IVORY COAST

UNITARY COUNTRY

BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: LOWER MIDDLE INCOME | LOCAL CURRENCY: WEST AFRICAN CFA FRANC (XOF)

POPULATION AND GEOGRAPHY

Area: 322 463 km^2
Population: 24.294 million inhabitants (2017), an increase of 2.5% per year (2010-2015)
Density: 75 inhabitants per km^2
Urban population: 50.3% of national population
Urban population growth: 3.4% (2017 vs 2016)
Capital city: Yamoussoukro (1.1% on national population)

ECONOMIC DATA

GDP: 96.1 billion (current PPP international dollars), i.e. 3 972 dollars per inhabitant (2017)
Real GDP growth: 7.8% (2017 vs 2016)
Unemployment rate: 2.6% (2017)
Foreign direct investment, net inflows (FDI): 674.7 (BoP, current USD millions, 2017)
Gross Fixed Capital Formation (GFCF): 21% of GDP (2017)
HDI: 0.474 (low) rank 171 (2017)
Poverty Rate: 28.2 (2015)

MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

The Republic of Ivory Coast is a unitary state with a presidential regime and a political system based on multi-partyism. The constitutional text currently in force is the Constitution of 8 November 2016, which establishes the Third Republic. It was approved by the people in a referendum on 30 October 2016.

The President of the Republic is elected by universal suffrage for a 5-year term. The president is assisted by a Vice-President, who is elected at the same time. The president appoints the Prime Minister and members of the government. Legislative power is held by Parliament, which is based on a bicameral system: (i) the National Assembly (lower house); (ii) the Senate (upper house), which represents local authorities and Ivorians living outside the country and is composed of 99 senators, two thirds of whom are elected by indirect universal suffrage by members of municipal, regional, district and National Assembly councils, and the remaining third is appointed by the President of the Republic for a five-year term (the last election dates from 24 March 2018). Draft laws relating to local authorities are submitted first to the Senate.

The decentralization process in Ivory Coast can be subdivided into four major phases since the country's independence in 1960. The first phase (1960-1979), led to the creation of twenty-six municipalities and was intended to assess their functioning before extending the process. The second phase (1980-1999) brings the number of municipalities to 197 in 1995. Between 1995 and 1999, the government also creates new territorial authorities at regional level. The third phase (2000-2011) deepens the decentralization policy with the creation of 1,084 municipalities, 197 of which are effectively functional, the creation of 56 Departments and 02 districts. New texts are also adopted concerning the organisation of territorial administration, the status of supra-municipal authorities, the transfer of powers, the financial, fiscal and domanial regime and the status of SNG staff. The fourth phase begins in 2011 and aims at refocusing the decentralization policy. Two decentralized entities are selected as territotial authorities, the municipality and the region, with the objective of turning the regions into economic development poles.

Finally, the Ministry in charge of decentralization and local authorities is planning to set up a National Institute for Capacity Building for Local Authorities (INRCCT). The texts creating the INRCCT were drafted and sent to the General Secretariat of the Government, but the decree establishing the Institute has not yet been signed.

TERRITORIAL ORGANISATION

2018	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	Municipalities		31 Regions 2 Autonomous Districts (Abidjan and Yamoussoukro)	
	Average municipal size: 121 000 inhabitants			
	201		33	234

OVERALL DESCRIPTION. Territorial authorities, administrative entities with legal personality and financial autonomy, are composed of the region and the municipality, pursuant to article 36 of Ordinance No. 2011-262 of 28 September 2011 on the general organization of the State's territorial administration.

Act No. 2014-451 of 5 August 2014 on the general organization of the Territorial Administration sets out the general framework for decentralized administration. In accordance with the provisions of this text, Ivory Coast currently has 234 territorial authorities, namely: 2 autonomous districts, 31 regions and 201 municipalities (the creation in 2018 of 4 new municipalities increased their number from 197 to 201).

Elections for regional and municipal councils are held every five years by direct universal suffrage. The last elections were held on 13 October 2018. Participation rates (46.4% in regional elections and 36.2% in municipal elections) were relatively low but similar to those of 2013.

According to article 2 of Ordinance No. 2011-262 of 28 September 2011 on the general organization of the State's territorial administration, "deconcentrated territorial administration is performed within the framework of hierarchical administrative constituencies, namely districts (headed by appointed governors), regions (administered by regional prefects), departments (by departmental prefects), sub prefectures (by sub-prefects), and villages". To date, the number of administrative units is as follows: 12 districts, 31 regions, 108 departments, 475 sub prefectures and 8 576 villages.

