

Infrascope: The Enabling Environment for Public-Private Partnerships

# Côte d'Ivoire

With a national development plan that earmarks seventy, priority public-private partnership (PPP) projects for completion by 2020, and a history of successful PPPs dating back to the country's independence in 1960, Côte d'Ivoire provides a favourable destination for investors seeking public sector contracts. A dedicated PPP unit has existed since 2012.

#### Overview

Investment in infrastructure has been the overriding priority for the government of Côte d'Ivoire since the end of the civil war in 2011, and PPPs are classified as the preferred modality of financing infrastructure. The 2016-2020 National Development Plan (PND) anticipates approximately US\$33.5 billion of investment from the private sector and PPPs. Infrastructure, transport and energy sectors account for the bulk of priority projects listed in the PND. The Ivorian water and electricity sectors provide successful examples of PPPs, and their longevity has contributed to a positive perception of cooperation between private investors and the government.

Côte d'Ivoire has a strong track record of successful PPPs. The Henri Konan Bédié Bridge across the Ébrié Lagoon was completed by the French multinational Bouygues in 2014. Major PPPs underway include: a new mineral terminal at Abidjan port, awarded to a Belgian group, Sea Invest, in April 2018; and an urban light railway (métro), initially won by a South Korean consortium, but awarded to a consortium of Bouygues, Thales, Alstom and Keolis in September 2017, after the French government offered to finance the project. Railway construction on the métro began in November 2017, and the first line is expected to enter into service by 2022. While French firms have historically dominated PPPs in Côte d'Ivoire, since 2014, tenders have been issued with new entrants from elsewhere in Europe, North America, and the Middle East.

5 These two decrees have been recently updated to Decree 2018-358 and 2018-359 respectively, but they were not available at the time of research.

# **Enabling environment**

Cote d'Ivoire has an attractive environment for PPP investment. PPP legislation is clear and concise, with all relevant laws outlined in two Decrees: Decree 2012-1151 defines contracting, monitoring and dispute resolution issues; and Decree 2012-1152 establishes the institutional environment.<sup>5</sup> Responsibility for PPPs is shared between three bodies, all of which report to the Presidency, but with staff drawn from different ministries and agencies. The Comité National de Pilotage des PPP (CNP-PPP), or national steering committee, is responsible for strategic oversight of the sector and approving new PPP projects. The Secrétariat Exécutif des PPP provides administrative and technical support, outreach and training. The Cellule d'Appui des PPP, or support unit, assists with project preparation and monitors implementation.

Public procurement is governed by two laws: Decree 2009-259 (amended by Decree 2014-306 and Decree 2015-525) provides the framework, while Decree 2009-260 (amended by Decree 2013-308) establishes a National Authority for the Regulation of Public Procurement (Autorité Nationale de Régulations des Marchés Publics, ANRMP). A decree adopted in June 2018 mandated ANRMP as an Independent Administrative Authority, responsible for resolving disputes and conducting independent audits of the award and implementation of PPP contracts. PPP legislation is expected to change in the near future, with the Council of Ministers having reportedly adopted two new decrees in March 2018; although these documents have yet to be made public or enter into effect.

#### Country environment

Number of PPPs to date <sup>1</sup>	26
GDP <sup>2</sup>	US\$40.4 bn
GDP at purchasing power parity per capita	US\$3950.0
Population <sup>3</sup>	24.3 m
Central government debt (% of GDP) <sup>4</sup>	42.7%

Source: The Economist Intelligence Unit.

- 1 Includes PPPs in the following primary sectors: Energy, Transport and Water and Sewerage. Includes all PPPs in the World Bank PPI database as of December, 2018.
- 2 As of 2017. Annual average conversation rate used.
- 3 As of 2017 (mid-year estimate)
- 4 As of 2017. Annual average conversation rate used.

# **Challenges of PPP development**

The primary challenge facing the government and the PPP units is that often contracts are awarded on the basis of direct negotiation rather than competitive bidding. Recent instances of no-bid or restricted bidding have raised concerns among investors. The Henri Konan Bédié Bridge was awarded on a no-bid basis, although this was following a prolonged period of dormancy and prior to the introduction of the current PPP legislation. In April 2014, Abidjan's light railway (métro) was awarded without a bidding process after a competitor withdrew from consideration, citing poor economic viability. It has since been transferred to a new consortium.

