to give predictability to the formal private sector and promote the inclusion of the informal sector; (ii) digitization to simplify procedures and improve the business climate; (iii) reviewing export measures to mitigate the negative impact on SMEs, and (iv) strategic orientation toward renewable energies in the current international and national context.

Bilateral discussions between Côte d'Ivoire, Ghana, and Tunisia were organized to share lessons on institutional setups for reforms, following knowledge exchanges with Egypt, Rwanda, and Togo last year and a CwA technical workshop on this topic. The 2022 CwA Toolbox, which lists all the programs from multilateral organizations in support of CwA countries (appendix C) should help Reform Delivery Units mobilize and coordinate support from development partners as part of the Country Platforms.

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APPENDICES

Appendix A. Compact with Africa Countries Reform Matrices

Benin

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	MACROECONOMIC FRAMEWORK	
	Macroeconomic Stability	
	Progress Made on 2018 Reform Commitments	
Maintain macroeconomic stability	On May 15, 2020, the IMF Executive Board completed the sixth and final access review of the Extended Credit Facility. The arrangement was approved on April 7, 2017, for a total amount of SDR 111.42 million (90 percent of quota) to support the country's economic and financial reform program, which was strengthened by an increase in access to IMF resources during the last program review (equivalent to 61.4 percent of quota, bringing total access to 151.4 percent of program assessment). The results achieved under the program have remained very satisfactory, with a solid track record over the three years of the program. The authorities expressed interest in continuing their medium-term collaboration with the IMF after the program expires. On December 21, 2020, the IMF approved a disbursement under the Rapid Credit Facility equivalent to SDR 41.30 million (33.33 percent of quota) and a purchase under the Rapid Financing Instrument equivalent to SDR 82.54 million (66.67 percent of quota) to address urgent public finance and balance of payments needs arising from efforts to address the persistent impact. of the COVID-19 pandemic. The combined amount of this envelope amounted to 100 per cent of Benin's quota. On November 20, 2021, the IMF concluded an IMF staff visit to Benin. This mission took place in the context of an official request for a new program supported by the Fund by the Beninese authorities. Benin received debt service relief to the IMF (5 tranches) as part of the IMF's response to the crisis under the Disaster Assistance and Response Trust. In December 2019, $100 million in IDA financing was approved to foster high and sustainable growth and strengthen fiscal management. This funding has been dedicated to removing critical bottlenecks to help support high and inclusive growth, create more and better jobs, and encourage entrepreneurship, especially among women and youth. On 26 June 2020, Benin received $50 million in funding to strengthen fiscal and debt management, improve the financial sustainability of the energy sector and foster the development of the digital economy. The transaction was consolidated with a second financing of $100 million on December 16, 2020, to specifically improve the financial viability and competitiveness of the Beninese Electric Power Company (SBEE), develop renewable energy technologies and promote a competitive, reliable and accessible digital sector.	The IMF supported macroeconomic stability through the Extended Credit Facility, the Rapid Credit Facility/Rapid Financing Instrument financing tranche, and the SDR allocation that took place in August 2021. The World Bank complemented these efforts with policy reforms supported by DPOs in the areas described

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	New Reform Initiatives	
Strengthen the macroeconomic framework and ensure its stability	To strengthen the macroeconomic framework and ensure its stability, Benin integrated three main actions into the government's 2021-26 action plan: (i) strengthen the macroeconomic framework and regional integration, (ii) continue to improve public financial management (PFM), and (iii) continue to improve the business climate. Details of the reforms and projects related to each of these pillars are available in the presentation of the Government Action Program 2021–26 (PAG).	IMF and World Bank
	Domestic Revenue Mobilization	
	Progress Made on 2018 Reform Commitments	
Dematerialize of tax and non-tax revenue procedures and payments to tax and customs authorities	• Closure of the Benin Domestic Revenue Growth Support Project (PAARIB). • To strengthen compliance with tax procedures and reduce tax evasion, the Ministry of Economy and Finance (MEF) piloted an electronic system to improve the exchange of information between the central tax authority (the Directorate General [DG] of Taxes) and the customs authority (the DG of Customs and Indirect Duties). This pilot project is now permanent. • An electronic services portal was set up, allowing taxpayers to make payments online. The government set up an electronic platform interconnected with the SIGTAS system for online tax declaration and payment for large companies since February 1, 2018, and medium size enterprises since February 1, 2019. Since February 1, 2019, medium size enterprises under the Tax Centers for Medium Enterprises in several cities, including Cotonou, can declare and pay their tax and social obligations electronically. This includes medium size enterprises located in the departments of Littoral, Atlantique, Borgou - Alibori (where about 90 percent of companies are located). In 2019, the government took additional measures, including the use of VAT invoicing devices, which transfer data relating to a VAT transaction to tax authorities in real time. • Benin set up an online platform based on ASYCUDA World for the Single Window for Foreign Trade. Several procedures related to foreign trade such as the declaration of foreign trade transactions, the hiring of a customs broker and the verification of documents by customs officers can now be completed online through this platform.[21] • As reported by the government in 2022, digital platforms are being improved and already allow individual taxpayers to meet their obligations through mobile money transfers and bank e-cards. Through this action, the coverage of electronic platforms for taxpayers will reach a wider population, as individual taxpayers will have access to a digital platform to pay taxes, fines, and fees. From January 2020, the platform will cover the payment of fees and fines related to vehicles.	World Bank-DPO Series (2018–20) and Global Affairs Canada (through PAARIB)
Broaden the tax base	The budget law approved in December 2019 included the following reforms: • To broaden the tax base, the authorities eliminated tax expenditures related to the temporary exemption from registration duties of 1 percent on all contracts for the supply of goods, services or labor; to improve tax revenues, the government increased the rates of excise duty on alcoholic beverages, tobacco and energy drinks and adjusted the number of excise duties, in accordance with West African Economic and Monetary Union (WAEMU) regulations; it has simplified the structure of income tax, including by aligning the minimum tax rates on the profits of corporations, micro-enterprises and individuals engaged in industrial or commercial activities.	World Bank through the 2019–20 DPO series, IMF through Afritac West TA and FEC and OECD-

[21] See https://guce.gouv.bj/assets/downloads/foreignTrade.pdf

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	• The transfer pricing framework was strengthened by the adoption of the legislation in the Budget Act and its related regulatory instruments (2020), aligned with OECD best practices. • In 2018, the government created a new Tax Policy Unit (TPU) at ITB to strengthen evidence-based tax policy development. The TPU is now operational. The first nine officers joined the TPU in March 2018, and a head of unit was appointed in April. The TPU publishes regular reports on tax policy issues to the DGI and the MEF. The newly created unit is developing a tax benchmark to better quantify tax expenditures.	BM TA on Transfer Pricing
New Reform Initiatives		
Strengthen the mobilization of tax revenues	The Government Action Plan 2021–26 provides for the implementation of the Intelligent Administration or SMART GOUV project (phase 2), promoting the digitization of public procurement and land certificate. In general, the reform of public finances should make it possible to strengthen the mobilization of tax revenues through the strengthening of the capacities of the actors and the operationalization of the statistical information system of the ministries. The Plan aims to reach 14.2 percent of GDP in tax revenue by 2026.	
Adopt the 2022 General Tax Code	Benin adopted a new 2022 General Tax Code in accordance with Law No. 2021-15 of December 23, 2021. CGI 2022 incorporates a book of tax procedures, which now establishes a clear separation between the base rules and tax procedures. The new rules of procedure ensure transparency, speed, and taxpayer protection. With this new document, the government aims to establish a development tax system at the service of citizens. The new CGI guarantees state revenues while respecting the rights of taxpayers in accordance with the requirements of the rule of law. Several other improvements are planned for the online tax payment system, including a module to automatically correct returns, integration of VAT refunds, payment of taxes at national and local levels using mobile money, and the digital provision of tax certificates. Training is planned for practitioners.	
Digitalize asset registration and transfers	The digitization of asset registration and transfers through the introduction of an electronic tax stamp will help improve domestic revenue mobilization. A further generalization of VAT invoicing arrangements is foreseen.	
Migrate foreign trade procedures and customs units to digital platforms	• In the coming years, all foreign trade procedures must be migrated to the GUCE platform. • All customs units are migrated to ASYCUDA World. • The computerization of customs procedures is continuing with the introduction of a system for the precise analysis of risks based on the data of sea freight manifests and is not available for goods to and from Benin.	
Update and extend Benin's Integrated Tax Management System (SIGIBé)		

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Complete dematerialization of the procedure for registering transfers of buildings		
Generalize the issuance of tax regularity certificates online to all companies		
Implement COVID-19 tax measures	The COVID-19 tax measures were designed to preserve the structural revenue gains achieved. They include the exemption from motor vehicle tax for public transport operators in 2020, the postponement of tax returns from April to June 2020, and the acceleration of VAT refunds. VAT refunds, though accelerated, are made considering the risk-based framework approved in the 2020 Budget Law (see below).	World Bank through the 2019–20 DPO series; IMF through Afritac West TA; and FEC and OECD-BM TA on transfer pricing
Management of Public Investments (public procurement, PPPs, SOEs, public services)		
Progress Made on 2018 Reform Commitments		
Strengthen the legal framework for public finances	Benin adopted, as part of Law No. 2020-26 of September 29, 2020, a new Public Procurement Code. The law establishes the rules for the award, control, execution, regulation, and regulation of public procurement in Benin. Benin implemented Law No. 2018-38 of October 17, 2018, establishing the Caisse des dépôts et consignations in Benin (CDCB) to support the State's public policies in economic and social development through innovative solutions and financing of investments in Benin. Strengthening budgetary transparency and developing a mechanism for citizen control of public action, Benin adopted Law No. 2020-20 of September 2, 2020, on the creation, organization, and operation of public enterprises. The Law establishes a new single regulatory framework that applies to public entities and aims to promote and foster the organization and management of public enterprises by strengthening the role and prerogatives of boards of directors. Benin implemented Law No. 2020-25 of September 2, 2020, amending Law No. 2018-17 of July 25, 2018, on the fight against money laundering and the financing of terrorism. The new law provides, inter alia, for the establishment of a National Financial Intelligence Unit to enhance the effectiveness of the State in the fight against money laundering and the financing of terrorism.	

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Operationalize the institutional framework for the sustainable programming of public investments	• Benin adopted its new PPP framework (the PPP law was adopted in 2017). • To improve the financial viability of the electricity sector, the government started the implementation of the sector's financial recovery plan for the period 2019–22, including policies to reduce technical and non-technical losses. The plan was developed from a financial model that integrates all key sector parameters that reflect the financial balance of the electricity sector. The plan's adoption was essential as the government installed new domestic generation capacity. Since its adoption, it enabled the Ministry of Energy and the SBEE to identify and implement medium-term measures for the financial equilibrium of the electricity sector encompassing a healthy energy mix and a program to reduce technical and non-technical losses. • The financing and implementation of SDG Eurobonds continues with amazing results already for the expansion of educational services and improvement of the capacity to care for pupils and students, with 198.54 million euros injected, 85.12 for access to drinking water and wastewater treatment, 64.74 for development of sustainable living environments and infrastructure for all, 36.97 percent for improving health for all, and 29.29 for access to low-carbon, reliable, and low-cost energy. • In total, 57 socioeconomic development projects are beneficiaries of the amount raised from investors and partners. At approximately €485.4 million, half of the amount allocated to all the projects selected is divided into reimbursement and the other half into new financing needs. • From the the different pillars, the share of reimbursement is higher at the level of the Partnerships and Planet pillars, 73.2 percent and 53.1 percent, respectively, while the high share of the new funding, noted at the level of the Prosperity and Population pillars, is estimated at 54.1 percent and 50.6 percent, respectively.	MCC (compact énergétique) and World Bank (IPFs and DPOs)
New Reform Initiatives		
Institutionalize the Court of Auditors	• Benin institutionalized the Court of Auditors within the framework of Organic Law No. 2020-38, to strengthen the control and transparency of public management. • Adoption of the revised General Tax Code. • Benin adopted a program-based budget for the first time in 2022. This innovation aims to strengthen the harmonization of the PFM framework, its transparency, and the efficiency of the resources used by various public institutions. Another innovation is the adoption of a new Integrated PFM System.	
Align the criteria for the selection of public investment project with international standards and practices	Benin intends to align all criteria for the selection of public investment projects with international standards and practices in the coming years. This will be done through the implementation of the mission's recommendations on the evaluation of investment management using the PIMA methodology. The deployment and structuring of public investment expenditure are done in commitment authorizations (AE) and payment appropriations (CP) in sectoral ministries. A methodological guide should be prepared for EI/CP and for the transition from PAs to EAs, with mechanisms to ensure quality of execution. Principles and rules should be established for the management of deferred funds and their implementation by sectoral ministries. Commercial debts arising from the execution of capital expenditure on closed or ongoing projects should be systematically included. The aim is to develop public officials'skills in monitoring the budgetary and financial aspects of public investment expenditure. The model of Annexes AE/CP of the Annex to the Draft Finance Law for the National Assembly needs to be improved.	
Implement the General	In the context of COVID-19, the authorities have put in place a moratorium on the suspension of electricity for those who could not pay the electricity bill for 3 months (May–June). Benin approved Decree 2019 - 193 of July 17, 2019, setting the framework for	

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Framework for the Management of Public Investment Projects	the management of public investment projects, which aims to optimize implementation of the PAG and the effectiveness of public investments.	
Set the general framework for the management of public investments	Benin adopted Decree No. 2021 - 586 of November 10, 2021, setting the general framework for the management of public investments. The decree determines the legal framework for the selection, implementation, and monitoring of projects in collaboration with the institutions in charge of the projects of the PAG. Benin plans to continue the revision of the decree. 2019 - 193 of July 17, 2019, to strengthen it and bring the legal framework in line with methodological and organizational developments in budgetary and accounting management.	
Restructure SBEE networks	As part of the 2021–26 PAG projects, Benin aims to restructure the distribution and extension system of SBEE networks in major urban centers.	
Performance monitoring for certain SOEs	Performance contracts must be implemented for major SOEs to improve their performance.	
	BUSINESS FRAMEWORK	
	Regulations and Institutions	
	Progress Made on 2018 Reform Commitments	
Strengthen the monitoring of Business Ready (B-Ready) indicators	• Interministerial Committee for investment promotion (Minister of Economy and Finance is the spearhead). • The appointment of the MEF as direct supervisor of reforms related to improving the business climate, in particular those related to the Doing Business Index, accelerated the pace of reforms implementation. Similarly, BAI/APIex technical teams have been strengthened with the support of MEF staff. • The work to set up a Permanent National Framework for Public-Private Dialogue between the government and private sector carries the hope of the establishment of structures for identifying and resolving private sector concerns. The government thus has interlocutors who discussed public policies in favor of the private sector before and during their implementation.	IFC/BM
Streamline and simplify procedures	• Benin implemented Law No. 2020-03 of March 20, 2020, on the promotion and development of MSMEs in Benin. The law aims to create a legal, institutional, and financial framework conducive to the development of entrepreneurship. The law includes measures to identify SMEs to facilitate the allocation of public aid, the creation of public agencies for SMEs, assistance measures and access to finance, tax incentives for the purchase of professional equipment, the promotion of financing access to land, and support measures for companies in difficulty. • In 2020, the implementation of the online business register was finalized. • The business creation process was streamlined and digitized with online procedures and payments (www.monentreprise.bj) and electronic creation certificates obtained within 3 hours.	

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	• The issuance of building permits was simplified and digitized, as have applications for new water connections. • The land register was digitized and the property registration process was simplified (www.enotaire.andf.bj). Free electricity connections have been introduced for medium-sized companies with needs of 140 to 160 kVA, and the procedures for requesting a new connection have been simplified and digitized. • An electronic collateral register (www.suretés.tccotonou.bj) was established for movable collateral to facilitate access to credit. Since 2015, the payment of taxes and the submission of documents related to international trade have been gradually digitized via the ASYCUDA World platform, which significantly reduces import and export times. A private credit bureau was established by Credit Info Volo to collect and disseminate credit information to facilitate access to credit. • The government reported in 2021 that streamlining procedures must be implemented for all companies requesting electricity connection (all capacities combined). Automated systems must be implemented for the monitoring of power failures. • There are plans to continue expanding the credit bureau to increase its coverage.	
Investment Code Authorizations	• Benin approved Law No. 2020-02 of March 2, 2020, adopting a new investment code that provides for a common law regime for the authorization of investments and preferential regimes comprising three basic privileged regimes and two special regimes. The Code incorporates tax advantages and guarantees for investments, local content requirements and transparency in the making of investments, renovation of the institutional framework, and reorganization of investment dispute settlement methods.	
Establish Special Economic Zones (SEZs)	• The Glo Djigbé Industrial Zone is now a reality in Benin with 6,000 direct jobs and a forecast of 300,000 jobs by 2030. • This integrated industrial zone on 1,640 hectares focuses on the creation of flourishing value chains, ranging from the supply of raw materials and transformation of resources to the export of finished products. The zone was developed on the model of an integrated business city and the concept of Work-Learn-Live-Play.	
	New Reform Initiatives	
Establish the Technical Support Unit for the improvement of Business Climate and Investment Promotion	In 2021, Benin made operational the Technical Support Unit for the Improvement of the Business Climate and Investment Promotion responsible for piloting large-scale reforms relating to the business environment, governance, and private sector development. The cell (Cellule Climate des Affaires) is working to: (i) adopt legislation to promote mandatory infrastructure sharing by existing operators through; (ii) clarify the Digital Law 2017-20, art. 188-189 involvement for the Towercos; (iii) detail the conditions under which mobile sites may be deployed and transferred; (iv) clarify the Digital Law 2017-20, art. Art. 72 Involvement for Towercos: clarify mandatory sharing provisions in priority areas; and (v) study the reduction of red tape for the authorization of deployment of the site at the municipal level.	
Implement the national strategy for technical and vocational education and training	Implementation of the national strategy for technical and vocational education and training through: • Construction of 30 modern agricultural technical high schools with new vocations that will lead them to contribute effectively to the development of the national economy, • Construction of 7 reference schools in the fields of energy, digital, building and public works, automotive and industrial equipment, water and sanitation, wood and aluminum industries, tourism-hotels and restaurants, • Construction of 17 rehabilitated technical high schools in the energy, digital, living environment-infrastructure-transport and tourism-hotel-catering sectors.	

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Implement the e-forex module of the single window for foreign trade	Implementation of the e-forex module of the single window for foreign trade (digitize the process of processing foreign exchange (forex) authorization applications related to international trade).	
Investor Protection and Dispute Resolution		
Progress Made on 2018 Reform Commitments		
Operationalize new commercial jurisdictions	The commercial courts of Cotonou, Parakou, and Abomey have been fully operational since July 2017. In addition, a simplified procedure for small claims not exceeding a value of XOF 5000 was introduced at the Cotonou Commercial Court in February 2020, with a second Small Claims Chamber created in January 2021. A Small Claims Chamber was established at the Cotonou Court of First Instance in January 2021. Several other innovations have been introduced at the Cotonou Commercial Court to improve its efficiency, including capping the maximum number of adjournments, introducing a pre-trial conference, and introducing incentives for alternative dispute resolution. The court was digitized and now allows users to file complaints, pay court fees and receive service online. An e-case management system was introduced for judges and lawyers. Judgments and statistics on the court's performance are published on the court's website, which contributes to transparency.	
New Reform Initiatives		
Adopt the Law on the Modernization of Justice	The Law on the Modernization of Justice of April 2020 introduced changes in the rules of procedure allowing plaintiffs to obtain from defendants and witnesses any document related to the subject matter of the request at trial and facilitating the plaintiff's request for documents from the defendant.	
Service modernization, access to justice and accountability	The 2021–26 MAP integrates judicial service modernization, access to justice and accountability (Phase 2). A Court of Appeal is created at the Cotonou Commercial Court. In the coming years, the focus will be on continuing the training of lawyers and bailiffs on the electronic case management system at the Cotonou Commercial Court, the digitization of old judgments, the maintenance and improvement of the digital system and its databases.	
FINANCIAL FRAMEWORK		
Investment Risk Mitigation		
Progress Made on 2018 Reform Commitments		
Implement a zoning system and electronic registration of land titles	Thanks to the modernization and digitization of the Agence Nationale du Domaine et du Foncier (ANDF), all existing title deeds in Cotonou are now stored in a digital format, and all new property titles are obtained in a digital format. • All plots of land in Cotonou and nine other communes in Benin have been mapped, and mapping of other communes is underway. Information on digitized title deeds and mapped plots is available in online databases. • The digitization of land administration has enabled the ANDF to provide many of its services electronically, via the E-Notaire platform, and contributed to the increased efficiency of service delivery.	

Benin’s Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	• It is therefore now possible to request a descriptive statement, to request the transfer of a title deed, and to file complaints about the services provided by the ANDF via the E-Notaire platform. • Progress has been made in the property registration process with improving the reliability and transparency of the land administration system by publishing official statistics on land transactions and disputes for the previous calendar year and has started to issue a legally binding document within a specific period. The recent completion of the cadastre for Cotonou, Porto-Novo and Lokossa should contribute to the enforcement of property rights. The corresponding data are available online. (https://cadastre.bj). Benin also improved access to credit information with the recent launch of a new credit bureau (2019) and has improved its labor market regulation through the amendment of regulations on fixed-term contracts (2019). The 2021–26 PAG intends to continue the dematerialization of the issuance of land titles. • The efficiency of the real property registration process needs to be further improved in the coming years through the streamlining and digitization of procedures, and the reduction of costs for users. A unique parcel number must be set up for this purpose. • Awareness and training programs on the new digitized procedures need to be put in place for municipalities. Title deeds must be established for all private plots of land in the capital and, eventually, throughout Benin. • The mapping of all private plots in Benin must be completed. All cadastral registers must be made available online. • To simplify the settlement of property disputes, a national database for verifying identity documents should be created. • A judicial procedure allowing for a faster resolution of property disputes must be put in place. • Statistics on land disputes for the past five years must be published online and updated regularly.	
Strengthen diversify financing instruments for SMEs and agricultural enterprises	The 2021–26 PAG incorporates numerous reforms in terms of SME financing: Mise in place of an investment and venture capital mechanism in relation to the CCIB; Establishment of a one-stop promotion window and a public guarantee mechanism for SMEs (in particular those impacted by COVID-19); Establishment of a mechanism to promote private investment in processing and handicrafts; Development of the Chamber of Trades of Benin. In addition to the above-mentioned reforms, the project to strengthen the competitiveness and upgrade of MSMEs will be operationalized. In addition, the government has approved and transmitted to the National Assembly, for study and vote, the WAEMU Community Directive on leasing. Regarding the facilities granted to SMEs: Some measures are being implemented in the context of promoting SMEs. These are: incentive measures for the creation of companies: (i) the free formality of registration registered in the General Tax Code for several acts whose company acts are still in force. (Introduced by LF corrigendum 2016); (ii) For companies covered by the Synthetic Business Tax (GST) regime: exemption from the GST for new companies, regularly created, on their first twelve months of activity; and reduction of the minimum tax from 150,000 to 10,000 CFA francs; (iii) for new companies covered by the corporate tax (IS) or business income tax regime: exemption from the license for the first twelve months of activity; and reduction by bracket of income tax on the first three years of activity; (iv) For startups: exemption from corporation tax and employer payment on salaries during the first two (2) years of activity; and a 50 percent reduction in the same taxes for the third year. Measures to promote SMEs: (i) establishment of a system of declaration and imputation of the AIB and abolition of the obligation of prior request for validation; (ii) introduction of the possibility of obtaining a modulation of instalments of income tax when the	Several donors in the context of COVID-19 World Bank

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	company considers that the tax it will pay in respect of a year will be lower than the instalments of the same year; (iii) reinstatement of deemed deferred depreciation, which is now considered to be deductible deficits over five years; (iv) establishment of the possibility of split payment of the supplementary license to relieve the cash flow of companies awarded works contracts; (v) establishment of the possibility of deferred payment of registration fees when the State is a party to the act; (vi) free registration of deeds of transfer of immovable property, the amount of which is less than or equal to 50 million francs, in the name of commercial and industrial companies; (vii) reimbursement by tax credit of the costs of acquiring and configuring Certified Electronic Invoicing Machines; (viii) abolition of the withholding tax of 40 percent of the amount of VAT invoiced, for certain companies in a justified creditor situation; (ix) reduction of the income tax rate from 30 percent to 25 percent, for private schools of school, university, technical and vocational education; (x) benefit from a tax credit for companies justifying a year of activity, following the conclusion of an employment contract of indefinite duration with people accessing their first job; (xi) exemption from the VPS for new companies duly created in respect of their first year of activity; (xii) abolition of the fee required of companies for the issuance of tax documents; (xiii) exemption from VAT on request, of new materials and equipment imported by small and medium-sized enterprises not benefiting from a derogatory tax regime, intended for the installation of craft and industrial units. The modalities for the implementation of this provision are fixed by decision of the Interministerial Committee for the Promotion of Investments provided for by the Investment Code in the Republic of Benin (Article 12 LF 22). Measures aimed at the formalization of the informal sector: (i) reduction of 40 percent of corporate tax, business profits tax or synthetic business tax, for any company not known to the tax services and carrying out a commercial, industrial, craft or agricultural activity, which joins an approved management center (CGA), from the first to the fourth year from its date of membership of the CGA; (ii) exemption from tax audits during the first two financial years following that of joining a CGA; (iii) remission of penalties, fines and tax increases to any taxpayer in the informal sector who spontaneously subscribes for the first time to his declaration of cases carried out in previous financial years and who makes full payment of the duties due; and (iv) exemption from payment of duties due in respect of previous years, by companies formerly created and having declared on their honor not to have carried out activities since their creation. The 2021-26 PAG incorporates many reforms to enhance agriculture: (i) measures to facilitate access to seeds, inputs, and markets; (ii) fiscal and non-tax incentives for the import of agricultural inputs and the export of agricultural products; (iii) establishment of the agency for the management of large plantations and an office for the management of livestock holdings. Through the recapitalization project of the National Agricultural Guarantee Fund (FONAGA), the World Bank is providing $10 million and TA to strengthen FONAGA's capacity. It also supports the establishment of the following frameworks: (i) business environment promoting access to information on investment opportunities in agribusiness, PPD on the removal of specific constraints and interactions with local and international investors; (ii) an incentive framework to enable the private sector to provide training services related to commercial agriculture; (iii) institutional frameworks for the organization of priority agricultural sectors promoting the development of governance structures that respond to Benin's agricultural and commercial realities; (iv) legal and regulatory framework for warehouse receipts to allow the use of agricultural production as a guarantee for the financial sector and facilitate the marketing of products; (v) regulatory framework (seeds) and incentive mechanism (fertilizers) promoting the establishment and sustainability of private seed companies and a supply of specific fertilizers for non-cotton sectors.	

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	New Reform Initiatives	
Establish the COVID-19 socioeconomic response plan	A socioeconomic response plan to mitigate the impact on businesses, the self-employed and households was put in place. It supports companies in the formal sector (82 billion CFA francs, or 0.9 percent of GDP) and vulnerable households (16 billion CFA francs, or 0.2 percent of GDP). A public guarantee plan and credit lines and refinancing measures were put in place to promote access to finance for micro, small and medium-sized enterprises. To contain fiscal pressures, spending on these stimulus packages is expected to span the entire period 2020-2022 and will be adjusted as needed. Benin has launched projects to support the development of the cashew sector and agricultural entrepreneurship (PADEFA-ENA), and the competitiveness of agricultural value chains and export diversification (PACOFIDE).	
	Mobilization of private and institutional investments	
	Progress Made on 2018 Reform Commitments	
Improve Benin's credit rating through debt restructuring and the support of internationally renowned credit rating agencies	The policy-based guarantee operation, supported by the World Bank, had several impacts beyond debt reprofiling. Benin obtained its first international sovereign credit rating (July 2018), which has since allowed it to access financing by Eurobonds (March 2019, January 2020) at rates more advantageous than those of the regional market. The transaction supported by PBG (Policy-based guarantee) introduced a new class of investors in Benin. Secondly, on the latter point, it has helped to increase confidence in Benin's borrowing, which has led to lower interest costs for regional borrowing. Third, and contributing to Benin's growth and productivity agenda, the loan has freed up domestic resources and increased liquidity in the domestic financial sector, thereby helping to reduce the crowding-out effect on the domestic banking sector. Credit growth in the private sector has increased significantly. It improved the Debt Management Unit's ability to analyze the debt portfolio and refine its negotiating skills with international banking markets. Interviews with representatives of the Ministry of Finance and the Debt Management Unit highlighted the following points: On January 12, Benin raised €1 billion (5.7 percent of GDP) in Eurobonds, during the first issue of African debt on international markets of the year. Benin issued its Eurobond in two tranches: the first tranche with an 11-year maturity and a yield of 4.875 percent for a total of 700 million euros (459 billion FCFA) with a 3-year repayment plan over 2030–32; the second tranche with a maturity of 31 years and a yield of 6.875 percent for a total of 300 million euros (197 billion FCFA). Both tranches were oversubscribed, reflecting strong investor confidence in Benin and the search for higher returns in EMDEs. Since the COVID-19 epidemic, Benin is the second West African country to issue on international markets after Côte d'Ivoire issued a €1 billion Eurobond with a maturity of 12 years in November 2020 for an average return of 5 percent. The issuance of Eurobonds has three objectives: (i) to reprofile the existing external debt, (ii) to finance the 2021 budget and (iii) to contribute to the PAG's flagship projects. On July 15, Benin successfully issued an inaugural €500 million bond on the SDGs (maturity of 12.5 years with a coupon of 4.95 percent) to cover relevant environmental and social objectives, such as access to clean water and energy, education, health, decent housing, connectivity, and biodiversity conservation, inter alia. This is an important transaction as it is the first ESG issue by a sovereign of sub-Saharan Africa. On November 29, Benin concluded a proactive early debt repayment operation, initiated in July 2021, targeting domestic debt instruments for a total amount of 217.9 billion CFA francs. These instruments had initially financed projects that were now eligible for the newly issued SDG bond and had less favorable financial conditions (resulting in a saving of XOF 36 billion on debt servicing). This historic transaction, the first of its kind in the regional capital market, reflects	World Bank

Benin's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	the Republic's agile public debt management strategy and the achievement of the SDG commitments of the Presidential Development Agenda. In March 2021, Moody's upgraded the rating of the long-term issuer and the Government of Benin's senior unsecured debt from B2 to B1. The outlook has shifted from positive to stable, reflecting a strong balance sheet of fiscal consolidation and improved debt structure, and growing economic resilience, with robust growth prospects supported by ongoing structural reforms. In October 2021, Fitch upgraded Benin's rating from B to B+, reflecting the economy's resilience to the pandemic shock and the Nigerian border closure, combined with Fitch's view that the likelihood of downside scenarios associated with these shocks has decreased. Bloomfield raised Benin's long-term rating from A- to A due to the good management of the COVID-19 crisis and the country's strong economic resilience. The agency highlights the strong mobilization of budgetary resources, the negotiations for the establishment of a free trade area with Nigeria, a sustainable public debt, and the new development plan. In January 2022, the regional rating agency WARA (West African Rating Agency) published its inaugural rating of the Republic of Benin (A-/Stable/w-3; and international iB+/Stable/iw-5). This rating is supported by Benin's proactive structural economic policy, improved governance indicators, public debt control and position as a hub for sub-regional trade. On the other hand, international competitiveness, the banking sector, and the high elasticity of macroeconomic performance compared to that of Nigeria remain constraints.	
Strengthen access to opportunities offered by multilateral and bilateral institutions to reduce non-commercial risks for private and institutional investors	In July 2020, Benin received €6.28 million from the AfDB as part of the financing of the Multi-Country COVID-19 Pandemic Response Support Program (PAR COVID-19). On September 8, 2020, the AfDB granted €1.78 million for the Project to Support the Decentralization of Drinking Water, Hygiene and Sanitation Services in Atacora-Donga (LEauCal Project), in northwestern Benin, which was designed to increase people's access to water and sanitation. On November 24, 2020, Benin received $67.19 million from the AfDB through the African Development Fund and the Global Environment Facility for the sustainable increase of productivity and crop production through the promotion of promising sectors (Project to Support Agricultural Infrastructure in the Ouémé Valley (PAIA-VO). On May 20, 2021, the EIB provided €140 million to accelerate investments in the health sector and address the impact of climate change on Benin's health and economy. On June 29, 2021, Benin received $30 million from the World Bank Group through IDA to ensure the immunization of its population. On December 14, 2021, the World Bank approved $300 million in financing to help Benin promote employment and economic opportunities for youth and women through access to quality technical and vocational education, training, and entrepreneurship for 46,000 students.	
New Reform Initiatives		

Burkina Faso

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
	MACROECONOMIC FRAMEWORK	
	Macroeconomic Stability	
	Progress Made on 2018 Reform Commitments	
Implement the new IMF-supported Extended Credit Facility program 2018–2020	Completed. The 2018–20 Extended Credit Facility program concluded in March 2018 with IMF bodies ended in 2020.	IMF
Negotiate and implement the new IMF-supported three-year Extended Credit Facility program	• Negotiations for a new program were held June–December 2021 and were due to continue in January and February 2022. • With the advent of the new regime, the authorities authorized the resumption of negotiations for October 2022. Next steps: Conduct negotiations for the program (define objectives, structural benchmarks, quantitative criteria, indicative targets, and so on); submit the dossier (letter of intent plus annexes) to the IMF Executive Board for adoption; and implement the adopted program.	IMF
Develop a new debt management strategy to encourage concessional borrowing	• Burkina Faso developed an annual medium-term debt management strategy in connection with fiscal years. The 2022–24 short-term debt management strategy in connection with the fiscal years was adopted on December 16, 2021, and annexed to the 2022 Finance Law. • The implementation of this strategy made it possible to raise concessional resources during 2022 and enter into negotiations with an identified partner to obtain a non-concessional external borrowing in euros with the aim of reprofiling domestic debt. Subsequently, technical difficulties prevented the conclusion of an agreement with that partner. Next steps: Develop the 2023–25 strategy that will be annexed to the 2023 Finance Law and continue the search for a strategic partner for obtaining non-concessional external borrowing for the reprofiling of domestic debt.	IMF/World Bank
Carry out a cost-benefit analysis of the 10 largest public projects, including PPPs	• As part of the management of budgetary risks, a cost-benefit analysis of the largest public projects, including PPPs, is carried out each year. This analysis is annexed to the Finance Act. In addition, regulations prohibiting pre-financing in the context of PPPs and setting budgetary limits for the contracting of PPPs have been adopted. • These are Order No. 2019-113/MINEFID/SG/DGCOOP of March 21, 2019, setting budgetary limits for the contractualization of PPPs and Order No. 2018-054/PM/MINEFID of December 20, 2018, prohibiting the negotiation and contracting of projects with pre-financing characteristics. PPPs are accounted for in the State budget. Next steps: Continue to conduct cost-benefit analysis of the largest public projects, including PPPs on an annual basis.	IMF/World Bank
Create fiscal space for priority public investment through increased domestic	• Efforts in terms of tax administration reforms have been and continued with a view to broadening the tax base, securing revenues, and modernizing the tax collection system. These include the operationalization of tele-procedures for large and medium-sized enterprises and the Contribution of Microenterprises (CME) [electronic	World Bank, European Union, Switzerland,

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
revenue mobilization and current expenditure containment	declaration and electronic payment], the implementation of the standardized invoice now applicable until the Simplified Real Tax (SRT) and the establishment of tax census services in all tax directorates. Thus, tax revenues increased from XOF 1,349 billion in 2018 to XOF2,000.95 billion in 2021, an average annual increase of 14.0 percent. The increase in tax revenue has increased investment expenditure from their own resources. Thus, they increased from 419 billion FCFA in 2019 to 433 billion FCFA in 2020 and 519 billion FCFA in 2021. • As part of the control of current State expenditure, the actions undertaken in recent years continued in 2021. These include the reduction of the State's standard of living, the reduction of recruitment staff in the civil service (suspension of recruitment on new measures), the implementation of the State's equipment and real estate strategies and the optimization of the management of the State's vehicle fleet.	Luxembourg, Denmark/IMF
New Reform Commitments and Initiatives		
Pursue the implementation of the Tax Cadastre		
Computerize the national land cadastre		
Set up the eCustoms platform		
Implement the functionalities of SIGU (taxes) in the new SYCAD (customs) application.		
Interconnect the databases of all agencies (ASYCUDA, SYLVIE and CIE-SYNTAX-ASYCUDA)		
Public Investment Management (procurement, PPPs, SOEs, utilities)		
Progress Made on 2018 Reform Commitments		
Reform the legal and institutional framework for public procurement	Several legislative and regulatory texts have been adopted: • Law No. 039-2016 / AN of December 2, 2016, on the general regulation of public procurement. • Decree No. 2019-0358/PRES/PM/MINEFID of April 30, 2019, amending Decree 2017-0049/PRES/PM/MINEFID of February 1, 2017, on procedures for the award, execution and settlement of public contracts and public service delegations, authorizes the publication of tenders in the country's newspapers. • Decree No. 2019-0549/PRES/PM/MINEFID amending Decree No. 2017-0049/PRES/PM/MINEFID on the procedure for awarding, executing, and settling public contracts and public service delegations.	World Bank

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
	• Decree No. 2019-0574/PRES/PM/MINEFID determining the nature and modalities of acquisition of goods and services in the context of the implementation of Article 6 of Law No. 039-2016/year of December 2, 2016, on the general regulation of public procurement. • Order No. 2020-0587 adopting the standard technical specifications of IT equipment. Order No. 2020-517/MINEFID/SG/DGAIE of October 19, 2020, adopting the standard technical specifications of office equipment subject to public procurement in Burkina Faso/annex. • Two recall circulars are drawn up, one for the attention of the contracting authorities to give priority to local products in the acquisition of food and coffee breaks and the other for the attention of the DCMEF to ensure strict application of the regulatory provisions relating to the promotion of local products. • Decree No. 2022-0009/PRES/PM/MINEFID of January 20, 2022, easing measures relating to the award, execution, receipt and payment of public contracts and public service delegations as part of the implementation of the Emergency Programme for the Sahel. • Decree No. 2020-0615/PRES/PM/MINEFID/MS of July 8, 2020, easing the conditions for using the direct agreement procedure for the award of public contracts and public service delegations in the context of the fight against the COVID-19 pandemic in Burkina Faso. • Project for the dematerialization of electronic signatures currently being implemented. Next steps: continue reforms of the legal and institutional framework for public procurement, including continuing the process of dematerialization of the public procurement and disseminating the State's expenditure plan.	
Adopt the implementing legislation for the fight against corruption	• As part of the operationalization of Laws No. 004-2015/CNT of March 2015 on the prevention and repression of corruption in Burkina Faso and its amendment and No. 082-2015/CNT on the attributions, composition, organization and functioning of the Supreme Authority for State Control and the Fight against Corruption (ASCE-LC), and two implementing decrees were adopted in May 2021. These are the decree on the organization of the ASCE-LC and the recruitment procedure for the State Comptroller General. • The adoption of several fundamental principles of the ASCE-LC. • The draft National Strategy for the Prevention and Fight against Corruption and Related Offences in Burkina Faso was developed and is awaiting validation in September 2022. • A platform for the declaration of interest and heritage was developed and has been operational since August 2020. Next steps: validate and adopt the National Strategy for the Prevention and Fight against Corruption and Related Offenses in Burkina Faso and continue to enroll subject to the DIP.	Sweden, Denmark, World Bank
Dematerialize the documentation required for public spending	• The dematerialization process initiated in 2018 has not yet been completed. However, several actions have been taken in this direction: o Computerization of the public procurement system and stock accounting. Design an e-GP platform, develop the central account of State materials and deploy the Integrated Material Accounting Management System (SIGCM) in EPEs and Territorial Communities. o As of June 30, 2022, the e-GP specifications have been developed, the interim change management report filed and the recruitment process for the firm responsible for acquiring the solution is being finalized.	World Bank

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
Establish a General Inspection Unit for the civil service to manage the wage bill	• The creation of a general inspection unit responsible for managing the wage bill is not effective. The payroll management function is carried out by the Ministries in charge of the civil service and finance. Several actions have been carried out to control the growth of the wage bill: o Description of job postings in the Ministries o The adoption of 10 decrees on the special status of Burkinabe public administration professions o The organization of an operation on the exhaustive inventory of State agents o Conducting a workload description study • However, the public administration's workforce and employment management strategy has not been developed, but data collection and collection reports as part of a diagnostic study on job and workforce trends have been carried out. • No modern HRM tool (Human Resources Dashboard and Forecast Table of Jobs and Workforce) has been developed. Next steps: Support Human Resources departments in workload assessment	World Bank
Adopt a new policy of decentralization and deconcentration	• The sectoral policy "Administrative and local governance" was adopted on March 7, 2018. • The forward-looking vision of decentralization by 2040, the national decentralization policy and the ten-year strategy of decentralization 2017-26. • The strategy's first five-year action plan was adopted in 2018. The second five-year action plan currently being developed. A national strategy for capacity building for decentralization actors was adopted in 2019 with its action plan; A draft national strategy for decentralized cooperation and its action plan are drawn up and available; The preliminary draft of the orientation law of the Territorial Administration and the charter of deconcentration and its implementing decree are available; Adoption of Law 003-2017/AN of 13 January 2017 on the status of the territorial civil service. Since 2017, actions have been taken to improve deconcentration: establishment of regional deconcentration councils in the 13 regions that regularly hold their sessions; the administrative deconcentration cells of 2 ministries (Ministries in charge of education and trade) are functional; a draft of the policy paper for the development of a departmental devolution plan is available. Next steps: Draw up a law on financial programming for the benefit of local and regional authorities	World Bank, European Union, France
Adopt a new law for land management	With a view to the revision of Law 034-2009/AN on rural land tenure, an evaluation of its implementation was carried out. The evaluation report was validated in June 2021. In addition, the following actions have been taken: • Continuation of the issuance of certificates of rural land possession (APFR) in the communes. More than 8,775 APFR have already been issued. • Establishment of 331 Rural Land Services in the communes. • Development of the Land Security Project for Large Hydro-Agricultural Facilities (PSF-GAH) in 2021, which is currently being implemented (2021-25), will contribute to securing the land tenure of major hydro-agricultural	French Development Agency (AFD), World Bank, European Union

