



Integrated Country Strategy

Côte d'Ivoire

FOR PUBLIC RELEASE

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1. Chief of Mission Priorities

Politically and economically, Côte d'Ivoire is at a critical juncture. Midway through its ambitious National Development Plan, the country aims to become an emerging market economy by 2020, a year when it will also elect a new president. Côte d'Ivoire's ability to continue on its promising path will depend on three key factors: sustaining its impressive economic growth and distributing the benefits more broadly; improving government services and strengthening democratic institutions; and conducting free, fair, and credible elections, with a peaceful transition of power.

Côte d'Ivoire's political and economic well-being are inextricably linked. Strong growth and determined reforms over the past five years have attracted investment and substantial development funds. The country has made remarkable progress recovering from nearly a decade of conflict and the 2010-2011 post-electoral crisis. It is also well-positioned to become a regional leader whose people are prosperous, well-governed, and secure, and which serves as a counter to violent extremism in the sub-region. The government is focused on development and reforms that will improve standards of living, make growth more inclusive, and allow government to be more responsive to basic needs, especially health and education.

To guide our engagement we have crafted two broad, mutually reinforcing goals. The first aims at helping Côte d'Ivoire strengthen governance and enhance stability, transparency, and responsiveness to citizen needs, while the second focuses on achieving inclusive growth through a diversified, modern economy underpinned by a healthy, educated population. Success in these areas will allow Côte d'Ivoire to mobilize more resources for development and transition away from international assistance; preserve U.S. peace and security by enhancing Côte d'Ivoire's own stability; promote the country's economic vitality; and improve markets for U.S. products. In this sense, U.S. and Ivorian interests are aligned and mutually reinforcing. As always, Mission Côte d'Ivoire will continue to prioritize protection of the U.S. homeland, citizens, and interests in all its operations, including through political, economic, consular, diplomatic security, and public affairs activities.

Our engagement is both bilateral and multilateral. We are strengthening our coordination and cooperation with other donors and partners – including the private sector – to leverage their resources and expertise, and to avoid duplication.

The foundation of the Mission's ability to be an effective partner and pursue U.S. national interests is a strong embassy team and an effective administrative platform. The Management team, having addressed the most pressing problems stemming from the post-conflict years, will continue its work to increase quality, efficiency, and accountability in the provision of services. Closely tied to these efforts are initiatives to improve the quality of life for the Mission community, which is essential for recruitment and retention. Concurrently, we are strengthening our focus on security awareness and preparedness to help all members of the

mission community function and manage risk appropriately in what can be a volatile environment.

Our Mission Goals align closely with the country's own objectives, but there are challenges to achieving them. Political maneuvering in advance of the 2020 presidential elections might complicate reform efforts in the next two years. New democratic structures are in place that are not fully functional or understood, leading some to question the government's goals and intentions. The government's failure to implement comprehensive security sector reform hinders Côte d'Ivoire's definitive recovery from civil conflict, and it limits the country's ability to fulfill its potential as a strong contributor to regional security. On the economic and development front, the zeal for progress is threatening Côte d'Ivoire's absorptive capacity, as the government's initiation of large infrastructure and development projects at times outstrips its ability to plan and implement them. The resulting disruptions, stemming from project delays or unfulfilled promises, could undermine popular support for important and necessary projects. At the same time, the country urgently needs to address the 46% poverty rate and unlock the economic potential of Ivoirian women, who suffer from a wide gap in gender equality.

The U.S. Mission is fortunate to have a willing and able partner in the Government of Côte d'Ivoire, which values U.S. engagement, seeks targeted technical assistance from us, and is receptive to our input. Our health, development, and public affairs activities are responsible for the very favorable rating both Embassy Abidjan and the United States enjoy in Côte d'Ivoire. More importantly, Côte d'Ivoire is fully capable of achieving the goals it has set for itself. The Mission's goals and milestones are linked to other planning documents, and many will be examined as part of regular program reviews for USAID, PEPFAR, MCC, GHSA, and military assistance. In addition, since 2016 Mission Côte d'Ivoire has inter-agency working groups for our two Mission Goals to monitor and assess progress. These have been very useful in guiding our work and engagement, and will continue.

