



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, 13 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



Egypt



Guinea



Senegal



Burkina Faso



Ethiopia



Morocco



Togo



Côte d'Ivoire



Ghana



Rwanda



Tunisia



Democratic
Republic of Congo

WHAT IS THIS REPORT

The monitoring report informs the AAG meeting, which is held twice a year in May and November. 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, entrepreneurship, and learning. The monitoring report also shares best practices in boosting private investment with other countries and existing or potential private sector investors.

FIND OUT MORE

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ABBREVIATIONS AND ACRONYMS

AAG	Africa Advisory Group
ACET	African Center for Economic Transformation
AE	advanced economy
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
CBI	cross-border investment
CCDR	Country Climate and Development Report
CPSD	Country Private Sector Diagnostic
CwA	Compact with Africa Initiative
CwA-NA	Compact with Africa-North Africa
CwA-SSA	Compact with Africa-Sub-Saharan Africa
DRC	Democratic Republic of Congo
EMDE	emerging market and developing economy
EU	European Union
EV	electric vehicle
FDI	foreign direct investment
GDP	gross domestic product
GHG	greenhouse gas
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
ISCA	International Finance Corporation Support to the Compact with Africa
KT	kiloton
LAC	Latin America and the Caribbean
MIGA	Multilateral Investment Guarantee Agency
MoU	memorandum of understanding
MSME	micro, small, and medium enterprise
MT	metric ton
MW	megawatt
NDC	Nationally Determined Contribution
p.p.	percentage point
PPP	public-private partnership

RSF	Resilience and Sustainability Facility
SDG	Sustainable Development Goal
SME	small and medium enterprise
SOE	state-owned enterprise
TA	technical assistance
TAP	Think Africa Partnership
UNCTAD	United Nations Conference on Trade and Development

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



SUMMARY

This Monitoring Report provides an update on Compact with Africa (CwA) countries' economic performance and the progress they have made along their reform commitments.

1. Recent Economic Performance of Compact with Africa Countries (Chapters 1, 2, and 3).

While the strong recovery of CwA countries' is tapering off amidst weak global demand, they continue to perform better than their non-CwA African peers.

- **Economic growth.** Economic growth in 2023 in CwA countries as a group was 4.2 percent (down from 5.6 percent in 2022), compared to 2.5 percent (down from 2.9 percent in 2022) in non-CwA African economies. Nine out of 13 CwA countries grew by 4 percent or more in 2023, all of them in the Sub-Saharan Africa sub-group (CwA-SSA). The best performers were Ethiopia and Rwanda, with estimated growth rates of 7.2 percent and 8.2 percent, respectively, while the Democratic Republic of Congo (DRC), the newest Compact member country, and Côte d'Ivoire grew at 6 percent. Among the CwA North African sub-group (CwA-NA) countries, Egypt was the best performer, growing at an estimated 3.8 percent (6.7 percent in 2022).
- **Debt.** The average debt-to-gross domestic product (GDP) ratio in CwA-SSA countries is estimated to have reached 54 percent in 2023 compared to 91 percent in CwA-NA countries. Overall, the estimated debt-to-GDP ratio for CwA countries (77 percent) in 2023 was higher than for other African economies (66 percent). Nonetheless, that gap has shrunk substantially since the last CwA Monitoring Report (11p.p. versus 19p.p.).
- **Trade.** Goods and services export volumes in CwA countries grew by 2.0 percent on average in 2023 after surging by 15.9 percent in 2022, as the strong rebound in travel services offset a contraction in goods exports. Goods exports in CwA countries declined by 3.2 percent amid weak global demand, which nevertheless compares favorably with the 11.9 percent decline in non-CwA African countries. Services exports expanded due to the strong travel rebound in CwA-NA countries, which experienced a 23.5 percent increase in travel services. Imports decreased in CwA countries by 4.0 percent in 2023. As a result, the CwA average current account deficit strengthened from 4.6 percent of GDP in 2022 to 2.7 percent of GDP in 2023.
- **Foreign direct investment (FDI).** Global FDI in 2023 was weak, with lower flows to developing countries. FDI flows to Africa were almost unchanged from 2022 at an estimated \$48 billion. The volume of greenfield project announcements in CwA countries declined by 46 percent in 2023, recording \$70 billion, following an

¹ Benin, Burkina Faso, Côte d'Ivoire, Democratic Republic of Congo (DRC, which joined in September 2023), Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo, and Tunisia.

exceptionally strong momentum in 2022 because of very large renewable energy announcements in Egypt and Morocco. The volume of greenfield project announcements in non-CwA African countries in 2023 grew by 40 percent reaching \$88 billion, due to one mega green hydrogen investment announcement in Mauritania (\$34 billion). Investment announcements in CwA countries increased in other sectors, such as chemicals, logistics, electronics, metals, communications, and real estate.

2. Progress Made by the CwA Countries along their CwA Reform Commitments (Chapters 4 and 5)

CwA countries have continued on their reform journey to enable and promote private investments. All CwA countries updated their reform matrices,² except for Ethiopia and Senegal, the latter because of a recent democratic and peaceful transition. Benin, Morocco, Rwanda, Togo, and Tunisia confirmed having had Compact Country Team Meetings. These Compact Country Teams are at the heart of the CwA as they bring the government, private sector, and development partners on the same “page,” whereby the government presents and receives feedback on its private investment enabling reforms, and mobilizes/coordinates the support from development partners as reflected in the last column of the updated reform matrices in Appendix C. These matrices show CwA countries continued to progress along their reform commitments, including to address the growing macroeconomic challenges, as well as to enable and promote green private investments and financing.