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
	facilities with a view to increasing agricultural production in four regions (Cascades, Centre-East, Hauts-Bassins and Plateau Central). • Development of a new Rural Land Security Program (PSFMR 2020-24). • Development of a new roadmap in 2020 to generalize the application of texts on land in all municipalities. Next steps: Re-read the Land Act and continue the implementation of LIOs and the issuance of LRPAs in the Communes.	
Revise the legal and regulatory framework to promote PPPs	Law No. 032-2021/AN of 25 June 2021 on the legal and institutional framework of PPPs in Burkina Faso was promulgated by Decree No. 2021-0826/PRES of 6 August 2021. As part of the further development of the implementing texts of the new PPP law, regulatory texts have been adopted: • Decree No. 2021-1337PRES/PM/MINEFID of 29 December 2021 on the modalities of application of Law No. 032-2021/AN of 25 June 2021 on the legal and institutional framework of PPPs in Burkina Faso; • Decree No. 2021-1384PRES/PM/MINEFID of 31 December 2022 on the attributions, composition and functioning of the PPP Commission; • Decree No. 2022-0236/PRES-TRANS/PM/MEFP of 31 May 2022 on the attributions, organization and functioning of the PPP Unit. Next steps: Continue the development of complementary implementing texts of the PPP law.	World Bank, AfDB, IMF
New Reform Commitments and Initiatives		
Put in place a local administration: the continuation of physical deconcentration if necessary and development of e-service for local public service delivery		
Domestic Revenue Mobilization		
Progress Made on 2018 Reform Commitments		
Extend the use of a standard form for all taxpayers to reduce fraud and protect VAT collection	• The standardized invoice has been effective for large and medium-sized companies since 2018 and taxpayers subject to the SRT (and the Micro Enterprise Contributions. • Signature of a concession and standardized invoice management agreement in 2020 with the Chamber of Commerce and Industry of Burkina Faso. Next steps: Continue the full dematerialization of DGI's revenue boards through eDeclaration and ePayment.	World Bank, Switzerland, Luxembourg, Denmark, European Union
Implement online procedures for the	• The electronic declaration is effective and is mandatory for large and medium-sized companies and taxpayers subject to the SRT.	World Bank, Switzerland, Luxembourg,

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
declaration and payment of fees	• The electronic declaration platform was updated to integrate the electronic payment module which has been effective since July 2018 and the operationalization of the electronic declaration of annual results (eLIASSE). • The development of an eCME application for managing the contribution of micro-enterprises. • In June 2022, an evaluative study of process dematerialization projects was carried out within the financial authorities. The main recommendations aim to increase State revenues and improve services provided to users (creation of reception and guidance services for taxpayers). Next steps: continue the digitalization of customs duties and taxes (eCustoms) and further computerization of service revenues.	Denmark, European Union
Computerize the tax audit system and use risk-based selection methods	• The verification procedure (verification program, audit notice, adjustment notice and recovery of control results) is implemented in the Computerized Taxation System (SINTAX). • The deployment of the "infocentre" application for electronic control management is effective. Its objective is to exchange information held by the various administrations to improve the decision-making system of DGI. The Infocentre already contains data from NTAX, ASYCUDA, CNSS, CID, IGU, NERM and RCCM.	World Bank; Switzerland, Luxembourg, Denmark, European Union
Develop GPS tracking for goods in transit and connect Burkina Faso's customs information system with those of Côte d'Ivoire and Togo	• Satellite tracking of goods is effective. • The interconnection of Burkina Faso's customs information systems with those of Côte d'Ivoire (except rail component), Togo and Niger are effective.	World Bank; Switzerland, Luxembourg, Denmark, European Union
New Reform Commitments and Initiatives		
Interface between SINTAX and ASYCUDA		
Set up the eCustoms platform		
Continue interconnection with Benin's customs information system		
Interconnect with other WAEMU countries		
BUSINESS FRAMEWORK		
Regulations and Institutions		
Progress Made on 2018 Reform Commitments		

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
Revise the legal framework for contract enforcement	• Ongoing review of the Code of Civil Procedure to improve judicial proceedings and reduce delays. In 2020 all the provisions of the Code of Civil Procedure were revisited, and a draft bill is available. It remains to date the validation workshop before its introduction in the circuit of adoption of the texts of law	World Bank, European Union
Revise the legal framework for access to land	• Adoption of Law 034-2009 of June 16, 2009, on rural land tenure provided through its articles 88 and 89, the creation of the National Agency for Rural Lands for the constitution and management of the rural land domain of the State and local authorities. • The Agency's constituent documents were drawn up and validated by the Cabinet Council of the Ministry of Agriculture and by the inter-ministerial committee. • The creation of the National Agency for the Land Domain of Public Bodies whose missions are to coordinate the activities of securing the land domain of the State, local authorities, and other public bodies, and the mobilization of related funding.	IDB
Revise the legal framework to protect investor rights	Ongoing negotiations for the signing of investment protection and promotion agreements with certain States.	
Revise the legal framework for connection to electricity	Several texts have been adopted in energy: • Decree No. 2019-0902/PRES/PM/ME of July 25, 2019, on the terms of access of renewable energy producers to the electricity grid and the conditions for buying back their surplus energy; • Decree No. 2020-1053/PRES/PM/ME/MINEFID/MCIA of December 31, 2020, on the conditions for the self-production of electrical energy in Burkina Faso; • Decree No. 2018-0568/PRES/PM/ME/MINEFID/MCIA of July 10, 2018, on remuneration for activities contributing to the supply of electricity and setting methodologies and parameters for determining tariffs for the transmission and distribution of electrical energy; • Decree No. 2018-0569/PRES/PM/ME/MINEFID/MCIA of July 10, 2018, adopting specifications applicable to electricity distribution concessionaires in Burkina Faso; • Order No. 2018-070/ME/MCIA of July 10, 2018, on the specifications applicable to energy audits in Burkina Faso; Order No. 18-095 /ME/SG/DGEE of September 20, 2018, determining the levels of extension or modifications requiring a new energy audit; • Order No. 19/118/ME/MINEFID of August 14, 2019, determining the fixed duties to be paid for obtaining the license or authorization for the production of electrical energy; • Inter-ministerial Order No. 2020-033/ME/MINEFID/MCIA of March 16, 2020, on eligibility conditions and procedures for enjoying the exemption from VAT on imports and sales of solar equipment; • Order No. 18-094/ME/SG/DGEE of September 20, 2018, on the conditions and procedures for issuing, suspending and withdrawing the technical approval for the exercise of the energy audit. Next steps: Continue to adopt energy regulations	

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
Reduce the time and cost required to set up a business	In reducing the time (24 hours) and costs of business creation, several actions were implemented: • Launch of the online business creation platform called "e-creation" on March 23, 2020 (www.creerentreprise.me.bf); • Implementation of a one-stop shop for legal professionals; • Implementation of the virtual portal "Gateway to Burkina": the first phase concerns the dematerialization of three acts of commerce including the Authorization to Trade (AEC) by foreigners which will now be accessible on the portal the address www.peb.bf; • Implementation of the actions identified in the Third-Party Application Maintenance contract for online creation; • Regularly update the information on the DGI website; • Training of notaries on the use of the business creation platform; • Opening of two cyber rooms for the creation of online businesses in Tenkodogo and Koupéla in the central-eastern region • In total, the time to create a company has decreased from 48 hours in 2018 to 24 hours in 2021. Next steps: carry out a feasibility study on the dematerialization of the deposit of share capital of companies in creation; set up a unique identifier (IDU) for business registration (RCCM, IFU, CNSS, CPC); continue the training of legal professionals (lawyers, notaries) on the use of the business creation platform; Organize consultations with the DGI and the Ouagadougou City Hall on the simplification of the procedures for obtaining the lease contract and obtaining the residence certificate; Continue the process of adopting the decree extending the competences and reorganization of CEFORE; Implement the preventive, curative and evolutionary maintenance project of the new CEFORE application and adopt the decree extending the powers and reorganization of CEFORE.	

Reduce the time and cost to obtain a building permit	• Adoption of new texts on building acts that have considerably reduced delays and introduced the principle of "silent agreement". (Inter-ministerial Order No. 2020-012/MUH/MATDC/MINEFID of 10 April 2020 on the creation, attribution, composition and functioning of the technical commission for consultation and instructions on building permit application files; Inter-ministerial Order No. 2020-004/MUH/MATDC/MICA and No. 2020-005/MUH/MATDC/MICA; No. 2020-0014/MUH/MATDC/MICA of 10 April 2020 establishing CFAC offices, and so on)
	  o Online publication of all texts relating to construction.
	  o Issuing a circular reducing the time taken to issue fire safety notes. This period increases from 10 to 7 days.
	  o Deconcentration of the services of the Centre for the Facilitation of Building Acts (CEFAC) in 9 Regional Capitals and reduction of the costs of completing the formalities of obtaining building deeds.
	Next steps: Implement the agreement between the cadastre, the approved expert surveyors and the MEBF to facilitate the procedures for obtaining the demarcation plan, make operational the three CEFAC: Fada, Dori and Dédougou, set up a committee to monitor the work to improve the production operation of the new CEFAC platform and implement the preventive, curative and evolutionary maintenance project of the new CEFAC application.	

Reduce the time and cost required to obtain a land title	• Posting on the DGI website of all procedures (procedures, composition of files and costs) related to the transfer of ownership; • Establishment by the Single Window of Land, a window dedicated to land professionals • Establishment of a committee to monitor the work to improve the functioning of the GUF platform.	

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
Adopt a new labor code that will further liberalize the labor market	• The draft law on the Labor Code was submitted to the Technical Committee for the Audit of Draft Laws (CÔTEVAL) held on June 29, 2020. • Twenty-one draft implementing texts of the law on the social security system applicable to salaried workers and assimilated workers in Burkina Faso have been prepared and validated. • Seven draft implementing texts of the law on the social security scheme applicable to public servants of the State in Burkina Faso have been developed and validated. • Next steps: continue the process of elaboration of the remaining five draft implementing texts and adopt validated regulatory texts.	BIT
Set up a one-stop shop for investors and create an online guide for all administrative procedures	• The one-stop shop is not in place. • Nevertheless, there is an information platform on investment procedures (e-regulation Burkina Faso). This information platform was improved to consider more information on the procedures for obtaining Business Licenses (www.busnessprocedures.bf). • In addition, the Bagré Business Facilitation Centre in the "Bagré Growth Pole" project area is operational. • 08 ministerial orders relating to the simplification of obtaining business licenses in the fields of animal health, technical and vocational training have been adopted. • Authorizations for the establishment of industrial units were issued. • A virtual portal "Gateway to Burkina" was created and will continue to be operationalized.	World Bank, UNCTAD

Accelerate the use of online processes to facilitate administrative procedures	• The redesign of the virtual counter to facilitate access to the information necessary to obtain an administrative act.
	• The launch of new services, including application for a certificate of nationality; application for a criminal record; application for technical approval in computer science; submission of files for public service competitions; operationalization of the online business creation system (March 2020); use of an integrated system of one-stop shops (SIGU) by CEFAC, CEFORE and GUF for the processing of administrative formalities (business creation, building permit, transfer of ownership); use of the e-SINTAX platform for the declaration and payment of all taxes and duties declared online; launch of the online business creation platform called "e-creation" on March 23, 2020 use of the Virtual Link System for Import and Export Operations (SYLVIE) at customs; implementation of the Virtual Portal "Gateway to Burkina": the first phase concerns the dematerialization of three (03) acts of commerce namely the Certificate of Origin (CO) of goods, the Special Import Authorization (ASI) and the Authorization to Trade (AEC) by foreigners who will now be accessible on the portal (www.peb.bf).
	  ○ Implementation of phase 2 of the EPB through the dematerialization of three (03) other acts (Special export authorization, water production decision and pre-packaged, edible oil production decision).
	  ○ The operationalization of the e-bundle module
	  ○ The operationalization of the mobile payment of the Residence Tax and the Tax on motor vehicles
	  ○ The operationalization of the online VAT credit refund application module.
	  ○ The operation of online services (ASF, CA certification, Certificates of restraint) works very well
	  ○ The operationalization of "open service"
		World Bank

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
	○ The online publication of the electronic version of the Personeau des travailleurs salariés (BILLIONTS) by the National Social Security Fund (CNSS) to facilitate the calculation of social contributions due by companies.	
Adopt the implementing texts of the new mining code	• 29 implementing texts (decrees and orders) were adopted pursuant to Law No. 036-2015/CNT of 26 June 2015 on the Mining Code. • Adoption of the mining and quarrying strategy for the period 2017-2026 in 2018 and its action plan. • Adoption of the law on the organization of the marketing of gold and other precious substances in Burkina Faso. • Next steps: Revise the decrees on mining taxes and royalties for greater attractiveness.	World Bank
Investor protection, dispute resolution and fight against corruption and terrorism		
2018		
Fight terrorism by improving the socioeconomic conditions of the population living in the Sahel region, which is most exposed to attacks and radicalization	• As part of the fight against insecurity and improving the resilience of populations, the Government has implemented vast development programs, namely the Emergency Program for the Sahel in Burkina Faso (PUS-BF) and the Support Program for the Development of Local Economies (PADEL), the Emergency Territorial Development and Resilience Project (PUDTR) since 2021 and the Community Project for the Recovery and Stabilization of the Sahel (PCRSS). • The PUS was extended to other regions (PUS 2) now covering the Sahel, North, Boucle du Mouhoun, East, Centre-North, Centre-East and South-West regions. PADEL covers all thirteen (13) regions of the country. • The implementation of PADEL, PUS, PUDTR and PCRSS continues. • Carrying out a study on the impact of insecurity on the implementation of development projects and programs. Next steps: continue the implementation of development programs and implement the recommendations of the study on the impact of insecurity on the implementation of development projects and programs.	World Bank, BOAD, Japan, AFD
Operationalize a counter-terrorism unit	• Several counter-terrorism units have been created and are operational (the Police Multipurpose Intervention Unit, the Gendarmerie Multipurpose Intervention Unit, the Specialized Brigade for Anti-Terrorist Investigation and the Fight against Organized Crime and the Central Brigade for the Fight against Cybercrime). • We note the creation of four (04) Rapid Action Surveillance and Intervention Groups (GARSI), the creation of the "Special Force" unit, the creation of a Mobile Intervention Unit Group (GUIW) in the Sahel Region and the National Theatre Operations Command (COTN). Next steps: Operationalize the project to strengthen the mobile intervention units of the National Police, implement the BSIAT strategic plan, and set up other GARSI units.	European Union, France
Strengthen the implementation of the Emergency Programme for the Sahel (PUS)	• To identify urgent priorities in terms of prevention and peacebuilding in intervention of the PUS-BF, a Matrix of Priority Actions of the program was adopted in 2020 at the end of the Evaluation of Prevention and Peacebuilding (EPCP) with an estimated cost of 226.9 billion FCFA. • In terms of support for technical and financial partners, the PUS-BF benefited from budgetary and project support. These include (i) budget support from the European Union from 2018 to 2020 and covering the security, health, drinking water and local governance sectors, (ii) GIZ for the strengthening of administrative and local governance,	World Bank, European Union, SNR, BAD

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
	bilateral technical support, drinking water and sanitation, (iii) general budget support from the French Treasury in 2019 to strengthen the State's presence in vulnerable areas, (iv) the budget support loan granted by the France in 2019, (v) financing from the United Nations System through the Peacebuilding Fund (PBF), (vi) financing from the World Bank as part of Burkina Faso's eligibility for the Prevention and Resilience Allowance (PRA). • We note the funding of BADEA and UEMOA. • In addition, the government of Japan implemented from 2018 to 2020, the project to strengthen border security for stability in Burkina Faso. • The PNDES II (2021-25) has also integrated the security issue through its axis 1: "consolidating resilience, security, social cohesion and peace." • The Transition Action Plan also focuses on restoration and security through its pillar 1 "fighting terrorism and restoring territorial integrity." • The adoption of Decree No. 2022-0009/PRES/PM/MEFP of 20/01/2022 easing the measures relating to the award, execution, receipt and payment of public contracts and public service delegations as part of the implementation of the PUS-BF and the adoption of Order No. 2022-000250/MEFP/CAB setting the types of investments and areas concerned by Decree No. 2022-0009. Next steps: Continue resource mobilization for the implementation of Phase II of the PUS-BF and stabilization plans.	
FINANCING FRAMEWORK		
Investment risk mitigation		
Progress Made on 2018 Reform Commitments		
Create a specialized bank for SMEs	• The specialized bank for SMEs has not yet been set up. However, in July 2021, the Government adopted a decree approving the special statutes of the Burkinabe Fund for Economic and Social Development (FBDES). This decree aims to broaden the interventions of the FBDES, to enable it to play its role as a direct and indirect investor in companies in creation or development on behalf of the State alongside the private sector. • In addition, several projects and structures set up by the State and its partners participate in the promotion of SMEs (Project to Support Financial Inclusion and Access to Finance for SMEs (PAIF-SMEs), the IMPEL Project, FONAFI, and so on)	
Strengthen/diversify agricultural financing instruments (partial credit guarantees, medium- and long-term credit lines, insurance)	• The Agricultural Bank of Faso (BADF) has been operational since February 26, 2019. • The Agricultural Development Fund was created within the BADF to finance the agricultural sector. As of December 31, 2021, BADF has: - Covered 7 regions out of the 13 in the country with a network of 9 agencies. - Financed 8 paddy rice producers to 846 million FCFA due to the partnership that reads the BADF to the company Bagrepôle and to producers/processors/distributors. - Adopted its first five-year Strategic Development Plan (PSD1) 2022-26. • BADF's outstanding loans as of December 31, 2021, amounted to 92 billion FCFA, 33 percent of which is owed by the agricultural world.	

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
	• The establishment of the Livestock Development Fund (FODEL). • The signing of an insurance agreement on risks related to the farming profession with a Moroccan agricultural mutual insurance company (MAMDA). • The signing of a framework agreement between MAMDA, the Ministry of Agriculture and SONAR for the management of risks related to the farming profession. • Design of indices for calculating thresholds for compensation for agricultural claims. • The implementation of a pilot phase (on maize) during the agricultural season in 2019/2020 in the regions of the Boucle du Mouhoun, Centre-West, and East. Next steps: Mobilize technical and financial partners to contribute to the vitality of the Agricultural Development Fund, extending insurance products to three new speculations (white sorghum, red sorghum and rainfed rice) and gradually extend agricultural insurance products to other regions of the national territory to secure investments, and mitigate the risks associated with the farming profession and linking insurance subscription to inputs.	
Strengthen the capacity of the banking sector to support agri-food value chains	• The BADF has been operational since February 26, 2019. • Signature of an agreement between BADF and SONAPOST to bring the institution closer to end users. • Opening of the BADF Houndé, Banfora, Dédougou, Diebougou, headquarters, Kay, Bagré, Sankariaré and Bobo–Dioulasso. • The Agricultural Development Fund window was created within the BADF to finance the agricultural sector. Next steps: to continue the extension of the network with the opening of 11 branches with a view to increasing financing for rural activities and the associated value chains to reach 55 percent of the bank's entire portfolio.	World Bank, BAD, Kuwaiti Fd, European Union, AFD, Denmark, Switzerland
Promote digital finance, including certification through electronic signatures	• A national strategy for inclusive finance and its 2019-23 action plan were adopted on 23 March 2019. • Adoption of a decree digitizing payments in Burkina Faso. The adoption of the decree aims to promote financial inclusion, secure payments, fight fraud, reduce payment terms and modernize payment currencies. • Texts have been adopted to regulate operators of electronic payment services (mobile banking). Implementation of the project to support financial inclusion and access to finance for SMEs (PAIF-PME) with the support of the World Bank was launched in September 2020. • Operationalization of the National Fund for Inclusive Finance (FONAFI) since September 2020. • Training of populations, especially women, in financial education. • Training of DFS promoters and agents in digital finance and Islamic finance. • Adoption on March 31, 2021, of the 2020 report and the 2021-23 Action Plan by the SNFI Implementation Monitoring Committee. Next steps: implement the national strategy for inclusive finance and continue training for grassroots populations in financial education.	World Bank, European Union, BOAD, Luxembourg
Convert diaspora economies into productive investments	• Organization of economic promotion activities for the diaspora entitled e-B50 in adaptation of the health situation. In addition, e-focus is organized for foreign businessmen which consists of exchanges on investment potentialities and opportunities and the business climate.	World Bank

Burkina Faso's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner support
	• Operationalization of the Project to Support Entrepreneurship of the Diaspora of Burkina Faso with the creation of an information and assistance platform for the diaspora with a network of facilitators from all private sector support structures reachable 24 hours a day. • Development of the National Diaspora Management Strategy. Next steps: Continue the adoption of the National Diaspora Management Strategy and continue organizing the biennial diaspora week in Burkina Faso.	
New Reform Commitments and Initiatives		
Create and operationalize the Banque Postale to increase the offer of financing to SMEs and SMIs, which aims to expand the offer of postal financial services and improve financial inclusion		
Develop an Integrated National Programme to Enhance Financial Inclusion		
Develop a statistical yearbook on financial inclusion		
Develop the 2021 annual report on financial inclusion in Burkina Faso		
Develop e-focus and e-B50 for the permanent promotion of investment opportunities in Burkina Faso		

Côte d'Ivoire

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	MACROECONOMIC FRAMEWORK	
	Macroeconomic stability	
	Progress Made on 2018 Reform Commitments	
Organize two reviews (March and September 2018) of IMF-supported program over 2016-19	Macro reforms addressed fiscal deficit, reserves coverage, stock of public debt, inflation. This IMF supported program (2016–19) was successfully completed and ended in December 2020, after a one-year extension. It has contributed to strengthen the global macroeconomic framework: • Average annual GDP growth was 6,5 percent over 2016-19 and 1,7 percent in 2020 in the context of COVID-19 pandemic Inflation rate stood above the regional target of 3 percent over the period 2017–19. • Fiscal deficit was reduced progressively to stand at 2,2 percent of GDP in 2019. • Indebtedness ratio (debt stock-to-GDP) stood at 37,9 percent in 2019 versus a regional threshold of 70 percent Current account balance of payment stood below 5 percent of GDP over the period 2016–19. • Foreign currency reserve stood at 5,9 months of imports at the end of 2020.	IMF - Article IV consultations - TA - Public expenditure review - Tax incidence analysis - DPO reforms - Economic update analysis
Adopt National Law on Government's indebtedness policy by December 2018	National law on government's Indebtedness drafted was reviewed by a ministerial committee before being submitted to the government for adoption by September 2023. • MTDS was adopted in 2018 and is updated annually. This strategy was updated in March 2023; this strategy defined the 2023 borrowing plans. • Debt Sustainability Analysis was realized in March 2023 and confirmed a moderate risk of public debt distress. • A special portal dedicated to debt statistics and issues related to debt (www.portaildettepublqiue.gouv.ci) was in place in January 2023 to ensure transparency and availability of information on public debt management.	IMF
Increase export revenues repatriation through repatriation Committee for Export Revenues' activities	Export revenues repatriation rate increased from 61.1 percent in 2018 to 71,8 percent in 2022 versus regional target of 80 percent. This stood above the average Export revenues repatriation rate of 69,1 percent in 2022 in West Africa Economic and Monetary Union.	
Maintain inflation rate under the regional target of 3 percent in 2018	The inflation rate over 2018-20 was well below the regional target. Since 2021, the inflation rate stood at 4.2 percent in 2021 and 5.2 percent in 2022 due to COVID-19 pandemic and other external shocks. Implement consumer price caps and expand the list of products eligible for the cap for three months. Continue with the activities of the Committee to Fight the High Cost of Living. In 2023, the government is committed to reducing the inflation rate despite the price spike.	
	New Reform Commitments and Initiatives	
Implement the new IMF supported program (2023–25)	The IMF mission was held in March 2023 to discuss the new program arrangement. The IMF Board will examine that mission conclusion by the end of May 2023.	IMF

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
aiming at strengthening the macro-economic stability (GDP growth, fiscal deficit, inflation, balance of payment, public debt)		
Implement the National Development Plan 2021-23	Implementation of National Development Plan is ongoing; National Monitoring and Evaluation Committee was officially set up in January 2023, to decentralize the implementation and monitoring of the Plan. • GDP growth in 2022 stood at 6.7 percent in 2022 and is projected to 7 percent in 2023. • Investment rate increased from 24 percent in 2021 to 26.4 percent in 2022, with private investment rate stood at 16,7 percent in 2022 versus 15.4 percent in 2021. • Inflation rate stood at 5.2 percent in 2022 and is projected to 3.7 percent in 2023, and 2,6 percent in 2024. • Fiscal deficit widened at 6.8 percent in 2022 from 4.9 percent due to different chocs (Russia's war on Ukraine, COVID-19 pandemic, and so on). • Current account deficit as of GDP stood at 6.9 percent in 2022.	IMF, World Bank, UE, AFDB
Continue with activities of Committee to Fight the High Cost of Living	• Since December 2022, the display of the main foods products is mandatory to avoid speculation. • 31 local committees dedicated to fight high cost of living have been operationalized in December 2022.	
Develop and pass a law on public debt policy	The drafted law was reviewed by a ministerial Committee in May 2023 and will be submitted to the government by June 2023.	IMF
Domestic Revenue Mobilization		
2018		
Generalize online tax payment to all medium and big size enterprises	Online tax payment is fully operational for large enterprises. This reform was extended to all SME. Local tax collection is being digitalized, with 20 municipalities out of 70 digitalized at end of March 2023.	
Create additional tax collection Center for Medium Size Enterprise	4 tax collection centers for Medium Size Enterprise were created.	
Finalize online tax payment by extending the system to SME	Online tax payment is fully operational for large enterprises. In 2022, online tax payment was extended to SME.	
Implement the fiscal policy reform agenda	The Fiscal Annex of the Budget Law 2022 includes a range of measures that came into force in January 2023. Tax revenue as of GDP is projected to rise 13 percent of GDP in 2023 from 11,7 percent in 2022.	
Pursue the tax administration's reform	Authorities have continued to roll out IT tools to support digitization since 2018, tax codes were published online in 2019. In 2023, the government has expressed its intention to continue the digitalization of the tax administration.	
Implement the electronic system to dematerialize the	The eLIASSE platform was launched, enabling firms to submit their statements online. The platform is operational (In late June 2020, 3,826 tax returns had been filed for FY18 and 631 for FY19).	

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
management of financial statements		
New Reform Commitments and Initiatives		
Strengthen governance at the tax administration level	An automated management module for VAT deduction rights was put in place in 2022. Electronic Land Registry called application was implemented. Control Units have been created in all regional tax departments. Interconnection of the Information systems of the Ivorian Customs with those of Burkina Faso and Niger. Installation of video surveillance at Customs border offices.	
Continue the re-registration of companies with the Unique Identifier	Revenue collection and business climate through a Single Taxpayer Identification Number (STIN) is ongoing. At the end of 2022, 10,8 percent of existing enterprises have been registered through the STIN.	UE, IMF, World Bank, AFDB
Set up a tax system for entrepreneurs in accordance with OHADA		
Dematerialize tax audit	Digital module dedicated to tax audits implemented in 2022.	IMF, World Bank
Introduce the declaration and payment of synthetic tax	Declaration and payment of synthetic tax was introduced in 2022.	
Continue digitizing the cadastre	Cadastre of the main region (Yamoussoukro, Bouaké et Korhogo) is being digitalized.	World Bank AFDB
Strengthen the e-bundle system	E-bundle system was reinforced by extending this reform to SME.	IMF, World Bank
Implement the SME tax reform strategy	SME tax strategy is being implemented with a specific tax for SME and informal sector put in place.	UE
Continue to popularize the dematerialized tax payment system for decentralized communities	Tax payment system was dematerialized in 20 collectivities at the end of March 2023 out of 70 that have been planned for 2023.	World Bank
Public Investment Management (procurement, PPPs, SOEs, utilities)		
2018		
Improve the coherence between public procurement plan and treasury plan	Authorities finalized debt restructuring of national oil refinery SIR and completed restructuring of CI Energies debt. E-procurement system was set up, to digitalized public procurement tenders. Special funds were set up to realize feasibility studies related to public procurement.	

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	A platform (www.efounisseur.gouv.ci) was launched in 2022 to offer the possibility of all government suppliers and service providers to monitoring the statute of their invoice until the payment.	
Improve investments and actions toward the poorest	Increasing tax revenues and creating fiscal space for public investment and pro-poor spending. Pro-poor and social spending increased by 40 percent over 2018-22 The government's response package to various shocks (Russia's war on Ukraine, COVID-19 pandemic, inflation) included diverse measures in favor of vulnerable people, such as cash transfers, special funds for vulnerable households, special funds dedicated to the informal sector, and a package to support agricultural value chains.	
Operationalize the Universal Health Coverage (CMU) system introduced in 2018	Progress achieved: 212,219 people eligible for the CMU were enrolled in 2022, bringing the total enrollment to 3,722,019 in December 2022. In 2022, the self-enrollment process will be put in place to offer the possibility to people to get enrolled by mobile phone.	
Update the public procurement code to consider the dematerialization of public procurement procedures	The new public procurement code adopted in July 24, 2019 (ordonnance n° 2019-679 du July 24, 2019) to consider the dematerialization of public procurement procedures. In 2022, E-procurement system was generalized in all line ministries for electronic review of bidding documents and award of public procurement contract.	
Pursue the activities of Public Procurement Regulatory Agency to ensure compliance of public procurement management with the law	The new Public Procurement Regulatory Agency is in place since august, 8,2018. Reform is being made to professionalize and to certify the function of public procurement specialist.	
Realize 14 major projects through PPP mechanism	PPP projects legal framework and institutional management have been updated in 2018. PPP projects portfolio were put in place to improve PPP contract monitoring. In 2022, three PPP project contracts were signed, bringing the number of active PPP projects to 65.	
Reinforce the steering committee for PPP, through implementation of IMF TA recommendations.	Decree No. 2018-359 of March 29, 2018, supported revisions of the institutional framework, including management of the National Steering Committee for PPPs (CNP-PPP).	
Develop a national database of PPP projects in 2018	National database PPP projects was put in place by the steering Committee for PPP. At the end of 2022, this database contained 65 active PPP projects.	
Finance feasibility studies of major and priority projects through a special fund set up by the government	The special funds set up by the government were operationalized to finance all the feasibility studies.	
Establish a list of 2018 PPP projects in transaction	List of PPP project in transaction was established and regularly published online on the website dedicated to PPP project (www.ppp.gouv.ci).	

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Prepare feasibility studies of PPP projects	A Steering Committee coordinating PPP projects to support technically sectorial departments in charge of managing PPP projects.	
Reinforce capacity building for project management by PPP agency	Capacity building activities for PPP projects management have been organized in 2022.	
Identify viable PPPs and their regular efficiency assessment	List of viable PPP projects was established and published on the PPP projects website (www.ppp.gouv.ci).	
New Reform Commitments and Initiatives		
Implement the government's Social Program 2022-24	The social program is being implemented. In 2022, 504,9 milliards FCFA have been mobilized out of a total cost of three 182,4 milliards, which represents 15,8 percent of the total cost of the program.	
Continue the implementation of the Electricity for All Program	In 2022, 573 new localities have been connected to the national electricity grid, bringing national electric coverage to 82,4 percent of the nationwide territory.	PNUD, UNICEF, World Bank, OMS
Update and implement the national social protection strategy	The process to prepare the national social protection strategy 2022-25 was launched in November 2022.	
Establish a Platform for Monitoring Public Investments	A platform for monitoring and evaluation of public investment was launched in March 2022; this platform was updated in January 2023 to extend it to evaluation.	
Adopt a regulatory text setting the framework for management of public investments	The government adopted a decree in September 2022 setting the framework for the maturation, programming and management of public investment projects.	
Condition the selection of projects on an ex-ante evaluation procedure subject to effective quality control and increased transparency	The new framework put in place ensure transparency and quality control in all project selection.	
Update and implement the Public Investment Program	Public investment program was updated to establish project over 2023-25.	
Implement the recommendations from the PIMA assessment carried out by the IMF at the end of 2021	The recommendations have been implemented; Discussion is ongoing with some DFI to realize a PEFA.	World Bank, EU
Continue the study fund, to improve the preparation of investment projects	Study funds is pursuing its activities by financing feasibility studies on major projects.	-

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
BUSINESS FRAMEWORK		
Regulations and Institutions		
2018		
Update the Investment Code	The investment code was last updated in 2018, but some parts (like the granting of incentives) would benefit from revisions to streamline incentives and procedures., including a cost benefit analysis of the fiscal incentives to assess its impact A national committee to analyze all the request to benefit from the advantage of this new code was put in place; this committee has pursued its activities	
Finalize the online enterprise creation by December 2018	According to CEPICI, the online enterprise creation will be fully operational by the end of December 2021.	
Finalize the setup of a single portal for investors services by the end 2018	A single portal for investors services (www.225invest.ci) was finalized.	
Improve Doing business ranking and Distance to Frontier in the Doing Business through implementation of reforms	Reforms to improve Doing Business indicators recognized by DB 2020: (i) reforms regarding paying taxes (paying taxes made easier by implementing electronic filing and payment system, and by introducing online case management system to process VAT cash refunds); (ii) reforms on enforcing contract (made enforcing contracts easier by publishing reports on commercial court performance and progress of cases; DB ranking increased to 110th place worldwide (up by 12 places). In 2020 Doing Business ranking, progress was made for several specific business climate indicators such as: Starting a business (29th), Getting credit (48th), Resolving insolvency (85th), and Enforcing contracts (94th).	
Operationalize the one-stop shop for cross-border and foreign trade	The one-stop shop Cross Border Agency was transformed into an SOE in March 2023. Some modules such as e-Phyto were added. The World Bank Group is helping to improve the e-manifest module.	World Bank
Put in place a Guarantee Fund for SMEs by December 2018	The public credit guarantee fund (Fonds de Garantie de Credits aux PME, or FGPME) was legally revived in January 2020. Its governance has been strengthened with the adoption of the July 8 decree a part of the government's COVID-19 Emergency Response. This fund is legally established since 2020.	World Bank, EU
New Reform Commitments and Initiatives		
Pursue support operations for the private sector, through the Support Fund for Large Enterprises and the Support Fund for SMEs	Support funds for SME has continued its operations. In December 2022, about 1,000 SMEs received financing from this fund for about 34,4 billion FCFA	-
Promoting entrepreneurship in the banking sector	The association of banks and financial establishments has set up the initiative called "la finance s'engage" that aims to finance SME and support entrepreneurship.	

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Continue the registration of online companies with generalization of Unique Identifier	The registration of online compagnies has been pursued. All new enterprises that have been created have Unique Identifier numbers attributed.	
Reduce the time for issuing the Certificate of Conformity from 73 to 10 days	The time for issuing the Certificate of Conformity was reduced from 73 to 62 days	
Reduce the completion time of the geotechnical study from 25 to 10 days and the delivery time of the fire safety notice from 10 to 2 days	Ongoing efforts have helped to reduce the completion time of the geotechnical study from 25 to 20 days, and the delivery time of the fire safety notice from 10 to 8 days.	
Set up a non-jurisdictional and independent online land complaint system	An observatory of complaints related to land issues has been operationalized since November 2022.	
Set up online declaration and payment of social security contributions	Payment of social security contribution has been digitalized and is being progressively deploy at nationwide level	
Set up a Single Portal for issuing licenses, certificates, and business permits	A single portal (www.225invest.ci) is dedicated to investor services. This portal has been reinforced by ensuring integration of all dematerialized services in favor of investors.	-
Finalize the reform relating to the Single Window for Business Development	The reform was finalized with GUDE launched in December 2022. This new entity This new entity will make it possible to ensure the continuum of technique support – financing of SME.	-
Operationalize the One-Stop Shop for Building permits.	The GUPC was created and operationalized. A new national geodetic reference system was put in place in 2022.	-
Implement Economic program for innovation and transformation for enterprises that aim to identify SME with strong potential to accelerate the development of key 15 sectors of the economy	The first cohort of beneficiaries will be released by July 2023; 715 SMEs have applied to the program.	
Investor protection, dispute resolution and fight against corruption		

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	2018	
Publish Abidjan Commercial Court's decisions online	Business reforms related to Commercial Court, E-procurement system. Abidjan Commercial Court's decisions are published online. In 2022, the registration of legal acts and decisions have been published online	
Appoint new board member of public procurement regulatory agency	Completed; The new board member of public procurement regulatory agency was put in place.	
Ensure wealth declaration by all senior public servants, under the supervision of national Agency in charge of Fighting corruption	As of September 2022, 81.6 percent of senior public servants have proceeded to their asset declaration to the national agency in charge of fighting corruption (Haute Autorite pour la Bonne Gouvernance-HABG). The declaration of assets will be pursued in 2023	
Pursue activities of the national agencies in charge of fighting corruption (Haute Autorité pour la Bonne Gouvernance, CENTIF, Brigade de Lutte contre la Corruption)	Côte d'Ivoire's national assessment of Anti-money Laundering and Combating the Financing of Terrorism was adopted by the government on May 6, 2020. A national AML/CFT strategy was elaborated and adopted in 2022.	AfDB
Operationalize the commercial court of appeals	The Commercial Court of Appeals was operationalized since 2018. This court has pursued its activities in 2022.	
	New Reform Commitments and Initiatives	
Pursue the audit of state companies	Audit of SOEs has been pursued; a new reform was put in place to make mandatory audit of each SOE every three years.	
Continue the work of the Commercial Court of Abidjan and the Court of Appeal of the Commercial Court of Abidjan	Commercial Court of Abidjan and The Court of Appeal pursue their activities; They have digitalized their process and have put in place the publication of their decision in 2022.	
Set up a whistleblower platform to denounce corruption	A public platform (www.spacia.gouv.ci) has been put in place since July 2022 to denounce any form of corruption.	
Design a new national strategy to fight corruption and money laundering	The national strategy to fight corruption was finalized in December 2022 and submitted to the government in March 2023, for adoption.	
Set up a hotline to denounce any corruption act	The hotline dedicated to corruption act denunciation has been operationalized since July 2022.	
	FINANCING FRAMEWORK	

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	Investment risk mitigation	
	2018	
Adopt decrees necessary to implement Credit leasing Law voted by the parliament in 2017	Improving access to finance for SMEs and micro-enterprises, including digital and Fintech solutions. WAEMU "Loi Uniforme" on Leasing was transposed in Côte d'Ivoire in 2017 and disseminated to all stakeholders.	
Launch a communications campaign to raise awareness on credit leasing finance	The Regional Leasing Investment Forum organized in Abidjan in March 2016 gathered over 250 participants. Leasing awareness campaign launched in 2017 in Abidjan, Bouaké, Khorogo and Yamoussoukro with more than 750 SMEs trained. This campaign has continually been implemented.	IFC
Create a Guarantee Fund for SMEs	The public credit guarantee fund (Fonds de Garantie de Credits aux PME – FGPME) was legally revived in January 2020. Its governance was strengthened with the adoption of the July 8 decree, a part of the government's COVID-19 Emergency Response. A new Guarantee Fund has been put in place.	FGPE Manager/Ministry of PME
Reinforce the Credit Bureau by integrating in the system additional individual and corporate clients	A regional private credit bureau has been in operation since 2015, Operations in Côte d'Ivoire started in 2016, and Creditinfo Volo has since signed service delivery agreements with all 45 banks and large 14 MFIs (art. 44), all entities regulated by the BCEAO (but not all international financial institutons are reporting). As of December 2022, the regional credit bureau accounted for 4.7 million registered clients, including 41 400 enterprises.	Credit Info Volo/BCEAO
	New Reform Commitments and Initiatives	
Operationalized the guarantee Fund Company for SME (Societe de Garantie des credits aux PME)	This new company launched its activities in December 2022.	World Bank
Design and implement a partial portfolio guarantee funds	Partial portfolio guarantee funds are being designed with TA from the World Bank.	World Bank
	Domestic debt market development	
	2018	
Finalize the restructuring strategy of public bank portfolio including public banks	A new strategy to reform public bank portfolio has been finalized in 2022 and is being implemented, with the restructuring of two banks is ongoing.	IMF
Establish primary dealers in government securities	Was done in 2016 and renewed regularly since then.	
Consolidate activities of the compartment dedicated to SMEs at the regional stock exchange	In 2019, BRVM launched an window to encourage SMEs to be listed on the third compartment dedicated to them (the window has an optional capacity building program, the ELITE BRVM Lounge, a regional version of the ELITE program developed by the London Stock Exchange Group, as a support system to strengthen SME capacities).	BRVM

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Promote Islamic finance to ensure diversity in government financial instruments	The government has not issued further Islamic finance government debt instruments since 2016. Government debt was issued across sources and instruments (various maturities) in line with the country's debt strategy. The legal framework was reviewed in October 2019 (Loi portant modification de l'ordonnance No. 2011-367 of November 3, 2011, portant règlement de systems financiers décentralisés) to authorize the decentralized financial systems to undertake Islamic finance activities.	
New Reform Commitments and Initiatives		
Mobilize financing on the regional market at reduced cost	2023 government financing plan	
Issue green bonds and sustainability bonds		
Set up a platform to coordinate the mobilization of sustainable funds		
Mobilization of private and institutional investments		
2018		
Improve Côte d'Ivoire's rating by notation agencies (Fitch, Moody's)	Last update of Côte d'Ivoire rating is as follows: - Fitch Rating: BB- with stable outlook (2023) - Moody's: Ba3 with Positive outlook (2022) - S&P: BB- with stable outlook (2022)	
Annual assessment of government securities in local currency by Bloomfield Investment Corporation	Bloomfield Investment Corporation Assessment of government securities in local currency is regularly held. The last update improved the country risk rating to 6.2 out of 10, with the country a moderate country risk.	
Run promotion campaign of economy to attract more private institutional investors	Ministry in charge promoting private investment has held several activities to promote business opportunities in Côte d'Ivoire	
Pursue the implementation of Financial Sector Development Reinforce the overall financial sector	The National Financial Inclusion Strategy 2019–24 launched in May 2019 is being implemented. The Financial Education Program 2019–24 launched in 2019 is being implemented. The National Observatory of Financial services quality put in place in 2017 developed a platform to settle any dispute between a bank and its clients. The law to regulate factoring activities was adopted by parliament in April 2023.	APIF
New Reform Commitments and Initiatives		
Operationalize the Agricultural Commodities Stock Exchange		

Côte d'Ivoire's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Pursue the activities of Caisse des dépôts et Consignations to mobilize a long-term resources		
Fight against climate change		
New Reform Commitments and Initiatives		
Reduce GHG emissions by 30 percent in 2030 as stated in NDC		
Design a national strategy to implement the NDC		
Continue implementation of the National Strategy for the Fight against Climate Change		
Pursue the activities of the National Program for the Fight against Climate Change		
Implement the national mix energy strategy and promote renewable energy		
Reduce the deforestation rate by 70 percent by 2030 compared to 2015		
Strengthen climate change resilience and adaptation measures		
Put in place a regulatory framework for carbon market		
Implement commitment from Abidjan Legacy program that was adopted in May 2022, during COP15		