Investors have concerns about transparency in the award and implementation of PPP contracts. It is not currently a requirement to publish bidding documents or renegotiated contracts. The CNP-PPP has yet to publish a procedural guide for the PPP sector, despite this existing in draft form. There is a lack of clarity concerning the proposed role of the ANRMP. Budgetary and fiscal risks, such as contingent liabilities, remain a challenge. Finally, providing the PPP agencies greater autonomy and resources would enable them to better identify eligible projects and assess their financial viability. An independent PPP funding facility is gradually taking shape, partly financed from the national budget, and partly from success fees; however, this funding facility would benefit from formalisation and additional capital.



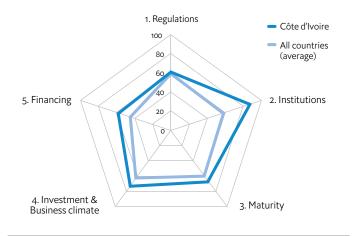
# Côte d'Ivoire



MATURE (80-100) DEVELOPED (60-79) EMERGING (30-59) NASCENT (0-29)

All countries average includes 69 countries across Latin America, Europe, Asia, Middle East and North Africa, and Sub-Saharan Africa.

Category		Score/ 100	All countries (average)	
	Overall score		69	57
	1	Regulations	61	59
	2	Institutions	87	58
	3	Maturity	66	59
	4	Investment & Business climate	72	62
	5	Financing	57	44



Sı	ıb-ca	tegory	Score/ 100
	1.1	Conducive regulatory environment	83
	1.2	PPP selection criteria	67
	1.3	Fairness/openness of bids and contract changes	61
	1.4	Conciliation schemes	100
	1.5	Regulators' risk-allocation record	0
	1.6	Coordination among government entities	100
	1.7	Renegotiations	33
	1.8	Sustainability	46
	2.1	PPP institutional framework	100
	2.2	Stability of PPP dedicated agency	67
	2.3	Project preparation facilities	100
	2.4	Transparency and accountability	80
	3.1	Experience with infrastructure PPP contracts	33
	3.2	Expropriation risk	100
	3.3	Contract termination	100
	4.1	Political effectiveness	38
	4.2	Business environment	68
	4.3	Political will	100
	4.4	Competition environment in the local industry	100
	5.1	Government payment risk	65
	5.2	Capital market for private infrastructure finance	50
	5.3	Institutional investors and insurance market	38
	5.4	Currency risk	76

# Strengths of Côte d'Ivoire's PPP enabling environment

- Côte d'Ivoire has a clear legal framework and policy guidelines and a long and successful history of PPPs (1.1.1), (4.3.1)
- PPPs are the preferred modality for infrastructure investment and a focus of the PND (1.6.1)
- The President and Council of Ministers continue to exhibit strong political support for PPPs (4.3.1)
- A dedicated and well-staffed PPP unit has existed since 2012 (2.1.1)
- Numerous dispute resolution mechanisms are available, including international arbitration (1.4.1)
- $\bullet \quad \text{PPPs are attracting a growing number of new entrants from outside of Europe} \ (4.4.1)$

Focus areas in order to strengthen Côte d'Ivoire's PPP enabling environment	Effort	Impact	Time frame
Establish competitive bidding as the default rather than merely a preferred modality; reduce instances of direct negotiation and eliminate them over time (1.2.1)	Medium	High	Long term
Officially adopt and publish the draft procedural guide governing the interaction between different agencies engaged in preparing, procuring and managing PPP contracts and delivery (2.2.3)	Low	Medium	Short term
Require the publishing online of bidding documents (1.3.1.a), renegotiated contracts (1.3.1.c), needs assessments (2.4.2.c) and project evaluations to promote transparency (2.4.5)	Low	Medium	Short term
Formalise the nascent PPP funding facility as an independent project development fund, with the necessary capital to help identify eligible projects and assess their viability (2.3.2)	Low	Medium	Short term
Regularly update the PPP registry on the CNP-PPP website to facilitate monitoring (2.4.1)	Low	Medium	Short term
Clarify the ANRMP's role in resolving disputes and auditing the award and implementation of PPP contracts (1.4.1)	Low	Medium	Short term
Update financial regulations and train Budget Office staff in the Ministry of Economy and Finance to take account of contingent liabilities and account for delayed investment payments (1.5.1)	High	Medium	Medium term
Engage with more institutional investors, and seek to diversify sources of project finance (5.3.1)	High	Medium	Long term