- **Macroeconomic framework reforms.** In 2023, CwA countries faced up to the growing macroeconomic challenges by improving debt management (Burkina Faso, Côte d’Ivoire, and Togo), increasing fiscal revenues leveraging digitization (Benin, Burkina Faso, Côte d’Ivoire, Ghana, and Rwanda), improving public investment management (Guinea), and reforming SOEs (Egypt).
- **Business framework reforms.** CwA countries pursued reforms to enable and promote green private investments. These entailed reducing setup costs (Benin and Egypt), removing restrictions to FDI and providing incentives for green projects (Morocco), enacting energy sector reforms (Morocco and Togo), and launching a national digital one-stop shop platform for GtoB services (Tunisia). The DRC, which joined the CwA in September 2023, clarified the procedures for the sale/transfer of mining assets of state-owned enterprises (SOEs), completed the review of forest concessions, and amended Article 16 of the Agriculture Law to enable FDI in the agriculture sector.
- **Financing framework reforms.** CwA countries pursued reforms to promote green and inclusive finance. These entailed integrating climate risks in financial sector supervisory frameworks (Morocco and Rwanda), and incentives and green taxonomy for stimulating green finance markets, including through the issue of sustainability bonds (Côte d’Ivoire, Morocco, and Rwanda). More generally, CwA countries continued to pursue their reforms to promote financial inclusion (Côte d’Ivoire and DRC) and develop small and medium enterprise (SME) finance (Ghana, Morocco, and Togo) and their domestic capital markets (Egypt).

3. New Trust Fund Resources Needed to Enable the Implementation of CwA 2.0 (Chapter 6)

Looking ahead and as noted in the November 2023 CwA Monitoring Report and echoed in the Chairs’ Conclusions, trust fund contributions are needed to respond to the request from CwA countries for more strategic technical assistance (TA) under CwA 2.0 (2023–28). Building on the CwA 1.0 foundations and at the request of CwA countries, more strategic TA is now needed to deepen the reform efforts, mobilize the private sector, and better leverage partners. As the trust fund resources (\$39 million worth of TA) that supported CwA 1.0 (2017–22)

² The CwA Reform Matrices are updated by the government and discussed and refined at the Compact Country Team meeting before being transmitted to the World Bank Group CwA Country Focal Points.

have been exhausted, there is now an urgent need for additional financing to enable the implementation of CwA 2.0 at a time when CwA countries are faced with multiple challenges. There is an estimated need of \$100 million to meet CwA countries requests for more TA and the expected growth in the number of CwA countries³—the DRC joined the Compact in September 2023, and eight countries have expressed interest in joining following the successful CwA Heads of State Summit in Berlin (December 2023).

³ The \$100 million estimate is based on the experience of Tunisia, which benefited from \$6 million in strategic TA during CwA 1.0. Tunisia shared its experience with other CwA countries, which have requested similar TA as part of CwA 2.0.



1. MACROECONOMIC OUTLOOK

Key Messages

- **Growth.** Nine out of 13 CwA economies grew by 4 percent or more in 2023, all of them in the Sub-Saharan Africa sub-group. While growth in the North African sub-group is projected to decrease further in 2024, mainly due to lower growth in Egypt, growth in the Sub-Saharan Africa sub-group is projected to remain stable.
- **Debt.** In the medium term (2025–29), debt-to-GDP ratios for CwA countries are expected to decline at a slow pace because fiscal adjustment is more challenging in a global environment more prone to shocks.
- **IMF support.** Between 2020–24, the IMF approved 32 financing requests across CwA countries to support policy responses to health, social, and economic crises. Support for CwA countries accounted for about 12 percent of the IMF's capacity development direct country spending in the last 12 months up to March 2024.

1.1. Overall Assessment of Progress: A Less Uncertain Outlook, But Challenges Remain

1.1.1. RECENT DEVELOPMENTS

In 2023, growth in CwA countries⁴ decreased to 4.2 percent (5.6 percent in 2022), while reaching only 2.5 percent (2.9 percent in 2022) in non-CwA African economies.⁵ This large difference masks the sizable gap between growth in CwA-SSA and CwA-NA countries. While the former group's average growth was 5.5 percent in 2023, the latter expanded by only 3.4 percent, which is still well above growth in non-CwA African economies (2.5 percent). Nine out of 13 CwA countries grew by 4 percent or more in 2023, all of them in CwA-SSA. The best performers were Ethiopia and Rwanda, with estimated growth rates of 7.2 and 8.2 percent, while the DRC, the newest Compact member country, and Côte d'Ivoire, grew at 6 percent. Among CwA-NA countries, Egypt was the best performer, growing at an estimated 3.8 percent (6.7 percent in 2022).