Egypt

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
2018		
Manage fiscal risks through the newly established fiscal risk committee.	• Fuel subsidy reform advanced in 2019. A regular indexation mechanism committee has been formed and is mandated to monitor global energy prices, with decisions on fuel prices domestically taken every quarter with a cap of 10 percent. As of March 2023, the government conducted 7 consecutive upward adjustments to fuel prices (since April 2021 following 12 months of stability in fuel prices). The increases were driven by heightening pressures emanating from international oil price increases and depreciation of the Egyptian pound against the U.S. dollar. • The government enhanced publication and communication of fiscal risks by adding a section on fiscal risks in its annual budget documentation that is shared with parliament and being published to citizens. • In 2022, the government reported: A hedging unit has been established at the Ministry of Finance (MoF) to look at commodity price developments and monitor and manage potential risks to the budget. The unit has been partially staffed and is working with all banks and traders. A section on fiscal risks has been added to the published mid-year budget review report. • The government is considering publishing a stand-alone fiscal risks report clarifying risks associated with the fiscal and macroeconomic forecasts, financial sector stability, climate, contingent liabilities (potential claims on budgetary resources due to guarantees granted by the government) and debt risks (liquidity and refinancing, interest rate and forex risks), among others.	The World Bank Group is unclear how this stand-alone report extends the existing published report on fiscal risks or whether this report is forward- or backward-looking.
Green budgeting and climate policies	• The Egypt MoF was the first Middle East and North Africa sovereign to issue a green bond in 2020 and we issued first green bond impact report with World Bank Group support in 2021 in line with international best practices. The MoF was the first Middle East and North Africa sovereign to conclude a syndicated green loan with regional and international banks in 2021. • In 2022, the government reported that MoF allocated EGP2.3 billion in FY21/22 budget to support a program to replace old vehicles (passenger cars, taxis, and micro buses) with new natural gas vehicles with MoF providing green incentive to households worth 15-25 percent of price of new car. MoF introduced a green fee on fuel products in 2021. • In its budget statement for FY23, the government has announced that it is currently working on (i) improving the revenue and tax systems and developing a system of incentives and initiatives to encourage transition to green activities and reduction of emissions, (ii) expanding use of green financing tools and (iii) directing 50 percent of government investments to environmentally sustainable projects. • In the context of hosting COP27, Egypt aims to move toward its climate-related targets. The government announced in its budget circular for FY24 that it is working on a cost-benefit exercise for green budgeting.	In September 2022, the World Bank organized a one-week Green PFM Workshop to MoF

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	• After COP27, several large-scale investments were announced with strong FDI inflows, such as Egypt's Nexus on Water, Food & Energy (NWFE). Egypt signed several partnerships with international finance institutions and development partners to implement projects worth $15 billion under the NWFE program. The projects aim to achieve the emissions targets announced by Egypt in its Nationally Determined Contributions. Investments are in the form of blended finance to fund one massive energy project (worth $10 billion) and 5 agriculture and food security projects and 3 irrigation and water resources projects. • In addition, the MoF announced three initiatives on Finance Day: Reducing the Cost of Green Borrowing, especially on countries who are most vulnerable to climate change and risk, The Sustainable Debt Coalition whereby countries with high debt distress can manage its portfolio with regards to green investments and the Sustainable Financing Framework, allowing Egypt to issue not just green bonds, but any bonds related to sustainability, water, social or other forms. This will allow the country to access unconventional markets and widen its debt scope. • The government also announced within its Extended Fund Facility Agreement with the IMF, that it is considering introducing a natural gas indexation mechanism in addition to the fuel price indexation mechanism already in place. In addition, the Government (FRA, EGX, MOIC, MoF, MOE, MoFA and Central Bank of Egypt [CBE]) is currently forming its climate program to be submitted to an RST financing from the IMF where the main objective is to safeguard the economy from shocks that could result from disasters and climate change. • The National Initiative for Green Smart Projects in Governorates was launched by the Ministry of Planning and Economic Development, Ministry of Communications and Information Technology (MCIT), Ministry of Local Development, Ministry of Environment, Ministry of International Cooperation, and National Council for Women. It is a flagship project directed toward attaining sustainable and smart development and addressing the environmental dimension and effects of climate change. It builds on efforts to achieve sustainable development, in line with Egypt's Vision 2030, by safeguarding the environment to improve quality of life and protect the rights of future generations. The initiative is implemented within the framework of the National Climate Change Strategy 2050. The objectives include focusing on real-life implementation and application of green projects and stressing the need to address the environmental dimension and climate change considering achieving SDGs and digital transformation by carrying out projects fulfilling of those goals. The initiative, in addition, is oriented toward creating a governorate-level map for green and smart projects, connecting them with funding agencies, and attracting local and foreign investors; and capitalizing on ICT to forge ahead with the national digital transformation plan. • The Prime Ministerial Decree No. 4664 of 2022 was published on December 25, 2022, following COP27 incorporating new provisions into the executive regulations of the Capital Markets Law No. 95 of 1992. The Decree provides for the establishment of a voluntary carbon market platform within the Egyptian Stock Exchange (EGX) for the trading of carbon emissions reduction certificates (CERs). The CERs are tradeable financial instruments for GHG and are to be issued in favor of entities establishing projects reducing GHG emissions after obtaining the approval of the relevant authorities that are not currently specified. Each CER unit will represent the equivalent of one metric ton of carbon dioxide reduced.	
Announce an IPO action plan to	• The government plans IPOs or selling stakes to strategic investors for 32 state-run companies throughout this year until March 2024. The Prime Minister indicated that at least 8 companies will be offered over the next 6 months.	The World Bank has not been asked to provide

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
divest stake in public entities	The list includes 32 companies, including 3 banks, namely Banque du Caire, The United Bank, and the Arab African International Bank. The program will include two companies affiliated with the National Service Projects Organization (NSPO), the filling station Wataniya and the bottled water company Safi. • In December 2022, Egypt finalized its first State Ownership Policy (SOP). The SOP, signed off by the President following extensive consultations, sets out a framework and governing principles for SOEs, including the rationale for ownership, additional investment, and divestment. It commits to principles of Corporate Governance of SOEs and competitive neutrality. • In February 2023, the government announced a plan to sell stakes in 32 SOEs working in 18 business sectors starting from the first quarter of 2023. According to the Prime Minister, these SOEs are to be sold to strategic investors and/or via the EGX. The privatization program appears to be whole-of-government. The list of companies planned for privatization includes companies overseen, directly or indirectly, by the Ministry of Petroleum, Ministry of Electricity, Ministry of Defense, and MoF. This is in addition to companies reporting to the Ministry of Public Business Sector. The list of companies includes commercial banks controlled by the CBE. • In September 2020, Law No. 185 was issued amending the Public Business Sector Law No. 203 of 1991, which covers a subset of SOEs in Egypt. The amendments aimed to enhance corporate governance and to bring this law closer to the General Companies Law, which covers private sector corporations. For example, the amendments require: (i) separating the positions of the chairman of the board and the CEO; (ii) limiting the labor representative seats on the board of directors of subsidiary companies to two members only, down from 50 percent; and (iii) requiring SOEs that are not listed on the EGXs to publish semi-annual performance reports.	advice on either the identification of divestment targets or the process through which the sale would be made.
Continue the transition of the monetary policy framework toward inflation targeting.	Inflation has exceeded the CBE's current inflation target (7 +/-2 percent), with headline urban inflation recorded at 31.9 percent, and core inflation (excluding volatile food and regulated prices) at 40.3 percent in February 2023. During December 2022, the CBE has published updated inflation targets at 7 +/-2 percent on average by Q4-2024 and 5 +/-2 percent on average by Q4-2026.	Under the new IMF program, the CBE announced a move to sustained floating of the currency. The CBE continues to state its intention to enact a formal inflation targeting framework to anchor monetary policy once prerequisites are met.
New Reform Commitments and Initiatives		
New incentive program for electrical vehicles	The MoF and MoE is finalizing a new incentive program for electrical vehicles. The program will include an inclusive framework with financial and non-financial incentives to speed and facilitate the transition toward EV manufacturing and usage in the Egyptian market.	The World Bank is not involved in providing advice on this policy.

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Role of the State	In December 2022, the president has approved the State Ownership Policy (SOP) that aims at clarifying and reducing the role of the State in the economy. The SOP is publicly available and is expected to positively contribute to ensuring a level playing field and enabling private sector participation in the economy.	
Exchange Rate Regime	The CBE renewed its commitment to a flexible exchange rate regime in March 2022. The official exchange rate has since depreciated, and the parallel market premium has shrunk significantly as of early March 2023. However, the foreign currency crunch persists. The CBE announced that the letters of credit were repealed by the end of December 2022, with efforts toward clearing out backlogs and goods held at ports. The FX backlog was dealt with by authorities, coinciding with the IMF's board approval and the durable shift to a flexible exchange rate regime. Standing at about $14 billion since economic conditions tightened, the authorities cleared about $10 billion of them. The backlog is back to pre-crisis levels of about an average of $4 billion. Tourism revenues helped finance part of the FX backlog considering the exceptional rebound the sector experienced in FY21/22. Moreover, once the CBE shifted to a flexible exchange rate, part of the FX that was considered out of "official markets" saw its way into the interbank. Finally, remittances from workers abroad proved to be a steady and high-performing external account.	
Subsidize lending initiatives	• The prime minister issued a decree in November 2022, based on which CBE stopped managing and bearing the cost of subsidized lending initiatives. Some of the subsidized lending was terminated, while others (namely, those targeting industry and agriculture) were kept but transferred to the MoF. • Transfer of these remaining subsidized schemes to the MoF eliminates the quasi-fiscal activities that the CBE used to incur, but (depending on its size) may continue to cause pressures on the budget. • By the end of January 2023, the MoF launched a program that is set to offer EGP 150 billion worth of loans at a subsidized 11 percent interest rate to industry and agriculture players.	
Domestic Revenue Mobilization		
2018		
Implement a simplified SME tax regime	A new MSMEs Development Law No. 152 of 2020 was enacted in July 2020. The Law gives tax and non-tax incentives to MSMEs. The executive regulations of the Law were issued in April 2021 by Prime Ministerial Decree 654.	
Implement international standards on exchange of information for tax purposes	The exchange of information for tax purposes is included in 58 bilateral tax agreements signed with Egypt. In 2022, the government reported that Egypt is continuing its efforts to expand its international exchange of information instruments to be able to exchange information. Moreover, Egypt is planning to become a party of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.	The OECD continues to provide Egypt with TA to implement the exchange of information under the transparency framework.
Implement a Medium-Term Revenue Strategy	A MTRS was formulated and approved by Cabinet in December 2020, targeting a 2 percent increase in tax-to-GDP levels over the course of 4 years up to FY24. Tax-to-GDP ratio increased in FY21 and during the first half of FY22	IMF, World Bank, and OECD have been main partners in developing

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
(MTRS) starting FY20/21	despite COVID implications and challenges. The strategy is then updated and extended for another four years until FY26/27. The OECD has been a main partner in the developing of this strategy and helped in guiding the process. In 2022, the Government reported that The MTRS is a live document that is being updated according to current fiscal policies and trends. Measures taken and projected would include reforms on the tax policy and administration sides and on international taxation. Reform measures implemented so far includes Changing VAT law (was ratified in FEB 2022) with support provided by OECD to tax e-commerce activities. Introducing a green fee on fuel products in 2021. Increasing taxes on tobacco and cigarettes and putting in place a new tax regime to capture new tobacco products. Streamlining and reducing exemptions granted to domestic entities related to their investments in government securities.	this strategy, with several TA missions and meetings held with the MoF to help guide the process.
Improve Public Finance Management (PFM)	A new modern PFM Law has been approved by Parliament in 2022. The law aims at covering the following: A fiscal responsibility provision that will guide macro-fiscal policy; Mandating medium-term budget framework to all budget entities; Highlighting main elements for the budget calendar; Mentioning the minimum content to be covered by budget documents; Provide robust provisions on reallocation of resources, managing contingency reserve and asking for supplementary appropriations; Setting accounting rules for all public entities including economic authorities. Executive regulation of the law that brings all key reforms into action is pending. The 2014 Constitution provides that the annual reports of the regulatory and oversight bodies (including the Supreme Audit institution) are made publicly available. In February 2023, the first set of audit reports was made public. The published reports covered FY18/19, FY19/20, and FY20/21.	IMF Support. The World Bank is supporting the MoF in drafting executive regulations of the Unified Public Finance Law. The World Bank received the first draft in December 2022 and provided comments.
	New Reform Commitments and Initiatives	
Dematerialize tax systems	By the end of FY22/23 the full automation of tax system would be in place including the rollout of e-payment and e-receipts. By the end of 2022 we would have full automation of custom procedures and payments.	
	Public Investment Management (procurement, PPPs, SOEs, utilities)	
	2018	
Improve public procurement practices and transparency	• New Public Procurement Law was approved in 2018 and Executive Regulations were issued in November 2019. The new law includes provisions to facilitate SME access to and participation in Egypt's public procurement market. Initial findings from an assessment indicate that since implementation of the law, the number of SMEs awarded contracts has increased ~12 percent. • Capacity building strategy drafted and communication strategy drafted under an ASA financed by the World Bank. • The Concept Note for an e-GP system according to KOICA model was developed and submitted to the MOF. This concept note was used by the government to request KOICA to finance the e-GP system and according to the last update on February 2023 from GAGS, the project was signed with a target of implementing a full e-GP by 2026. The World Bank suggested starting with the e-portal as soon as possible, to have one single window for the advertisement of public procurement opportunities and publishing all contract awards, to increase transparency	MoF/GAGS engage with KOICA in implementing an e-procurement system. The World Bank is supporting this via peer learning visits to countries (Bangladesh, Jordan, Rwanda, and Tunisia) with similar experiences. The

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	and facilitate business participation. According to the last update, GAGS has developed a new e-Portal that will be launched in March 2023. • In 2022, the government reported that additional reforms under discussion include (i) disseminating the findings from the study on the SME/public procurement nexus, developing policy briefs to facilitate SME participation in Egypt's public procurement market, and (ii) rapid quantitative assessment of SMEs in Egypt's public procurement market. • The MoF started publishing all government procurement contracts above E-GP 20 million on a monthly basis.	Ministry of Public Business Sector is the primary owner of SOE reform and MoF is a member in the committee that was formed by a prime minister decree working on SOE modernization efforts, including procurement. The MoF welcomes initiatives that support SOE procurement reform objectives to be presented to the Ministry of Public Business Sector. The MoF/GAGS engage with the World Bank on SME participation in public procurement and awareness and communication initiatives.
Reform the process for appraisal, select and monitor public investments, and improve the quality of public investment portfolio	• Infrastructure sector governance reform and openness to private sector participation. The government reduced the price of natural gas and decreased electricity tariffs to all industries whilst fixing these tariffs for at least the next three years, to improve their cost structures and price-predictability. • In April 2022, the government reported that a new draft planning law under the number 18/2022 is currently being discussed at Parliament. The new law will cover in more detail a revised framework for public investment management.	In October 2022, the World Bank participated in a Public Investment Management Assessment mission led by the IMF. The same mission conducted a climate assessment.

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
consistent with macroeconomic framework.		
Amend Law no. 67 for 2010	• The PPP Central Unit at the MoF suggested some amendments in the provisions of Law no 67 for the year 2010 which have been issued (on December 18, 2021) by Law No. 153 for the year 2021. These amendments include the following: Acceleration of tendering and contracting procedures. Apply new forms of contracting methods (direct order–unsolicited proposal–limited tender) to meet the needs of the tendering authorities and expanding the investment of PPP projects. Creation of a new committee between the MoF and MoP to select the relevant PPP projects in the pipeline. The Executive Regulation of the new Law is being prepared. • In 2022, the government reported that 4 projects under the new law have been tendered including: 10th of Ramadan Dry Port and Logistics Center (with an estimated investment cost of $200 million), Phase 2 of the PPP new schools project (estimated cost: $65 million), 8 Waste-to-Energy Plants PPP Project (estimated cost: $550 million), and 4 Strategic Warehouses for Strategic Commodities ($210 million for the 4 sites). • Several projects are in the pipeline for 2022 currently under study. They include projects from the Ministry of Transportation, Ministry of Higher Education, and the Ministry of Housing.	
	New Reform Commitments and Initiatives	
Strengthen procurement by SOEs	New areas for support include: (i) providing support to the development of the e-GP system; and (ii) strengthening the procurement by SOEs. Strengthening the procurement by SOEs is a very important topic. Specific activities include, for example, rapid assessment of the actual performance of procurement system, review and provide inputs to SOEs' own procurement procedure to identify gaps and recommend areas of improvements, provide technical support on the development for one of SOE's e-procurement strategy.	
	BUSINESS FRAMEWORK	
	Regulations and Institutions	
	2018	
Trade	New customs law/regulations were approved by the Parliament in November 2020. The MoF finalized the executive regulations on August 31, 2021 by Decree No. 430 of 2021.	The World Bank provided advice to support the completion of executive regulations.
Implement National Single Window in preparation for Regional Single	Rollout of the National Single Window *Nafeza* is underway in ports and airports since April 2021. Several constraints to the full and effective implementation of Nafeza need to be removed for its desired potential and full utilization to be achieved. These constraints are mostly related to legislation and business processes, which need to be streamlined to take full advantage of the new electronic environment. The institutional basis for the governance and operation of Nafeza needs to be strengthened by introducing formal lines of control between the governing body and the	The World Bank has a longstanding TA engagement with the customs department

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Window and International Single Window	operating entity. The accountability of the operator to the users and government needs to be strengthened to offer clients and government the necessary guarantees of quality of service.	focused on trade facilitation.
Introduce systems integration	Egypt recently ratified the WTO Trade Facilitation Agreement.	
Pass amended competition law	Revised draft competition law was approved by the Parliament and enacted by the President. The new law introduces provisions for merger and acquisition control. Further amendments of the law are expected in the coming months to increase the independence of the Egyptian Competition Authority (ECA).	The adoption of the revised competition and merger control laws is a benchmark in the current IMF EFF program.
New Reform Commitments and Initiatives		
Level the playing field between SOEs and the private sector	Operationalization of the Supreme Committee of Competitive Neutrality as the ECA is now reporting to the Prime Minister instead of the Ministry of Trade and Industry. Legislative reforms were enacted to enhance the ECA's independence and autonomy and add a chapter to cover its leading role in M&A. A competitive neutrality committee was established and headed by the Prime Minister and all relevant stakeholders with ECA acting as secretary. Incentives will be linked to outcomes and targeted to specific activities, with a clear time horizon. Incentives will be applied equally to all eligible participants. Incentives include activating golden permits, simplifying the licensing process, simplifying land allocation, and allowing long-term renting under a unified land prices and rent law. The MoF is compiling reports on tax incentives and breaks, and related foregone revenues.	The World Bank stands ready to support the ECA to operationalize the Supreme Committee.
Investor Protection and Dispute Resolution		
2018		
Revise the bankruptcy law	Amendments to the newly introduced insolvency law have been successfully enacted by the President and published in the National Gazette. The amendments aim to encourage restructuring and improve the balance between creditor and debtor rights.	The World Bank is providing TA to the MoJ on a range of justice issues, including insolvency law.
New Reform Commitments and Initiatives		
Revise the Code of Civil Procedures (CPC)	The review of the CPC will serve as the basis for a comprehensive revamping of the legal and regulatory framework for commercial justice in Egypt and representing the first effort of its kind to be carried out since 1968	The World Bank is providing TA to the MoJ on a range of justice issues, including the review of the CPC.

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
FINANCING FRAMEWORK		
Investment risk mitigation		
2018		
Promote a cashless society	• Law No. 18 of 2019 mandating the use of cashless payment by public and private entities was signed by President Abdel Fatah El-Sisi on April 19, 2019. The Law obliges all public authorities and entities and state-owned companies to pay certain payments that include taxes, customs, duties, and related fines (if they exceed the limit identified by the executive regulations) through cashless means of payment. • If entities and companies do not stick to the above requirement, a fine will be imposed. Online tax payment is already implemented. The suspension of all cash transactions was made through the imposition of administrative fees in the case of cash payment. • During March 2023, the CBE raised the limits on e-transfers made through its digital payment app. The new limits, which came into effect on March 15, allow transfers of up to EGP 70k per transaction, up from EGP 50k. Users will be able to transfer EGP 120k per day and EGP 400k per month—up from EGP 60k and EGP 200k. This decision was rooted in customer requests, opinion polls, and growing demand for the app.	The IBRD and IFC provide TA on financial inclusion and financial infrastructure. IBM and EY in implementation of the tax automation projects.
New Reform Commitments and Initiatives		
Dematerialize tax and commercial transactions	• Egypt launched several projects like the tax automation, e-invoice, and e-receipt (currently being rolled out) to ensure that the Egyptian Tax Authority can monitor all commercial transactions via a real-time electronic system. • E-commerce is currently about 10–15 percent of commercial activity (especially wholesale and retail), so the MoF is working on introducing taxes on e-commerce sector and to be subjected to the VAT, which will generate a huge revenue to the budget.	IBRD and IFC provide TA on financial inclusion and infra-structure. IBM and EY in implementation of tax automation projects.
Establish an entity in charge of licensing and regulation of fintech companies	In addition to the above, Parliament passed a Law on January 5, 2022 (pending ratification) stating that the FRA would be the only entity in charge of licensing and regulating fintech companies. It would also set transparency and governance standards and be charged with protecting consumer rights.	IBRD and IFC provide TA on financial inclusion and infra-structure. IBM and EY in implementation of tax automation projects.
Increase competition in the auction of government debt	The MoF will be issuing a new Decree on Primary Dealers on Government with improved incentives and obligation in the auction and secondary market. The objective is to increase competition, improve price formation in the auction, broaden the investor base beyond banks, and increase secondary market liquidity.	The World Bank provides TA to align the PD Decree with best practices in the context of Egypt.
Broader investor base in the capital markets	The MoF and FRA will be issuing a series of regulations supporting the creation of money market and fixed income mutual funds, and a voluntary multiclient private pension fund pillar. The reforms will allow us to diversify the investor base and provide a source of long-term finance in local currency.	The World Bank committed to providing TA on these reforms.

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Ecosystem for domestic voluntary carbon credit markets	The FRA and MoE are working on the development of the enabling environment for the domestic ecosystem for voluntary Carbon Credit Markets. The first reform has been the Decree establishing a Supervisory Committee that will oversee and develop the rules for the domestic carbon credit market.	The World Bank provides TA on these reforms.
Mobilization of Private and Institutional Investments		
Progress Made on 2018 Reform Commitments		
Domestic debt market		
Establish Clearing, Settlement and Depositary for Government Securities system Safeguard sound debt management	After the publication of a MTDS for FY18–21 in May 2019, an update of the MTDS was published in December 2020 to cover FY20/21–24, supported by a MTDS mission delivered by the World Bank in November. The government designed and launched a new issuance policy and of a robust Central Securities Depository company with sophisticated clearing and settlement functionalities, and a new trading system for government bonds.	The World Bank provides TA to strengthen debt reporting and transparency.
Diversify debt portfolio, improving domestic market liquidity to extend debt maturity beyond five years by 2025.	Re-inclusion into JP Morgan Index: In April 2021, JP Morgan announced that Egypt has fulfilled all the needed requirements and therefore Egypt was put on the Watch List for the following indices. 1. JP Morgan Government Bond Index for Emerging Markets Global Diversified (GBI-EM) with an estimated weight of 1.78 percent representing 14 bonds (issuance) with a total value of $26 billion, which amounts to approximately 30 percent of the total debt under review for the eligibility. 2. JP Morgan Environmental, Social and Governance Index (JESG) On the back of the green bond's issuance in October 2020, Egypt is eligible for the inclusion in the JESG Index with an estimated weight of 1.14 percent. The inclusion in the GBI-EM Global Diversified will pave the way for Egypt to be added to the GBI-AGG Diversified, which tracks liquid local currency government bonds across developed and emerging markets. With the inclusion, Egypt will join South Africa as the only other country from the Middle East and Africa region. 3. FTSE Russel's Government Bond Index for Frontier and Emerging Markets with a weight of 10 percent which is the highest weight per country in that index. Egypt has been re-included in the JP Morgan Index at the end of January 2022.	JP Morgan team
New Reform Commitments and Initiatives		
Publish new debt report covering	The MoF published an annual debt report in October 2022. The report was in the format of a PowerPoint presentation and provided a brief analysis on central government debt developments as of June 2022.	

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
central government debt		
Use new debt instruments, such as Green Bonds.	• Egypt established a green bonds framework in September 2020 with an issuance of $750 million. Egypt also obtained the first Green Loan from the region in 2021 worth $1.5 billion. • The government succeeded in issuing its first Samurai (Japanese yen-denominated) bond, equivalent to $0.5 billion at an interest rate of 0.85 percent and a maturity of 5 years in March 2022. • The MoF also succeeded in establishing a multi-year international program for sovereign Sukuk issuance, worth $5 billion. The program was registered on the London Stock Exchange in February 2023 and the first issuance amounted to $1.5 billion at an interest rate of 10.875 percent and a maturity of three years. • The government is also looking into issuing SDG-related bonds.	

Ethiopia[22]

Ethiopia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress Made on 2018 Reform Commitments		
Pursue prudent monetary policy to keep inflation in single digits	Exchange rate policies implemented, with real depreciation of the official exchange rate in progress. Monetary policy loosened in response to COVID, including liquidity support to the financial system and lending to the government by the National Bank of Ethiopia. YoY inflation remains high at about 20 percent as of January 2021, spurred by growing food prices. In 2022, the government reported that the NBE adopted a Roadmap to Modernize the Monetary Policy Framework, which also facilitates among other things the prioritization of price stabilization among multiple objectives. Consistent with the roadmap, a directive has been issued to establish standing facilities and open market operations (OMOs).	
Stabilize and improve external debt distress rating and government budget deficit	Public debt remained stable in FY20, while the Debt Service Suspension Initiative led to some reprofiling of debt repayment. Debt levels are still at high distress, due to high debt- and debt service-to-exports levels. Budget deficit slightly increased in FY20 to 2.7 percent of GDP, with a further increase to 3 percent forecasted in FY21 due to COVID-related impact on revenues and expenditures. In 2022, the government reported the budget deficit maintained at 2.8 percent in fiscal year 2021, despite the expansionary policies due to COVID-19. Limits on non-concessional debts are maintained, and debt to GDP ratio has decreased to 51.1 percent in 2021. Close to $2.5 billion in principal and interest payment has been restructured by commercial creditors under the 1st external debt restructuring scheme in 2019/20. Ethiopia requested for the treatment of its public debt under the G20 Common Framework has commenced with technical discussion progressing.	
New Reform Commitments and Initiatives		
Domestic Revenue Mobilization		
Progress Made on 2018 Reform Commitments		

[22] Not revised in 2023.

Ethiopia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Introduce improved tax collection and other tax transformation reforms for increased share of domestic tax revenue.	Domestic revenue mobilization reforms seek to ease tax compliance, rationalize tax exemptions, expand the tax base, and reduce distortionary effects of trade taxes. In 2021, the government reported that a new excise tax law introduced which broadened the excisable goods to 378 and applied rates of 5 to 500 on luxurious, socially and environmentally hazardous goods, and demand inelastic goods. A directive to ban new tax incentives has been passed in EFY 2020, which forces the government to maintain a zero-net increase in tax incentives, that is, any new tax incentive passed should be accompanied by the repealing of an equivalent amount of tax incentive to maintain a no increase in tax incentives A new tax incentive law under preparation to simplify the targeting, monitoring, and governance of investment tax incentives, which is currently estimated at close to 7 percent of GDP. Preparations underway to introduce property taxes. Improve tax administration capacity through operational improvements, better use of data and IT, and enhanced human resource management). The VAT proclamation was amended (Proclamation No.1157-2019) to ease the cost of filing VAT and to simplify tax governance. The Proclamation amended the VAT filing period from one calendar month to three calendar months based on the annual turnover of a taxpayer (for those with less than 70 million ETB annual turnover) and reduced the VAT refunds processing time from 49 weeks to 4 weeks, among other measures. Tax administration reform is underway including the digitalization of tax payment for large taxpayers operational and aims to digitalize tax payments for medium taxpayers.	
New Reform Commitments and Initiatives		
Strengthening Public Investment Management (procurement, SOE, PPPs, utilities)		
Progress Made on 2018 Reform Commitments		
Reform SOEs governance, budget deficit, and domestic resource mobilization	Reforms in SOEs governance, budget deficit, and domestic resource mobilization (focusing on tax administration capacity through operational improvements, better use of data and IT, and enhanced human resource management). In 2022, the government reported that Ethiopia investment holding established and operationalized to better commercialize and improve the corporate governance of SOEs. A new Public Enterprises Privatization proclamation (No 1206/2020) is enacted to enhance the transparency and efficiency of the public enterprises' privatization process. The law also sets out a framework to improve public enterprises' efficiency, competitiveness, access to capital, and quality and accessibility of their services. The new law replaced the Privatization of Public Enterprises Proclamation No. 146/1998. More than $10 billion of SOE debt restructured via a newly established vehicle - The Liability and Assessment Management Corporation. Work is underway for the partial privatization of Ethio-telecom and privatization of select Sugar corporation estates.	

Ethiopia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Introduce a comprehensive legal regime that governs PPPs. Ensure PPP contracts largely use standard clauses.	PPP regulatory framework and implementation guidelines. Ratification of the SOE privatization proclamation. In 2022, the Government reported that all PPP legal frameworks have been ratified. The key legal frameworks included: PPP proclamation 7610/2018 issued 22nd February 2018, PPP directive issued August 2018, General and sector specific PPP guidelines completed October 2019, Guidelines for preparation of unsolicited projects completed November 2021	
Expand productive infrastructure for business competitiveness.	Decision to open in the telecom and energy sectors to private and foreign participation. In 2022, the government reported that the telecom sector has been liberalized, and one international telecom company has received a license to operate in Ethiopia. JV transmission and distribution of electrical energy allowed. Reforms are underway in the energy and railway sectors, including SOEs to address inefficiencies and boost service delivery.	
	New Reform Commitments and Initiatives	
	BUSINESS FRAMEWORK	
	Regulations and Institutions	
	Progress Made on 2018 Reform Commitments	
Enhance the ease of doing business in Ethiopia through trade logistics and business regulation reforms.	• Improving ease of doing business by revising commercial code, investment law, and modernizing business service delivery. • Implementation of electronic Single Window (for import/export business). • The Ethiopian Commercial Code (No. 1243) is revised and enacted in 2021. • The new Investment Proclamation (No. 1180) and Investment Regulation (No. 474) are enacted in 2020. • Online investor tracking system including EIC's FDI tracking tool is implemented. • Many government services are provided through online e-systems (such as company registration, work permit, VISA). Electronic Single Window System was implemented for investment incentives service provision and overall import/export. • In 2022, the government reported that improved investor information system/EIC's interactive website enhancement is underway, and that industrial parks one stop shop service manual is being redeveloped.	IFC, GIZ, UK
Ratify the AfCFTA; conclude negotiations for WTO accession	Ethiopia ratified the AfCFTA protocol. Accession to WTO under negotiation	
	New Reform Commitments and Initiatives	
	Investor Protection and Dispute Resolution	
	Progress Made on 2018 Reform Commitments	

Ethiopia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Target investor recruitment in priority manufacturing, industrial park, energy generation and logistics services sectors.	• New investment law (more open to private sector and foreign investors than before). In 2022, the government reported: • The Investment Regulation No. 474 was enacted with a basic shift from the previous positive listing to negative listing. • The new law avoided restriction of foreign investor participation in several key sectors of the economy with the exception of a few sectors. • Industrial parks designation criteria directive is issued creating more transparent provisions. • Investment incentives regulation is under assessment.	
Implement a structured approach for addressing investor concerns, coupled with a legal framework for grievance management	Ratification of New York Convention. In 2022, the government reported that the New York Convention has been ratifies and that investor grievance management practice is developed.	
	New Reform Commitments and Initiatives	
	FINANCING FRAMEWORK	
	Investment Risk Mitigation	
	New Reform Commitments and Initiatives	
	Mobilization of Private and Institutional Investments	
	Progress Made on 2018 Reform Commitments	
Remove 27 percent rule and issuance of government T-bills through auctions with market prices.	Further improvements in the government securities market. Discussions commenced on capital markets development	
	New Reform Commitments and Initiatives	

Ghana

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Ensure Macroeconomic Stability and Debt Sustainability		
Progress Made on 2018 Reform Commitments		
Continue fiscal consolidation efforts:		
Constrain expenditures within budgetary limits to reduce expenditure overruns.	Fiscal deficits below 5 percent in 2018 and 2019, in line with the Fiscal Responsibility Act. Higher fiscal deficit (excluding Energy and Financial sector related costs) of 11.5 percent of GDP in 2020 reflects largely the impact of COVID-19-related spending to protect lives and livelihoods. The 2021 end year fiscal deficit (excluding Energy and Financial sector related costs) was 9.2 percent of GDP representing a fiscal consolidation of 2.3 percentage points in just one year. The year 2022 also witnessed a further fiscal consolidation of 1.0 percentage points recording a deficit to 7.6 percent of GDP amidst the twin global shocks namely Russia's war on Ukraine and COVID-19. Fiscal consolidation was achieved through continued structural fiscal reforms, legislation of new revenue policy initiatives, particularly on the back of the government's digitalization agenda, and expenditure rationalization and reforms, among others.	**Ongoing** IMF support for: i. TA on arrears clearance and Commitment Control ii. TA on Tax Policy AfDB support for Non-Tax Revenue enhancement: - IT platform for E-monitoring of NTR - Development of an overarching NTR legislation - Consultancy services to review key NTR agencies' revenue efficiency and development of Operational Manuals - Capacity building
Pursue a primary surplus to reduce the rate of debt accumulation.	Primary surpluses of 1.9 and 0.9 percent of GDP in 2018 and 2019, respectively. The primary deficit in 2020 increased to 5.2 percent, reflecting the fiscal impact of COVID-19 pandemic financing. The primary balance in 2021 and 2022 witness a significant improvement, recording a deficit of 1.9 percent of GDP and 0.9 percent respectively. To ensure that the macroeconomic impact of fiscal policy is fully ascertained the primary balance (on commitment basis), will be the main fiscal anchor to assess Government fiscal effort.	
Pursue domestic debt re-profiling to lengthen the maturity profile, reduce rollover risks and cost of credit.	At the end of 2020, 2021, and 2022 the debt-to-GDP was 76.1 percent, 80.1 percent and 70.6 percent respectively. Domestic short-term debt was 20.5 percent of total domestic debt, Medium-Term held a significant stock with 69.3 percent, and long-term 10.2 percent as of end 2022.	**Past** World Bank GEMS-TA **Ongoing:** World Bank DPO Series to improve debt management and transparency. AfDB support: - Procurement, delivery and installation of IT equipment for the migration of CS-DRMS to Meridian - Consultancy services: (i) Development of SOPs for TDMD, (ii)

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
		cash management functions of TDMD by enhancing TSA operations, effective forecasting, and cash management operations for the government, (iii) capacity building on liquidity forecast, banking arrangements, and operations for treasury management, (iv) capacity building in debt management in line with the Public Financial Management Act, (v) debt reporting and reconciliation, and (vi) loan filing/documentation.
New commitments		
Implement an IMF-supported program	Implement 7-point agenda of the post-COVID-19 Programme for Economic Growth. These include an agenda to: • Streamline and rationalize expenditures; - Integrate public procurement approval processes with GIFMIS to ensure that projects approved are aligned with budget allocation; - Review key government programs to reflect relevance, promote efficiency, and ensure value for money; - Review the efficiency of Statutory Funds. • Implement structural reforms - Impose a debt limit on non-concessional financing, including placing a moratorium on new financing for 2023	
Improve debt transparency, particularly of SOE debt.	Under the SDFP, some priority actions were agreed upon to improve debt transparency and particularly SOE debt.	
Increase Domestic Revenue Mobilization		
Progress Made on 2018 Reform Commitments		
Simplify tax administration to boost domestic revenue through voluntary compliance		
Develop and publish simplified versions of the five major tax laws (Customs Duty Act, VAT Act, Income Tax Act, Excise Duty Act, Revenue Administration Act).	i. Simplified (abridged) versions of the Excise Tax Stamp Act, 2014 (Act 873), Excise Duty Act, 2014 (Act 878), Customs Act, 2015 (Act 981), Income Tax Act, 2015 (Act 896) and VAT Act, 2013 (Act 870) published on GRA website. ii. The abridged version of the Excise Tax Stamp Act replaced the Revenue Administration Act. Under the SDFP, priority actions were agreed upon to improve domestic revenue	**Past** Support development of simplified versions of tax laws (Germany, Switzerland, Netherlands, Netherlands under Good Financial Governance Programme)

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	mobilization, including reforms to strengthen voluntary disclosure and promote self-declarations to expand the tax base; and enhance confidence in the tax system and thus improve compliance and collection. Implemented 10-Pilllar Technology Transformation Programs comprising: - Cashless policy - Online Filing - Third Party Data Sharing - Fundamental IT Infrastructure - Digital Talent - Digitized TCC/E-VAT invoicing - Digitalization of Records - Digitalize Internal Processes - Digitalize administrative Processes - Taxpayer Experience	**Ongoing** i. FCDO - Ghana Revenue Reform Programme and Business Enabling Environment Programme ii. Germany - Governance for Inclusive Growth, development of abridged versions of tax laws, upgrade of customs laboratory, Construction of IT training institute **Future** IMF
Provide simplified record-keeping systems for the determination and payment of taxes and filing of returns.	The record keeping was combined with the calculation and submission of returns in the iTAPS application. It has been launched for computation of taxes and the filing of returns. Reforms to establish a data warehouse to enhance revenue administration, including business intelligence	**Past** i. Support the rollout of simplified business record keeping (Germany, Switzerland, Netherlands under Good Financial Governance Programme) ii. USAID - Governance Programme iii. World Bank - GEMS-TA for improved taxpayer database and data warehouse
Provide software to taxpayers for tax calculations		
Improve access to systems for filing of returns and payment of taxes by introducing one-stop shop stand-alone customer service facilities.	See above (the development and use of the iTAPS replaced this)	
Provide additional specialized cargo examination bays.	This was suspended due to the unavailability of partner support.	Partner support needed
		Past World Bank GEMS - TA FCDO **Ongoing**

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
		AfDB under the Strengthening Institutional Capacity for Domestic Resource Mobilization and Economic Management Project **Future** GiZ, World Bank
Ensure Sound Public Investment Management		
Implement and maintain a Public Investment Management (PIM) framework.	i. Passage of State Interest and Governance Authority bill into law (June 2019) ensuring SOEs adhere to good corporate practices to promote growth of industry and commerce. ii. Prepared and published Annual State Ownership Reports from 2016 to 2020. iii. SIGA signs performance contracts with SOEs annually iv. Public Investment Programme Working Committee was established in 2021 to appraise project documentations and recommend investment projects for approval to be included in the Public Investment Plan. v. Passage of Public Financial Management (Public Investment Management) Regulations, 2020, L.I. 2411 **Ongoing:** i. Under the SDFP, priority actions have been agreed upon to support the preparation of a State Ownership Policy, setting the principles for public investment / divestment in SOEs. ii. Development of State Ownership Policy iii. Guidelines for the preparation and appraisal of public investment projects iv. Guidelines for development of the Public Investment Plan v. Public Investment Programme Working Committee established to appraise project documentations and recommend investment projects for approval vi. Development of Sector Specific Methodologies in Health (primary and secondary health centers), Irrigation (agriculture, water, and sewage), and Public Works (public buildings/public low-income housing), Education, Roads, and Energy to improve the efficiency of public investment projects	**Past** World Bank, Ghana Economic Management Strengthening Project **Ongoing** AFD - GHASORG Project
Enact the Public Private Partnership (PPP) Law and develop Regulations for the operationalization of the PPP Act after its passage.	i. The PPP Bill was passed into Law in December 2020. The new PPP Act 1039 now regulates all activities within the PPP domain in Ghana. ii. The PPP Committee was established to consider requests of contracting authorities to undertake public private partnership projects. iii. Fiscal Commitment Technical Committee established to, among others, identify, assess, monitor and report to the PPP Committee on all fiscal commitments and contingent liabilities associated with PPP projects and the implications of the project with respect to the Viability Gap Facility. iv. Preparation of PPP Regulations underway	**Past** World Bank supported drafting of PPP Bill **Ongoing** World Bank GETP **Future** World Bank to support work on PPP regulations, guidelines and manuals, including long-term finance, VGF,

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
		Project Pipeline, Standardized Documents, and Capacity Building
Better Performance of Specified Entities including Public Utilities		
Diversify the power generation sources to include renewables to ensure security, reliability and affordability in a sustainable manner.	Total renewable energy generation (excluding Hydro) has almost doubled from 22.6MW at the beginning of 2018 to 42.6 MW in 2020. In 2022, the total installed capacity reached 151 MW representing 3 percent RE in the generation capacity. Additional 165 MW solar PV plant is under construction by VRA and BPA and expected to be completed by 2023.	**Past** AfDB- Electricity Distribution System Reinforcement and Extension Project completed in January 2023 contributed in (i) reducing distribution system losses; (ii) reducing the frequency and duration of outages; and (iii) improving the voltage level at the end user; (iv) extending the distribution system in peri-urban and rural areas and remote areas, where it is not economically viable to extend the distribution system, the project deployed solar Photo-Voltaic systems to connect public entities and households and capacitate Ghana energy sector institutions through training activities. The project undertook 10 hydro studies that provided background data for the SREP project under the SE4ALL. **Ongoing** AfDB - Mini Grid and Net Metering project cofinanced by AfDB, SECO, and CIF (Impact: increase access to clean and reliable electricity services and support low carbon socioeconomic development, and support Ghana in the electrification of island communities that account for the remaining 15 percent in achieving universal access to electricity by 2030). (i) Increased Renewable Energy in the Energy

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
		Mix, (ii) GHG emissions avoided, and (iii) Climate-proof renewable energy generated. Germany - Reform and Investment Partnership, Pilot Photovoltaic Project, Renewable Energy and Energy Efficiency for the Public Sector, Market Entry into RE and EE for the Productive Sector Switzerland World Bank - DPO support and TA **Future** i. Germany - Government Goes Solar, Green Credit Line ii. World Bank - DPO support and Program for Results (P4R) iii. SE4ALL supporting Ministry of Energy to develop Investor-friendly Energy Transition Plan
Improve the financial health of the energy sector:		
Implement the Cash Waterfall Mechanism (transparent system to ensure all stakeholders in the power supply chain benefit fairly from the total revenue collected by ECG and VRA (from its deregulated market).	Cabinet approval obtained and implementation commenced in April 2020 Collection improved, weekly disbursement of collection to sector players ongoing and level of liquidity improved equitably along the value chain	**Ongoing** World Bank - Ghana Energy Sector Transformation Initiative Project
Implement procurement auctions for future generation plants.	Given the oversupply of generation and capacity charges to be paid, there is still a moratorium on new IPPs. IPPs renegotiations are substantially completed. Cabinet approval is expected in 2023. Procurement auctions would be implemented once the moratorium is lifted. Moratorium lifted for distributed or embedded generation for own and private use.	
New Commitments		
i. Pursue major structural reforms in the public sector by continuing with the portfolio review of the State's equity stake in Specified		-