2. Mission Strategic Framework

Mission Goal 1: Côte d'Ivoire strengthens governance, enhancing stability, transparency, and responsiveness to citizen needs.

Mission Objective 1.1: Côte d'Ivoire increases inclusive political participation and strengthens democratic institutions.

Mission Objective 1.2: Côte d'Ivoire advances internal and regional stability to include modernizing and professionalizing security services

Mission Objective 1.3: Côte d'Ivoire improves delivery and accessibility of basic public services nationwide.

Mission Goal 2: Côte d'Ivoire achieves inclusive growth through a diversified, modern economy supported by a healthy, educated population.

Mission Objective 2.1: Côte d'Ivoire creates an environment conducive to private sector-led growth.

Mission Objective 2.2: Côte d'Ivoire increases trade and investment with the United States and within the region.

Mission Objective 2.3: Côte d'Ivoire expands human capacity to promote broader participation in the economy.

Management Objective 1: Embassy Abidjan increases quality, efficiency, and accountability in the provision of services.

Management Objective 2: Embassy Abidjan improves quality of life for the Mission community.

3. Mission Goals and Objectives

Mission Goal 1 Côte d'Ivoire strengthens governance, enhancing stability, transparency, and responsiveness to citizen needs.

Description and Linkages:

After a decade of conflict and political violence, Côte d'Ivoire has experienced a successful period of post-conflict rebuilding, characterized by increased economic growth and relative stability. Côte d'Ivoire is now preparing for pivotal nationwide presidential elections in October 2020. Over the next 24 months, it will be critical for the people of Côte d'Ivoire to feel they have an active role to play in an open, honest, and transparent democratic process to select the country's next leader. Such an inclusive democratic process would help maintain the country's positive trajectory that began at the end of the 2010-2011 post-electoral crisis, promote continued political stability, and preserve strong economic growth. The election of a legitimate president recognized by the majority of Ivoirians will strengthen the country's foundation and serve as a long-term democratic and economic example for West African nations.

To accomplish this, the Ivoirian government must effectively engage the population in a dialogue on political inclusiveness, social cohesion, and reconciliation. It must also improve the provision and accessibility of core government functions such as security, justice, and social services, and it must reinforce the accountability of political and administrative actors who provide such services. Encouraging the Government of Côte d'Ivoire to respond to citizens' needs is key to ensuring buy-in and obtaining political legitimacy. On the other hand, opaque political deals that do not involve the citizenry and systemic corruption could spur uncertainty and lead to a new wave of conflict similar to what the country experienced in 2010 and 2011. Confining economic riches largely to the commercial capital of Abidjan, and particularly in the hands of those who hold high-ranking government positions, provokes distrust and a perception that the ruling elite are playing by a different set of rules than those they govern. To address these concerns, and in concert with Ivoirians, Mission Côte d'Ivoire will focus its efforts on strengthening civil society, supporting an inclusive political dialogue, and amplifying the legitimate concerns of the citizenry through regular contact with government leaders. Civil society's ability to effectively articulate the needs of citizens to the government while advocating for quality service delivery, respect for human rights, and rejection of internal and external aggression is crucial to the country's continued democratic consolidation.

Throughout the next four years, Mission Côte d'Ivoire will support an innovative package of projects and new activities specifically customized to address these concerns and improve the Ivoirian population's confidence in its own national government. Strengthened governance will serve U.S. interests by creating a more stable country, boosting stability in the region, and fostering a more reliable U.S. partnership in both political and economic terms.

Mission Objective 1.1 Côte d'Ivoire increases inclusive political participation and strengthens democratic institutions.