Among CwA-SSA countries, the weakest performers were, for the second consecutive year, Ghana and Burkina Faso, which grew by 2.3 percent (3.1 percent in 2022) and 3.6 percent (1.8 percent in 2022),

⁴ CwA countries now include the DRC, which formally joined the Compact at end-2023.

⁵ Group averages are PPP-weighted unless mentioned otherwise.

respectively. This weak growth reflected security challenges (Burkina Faso) and macroeconomic imbalances, such as high inflation, large currency depreciation, and debt sustainability issues (Ghana). Among the CwA-NA countries, Tunisia lost momentum and is estimated to have grown by 0.4 percent in 2023 (2.6 percent in 2022), amid large financing needs and high sovereign bond spreads. At the same time, Morocco's economy continued to recover on the back of increased tourism and stronger domestic demand despite a protracted, six-year drought, with growth reaching 3.0 percent (1.3 percent in 2022).

Inflation in CwA-SSA countries stabilized but remains elevated at 20.3 percent in 2023 (20.2 percent in 2022). Inflation increased sharply in CwA-NA countries (from 8.2 percent to 20.3 percent), driven by surging inflation in Egypt (from 8.5 percent to 24.4 percent). Four countries had double-digit inflation, with inflation decreasing but remaining above 30 percent in Ethiopia (from 33.9 percent to 30.2 percent) and approaching 40 percent in Ghana (37.5 percent).

1.1.2. GLOBAL ENVIRONMENT

Recent developments have shown that the skies are finally clearing after a challenging couple of years. Challenges included a global inflation surge, tightened financial conditions, increased macroeconomic imbalances, emerging financial sector turmoil, and already high uncertainty intensified further by Russia's war on Ukraine. A soft landing is now the baseline scenario, and global prospects are improving though challenges remain, including high debt ratios, elevated inflation, policy mix calibration, geoeconomic fragmentation, and conflicts, and should be unambiguously addressed. Overall, risks are now broadly balanced. On the upside, looser than necessary fiscal policy could raise economic activity in the short term. Inflation could fall faster than expected amid further labor force participation gains. Further, artificial intelligence and stronger than anticipated structural reforms could spur productivity.

Following a strong rebound in 2021 (6.5 percent), global growth decelerated sharply in 2022 (3.5 percent) and decreased further in 2023 (3.2 percent). In 2024 and 2025, growth is expected to be the same as in 2023 (3.2 percent). That reflects a slight upwards revision of 0.2pp for 2023 and 0.3pp for 2024, compared to the October 2023 World Economic Outlook.

After peaking at 8.7 percent in 2022, global inflation fell to 6.8 percent in 2023 and is projected to decrease further to 5.9 percent in 2024 and 4.5 percent in 2025. However, this reduction has been mainly driven by Advanced Economies (AEs), where inflation rates are expected to fall from 4.6 percent in 2023 to 2.6 percent in 2024. On the other hand, inflation is expected to remain stable, at higher levels (8.3 percent) in Emerging Market and Developing Economies (EMDEs). In addition, while inflation is expected to fall by 1.8pp in Low-Income and Developing Countries, it is expected to remain at a much higher level in 2024 (16.3 percent). The more benign outlook has allowed some emerging market countries, especially those that have started tightening earlier, to begin loosening monetary policy, a movement that is expected to be followed by AEs.

Despite better prospects and broadly balanced risks, countries still face serious policy challenges. Challenges range from strained fiscal positions, high debt levels, large investment needs, especially for the energy transition, and high food prices, amid the resurgence of conflict in the Middle East and continuation of Russia's war on Ukraine. Though the conflict in the Middle East has had limited effects on global supply chains so far, the situation remains volatile and can escalate.

1.1.3. OUTLOOK

The average growth in CwA countries is expected to decrease further in 2024, to 3.9 percent (from 4.2 percent in 2023) before improving to 4.8 percent in 2025, just below the five-year pre-pandemic average (5.0 percent), and reflecting better global economic outlook. Accordingly, with lower risks, after a protracted period without any sovereign debt issuance from Sub-Saharan Africa countries,⁶ Côte d'Ivoire, Benin, and Kenya have recently issued Eurobonds,⁷ showing that global financial conditions are improving for African countries. However, financing costs increased significantly, and the funding squeeze remains binding for African economies, with most of the other frontier markets not expected to tap international markets until 2025. In addition, CwA countries continue to be affected by the effects of a more challenging environment, from more restrictive monetary policies, currency depreciation, higher inflation, low policy buffers, large policy gaps, and higher debt levels to tighter financing conditions amid higher debt service.

This year's lower expected growth hides important differences in short-run prospects between CwA-SSA and CwA-NA countries. While growth in the CwA-NA group is projected to decrease further to 2.9 percent in 2024 (3.4 percent in 2023), mainly due to lower growth in Egypt (3.0 percent vs. 3.8 percent in 2023), growth in the CwA-SSA group is projected to remain stable at 5.56 percent. The growth gap between both groups is expected to narrow in the medium term (2025–29), as average growth is projected to increase to 6.0 percent in the former group and to 4.6 percent in the latter. Looking at historical rates, while medium-term growth in CwA-SSA countries is expected to stay below its five-year pre-pandemic average (6.0 percent vs 6.6 percent), in CwA-NA countries it is expected to exceed it (4.6 percent vs 4.2 percent). Overall, medium-term growth in CwA countries is expected to substantially exceed that of AEs (1.7 percent), EMDEs (4.0 percent), and non-CwA African economies (3.5 percent).