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Entities, which is made up of SOEs, Joint Venture Companies (JVCs), Other State Entities (OSEs) and Minority Interests. Recommendations from the portfolio review will likely fall into one of the following categories: - Listing on the stock exchange - Disposal of GoG's share - Divestiture - Liquidation - Merger - Recapitalization ii. Development of State Asset Management Policy iii. Development of additional Sector Specific Methodologies in multi modal Transport (Aviation, Rail), Sea Defense /Drainage, Tourism and Communication / ICT to improve the efficiency of public investment projects iv. Development of the Integrated Bank of Projects System		
i. Technology improvement program • Expand the data warehouse project to interface with additional data sources • Develop systems for monitoring Gaming and Betting and Quarrying and Salt Mining ii. Improve tax exemptions administration • Develop Regulations and Administrative Guidelines for the Exemptions Act • Develop and implement and exemptions management system		-

Ghana’s Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
iii. Establish an integrated free zone monitoring unit iv. Review and implement an environmental reform policy v. Develop and implement guidelines for taxation of the night economy vi. Strengthen the legal and regulatory framework for Non-Tax Revenue mobilization through: a. Develop an overarching Non-Tax Revenue (NTR) Legislation; b. Develop an NTR strategic framework to guide policy formulation and implementation; c. Review key NTR Agencies' revenue efficiency and develop Standard Operating Procedures.		
Implement Unified Property Rate Platform program in 2023		-
Develop and implement a MTRS		-
Additional 165MW solar PV plant under construction by VRA and BPA and expected to be completed by 2024		-
Project Development Facility established for Feasibility Studies for pipeline conventional projects and PPPs		-
Develop PPP Guidelines and Manuals		-
Develop Standardized Agreements and Bidding Documents for PPPs		-

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Develop a pipeline of viable projects to attract private investors (including PPP)		-
	The PURC adopted the multi-year tariff order and approved the tariff in September 2022 and committed to quarterly tariff adjustment. The 2022–25 major tariffs review decision has been published and available on PURC website. The PURC gazetted the net-metering tariff guideline and reckoner for customer-generator bill calculation.	
BUSINESS FRAMEWORK		
Reliable Regulations and Institutions		
Progress Made on 2018 Reform Commitments		
Update Ghana's business legal and regulatory framework to reflect new trends in business practices.	i. Passage of Companies Act of 2019 (Act 992) streamlining business registration and operations and establishing an autonomous Office of Registrar of Companies (ORC) ii. Corporate Restructuring and Insolvency Act, 2020 (Act 1015) assented by President on April 30, 2020. iii. Office of the Registrar of Companies is in operation. iv. New Insolvency Services Division is being set up, and new Insolvency Practitioners were inducted. v. VVIP services to commence in May 2023 for expedited services. vi. New Software for the registration processes complying with best practices is being developed for better efficiency. vii. Trading Across Borders Technical Working Group recommendation report is yet to be enforced by GRA Customs, GPHA and others. A Committee has been set up by GRA Customs to conduct Cargo Time Release Study which will provide recommendations for areas to be streamlined along the chain. viii. National Quality Policy approved in 2022 to provide a concise and coherent framework for the regulatory and institutional reforms to ensure that goods and services emanating from or traded in Ghana are designed, manufactured, and supplied in a manner that match the expectations and requirements of the purchasers and consumers and regulations in the local and in the export markets. The long-term outcome of the implementation of the Quality Policy will be to establish a world-class metrology, standardization, accreditation, inspection, testing and certification infrastructure. ix. Ghana Standards Authority Act, 2022 (Act 1078) passed to amend and consolidate the law relating to standardization, conformity assessment and metrology and to provide for related matters. x. National MSME and Entrepreneurship Policy approved and launched in 2020 to provide the necessary regulatory, institutional, legal and administrative framework for the growth	**Past** i. IFC - TA support ii. DFID/FDCO - Business Enabling Environment Programme (Support to Better Business Regulations Strategy) **Ongoing** World Bank GETP ACP Trust Fund Implementation (EU Funded)

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	and development of the MSME sector. xi. Ghana Enterprises Agency Act, 2020 (Act 1043) passed to promote and develop MSMEs in Ghana and provide for related matters.	
Develop and deploy an online interactive portal for public-private consultations and e-registry of business-related laws and regulations that are in force in Ghana.	i. The Ghana Business Regulatory Reforms Portal, which comprises the consultation portal and e-Registry of business laws and regulations, was launched on August 26, 2020. The E-Registry provides open and free access to business-related Laws, Regulations, Administrative Notices and Directives, forms, procedures, and fees that are in force in Ghana. The URL is www.brr.gov.gh or www.bcp.gov.gh ii. The Public Consultation Portal provides the platform for government and the private sector to regularly engage in policy and regulatory reforms, and promote dialogue and feedback between government and all its stakeholders to enhance quality of government programs and service delivery. Back-end systems integration of the portal with the web systems of 20 selected public institutions.	
Review and reduce the number of steps in the acquisition of the various business operating permits. Automate and integrate the processing and issuance of licenses and permits at key Agencies.	i. Online Digitized Land Transactions Portal for conducting title searches at the Lands Commission developed and operational. The Online Portal is the only means of applying for Searches in six (6) Regions namely Greater Accra, North East, Oti, Western North, Ahafo, Bono and Savannah Regions. This is expected to be extended to other regions. The link to the title search portal is https://onlineservices.lc.gov.gh The Lands Commission system is linked to Ghana.gov. All payments for searches are paid electronically. ii. Development of online Fire Permit and Certification Management System (FP and CMS) for the automation and decentralization of application and approval process of fire permits and certificates to reduce the time and cost burden on businesses. iii. Review of the EPA Act 1994 (Act 490) and the Regulations iv. Completed the upgrading of the Development/Construction Permit Processing System (PPS) in line with the Land Use and Spatial Planning Regulations 2019 (L. I 2384) and the new development permit application forms and procedures. Upscaling of the Construction Permit Processing system in all MMDAs in Greater Accra Next steps: i. Full automation of the fire permit acquisition processes; and ii. Continue automation of the law courts to improve the turnaround time for dispute resolution.	
Conduct Cargo Time Release Study to recommend improvements in ports and land borders	GRA-Customs, in September 2022, began a time-release study on cargo clearance at Ports to scientifically verify the average time for the clearing of cargoes at Ghana's Ports. This will help to establish the baseline for trade facilitation performance measurements and future improvement of customs processes.	**Ongoing** USAID World Bank GETP GIZ
Reliable Regulations and Institutions		
New commitments		

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Develop and approve the Regulations for the Companies Act 2019 (Act 992).		
Develop and approve the Regulations for the Corporate Insolvency and Restructuring Act 2020 (Act 1015)		
Develop SEZ Policy	Development of SEZ Policy underway to provide a clear, concise framework for developing industrial and other related land and infrastructure for and with the private sector.	
Strengthen anti-money laundering and terrorism financing regime		
Develop Accreditation Act	Development of Accreditation Act underway to provide for an efficient and effective accreditation system for the accreditation of conformity assessment bodies, to monitor conformity assessment activities, and to provide for related matters.	
Promulgate SEZ Act		
Establish SEZ Authority		
Pass Competition Act		
Pass Consumer Protection Act		
Develop and deploy a web-based Reform Management and Progress Tracking System to track implementation of reforms		
Rolling review of business laws, policies, and so on and disseminate information on policy reforms		
Enhance electronic payment channels	Enhance electronic payment channels within ICUMS to provide instant payment notification to all fee-charging institutions at the port to facilitate port processes.	
Institute and conduct quarterly surveys and opinion polls on concerns related to the delivery of ports and customs services		
Investor attraction, protection and dispute resolution		
Progress Made on 2018 Reform Commitments		

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
i. Develop implementation of an Investor Grievance Mechanism (ongoing) ii. Develop Customer Relationship Management System (CRM) for enhanced Investor relations		**Future** World Bank GETP USAID
Implement a 10-point industrial transformational agenda, including: - One District One factory - Strategic Anchor Industries - Industrial Revitalization Programme - Improving PPD		**Ongoing** World Bank GETP (supporting PPD) FCDO - Jobs and Economic Transformation (JET) GIZ ILO **Future** New World Bank loan - Jobs for Youth through Competitiveness and Entrepreneurship Project
Implement the GhanaCARES program to bolster the productive and export capacity of the private sector. Other strategic interventions under implementation include Planting for Food and Jobs, Rearing for Food and Jobs, and so on.		**Ongoing** AfDB – Post-COVID-19 Recovery Program to contribute to Ghana's COVID-19 recovery by restoring livelihoods and creating jobs among youth and women, improving enrollment capacity in TVET in targeted districts, increasing employment opportunities among women and youths for restored livelihoods, and improving efficiency and timeliness in processing of small loans to MSMEs by MASLOC for greater financial inclusion.
Develop relevant market demand driven technical skills for the job market and enhanced entrepreneurship		**Ongoing** World Bank Job and Skills Project Germany (KfW and GiZ) EU (Pact for Skills) **Future** New World bank loan - Jobs for Youth through Competitiveness and Entrepreneurship project

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
New commitments		
Amend GIPC Act		
Adopt a new Investment Code - Work started on this in 2023 - Paper drafted on adopting an investment code for a wholistic view on investment in Ghana (February 2023).		
Institute a quarterly investment roundtable to resolve investor issues		
Establish an integrated IT solution for a one-stop shop investor support services		
Provide comprehensive and continuous advisory services to investors to facilitate prompt implementation of business projects		
FINANCING FRAMEWORK		
Investment Risk Mitigation		
Progress Made on 2018 Reform Commitments		
Develop de-risking instrument to leverage private investment including renewable energy, energy efficiency, and agricultural lending (GIRSAL - Ghana Incentive-Based Risk-Sharing System for Agricultural Lending)	i. Financial sector clean up implemented and bailout implementation is ongoing to ensure a vibrant financial sector. ii. The minimum capital requirement for banks was increased to GH¢400 million from GH¢120 million (end 2018); iii. Ghana joined the Asian Infrastructure Investment Bank (AIIB) and the Africa Trade Insurance (ATI) to leverage private capital for infrastructure development iv. Ghana Infrastructure Investment Fund (GIIF) is providing support for infrastructure development v. Ghana Exim Bank provides support to private companies to boost production for exports vi. Venture Capital Trust Fund provides financial resources for the development and promotion of venture capital financing for SMEs.	**Ongoing** i. AfDB - Support to GIRSAL ii. Germany - Reform and Investment Partnership (Accompanying Measure) iii. Germany - Reform and Investment Partnership (ATI subscription payment) iv. World Bank GETP DBG Partners: World Bank, AfDB, EIB, KfW AfDB: Ghana Infrastructure Investment Fund (GIIF) seeks to leverage its equity capital base to

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
		secure its first balance sheet debt financing, and thereby enhance the Fund's ability to support its infrastructure investments. Ghana Commodity Exchange Partners: WFP, IFAD, UNIDO, UNDP USAID, SNV, UKAID, IFC, GIZ **Future** i. Germany - Reform and Investment Partnership (Green Credit Line) ii. New World Bank Financial Sector loan iii. World Bank DPO iv. Other DPs
New commitments		
The government is working to reform the Ghana Amalgamated Trust to support future interventions in the financial sector through a market-oriental approach.	-	
Institute measures to increase resource mobilization for public and private use through creation of the Development Bank Ghana (to provide affordable credit and partial risk guarantee for SMEs); and establishment of a Green Credit Line, and so on. DBG provides loans to commercial banks and other financial institutions in Ghana, for onlending to SMEs.	-	
Ghana Commodity Exchange operational, linking buyers and sellers of commodities to trade by rules, while assuring the market quantity and quality, timely	-	

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
delivery and settlement, and reduce transaction costs and operational and market risks.		
Embark on comprehensive capacity development in financial risk mitigation including partial risk guarantee.		
Mobilization of private and institutional investments:		
Progress Made on 2018 Reform Commitments		
Normalize and extend the yield curve	The spread at end of September 2020 was positive. The yield curve had some inversions.	
Enhance secondary market activities Introduce a wider spectrum of instruments	As at end December 2020, volume of trades reported by CSD was 108.4 billion compared with 55.6 billion recorded in 2019 and 37.9 billion in 2018. The volume reported by Bloomberg was 5.56 billion (at end of December 2020), which is lower than the 5.58 billion recorded in 2019. In 2018 the volume was 3.60 billion. 'In 2020, the Primary Dealers (PDs) Guidelines and Requirements and Responsibilities was revised to include the introduction of the Bond Market Specialists system. The existing PDs Guidelines was revised to ensure the operations of the PDs are efficient, feasible and eliminate inconsistencies between PD rights and obligations. Concept Note and paper developed on green and SDG bonds. In 2020, 3, 5,6,7-, 10-, 15- and 20-year government bonds were issued.	U.S. Treasury AfDB - Institutional Support Project: Enhancing Regional Financial Integration in West Africa. The project aims to enhance regional financial integration and increase access to financial services in West Africa. Its objectives are to (i) strengthen the region's financial system by harmonizing policy to make the region attractive for major firms to establish their presence and take advantage of the market; (ii) stimulate long-term investment for development; and (iii) develop the green finance market in West Africa
Build the capacity of all domestic debt market players in the pricing of bonds	Ongoing. Regular preparation of government's annual debt reports, MTDS and conducting of DSA. Ghana has taken steps in establishing a partnership between the Ghana Stock Exchange and the London Stock Exchange Group to support the development of Ghana's capital markets through support for businesses to raise capital locally and internationally.	**Ongoing** DFID/FCDO support for development of Capital Market Master Plan The World Bank is providing support to market development under the multi-year GDRM program

Ghana's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
		Past World Bank – GEMS-TA Project World Bank support under the Ghana Development Finance Project **Future** i. Germany - Reform and Investment Partnership (Green Credit Line) ii. New World Bank Financial Sector loan iii. Other DPs
	New commitments	
Implement the 10-Year Capital Market Master Plan	Implementation of the 10-year plan to transform the capital market into a deep, efficient, diversified, and well-regulated market with a range of products attractive to domestic and foreign investors is ongoing. The government plans to establish an International Financial Services Centre.	
Develop a climate financing strategy for the Ghana Nationally Determined Contributions. This will be coordinated by ERMERD, with climate change-related institutions' key stakeholders. Prepare toward securing green finance, issuance of green/climate/sustainability bonds and so on.		
Develop the capacity of the public and private sectors, including SMEs and financial institutions in climate change, climate finance, and green business.		

Guinea

Guinea's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress Made on 2018 Commitments		
Finalize the decree implementing the law on management of public enterprises	• The National Assembly amended the legal framework for SOEs in December 2017 and adopted its implementing decree in September 2018. Regarding tax risk management, the law clarifies the conditions and limits of the debts that public companies can contract under the control of the Ministry of the Economy and Finance. The law also strengthens the budgetary transparency of public enterprises by specifying the reporting obligations to the Ministry, and the publication of financial statements on the Internet. • In 2022, the government reported the following: General Estates of Public Companies; state of play of the EPA; updating and strengthening the monitoring of the financial management of public bodies (SA, SM, Fonds, and EPA) and Heritage.	World Bank, French Development Agency (AFD)
Finalize implementation of the Treasury Single Account (CUT)	• In May 2020, the authorities finalized the agreement governing relations within the CUT and extended the coverage to 89 percent of all public accounts other than those relating to regional government, local authorities, and development projects financed from external resources. • In 2022, the government reported: o Operationalization of the CUT; development of a general regulation on budget management and community accounting o Computerization of state accounting o Implementation of the state's chart of accounts o Timely placing of orders for securities and securities to reduce or even avoid stockouts o Compliance with the limits imposed on the BCRG's statutory advances o Development of the treasury bill issuance plan considering the availability of cash and objectives and their return at maturity o Monthly adjustment of treasury bills according to projected needs	IMF
Clear domestic debt arrears	Clearance of domestic debt arrears continues (2022)	France Development Agency (AFD)/UNCTAD/World Bank
New Reform Commitments and Initiatives		
Improving public finances	The development and updating of the regulations applicable to public accounting; The signing of the decree on the attributions and organization of the General Directorate of the Treasury and Public Accounting;	World Bank, French

Guinea's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	Updating the DGTCP organic framework; The preparation of draft imprest orders for departments, directorates-general, national and other institutions; The implementation of the state's chart of accounts; The Verification and the preparation of examination of the Accounts of the State; Adjustment of treasury bills on a monthly basis according to projected needs; Installation of managers of accounting posts and heads of departments; controls and other activities the preparation and execution of the monthly cash flow plan; Compliance with the limits imposed on the statutory advances of the BCRG; The development of the plan for the issuance of treasury bills considering the availability of cash and objectives and their yield at maturity; Adjustment of treasury bills on a monthly basis based on projected needs.	Development Agency (AFD)
Interim Reference Plan (IRP)		
The Economic Recovery Plan (ERP)		
The 4th General Census of Housing and Population		
Domestic revenue mobilization		
Progress Made on 2018 Commitments		
Establish and implement an action plan for targeted tax policy and administration reforms, including a unique tax identifier, a core VAT, and a customs code	• Updating of the Tax and Investment Code. • The restructuring of the DNI. • The authorities introduced the online tax declaration and payment (E-tax) system in September 2020. • The tele procedure (electronic declaration and tele payment). It is 99 percent at the level of the tax center of large companies and 42 percent at the level of medium-sized enterprise centers. • Operationalization of CGAs in all municipalities of Conakry and in the interior of the country. It is planned as soon as possible, two services of medium-sized enterprises in Greater Conakry and four centers of medium-sized enterprises in urban areas and some mining towns in the interior of countries. • Digitization of the NIF and Receipts	IMF, AfDB, World Bank, AFD
New Reform Commitments and Initiatives		
Recruitment and training of new tax inspectors to be		

Guinea's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
deployed inside the country		
Operationalization of the tele procedure (electronic declaration and electronic payment)		
Revision of the Tax and Investment Code		
The restructuring of the DNI		
Management of public investments (procurement, PPPs, public enterprises, public services)		
Progress Made on 2018 Commitments		
Review and implement the Public Procurement Code and all decrees issued under it.	• The new revised Public Procurement Code, with all implementing texts, and most of the public procurement management tools have been validated and have entered into force since September 1, 2020.	
Reform public procurement	• Proportion of non-tendered contracts reduced to 40 percent in 2020. • In 2022, the government has reported: A system for monitoring files submitted to the DNCMP has been developed and shared with the MEFP cabinet on a regular basis; The design and development of a transversal electronic platform for the management of the public procurement system that was presented to the MEFP. Currently being finalized, the solution will allow a reduction in procedural delays and greater transparency in the process of awarding and managing public contracts; Negotiations with the World Bank to support the drafting of texts for the finalization of the reform of public procurement; Proportion of contracts without a call for tenders was 23 percent in the first quarter of 2022.	

Guinea's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Operationalize the PPP Unit	• The decrees implementing the PPP law were signed in early 2021. The PPP law was approved by the National Assembly in 2017. These decrees specify: (i) the institutional framework governing PPPs; and (ii) the process and procedures required when identifying, evaluating and contractually arranging PPP investments. • The review of the portfolio of projects likely to be financed in PPP mode and; • Effective operationalization of the PPP framework. • In 2022, the government reported that as part of the operationalization of the PPP framework, several actions have been carried out, including: • The organization of major meetings with sectoral ministries (Contracting Authorities) to present the missions and attributions of the PPP Unit and to request the situation of projects likely to be financed in PPP mode; • The Visit of the structures involved in the implementation of PPPs (ARMP, ACGP and DNCMP) to make contact and define the principles of collaboration to make the PPP framework effective.	
New Reform Commitments and Initiatives		
Design and develop a transversal electronic platform to manage the public procurement system		
An organic framework responding to the mission of the DGCMP was developed.	• The time taken to approve contracts by the MEF was reduced from 5 days to 4 working days, that is, a reduction of one day on the legal deadline. This indicates an improvement in the coordination of file review actions between the Legal Advisor and DGCMP before submitting files to the MEF for approval; • A system for tracking files submitted to the DGCMP was developed and shared with the firm on a periodic basis; • An improvement of the monitoring system and transparency of the opening of procurement files through means of travel for the recovery and processing of tender files; • An improvement of the process of receiving goods, supplies and works by providing adequate material means of work to all the divisions concerned; • The development of a systematic follow-up of derogation requests and threshold exceedances; • The establishment of a monthly reporting system for procurement data and an institutional communication system (Council of Ministers); • The preparation of circular letters to EPAs, SP and Donor Projects relating to compliance with the provisions of the CMP, procurement plans, and the list of contracts a posteriori within the framework of Finex; • The design and development of a transversal electronic platform for the management of the public procurement system that was presented to the MEF. Currently being finalized (phase 1). Phase 2 and 3 will continue in 2023. The solution will reduce procedural delays and increase transparency in the process of awarding and managing public contracts; • A negotiation with the World Bank for support in the drafting of texts allowing the finalization of the reform of public procurement;	

Guinea's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	• Better use of the data collected and analyzed, such as requests for derogations by CA, which has triggered a reflection that will ultimately allow better management of "customer" risk; • The implementation of an archiving and monitoring system based on MS Excel, which should eventually be replaced by a dedicated software package; • The institution of a more collaborative and inclusive human resources management that has improved the working environment and productivity; The performance of audit missions and control of procurement procedures within 16 contracting authorities and the reports transmitted to the MEF. The time taken by the MEF to approve contracts was reduced from 5 days to 4 working days, a reduction of 1 day on the legal deadline.	
Establish the Legal and Institutional Framework for development of PPPs		
Finalize mercury pricing and implement in public procurement	Proportion of contracts without tendering reduced to 40 percent in execution.	
	BUSINESS FRAMEWORK	
	Regulations and institutions	
	Progress Made on 2018 Commitments	
Promote SMEs and women's entrepreneurship	• Trade policy and national strategy available (including SMEs)	
	New Reform Commitments and Initiatives	
	Investor protection, dispute resolution and anti-corruption	
	Progress Made on 2018 Commitments	
Establish an effective anti-corruption framework	• The National Anti-Corruption Agency is strengthened by giving it more control at the level of the central administration • In 2022, the government reported the creation, organization, and operation of the Court for the Suppression of Economic and Financial Crimes (CRIEF)	IMF/World Bank
	New Reform Commitments and Initiatives	

Guinea's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Operationalize the Chamber of Justice of Commerce		
Deploy new modules of Single Window for Foreign Trade, including the transfer and repatriation of foreign currency		
Current industrial policy		
FINANCIAL FRAMEWORK		
Investment Risk Mitigation		
Progress Made on 2018 Commitments		
Develop a weekly forecast of foreign currency liquidity to improve the predictability of market supply and demand conditions	The authorities finalized a weekly forecast of foreign currency liquidity in December 2018 to improve the predictability of market supply and demand conditions.	IMF/World Bank
Financial Inclusion Strategy	Credit company Partial credit guarantee	World Bank
Establish a framework for the resolution of bank defaults	The bank guarantee fund is operational.	
New Reform Commitments and Initiatives		
Create the Deposit Guarantee Fund at the BCRG		
Establish a financial inclusion service at the BCRG		

Morocco

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	MACROECONOMIC FRAMEWORK	
	Macroeconomic Stability	
	Progress Made on 2018 Commitments	
Continue implementation of tax reforms to improve the efficiency and equity of the tax system and make it more investment-friendly and strengthen the tax administration.	**Fiscal consolidation and decentralization** The main tax reforms are: • Adoption in July 2021 of a tax framework law aiming at revising the foundations of the tax system and resolving its dysfunctions which draws up a medium-term reform plan based on the national tax meeting recommendations held in 2019. • Gradual reduction of industrial corporate tax rate since 2020 and abolition in 2022 of the rates progressivity scale of corporate tax. • Introduction of a 70 percent tax allowance in 2022, applicable on the net capital gain earned from fixed assets disposal, excluding lands and constructions. • Reform of Tax administration proceeding with digitalization of tax declarations and payments, local tax simplification, collection improvement interoperability of administrative systems, development of internal control and audit functions. • Introduction in 2021 of "la contribution professionnelle unique (CPU)", for businesses and proprietorships, which have limited revenues, and its adoption and improvement in the 2022 Finance Act. The main tax provisions for 2023 are: • Introduction, within the framework of an agreement, of the possibility for the tax administration to exchange information with other administrations and public bodies. • Review of corporate tax rates as part of a whole reform aiming at converging towards a unified rate progressive reduction of the withholding tax rate attached to income from shares and similar Income. • Revision of the income tax systems to achieve the following objectives: • Reducing the tax burden of employees, retirees and newly recruited workers; • Reinstating the principle of taxing the annual global income of individuals according to the progressive scale through the revision of the taxation method of certain categories of income; • Revision of the taxation system of land profits. • Establishment of the principle of the neutrality of the VAT, through the alignment of the rate applicable to the liberal professions and the institution of regulatory procedures for the benefit of the exemption of agricultural equipment; • Extension of the social solidarity contribution on profits and income, in accordance with the recommendations of the New Development Model.	World Bank EU
Implement the transition to a more	**Exchange rate flexibility** Exchange rate band widened from ±0,3 percent to ±2,5 percent in January 2018 and to ±5 percent in March 2020. At the same time, the interbank forex market is deepening, and the use of hedging instruments has increased.	IMF

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
flexible exchange rate regime	The authorities will continue to implement the reform of the exchange rate regime. The transition to the next stage remains dependent on the easing of inflationary pressures and the dissipation of uncertainties over the economic outlook.	
	Public Investment Management (including SOEs, PPPs and utilities):	
	Progress Made on 2018 Reform Commitments	
Improve SOEs governance and performance	**Improvement of payment delays** Operationalization of the Observatory of Payment delays; Adoption of a new regulatory framework fixing the compensation rate due for delays and the modalities for its settlement; Monitoring of supplier complaints through a new platform (AJAL) set up to facilitate exchanges and communication between suppliers and SOEs, and system improvement; Generalization of digitalized pay offices of SOEs, subject to prior control; Publication of two respective reports on payment delays. Next steps: Operationalization of the financial penalty system for companies that violate the legal payment deadlines. **SOEs sector oversight and refocus on core public mandates** Adoption in August 2021 of the Framework Law related to the reform of SOEs aiming at gathering SOEs with similar activities; the merger of SOEs or subsidiaries; transformation of SOEs which are carrying out commercial activities into Public limited companies; termination and liquidation of some entities whose missions are outdated, or those which have structural deficits. Adoption in July 2021 of the law creating the National Agency for Strategic Management of State Holdings and Monitoring the Performance of SOEs to play a key role in the implementation of the reform. Electronic invoicing for SOEs suppliers having opted for the use of the platform AJAL in line with the fixed schedule. **Implementation of legal and regulatory texts** Publication on January 2023 of 2 Decrees setting conditions and modalities for the appointment and compensation of State representatives and independent members sitting in the deliberative bodies of SOEs; Publication on January 2023 of the Decree related to the composition and operating procedures of consultative body on the State's shareholding policy, which is in charge, in particular, of giving its opinion on the State's draft shareholding policy and on the plan for its implementation. Publication of the Decree relating to the appointment of State representatives within the Board of Directors of the National Agency for the Strategic Management of State Holdings and the Monitoring of the Performance of SOEs. **Texts under discussion and approval at the Parliament level** Draft law n° 40.22 fixing the number, the conditions and the procedure for the appointment of independent directors in deliberative bodies of SOEs, which was approved by the Government Council held on November 03, 2022, and which is currently under discussion and approval at the Parliament level. Texts under the process of adoption: Draft decree defining the cases in which the state must conclude contract-programs with SOEs, which was finalized and put in the adoption process in April 2023. **Texts underway to be finalized** Draft law on the reform of the governance and financial control system of the state over SOEs; Draft decree approving the code of good governance practices for public enterprises.	Payment delays: World Bank SOEs Mandate: World Bank EBRD SOEs Code: IFC World Bank AfDB Authorities: EBRD EU

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	Texts under review Draft law on the privatization regime; Draft decree on the assessment of the public property at the disposal of SOEs. Launch of the study on liquidation operations, subject to a call for tenders opening carried out in March 2023, before initiating the Liquidation of SOEs for which the Framework-Law provides the establishment of a central liquidation body. **Operationalization of the National Agency in charge of strategic management of State Holdings:** First meeting of the Board of Directors held in December 2022; Approval of the Agency's management instruments, namely the organizational chart, the staff statutes, contract regulations and the model for its financing, and the roadmap for the development of the State's shareholding policy. **Restructuring operations:** The year 2022 has witnessed targeting of a number of sectors deemed to be priorities such as energy, transport and logistics, and some other sectors or SOEs with high stakes. Restructuring operations are carried out within the framework of a collective and partnership approach and aim to address, within a planned framework, all issues and risks that hinder the achievement of performance and development projects. Consultations with stakeholders will be pursued to develop a roadmap to resize the public portfolio and to review and strengthen business models of a number of strategic SOEs. The restructuring of these entities is part of an overall vision that extends over five years. **Code of Good Governance Practices for SOEs** Since the launching in 2012 of the Moroccan Code of Good Governance Practices for SOEs, significant progress was made at several levels in terms of the functioning of the SOEs' Deliberative Bodies, including a sustained dynamic in terms of the establishment of specialized committees emanating from the DBs, the adoption by the DBs of more than 40 SOEs plans, charters and other instruments to improve governance. Finalization of the Draft Code on May 2022 and launching of direct consultations with 28 SOEs and 7 reference institutions (Court of Auditors, Capital Markets regulation Authority, Competition Council, UN WOMEN, CFA, World Bank, and so on). The proposals of the partners were processed and integrated into the Draft Code and discussed at the National Council. Work is underway for a final approval before the public consultations in June 2023 and the adoption by a decree of the Head of Government **SOE and public investment management reforms to optimize finance for infra entities** Creation, in January 2021, of the Mohammed VI Fund for Investment, which will be structured into sectoral and thematic Funds in areas of high priority mainly industrial restructuring, innovation and activities with high growth potential, promotion of SMEs, infrastructure, agriculture and tourism. The infrastructure sub-fund will target using an MFD and PCM approach. The Executive Director of this fund was appointed in October 2022 and became operational with the first Board of Directors meeting in December 2022. Mohammed VI Fund for Investment has held, up to date, two meetings of its Board of Directors and announced its strategy, which is largely based on a strong involvement for the implementation of productive investments with a strong impact on economic and social development; The Fund advocates three guiding principles for the development of its strategy: Dual sustainability: financial and economic, social and environmental impact;	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	Additionality: financial (long time horizons…) and non-financial (project structuring, high standards…); Multiplier effect through the mobilization of private financing by positioning the Fund as a pioneer player that leverages private investments. The financing vision of this Sovereign Wealth Fund, currently being structured, emphasizes on a balanced public-private financing mix according to the characteristics of the targeted sectors. The Fund, endowed with an initial $1.5 billion state budget allocation, aim to raise $3 billion from private investors. **Regulatory authorities (electricity, postal, telecoms) established or endowed with greater powers** Completion, in 2021, of the structuring and the establishment the Electricity sector regulatory authority (ANRE). Draft law on the reform of the postal sector was validated and its enforcement texts discussed and finalized in consultation with all stakeholders and submitted to the approval process. **Membership in the SOEs MENA Compact** Morocco has joined the World Bank's SOEs MENA Compact, which provides an appropriate framework for measuring the implementation of reforms in the SOEs sector, and a basis for policy dialogue between the International Financial Institutions (IFIs) and the countries of the MENA region; This project includes commitments to improve governance of SOEs through strong governance of SOEs, fair competition, climate change mitigation, and sound fiscal management. Further diligence is underway for efficient deployment of the ANRE and further liberalizing the electricity sector, which should develop a more competitive electricity market and accelerate the transition to renewable energies. The main commitments of countries which signed the Pact include: • Disclosure of public service obligations of the SOEs and their costs. • Ensuring fair, transparent and efficient public procurement for SOEs. • Ensuring that SOEs and private companies working in the same sector are treated equally in terms of tax treatment, regulatory treatment and access to production factors (land, labor and financing). • Introduction of explicit treatment of SOEs subsidies in national budgets.	
Develop PPPs	**PPP Framework brought in line with EU practices, and Investment Charter (for FDI) being revamped.** Amended PPP law, adopted in March 2020; Publication of the implementing decrees of the law issued as a result of the amendment of the law on PPP contracts: • **State and SOEs**: Amendment of the procedural decree and the National PPP Commission Decree published in September 2021. • **Local Authorities (Regional)**: Publication in August 2022 of two Decrees related to PPP contracts carried by Regional Authorities and the Standing Committee specific to Regional Authorities.	EBRD
	New Reform Commitments and Initiatives	
Institute pecuniary sanctions against companies that	Finalization and approval of the draft amendment to the Commercial Code aimed at instituting pecuniary sanctions against companies that exceed the legal payment delays.	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
exceed the legal payment delays.		
Further diligence is underway for PPP deployment, notably	- Operationalization of the National Commission; - Operationalization of the permanent Commission at the local level. - Setting of an investment threshold under which the preliminary evaluation will be optional; - Publication of the order for the pre-selection of candidates. - Order in progress appointing members of the ministerial PPP commission (chaired by the DEPP).	
Generalize social protection	**Reform of social protection system within five years** · Publication in 2021 of a framework law n° 09-21 related to social protection system by which all citizens will access to social security benefits. · Generalization of health care insurance by the end of 2022. · Generalization of family benefits by 2024. · Expansion of pension system and unemployment benefits by 2025. The process is underway, according to the agenda set by the framework law in parallel with the reform of the subsidy system and the implementation of the unified social register for better targeting of social assistance.	World Bank
BUSINESS FRAMEWORK		
Business Environment and Regulation		
Progress Made on 2018 Reform Commitments		
Moved up 15 places between 2017 and 2021 Doing Business (53rd out of 190 countries).		
Implement the roadmap for improving the business climate 2023-26	**Business climate strategy 2023–26** The roadmap for improving the business climate 2023–26 is based on an action plan with three pillars, a cross-cutting pillar and 10 priority areas: **The first pillar** aims to improve the structural conditions for investment and entrepreneurship through: ·Strengthening the business law framework; ·Optimization, digitalization and deconcentration of administrative procedures; ·Strengthening coordination and monitoring of the business environment. **The second pillar** aims to strengthen national competitiveness, through: ·Mobilizing financing for a better economic recovery; ·Improving access to renewable energy and industrial decarbonization; ·Strengthening access to land; ·Strengthening logistics competitiveness. **The third pillar** aims to develop an environment conducive to entrepreneurship and innovation, through: ·The development of support mechanisms for SMEs and startups; ·Promotion of innovation, R&D activities and entrepreneurial culture;	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	·Strengthening training offer and human capital performance. **The transversal pillar** aims to strengthen ethics, integrity and the prevention of corruption.	
Simplify business-related administrative procedures, strengthen dematerialization, and create one-stop shop	**Reform of the legal framework governing public limited companies:** · Enactment in June 2019 of the law 20-19 modifying and completing the law 17-95 aiming at promoting gender equality in governance bodies; · Enactment in July 2021 of the law 19-20 amending the law 17-95 relating to joint stock companies and the law 5-96 related to limited partnership, public limited companies, general partnership, joint venture companies and limited liability companies, aiming at promoting gender equality in governance bodies, enabling virtual meetings and electronic voting. · Revision of law 78-12 on public limited liability companies, the proposed amendments aim to improve the regulatory aspects of corporate governance by increasing corporate transparency, strengthening management accountability and enhancing minority shareholders protection. The revision will also be introducing a quota on gender diversity on boards for certain types of companies (publicly listed, and so on) of 30 percent in 2024, and 40 percent in 2027, Pending validation from technical committee and adoption in parliament. · Enactment in February 2023 of the law 96-21 modifying and completing the law 17-95 relating to public limited companies and enacting transitional dispositions relating to the conversion of bearer shares into registered shares. **Secured transactions framework:** · Enactment on April 2019 of the Law 21-18 on secured transactions and adoption in November 2019 of the Decree regarding the operating modalities and management of a National Movable Collateral Registry (Registre National électronique des suretés mobilières) launched in March 2020. · Organization of a campaign of sensitization on this reform and training workshops for stakeholders (banks, financing companies, lawyers, notaries, chartered accountants, judges…) **Creation and support of businesses by electronic means** · Enactment on January 2019 of the law 89-17 modifying and completing the law 15-95 aiming at the creation of an electronic trade register grouping all local trade registers managed by the Secretariat of the competent courts, and the central electronic trade register. · Entry into force, in March 2019, of the Law 88-17 relating to the creation and assistance of businesses by electronic means, aiming at dematerializing legal formalities and digitalizing administrations services related to businesses (creation of companies, registration in the electronic trade register, delivering business certificates, tax matters, and so on). **Reform of Regional Investment Centers** · Enactment in February 2019 of the law 47-18 reforming regional investment centers and creating the Unified regional investment commissions, and its implementation Decree (April 2019). · This reform is based on CRIs restruction, creation of a unified regional investment commission, and simplification of investment procedures for processing investment files. **Simplification of administrative procedures and formalities** · Launch, in 2019, of the Tawtik.ma platform which aims to dematerialize tax certificates and create a one-stop shop for property transfers.	Secured transaction framework: EBRD Business creation and support: IFC and AFDB

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	· Launching in 2019, the platform "Roukhass.ma" which is a single point of contact for application procedures, instruction and issuance of economic authorizations under the jurisdiction of municipalities, prefectures and wilaya. · Enactment in September 2020 of the Law 55.19 related to the Simplification of administrative procedures and formalities; · Launching, in April 2021, of the National Administration Portal "idarati.ma". **Simplification of public procurement procedures** · Entry into force, on April 2020, of circulars aimed at simplifying public procurement procedures through i) facilitating electronic submission on the public procurement portal and ii) removing the ceiling for the use of the purchase order procedure by SOE. **Modernizing Foreign trade** · Total elimination of the use of paper in all import and export procedures: Approximately 85 percent to 90 percent of procedures and formalities are conducted electronically, including import permits, export licenses, customs clearance requests, all customs procedures, and import control procedures. · Exchange of information between import control agencies and customs is operational, and logistical formalities for port and airport clearance. · Adoption of the Single Window for Foreign Trade Procedures (Portnet): this system offers 120 formalities and services for the benefit of 65,000 users, including 55,000 importers and exporters. These formalities cover import and export procedures and permits, exchange of import control results, customs procedures, multichannel payment, and port and airport clearance formalities Next steps: Continued reforms for digitalization and simplification of business-related administrative procedures, such us: the activation of interoperability (exchange of data and documents) between administrations, simplifying the investor's journey through: reducing the number of documents required, reengineering and process optimization, and continue enhancing the competitiveness of regions by (i) supporting the Regional Investment Centers to bolster local investment promotion and aftercare activities, and (ii) improving the regional business environment via the reduction of payment delays and operationalizing Regional Centers for Investment Climate.	
Align the new Investment Charter with the ambition of the new Moroccan Development Model regarding the enhancement of the role of private sector	**Overhaul of the Investment Charter** · Entry into force, in December 2022, of the framework law forming the new Investment Charter. · This new Investment Charter aims to increase the share of private investment to two-thirds of total investment by 2035, by encouraging investment by both local and foreign investors, particularly in less developed regions and granting incentives to boost promising sectors, and support for very small, SMEs, in addition to the development of Moroccan investments abroad. · Effective entry into force of the framework law through Adoption of the decree and three decisions relating to the implementation of the main and the specific support schemes applicable to strategic investment projects. Ongoing process of implementation of the Investment Charter.	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Modernize the legal, institutional, and regulatory framework for business	**Operationalization of the Competition Council** · Competition council operationalized with the appointment of the President of the Council and their members in March 2021. · Publication in December 2022 of Law No. 40.21 amending and supplementing Law No. 104-12 on the freedom of prices and competition. · Adoption in May 2023 of Decree No. 2.23.273 amending and supplementing Decree No. 2-14-652 for the implementation of Law No. 104-12 on the freedom of prices and competition. Ongoing support to strengthen the Competition Council's antitrust capabilities. Developing an institutional ecosystem to support effective implementation of competition policy.. **Operationalization of the National Integrity, Prevention and Anti-Corruption Agency (INPPLC)** · Enactment in May 2021 of Law 46.19 relating to the (INPPLC) strategy. · Operationalization, in October 2022, of its Board of Trustees through the appointment of the Agency Secretary-General and its 20 members. Ongoing work on the strategy and the review of its governance and mechanisms restructuring based on a participatory approach. **Consolidation of Public Procurement regulatory framework** · Publication, in March 2023, of Decree 2.22.431 on public procurement, aimed at strengthening transparency, improving the business climate, opening up to small businesses and self-employed entrepreneurs and enshrining the principle of national preference. The text also enshrines mechanisms strengthening the integration of socio-economic, environmental and sustainable development dimensions in public procurement.	Competition: IFC INPPL:C: EU
Promote industrial and digital activities	**Promoting industrial activities and decarbonization:** · Launch, in January 2021, of the **Tatwir Croissance Verte** program to support the decarbonization of industrial SMEs. It aims to support industrial SMEs in their efforts to develop decarbonized processes and products and support the emergence of new green industrial sectors and reduction of industrial pollution. · Launch, in April 2021, by Maroc PME of the **NAWAT** program aimed at VSEs, project holders and self-entrepreneurs to develop their entrepreneurial and managerial skills and benefit from advice and TA. · Launch in May 2022 of an electronic platform of industrial land www.industrial-estate.gov.ma. This new site is considered as a tool for the promotion of industrial zones to reinforce the international competitiveness and the attractiveness of the national industrial land. It provides Moroccan and international industrial investors with information on the availability of industrial land. · Launch, in September 2022, of the **R&D et Innovation** program, which aims to support R&D and innovation projects in the industrial sector. · Entry into force, in February 2023, of the law 102.21 relating to industrial zones, which aims to encourage investment in the industrial sector through the lever of industrial land, to strengthen the legal framework of development and management of industrial zones and to ensure their sustainable and effective management. · Ongoing implementation of this law through the drafting and publication of application texts. **Promoting digital activities**	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	· Implementation of the Digital Plan 2025, which aims to reduce the digital divide, training a new generation of 50,000 young employable talents and develop specific initiatives in sectors such as education, health, agriculture and crafts. · Launching of the Morocco Tech initiative which aims to promote the country's digital sector and improve its attractiveness of FDIs by strengthening its competitiveness and releasing the investment potential of national operators and start-ups. · Granting of a premium to support the financing of technological investments, the assumption of responsibility for expenses incurred in innovation and development of green products and the assumption of responsibility for the MSME under the actions of advice and technical expertise. · To date, following the launch of 10 calls for projects under this program, 16 clusters have been selected, of which 10 clusters are currently operational and benefit from state support.	
New Commitments		
Strengthen decarbonation and access of industrial zones to renewable energy		
Elaborate the national strategy of digital transformation	Elaboration of the national strategy of digital transformation with ambition to make Morocco a digital hub to accelerate social and economic development through the promotion of digital public services, the emergence of digital startups and the acceleration of the digital inclusion.	
FINANCING FRAMEWORK		
Reduce Risks Investments (efficient risk mitigation instruments)		
Progress Made on 2018 Reform Commitments		
Strengthen and diversify financing instruments for SMEs and promoting financing for startups and innovative companies	**National Financial Inclusion Strategy (SNIF) being implemented** · The objective of the SNIF is to make financial inclusion a real vector for socio-economic development, particularly among young people, women, populations in rural areas, and SMEs. · The SNIF deployment approach was validated, in June 2019, by the National Committee, whose mission is to steer and implement the strategy, at its first meeting held. · Seven roadmaps covering all strategic levers have been turned to 150 actions to pace and secure their implementation, a large part of which was completed. · The creation of a Sovereign investment fund (Mohammed VI fund for Investment) will target, among other things, start-ups and innovative companies by co-investing jointly with private equity managers. Ongoing process of the strategy deployment. Various actions in the working groups roadmap have been implemented structuring reforms such the publication, in 2021, of law n°50-20 on microfinance and the law n°15-18 on crowdfunding. Work is underway to update the roadmap taking into consideration the recovery measures following the covid-19 crisis. **Reform of the national guarantee system** Morocco has adopted a strategic vision for the new National guarantee system as part of the Central Guarantee Fund's development plan (2017–21):	SNIF: World Bank EIB EU KfW AFDB GIZ FOPEP National Guarantee System: KfW Crowdfunding:

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	· Restructuring the range of existing guarantee products (12 products) and grouping them into 3 main products, according to three priority targets, namely, start-ups (Damane Venture Capital), VSEs (Damane Express) and SMEs (Damane Atassyir and Damane Istitmar). · Guarantee of financing provided by Microcredit Associations targeting VSEs. · Setting up a guarantee mechanism dedicated to financing by participative banks, especially to VSEs. · Enactment, in July 2020, of the Law No. 36-20 transforming the CCG into a public limited company "National enterprise guarantee and financing company" (TAMWILKOM) As part of the implementation of this law, a draft decree and two orders have been published: · Adoption of the decree n° 2.21.289 fixing the capital of the Company and the elaboration of its statutes. · Order of the Minister of Economy and Finance n° 849-22 of April 15, 2022, for the application of the provisions of article 11 of the aforementioned law enumerating the funds managed by the Central Guarantee Fund on behalf of the State which are transferred to TAMWILKOM and providing for the granting of the State guarantee to the elements of the assets and liabilities relating to the aforementioned funds and the elements not appearing to the aforementioned assets and liabilities. · Order of the Minister of Economy and Finance n° 850-22 April 15, 2022, fixing the conditions and modalities of the benefit of the State guarantee granted to the commitments of TAMWILKOM. Continued support to Moroccan businesses to reinforce their capacity building. **Crowdfunding** · Enactment in 2021 of the law n° 15-18 on Crowdfunding aiming at financing entrepreneurship and innovation and supporting the emergence of social, cultural and creative projects. · Adoption, in June 2022, of the decree n°2-21-158 in application of the law n°15-18 that fixes the composition of the committee that declare business angels networks, and the prudential rules related to each category of crowdfunding from the project holder and the contributor sides. · Adoption of the "orders" in application of the law, that set up the elements contained in the annual report of the business angels networks, secondary activities of the crowdfunding companies and the elements of declaration of business angels networks. **Business Angels** · Launching in 2018 of a support and training program for Business Angels networks and the establishment of partnership between the Fund Innov Invest (FII) and networks of Business Angels selected based on specifications. In this regard, the network EBAN (European Business Angels Network) was selected to support Moroccan businesses to reinforce their capacity building. As part of the FII, Business Angel structures are going to be labeled with the aim of supporting and revitalizing the intervention of Business Angels targeting innovative projects in the start-up phase. Reform of the law n°41.05 relating to undertakings for collective investment in capital (OPCC): · Adoption, in March 2023, by the Government Council, of the law n°58-22 modifying and completing the law n°41-05 relating to the undertakings of collective investment in capital. This reform aims to facilitate and increase the alternative financing of Moroccan companies (in equity and loans), especially SMEs with a strong potential or innovation. It aims mainly at increasing the attractiveness of the legal and regulatory framework of Moroccan private equity, by creating a specific regime for OPCCs intended for professional investors (known as OPCCs with reduced operating rules or OPCC-RFA).	EBRD BA: GIZ, World Bank, EU IPESF: AfDB

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	This draft law is in the process of being validated by the parliament. **Debt Funds** In application of the law n°33-06 related to securitization, publication in August 2022 of the order allowing securitization funds to provide financing, which sets: · Prudential rules and supervision relating to financings granted by a collective investment fund in securitization or one of its compartments; · Modalities of financing of FPCT or one of its compartments. Next steps: The realization of debt fund operations by securitization companies **Souk At Tanmia project** · Implementation in 2019 of the "Souk At Tanmia" project to set up a platform for national coordination of the entrepreneurial ecosystem, with financial and technical support for entrepreneurs. · A project management unit was set up for the implementation and coordination of the program. **Integrated Program for Entrepreneurship Support and Financing** · Launch in 2020 of The Integrated Program for Entrepreneurship Support and Financing, focusing on three main areas: entrepreneurship financing, coordination of support actions at the regional level and financial inclusion of rural populations. · A special Fund of DH 8 billion was created under the 2020 Finance Act, spanning over 3 years, was financed by the State, the banking sector and the Hassan II Development Fund. Credits, under this instrument, are granted at historically lowest rates, 2 percent in urban areas, 1.75 percent in rural areas and 0 percent for start-ups and MSME (VSE). These credits are guaranteed up to 80 percent by the State. · For the support component, signing of a framework agreement between MEF and Tamwilcom, in May 2022, providing an envelope of 100 MDH to the non-financial support of PIAFE program. · Bilateral agreements have been signed between Tamwilcom and each of the 12 CRIs, in August 2022, to define in particular management modalities of the non-financial support program and the reporting methods.	
Implement the law on derivatives market and OTC operations	**Revision of the law governing derivatives market** The objective of the revision of the law governing a regulated derivatives market is (i) to extend the scope of the law governing the futures market to OTC derivatives transactions which are currently only regulated by circulars of Bank Al-Maghrib, (ii) to guarantee the legal certainty of these transactions and (iii) to harmonize the provisions of the aforementioned law with the new principles and standards in derivatives regulation, namely those enacted by European regulations. The law on derivatives market and the OTC operations is currently in discussion with the technical services of the SGG in consultation with stakeholders (supervisory authorities, derivative market coordination body).	EBRD
	New Reform Commitments	
Publish circulars related to the two supervision authorities: central bank (Bank Al-Maghrib) and capital	These circulars set several dispositions related to the functioning of the crowdfunding companies, the required elements related to its IT system and resources, and reporting and communication with the contributors and the supervision authorities.	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
market authority (AMMC) in application of law no. 15-18 related to crowdfunding		
Develop a financing offer relating to the green economy	**Development of a financing offer related to the green economy** Within the framework of its commitments in terms of the development of climate finance, and in accordance with the Kingdom's objectives in terms of renewable energies and the creation of a regional financial hub, the Moroccan Capital Market Authority is carrying out preparation of a guide on Green Bonds for issuers and professionals. This guide presents key elements of Green Bonds and their main implications. It targets both issuers and investors and aims to promote the development of this new segment on the Moroccan capital market. Indeed, this guide makes it possible to provide a clear framework, inspired by international standards, to issuers and professionals wishing to invest in this market and supports the completion of the first Green Bond issues in Morocco. Moreover, several companies have issued green bonds for a total amount exceeding 5 billion DH. It should also be noted that Casablanca Finance City is positioning as a green financial center and Casablanca Finance City Authority (institution in charge of the institutional promotion of the CFC) is a founding member of the network of financial centers for sustainability (FC4S) and actively participates in its work. This process should also be supported by donors, particularly in the context of financing via climate funds. Study on the development of a financing offer relating to the green economy with main objectives: 1. Gap analysis of the offer and needs for green finance instruments across sectoral value chains targeting SMEs; 2. Design of initial outlines of a new instrument to partially meet SMEs needs based on the gap analysis conclusions.	GIZ
	Domestic Debt Market Development	
	Progress Made on 2018 Reform Commitments	
Consolidate the legal framework for financial instruments: Sukuk certificates, assets securitization, secured bonds, and so on	**Ongoing Implementation, especially, securitization framework to distressed asset recovery** · Enactment in 2018 of the Law 69.17 amending Law 33.06 on asset securitization. This amendment introduces new provisions regarding the definition of Sukuks to allow the issuance of different categories and clarifying the relationship with the Higher Council of Oulemas (CSO). The first issuance of sovereign Sukuks was carried out in October 2018. · Enactment in 2018 of two decrees of implementation of the Law 70-14 relating to OPCIs. · Establishment of the Commission in charge of approving real estate asset appraisers of OPCIs by a decision of the Ministry of Finance. · Publication in 2019 of circulars relating to the approval of OPCI management companies and the authorization of OPCI funds. · Adoption of 3 decrees authorizing territorial collectivity to finance their investment projects through local banks, international financial institutions, or by issuing debt securities or securitization transactions. **Covered bonds** · Adoption by the Government Council, in February 2022, of a draft law on covered bonds. Its objective is to encourage long-term savings and allow credit institutions to finance long-term projects by improving their refinancing conditions.	IFC, World Bank KFW

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	Secondary market for non-performing loans · Support the reform to kick-off a secondary market for NPLs in Morocco through the swift resolution of key impediments that are preventing the creation of the market from a private sector perspective. · Guidance on a fiscal reform package for better tax treatment of NPL sales was delivered. · Draft legal amendments matrix to allow debt transferability was delivered · Ongoing preparation of a draft decree within the framework of the law on securitization for the establishment of debt funds. · Ongoing support to alleviate fiscal, legal and institutional barriers facing the creation of a secondary market for non-performing loans.	
Operationalize the legal framework governing collective investment in real estate or in capital	**Good market take-up of Real Estate Investment Trust (REITs)** · Adoption in 2019 of several prescriptions to complete the regulatory framework of the Collective investment undertaking Act to extend its scope to all private equity activities (venture capital, development capital ...). · Legal framework being streamlined to support the operationalization of the "Fonds Mohammed VI pour l'Investissement" sub-funds investing in innovative companies. Ongoing amendment of the law relating to undertakings for collective investment schemes.	World Bank, KfW
New Commitments		
Support the development of a secondary market for NPLs is under work	An additional reform package on debt transferability to support the development of a secondary market for NPLs is being finalized.	
Improving Access to Financing for Individuals and SMEs		
Progress Made on 2018 Reform Commitments		
Revise the legal framework relating to microfinance	Preparation of regulatory implementing texts of the law n°50-20 relating to microfinance · As part of strengthening the role of the microfinance sector in the development of financial inclusion and its support following the level of maturity reached, it was decided to overhaul the legal and regulatory framework that governs it by adopting in July 2021 the law 50-20 relating to microfinance. Ongoing regulatory texts preparation relating to the operationalization of the law relating to microfinance · Decree fixing the ceiling amount of the micro-credit. This amount will be decided according to the category, the objectives and the financial means of the association; · Decree setting the criteria and limits of micro-savings and micro-insurance operations carried out by Microfinance Institutions (MFIs).	World Bank KfW
Develop the framework of the Credit Bureau to extend it to other	· Establishment of a legal framework governing Credit Bureau by extending the scope to non-financial data relating to natural and legal persons, originating from non-financial entities, following international best practices. · The draft law was approved by the government council in March 2023 and transmitted to the parliament for discussion. This draft law is in the process of being validated by the parliament.	IFC KfW

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
companies providing non-financial data as part of the national financial inclusion strategy.		
Improving Financial Stability		
Progress Made on 2018 Reform Commitments		
Implement the reform on banking resolution	In the aim of preventing banking crises and allowing an orderly resolution of the failures of banking institutions by preserving the real economy and public finances, a draft amendment to law 103.12 relating to credit institutions and assimilated bodies was prepared and submitted for adoption. Next steps: Finalization and approval of this draft law.	World Bank KfW

Rwanda

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress Made on 2018 Reform Commitments		
Forex availability Establish a financial swap that would lower private sector investment finance costs	The National Bank of Rwanda established a swap with commercial banks to ensure the availability of forex when necessary.	The IFC and IMF will work with the National Bank of Rwanda on a new benchmark for a local currency swap arrangement. KfW will explore forex hedging possibilities through the TCX fund it cosponsors.
Ensure continued macroeconomic stability in the aftermath of the COVID-19 pandemic	Continue implementation of the recovery program (new reforms under the program are detailed below). • Fiscal consolidation, with improvement in project prioritization and execution. • Subsidize prices and costs of some products. • Close monitoring and supervision by the central bank and possible monetary policy tightening depending on market conditions. • Prudent debt management.	The IMF and World Bank are advising on analysis and design of economic policies and programs in the current context. Additional and concessional resources are needed: RST, PRGF, IDA, and so on.
New Reform Commitments and Initiatives		
Ensure inflation is controlled	• In face of the inflationary environment, the central bank (BILLIONR) hiked the policy rate by 250 basis points over the last year. BILLIONR keeps monitoring inflation developments and will take necessary measures to ensure inflation comes back to the long-term target (below 8 percent) by the end of 2023. • The government will continue to invest in climate mitigation on agriculture production. This includes adaptation of agriculture to climate change to increase resilience through investment in irrigation, land husbandry, and water management. • The government is taking temporary measures to reduce production costs (including temporary subsidies and exemptions) and ease the cost of living.	Various development partners are advising on analysis and design of policies and programs in the current context and areas of concern. Partners are also supporting government programs with financial resources.

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Ensure an adequate reserves buffer are kept while avoiding large fluctuations in the exchange rate	• The monetary and fiscal authorities are coordinating their interventions to ensure that the reserves coverage remains above four months of the following year imports. It is envisaged to continue building reserves from the current 4.2 months for imports to an even higher level, reaching five months for imports in the medium term. • BILLIONR will continue intervening in the forex market, only to smooth fluctuations of the exchange rate.	IMF Policy Coordination Instrument reforms
Enhance fiscal sustainability	• Government has adopted a fiscal consolidation path, including both increased resources mobilization and rationalization of spending. • The government has approved multiyear expenditure ceilings at the Budget Agency and district level earlier in the budget process that is included as an Annex to the Outlook paper in January 2023. The novelty of this reform is that the outlook paper will ensure the early indication of expenditure ceilings, leading to stronger focus on expenditure prioritization and rationalization to support the implementation of the government fiscal consolidation plan. To help reduce inflation and replenish external buffers, the Government is targeting to further reduce the fiscal deficit from 7.3 percent of GDP this fiscal year (FY22/23) to 6.5 and 4.8 percent of GDP in FY23/24 and FY24/25 respectively.	IMF PCI and FY23 performance and policy actions under the World Bank Sustainable Development Finance Policy.
Ensure continued debt sustainability.	• The debt path adopted by the government ensures that its debt remains sustainable at moderate risk of debt distress or lower debt/GDP to 65 percent by 2030.	IMF Policy Coordination Instrument reforms
Domestic Revenue Mobilization		
Progress Made on 2018 Reform Commitments		
Costing and streamlining tax incentives.	As part of the FY19/20 budget framework paper (in June 2019), Rwanda had published a comprehensive tax expenditure report with updated methodology, and a description of broad categories of beneficiaries under the TA of IMF. The authorities continue publishing the tax expenditure report every fiscal year.	IMF TA
Upgrade tax IT infrastructure to broaden the tax base and improve compliance	Rwanda has improved the system of electronic invoicing for collecting taxes. After the piloting phase in FY19/20, Rwanda started the rollout of the electronic invoicing system V.2 to more VAT registered taxpayers in FY20/21.	TradeMark East Africa is supporting RRA on electronic single window for customs. DFID, USG, and KfW will explore the scope for supporting tax IT infrastructure as part of new support to RRA.
Adopt the Medium-Term Revenue Strategy (MTRS)	Adopted in June 2021, the MTRS spans three fiscal years with the objective to increase revenue-to-GDP ratios by 1 percentage point of GDP while supporting	IMF, Tax Dev, World Bank, ATAF and other DPs to support in conducting

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	economic recovery. The MTRS is being implemented and will continue to be updated to take advantage of new revenue streams.	studies to inform tax reforms under the MTRS.
Implement the MTRS	The PiT law was approved by Parliament in September 2022. The law increases progressivity in the PAYE rate structure by developing a new PAYE schedule. In the first year (phase 1), the tax exemption threshold will be doubled from Rwf30,000 to Rwf60,000 per month. In the second year (phase 2), workers who earn between Rwf60,001 and 100,000 will be taxed at 10 percent instead of 20 percent and those who earn between Rwf100,001 and 200,000 taxed at 20 percent instead of 30 percent.	IMF TA
New Reform Commitments and Initiatives		
Implement the MTRS – Revision of the CiT	During 2023, a revision of the CiT to be passed, including a provision of reducing the statutory CiT rate from 30 to 28 percent with a gradual target of 20 percent in the medium term.	IMF TA
Implement the MTRS – Property Tax	A revision of the law on property tax to be passed in 2023, including increases to property tax	IMF TA
Implement the MTRS –revision of the VAT law	A revised law on VAT to be passed in 2023 will include VAT rebates in favor of consumers who claim electronic invoices, and a reward for consumers who denounce businesses that do not issue electronic invoices. It will also increase penalties for VAT taxpayers that do not issue receipts. These measures are expected to increase the use of the electronic billing system and VAT collection.	IMF TA
Implement the MTRS – tax administration measures	The Rwanda Revenue Authority (RRA) will continue to implement MTRS measures aimed at (i) taxing the shadow economy, (ii) improving voluntary compliance through better taxpayer services, and (iii) promoting compliance improvement plans (CIPs) targeted at the manufacturing sector, large businesses, customs, and to combat tax evasion by individuals.	IMF TA
Implement the MTRS – other measures	The government is reviewing our investment code to eliminate some year-to-year tax incentives and grandfathering of unnecessary tax incentives allowed for a multi-year period. The review is expected to be completed by end-2023.	IMF TA
Public Investment Management and Economic Governance		
Progress Made on 2018 Reform Commitments		
Improving the efficiency of public investment practices	A public investment management assessment (PIMA) and Public Expenditure Review (PER) were recently completed with the help from the IMF and World Bank. The next step is to review them to create action plans to implement the key recommendation and define a timeline of implementation.	IMF, World Bank

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
SOE oversight, management, and governance.	A new Ministry of Public Investment and Privatization (MININVEST) was established in July 2022 to promote and ensure productivity of profit oriented public investments and privatization. MININVEST is expected to play a central role in strengthening the oversight, management, and governance of SOEs.	
New Reform Commitments and Initiatives		

BUSINESS FRAMEWORK		
Regulations and Institutions		
Progress Made on 2018 Reform Commitments		
Conduct feasibility study to inform government policy on industrial parks development	Pre-feasibility studies on Industrial parks development were conducted for Bugesera and Rwamagana. Current Status: Opportunity and feasibility assessment was conducted at Bugesera SEZ. The shareholder agreement between the government ARISE Integrated Industrial Platforms to develop and operate the zone was made.	DFID funded Invest Africa to support and facilitate investments attraction.
New Reform Commitments and Initiatives		
Strengthen disaster risk reduction and management	Adopt the new National Disaster Risk Reduction and Management Policy, replacing the 2012 National Disaster Management Policy, focusing on clarifying the roles and responsibilities between institutions and providing clear frameworks for community-based disaster risk reduction and management. Develop financing mechanism at the local level to enhance the ability of local governments to mobilize resources to finance the planning and implementation of disaster risk reduction and management strategy at the local level.	IMF RSF
Supporting Industry and Export Growth		
Progress Made on 2018 Reform Commitments		

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Establish a Fund for Feasibility Studies	This will require increasing standardization and uniformity across feasibility studies (leveraging international good practices), developing guidelines to improve quality of feasibility studies, and implementing adequate policy reforms. A Blended Finance Facility model will be explored to determine if we should limit it to PPPs and JVs projects.	Private consulting firms or DPs to support in conducting feasibility studies DPs to strengthen the capacity of key line Ministries (embedded experts in feasibility studies) DPs to support in determining necessary policy reforms and guidelines to improve quality of feasibility studies
Develop a pipeline of projects to attract private investors (including PPPs)	The government further established under the leadership of the Prime Minister and coordination of Rwanda Development Board an inter-ministerial Manufacturing Acceleration Committee that oversees facilitating and giving support to firms in the industry sector (particularly in construction and manufacturing).	Boston Consulting Group worked with RDB to create the country's first Investment Accelerator: a central hub to propel FDI in a landlocked country with a relatively small population. The Investment Accelerator manages the investment process from end to end, identifying where to focus, developing value propositions, designing deals, and building long-term government capacity.
Establish the Manufacturing and Build to Recover Program (MBRP)	The MBRP was developed by the government to boost economic recovery efforts with incentives for the manufacturing, agro-processing, construction, and real estate development sectors. The MBRP was extended until 2025.[23] The MBRP is managed by the MAC.	The World Bank's "Access to finance for recovery and resilience project" aims at increasing access to finance and support recovery and resilience of businesses affected by the COVID-19 pandemic.
Support the economic recovery after the COVID-19 pandemic	A second version of the Economic Recovery Fund (ERF2) will be operational in 2022 with the aim of supporting financing of private enterprises to foster growth	World Bank, AIIB – through the Access to Finance for Recovery and Resilience project

[23] Assessment of the MBRP and recommendation for a follow-up program (extension of existing or other) to ensure continuous growth of private investment in industry and other sectors. Establish a local firms upgrading program (goal: promote links among large exporters and local firms by Improving operating efficiency of participating SMEs, widening their product range and introducing new processes. Eventually to undertake joint product or process development with large exporters). Establish a market development assistance program (goal: encourage, support, and train local firms to enter export markets/multinationalism by providing financial assistance to firms which desire to prospect new markets or to identify niches in such markets). Establish market knowledge and competence upgrading program (goal: support local firms in obtaining competitive advantage by adopting/creating systems and processes that generate and integrate market knowledge - which provide real-time and granular market data – and accurately identify trends. This would allow local firms to spot and exploit changes in markets before competitors). Establish management skills/Capacity-Building program (goal: widen talent pool of local managers by offering operational and organizational training programs, on-site training on productivity development, and providing training on business model design emphasizing value-chain development and value creation).

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	through provision of low-cost financing and offering even lower interest rates if acquired equipment would achieve either a. Significant increase in production output per worker b. Introduce more sophisticated manufacturing technique	
New Reform Commitments and Initiatives		
Investor Protection and Dispute Resolution		
Progress Made on 2018 Reform Commitments		
Institute a quarterly investment roundtable to resolve investor issues	• Quarterly investment roundtable established. RDB established an investment committee comprising of core Ministries to review ongoing deals and address escalated issues. RDB also established an investor open day every Friday from 9:00 to 12:30. • In addition, quarterly CEO forums are held in which RDB leadership engages with business leaders in thematic sector groups. • The Aftercare team has also been elevated to a department and doubled the staff number to ensure effective follow-up of investor issues and encourage re-investments.	Foreign, Commonwealth & Development Office TA through Invest Africa
Implement the systemic investment response mechanism (SIRM)	• Reinvestment and Investor Aftercare: Following the establishment of Systemic Investment Response Mechanism for groundwork at Rwanda's Development Board (RDB). • Development of Customer Relationship Management System (CRM) is at an advanced stage, which will track and handle RDB's service delivery to both potential and existing investors at all stages of the investment process. • Improve system for identifying investor issues, managing investor grievances, and minimizing dispute escalation. <u>Current Status</u> At 90 percent systems development- fixing few bugs (online security) and generating reports.	Foreign, Commonwealth & Development Office (FCDO, former DFID) through Invest Africa, implemented by IFC.
Strengthen advocacy capacity of Private Sector Federation (PSF) to influence investment policy	A feasibility study for establishing the blended finance facility was conducted.	
New Reform Commitments and Initiatives		

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Insolvency Law reform	A Ministerial Order is being drafted in collaboration with the World Bank regarding the governing and functioning of the Insolvency Practitioners. Timeline for its adoption is the end of July 2023.	The World Bank hired a private consultant who is working with the RDB office of the Registrar General on modern regulation of the Insolvency Practitioners. The World Bank is advising on the draft of the Ministerial Order. Further, training of the Commercial Judges and the Insolvency Practitioners is scheduled for the end of May 2023 with the support of the Insol International, World Bank and the host RDB.
FINANCING FRAMEWORK		
Mobilization of Private and Institutional Investments		
Progress Made on 2018 Reform Commitments		
Support capital market development 1. Build capacity of companies to list on the Rwanda stock exchange 2. Build capacity of banks to undergo credit rating by international credit rating agencies	Capital Market Development by improving framework for money markets and government securities market development and developing the institutional investor base, assessing the potential to use instruments to mobilize long term financing	World Bank/IFC
Pursue the implementation of Financial Sector Development Program to reinforce the overall financial sector	The NBR has adopted Law no. 017/2021 of March 3, 2021, relating to the protection of financial service consumers. For its implementation, two regulations were adopted in 2022. • Regulation no. 55/2022 of October 27, 2022, on Financial Service Consumer Protection. This regulation aims at establishing key principles of financial service consumers' protection at the Financial Service Providers' level which includes; corporate governance relating to consumer protection, fair treatment and equitable treatment of consumers, transparency and disclosures, responsible business conduct, and sanction regime for non-compliance • Regulation no. 56/2022 of October 27, 2022, on Financial Service Consumer's Internal Complaints Handling, aims at establishing guidelines for internal dispute resolution mechanisms as per articles 36 to 39 of Law no 017/2021 of March 3, 2021, aiming at enhancing transparency in dispute resolutions.	IMF TA
New Reform Commitments and Initiatives		

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
BILLIONR management to approve a road map for GMRA implementation endorsed by all stakeholders	Some steps were taken to develop financial markets and strengthen the monetary policy transmission mechanism. Since November 2020, the Real Time Gross Settlement and Central Securities Depository infrastructure was upgraded to accommodate repo transactions. Measures to roll out the Global Master Repurchase Agreement are ongoing. A review of the legal and regulatory framework was conducted, and the report was available in March 2022. The assessment reviewed national laws and identified gaps in insolvency, payment system and banking laws, which will close before the Agreement is introduced.	IMF Policy Coordination Instrument reforms, with support from the World Bank and IFC.
De-risking Investment in Specific Sectors (housing, exports, and agriculture)		
Progress Made on 2018 Reform Commitments		
Establish Affordable Housing Fund	The Affordable housing scheme has started with funds available at Rwanda Development Bank. <u>Current status</u> The Funds was established & IWAWE Program was launched to the first homeowners.	The World Bank Group is implementing a $150 million operation with the objective to expand access to housing finance to households and to support capital market development in Rwanda. IFC stands ready to develop PPP housing bankable projects for six Secondary Cities.
Operationalize scale up of the Export Growth Facility (EGF)	The EGF is operational. Criteria for accessing the EGF was reviewed to ensure a larger uptake. The EGF had received and disbursed 93 percent of its available resources by 2020 to 74 export projects. These projects and allocated amount had combined export revenues of five times the investment made by 2020. <u>Current status (March 2023)</u> At 80 percent of commitments 50 percent final beneficiaries Available funds (budget) $160 billion	KfW is supporting EGF and DFID have plans to support.
Establish agriculture risk sharing facility	A Rwanda Agriculture De-Risking and Financing Facility was developed and is expected to become operational in 2022.	The World Bank Group is supporting through the Commercialization and De-risking for Agricultural Transformation Project.
New Reform Commitments and Initiatives		
Climate Investment and Finance		
New Reform Commitments and Initiatives		

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Create Ireme Fund- green financing	Ireme Invest is a is a groundbreaking new investment facility powered by the Rwanda Green Fund and Development Bank of Rwanda with support from a range of valued partners. Ireme Invest – a one stop center for green and sustainable investment – was launched with an initial capitalization of $104 million to support the private sector to access green finance. Ireme Invest embodies Rwanda's commitment to achieving tangible results toward a green economy through PPPs in key areas	EIB, Agence Française de Développement, Government of Sweden, Foreign, Commonwealth and Development Office of the Government of the United Kingdom, Global Climate Partnership Fund
Improve the sensitivity of PIM to climate-related issues.	• Update the national investment policy to integrate the climate agenda. • Publish the guidelines for the appraisal and selection criteria, including climate considerations, at MINECOFIN website. • Publish a consolidated report on major projects in the pipeline by sector with information inclusive of (i) the appraisal and selection criteria related to adaptation and mitigation and (ii) the distribution of ratings according to the appraisal and selection criteria related to adaptation and mitigation.	IMF RSF
Enhance climate-related risk management for financial institutions and develop a green finance market	• RM8 Issue a guideline for climate-related risk management for financial institutions. • Issue a guideline to financial institutions regarding the implementation of recommendations of the International Sustainability Standards Board (ISSB).	IMF RSF

Senegal[24]

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	MACROECONOMIC FRAMEWORK	
	Macro Stability	
	Progress Made on 2018 Reform Commitments	
Reduce fiscal deficit	COVID-19 derailed fiscal consolidation efforts and the 2020 headline deficit was 6.5 percent of GDP. WAEMU Finance Ministers agreed to converge to the 3 percent target by 2023. VAT refund for firms faster and more efficient. Fiscal space will be key for recovery and fiscal sustainability: Implementation of the Medium-Term Revenue Strategy (MTRS) and VAT exemptions rationalization. In 2022, the government reported that the implementation of the MTRS will contribute to improved domestic resource mobilization and reduce the use of debt. Streamlining VAT exemptions	World Bank (DPO, PER) IMF PCI
Ensure debt sustainability	Public debt remains sustainable. New monitoring framework for annual evaluation of progress on MTDS. In 2022, the government reported: **Advances:** The framework for the development and monitoring and evaluation of the medium-term debt strategy and the annual financing plan was established by decree. **Perspectives:** 1-publication of quarterly debt bulletins, including information on the debt of SOEs and PPPs 2- quarterly evaluations of the implementation of the MTDS and the annual financing plan. 3- development and validation (by decree) of the legal framework governing the process of granting public guarantees and loans retroceded to public companies and the monitoring of the credit risk of public companies	World Bank (DPO and SDFP PPAs) IMF PCI
Reduce current account deficit	COVID-19 shock increased CAD. However, imports were largely induced by investment related to oil and gas development. Fiscal management of oil and gas revenues that will come onstream by 2023	World Bank IMF
	New Reform Commitments and Initiatives	
Improve tax system efficiency	Reduction of the processing time for taxpayers' tax requests to 15 days as soon as the file is complete (improvement of the quality of the service provided to taxpayers under the SRMT) Set up detailed monitoring instruments daily of the activities and performance of revenue administrations by regularly informed statements (monitoring implemented SRMT) Abolish tax rolls and generalize the enforceability of tax returns, regardless of the type of tax, to bring the payment closer to the operative event (simplification and security of the revenue procedure under the SRMT)	
Dematerialize the procedures of the	Dematerialization of the procedures of the CNDP: submission of files, verification of their completeness, acceptance and rejection; programming and transmission of the files on the agenda accompanied by their analysis notes, for	

[24] Not updated in 2023.

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
National Committee of Public Debt (CNDP)	examination; reporting of information on cndp activities (texts; publications: bulletins, reports; acts: opinions and decisions	
	Domestic Resources Mobilization	
	Progress Made on 2018 Reform Commitments	
Modernize revenue administrations and increase tax returns under the SRMT	The tax administration has undertaken a series of reforms that have led to the adoption of an electronic tax return system for large and some medium-sized enterprises. These businesses can now download and submit tax return forms electronically and pay online for some of them. In addition, the risk assessment process has improved slightly. Enhance the digitalization of tax administration and improve the tax compliance	World Bank
Law on SEZs and incentive schemes granted in 2017	Taking decrees of applications Four erected zones and six connectivity issues for Diass, Sandiara and Sendou Bargny to be addressed to: Increase the rate of development and occupancy of SEZs to facilitate plug and play installations; Improve the rate of realization of private investment intentions in SEZs. Mobilization of financing for connectivity works and reference investors	
Streamlining tax expenditures	Under the MTRS agreed to with IMF and the World Bank, the MinFin committed to an indepth review of tax incentives. Rationalize VAT tax exemptions that lack progressivity. In 2022, the Government reported the adoption of the new Investment Code and its implementing decrees. Income Tax Review to Correct Unintended Effects of the 2013 Reform on High Incomes Reform the Evaluation Committee and the Tax Expenditure Submission Template to align with the objectives of the SRMT and shorten the time it takes to gather information and report on tax expenditures Ensure the control of the effective implementation of investment commitments and apply sanctions in case of non-compliance (Reform of the Joint Tax-Customs Brigade) Remove derogation provisions identified as counterproductive (SRMT diligence)	World Bank (DPO), IMF
Harmonize Senegal's transfer pricing regime and anti-abuse rules with international best practices	A legislative framework for the transfer pricing regime in accordance with the best standards (Actions 8, 9, 10, and 13 of the BEPS Project) was adopted with the adoption of Law No. 2018-10 of 30 March 2018. Limitation of the deductibility of interest between related parties (See Action 4 of the BEPS Project) Perspective: Implementation of the regulatory framework for transfer pricing (details on the main and local files, country-by-country reporting). In 2022, the government has reported the introduction of the concept of beneficial ownership with a view to enhancing tax transparency in the fight against tax evasion and fraud. The adoption of rules for the automatic exchange of tax information on financial accounts Ratification of the Multilateral Convention for the Implementation of Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI)	World Bank /OECD

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Strengthening the powers of local tax administration and reforming local taxation	Local tax commissions were established in some local administrations. Since March 2018, the patent was replaced by the local economic contribution, which remains a complex tax treatment, however, the main improvement is, unlike the patent, it is more investment-friendly because it does not tax productive assets, such as machinery and so on. PACASEN project supports the expansion of local tax commission	World Bank
	New Reform Commitments and Initiatives	
Dematerialization of taxes, duties, levies and charges	Adopt an electronic payment system for taxes, duties, levies and charges for the administrations of the Ministry of Finance: Generalize the use of the unique identifier to allow personalized follow-up of the taxpayer, in particular within the framework of a unified and integrated ministerial portal (Axis II SRMT: digital maturity) Establishment, at the MFB level, of a unified and integrated portal for tele-declaration, telepayment and tele-application (for all public levies) allowing taxpayers to be able to address all revenue administrations thanks to secure online access, through the use of the civil or professional identifier (Axis II SRMT: digital maturity) Implementation of a managerial tool, integrated into the digital tool at the MFB level, for monitoring the processing of taxpayers' requests and control actions (Axis III SRMT: reform of human capital management) Interconnect the tax, customs, treasury and budget administrations (DGID, DGD, DGCPT and DGB) by a system backed by the unified and integrated portal allowing the collection, processing and exploitation of data for control purposes to better fight against fraud and the expansion of the informal sector (Axis II SRMT: digital maturity) Ensure the coherence and security of initiatives by adopting regulations on the management of MFB information systems	
New reform of the legal and institutional framework of SEZs	A new reform of the legal and institutional framework of SEZs is planned (adoption of a new law on SEZs in June 2023) Development and adoption of standard specifications for developers Update the national SEZ development strategy and carry out its technical and policy validation	
	Public Investment Management	
	Progress Made on 2018 Reform Commitments	
Introduce a precautionary reserve	In 2022, the government reported that the precautionary reserve is a definitive option of the government and was instituted in the BIA 2022 for an amount of 66 billion FCFA.	
Set up a bank of integrated projects describing their life cycle	In 2022, the government reported a significant increase in the number of projects evaluated ex ante since 2015. The number of projects/programs evaluated ex ante annually increased from 11 in 2019, to 50 in 2020, and to 86 in 2021. From 2015 to 2021, the Planning Directorate studied and analyzed 229 projects/programs to be included in the Finance Act. In 2017, a computerized platform for monitoring the life cycle of projects/programs, the objective of which was to coordinate actions related to ex-ante evaluation, was set up at the RFP. However, it has not been operational.	
Establish a public investment selection committee	The first phase of the reform program Plan d'Actions Prioritaires (PAP) allowed both public and private investment to increase and boost key sectors, including agriculture, energy, construction, and infrastructure; continuation under PAP2.	

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	In 2022, the government reported the Public Investment Committee was established by Ministerial Order No. 008618 April 20, 2018, to prioritize and decide on the budgetary sustainability of new projects evaluated ex ante. However, it should be noted that this committee has not been operational so far.	
Grant a facility to finance preparatory studies for the PPP necessary for the technical, financial and legal setup, and so on.	The new PPP law adopted in January 2021 enshrined the creation of: - a PPP Project Preparation Fund whose objective is to support public authorities in the preparation, procurement and execution of PPP projects. A pipeline of 76 PPP projects is being validated. - a National PPP Support Unit (UNAPPP) whose mission is to accompany the contracting authorities throughout the project cycle.	World Bank support proposed through forthcoming operation
Finalize and harmonize the institutional and legal framework for PPPs.	The PPP Law was adopted on 22 January 2021; The implementing decrees were adopted on 4 March 2021.	World Bank (DPO and P4R, TA) IMF ICP
New Reform Commitments and Initiatives		

Performance of Public Services		
Progress Made on 2018 Reform Commitments		
Improve access to economic and financial information for citizens and stakeholders.	In 2022, the government reported the economic information for the Directorate of Economic Studies and Forecasts and the financial information for the Directorate-General for the Budget is regularly published in the form of reports, studies and dashboards on the following websites: dpee.sn, budget.sec.gouv.sn.	
Modernize public administration: implement an integrated approach to modernize public administration; Professionalize human resources management, and so on.	In 2022, the government reported that the Programme d'Appui à la Modernisation de l'Administration was finalized and launched. As part of the optimization of the organizational framework of the Administration, Decree No. 2017-313 of 15 February 2017 establishing a General Secretariat in ministries is adopted. Adoption of Decree No. 2020-1784 on the Charter of Deconcentration. Simplification and dematerialization of 10 procedures.	
New Reform Commitments and Initiatives		

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
BUSINESS FRAMEWORK		
Investor Protection and Disputes Resolution		
Progress Made on 2018 Reform Commitments		
Systematize and professionalize the amicable settlement of disputes	• The legal framework for (a) arbitration was modernized in 2017 through a revision of OHADA Uniform Act, and (b) mediation and conciliation through a 2014 Decree. • In 2022, the government has reported that the Commercial Court Act tries at conciliation mandatory before the litigation phase. The National Chamber of Conciliation and Mediation is established but not functional. • Additional reforms include Strengthening the National Chamber of Conciliation and Mediation Project to set up a framework for Mediation and conciliation within the Commercial Court Follow at the level of the commercial court the files that are dealt with by an amicable settlement Publish statistics on mediation and conciliation by the dedicated national chamber	IFC/World Bank on OHADA reforms.
Operationalize the commercial court (electronic referral, training of legal assistants, mediation)	• Reforms were implemented to improve ease of doing business (Commercial Court, electronic operations, G2B services, registering property and competition in key markets). • In 2022, the government reported the amendment of the Law on the Establishment, Organization and Functioning of Commercial Courts Issue of a decree implementing the Law on Commercial Courts and Chambers) relating to communication by electronic means before the commercial courts holding training sessions for actors (lawyers, magistrates) on the improved version of the commercial court's electronic platform. • Full use of online procedures at TCHCD Adoption of a text making the use of electronic procedures mandatory in a progressive manner (follow the rate of referral to the court electronically)	
Operationalize an electronic register of securities and guarantees	In 2022, the government has reported the establishment of the electronic register of securities is formalized by Decree No. 2021-420 of April 2, 2021, on the operating procedures of the Trade and Movable Credit Register. Perspective: Making of an Order Establishing the Electronic Safety Directory Existence of a database on safety accessible via the SENINFOGREFFE platform. Operationalization of the electronic register of sureties (security/guarantees) Adoption of an order that makes SENINFOGREFFE the site for access to the database on security (August 2022) Establishment of the interconnection with the electronic land register (2023).	
Operationalize the electronic Company and Moveable Credit Registry (eRCCM)	In 2022, the government has reported that Senegal has a functional electronic register accessible online for public operators, notaries and banks. Users cannot do the procedure online and pay the fees online via orbus-entreprise.sn Perspectives: Application of Articles 8 and 9 of the Decree on the Operating Procedures of the RCCM Finalization and Entry into Force of the Unified Telepayment System (SUT) (June 2022). Take the joint order MFB and Min justice to set the fixed rights of way on orbus-entreprise - Signature of memoranda of understanding between TRESOR, banks and mobile payment operators	

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Improve the investment climate beyond the Dakar metropolitan area by creating one-stop-shops in at least three economic centers outside Dakar	Under the PDTE, at least one One-Stop-Shop was operationalized in Saint-Louis, with plans to develop another one in the Saly/Mbour area, and a third one in the Ziginchor area. In 2022, the Government reported the finalization of the renovation and construction of the Premises of the Platforms in Ziguinchor, Saly and St Louis Start the implementation of the Centre (in Kaolack) and Est platforms in Kédougou to ensure coverage of the Eco-geographical Zones	World Bank
New Reform Commitments and Initiatives		
Reforms and Actions to Strengthen Governance and the Investment Climate		
Progress Made on 2018 Reform Commitments		
Simplify land registration procedures and transfer of ownership	• Reforms were implemented to improve the ease of doing business (commercial court, electronic operations, G2B services, registering property and competition in key markets). • In 2022, the government reported the need to make the e-land register effective.	
Simplify and harmonize taxes and charges levied by local authorities	• In 2022, the government reported the replacement of the patent by the CEL in 2018 Studies on the reform of local taxation with the objectives of: departmental taxation and simplification (ongoing) Studies on internal tax governance (ongoing) Study on Local Tax Expenditures. • Carry out an audit of the taxes and fees collected by local authorities and propose a harmonization of the nomenclature	World Bank Urban Project
Electronic payment of fees for the administrative acts and taxes	• Under DPO3, the government (i) operationalized digital consultation of taxes (through the Ministry of Finance's personalized taxpayer webpage, "my personal space"), which covers at least 10 percent of eligible taxpayers. • The government is also working on developing mTax it will be aimed at enabling mobile payment of small taxes and fees	World Bank DPO3, AfDB
Strengthen competition policy and practices in key sectors (telecoms, agribusiness, and so on)	• Reforms were implemented to improve ease of doing business (Commercial Court, electronic operations, G2B services, registering property and competition in key markets) • On Telecoms: a new sector law (and some of its key decrees) was adopted and facilitates the entry of new players; 3 ISPs entered the telecom market under the authorization regime; 4G frequencies were attributed to Tigo/Free introducing competition on 4g; dominant players ARTP regulation was strengthened, and an international call for tenders for the concessioning of the ADIE public fiber optic network was launched in November 2019. In 2020 the GoS requested World Bank support for a digital operation that would continue supporting pro-competition reforms in telecoms.	World Bank (DPO, TA) Note: Criticality of the ADIE reform for digital inclusion and digital transformation (especially at the public administration level).