SUBNATIONAL GOVERNMENT RESPONSIBILITIES

Act 2003-208 of 7 July 2003 defines the transfer and distribution of powers between the State and territorial authorities. It establishes the transfer to decentralized entities of 16 areas of competence initially held by the line ministries (see attached table). "Local authorities contribute, together with the State, to the economic, social, health, educational, cultural and scientific development of the population and, in general, to the constant improvement of their living environment." The municipalities in particular are responsible for organising community life and the participation of the population in the management of local affairs, promoting and implementing local development, modernising the rural world, improving the living environment, managing the land and the environment.
To better align with the organization of territorial administration defined by Act No. 2014-451, Act n° 2003 - 208 is currently being updated, under the responsibility of a Review Committee chaired by the Ministry of Interior and Security and composed of the line ministries.

MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

	REGIONS	MUNICIPAL LEVEL
1. General public services	Communication	Communication
2. Public order and safety	Security and Civil Protection	Security and Civil Protection
3. Economic affairs/transports	Spatial planning; Development planning; Roads; Transportation; Promotion of economic development and employment; Promotion of tourism	Spatial planning; Development planning; Roads; Transportation; Promotion of economic development and employment; Promotion of tourism
4. Environmental protection	Environmental protection and natural resource management	Environmental protection and natural resource management
5. Housing and community amenities	Urban planning and housing; Water and sanitation; Electrification	Urban planning and housing; Water and sanitation; Electrification
6. Health	Health; Public hygiene and quality	Health Public hygiene and quality
7. Recreation, culture & religion	Sport and leisure	Sport and leisure
8. Education	Education; Scientific research; Vocational and technical training	Education; Scientific research; Vocational and technical training
9. Social protection	Social, cultural and human development action; Promotion of the family, youth, women, children, the handicapped and the elderly	Social, cultural and human development action; Promotion of the family, youth, women, children, the handicapped and the elderly

SUBNATIONAL GOVERNMENT FINANCE

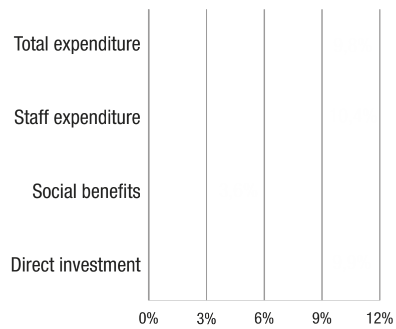
Scope of fiscal data: municipalities, regions, 2 autonomous districts.	SNA 1993	Availability of fiscal data: **Low**	Quality/reliability of fiscal data : **Low**

GENERAL INTRODUCTION. Act No. 2003-489 of 26 December 2003 governs the organization of local public finances. Following the changes in architecture of decentralization, a new law is currently being prepared. In addition, the State is considering the creation of a National Committee on Local Finance (CNFL) whose main tasks would include ensuring the effective transfer by the State of local taxation and the various allocations and resources resulting from the transfer of powers. The texts establishing the CNFL have been drafted, but it is not yet in place.

Territorial authorities remain highly dependent on state subsidies. In order to optimize their resources, the Directorate General of the Treasury and Public Accounting (DGTCP) advocates for a better management of the local tax base; the creation of mixed brigades for the collection of revenue; increased collaboration with the local services of the General Tax Directorate; and sensitizing territorial authorities to collect revenue from income-generating activities.

SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

	DOLLARS PPP / INH.	% GDP	% SNG EXPENDITURE	% GENERAL GOVERNMENT EXPENDITURE (SAME EXPENDITURE CATEGORY)
Total expenditure				
Inc. current expenditure				
Staff expenditure				
Intermediate consumption				
Social expenditure				
Subsidies and current transfers				
Financial charges				
Others				
Incl. capital expenditure				
Capital transfers				
Direct investment (or GFCF)				



EXPENDITURE. No data available.

DIRECT INVESTMENT. No data available

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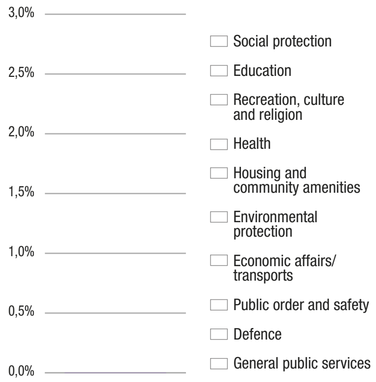
SUBNATIONAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION – COFOG

% GDP	% SNG EXPENDITURE



SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY

2016	DOLLARS PPP / INH.	% GDP	% GENERAL GOVERMENT REVENUE (SAME REVENUE CATEGORY)
Total revenue		**< 1% (estimate)**	
Tax revenue	18	0.4%	3.1%
Grants and subsidies	11	0.3%	
Tariffs and fees			
Property income			
Other revenues			

% SNG REVENUE

OVERALL DESCRIPTION. Tax revenues transferred by the state to sub-national governments from shared taxes represent just over 3% of total general government tax revenues.