Justification: A credible election process for 2020 is critical to stability. The biggest political challenge is managing the infighting between various political factions. New coalitions could emerge and others will be divided, which could present both opportunities and challenges for a peaceful democratic election. Security sector challenges, including a lack of command and control among soldiers, could threaten internal stability, especially if tensions grow as various political factions use armed elements to position themselves for the elections and the aftermath. To ensure legitimacy of the process, the Government of Côte d'Ivoire should empower and encourage all Ivoirians (especially women, youth, LGBTQI, and disabled people) to participate actively in a free and fair electoral process.

A disconnect exists between citizens and government. Non-state actors and civil society organizations tell Mission Côte d'Ivoire that average Ivoirians harbor grave concerns about the credibility and intentions of those in politics. Apathy and frustration across the board among citizens and throughout civil society have decreased grassroots participation, while government officials are often unaware of the reasons for the underlying tensions. Citizens cite corruption, lack of social services, and feelings of helplessness for the marginalized communities who are left out of the current system, while mid-level bureaucrats blame lack of reconciliation and mismanagement of government funds by those above them. This disconnect is evidence of a greater problem: the lack of clear and formal means of interaction between citizens and public officials. The resulting distrust – along with national political divisions dominated by ethnic and regional interests – has led to sustained crises and conflict in the past. Recurrent problems with the delivery of quality social services compound the lack of trust, as citizens do not feel they have adequate access to education, health, justice, and security sector services.

Côte d'Ivoire has made considerable progress since the 2010-2011 post-electoral crisis, and the country has the potential to become a significant contributor to peace and security as well as an engine for economic growth and prosperity in the region and beyond. To reach this potential, however, the country will have to overcome a number of significant obstacles: addressing the root causes of the recent military unrest, making meaningful progress on reconciliation, and implementing deeper governance and economic reforms. As such, Mission Côte d'Ivoire will expand the government's interaction with citizens and increase civil society participation, particularly for marginalized groups, including during the electoral process. Furthermore, before, during, and after the electoral process, Mission Côte d'Ivoire will reinforce the Government of Côte d'Ivoire's accountability systems and capacity.

Mission Objective 1.2 Côte d'Ivoire advances internal and regional stability to include modernizing and professionalizing security services.

Justification: Functioning security services are essential for stability and economic growth in Côte d'Ivoire. Security services, encompassing government agencies, intra-governmental coordination structures, regional security frameworks, and human and material resources combine to enhance rule of law and combat crime and terrorism. U.S. engagement will focus on deepening local, bilateral, and regional partnerships in order to enable Ivorian ministries and their associated coordination structures to execute strategies that address legitimate security threats within established legal authorities. As Côte d'Ivoire collaborates with multiple international and domestic partners, Mission Côte d'Ivoire will focus on activities for which we have a competitive advantage in knowledge, skill, or resources, as well as leverage the activities of other international partners.

Côte d'Ivoire is vulnerable to transnational threats such as terrorism and trafficking. Enhancing Côte d'Ivoire's capacity to respond to transnational threats in land and maritime domains improves the country's ability to achieve its economic and social development goals, promote good governance, and enhance regional stability. With continued support over the near term, Côte d'Ivoire will be able to better maintain a durable domestic peace and become a reliable partner for African security. Despite the successful end of the UN peacekeeping mission in Côte d'Ivoire and integration of pro-government and "rebel" security forces that fought against each other in civil conflicts between 2002 and 2011, Ivorian security forces have not fully reintegrated and often have only basic capability to accomplish their mandates. Security forces frequently lack sufficient communication, transportation, defense, and/or force-projection equipment. In addition to equipment and training, more support is needed to ensure security forces internalize the professionalism necessary to carry out their mandates in a manner aligned with international best practices and respect for human rights.

Mission Objective 1.3 Côte d'Ivoire improves delivery and accessibility of basic public services nationwide.