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	• The full achievement of the reform regarding the concessioning of the ADIE public fiber optic network is facing implementation delays despite repeated government commitments. The World Bank is supporting the continuation of this process through DPO dialogue.	
Develop the Dakar-Mbour-Thies Triangle of Prosperity in anticipation of future economic and demographic growth around Dakar	Two new ports are being developed: Sendou (30km south of Dakar for bulk/mineral. development of the transport hub around the AIBD airport, and the development of the Dia millioniadio area (both as an administrative center, industrial parks/SEZ, and as a new city/residential developments) and Ndayane (50km south of Dakar for containers).	
Support the regional pilot project for market development (in CFAF) for long-term bonds		
Create a risk mitigation fund by issuing bonds		
Solve structural problems that hinder loans to SMEs	In the 2022, the government reported that on the topic of credit Bureaus: On December 31, 2019, Senegal published Decree No. 2019-2280 authorizing the implementation of automated processing of personal data for the integration of large billers into the electronic platform for sharing credit information. This operation allowed the regional credit bureau to collect data from utility companies to increase the percentage of the Senegalese population registered at the credit bureau. Institutional strengthening of FONGIP: Audit and risk committees chaired by independent directors have been established by the new organizational chart of FONGIP. At the operational level, audit and risk departments will be set up. Increase the availability of long-term resources for banks, such as La Banque Agricole, active in financing shrub crops.	KfW, CDP, World Bank
Support access to finance in the agriculture sector using warehouse receipt financing	Following the adoption of the warehouse receipt system law in 2017, WRS regulations have been enacted in 2019 and in 2021 the WRS regulatory agency was set up in Feb 2021 (ORSRE, *Organe de régulation du système de récépissé d'entrepôt*). A WRS demonstration pilot. Institutional strengthening of ORSRE and development of an incentive framework to promote investments in warehousing services and infrastructures. was organized in 2020 in the cashew sector by the Ministry of Commerce and SME, 4 financial financed $1.5M on 2.100 metric tons of raw cashew nuts. In 2022, the government reported the institutional strengthening of ORSRE and development of an incentive framework to promote investment in warehousing services and infrastructure.	IFC, World Bank
	New Reform Commitments and Initiatives	

Senegal's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Reform the legal and tax framework for private equity operationalization of the SME Fund	Reform of the legal and tax framework for private equity Operationalization of the SME Fund (OYASS Capital).	

Togo

Togo's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress Made on 2018 Reform Commitments		
Reducing debt and fiscal deficit to ensure debt sustainability and external stability	Togo maintained a disciplinary fiscal policy until the advent of the COVID-19 pandemic through the program with the IMF. The fiscal deficit declined to 0.9 percent of GDP in 2019 (below the WAEMU standard), from a peak of 7.1 percent in 2016. At the same time, public debt decreased to 52.4 percent of GDP (from 6-1 percent in 2016). But the deficit widened to 6.9 percent and debt increased to 58.61 percent of GDP in 2020 due to the COVID-19 pandemic, reaching 8.3 percent and 65.8 percent respectively in 2022.	World Bank, IMF, AFDB, EU
Reorganize debt management services in line with international good practices to improve debt management and sustainability	• In 2017, the Directorate of *Public Debt and Financing* of the Ministry of Economy and Finance was reorganized into front office (credit contraction), middle office (debt analysis) and back office (loan administration) to centralize debt management functions, as recommended by the World Bank and IMF. This reform strengthened implementation of the medium-term debt reduction strategy, which now emphasizes concessional lending as a preferred source of financing. The DPO will play a key role in assessing fiscal risks, including those related to PPPs. • In 2020, the government (with support from the World Bank's Emergency Budget Support) improved debt management and transparency through: • publication of key economic, financial and fiscal information on the Government's website, including a statement of fiscal risks; and (ii) the publication on the government's website of an Annual Report on Public Debt, which includes assessing the implementation of the MTDS. • In 2021, the government (as part of World Bank budget support) published (i) Annual Borrowing Plan in accordance with the SDMT; and (ii) the statement of fiscal risks, version 2023-25 is published and 2024-26 will be produced and published in 2023. • These documents are found at www.togoreforme. gouv.tg	World Bank, IMF
Clear arrears and improve public financial management to avoid accumulation of new arrears, aimed at supporting the smooth functioning of private sector activities	Efforts to synchronize the2023nt, procurement and cash flow plans cleared all arrears in 2019. Despite the shock of COVID-19, Togo has not accumulated new arrears until the end of 2022.	World Bank, IMF
New Reform Commitments and Initiatives		

Togo's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Management of guarantees and on-lending loans	New legal and operational framework in preparation to assess the risk, pricing and monitoring of public guarantees and retrocessions to better manage contingent liabilities associated with public enterprises.	BEEMER budget support 2023-24
Budget consolidation strategy	The National Monitoring Committee of the Tax Transition Program was created to oversee the fiscal consolidation program and monitor domestic revenue mobilization commitments.	World Bank, IMF
Domestic Revenue Mobilization		
Progress Made on 2018 Reform Commitments		
Strengthening the control bodies of the Togolese Revenue Authority		World Bank, IMF
Introduce specific controls on companies operating in the phosphate, clinker and cement sectors	Since 2017, 100 percent of companies operating in the phosphate, clinker and cement sectors are subject to tax audits.	
Broaden the tax base by adopting and implementing a new tax policy and moving to electronic/paperless tax collection.	• A new tax code came into effect in January 2019 and reduced the number of taxes and offered incentives to investors. • An online tax declaration and payment system for large companies was set up. The coverage of this system has been extended to small and medium-sized enterprises. Online payment of taxes by large and medium-sized companies has been mandatory since 2019. The online tax declaration and payment system has been strengthened to ensure legal protection of personal data. • The OTR broadened the tax base for legal or natural persons exercising a liberal profession and holders of mandates and functions. • The Tax Policy Unit, which was established in March 2020, was operationalized with the appointment of the heads of the various cells in July 2021. • The quarterly publication of an updated register of taxpayers, including economic agents, is considered by the tax administration as inactive.	World Bank, IMF
Strengthen the valuation of imports and the control of customs exemptions through better risk assessment.	The quarterly publication of an updated register of taxpayers, including economic agents, is considered by the tax administration as inactive.	
Fight against corruption and fraud: Effective functioning of the High Authority for the Fight	• Adoption by the National Assembly of Organic Law 2020-003 of 24/01/2020 setting the conditions for declaring the assets and assets of senior civil servants and other public officials. • Togo finalized a national AML/CFT risk assessment in 2019.	BEEMER

Togo's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
against Corruption, strengthening of inspection units	• Workshop held at the end of March 2022 to discuss a draft anti-corruption strategy and a five-year action plan. This strategy was developed and validated in a national workshop and its action plan. This action plan is already operational.	
	New Reform Commitments and Initiatives	
Reduce taxes to increase compliance	Specific tax reductions to increase compliance, including a 50 percent reduction in TPU for the selected recipient and a 25 percent reduction in patent fees in specific sectors.	World Bank, IMF
Rationalize tax expenditure	The new National Committee for the Evaluation of Tax Expenditures is responsible for defining the methodology for evaluating tax expenditures, collecting and managing data for the analysis of tax expenditures, contributing to the annual report on tax expenditures with a cost-benefit analysis, and developing a strategy for rationalizing tax expenditures.	World Bank, IMF
	Public Investment Management (procurement, PPPs, public enterprises, public services)	
	Progress Made on 2018 Reform Commitments	
Effective use and application of the procedure manual for public projects	The use of the investment selection, prioritization and programming manual is required. And, since 2020, 100 percent of new public investment projects financed in the annual budget were compliant with the Public Investment Plan prioritized based on the new manual.	BM: Implementation of this measure was supported by the 2017-18 budget support series.
Agriculture sector - Increase productivity and enhance sector competitiveness	For the 2020-21 crop year, the government (i) enrolled additional households in the YOLIM transfer system and (ii) set up a digital input supply and advisory services platform. The YOLIM system improves access to agricultural inputs. This reform is still supported by the DPO of the World Bank 2023-24 through the strengthening of access to land and agricultural inputs.	BM: This reform was supported by an emergency DPO in 2020, AfDB, GIZ
Energy sector Improve the sustainability of the energy sector by examining the performance of the Togolese utility company, CEET	Energy sector: Performance contract between the government and the utility company revised to improve the financial sustainability of the sector. Reduced costs of obtaining the electrical connection. The government has taken important steps demonstrating its commitment to improving the financial situation of the energy sector. Indeed, since 2019 the World Bank has engaged in a programmatic series of two CFOs alongside the government aimed at strengthening the financial sustainability of the sector, including the financial situation of the CEET. A new performance contract between the government and CEET has just been signed to improve the company's financial and operational performance.	BM: Implementation of this reform is supported by two series of DPOs: 2019-21 and 2023-24
ICT sector - Transform the two telecommunications companies (Togocell & TogoTelecom) into a single group with three entities. Infrastructure,	Increased private sector involvement. Togocell and TogoTelecom were merged into a single TOGOCOM entity. TOGOCOM was then privatized, with a 51 percent stake sold to private investors. An independent regulatory body has also been set up.	BEEMER

Togo's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
maintenance, and services sectors - Set up an independent regulatory body		
Water sector - Improve water management and access through the Sector SOE	The Ministry of Water has established and published an action plan adopted by an inter-ministerial decree making it mandatory to carry out and finance an energy audit to identify pumping costs and opportunities for optimizing and reducing energy consumption. The Government has also revised the taxation of groundwater and surface water withdrawals by large commercial and industrial consumers to reflect the environmental and social cost of such consumption. The payment of connection costs is now spread over three years with a deposit of 25,000 FCFA	
Financial sector program to address issues faced by public financial institutions	Increase private sector participation in the banking sector.	
PPP: Write the procedures manual on project selection and prioritization	The current manual for the selection and prioritization of public investment projects considers PPP projects.	World Bank: DPO 2020-22 supports the adoption of a new PPP law by parliament
PPP: Mobilize funding for project-relevant studies	The operationalization of the PPP Unit will make it possible to undertake actions that mobilize resources for feasibility studies of PPP projects.	IFC helps the government develop and bid on up to 80 megawatts of IPP structured solar power
PPP: Implement decrees of Law No. 2021-034 of December 31, 2021, on PPPs voted in 2020	In December 2021, the National Assembly adopted a new PPP law harmonized with WAEMU directives. The new Law No. 2021-034 of December 31, 2021, on PPPs aims at the efficiency and transparency of public investment procedures by guiding the development and implementation of PPP projects. Decrees No. 2022-065/PR on the modalities for the implementation of procedures for awarding and executing PPP contracts, No. 2022-066/PR on the missions, attributions, organization and functioning of the PPP Unit were also adopted.	
Strengthen the legal basis for the control of public procurement	To improve the efficiency and transparency of public procurement, the government has adopted: (i) a decree on the code of ethics for public procurement; (ii) a decree strengthening the supervision of major infrastructure projects and the execution of public projects delegated to third parties. In addition, the government adopted (iii) the new Law No. 2021-033 of December 31, 2021, on public procurement; (iv) Decree 2022-080/PR of July 6, 2022, on the Public	

Togo’s Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	Procurement Code; and (v) Decree No. 2022-070/PR of May 30, 2022, on the attribution, organization and functioning of the National Directorate for the Control of Public Procurement.	
New Reform Commitments and Initiatives		
Operationalize the High Authority for Quality and Environment (HAUQE)	The HAUQE has been operational since 2021 with the allocation of the institution's headquarters, the assignment of staff and the first interim manager. On October 17, 2022, the president of the HAUQE was appointed by decree in the Council of Ministers. The operationalization of the HAUQE contributes to improving the competitiveness of Togolese companies by relying on a system of certification, traceability and quality. HAUQUE will set up a certification system for products in the organic sector with the support of GIZ.	
Implement a Lower-Cost Electricity Development Plan	A Low-Cost Electricity Development Plan was developed through a participatory process and established procurement procedures.	
Operationalize the Income Protection Program	The government has set up a department within the CEET responsible for the income protection program for its largest consumers and has adopted general principles for the operationalization of the RPP.	
Install intelligent meters	The government has adopted a new policy of installing smart meters for central public entities and prepaid meters for non-central local entities.	
Adopt a renewable energy development plan	CEET has adopted a renewable energy development plan with targets to be achieved by 2025. The Government has also taken measures to increase access to renewable energy, particularly in rural areas.	
Adopt the Medium-Term Fiscal Framework	The CEET has adopted a Medium-Term Fiscal Framework to support debt sustainability.	
BUSINESS FRAMEWORK		
Regulations and Institutions		
Progress Made on 2018 Reform Commitments		
Draft and adopt the new land code and its implementing decrees	Law No. 2018-005 of June 14, 2018, on the Land and State Code is currently being amended. Indeed, this bill was adopted by the Council of Ministers and sent to the National Assembly for a vote.	
Digitize the cadastre	Several reforms have been implemented to facilitate the process, including the adoption of a new land code and the digitization of the land registry. Another reform was the introduction of the "tax cadastre" which lists all properties (built and unbuilt) and their owners. The tax cadastre also provides essential information for the establishment and collection of property taxes. This includes measures to feed and improve the existing database and the digitization of the cadastre daily.	BEEMER

Togo's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Modernize the building permit system	Togo made it easier to obtain building permits by reducing fees and adopting an online portal for applications. Togo made the management of building permits more transparent by making required documents, prior approval, and fees available online. Togo improved its quality control of construction by regulating inspections during construction.	
	New Reform Commitments and Initiatives	
	Improving Trade Facilitation	
	Progress Made on 2018 Reform Commitments	
Improve trade facilitation	• Togo made progress towards the full digitization of port supply chain customs clearance procedures through the implementation of ASYCUDA World, including an interface with other supply chain platforms for data exchange and electronic payment of fees and regular updates of information. As part of this, the platform has automated the risk-based inspection mechanism and the authorization application and customs clearance process. • A reduction in waiting times for scanning containers at the port of Lomé was achieved through the purchase of a new scanner. • The creation in 2020 of a value control unit within ASYCUDA allows better control of the transaction value of goods in customs by setting the minimum values of goods. • In addition, the government published a list of reliable licensed customs officers based on their fraud history and set up a juxtaposed checkpoint in Cinkassé.	
	New Reform Commitments and Initiatives	
	Investor Protection, Dispute Resolution and Anti-Corruption	
	Progress Made on 2018 Reform Commitments	
Modern the justice sector. Fully implement the Chambers of Commerce Automation Project	Law authorizing the establishment of commercial courts adopted to resolve conflicts of interpretation and execution of contracts and streamline insolvency proceedings. Two commercial courts created in Lomé and Kara (second city) are operational.	
	New Reform Commitments and Initiatives	
	FINANCING FRAMEWORK	
	Investment Risk Mitigation	
	Progress Made on 2018 Reform Commitments	
	New Reform Commitments and Initiatives	

Togo’s Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Mobilizing Private and Institutional Investment		
Progress Made on 2018 Reform Commitments		
Enter into force the Investment Promotion Agency as a one-stop shop for investment in Togo	• Adoption of a new investment code to stimulate private investment and job creation. • One-stop shop of the Adetikope industrial platform, consisting of an investment agency, a free zone and other essential services. • A digitalization program consisting of e-regulation, e-opportunities and e-administration.	
Roadshow “Invest in Togo” to present and promote Togo as an investment destination	• In March 2022, the government co-hosted with MIGA a dialogue on FDI in Sub-Saharan Africa, focusing on Côte d’Ivoire, DRC, Gabon, Guinea, Niger, Senegal and Togo. • In addition, in 2022, action plans for the organization of biannual roadshows and quarterly newsletters were drawn up. These action plans have been operational since October 2022. These roadshows aim to share Togo's economic and financial performance with export credit agencies and other technical and financial partners.	MIGA
Systematically include the private sector in the various development projects	In the Government Road Leaf 20 20-20 25, it is planned 3500 billion FCFA for the financing of development projects, 50 percent for the private sector and 50 percent for the state. This allows the private sector to participate in the financing of the Togolese economy.	
New Reform Commitments and Initiatives		

Tunisia[25]

Tunisia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK[26]		
Budget Sustainability		
New Reform Commitments and Initiatives		
Civil service reform. Regulation of remote work for public servants, local authorities, institutions, establishments and public bodies.	Presidential Decree No. 2022-310 of April 5, 2022	
Civil service reform. Encourage the mobility of State employees, local authorities and public administrative establishments.	Decree-law promulgated	
Reform public enterprises and establishments. Implement the principles of selection and evaluation of the performance of directors, representatives of public shareholders, and independents.	The new law passed at the Council of Ministers on February 9, 2023.	
Commodity subsidy reform.	Impact Studies: a second version of the impact study has just been finalized and communicated to the government considering the request of the PG.	
Tax reform. Make the tax audit more flexible (spot check).	LF 2022	
Tax reform. Interoperability between tax administration and other administrative structures. Establish agreements between the different administrations between the MoF and other administrative departments and establish interoperability between the different IS.	Completed	
Public Investment Management (procurement, PPPs, SOEs, utilities)		
New Reform Commitments and Initiatives		
Energy subsidy reform. Adoption of the mechanism for automatic adjustment of fuel prices.	The adjustment mechanism is operational, and the adjustment range was increased from 5-7 percent in the OGRT of November 23, 2022, No. 127.	
Energy Subsidy Reform. Adopt a registration platform for targeted grant recipients.	Platform operational at the beginning of January 2023 with a continuous improvement in the coverage rate. It will be used for commodities and for liquified petroleum gas.	

[25] Previous versions of the Tunisia matrix include updates on the 2018 commitments, whereas this focuses on recently acquired reform commitments.
[26] Notice that additional measures will be added in the macroeconomic framework. Most of the measures under this pillar are under finalization to be finetuned as part of the IMF program (in progress).

Tunisia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Improve the energy transition. Presidential Order extending the period of validity of initial agreements for renewable electricity generation projects under the permit regime granted before December 31, 2020.	Presidential Decree No. 2022-299 of March 28, 2022	
Improve the energy transition. Conclusion of special agreements with a total capacity of 500 MGW.		
Regulate the powers of the IGPP. Publish a decree-law regulating and specifying the powers and prerogatives of the IGPP.	Presidential Decree No. 2022-451 of May 6, 2022, setting the organization and attributions of the General Authority for PPP.	
BUSINESS FRAMEWORK		
Investment Legal Framework		
New Reform Commitments and Initiatives		
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Accelerate the implementation of public projects and bring projects in difficulty to fruition	Decree law n°2022-68 of October 19, 2022.	
Adopt a decree law on exceptional measures to accelerate public investment projects and boost private investment. Encourage Tunisian companies and startups and national preference	Decree law n ° 2022-68 of October 19, 2022, Chapter II Article 9. The implementing texts are to be drawn up.	
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Make public procurement effective and efficient	Decree-Law No. 2022-68 of October 19, 2022, Chapter II Article 14.	
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Revive private investment in the agricultural sector	Decree-law n°2022-68 of October 19, 2022.	
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Revive private investment in the industrial sector	Decree-law n°2022-68 of October 19, 2022, Article 2 quaterdecies, Article 2 q	
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Boost investment in the renewable energy sector	Decree-law n°2022-68 of 19 October 2022, chapter III	

Tunisia’s Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Boost private investment in PPPs	Decree-law n°2022-68 of 19 October 2022	
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Cross-cutting measures to boost private investment.	Decree-law n ° 2022-68 of October 19, 2022, chapter IV	
Adopt a decree-law on exceptional measures to accelerate public investment projects and boost private investment. Regularize the situation of industrial projects affected by the forfeiture provisions.	Decree-law n ° 2022-68 of October 19, 2022, chapter IV article 26.	
Review the composition and scope of the TIA Licensing and Licensing Commission.	Drafting of texts is necessary (decree and manual of procedures for granting authorizations - manual already ready for publication)	
Publish the amendment to Decree 389 and the Manual of Procedures (TIA).	An elaborate procedures manual to be published (publication expected in mid-March) + drafting of the decree and its approval by the CM.	
Accompany bills with their implementing texts by strengthening the participatory approach Bill 2.0.	Inventory of unpublished implementing texts made plus circular to the various ministries to accompany the laws with their texts (in progress).	
Revise the list of Priority Sectors and targeting niches for the granting of incentives.	Presidential Decree containing the revised list of priority sectors	
Standardize and implement NAT 2009 by the different structures.	A codification committee was created (by decree) at the level of the TIA + establishment of correspondence tables at the level of the DGI	
Revise the regulatory framework for startups: Startup Act 2.0.	Draft law ready to be submitted to the Council of Ministers	
Design a post-creation support program for new promoters.	Looking for funding	
Develop a legal and regulatory framework for logistics.	Draft law ready for submission to the Council of Ministers	
Adopt the new sectoral competitiveness pacts and operationalize the signed pacts. Loan pacts: Automotive, pharmacy, leather, and footwear, poultry	The pact for the automotive sector was signed on July 6, 2022.	
Adopt the new sectoral competitiveness pacts and operationalize the signed pacts. Current pacts: Aeronautics, pleasure boats, electronics, olive oil	In progress	
Adopt the new sectoral competitiveness pacts and operationalize the signed pacts. Pacts to be operationalized: milk, textile clothing	Finalization of the elaboration of the pacts: milk, textiles, clothing, before validation by the PG.	

Tunisia’s Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Validate and launch the implementation of investment roadmaps in promising sectors Identification of actions and measures with representatives of the private sector in the short, medium and long term for the growth sectors prioritized so far (automotive, ICT, aeronautics, pharmaceutical and renewable energies)	Action plans for the implementation of each measure identified to improve investment conditions in the prioritized strategic sectors (auto/aeronautical components/pharmaceutical industries/ICT/renewable energies) have been developed in partnership with the public and private sectors and will be submitted to the government for approval and implementation launch by each ministry at the end of 2022.	
Accelerate and expand renewable electricity projects. Granting of comfort checks (authorization system)	Decree-law n°2022-68 of October 19, 2022.	
Accelerate and expand renewable electricity projects. Announcement of a new, more ambitious program of electricity production from renewable energies by regime to give visibility to developers, with the objective of reaching 30 percent of the energy mix by 2030	Decree Law of October 19, 2022, No. 68/2022 Chapter III. Section 21	
Accelerate and expand renewable electricity projects. Establish the electricity authority	Act developed and published for public consultation	
Ensure a 100 percent digital journey for the benefit of investors. Digitalization of its priority services (declaration, constitution, authorization, request, incentive and support services)	*COPIL constituted for the digitization of the legal constitution of the company * Definition of the roles of each stakeholder: the CNI as a national interoperability platform: several APIs (web services) already developed will be integrated directly into the PNI, identity, civil status.	
Ensure a 100 percent digital journey for the benefit of investors. Interoperability of the investment platform with the information systems of the different investment ecosystem partners and stakeholders (legal constitution)	Development and integration of APIs at both platforms. Modification and simplification of the single set Update of the regulatory texts relating to the registration of contracts with electronic payment and the acceptance of scanned documents.	
Launch all e-gov projects already identified in the Digital Tunisia strategy. Implement interoperability exchanges between the information systems of the sectors involved in the investor/business process	In progress	
Launch all e-gov projects already identified in the Digital Tunisia strategy. Set up the payment tracking platform for public orders	In progress	
Digitize the process of obtaining building permits.	The platform is being developed during experimentation at the level of the municipality of Tunis, the generalization is planned for September 2023.	
Simplify and digitize requests for electricity connection (medium voltage).	Design of the data exchange platform. The launch of the service is planned for May.	

Tunisia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Establish a ready-to-use industrial facility construction program. Launch a national program for the creation of 100,000 m^2 of ready-to-use industrial premises	Administrative decision and depends on 23.2.	
Establish a ready-to-use industrial facility construction program. Create an investment fund for industrial infrastructure of 200 MD	The blockage lies in the non-launch of the work of setting up the investment fund (200 MD) for industrial and technological infrastructure in partnership with the CDC	
Establish a ready-to-use industrial facility construction program. Accelerate the creation of industrial zone development projects in inland regions	The implementation of this measure is part of the review of Decree 389 on financial incentives for investment	
Regularize the situation of industrial projects concerned by the forfeiture provisions and which have not entered the effective production phase within three years of the date of signature of the sales contract as stipulated by Law No. 34-2009 establishing the Agricultural Land Agency. Decision of the Council of Ministers	Decree-law n ° 2022-68 of October 19, 2022, Article 26.	
Seize and inventory the real assets of the state and its evaluation to benefit public and private projects. Identify and delineate public assets	Non-priority measure. A budget is needed and dedicated resources. Creation of a steering committee. Solicit technical and financial support from donors	
Seize and inventory the real assets of the state and its evaluation to benefit public and private projects. Draw up plans for their valorization.	Depends on 25.1	
Seize and inventory the real assets of the state and its evaluation to benefit public and private projects. Estimate the value of the assets and provide the appropriate legal mechanisms (partnership, transfer to investors, and so on)	Depends on 25.1 and 25.2	
Seize and inventory the real assets of the state and its evaluation to benefit public and private projects. Create a unified national information system that links all land information.	Current project	
Seize and inventory the real assets of the state and its evaluation to benefit public and private projects. Simplify and reduce time limits and number of documents relating to transfers of ownership	Current project, revision of the Decree (N°2020-605 of August 27, 2020)	

Tunisia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Seize and inventory the real assets of the state and its evaluation to benefit public and private projects. Digitize mapping of land available for investment in Tunisia.	Current project	
Accelerate the creation of industrial development projects in inland regions. Revision of Decree 2017-389 of March 9, 2017, on financial incentives for investments made under the Investment Law.	The implementation of this measure is part of the review of Decree 389 on financial incentives for investment.	
Strengthen programs and mechanisms for women's economic empowerment. Implementation of the National Programme for Women's Entrepreneurship and Gender-Responsive Investment. Program "رائدا"".	Operational program and Decrêt-loi promulgated.	
Promote technological innovation and research, especially support for developing technopoles and clusters. Create strategic and scientific orientation councils for technopoles.	Decision of the PG, Decree Law (revision of texts governing technopoles, Law No. 50-2001, Decree governing the operation of FODEC, Revision of the legal framework related to the encouragement of technological entrepreneurship among researchers.	
Promote technological innovation and research, in particular support for the development of technopoles and clusters. Extend ITP's eligibility to action to animate technopoles and clusters.	Revise the legal framework governing the exploitation of research results and patents produced at the level of public research centers.	
Facilitate business regulations		
New Reform Commitments and Initiatives		
Revise Article 96 of the Criminal Code. Adoption Decree Law.	Request for economic arguments by the Ministry of Justice.	
Order a forex a millionesty. Adoption Decree Law.	Expected with the new exchange code. Order submitted for consultation by at the PG.	
Adopt a new exchange code. Adoption Decree Law. Allow local banks to finance capital and operating expenses in foreign currency. Review the the concept of residence.	A draft of the law is being discussed with the departments. Amendment of BCT Circular 87/43. Amendment of the exchange notice n°3 relating to the notion of residence and recasting of the exchange code.	
Adopt a decree law on the code of private equity investment undertakings. Adoption Decree Law	In the consultation phase – for consultation at the PG.	
Adopt a decree law on support for financial inclusion. Adoption Decree Law.	For validation at the PG.	
Publish the implementing texts of the SSE law. Publication of a presidential decree	A working meeting was held on August 1, 2022, between the Minister of Employment and the Minister of Economy to discuss this project. Only one point of divergence remains; it is the labeling of all SSE companies, whether old or new.	

Tunisia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Publish the implementing texts of the decree-law on the status of the auto entrepreneur. Publish a presidential decree.	*Order in Council sent to PG and ministries for review. Unfavorable opinion of the Ministry of Finance because of duplication with the tax system and the orientations of the tax reform. *Alignment with the Ministry of Finance on the tax modalities that will consider the finance law.	
Develop a negative list for the exercise of economic activities. Publish a presidential decree.	A draft decree was prepared and a list of 42 authorizations that went through the CM of January 6, 2023, and were approved and became 45 authorizations. Decree 417 has been amended. Annex 1 is the list of authorizations to carry out the economic activities considered as the negative list.	
Adopt the Public Property Code. Adopt a Decree Law.	Consultation at the PG.	
Publish a presidential decree setting the conditions and procedures for leasing non-agricultural land for the benefit of investors according to Article 19 of Law No. 2019-45 of May 2019.	Presidential Decree No. 2022-114 of October 21, 2022.	
Publish a presidential decree setting the conditions and procedures for the sale to the symbolic dinar for the benefit of the Industrial Land Agency according to Article 20 of Law No. 45 of May 29, 2019.	Presidential Decree No. 2022-114 of October 21, 2022.	
Publish a decree-law revising Law No. 2016-53 of July 11, 2016, on expropriation in the public interest. Publish a decree-law.	Decree-Law No. 2022-65 of October 19, 2022, amending and supplementing Law No. 2016-53 of 11 July 2016 on expropriation in the public interest.	
Provide recipients of agricultural crown lots with title deeds enabling them to fully dispose of their property.	In progress	
Regularize the situation of former residential groupings built on the private domain of the State. Identify and delimitate property and verify the conditions of the right of access to regularize and estimate the value of the property. Process files in a regional commission and then another national commission. The work is sanctioned by an approval in council.	Approval by the CM on September 3, 2022, of a presidential decree establishing a management unit by objective for project management monitoring	
Improve Trade Facilitation		
New Reform Commitments and Initiatives		
Support by the state, through the Export Risk Guarantee Fund, 50 percent of export insurance premiums to the Sub-Saharan African Market Adoption Decree. Law and management agreement.	Decree-Law No. 2022-66 of October 19, 2022, relating to the assumption by the state of a percentage of export insurance premiums to Sub-Saharan Africa countries.	

Tunisia’s Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Create the International Land Company of Tunisia (SOFIT) and consider joint action with other public bodies providing services Adoption Decree-Law establishing SOFIT.	Awaiting a return compared to the assumption of incorporation costs by the AFI.	
Establish a unified label and slogan "Made in Tunisia" on all Tunisian products to develop a brand image abroad.	Seeking funding for TA	
Facilitate and expand the granting of Authorized Economic Operator status. Grant a quality label to any company established in Tunisia, carrying out an activity related to foreign trade, having the confidence of customs, and fulfilling minimum conditions set by Government Decree No. 612 of July 17, 2018, allowing them to benefit from simplified procedures.	AEO Certification Decision	
Renovate the SOS Export service creation of the virtual network on the Foreign Trade Portal (www.pce.tn)	T2 activities completed, and T3, T4 activities in progress. Development of the transformation plan, the tests will be started with the training plan of the focal points.	
Ensure sessions of permanence in all companies and structures concerned with export for weekends and holidays. Decision of the Presidency of the government and the BCT.	the Ministry of Trade and Export Development cannot commit to being responsible for this measure, since the decision to change working hours falls within the competence of the PG.	
Update the COMEX Portal.	Update of the portal containing all the laws relating to foreign trade.	
FINANCIAL FRAMEWORK		
Supporting cash flow and access to financing for businesses		
New Reform Commitments and Initiatives		
Clear part of the state’s arrears vis-à-vis companies by prioritizing the construction sector. Hedge the arrears of the construction sector by issuing Treasury bills.	Need for the intervention of the MF to formalize the authorizations for generalization of the measure for other sectors and program it in the complementary finance law 2022.	
Set up an external credit line (World Bank) of $120 million for SME refinancing. Prepare loan documents.	The restructuring of SOTUGAR continues in parallel, which also benefits from the support of KfW.	BEEMER
Extend the maturity extension of viable tourism units by 12 months. Repeal Decree-Law No. 22-2020 (COVID-19 conjunctural measures). BCT circular (post-ponement of the expiry of tourist units and relaxation of prudential rules)	An approval of the State guarantee for the financing of the tourist season under the CM on the resumption of the tourism sector dated July 12, 2022.	

Tunisia's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Create a financing line of 200 MTD to subscribe to investment funds dedicated to SMEs. Mobilize 120 MD from foreign donors in addition to the 80 MD to be mobilized by the CDC.	In the search phase for funding for the remaining 40 percent. The CDC is in the process of negotiating the contract with FADES for the 60 percent debt to the CDC which will be used to finance the CDC contribution.	FADES Funding
Create a "Recovery" mezzanine line of 50 MD post-restructuring recovery of SMEs. Sign a financing agreement between donors and the State/FTI. Solicit SMEs that benefited from restructuring financing during the last 24 months, via their FCPR/SICAR present in the capital, the FTI for financing in mezzanine debt (bonds convertible into shares – OCA.	After the monitoring committee meeting scheduled for March, the launch is scheduled for 2023.	
Create an incentive mechanism for SME financing. Sign a charter between stakeholders/circular/regulatory text on mutual commitment of stakeholders.	A letter was sent to the BCT, a second meeting will be held to align with the modalities of this measure, discussed at the workshop of June 30.	
Encourage small credit as a means of financing. Extend the deadline for small credit associations to comply with Decree No. 117 promulgated on November 5, 2011.		
Increase by 100 MD the staffing line to support the financial restructuring of SMEs. Negotiate a donation or line of credit with donors. Amend Government Decree No. 2018-324 of March 2018 setting the organizational and operational procedures for the SME restructuring support line.		FADES financial support
Create a funding line for innovation-digitalization-green and circular economy. Publish a government decree laying down the modalities of organization and operation of the line.		
Improve financial transparency and combat tax evasion and the integration of the informal economy into the formal and organized economy. Commit on automatic exchange of financial account information.	Approved and will be operational in 2024.	
Set up a Virtual Single Window for Innovation.	Creation of an Open Innovation space and a digital platform are under development.	
Review the FTI intervention mechanism (equity participation).	The reform is ready with modification of the decree of application, which is ready.	

Appendix B. Foreign Direct Investment Snapshots for Compact with Africa Countries

Benin

Top CBI Source Countries 2018 – 22

# of projects	
France	4
Togo	2
United States	1
Ukraine	1
Côte d Ivoire	1

$ investment	
France	$1,413m
China	$165m
Germany	$165m
Togo	$39m
Gabon	$28m

Top CBI Source Countries Last 12mo

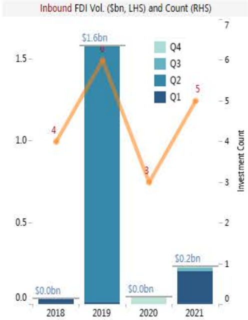
# of projects

$ investment

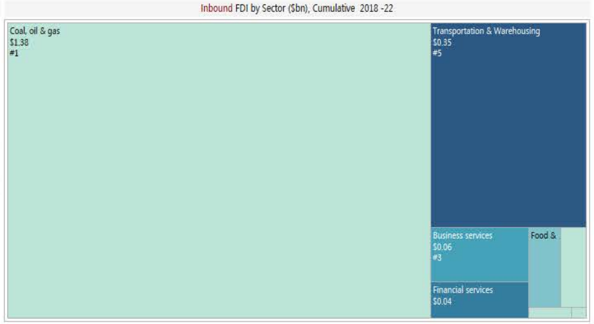
	2018	2019	2020	2021
Total FDI Volume, $bn	$0.04bn	$1.58bn	$0.04bn	$0.23bn
Total # of Investments	4.0	6.0	3.0	5.0
Average Investment, $m	$9m	$264m	$15m	$46m
Total Jobs Created	258.0	354.0	202.0	169.0
Avg. Jobs Created per Investment	64.5	59.0	67.3	33.8

NOTE: no CBI recorded in 2022

Inbound FDI Vol. ($bn, LHS) and Count (RHS)



Inbound FDI by Sector ($bn), Cumulative 2018 -22



Inbound FDI Volume ($bn LHS) & Count, Last 12MO

Inbound FDI by Sector ($bn), Cumulative Last 12MO

Top 30 Investors, Last 12mo

NOTE: no CBI recorded in 2022

Inbound Trends by Sector (Last 12mo)

Total Volume $m / FDI Count (Last 12MO)

NOTE: no CBI recorded in 2022

Sector (or Company (Country))
$ Volume
# Number of Investments

Burkina Faso

Top CBI Source Countries 2018 – 22

# of projects	
France	5
UAE	3
Mauritius	2
Morocco	2
United Kingdom	2

$ investment	
Türkiye	$406m
France	$398m
Australia	$318m
Germany	$193m
United Kingdom	$65m

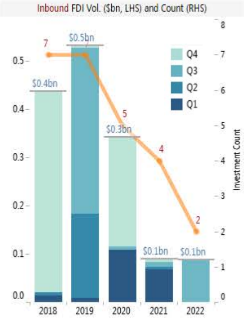
Top CBI Source Countries Last 12mo

# of projects	
United Kingdom	1
Türkiye	1

$ investment	
United Kingdom	$61m
Türkiye	$28m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$0.44bn	$0.53bn	$0.34bn	$0.09bn	$0.09bn
Total # of Investments	7	7	5	4	2
Average Investment, $m	$62m	$76m	$68m	$23m	$44m
Total Jobs Created	3,172	952	187	97	530
Avg. Jobs Created per Investment	453	136	37	24	265

Inbound FDI Vol. ($bn, LHS) and Count (RHS)



Inbound FDI by Sector ($bn), Cumulative 2018 -22

Top 30 Investors, Last 12mo

Yesti Group (TUR)
$28m // #1

BBOXX (GBR)
$61m // #1

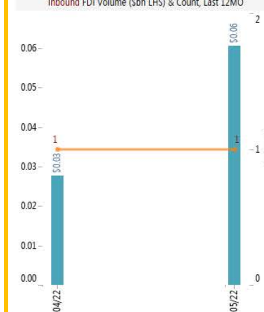
Bigger $ Volume

Bigger # of Investments

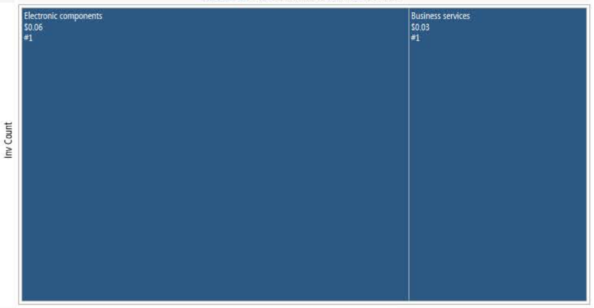
(Sector (or Company (Country)
$ Volume
# Number of Investments)

	2022	
	Apr	May
Total FDI Volume, $bn	$0.03	$0.06
Total # of Investments	1.0	1.0
Average Investment, $m	$28	$61
Total Jobs Created	30.0	500.0
Avg. Jobs Created per Investment	30.0	500.0

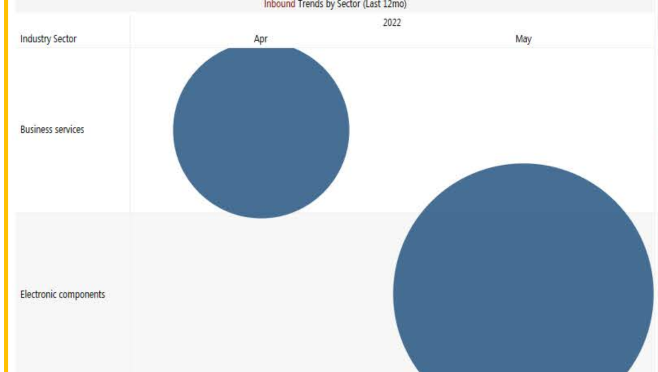
Inbound FDI Volume ($bn LHS) & Count, Last 12MO



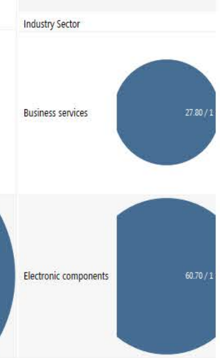
Inbound FDI by Sector ($bn), Cumulative Last 12MO



Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)



Côte d'Ivoire

Top CBI Source Countries 2018 – 22

# of projects	
France	44
Switzerland	11
Morocco	9
Tunisia	5
United States	5

$ investment	
France	$1,833m
United Kingdom	$1,190m
Japan	$752m
Cayman Islands	$425m
Switzerland	$252m

Top CBI Source Countries Last 12mo

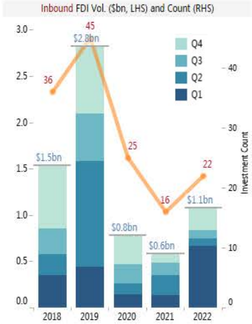
# of projects	
France	7
Singapore	2
Switzerland	2
United States	2
Hong Kong	1

$ investment	
United Kingdom	$448m
France	$292m
Cameroon	$108m
Switzerland	$72m
Singapore	$54m

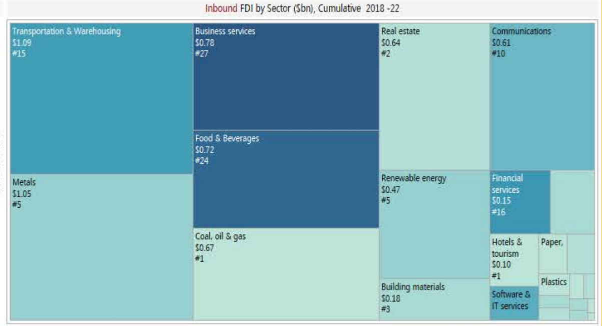
	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$1.54bn	$2.83bn	$0.78bn	$0.59bn	$1.08bn
Total # of Investments	36	45	25	16	22
Average Investment, $m	$43m	$63m	$31m	$37m	$49m
Total Jobs Created	3,086	7,844	2,016	952	2,639
Avg. Jobs Created per Investment	86	174	81	60	120

	2022 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Total FDI Volume, $bn	$0.18	$0.06		$0.03	$0.04	$0.02	$0.05	$0.00	$0.03	$0.66
Total # of Investments	2	1		4	3	3	2	1	1	5
Average Investment, $m	$90	$64		$8	$14	$6	$27	$3	$28	$132
Total Jobs Created	64	454		80	314	56	350	12	30	1,279
Avg. Jobs Created per Investment	32	454		20	105	19	175	12	30	256

Inbound FDI Vol. ($bn, LHS) and Count (RHS)