# Côte d'Ivoire



	Series	Unit	Source	Score
1	REGULATIONS			
1.1	CONDUCIVE REGULATORY ENVIRONMENT			
1.1	PPP contracts supported by public procurement	*	The EIU	1
1.2	Codification of PPP procurement practices		The EIU	
1.1.2.a	Existence of manuals or policies for PPP procurement	*		1
	Online manuals or policies for PPP procurement	*		1
	Length of appeals in contract disputes		The EIU	
	Procedures for appeals in regulations	*		1
	Maximum time requirements for arbitration rulings	*		0
	PPP SELECTION CRITERIA  Competitive bidding required by regulations	*	The EIU	0
	Selection criteria outlined in regulations	*	The FIU	1
	Economic principles for project selection		The EIU	
	Cost-benefit analysis required	*		1
	Options analysis and value for money assessment required	*		1
	FAIRNESS/OPENNESS OF BIDS AND CONTRACT CHANGES			
	Publication of bidding documents and contracts		The EIU	
1.3.1.a	Publication of bidding documents required	*		0
1.3.1.b	Publication of contracts required	*		1
1.3.1.c	Publication of changes in contracts required	*		C
3.2	Unsolicited bids/proposals		The EIU	
1.3.2.a	Policies and procedures for unsolicited proposals	*		1
1.3.2.b	Consultation for unsolicited proposals	*		О
3.3	Ratio of unsolicited proposals	% of projects in the past 5 years	WB PPI Database	0.
4	CONCILIATION SCHEMES			
1.1	Existence of conciliation schemes	*	The EIU	1
	Arbitration		The EIU	
1.4.2.a	Access to international arbitration	*		1
	Existence of independent arbitration tribunal	*		2
	REGULATORS' RISK-ALLOCATION RECORD			
	Contingent liabilities		The EIU	
	Regulations on contingent liabilities	*		0
	Measurement of contingent liabilities	*		С
	COORDINATION AMONG GOVERNMENT ENTITIES			
	National infrastructure plan	*	The EIU	1
	Existence of a national infrastructure plan PPP prioritisation in national infrastructure plan	*		1
	Inter-agency coordination		The EIU	
	Existence of coordination mechanisms	*	THE LIO	1
	Guidance for interaction amongst agencies	*		1
	RENEGOTIATIONS			
	Renegotiation procedures		The EIU	
	Transparent renegotiation system	*		1
	Termination in project agreement	*		1
	Compensation mechanisms for renegotiations	*		1
	Transparency: renegotiations disclosed by law	*	The EIU	0
7.3	Independent oversight of renegotiations	*	The EIU	C
	SUSTAINABILITY			
3.1	Environmental impact statement required for PPPs	*	The EIU	1
3.2	Consultation		The EIU	
1.8.2.a	Consultation required for PPPs	*		1
1.8.2.b	Publication of consultation findings	*		О
	Disaster risk sensitive investment		The EIU	
	Disaster risk management in PPP regulations	*		0
	Insurance requirement of disaster risk	*		0
	Coherence with national sustainability policies		The EIU	
	Climate change commitments in PPP guidelines	*		0
	Gender goals in PPP guidelines	*		0
	Social inclusion goals reflected in PPP guidelines	*		1
	INSTITUTIONS			
	PPP INSTITUTIONAL FRAMEWORK			
	Existence of a PPP dedicated agency	*	The EIU	1
	Dedicated PPP agency adequately staffed	**	The EIU	2
	STABILITY OF PPP DEDICATED AGENCY		T1	
	Reporting lines of PPP dedicated agency	*	The EIU	1
2.2	Independence of PPP dedicated agency	*	The EIU	1
	PPP procurement process coordination guidelines	*	The EIU	C