Despite the more sanguine outlook for CwA countries, these projections involve heightened uncertainty and assume that countries will appropriately address remaining policy challenges that should not be underestimated. These include limited buffers, large development and social needs, difficult policy tradeoffs, tighter financing conditions, and more frequent climate-related shocks.

1.1.4. DEBT VULNERABILITIES

Since the pandemic, low policy buffers in African countries have worsened further as countries deployed policy support to the population and the economy. Given a plunge in output and tax collection, many countries resorted to additional and costly borrowing amid tighter global financing conditions. Although at end-2023 economic output in 9 out of 13 CwA countries is estimated to have surpassed their pre-pandemic level by at least 15 percent, showing the resilience of the Compact countries, fiscal buffers have deteriorated as public debt ratios have increased further and debt service has risen sharply in recent years, pushing a few countries into debt distress and threatening debt sustainability in others.

Average debt-to-GDP ratio in CwA-SSA countries is estimated to have reached 54 percent in 2023. That figure is 4p.p. lower when compared to the 2023 Fall CwA Monitoring Report projection, showing an improving outlook amid resilient growth, although it is still 8p.p. higher than the five-year pre-pandemic average. In CwA-NA countries, the

⁶ Until early 2024, no country in Sub-Saharan Africa could issue a Eurobond since Spring 2022.

⁷ Côte d'Ivoire issued a Eurobond in January 2024, and Benin and Kenya issued a Eurobond in February 2024.

estimated average debt ratio stands at 91 percent, a 2p.p. increase in comparison to the 2023 Fall CwA Monitoring Report forecast, mostly due to higher estimated debt ratio for Egypt. That level is 10p.p. higher than the five-year pre-pandemic average. Overall, the estimated debt-to-GDP ratio for CwA countries (77 percent) in 2023 was substantially higher than for other African economies (66 percent). Nonetheless, that gap has shrunk substantially since the last Monitoring Report (11p.p. versus 19p.p.).

In the medium term (2025–29), debt ratios for CwA-SSA and CwA-NA countries are expected to decrease (to 46 percent and 78 percent of GDP, respectively). This decrease is expected at a slow pace because fiscal adjustment is more challenging in a global environment more prone to shocks, including those related to climate change, with difficult policy tradeoffs and large policy gaps, including on infrastructure, education, health, sanitation, and inequality.

1.2. International Monetary Fund Financial and Capacity Development Support

The IMF continues to support CwA countries by assisting them in strengthening their macroeconomic and financial policy frameworks (Pillars 1 and 3 under the CwA) and by providing financing through Upper-Credit Tranche (UCT)-quality programs where feasible and emergency financing where needed. In addition, the Resilience and Sustainability Facility (RSF), which aims to help low-income and vulnerable middle-income countries address longer-term challenges, including those related to climate change and pandemic preparedness, has faced high demand.⁸

IMF financial support. From March 2020 until March 2024, the IMF approved 32 financing requests (including augmentation) across all CwA countries, totaling \$31.3 billion, to support the policy response to health, social, and economic crises. In addition, seven CwA countries received \$326 million in debt relief under the Catastrophic Containment Relief Trust (CCRT). Seven CwA countries were also elected to participate in the Debt Service Suspension Initiative (DSSI)—Burkina Faso, Côte d'Ivoire, DRC, Ethiopia, Guinea, Senegal, and Togo. Moreover, CwA countries received \$10 billion from the August 2021 Special Drawing Rights (SDR) general allocation, which was pivotal to support countries in need.

Capacity development. Support for CwA countries accounted for about 12 percent of the IMF's capacity development direct country spending in the last 12 months up to March 2024, including 338 capacity development country engagements. In fiscal year 2023, IMF training reached 2,014 country officials in CwA countries. All CwA countries are assisted by the African Training Institute (ATI) 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 (AFRITACs) and ATI.

Direct engagement between authorities and CwA country teams. IMF CwA country teams actively engage with CwA country authorities, and 11 of the 13 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.

⁸ Rwanda, a CwA country, is the first African country to benefit from the RSF. Guinea and Burkina Faso received a RCF under the Food Shock Window on December 22, 2022, and March 27, 2023, respectively.



2. INTERNATIONAL TRADE OVERVIEW

Key Messages

- Goods and services export volumes in CwA countries grew by 2.0 percent on average in 2023 after surging by 15.9 percent in 2022, as the strong rebound in travel services offset a contraction in goods exports.
- Goods exports in CwA countries declined by 3.2 percent amid weak global demand, which nevertheless compares favorably with the 11.9 percent decline in non-CwA African countries.
- Services exports expanded due to the strong travel rebound in North African CwA countries, which experienced a 23.5 percent increase in travel services.
- Imports decreased in CwA countries by 4.0 percent in 2023. As a result, the CwA average current account deficit strengthened from 4.6 percent of GDP in 2022 to 2.7 percent of GDP in 2023 (IMF estimate).