Justification: Good governance leads to the efficient and effective use of public resources for the delivery of key public services. Mission Côte d'Ivoire is focused on supporting the Government of Côte d'Ivoire in the delivery of key education and health services in a manner that is transparent and evidenced-based so that public actions and resources capably address the needs of all citizens. Over the medium- to long-term, Mission Côte d'Ivoire aims to ensure that the government has the financial and human resources and systems to sustainably manage and deliver public services after the United States has drawn down its assistance.

According to the African Development Bank, education and health are Côte d'Ivoire's two largest budget items related to basic public services (not including budget items related to the military, debt, or institutional administration). By improving the effectiveness of education and health services, Mission Côte d'Ivoire will help the Government of Côte d'Ivoire improve public

financial management and maximize the impact of its largest public expenditures. This should lead to efficiencies that free up overnment resources for other critical public needs and help expand the delivery of public services to a greater number of citizens.

In addition, because of their size, improvements to the delivery and accessibility of education and health will potentially lead to the enhancement of other public services and government functions. The lessons learned and skill sets developed in the management of the education and health sectors will have spillover effects, especially through internal shifts of human resources.

Mission Goal 2 Côte d'Ivoire achieves inclusive growth through a diversified, modern economy supported by a healthy, educated population.

Description and Linkages: Since the end of the 2010-2011 post-electoral crisis, Côte d'Ivoire has made significant gains and renewed its reputation as an economic engine for West Africa. After more than a decade of stagnation, Côte d'Ivoire now boasts one of the best performing economies in the world with real GDP growth of eight to nine percent annually over the past four years. The economy is largely agriculture and natural resource-based. The country exports cocoa, cashew nuts, refined petroleum, palm oil, tropical fruits, rubber, and gold. Growth is slowing but expected to remain strong at seven percent over the next few years.

The United States has long been one of Côte d'Ivoire's leading trading partners, based on U.S. imports of cocoa to feed the chocolate supply chain. Due to growing Ivoirian demand for U.S. products, U.S. exports to Côte d'Ivoire have grown over each of the past three years. Exports in 2017 grew by 15 percent to \$330 million. With total trade in 2017 totaling over \$1.5 billion, Côte d'Ivoire is the United States' largest Francophone Africa trading partner, and the United States is one of Côte d'Ivoire's top five trading partners. U.S. firms are expected to continue to invest and/or establish offices in Côte d'Ivoire's economic capital, Abidjan (often serving as a firm's regional hub), and the United States is well positioned to benefit from and contribute to Côte d'Ivoire's impressive growth.

Ensuring economic growth is sustainable and benefits the entire population is a challenge. The poverty rate remains high at 46 percent, and a wide income disparity exists between Abidjan and the rest of the country. Making sure economic growth benefits the entire population through improved education and training, leading to better-paying jobs, is an Ivoirian government priority, but realizing this goal will take time. Having a better-educated and better-paid workforce will create a larger market for U.S. products and help Côte d'Ivoire become more politically stable.

Mission Côte d'Ivoire will work to strengthen this thriving bilateral commercial relationship via assistance to U.S. firms and economic development assistance to Côte d'Ivoire, thereby supporting the State-USAID Joint Strategic Goal Framework's Goal 2: Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation.

Mission Objective 2.1 Côte d'Ivoire creates an environment conducive to private sector-led growth.

Justification: Much of Côte d'Ivoire's impressive economic expansion has been driven by significant public sector spending on infrastructure and other government investments since 2012. Sustained economic growth will require larger and more dynamic participation from the private sector. To promote this growth, Post will support tools and reforms that improve the competitiveness of the Ivoirian private sector.

While the potential for private investment is large, constrained access to finance, particularly in the agriculture sector, makes it difficult for firms to succeed. Microfinance lending to small- and medium-sized enterprises (SMEs) is highly concentrated in urban areas, and businesses continue to complain that a lack of available credit is a major restraint on expanding. Further, the availability of high-yield government bonds is crowding out private sector lending and increasing borrowing costs for small- and medium-sized businesses.