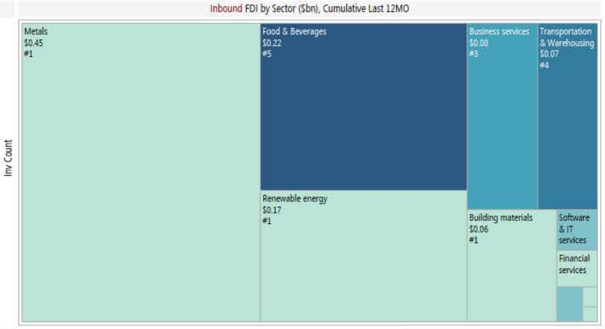


Inbound FDI by Sector ($bn), Cumulative 2018 -22



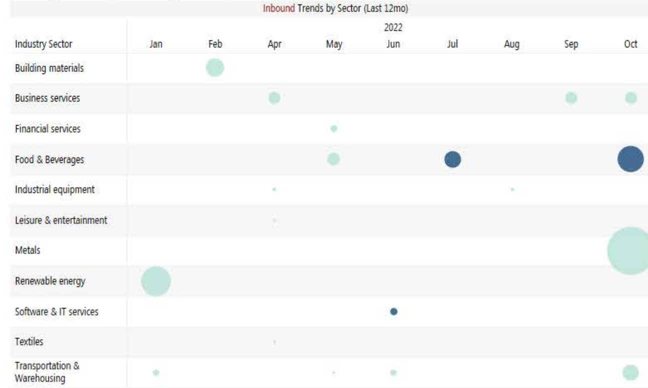
Inbound FDI Volume ($bn LHS) & Count, Last 12MO

Inbound FDI by Sector ($bn), Cumulative Last 12MO



Top 30 Investors, Last 12mo

Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)

Industry Sector	
Building materials	63.5 / 1
Business services	83.4 / 3
Financial services	9.5 / 1
Food & Beverages	218.4 / 5
Industrial equipment	5.6 / 2
Leisure & entertainment	1.9 / 1
Metals	448.0 / 1
Renewable energy	171.5 / 1
Software & IT services	10.4 / 2
Textiles	1.4 / 1
Transportation & Warehousing	69.9 / 4

Egypt

Top CBI Source Countries 2018 – 22

# of projects	
UAE	115
United States	44
Saudi Arabia	41
France	36
United Kingdom	34

$ investment	
UAE	$36,117m
India	$21,510m
Saudi Arabia	$15,865m
United Kingdom	$14,991m
France	$14,747m

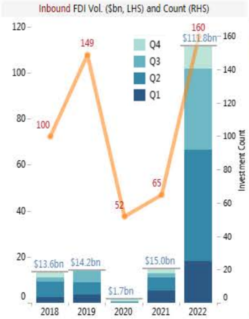
Top CBI Source Countries Last 12mo

# of projects	
UAE	41
United States	19
France	12
Saudi Arabia	11
United Kingdom	10

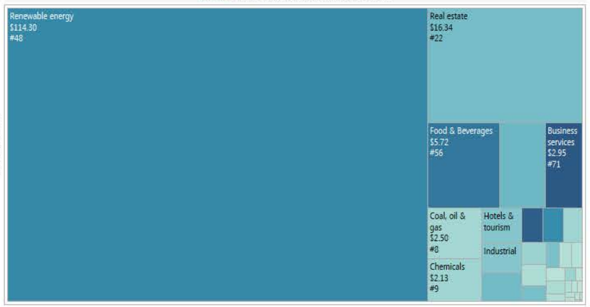
$ investment	
UAE	$27,840m
India	$21,220m
France	$13,594m
United Kingdom	$12,656m
Australia	$10,000m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$13.63bn	$14.23bn	$1.65bn	$14.97bn	$111.75bn
Total # of Investments	100	149	52	65	160
Average Investment, $m	$136m	$95m	$32m	$230m	$698m
Total Jobs Created	31,513	25,363	7,346	9,989	64,278
Avg. Jobs Created per Investment	315	170	141	154	402

Inbound FDI Vol. ($bn, LHS) and Count (RHS)



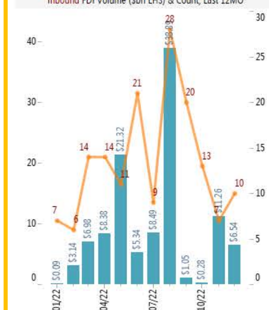
Inbound FDI by Sector ($bn), Cumulative 2018 -22



Top 30 Investors, Last 12mo

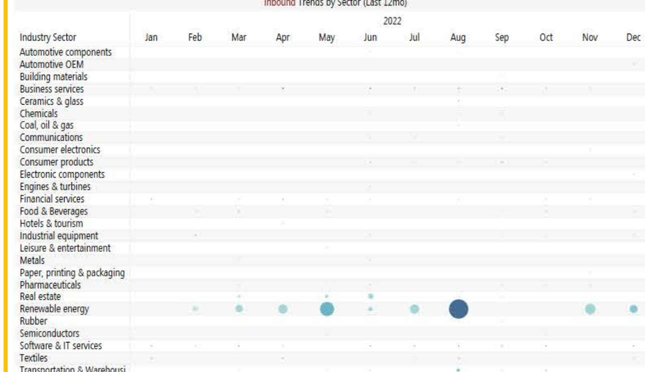
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022											
Total FDI Volume, $bn	$0.09	$3.14	$6.98	$8.38	$21.32	$5.34	$8.49	$38.89	$1.05	$0.28	$11.26	$6.54
Total # of Investments	7	6	14	14	11	21	9	28	20	13	7	10
Average Investment, $m	$13	$523	$499	$598	$1,938	$254	$943	$1,389	$52	$21	$1,609	$654
Total Jobs Created	326	1,449	1,984	8,370	7,782	5,390	3,810	19,888	4,664	1,395	5,346	3,874
Avg. Jobs Created per Investment	47	242	142	598	707	257	423	710	233	107	764	387

Inbound FDI Volume ($bn LHS) & Count, Last 12MO



Inbound FDI by Sector ($bn), Cumulative Last 12MO

Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)

Industry Sector	
Automotive components	102 / 2
Automotive OEM	150 / 1
Building materials	100 / 1
Business services	717 / 26
Ceramics & glass	400 / 2
Chemicals	840 / 4
Coal, oil & gas	29 / 1
Communications	231 / 3
Consumer electronics	100 / 1
Consumer products	174 / 8
Electronic components	6 / 1
Engines & turbines	53 / 1
Financial services	96 / 10
Food & Beverages	624 / 9
Hotels & tourism	100 / 1
Industrial equipment	52 / 6
Leisure & entertainment	2 / 1
Metals	75 / 2
Paper, printing & packa..	3 / 1
Pharmaceuticals	65 / 5
Real estate	5,999 / 7
Renewable energy	99,419 / 27
Rubber	3 / 1
Semiconductors	30 / 2
Software & IT services	321 / 20
Textiles	176 / 8
Transportation & Ware..	1,888 / 9

Ethiopia

Top CBI Source Countries 2018 – 22

# of projects	
United Kingdom	10
China	8
France	8
United States	7
UAE	7

$ investment	
United States	$4,487m
UAE	$1,309m
China	$593m
United Kingdom	$553m
Saudi Arabia	$486m

Top CBI Source Countries Last 12mo

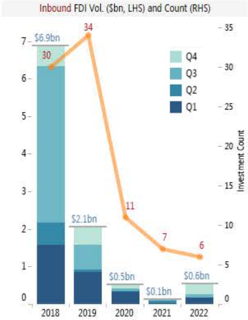
# of projects	
United Kingdom	3
United States	1
Denmark	1
France	1
Grand Total	6

$ investment	
United Kingdom	$300m
Denmark	$165m
United States	$69m
France	$24m
Grand Total	$558m

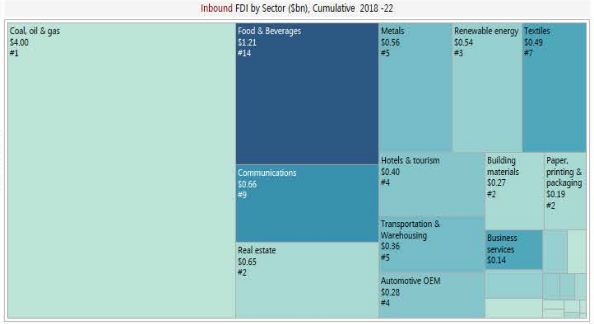
	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$6.89bn	$2.06bn	$0.53bn	$0.14bn	$0.56bn
Total # of Investments	30	34	11	7	6
Average Investment, $m	$230m	$60m	$48m	$20m	$93m
Total Jobs Created	19,637	8,280	839	990	557
Avg. Jobs Created per Investment	655	244	76	141	93

	2022 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Total FDI Volume, $bn	$0.30				$0.09					$0.16
Total # of Investments	3.0				2.0					1.0
Average Investment, $m	$100				$47					$165
Total Jobs Created	93.0				394.0					70.0
Avg. Jobs Created per Investment	31.0				197.0					70.0

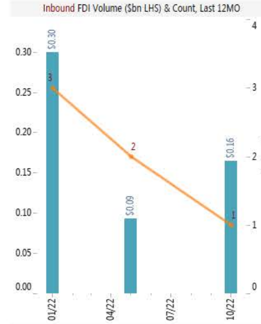
Inbound FDI Vol. ($bn, LHS) and Count (RHS)



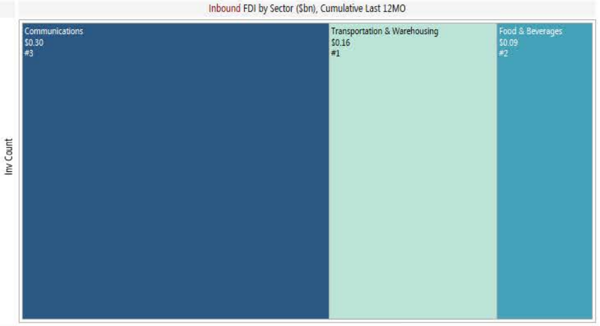
Inbound FDI by Sector ($bn), Cumulative 2018 -22



Inbound FDI Volume ($bn LHS) & Count, Last 12MO

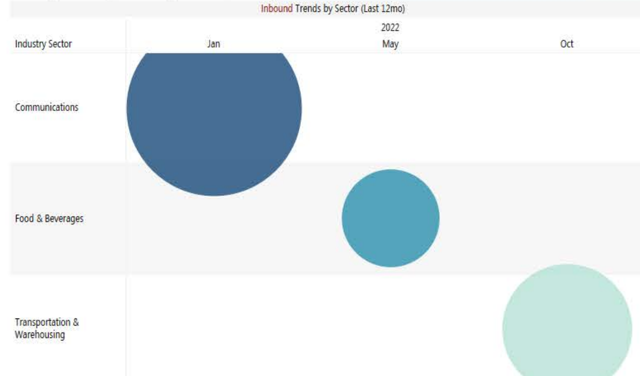


Inbound FDI by Sector ($bn), Cumulative Last 12MO

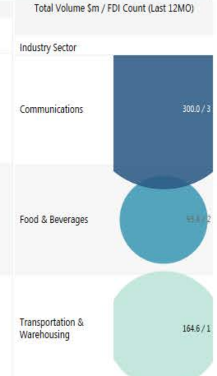


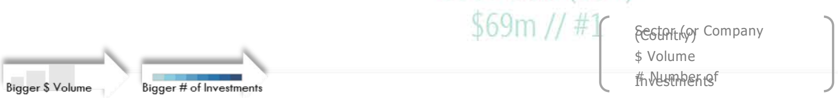
Top 30 Investors, Last 12mo

Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)





Ghana

Top CBI Source Countries 2018 – 22

# of projects	
United States	27
Nigeria	20
United Kingdom	18
China	15
Germany	12

$ investment	
Sweden	$2,800m
United States	$1,045m
China	$771m
United Kingdom	$769m
Morocco	$725m

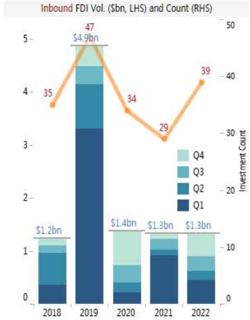
Top CBI Source Countries Last 12mo

# of projects	
Nigeria	7
United States	5
France	3
United Kingdom	3
Canada	2

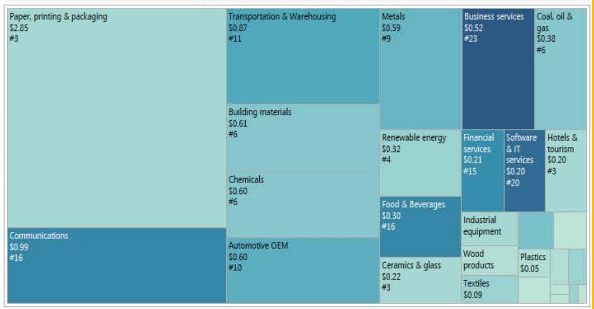
$ investment	
United States	$393m
Australia	$235m
Kenya	$201m
Mauritius	$141m
Nigeria	$123m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$1.24bn	$4.87bn	$1.37bn	$1.33bn	$1.33bn
Total # of Investments	35	47	34	29	39
Average Investment, $m	$35m	$104m	$40m	$46m	$34m
Total Jobs Created	9,980	16,181	3,106	5,589	2,751
Avg. Jobs Created per Investment	285	344	91	193	71

Inbound FDI Vol. ($bn, LHS) and Count (RHS)



Inbound FDI by Sector ($bn), Cumulative 2018 -22

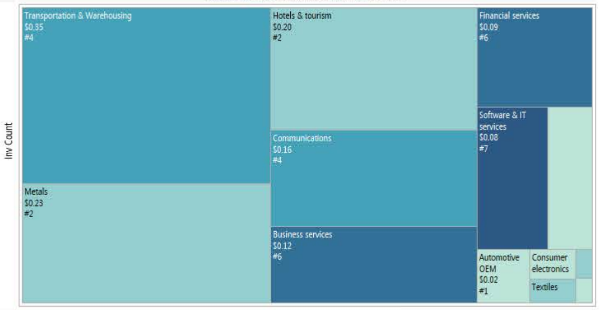


Top 30 Investors, Last 12mo

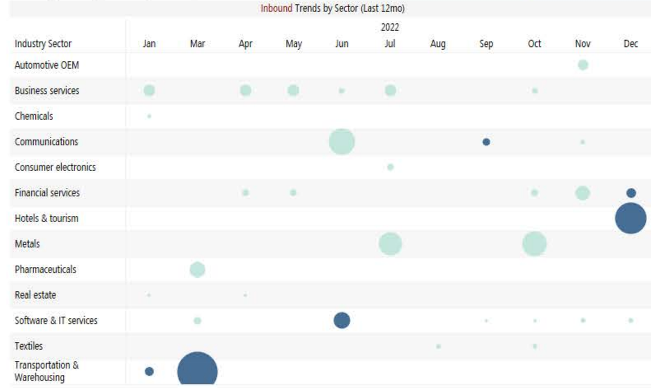
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022											
Total FDI Volume, $bn	$0.05		$0.39	$0.04	$0.04	$0.20	$0.15	$0.00	$0.01	$0.15	$0.08	$0.22
Total # of Investments	5.0		4.0	3.0	2.0	4.0	3.0	1.0	3.0	5.0	4.0	5.0
Average Investment, $m	$10		$98	$13	$19	$51	$49	$4	$4	$30	$19	$45
Total Jobs Created	90.0		342.0	59.0	51.0	261.0	859.0	50.0	76.0	247.0	252.0	464.0
Avg. Jobs Created per Investment	18.0		85.5	19.7	25.5	65.3	286.3	50.0	25.3	49.4	63.0	92.8

Inbound FDI Volume ($bn LHS) & Count, Last 12MO

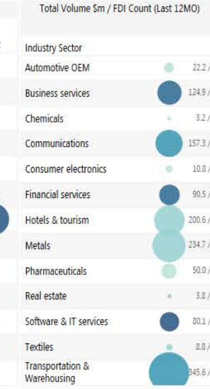
Inbound FDI by Sector ($bn), Cumulative Last 12MO



Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)



Guinea

Top CBI Source Countries 2018 – 22

# of projects	
China	6
Côte d Ivoire	4
UAE	3
Germany	3
Switzerland	2

$ investment	
China	$3,735m
Switzerland	$1,387m
Germany	$526m
France	$109m
Belgium	$100m

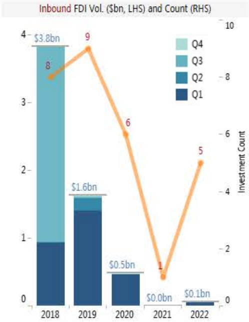
Top CBI Source Countries Last 12mo

# of projects	
Côte d Ivoire	2
United States	1
Kenya	1
Morocco	1

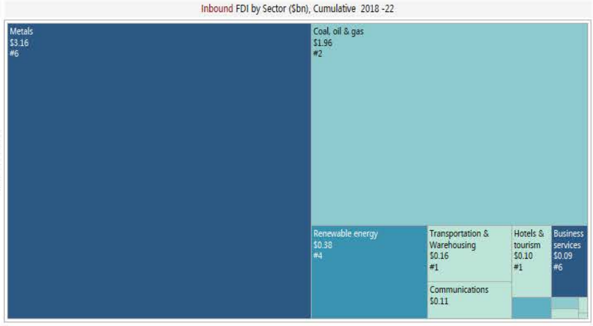
$ investment	
United States	$28m
Morocco	$28m
Kenya	$5m
Côte d Ivoire	$2m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$3.84bn	$1.63bn	$0.49bn	$0.01bn	$0.06bn
Total # of Investments	8	9	6	1	5
Average Investment, $m	$480m	$181m	$81m	$5m	$13m
Total Jobs Created	7,333	741	283	36	95
Avg. Jobs Created per Investment	917	82	47	36	19

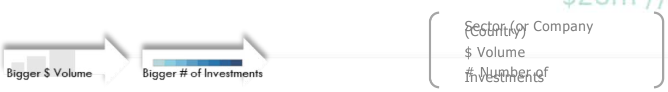
Inbound FDI Vol. ($bn, LHS) and Count (RHS)



Inbound FDI by Sector ($bn), Cumulative 2018 -22

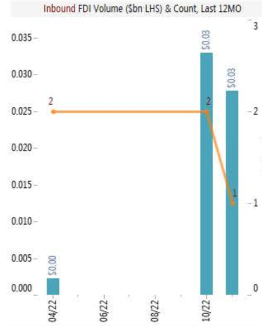


Top 30 Investors, Last 12mo

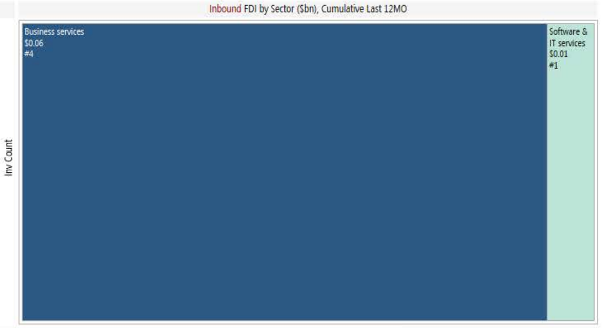


	2022 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Total FDI Volume, $bn	$0.00						$0.03	$0.03
Total # of Investments	2.00						2.00	1.00
Average Investment, $m	$1						$17	$28
Total Jobs Created	17.00						48.00	30.00
Avg. Jobs Created per Investment	8.50						24.00	30.00

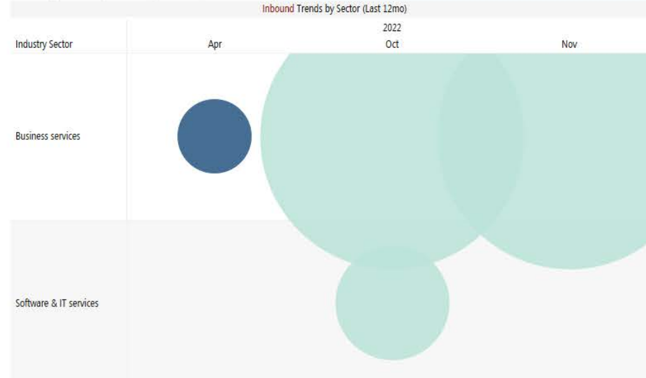
Inbound FDI Volume ($bn LHS) & Count, Last 12MO



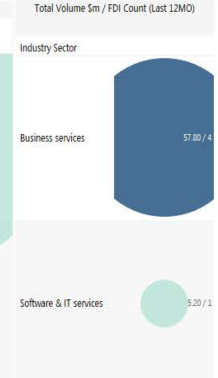
Inbound FDI by Sector ($bn), Cumulative Last 12MO



Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)



Morocco

Top CBI Source Countries 2018 – 22

# of projects		$ investment	
France	82	Luxembourg	$10,371m
United States	36	France	$4,128m
Spain	34	Italy	$2,367m
Switzerland	24	United Kingdom	$2,294m
United Kingdom	23	United States	$1,708m

Top CBI Source Countries Last 12mo

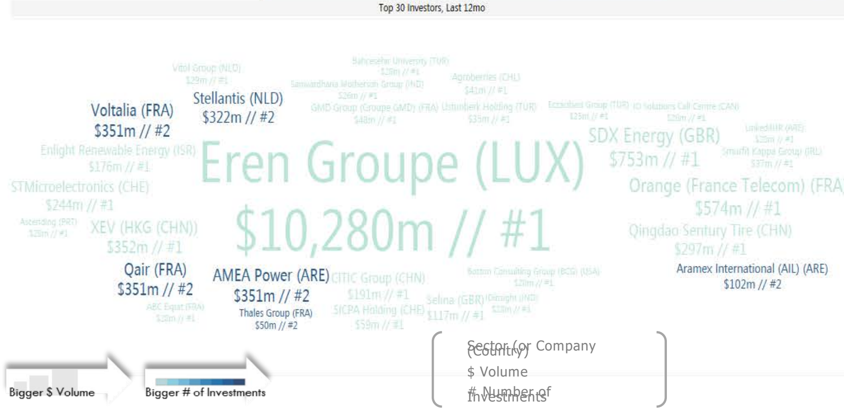
# of projects		$ investment	
France	16	Luxembourg	$10,280m
United States	8	France	$1,458m
UAE	7	United Kingdom	$886m
Spain	5	UAE	$523m
Japan	4	China	$488m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$5.11bn	$3.35bn	$2.66bn	$3.77bn	$15.34bn
Total # of Investments	80	114	62	52	72
Average Investment, $m	$64m	$29m	$43m	$73m	$213m
Total Jobs Created	17,083	17,296	13,466	11,264	21,238
Avg. Jobs Created per Investment	214	152	217	217	295

Inbound FDI Vol. ($bn, LHS) and Count (RHS)

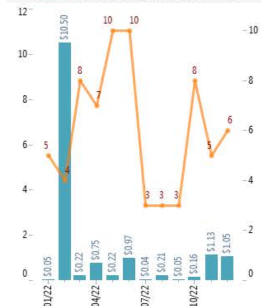
Inbound FDI by Sector ($bn), Cumulative 2018 -22

Top 30 Investors, Last 12mo

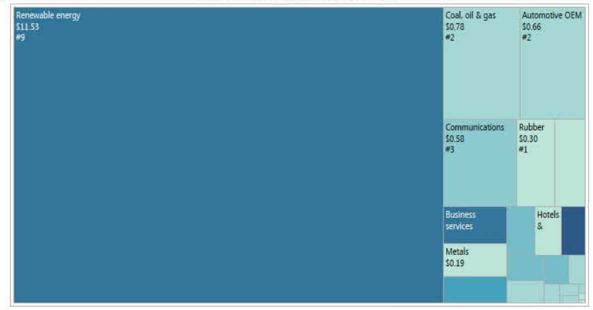


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022											
Total FDI Volume, $bn	$0.05	$10.50	$0.22	$0.75	$0.22	$0.97	$0.04	$0.21	$0.05	$0.16	$1.13	$1.05
Total # of Investments	5	4	8	7	10	10	3	3	3	8	5	6
Average Investment, $m	$10	$2,624	$27	$107	$22	$97	$14	$71	$15	$20	$225	$175
Total Jobs Created	267	3,801	1,834	719	1,406	2,619	102	101	258	1,305	2,920	5,906
Avg. Jobs Created per Investment	53	950	229	103	141	262	34	34	86	163	584	984

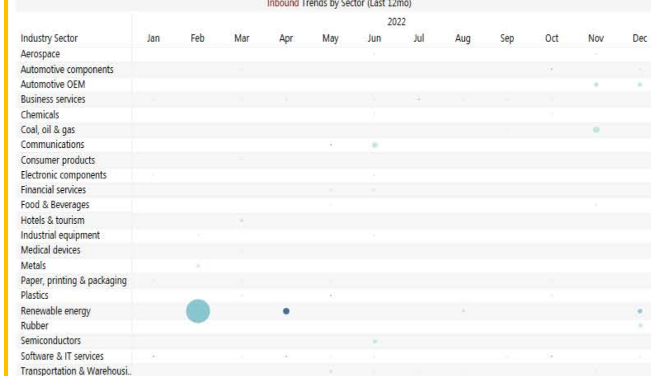
Inbound FDI Volume ($bn LHS) & Count, Last 12MO



Inbound FDI by Sector ($bn), Cumulative Last 12MO



Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)

Industry Sector	
Aerospace	27 / 2
Automotive components	124 / 4
Automotive OEM	660 / 2
Business services	212 / 9
Chemicals	77 / 2
Coal, oil & gas	782 / 2
Communications	585 / 3
Consumer products	4 / 1
Electronic components	12 / 2
Financial services	20 / 2
Food & Beverages	43 / 2
Hotels & tourism	117 / 1
Industrial equipment	6 / 2
Medical devices	2 / 1
Metals	191 / 1
Paper, printing & packa..	86 / 4
Plastics	64 / 4
Renewable energy	11,530 / 9
Rubber	297 / 1
Semiconductors	244 / 1
Software & IT services	105 / 11
Transportation & Ware..	150 / 6

Rwanda

Top CBI Source Countries 2018 – 22

# of projects	
United States	7
UAE	5
Switzerland	5
Germany	4
United Kingdom	4

$ investment	
United States	$538m
China	$504m
Germany	$317m
UAE	$263m
Netherlands	$120m

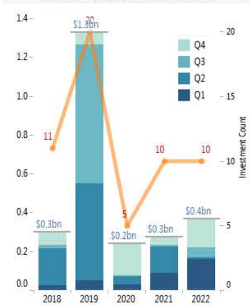
Top CBI Source Countries Last 12mo

# of projects	
United Kingdom	3
Kenya	2
Germany	1
Switzerland	1
Türkiye	1

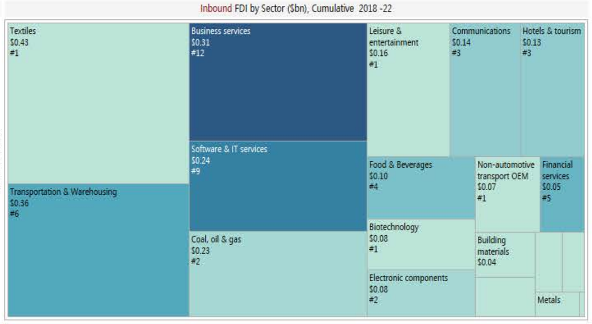
$ investment	
Mauritius	$109m
United Kingdom	$101m
China	$72m
Germany	$50m
Kenya	$19m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$0.30bn	$1.33bn	$0.24bn	$0.28bn	$0.37bn
Total # of Investments	11	20	5	10	10
Average Investment, $m	$27m	$66m	$48m	$28m	$37m
Total Jobs Created	2,116	9,833	1,666	1,626	2,265
Avg. Jobs Created per Investment	192	492	333	163	227

Inbound FDI Vol. ($bn, LHS) and Count (RHS)

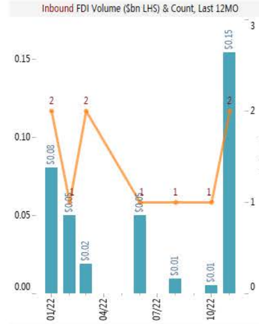


Inbound FDI by Sector ($bn), Cumulative 2018 -22

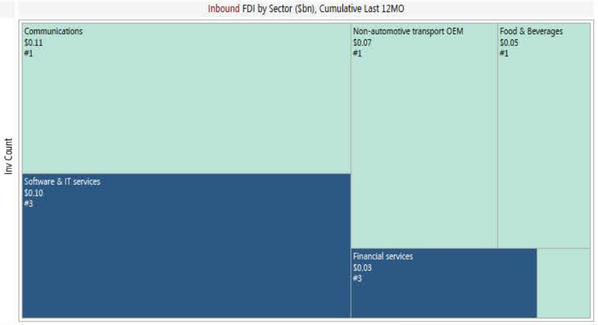


2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Total FDI Volume, $bn	$0.08	$0.05	$0.02			$0.05		$0.01		$0.01	$0.15
Total # of Investments	2	1	2			1		1		1	2
Average Investment, $m	$40	$50	$10			$50		$10		$5	$77
Total Jobs Created	1,381	132	30			132		15		255	320
Avg. Jobs Created per Investment	691	132	15			132		15		255	160

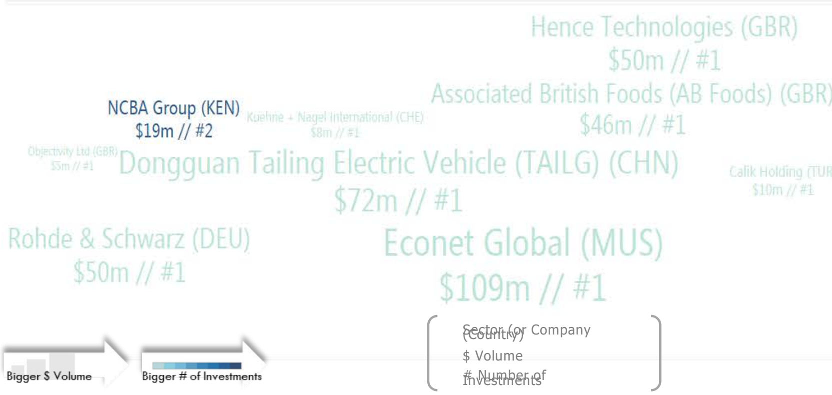
Inbound FDI Volume ($bn LHS) & Count, Last 12MO



Inbound FDI by Sector ($bn), Cumulative Last 12MO



Top 30 Investors, Last 12mo



Inbound Trends by Sector (Last 12mo)

Total Volume $m / FDI Count (Last 12MO)

Senegal

Top CBI Source Countries 2018 – 22

# of projects		$ investment	
France	20	Saudi Arabia	$821m
Germany	7	Türkiye	$770m
UAE	5	France	$729m
Switzerland	4	Morocco	$535m
Morocco	4	China	$353m

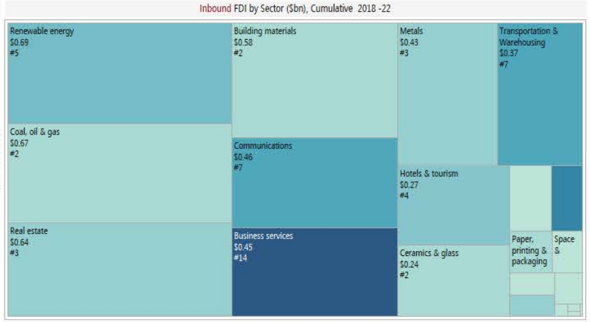
Top CBI Source Countries Last 12mo

# of projects		$ investment	
France	3	Saudi Arabia	$821m
Saudi Arabia	2	United Kingdom	$290m
Germany	2	Ireland	$124m
Switzerland	1	Germany	$104m
Norway	1	Norway	$28m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$0.33bn	$2.11bn	$0.61bn	$0.65bn	$1.43bn
Total # of Investments	9	31	10	8	14
Average Investment, $m	$37m	$68m	$61m	$82m	$102m
Total Jobs Created	1,556	4,509	2,339	1,218	2,715
Avg. Jobs Created per Investment	173	145	234	152	194

Inbound FDI Vol. ($bn, LHS) and Count (RHS)

Inbound FDI by Sector ($bn), Cumulative 2018 -22



Top 30 Investors, Last 12mo

Bigger $ Volume

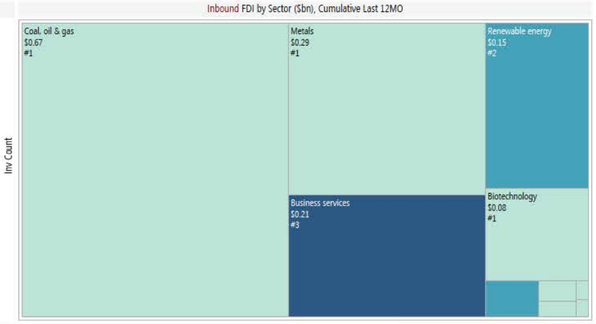
Bigger # of Investments

Sector (or Company (Country)
$ Volume
# Number of Investments

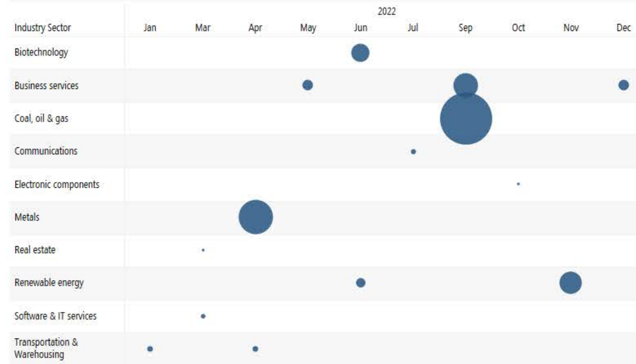
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022											
Total FDI Volume, $bn	$0.01		$0.01	$0.30	$0.03	$0.10	$0.01		$0.82	$0.00	$0.12	$0.03
Total # of Investments	1		2	2	1	2	1		2	1	1	1
Average Investment, $m	$8		$4	$149	$28	$52	$7		$410	$2	$124	$28
Total Jobs Created	20		26	2,097	30	166	84		140	12	110	30
Avg. Jobs Created per Investment	20		13	1,049	30	83	84		70	12	110	30

Inbound FDI Volume ($bn LHS) & Count, Last 12MO

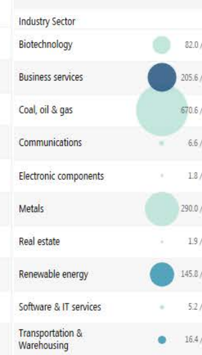
Inbound FDI by Sector ($bn), Cumulative Last 12MO



Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)



Togo

Top CBI Source Countries 2018 – 22

# of projects	
France	5
UAE	4
Germany	4
Nigeria	3
Côte d Ivoire	2

$ investment	
Nigeria	$2,065m
UAE	$323m
Germany	$199m
Kenya	$165m
Mauritius	$109m

Top CBI Source Countries Last 12mo

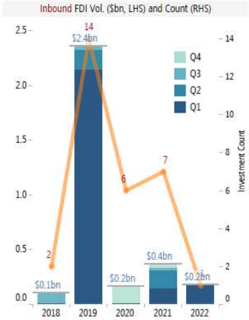
# of projects	
UAE	1

$ investment	
UAE	$181m

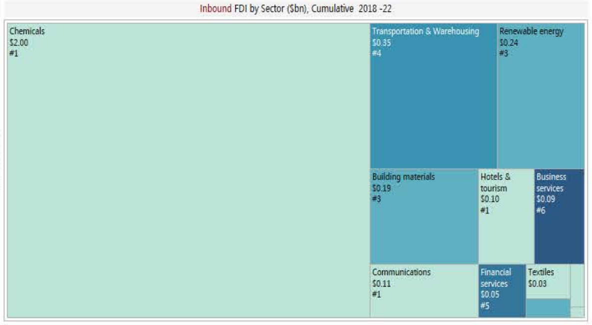
	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$0.11bn	$2.36bn	$0.16bn	$0.37bn	$0.18bn
Total # of Investments	2	14	6	7	1
Average Investment, $m	$53m	$169m	$27m	$52m	$181m
Total Jobs Created	220	3,906	867	269	44
Avg. Jobs Created per Investment	110	279	145	38	44

	2022 Nov
Total FDI Volume, $bn	$0.18
Total # of Investments	1.0
Average Investment, $m	$181
Total Jobs Created	44.0
Avg. Jobs Created per Investment	44.0

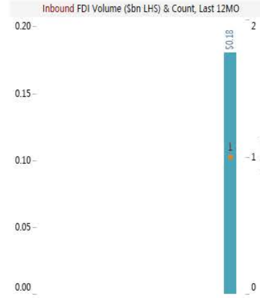
Inbound FDI Vol. ($bn, LHS) and Count (RHS)



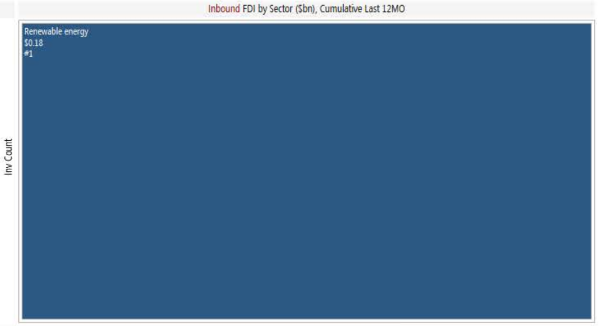
Inbound FDI by Sector ($bn), Cumulative 2018 -22



Inbound FDI Volume ($bn LHS) & Count, Last 12MO



Inbound FDI by Sector ($bn), Cumulative Last 12MO

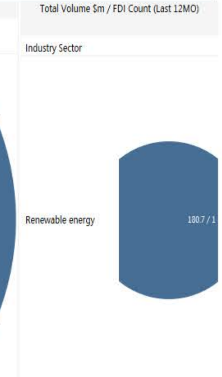


Top 30 Investors, Last 12mo

AMEA Power (ARE)
$181m // #1

Inbound Trends by Sector (Last 12mo)

Total Volume $m / FDI Count (Last 12MO)



Sector (or Company (Country))
$ Volume
# Number of Investments

Tunisia

Top CBI Source Countries 2018 – 22

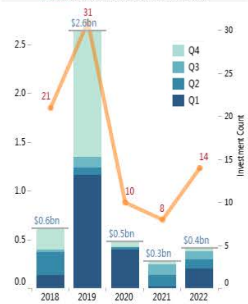
# of projects		$ investment	
France	14	Germany	$829m
Germany	12	Norway	$542m
Italy	8	France	$522m
China	4	Italy	$479m
UAE	4	United Kingdom	$288m

Top CBI Source Countries Last 12mo

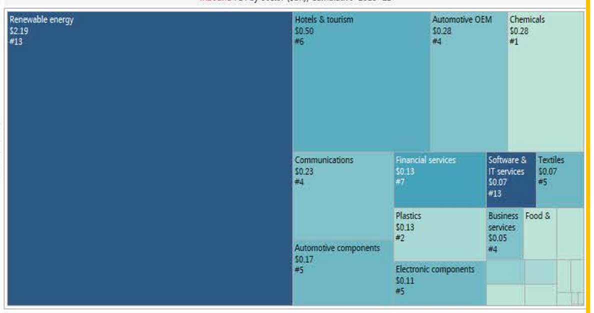
# of projects		$ investment	
France	3	Italy	$233m
Italy	3	France	$101m
Germany	2	Germany	$26m
Qatar	2	Qatar	$18m
United Kingdom	1	Romania	$11m

	2018	2019	2020	2021	2022
Total FDI Volume, $bn	$0.61bn	$2.65bn	$0.48bn	$0.28bn	$0.41bn
Total # of Investments	21	31	10	8	14
Average Investment, $m	$29m	$85m	$48m	$34m	$29m
Total Jobs Created	9,291	4,558	4,116	1,138	1,739
Avg. Jobs Created per Investment	442	147	412	142	124

Inbound FDI Vol. ($bn, LHS) and Count (RHS)

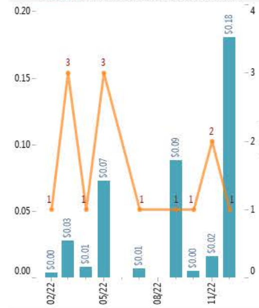


Inbound FDI by Sector ($bn), Cumulative 2018 -22

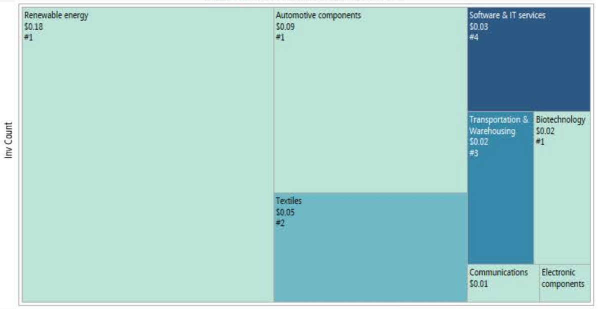


	2022										
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total FDI Volume, $bn	$0.00	$0.03	$0.01	$0.07		$0.01		$0.09	$0.00	$0.02	$0.18
Total # of Investments	1.0	3.0	1.0	3.0		1.0		1.0	1.0	2.0	1.0
Average Investment, $m	$4	$9	$8	$24		$7		$88	$5	$8	$181
Total Jobs Created	20.0	107.0	20.0	924.0		33.0		400.0	100.0	91.0	44.0
Avg. Jobs Created per Investment	20.0	35.7	20.0	308.0		33.0		400.0	100.0	45.5	44.0

Inbound FDI Volume ($bn LHS) & Count, Last 12MO

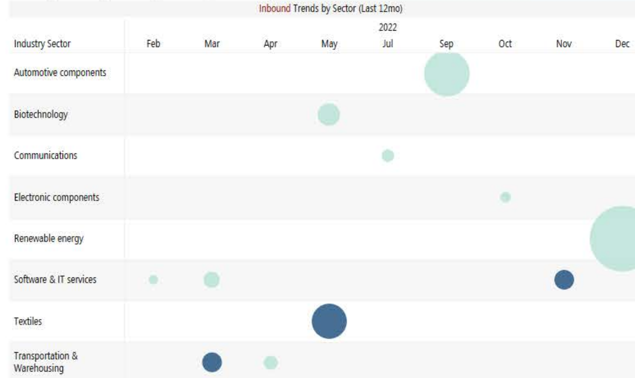


Inbound FDI by Sector ($bn), Cumulative Last 12MO

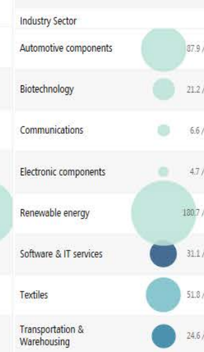


Top 30 Investors, Last 12mo

Inbound Trends by Sector (Last 12mo)



Total Volume $m / FDI Count (Last 12MO)



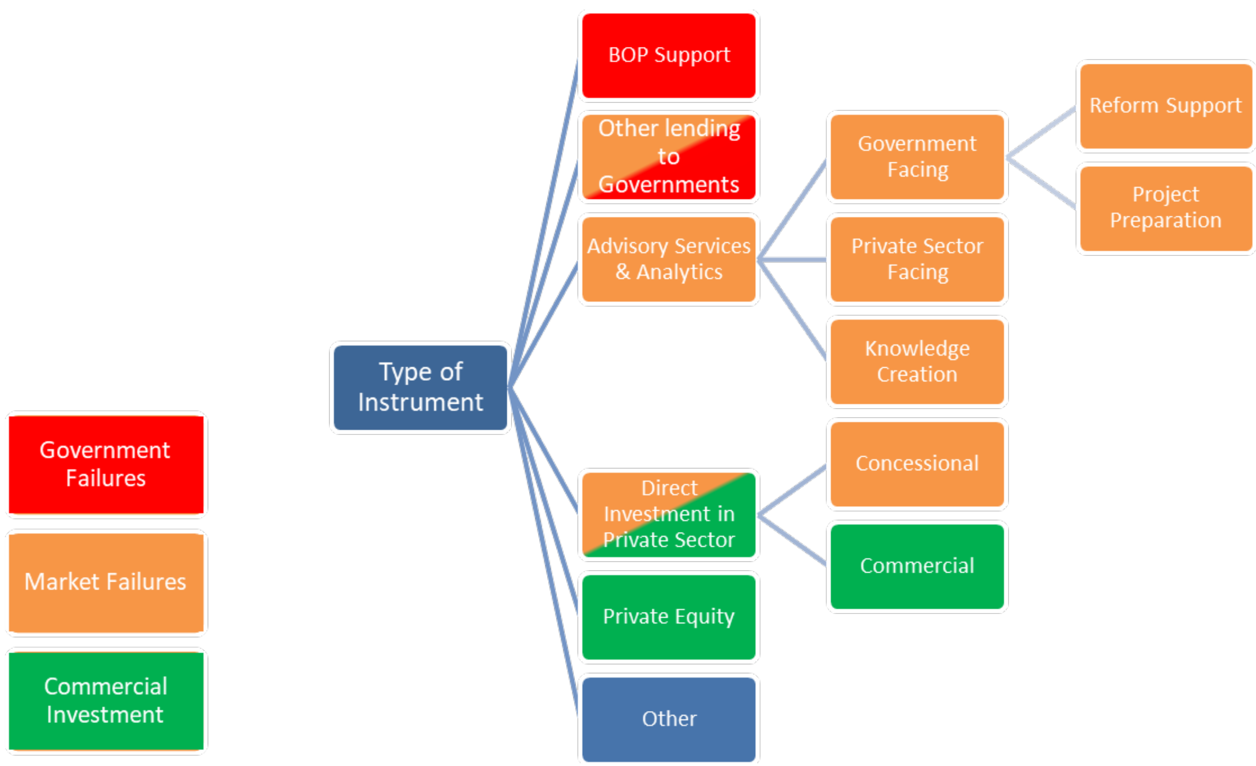
Appendix C. Toolbox: Instruments Available to Support Private Sector Investment in Compact with Africa Countries

This toolkit aims to provide a complete and current inventory of the instruments of international financial institutions in support of private investment and related reforms in all 12 CwA countries. The toolkit is particularly useful if used in conjunction with Country Platforms and Reform Delivery Units, of the likes being deployed by Egypt, Togo, and Tunisia.