2.1. Global Trends in International Goods and Services Trade

Global goods and services trade volumes grew by 0.3 percent, the slowest pace outside of a recession in the past 50 years, as tight monetary conditions, lingering inflationary pressures, and elevated geopolitical tensions weighed on global demand, and trade flows continued to adjust to pre-pandemic patterns. Goods trade contracted by 1.2 percent in volume terms (constant US dollars) and by 5 percent in value terms (current US dollars) but remained above pre-pandemic levels and showed signs of life in January 2024. The contraction in 2023 was driven mainly by weakness in East Asia in the second and third quarters of 2023 and in the European Union (EU) in the fourth quarter of 2023. Goods trade is expected to pick up in 2024, as pre-pandemic patterns reassert themselves, firms replenish inventories, and price levels stabilize further.

Services trade grew by 9 percent in value terms, partly making up for the decline in goods, thanks to the strong performance of digitally delivered services and the continued recovery in travel services. The latter exceeded pre-pandemic levels in mid-2023, albeit international tourist arrivals are yet to recover completely, particularly in Asia.⁹ Shipping capacity constraints remained relaxed and rates low through most of the year, but surged again in December 2023, due to persisting disruptions from the Red Sea attacks. By January 2024, the World Bank's Global Supply Chain Stress Index had increased by 96 percent over the previous month while shipping costs almost doubled between December 2023 and March 2024.¹⁰

⁹ Trade growth estimates taken from the IMF World Economic Outlook and World Trade Organization.

¹⁰ For more details on global trade and tourism trends see the [World Bank's Trade Watch, 1st quarter 2024](#), and the latest World Bank [Tourism Watch](#).

2.2. Recent Trade Trends in Compact with Africa Countries

Goods and services export volumes in the CwA group grew by 2.0 percent after surging by 15.9 percent in 2022, as the strong rebound in travel services offset the contraction in goods exports. Goods exports declined by 3.2 percent, driven mainly by Egypt, where goods export values dropped by 22.3 percent, followed by Ethiopia, Ghana, and Burkina Faso. Meanwhile, goods exports increased in Tunisia, Morocco, and other Sub-Saharan Africa countries, most notably Benin, DRC, Guinea, and Rwanda. This 3.2 percent decline in goods exports compare favorably to the 11.9 percent drop in non-CwA African countries. Services exports surged, as travel recovered in Egypt, Morocco, and Tunisia, following the lifting of pandemic restrictions (table 2.1).

Table 2.1. Compact with Africa's Exports in 2023: Contraction in Goods and Expansion in Services

Country	Goods exports, current US dollars (percent change)		Overall services exports, current US dollars (percent change)		Travel service exports, current US dollars (percent change)	
	2022 vs 2021	2023 vs 2022	2022 vs 2021	2023 vs 2022	2022 vs 2019	2023 vs 2019
Benin	-2.0	14.1	5.6	n.a.	7.4	n.a.
Burkina Faso	-10.4	-4.6	-10.9	n.a.	-31.4	n.a.
Côte d'Ivoire	7.1	23.3	5.3	n.a.	-37.8	n.a.
Congo, Dem. Rep.	-26.8	4.6	-35.4	n.a.	n.a.	n.a.
Egypt	24.1	-22.3	44.2	17.3	-6.0	12.4
Ethiopia	0.5	-8.9	25.8	n.a.	49.5	n.a.
Ghana	18.8	-9.3	-9.5	n.a.	-41.7	n.a.
Guinea	-14.5	10.1	439.2	6.4	11.3	-64.0
Morocco	15.7	0.4	42.6	21.1	10.7	39.2
Rwanda	37.9	17.4	52.5	18.6	-12.6	24.0
Senegal	9.8	-7.0	-8.0	n.a.	-23.5	n.a.
Togo	27.2	6.4	-3.8	n.a.	-14.9	n.a.
Tunisia	11.2	7.7	52.7	36.5	-22.3	31.6
CwA	8.5	-3.2	31.2	20.2	-3.6	23.5
CwA-NA	18.6	-8.8	44.2	20.2	-1.6	23.5
CwA-SA	-3.1	4.8	4.2	16.9	-14.4	24.0
Other Africa	20.7	-11.9	32.6	8.7	-25.2	-10.2

Source: Haver Analytics, World Trade Organization statistics, World Bank Global Economic Monitor, and IMF Direction of Trade.