MA	TURE (80-100)	DEVELOPED (60-79)	EMERGIN	G (30-59)	NASCEN'	Г (0-29)
	Series			Unit	Source	Scores
2.3	PROJECT PREPARAT					
2.3.1	Project preparation f			The EIU		
2.3.1.a	Existence of project p		*		1	
2.3.1.b	Budget for project preparation facilities			*		1
2.3.2	Project development fund			*	The EIU	1
2.4	TRANSPARENCY AND ACCOUNTABILITY					
2.4.1	Existence of a public		**	The EIU	2	
2.4.2	National PPP monito		The EIU			
2.4.2.a	Reports on PPP proje	**		2		
2.4.2.b	Reports on PPP project phases			*		0
2.4.2.c	Publication of needs assessments			*	T1 FU.	1
2.4.3	Monitoring and repor			*	The EIU	1
2.4.4		n of PPP project results		**	The EIU	1
3	Publication of PPP re	suits evaluation			The EIO	1
3.1	MATURITY	NFRASTRUCTURE PPP CONTF	ACTS			
3.1			VAC 13	Number of	WB PPI	1
		ects in the past 5 years		projects	Database	
3.1.2	PPP investment size			%	WB PPI Database	1.6
3.1.3		ellations in the past 5 years		%	WB PPI Database	0.0
3.2	EXPROPRIATION RIS					
3.2.1		ns in the past 10 years		*	The EIU	1
3.2.2	Unilaterally enforced			*	The EIU	1
3.3	CONTRACT TERMIN					
3.3.1	Contract termination					
3.3.1.a	Appeals in case of co			*	The EIU	1
3.3.1.b		ransfer for project exit		*	The EIU	1
3.3.1.c	Fair compensation fo			*	The EIU	1
3.3.1.d	Termination procedu			*	The EIU	1
4	INVESTMENT & BU					
4.1.1	POLITICAL EFFECTIVE Political effectivenes			†	The EIU: Ris	k 63.5
4.2	BUSINESS ENVIRON	IMENIT			Briefing	
4.2.1	Business environmer			+	The EIU	57.5
4.3	POLITICAL WILL			т	THE LIO	57.5
4.3.1	Political will for PPPs				The EIU	
4.3.1.a	High-level political su			**	THE LIO	
4.3.1.b		arty support for PPPs		*		
4.3.2		Ps: opposition to PPPs		**	The EIU	
4.4		RONMENT IN THE LOCAL IND	USTRY			
4.4.1	Level of concentration			*	The EIU	1
5	FINANCING	,				
5.1	GOVERNMENT PAYN	MENT RISK				
5.1.1	Sovereign risk			†	EIU Country	50
					Risk Service	
5.1.2	Government paymer	nts: PPP contract defaults		*	The EIU	1
5.1.3		tees, % of PPP projects that rece it guarantee in the last 5 years	eived a	%	WB PPI Database	0.0
5.1.4	Government support	t for low-income users		*	The EIU	1
5.2	CAPITAL MARKET FO	OR PRIVATE INFRASTRUCTURI	FINANCE			
5.2.1	Marketable debt			Score 0-4 where lower is	The EIU	2
5.2.2	Source of financia - f	or PPPs, % of financing coming t	hrough	better %	WB PPI	0.0
J.L.L	conditional loans from	m international financial institu eral organisations and donor gr	tions,	70	Database	0.0
5.2.3	Availability of sustain			The EIU		
5.2.3.a	Green bonds issued			*		0
5.2.3.b	Development impact	t bonds issued		*		0
5.3	INSTITUTIONALINV	ESTORS AND INSURANCE MA	RKET			
5.3.1		cutional investors in PPPs		**	The EIU	1
5.3.2		f projects with guarantees from	multilateral	%	WB PPI Database	0.0
5.4	CURRENCY RISK					
5.4.1	Currency risk			†	EIU Country	
					Risk Service	



Methodology note: The full methodology for this study can be found at infrascope.eiu.com

#### What is Infrascope?

The Infrascope is a benchmarking index that assesses the capacity of countries to carry out sustainable public-private partnerships (PPPs) in infrastructure. The first study was developed in 2009 and updated in 2010, 2012 and 2015; the 2017 iteration features a new methodology. The analysis and content of this index cover the period from August 2018 to July 2019. The index was built by The Economist Intelligence Unit and is supported financially by the Millennium Challenge Corporation (MCC) alongside the Inter-American Development Bank, the European Bank for Reconstruction and Development and the Asian Development Bank. The views and opinions expressed in this publication are those of The Economist Intelligence Unit and do not necessarily reflect the official position of the sponsors, who commissioned the work.

The complete index, as well as detailed country analyses, can be viewed on the following website: http://infrascope.eiu.com

Please use the following when citing this country summary:

The Economist Intelligence Unit. 2019. Measuring the enabling environment for public-private partnerships in infrastructure: Côte d'Ivoire country summary. EIU, New York, NY.

Note: The 'number of PPPs to date' figure includes all PPPs listed in the World Bank PPI database, accessed via the custom query function in June 2017. The number includes all project status types and PPI types for all sectors except ICT.

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The Millennium Challenge Corporation (MCC) is an independent U.S. Government agency focused on reducing poverty through economic growth. MCC seeks to bring public-private partnerships (PPPs) to market in MCC partner countries to support the agency's mission. MCC can provide a full suite of blended finance solutions across the PPP cycle, covering upstream enabling environment and downstream project preparation and deal facilitation, including support for transaction advisors, viability gap funding, and guarantees.