The Millennium Challenge Corporation's analysis identified poor quality roads and infrastructure problems related to moving people and goods in and around Abidjan as key constraints to growth. These constraints directly harm the competitiveness of Ivoirian firms by raising the cost of goods, particularly export goods, by the time they reach their final market. Additionally, energy infrastructure, particularly new power generation and transmission lines, will need to be improved to ensure that electricity supply meets the demand of a growing economy and that electricity prices do not hinder private sector competitiveness. In addition to the MCC, the African Development Bank's investments will have play a significant role in improving infrastructure in Côte d'Ivoire. Finally, the Ivoirian National Export Strategy and the National Development Plan put significant emphasis on value-added agricultural processing. SMEs play a key role in key sectors, including those for cashews, shea, and manioc, but many business people lack the technical skills to expand operations and meet international standards and quality norms.

Mission Objective 2.2 Côte d'Ivoire increases trade and investment with the United States and within the region.

Justification: Mission Côte d'Ivoire believes that expanding trade and investment is a critical way to deepen the ties between our two countries while also providing direct benefits to Americans through better-paying jobs in the United States. U.S. companies are expanding their presence and assisting Ivoirian farmers, wage laborers, and consumers. For both the United States and Côte d'Ivoire, trade generates new export markets for goods and services, creates new job opportunities for unemployed and disaffected youth, and improves the overall business environment, making conditions more appealing for private investment.

Côte d'Ivoire represents significant untapped potential for U.S. investors, who currently comprise a small proportion of the country's foreign direct investment. The country has the

third largest economy in ECOWAS and the second largest port in West Africa, demonstrating the potential for Côte d'Ivoire to regain its status as a regional economic powerhouse. Abidjan also boasts a new airport that offers thrice-weekly direct flights to the United States, and there is a renewed commitment to improving the country's transportation infrastructure. Abidjan has been a logical place for companies to base operations for all of Francophone West Africa, and the government is keen to promote the country as a dynamic entry point into the sub-region. Additionally, agricultural products for export, to include cocoa, cashews, rubber, palm oil, coffee, and cotton, are abundant, and the possibilities of value-added processing partnerships make attractive opportunities for U.S. investors, as well as create new export opportunities.

Mission Côte d'Ivoire will work to expand trade and investment by supporting the implementation of trade facilitation measures that reduce the time and cost of trading goods, by helping Côte d'Ivoire take advantage of the African Growth and Opportunity Act (AGOA), and by supporting an increased U.S. commercial presence in the country. Additionally, through Objective 1, creating an environment conducive to private sector-led growth, Post will work to address some of the structural problems that make it difficult for key sectors of the Ivorian economy to be competitive in U.S. markets, which will further complement our direct work supporting AGOA usage.

Mission Objective 2.3 Côte d'Ivoire expands human capacity to promote broader participation in the economy.

Justification: The past four years have seen an average of eight to nine percent GDP growth and an Ivorian economy seeking to transition from reliance on low-cost labor to more modern product processing and quality goods and services. As a result, the demand for skilled labor is growing, particularly for firms working in global markets. The productivity and viability of firms and entrepreneurs in Côte d'Ivoire are limited, however, due to the challenges they face acquiring skills and/or skilled employees in sectors that are both critical to the economy and that present opportunities for growth and new markets. The private sector in Côte d'Ivoire is unable to find employees who: (i) have completed secondary education and possess basic and soft skills for lower-level positions; and (ii) possess specific technical skills, for mid- to higher-level positions. The absence of this skilled workforce inhibits productivity, particularly in the tradable sector, thus limiting economic diversification. Moreover, poor skills lead to high levels of unemployment. Additionally, disparities in access to basic services (like education) contribute to social conflict and political instability. Côte d'Ivoire is ranked among the lowest in the world on all measures of gender equality, particularly on those related to educational attainment and economic opportunity. Gender inequality in Côte d'Ivoire is significant and shaped by many years of political crisis, civil war, displacement, gender-based violence, lack of basic services, and weak institutions. Studies demonstrate that improving education for girls can help break the cycle of poverty, empower young women to delay early marriage and childbirth, and encourage parents to send their children to school. In addition, the positive effect of education on health outcomes has emerged as one of the most significant positive externalities associated with expanding educational opportunities for women and girls.