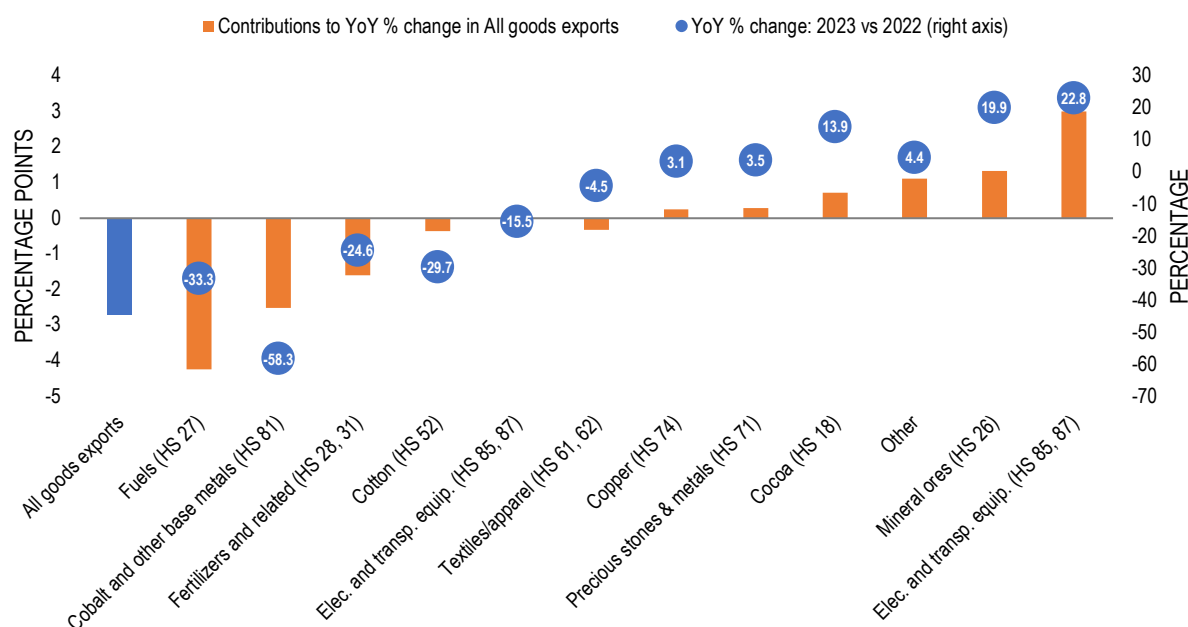
Notes: The CwA services trade aggregates for 2023 are based on 5 out of 12 countries with data available. n.a. = not available.

Fuels, base metals, and fertilizers were the top drivers of the contraction in CwA goods export values, while electrical and transportation equipment, mineral ores, cocoa, and gold expanded (figure 2.1; Appendix A).¹¹ Fuel export receipts plunged by 33 percent in 2023 and contributed the most to the decline in CwA goods exports—a

¹¹ According to bilateral trade reported by Benin, Burkina Faso, and Togo, and mirror bilateral trade reported by 58 CwA trading partners that account together for 72 percent of the CwA's goods export basket.

significant part of this contraction is due to the drop in oil prices, following surges in 2022 after the Russian invasion of Ukraine. The drop was largely driven by Egypt (where fuel exports declined by 50 percent) and Ghana (by 24 percent). Fuel exports increased in Côte d'Ivoire (by 43 percent) due to a rebound in the fourth quarter, and in Togo (by 70 percent, reflecting purchases by India). Exports of base metals dropped by 58 percent and were the second largest negative contributor to the decline in CwA goods exports. Exports of fertilizers and related inputs dropped by 25 percent due to declines in Egypt and Morocco. Egypt also saw export declines in plastics and apparel, Ethiopia in apparel and coffee, and Benin and Burkina Faso in cotton. By contrast, the top positive contributors to the goods exports of the CwA included electrical and transportation equipment, which increased by 23 percent due to Morocco and Tunisia and mineral ores, which rose by 20 percent, reflecting increases in exports of copper ores from DRC aluminum ores from Guinea and other ores from Rwanda. Cocoa exports increased by 14 percent due mainly to Côte d'Ivoire, with Ghana and Guinea also contributing, and exports of gold and precious stones rose by 4 percent, as sales by Burkina Faso offset declines in Guinea and Senegal. Export destinations that contributed most significantly to the drop in goods export values of CwA members included China, EU, and United States, while exports to Turkey and Switzerland grew.

Figure 2.1. Goods Import Values in Compact with Africa Countries: Fuels, base metals, and fertilizers led the decline in values, while electrical and transportation equipment and mineral ores boosted them



Source: Staff calculations based on data from China Customs, Eurostat, Japan Customs, U.S. Census, and UN Comtrade.

Note: Based on direct trade data for Benin, Burkina Faso, and Togo and mirror trade data for the other CwA countries, as reported by 58 CwA trading partners accounting for 72 percent of the CwA goods exports in 2019. Product group names indicate HS codes. See figure A1 for country-specific charts. The growth rates may be inconsistent with figures reported in table 2.1, particularly in CwA countries with small coverage of the 58 reporters. YoY = Year-over-Year.

As fuel and commodity prices softened globally, the value of imported goods dropped by 7.7 percent in CwA countries. A 17.5 percent contraction in the goods import values of Egypt—affected by foreign exchange rationing—exerted the largest contribution on the import drop in CwA countries, but goods imports also declined in Ghana and Morocco (table 2.2). The reductions in import bills were explained mostly by fuels, cereals and, to some extent, textiles/apparel (figure 2.2). Elsewhere in Africa, average imports dropped in value terms by 8 percent for goods and by 3 percent for services, broadly in line with the CwA.