The sharing of the proceeds of certain taxes between the State and territorial authorities is based on Act No. 2003-489 of 26 December 2003. This sharing consisted for the State, until the 2015 financial year, in divesting itself of the share that should go to territorial authorities without recording it in the finance law. Since the 2016 Finance Act, this share of shared taxes has been recorded in the State budget as assigned revenue under Title 4, Special Treasury Accounts. These revenues allocated to local authorities in respect of shared taxes are distributed among the various authorities in accordance with the provisions of the 2014 tax schedule, which provides for a distribution by inter-ministerial decree.

TAX REVENUE. The tax regime for local authorities includes:

- State taxes, the proceeds of which are paid to territorial authorities. They are collected by the General Tax Directorate (DGI). These are the patent, property tax, synthetic tax and sticker. Before 2014, the law set a distribution key on the basis of which each territorial authority received its share directly. Since 2014, the shares of all the territorial authorities have been merged and the share of each is transferred to it according to the procedures defined by an inter-ministerial decree of the same year;
- local taxes levied by means of tax rolls (flat-rate tax for small traders and craftsmen; tax on premises rented with a furnished interior);
- local taxes levied on revenue (tax on fuel pumps, tax on taxis, taxes on carts and pushchairs; tax on the operation of boats; tax on advertising, tax on shows and galas, taxes on nightclubs, port and airport taxes).

GRANTS AND SUBSIDIES. In 2017, State financial support to territorial authorities amounted to 167.46 billion CFA francs (684 million PPP dollars), of which 104.20 billion (426 million PPP dollars or 17.6 PPP dollars per capita) corresponds to the share of shared taxes allocated to territorial authorities and 63.26 billion (258 million PPP dollars or 10.7 PPP dollars per capita) to grants and subsidies. Around 45% of grants were current grants, and 55% were capital grants. Territorial authorities are supported by the State in the management of their operations and in the implementation of their investments (water, road maintenance, construction and equipment of schools and health centres), as provided for in Act No. 2003-489 of 26 December 2003. Annex 5 of the Finance Acts on the State budget sets out, by territorial authority, the annual amount of operating grants and the distribution of capital grants in the different sectors of activity. Capital investment support is also provided through the Investment and Urban Development Fund (FIAU) and the Regional Rural Development Fund (FRAR). Subsidies are allocated to all territorial authorities, with the exception of the Autonomous District of Abidjan, which can only benefit from them exceptionally and for specific operations, taking into account its capacity to mobilise own resources and the size of the share of shared taxes that is paid to it.

OTHER REVENUES. Territorial authorities also collect fees for the provision of public services, including parking fees, public transit fees, etc. The collection of these fees is often hampered by the lack of human, technical and financial resources within local governments.

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
Total outstanding debt				
Financial debt*				

* Currency and deposits, loans and bonds

FISCAL RULES. Articles 5 and 11 of the law of 26 December 2003 establish the principle of annuality by stating respectively that "the budget of territorial authorities covers an annual financial year which coincides with the exercise of the State budget" and that "all the revenues and expenses of the territorial authority are planned annually and are specified in the budget". Article 14 sets out the principles of budgetary balance and sincerity in these terms: "the balance between the estimates of revenue and expenditure shall be achieved for each of the two Titles (operations and investments) of the budget. The budget must be sincere. No fictitious revenue or over- or underestimated expenditure may be entered in the budget in order to achieve the apparent balance".

DEBT. The Council may contract loans to cover expenditure under Title III of the budget (relating to the investment budget) within the limits and under the conditions laid down by decree adopted by the Council of Ministers without prejudice to the application of the provisions of the law on the organisation of the territorial authority concerned.

SNGWOFI
World Observatory on Subnational Government Finance and Investment

Lead responsible: UCLG
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Socio-economic indicators: World Bank // UNDP // UN Desa // ILO.
Fiscal data: Annexe 5 : Opérations et dotations transférées aux collectivités territoires Loi de finances portant budget de l'Etat pour 2015,2016 et 2017 // Loi de finances initiale portant budget de l'Etat pour 2017.
Other sources of information: AfDB (2018) Côte d'Ivoire Note pays // UCLGA and Cities Alliance (2018) Assessing the institutional environment of Local Governments in Africa // UCLGA (2016) Etat des lieux du développement économique en Côte d'Ivoire // World Bank (2016) Diversified Urbanization The case of Côte d'Ivoire // Alexis Essono Ovono (2012) L'autonomie financière des collectivités locales en Afrique noire francophone Le cas du Cameroun, de la Côte-d'Ivoire, du Gabon et du Sénégal.