The MCC compact aims to increase the number of years of schooling and improve the acquisition of necessary basic skills, including reading and math. This will be done by increasing access to – and the quality of – lower secondary education in the San Pedro and Bouake regions, and by building new lower secondary schools, improving training for teachers, and increasing the number of teachers. The program will particularly target the educational outcomes of girls by supporting the development and operationalization of the Gender Policy for Education and by building the capacity of a Gender Unit within the Ministry of National Education. In addition, improved management and data systems will support more performance-driven decision-making and a more efficient allocation of resources. These combined investments are designed to result in improved acquisition of basic skills, increased completion rates for lower secondary students, and ultimately increased lifetime earnings for beneficiaries.

In addition, the compact will support the creation and operationalization of new private sector-driven technical and vocational centers (TVET centers), which will contribute to a more agile workforce, better management of financial and infrastructure assets, and an increase in women's participation in economically-viable training programs. In parallel, this activity will seek to improve data and policy feedback loops, which will support more performance-driven decision-making and a more efficient allocation of resources. These combined investments are designed to improve acquisition of necessary vocational/technical skills and improve employment outcomes for graduates of TVET centers, as these more sustainable centers will respond and adapt better to private sector demand. These outcomes would, in turn, ultimately lead to increased lifetime earnings for beneficiaries and potentially increase firm productivity. Finally, a skilled workforce needs to remain in good health in order to maximally contribute to the economy. Health is the largest portfolio of U.S. government assistance in Côte d'Ivoire, given the distressing performance of the country on various health indicators, including AIDS-related deaths, maternal and child mortality and morbidity, and prevalence of Neglected Tropical Diseases. U.S. government support to accelerate the Government of Côte d'Ivoire's ability to fight priority diseases addresses the immediate curative needs as well as prevents future disease transmission, thus enabling new generations to grow into healthy, productive adults.

4. Management Objectives

Management Objective 1 Embassy Abidjan increases quality, efficiency, and accountability in the provision of services.

Justification: Mission Côte d'Ivoire continues to regularize the provision of management services following a prolonged period of political uncertainty and unrest in Côte d'Ivoire that set back management controls and procedures. Over the last few years, Mission Côte d'Ivoire has made progress in normalizing administrative procedures, standards, and accountability, partly enabled by the replacement of local staff supervisors in several key management units. In order to meet management demands without significant additional staffing resources, Mission Côte d'Ivoire must both provide training to improve the professional qualifications of local staff and better use information technology to increase productivity and accountability.

Management Objective 2 Embassy Abidjan improves quality of life for the Mission community.

Justification: Improving morale makes it easier for Mission Côte d'Ivoire to attract qualified bidders. Despite the economic boom in Abidjan, increased engagement with the host government, and increased interest by Washington policy makers, Mission Côte d'Ivoire remains a Historically Difficult to Staff post with challenges recruiting, as evidenced by the number of key positions encumbered by stretch bidders. Major areas of concern identified in prior years' ICASS surveys included the Housing Program and Residential Maintenance. While residential construction is booming in Abidjan, demand for quality housing is increasing just as rapidly. The availability of quality schools is also a key element of recruitment. The U.S. government-sponsored school now has a stable enrollment of over 400 students. Maintaining the recent improvements in educational quality and school infrastructure is critical to morale.