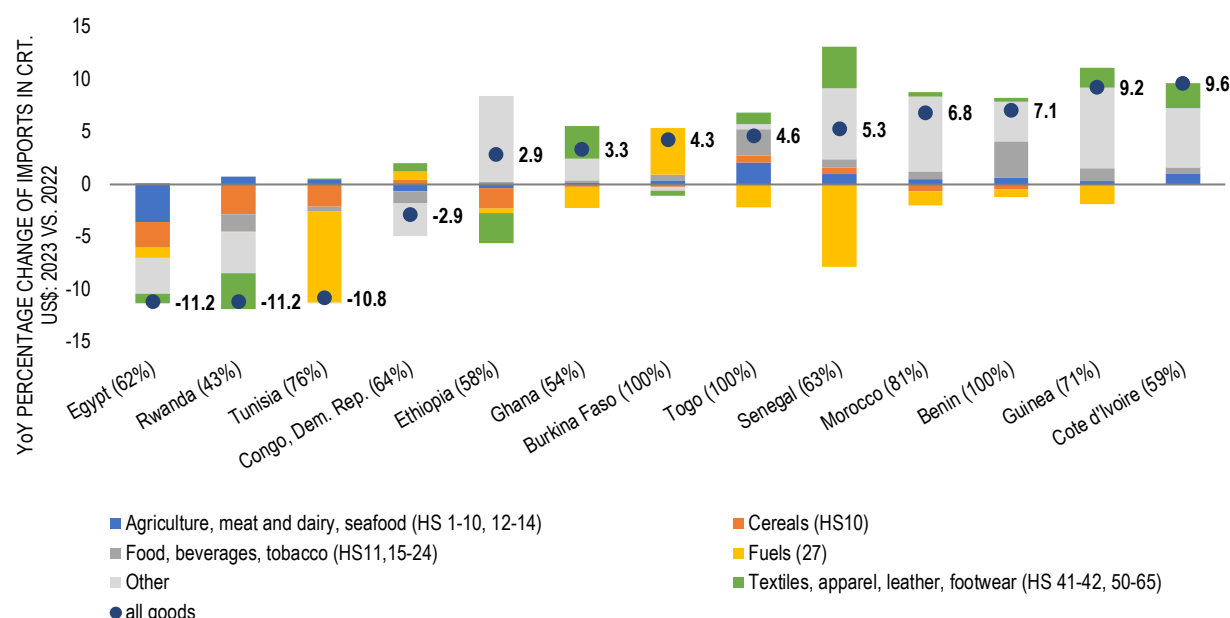
Table 2.2. Compact with Africa's Imports in 2023: Contraction in Imports

Country	Goods imports, current US dollars (percent change)		Overall services imports, current US dollars (percent change)		Travel service exports, current US dollars (percent change)	
	2022 vs 2021	2023 vs 2022	2022 vs 2021	2023 vs 2022	2022 vs 2019	2023 vs 2019
Benin	9.5	-11.5	5.5	n.a.	n.a.	n.a.
Burkina Faso	19.3	6.5	11.8	n.a.	n.a.	n.a.
Côte d'Ivoire	28.1	5.6	-1.7	n.a.	n.a.	n.a.
DRC	58.1	1.7	13.8	n.a.	n.a.	n.a.
Egypt	28.5	-17.5	9.8	-22.2	54.2	34.7
Ethiopia	16.8	-4.1	14.2	n.a.	-20.0	n.a.
Ghana	7.3	-6.2	-3.9	n.a.	87.7	n.a.
Guinea	15.6	-3.0	-22.3	181.8	-96.5	n.a.
Morocco	23.7	-4.4	25.3	11.8	-13.5	14.0
Rwanda	23.3	9.2	31.7	8.2	-19.2	5.9
Senegal	24.4	-8.3	-6.0	n.a.	-26.0	n.a.
Togo	13.6	5.3	4.2	n.a.	n.a.	n.a.
Tunisia	18.5	-4.4	17.4	22.0	-5.4	15.8
CwA	24.0	-7.7	8.3	-4.7	20.2	24.5
CwA-NA	25.3	-10.9	14.3	-9.2	24.2	25.5
CwA-SSA	21.7	-1.4	2.5	96.4	2.9	5.9
Other Africa	20.8	-7.9	25.8	-2.9	-46.5	-4.0

Source: Haver Analytics, World Trade Organization statistics, World Bank Global Economic Monitor, and IMF Direction of Trade.

Note: The CwA services trade aggregates for 2023 are based on 5 out of 12 countries with data available. n.a. = not available.

Figure 2.2. Fuels and Cereals Helped Reduce Import Bills in Most Compact with Africa Countries; Egypt's Imports Contracted Across the Board



Source: Staff calculations based on data from China Customs, Eurostat, Japan Customs, U.S. Census, and UN Comtrade.

Note: Based on direct trade data for Benin, Burkina Faso, and Togo, and mirror trade data for the other CwA countries, as reported by 58 CwA countries accounting on average for 72 percent of the CwA's goods imports in 2019. Product groups names indicate the HS codes. The share of the 58 countries in the imports of each CwA member country are indicated in parentheses. The growth rates may be inconsistent with figures reported in table 2.1, particularly in CwA countries with small coverage of the 58 reporters.