The first version of this unique repository, published in 2017, included close to 80 programs by seven institutions. This update of the toolkit features about 130 programs from the same seven institutions and their subsidiaries, including new programs available to the countries that joined the Compact since the last update. A spreadsheet version of the toolkit will allow users to sort programs along various dimensions, such as types or institutions.

Finally, the toolkit underwent a restructuring to improve its usability. The new structure classifies programs according to their orientation, from purely public-facing to purely private-facing as illustrated in figure C.1.

Figure C.1. New Structure of the Compact with Africa Toolkit



1. Balance of Payments Support

Managing Organization - Subsidiaries	Program	Description	CwA Countries Covered	Link	Contact
AfDB	Program-Based Operations, including general budget support, sector budget support	Supports nationally owned policy and institutional reforms in regional member countries.	All	AfDB Program-Based Operations	Gassia Assadourian (g.assadourian@afdb.org)
IMF	Selected lending facilities	Tailored to different types of balance of payments needed and the specific circumstances of its diverse membership. Use of fund resources for budget support is consistent with the fund's mandate and legal framework, provided a balance of payments need exists and the resources are used in support of policies that address the member's balance of payments problem. The choice of lending instruments available to CwA countries depends on PRGT-eligibility, nature of balance of payments needs, and necessity and feasibility of the upper-tranche-credit-quality program.[27]	All in the General Resources Account. PRGT lends on concessional terms to Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Guinea, Rwanda, Senegal, Togo	IMF Lending	Resident Representative Offices or IMF Country Teams
World Bank Group – World Bank	DPF	Provides rapidly disbursing financing to help borrowers address actual or anticipated development financing requirements. Can be extended as loans, credits, or grants.	All	DPF	Claudia Garcia Gonzalez (cgarciagonzalez@worldbank.org)

[27] See IMF "Staff Guidance Note on the Use of Fund Resources for Budget Support" (2010).

2. Other Lending to Governments

Managing Organization - Subsidiaries	Program	Description	CwA Countries Covered	Link	Contact
AfDB	Sovereign guaranteed loans, non-sovereign guaranteed loans, syndicated loans, synthetic local currency loans	AfDB's standard loans that are made to regional member countries or to a public-sector enterprise. Terms are more accommodating and responsive to client needs.	All	AfDB Financial Products AfDB Synthetic Local Currency Loans	Gassia Assadourian (g.assadourian@afdb.org)
AIIB	Sovereign-Backed Financing	Provides financing to the public part of a PPP project that is backed by a sovereign guarantee by the member countries to the World Bank (AIIB may also provide financing of preparatory activities).	Benin, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Rwanda,	Sovereign- Backed Financing	AIIB's Partnership and (partnership@aiib.org)
EBRD	Green Cities Programme	Planning, capacity building, and investments to support cities (sub-sovereign lending) identify and prioritize green investments that involve the private sector in their execution.	Active in Egypt. Morocco and Tunisia eligible	EBRD Green Cities	Gretchen Biery (bieryg@ebrd.com)
EIB	Economic Resilience Initiative	Financing supports the capacity of economies in the Southern Neighbourhood regions to absorb and respond to crises and shocks, such as the Syrian refugee crisis, while maintaining strong growth. Boosts economic resilience in these regions by investing in vital infrastructure, developing the private sector, and stimulating growth and job creation. Investment period ended on December 31, 2021.	Egypt, Morocco, Tunisia	Economic Resilience Initiative	Ms Rania Chiou (r.chiou@eib.org)
EIB	Dedicated sovereign lending window under NDICI	Public sector lending	Côte d'Ivoire, Egypt, Ethiopia, Ghana, Morocco, Rwanda, Senegal, Tunisia		For North Africa: Kristina Kanapinskaite (k.kanapinskaite@eib.org) For Sub-Saharan Africa: Diederick Zambon (d.zambon@eib.org)
EIB	Own resource facility (ORF)	Public/private sector lending	Egypt, Morocco, Tunisia		Mr Lionel Rapaille (l.rapaille@eib.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries Covered	Link	Contact
IsDBG - IsDB	Loans, leasing, istisna'a, grants, installment sale, equity, mudarabah, trade finance	Offers various Islamic finance products to support the development projects in its member countries. Finances a variety of projects in the agriculture, industrial, infrastructure, and other sectors.	Côte d'Ivoire, Morocco, Senegal, Tunisia	IsDB Financial Products	Mohsin Sharif (MSharif@isdb.org)
World Bank Group - World Bank	IPF	Supports capital-intensive investments, agricultural development, service delivery, credit and grant delivery, and institution building. Used in all sectors; focused on the long term (5–10 years).	All	Investment Project Financing	Claudia Garcia Gonzalez (cgarciagonzalez@worldbank.org)

3. Advisory Services and Analytics

a. Government Facing

i. Reform Support

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB	Affirmative Finance Action for Women in Africa Programme (AFAWA)	Supports regional member countries to assist and influence policymaking to create an environment for improved women's access to finance. Provides TA to financial institutions dealing with women in business.	All	AFAWA	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	African Local Currency Bond Fund (ALCB Fund)	Addresses the underdevelopment of local currency bond markets in Africa. Goal is to improve access to long-term funding in local currency, strengthen the capacity of local markets, and create opportunities for local investors.	All	ALCB Fund	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Capital Markets Development Trust Fund (CMDTF)	Supports the establishment of capital markets that efficiently mobilize and allocate savings to fund credit needs of economic agents and catalyze the continent's development while reducing intermediation costs.	Initial phase: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Senegal, Togo	CMDTF	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Fund for African Private Sector Assistance (FAPA)	Provides untied grants for TA and capacity building to governments, Regional Economic Communities, and similar intergovernmental organizations, business associations, market regulatory institutions, business development service providers, business training and research institutions, and public/private enterprises. Goal is to create an enabling environment, strengthen financial systems, build competitive infrastructure, promote the development of MSMEs, and promote trade.	All	FAPA	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Migration and Development Fund	MDTF that provides financing for: (i) improving knowledge on migrant remittances in Africa (ii) providing support to reforms of the regulatory frameworks required to improve transfer conditions (iii) developing financial products (iv) providing support for productive investment in migrants' countries of origin (v) providing support for local development in migrants' countries of origin	All	Migration and Development Initiative	Gassia Assadourian (g.assadourian@afdb.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB	Sustainable Energy Fund for Africa (SEFA)	Supports sustainable private sector-led economic growth in African countries through the efficient use of untapped clean energy resources. Operates under three financing windows: project preparation, equity investments, and enabling environment support.	All	SEFA	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Youth Entrepreneurship and Innovation Trust Fund (YEI)	Strengthens the employment and entrepreneurship ecosystem for young people in Africa. Funds incubator programs, access to finance, and study and reform programs that will foster the development of innovative startups created and led by young African men and women.	All	YEI Trust Fund	Gassia Assadourian (g.assadourian@afdb.org)
EBRD	Investment Climate and Governance Initiative	Supports reform-minded governments and corporate clients to increase transparency, good governance, and healthy competition, through investment councils, recourse mechanisms (business ombudsman), and transparency in business registration and regulation.	Egypt, Morocco, Tunisia	Investment Climate and Governance Initiative	Gretchen Biery (bieryg@ebrd.com)
IMF	Capacity development on economic issues linked to reforms, such as public finances, monetary and financial systems, legislative frameworks, statistics, and macroeconomic frameworks.	Works with countries to strengthen their economic institutions and implement reforms in support of their economy to create more jobs (such as, institutional strengthening of public enterprises, financial market development, tax policy, public investment management with a focus on PPPs, enhancing governance and anti-corruption frameworks). CwA countries are served through expert advice delivered in-country and at headquarters; in regional capacity development centers; and in-person, online, and through micro-learning sessions.	All	Capacity Development	Resident Representative Offices or IMF Country Teams
IsDBG - ICD	Industry and Business Environment Support Program	Helps member countries develop enabling environments for business, improves firms' competitiveness, enhances value chains, and promotes industrialization in productive sectors.	Côte d'Ivoire, Morocco, Senegal, Tunisia	IBES Program	Arman Kulchmanov (AKulchmanov@isdb.org)
IsDBG - ICD	Sukuk Program	As the private sector arm of the IsDBG, helps member countries mobilize resources from the market through Islamic finance facilities (sukuk).	Côte d'Ivoire, Morocco, Senegal, Tunisia	Sukuk Program	Tarik Malaika (TMalaika@isdb.org)
IsDBG - ITFC	Aid for Trade Initiative for the Arab States (AfTIAS)	Provides TA and support to tackle the Arab Region's lack of capacity in information, policies, procedures, and institutions,	League of Arab States countries	AfTIAS	Lassaad Khalifa Ben Hassine (lbenhassine@itfc-idb.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
		and the required infrastructure to integrate and compete effectively in regional and global markets.			
IsDBG - ITFC	Arab Africa Trade Bridges (AATB) Program	Promotes and increases trade flows between Arab and Organization of Islamic Cooperation Member Countries in Sub-Saharan Africa. Develops opportunities and promotes Trade Finance and Export Credit Insurance Products.	Africa and Arab OIC member countries	AATB Program	Mohamad Ali El-Cheikh (melcheikh@itfc-idb.org)
IsDBG - ITFC	IsDB - ITFC AfCFTA Initiative	Supports the operationalization of the AfCFTA. Supports implementation of more than 30 activities recommended by AfCFTA national strategies formulated in Burkina Faso, Guinea, Mauritania, Niger, Senegal, Togo, and Tunisia.	Burkina Faso, Guinea, Senegal, Togo, Tunisia		Abdouramane Diallo (abdouramanediallo@ itfc-idb.org)
SIF (with partnerships among governments, donors, AfDB, ADB, EBRD, EIB, IDB, World Bank Group, private investors)	Source	Project preparation software designed to maximize public sector users' financing options by providing projects in a consistent and transparent way to the international community of contractors, investors, and lenders.	All	SIF	Gretchen Biery (bieryg@ebrd.com) Ioanna-Victoria Kyritsi (v.kyritsi@eib.org)
World Bank Group - World Bank	ASA	Helps governments adopt better policies, programs, and reforms that lead to greater economic growth and stability. Consists of economic and sector work and TA.	All	Advisory Services and Analytics	Claudia Garcia Gonzalez (cgarciagonzalez@ worldbank.org)
World Bank Group - World Bank	C-JET	Umbrella trust fund that supports the private sector agenda. Channels TA to help countries implement reforms and put in place country platforms.	All	C-JET	Vincent Palmade (vpalmade@worldbank. org)
World Bank Group - World Bank	CwA-GBF	Enables African SMEs to attract climate and green finance to adopt and scale climate-smart practices and technologies across different sectors leveraging government projects financed by the World Bank.	All		Chandra Shekhar Sinha (csinha@worldbank.org)
World Bank Group - World Bank	F4D	Umbrella MDTF finances TA to enable private sector-driven growth supporting: - Financial sector resiliency - Financing the poor and vulnerable - Financing the real economy - Financial market development	All		Loic Chiquier (lchiquier@worldbank.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
World Bank Group - World Bank	World Bank Women Entrepreneurs Financing Initiative (We-Fi)	Supports women entrepreneurs by scaling up access to financial products and services, building capacity, expanding networks, offering mentors, and providing opportunities to link with domestic and global markets leveraging government projects financed by the World Bank.	All	We-Fi	Jana Malinska (jmalinska@worldbank.org)
World Bank Group - World Bank - PPIAF (with governments, ADB, EBRD, IDB, IsDB, DFIs, and private sector)	PPP Certification Program	PPPs	All	PPP Certification Program	Claudia Garcia Gonzalez (cgarciagonzalez@worldbank.org)

ii. Project Preparation

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB	Africa Investment Forum	Multistakeholder, multidisciplinary platform advances projects to bankable stages, raising capital, and accelerating the financial closure of deals to close Africa's investment gaps.	All	Africa Investment Forum	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	African Legal Support Facility (ALSF)	Provides legal advice. TA to African countries in negotiation of complex commercial transactions, creditor litigation, and other sovereign transactions.	All	ALSF	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	NEPAD Infrastructure Project Preparation Facility (IPPF)	Assists regional member countries and regional economic communities and related institutions in preparing high quality and viable regional and continental infrastructure projects in the energy, trans-boundary water resources management, transport, and ICT sectors, enabling them to seek financing from public and private sources.	All	NEPAD-IPPF	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Shelter Afrique	Builds strategic partnerships and offers many products and related services to support the efficient delivery of affordable housing and commercial real estate. Includes project finance, institutional lending, equity investments and joint ventures,	All	Shelter Afrique	Gassia Assadourian (g.assadourian@afdb.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
		trade finance, and social housing. Offers practical advice and TA to a wide range of industry stakeholders.			
AfDB	Sustainable Energy Fund for Africa (SEFA)	Supports sustainable private sector-led economic growth in African countries through the efficient utilization of untapped clean energy resources. Operates under three financing windows: project preparation, equity investments, and enabling environment support.	All	SEFA	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	The Agriculture Fast Track Fund (AFT Fund)	Provides grant funding for the initial project development costs of a broad range of agriculture infrastructure projects spanning the entire value chain. These can emanate from the private or public sector and from local or international businesses.	All	The Agriculture Fast Track Fund	Gassia Assadourian (g.assadourian@afdb.org)
AIIB	Project Preparation Special Fund (PPSF)	Provides TA grants for preparing bankable infrastructure projects for AIIB financing.	Benin, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Rwanda	AIIB Project Preparation Special Fund	AIIB Partnership and Regional Cooperation Unit (partnership@aiib.org)
EBRD	Infrastructure Project Preparation Facility (IPPF)	Offers enhanced support and delivery mechanisms for project preparation (for both PPPs and public sector-financed projects) to improve efficiency, quality, and replicability of infrastructure projects.	Egypt, Morocco, Tunisia	Infrastructure Project Preparation Facility	Gretchen Biery (bieryg@ebrd.com)
EBRD	Local Currency and Capital Market Development Initiative (LC2)	Policy dialogue and product design: • Reduces reliance on foreign currency borrowing and lending through building sustainable and resilient domestic local currency financial sectors. • MoU on developing domestic capital markets and improving the access of SMEs to local currency financing. • Expands the range of equity and debt financial instruments, such as covered and municipal bonds, equity funds. • Promotes efficiency of capital market infrastructure through improving and developing debt and equity trading platforms and clearing and settlement institutions, and alternative financing channels, such as crowdfunding and listing support platforms for SME.	Egypt, Morocco, Tunisia	Local Currency and Capital Market Development Initiative	Gretchen Biery (bieryg@ebrd.com)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
EIB	Cotonou Agreement Investment Facility (TA component)	Enhances project quality and success rates, increases efficiency and sustainability, and complements other financial products.	Côte d'Ivoire, Ethiopia, Ghana, Rwanda, Senegal	Cotonou Investment Facility	Ioanna-Victoria Kyritsi (v.kyritsi@eib.org)
EIB	Economic Resilience Initiative	Focused on both public and private sectors, allows the EU bank to accelerate implementation of ongoing projects and provide additional financial and technical support to projects that otherwise would have difficulty originating.	Egypt, Morocco, Tunisia	Economic Resilience Initiative	Ioanna-Victoria Kyritsi (v.kyritsi@eib.org)
EIB	Facility for Europe-Mediterranean Investment and Partnership (FEMIP) Trust Fund	Financing facility for upstream TA, regional studies, and targeted risk capital operations supporting innovative private sector companies.	Egypt, Morocco, Tunisia	FEMIP Trust Fund	Jesper Persson (j.persson@eib.org)
EIB	Sub-Saharan Africa, the Caribbean and the Pacific Investment Facility (TA component)	TA operations to enhance project quality and success rates, increase efficiency and sustainability, and complement other financial products.		ACP Investment Facility	Ioanna-Victoria Kyritsi (v.kyritsi@eib.org)
IMF	Capacity development on infrastructure governance, including public investment management (PIMA)	Helps governments improve planning, coordination across government, project appraisal and selection, budgeting and portfolio management, and risk management for public investment projects.	All	PIMA	Resident Representative Offices or IMF Country Teams
IsDBG - ICD	Islamic Financial Institutions Development Program	Supports the financial institutions in member countries to set up Islamic finance windows and convert their operations from conventional finance to Islamic finance.	Côte d'Ivoire, Morocco, Senegal, Tunisia	Advisory	Wajdi Hachana (WHachana@isdb.org)
World Bank Group - ICSID	ICSID	• Investment arbitration and mediation training. • Programs on arbitration-specific topics. • Relevant materials for arbitration and mediation, such as Guide for Respondent States in Arbitration. • ICSID Review, published three times a year.	All	International Centre for Settlement of Investment Disputes	Meg Kinnear (mkinnear@worldbank.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
World Bank Group - IFC	Collaboration and co-development as part of IFC Upstream	"Upstream" activities occur before the traditional investment cycle and are necessary precursors to an investment. Entails identifying public-sector reforms that will unlock more private investment and creating projects that we will offer to potential investors across manufacturing/agribusiness/services, financial institutions, and infrastructure.	All	Working Upstream	Jamie Fergusson (jfergusson@ifc.org)
World Bank Group - IFC	Private Infrastructure Development Group (PIDG)/Infrastructure Development Collaboration Partnership Fund (DevCo)	Partnership with Foreign, Commonwealth & Development Office, Netherlands Ministry of Foreign Affairs, Switzerland, State Secretariat for Economic Affairs SECO, Australian Government Department of Foreign Affairs and Trade, Swedish International Development Cooperation Agency, FMO, and KfW. Grant funding for PPP transaction advisory services for client governments	Benin, Burkina Faso, Ethiopia, Ghana, Guinea, Rwanda, Senegal, Togo	PIDG DevCo DevCo Operating Principles	May Yin Chan (mchan1@ifc.org)
World Bank Group - World Bank	Public-Private Infrastructure Advisory Facility (PPIAF)	Catalyzes private involvement in infrastructure in emerging markets and developing countries through PPPs and commercial financing of subnational entities. Provides TA grants to governments to build an enabling environment for PPPs and knowledge grants to create and disseminate public goods and tools in private participation in infrastructure.	All	Public-Private Infrastructure Advisory Facility	Claudia Garcia Gonzalez (cgarciagonzalez@ worldbank.org)
World Bank Group - World Bank	Quality Infrastructure Investment Partnership	Brings rigor to the concept of quality infrastructure and has an advocacy partnership in international forums to showcase practical applications to infrastructure projects in developing countries.	All	Quality Infrastructure Investment	Claudia Garcia Gonzalez (cgarciagonzalez@ worldbank.org)

4. Private Sector Engagement

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB	Affirmative Finance Action for Women in Africa Programme (AFAWA)	Supports regional member countries to assist and influence policymaking to create an environment for improved women's access to finance. Provides TA to financial institutions dealing with women in business.	All	AFAWA	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Africa Investment Forum	Multistakeholder, multidisciplinary platform advances projects to bankable stages, raising capital, and accelerating the financial closure of deals to close Africa's investment gaps.	All	Africa Investment Forum	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Fund for African Private Sector Assistance (FAPA)	Provides untied grants for TA and capacity building to governments, Regional Economic Communities, and similar intergovernmental organizations, business associations, market regulatory institutions, business development service providers, business training and research institutions, and public/private enterprises. Goal is to create an enabling environment, strengthen financial systems, build competitive infrastructure, promote the development of MSMEs, and promote trade.	All	FAPA	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Shelter Afrique	Builds strategic partnerships and offers many products and related services to support the efficient delivery of affordable housing and commercial real estate. Includes project finance, institutional lending, equity investments and joint ventures, trade finance, and social housing. Offers practical advice and TA to a wide range of industry stakeholders.	All	Shelter Afrique	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	The Enhanced Private Sector Assistance for Africa (EPSA) Initiative	Innovative, multicomponent, multidonor framework for resource mobilization and development partnership to support implementation of AfDB private sector operations.	All	EPSA	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Youth Entrepreneurship and Innovation Trust Fund (YEI)	Strengthens the employment and entrepreneurship ecosystem for young people in Africa by funding incubator programs, and access to finance, study, and reform programs that will foster the development of innovative startups created and led by young African men and women.	All	YEI Trust Fund	Gassia Assadourian (g.assadourian@afdb.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AIIB	Project Preparation Special Fund (PPSF)	Provides TA grants for preparing bankable infrastructure projects for AIIB financing. Supports the preparation of private sector projects if such support does not create unfair competitive advantages for grant recipients.	Benin, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Rwanda	AIIB Project Preparation Special Fund	AIIB Partnership and Regional Cooperation Unit (partnership@aiib.org)
EBRD	Advice for small businesses, women in business, youth in business, skills in business • Star Venture • Blue Ribbon	Sector-specific advisory solutions to women-led SMEs, young entrepreneurs and SMEs, promising startups and accelerators, and high-growth SMEs.	Egypt, Morocco, Tunisia	Small Business Support	Gretchen Biery (bieryg@ebrd.com)
EBRD	Infrastructure Project Preparation Facility (IPPF)	Offers enhanced support and delivery mechanisms for project preparation (for both PPPs and public sector financed projects) to improve efficiency, quality, and replicability of infrastructure projects.	Egypt, Morocco, Tunisia	IPPF	Gretchen Biery (bieryg@ebrd.com)
EIB	Risk Capital Facility for the Southern Neighbourhood (TA component)	Leverages the impact of risk capital operations, notably through capacity building programs (focusing on financial intermediaries, mainly microfinance institutions and/or current and potential final beneficiaries).	Egypt, Morocco, Tunisia	Risk Capital Facility for Southern Neighbourhood	Matthieu Ducorroy (m.ducorroy@eib.org)
World Bank Group - ICSID	ICSID	• Investment arbitration and mediation training. • Programs on arbitration-specific topics. • Relevant materials for arbitration and mediation, such as Guide for Respondent States in Arbitration. • ICSID Review, published three times a year.	All	International Centre for Settlement of Investment Disputes	Meg Kinnear (mkinnear@worldbank.org)
World Bank Group - IFC	FCS Africa Program	Helps fragile states strengthen their private sectors with targeted advisory and investment interventions.	Côte d'Ivoire, Guinea	FCS Africa Program	Michel M. V. Botzung (mbotzung@ifc.org)
World Bank Group - World Bank	Public-Private Infrastructure Advisory Facility (PPIAF)	Catalyzes private involvement in infrastructure in emerging markets and developing countries through PPPs and commercial financing of subnational entities. Provides TA grants to governments to build an enabling environment for PPPs and knowledge grants to create and disseminate public goods and tools in private participation in infrastructure.	All	Public-Private Infrastructure Advisory Facility	Claudia Garcia Gonzalez (cgarciagonzalez@worldbank.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
World Bank Group - World Bank	Quality Infrastructure Investment Partnership	Brings rigor to the concept of quality infrastructure and has an advocacy partnership in international forums to highlight practical applications to infrastructure projects in developing countries.	All	Quality Infrastructure Investment	Claudia Garcia Gonzalez (cgarciagonzalez@worldbank.org)
World Bank Group - World Bank (Partners include AfDB, ADB, AIIB, EBRD, EIB, IDB, IFC, IsDB, and NDB)	Global Infrastructure Facility (GIF)	As a unique set of strategic partnerships between MDBs, client governments, and the private sector, GIF provides a new way to collaborate on preparing, structuring, and implementing complex projects. Support draws on the combined expertise of its technical and advisory partners.	All. Active in Burkina Faso, Côte d'Ivoire, Egypt, Ghana, Senegal, Tunisia	Global Infrastructure Facility	Sara Ahmed (sahmed28@worldbank.org)

5. Knowledge Creation

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB	Capital Markets Development Trust Fund (CMDTF)	Supports the establishment of capital markets that efficiently mobilize and allocate savings to fund the credit needs of economic agents and catalyze the continent's development while reducing intermediation costs.	Initial phase: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Senegal, Togo	CMDTF	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Making Finance Work for Africa (MFW4A)	Partnerships with Afreximbank, AFD, GIZ, EIB, and Federal Ministry of Economic Cooperation and Development of Germany. Financial sector development.	All	MFW4A	Gassia Assadourian (g.assadourian@afdb.org)
IMF	Capacity development to support knowledge creation in member countries (such as public finances, monetary and financial systems, legislative frameworks, statistics, and macroeconomic frameworks).	Offers members training in analytical tools that support knowledge creation and capacity development (such as model-based policy analysis, development of economic indicators, measurement of the non-observed economy, digital economy and Fintech risk management).	All	Capacity Development and IMF Online Training	Resident Representative Offices or IMF Country Teams
IsDBG - ITFC	ITFC research on impacts of the AfCFTA on selected African countries	Assesses the impacts of the AfCFTA on OIC African countries.	Burkina Faso, Côte d'Ivoire, Egypt, Guinea, Senegal, Tunisia		Abdouramane Diallo (abdouramanediallo@itfc-idb.org)
World Bank Group - World Bank	PPP in Infrastructure Resource Center (PPPIRC)	• PPP legal frameworks • Sector-specific legislation and regulation	All	PPPIRC	Claudia Garcia Gonzalez (cgarciagonzalez@worldbank.org)
World Bank Group - World Bank - PPIAF	PPP Knowledge Lab	Partnerships with ADB, AfDB, EBRD, EIB, GPRBA, IDB, IsDB, UN, OECD, and WEF. PPPs	All	PPP Knowledge Lab	Claudia Garcia Gonzalez (cgarciagonzalez@worldbank.org)
WEF and OECD	Sustainable Development Investment Partnership (SDIP)	Partnerships with AfDB, ADB, EBRD, EIB, FMO, IDB, IFC, IsDB, MIGA, and private banks. Infrastructure.	All	SDIP	Gretchen Biery (bieryg@ebrd.com) Osman Buyukmutlu (obuyukmutlu@isdb.org) Ioanna-Victoria Kyritsi (v.kyritsi@eib.org)

6. Direct Investment

a. Concessional

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB	African Renewable Energy Fund (AREF)	Dedicated renewable energy fund focused on Sub-Saharan Africa committed capital supports small- to medium-scale independent power producers.	All	African Renewable Energy Fund	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Agency Line (AL)	Through local financial and non-financial institutions, AfDB mobilizes funding for projects that are too small for it to handle directly or are difficult to identify and assess from the headquarters. Agency lines are designed to increase the volume of funding that can be provided to SME projects without increasing the credit risk on the private financial institution and with minimal involvement of the World Bank in project processing work.	All	AfDB Agency Lines	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Boost Africa	Investment program provides equity funding to a range of private equity funds supporting startups and early-stage SMEs across the continent.	All	Boost Africa	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Facility for Energy Inclusion (FEI)	With targeted capitalization of up to $500 million, including debt and equity capital, FEI provides senior and mezzanine debt to off-grid, mini-grid, and small-scale independent power producers with total costs not exceeding $30 million.	All	Facility for Energy Inclusion	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Partial risk guarantee (PRG) Partial credit guarantee (PCG)	PRG covers political risk, particularly losses on equity/quasi-equity or other forms of direct investment, regulatory risks, convertibility, and transferability. PCG covers a portion of scheduled repayments of private loans or bonds against all risks. Could be used to support mobilization of private funds for project finance, financial intermediation, and policy-based finance.	All	AfDB Guarantees	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Private Sector Credit Enhancement Facility (PSF)	PSF provides guarantees to the AfDB on selected private sector operations.	All	PSF	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Trade Finance Program (TFP)	Seeks to reduce the trade finance gap in Africa by “crowding in” global banks and strengthening local Africa financial institutions that are critical to the promotion of trade on the continent. It offers a wholesale approach to trade finance through risk mitigation facilities and liquidity support.	All	Trade Finance Program	Gassia Assadourian (g.assadourian@afdb.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB (with DBSA, DEG, FMO, EIB, IDC, IFC, and Proparco)	African Financing Partnership (AFP)	The AFP is a collaborative, co-financing platform among DFIs active in private sector project financing in Africa. Aims to efficiently mobilize resources for investment in project financing in Africa. Beneficiaries would include infrastructure and industrial-related projects with large funding requirements.	All	African Financing Partnership	Gassia Assadourian (g.assadourian@afdb.org)
EBRD	Donor-funded instruments include capital grants, incentives, risk-sharing and guarantee facilities, concessional loans, co-lending and equity investments	Donor funds allow EBRD to address affordability constraints, improve market outcomes in the presence of significant externalities, build capacity, provide advisory services, and steer investments toward improved sustainability and transition impact across the EBRD's regions. Donors contribute funding for TA, co-financing, and policy dialogue.	Egypt, Morocco, Tunisia	Donor-funded instruments	Gretchen Biery (bieryg@ebrd.com)
EIB	ACP Trust Fund	A trust fund off EIB balance sheet for ACP countries to finance impact finance type of operations (equity, quasi equity, and so on) and local currency (to be operational starting the second quarter of 2022).	Côte d'Ivoire, Ethiopia, Ghana, Rwanda, Senegal		Christophe Litt (c.litt@eib.org)
EIB	Risk Capital Facility for the Southern Neighbourhood	Provides access to equity and debt financing to SMEs to support private sector development, inclusive growth, and private sector job creation.	Egypt, Morocco, Tunisia	Risk Capital Facility for the Southern Neighbourhood	Matthieu Ducorroy (m.ducorroy@eib.org)
European Commission and EIB	EU-Africa Infrastructure Trust Fund (AITF)	Offers TA in support of all project phases; interest rate subsidies to decrease the EU-AITF financiers' loan interest rates; investment grants to finance project components or part of the investment; and financial instruments such as guarantees, risk mitigation measures, equity or quasi-equity investments, or participations.	Ethiopia, Ghana, Rwanda, Senegal	EU-Africa Infrastructure Trust Fund	Jesper Persson (j.persson@eib.org)
IsDBG - ICIEC	Trade Credit Insurance and Investment Insurance/Political Risk Insurance Solutions	Credit insurance covers insolvency of the obligor, failure or refusal of the obligor to pay on the due date. Also covers currency inconvertibility, war and civil disturbance and expropriation risks. • Comprehensive Short-Term Policy Bank Master Policy. • Documentary Credit Insurance Policy Investment insurance covers risks such as non-honoring of financial obligations by the sovereign/sub-sovereign, currency inconvertibility and transfer restrictions, and expropriation. • Non-Honoring of Sovereign Financial Obligations.	Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Morocco, Senegal, Tunisia	ICIEC Insurance Solutions	Yasser Alaqi (yalaki@isdb.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
		• Foreign Investment Insurance Policy/Political Risk Insurance for Financing Facility and Equity Investments, providing protection against the risks of expropriation, currency inconvertibility and transfer restrictions, war and civil disturbance, and breach of contract.			
World Bank Group - IFC	Blended Climate Finance	Addresses market barriers by using concessional financial instruments to undertake pioneering projects. Takes the form of a variety of products and structures, including risk-sharing products, lower interest rates, longer tenors, subordinated rank in loans, or lower returns for equity investments.	All	Blended Climate Business	Kruskaia Sierra-Escalante (ksierraescalante@ifc.org)
World Bank Group - IFC	Global SME Finance Facility[1]	Blended finance is based on a combination of market loans and grants, which may take various forms, such as direct investment grants, interest rate subsidies, loan guarantees, TA, risk mitigation, and equity instruments.	All	Global SME Finance Facility	Anushe A. Khan (khan7@ifc.org)
World Bank Group - IFC	IDA18: PSWB lended Finance Facility	Additional blended finance for sectors, such as manufacturing, technology, and basic services.	Côte d'Ivoire, Ethiopia, Ghana, Rwanda, Senegal	PSW	Kruskaia Sierra-Escalante (ksierraescalante@ifc.org)
World Bank Group - IFC	PSW Local Currency Financing Facility (IDA18)	Provides hedging solutions for local currency in markets without commercial hedging solutions.	Côte d'Ivoire, Ethiopia, Ghana, Rwanda, Senegal	PSW	Kruskaia Sierra-Escalante (ksierraescalante@ifc.org)
World Bank Group - IFC (with World Bank, WFP, ADB, AfDB, FAO, IDB, and IFAD)	Global Agriculture and Food Security Program (GAFSP)[2]	Provides competitive grant financing to support governments to implement their food and nutrition security priorities. Also provides concessional finance blended with commercial finance to stimulate private investment into agriculture, gender, nutrition, climate change, and targeted support to fragile and conflict-affected states.	Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Guinea, Rwanda, Senegal, Togo	GAFSP	Niraj Shah (nshah1@ifc.org)
World Bank Group - IFC and MIGA	Trade Finance Guarantees	Initiative to provide trade finance guarantees with a tenor of up to one year for public authorities, SOEs, and state-owned banks	All		Clarine Stenfert (cstenfert@worldbank.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
					Roxanna Faily (rfaily@worldbank.org)
World Bank Group - MIGA	Credit Enhancement	Provides credit enhancement (Non-Honoring of Financial Obligations) in transactions involving sovereign and sub-sovereign entities and SOEs. The primary beneficiaries that can benefit from this are commercial lenders that provide loans on commercial terms to these public sector entities for infrastructure and other productive investments.	Morocco and Senegal	MIGA Investment Guarantees	Nkem Onwuamaegbu (nonwuamaegbu@worldbank.org) Cheikh Diagne (cdiagne@worldbank.org)
World Bank Group - MIGA	Fund for Advancing Sustainability (FAS)	Trust fund supports investors in boosting their impact in priority areas, such as climate and gender and achieving enhanced standards on ESG, corporate governance and integrity. Seeks to help investors navigate the challenges of backing projects in fragile and conflict settings	All	FAS	Chinwe Binitie (cbinitie@worldbank.org)
World Bank Group - MIGA	Political Risk Insurance	Provides coverage to investors and lenders against the non-commercial risks: breach of contract, expropriation, transfer restriction and inconvertibility, and war and civil disturbance.	All	MIGA Investment Guarantees	Nkem Onwuamaegbu (nonwuamaegbu@ worldbank.org) Cheikh Diagne (cdiagne@worldbank.org)
World Bank Group - MIGA	Renewable Energy Catalyst MDTF (RECTF)	Provides first loss risk mechanism and other risk-sharing solutions, thereby making guarantees more accessible and affordable to better meet clean energy investors' risk management needs.	All, Renewable Energy Projects	RECTF	Chinwe Binitie (cbinitie@worldbank.org)
World Bank Group - World Bank, IFC, and MIGA	Project-based guarantees (loan guarantees and payment guarantees)	Project-based guarantees that fall into two main categories: (i) loan guarantees that cover defaults of debt service payments; and (ii) payment guarantees that cover payment defaults of non-loan related government payment obligations to private entities. New PSW provides additional project-based guarantees with greater flexibility.	All, except for PSW program that only applies to IDA countries	Overview of World Bank Group guarantee products	Sudha Bala Krishnan (skrishnan8@ifc.org)

b. Commercial

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
AfDB	Private Sector Credit Enhancement Facility (PSF)	Provides guarantees to the AfDB on selected private sector operations.	All	PSF	Gassia Assadourian (g.assadourian@afdb.org)
AfDB	Trade Finance Program (TFP)	Seeks to reduce the trade finance gap in Africa by “crowding in” global banks and strengthening local African financial institutions that are critical to the promotion of trade on the continent. Offers a wholesale approach to trade finance through the provision of risk mitigation facilities and liquidity support.	All	TFP	Gassia Assadourian (g.assadourian@afdb.org)
AfDB (with DBSA, DEG, FMO, EIB, IDC, IFC, and Proparco)	African Financing Partnership (AFP)	The AFP is a collaborative, co-financing platform among DFIs active in private sector project financing in Africa. Aims to efficiently mobilize resources for investment in project financing in Africa. Beneficiaries would include infrastructure and industrial-related projects with large funding requirements.	All	African Financing Partnership	Gassia Assadourian (g.assadourian@afdb.org)
EBRD	Donor-funded instruments include capital grants, incentives, risk-sharing and guarantee facilities, concessional loans, co-lending and equity investments	Donor funds allow EBRD to address affordability constraints, improve market outcomes in the presence of significant externalities, build capacity, provide advisory services, and steer investments toward improved sustainability and transition impact across the EBRD’s regions. Contributes funding for TA, co-financing, and policy dialogue.	Egypt, Morocco, Tunisia	Donor-funded instruments	Gretchen Biery (bieryg@ebrd.com)
EBRD	Trade Finance Programme (TFP)	Guarantees and trade-related cash advances to promote foreign trade to, from, and within the EBRD regions, combined with e-learning program for issuing banks to achieve best international practice in trade finance.	Egypt, Morocco, Tunisia	EBRD Trade Finance Programme	Gretchen Biery (bieryg@ebrd.com)
EIB	Impact Financing Envelope	Investing in higher-risk projects, the Impact Financing Envelope allows the EIB to go further than traditional operations and explore new sectors and new regions, supporting private sector initiatives (commitment period until June 2021).	CIV, ETH, GHA, RWA, and SEN	Impact Financing Envelope	Ioanna-Victoria Kyritsi (v.kyritsi@eib.org)

Managing Organization - Subsidiaries	Program	Description	CwA Countries	Link	Contact
World Bank Group - IFC	IDA18: PSW Blended Finance Facility	Additional blended finance for sectors, such as manufacturing, technology, and basic services.	CIV, ETH, GHA, RWA, and SEN	PSW	Kruskaia Sierra-Escalante (ksierraescalante@ifc.org)
World Bank Group - IFC	PSW Local Currency Financing Facility (IDA18)	Provides hedging solutions for local currency in markets without commercial hedging solutions.	CIV, ETH, GHA, RWA, and SEN	PSW	Kruskaia Sierra-Escalante (ksierraescalante@ifc.org)
World Bank Group - IFC (with World Bank, WFP, ADB, AfDB, FAO, IDB, and IFAD)	Global Agriculture and Food Security Program (GAFSP)[2]	Provides competitive grant financing to support governments to implement their food and nutrition security priorities. Provides concessional finance blended with commercial finance to stimulate private investment into agriculture, gender, nutrition, climate change, and targeted support to fragile and conflict affected states.	BEN, BFA, CIV, ETH, GHA, GIN, RWA, SEN, and TGO	GAFSP	Niraj Shah (nshah1@ifc.org)
World Bank Group - World Bank, IFC, and MIGA	Project-based guarantees (loan guarantees and payment guarantees)	Project-based guarantees that fall into two main categories: (i) loan guarantees that cover defaults of debt service payments; and (ii) payment guarantees that cover payment defaults of non-loan related government payment obligations to private entities. New PSW provides additional project-based guarantees with greater flexibility.	All, except for PSW program that only applies to IDA countries	Overview World Bank Group guarantee products	Sudha Bala Krishnan (skrishnan8@ifc.org)

Note: ADB = Asian Development Bank; AfCFTA = African Continental Free Trade Area; AFD = Agence française de développement; AfDB = African Development Bank; AIIB = Asian Infrastructure Investment Bank; ASA = Advisory Services and Analytics; DBSA = Development Bank of Southern Africa; DEG = Deutsche Investitions und Entwicklungsgesellschaft (German Development Finance Institution); EBRD = European Bank for Reconstruction & Development; EIB = European Investment Bank; ESG = Environmental, Social, and Governance; FAO = UN Food and Agriculture Organization; FMO = Financierings-Maatschappij voor Ontwikkelingslanden N.V. (Dutch Development Bank); GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit; GRBPA = Global Partnership for Results-Based Approaches; IBES = Integrated Business Establishments Survey; ICD = Islamic Corporation for the Development of the Private Sector (Member of the Islamic Development Bank); IDA = International Development Association; IDC = Institutional Development Credit; IFAD = International Fund for Agricultural Development; IFC = International Finance Corporation; IMF = International Monetary Fund; IsDBG = Islamic Development Bank Group; IsDB = Islamic Development Bank; ITFC = International Islamic Trade Finance Corporation; KfW = Kreditanstalt für Wiederaufbau ("Credit Institute for Reconstruction"); MDTF = multidonor trust fund; MIGA = Multilateral Investment Guarantee Agency; NDIC = Neighbourhood, Development and International Cooperation Instrument; NDB = New Development Bank; OECD = Organisation for Economic Co-operation and Development; OIC = Organisation of Islamic Cooperation; PRGT = Poverty Reduction and Growth Trust; PSW = Private Sector Window; SIF = Social Investment Fund; WEF = World Economic Forum.

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