Food inflation worldwide has been trending down, but food insecurity remains a concern, especially for those living in fragile and conflict situations.¹² Within the CwA group, Egypt and Guinea are still in the top 10 list of countries with the highest food inflation as of August 2023. Restrictive trade measures (such as export bans) to isolate domestic markets from global price fluctuations are still in place. As of March 11, 2024, 16 countries have implemented 23 food export bans, and 8 countries have enacted 15 export-limiting measures. In the CwA, export bans are active in Burkina Faso (on millet, maize, and sorghum flours), Morocco (on tomatoes, onions, and potatoes), and Tunisia (on fruits and vegetables), all expected to expire in December 2024. Export-limiting measures may undermine rather than enhance food security eventually because they weaken the incentive to invest in agricultural production. Countries should prioritize instead policy responses to a short-term food price shock, such as emergency food support and those that build capacity for food security over the long term, such as access to seeds and fertilizers.

¹² World Bank's [Food security update \(March 18, 2024\)](#) and [Commodity Markets Outlook \(October 2023\)](#).



3. FOREIGN DIRECT INVESTMENT OVERVIEW

TERMINOLOGY

- FDI refers to both greenfield FDI and cross-border mergers and acquisitions (M&As), from quarterly data derived from the UNCTAD FDI/multinational enterprise database (www.unctad.org/fdistatistics).
- Greenfield project announcements refer to announced greenfield FDI projects made during a particular year, in accordance with information from the Financial Times Ltd, fDi markets (www.fdimarkets.com).
- Investment project announcements are not necessarily actual data or implemented investments, therefore they are used in this report as a proxy for FDI because the data is more up to date with more country coverage, while more detailed FDI data by UNCTAD for 2023 is yet to be released.

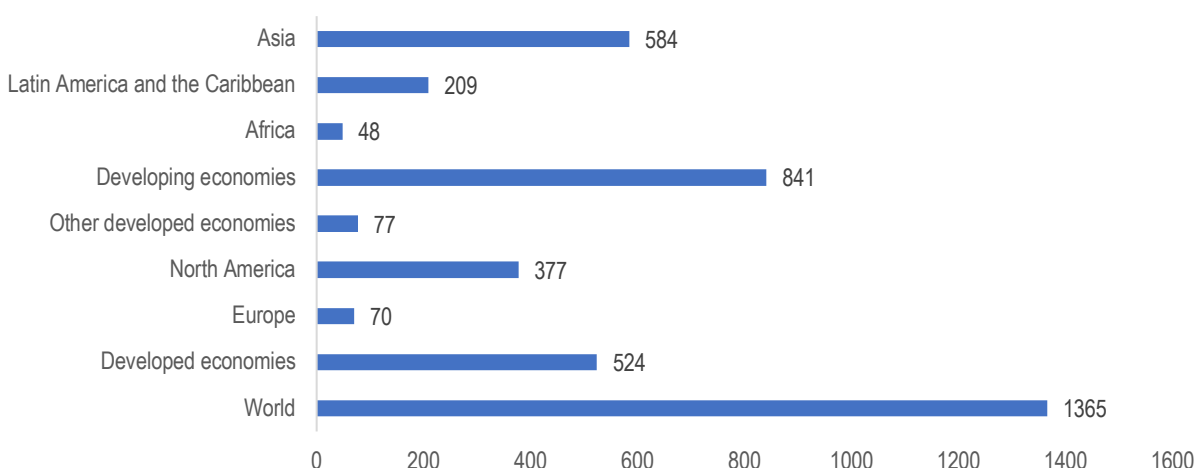
Key Messages

- Global challenges continued to depress overall FDI flows which reached \$1.37 trillion in 2023 (a modest 3% nominal increase over 2022).
- FDI to developing countries fared even worse with a 9% nominal decrease (\$841 billion in 2023), with Africa performing relatively better with only a 1% decrease (\$48 billion in 2023).
- Greenfield project announcements in CwA countries declined in 2023 following an exceptionally strong momentum in 2022 due to mega renewable energy announcements in Egypt and Morocco.
- Investment announcements in CwA countries increased in other sectors, such as chemicals, logistics, electronics, metals, communications, and real estate.

3.1. Global Foreign Direct Investment in 2023 Shows Resilience Due to Positive Performance in a Few Developed Economies in Europe

Global FDI flows in 2023 showed a marginal increase (+3 percent) over 2022, reaching an estimated \$1.37 trillion, however, this defied expectations of a worse performance as recession fears early in the year receded and financial markets performed well, according to UNCTAD (figures 3.1 and 3.2). FDI flows to developing countries fell by 9 percent to \$841 billion, with declining or stagnating flows in most regions. FDI decreased by 12 percent in developing Asia and 1 percent in Africa. It was stable in Latin America and the Caribbean. FDI flows to Africa were almost flat at an estimated \$48 billion (-1 percent).

Figure 3.1. Foreign Direct Investment Inflows 2023, U.S. Billions



Source: UNCTAD Global Investments Trends Monitor, Issue 46; IFC staff calculations, 2023.

Figure 3.2. Foreign Direct Investment Annual Growth Percentage in 2023

World	+3
Developed economies	+29
North America	0
Other developed economies	-46
Developing economies	-9
Africa	-1
Latin America and the Caribbean	0
Asia	-12

Source: UNCTAD Global Investments Trends Monitor, Issue 46; IFC staff calculations, 2023.

3.2. Greenfield Project Announcements in Compact with Africa Countries Decline in 2023 Following Strong Momentum in 2022

While actual FDI data by country is not yet available for 2023, we look at greenfield project announcements made during the year to highlight future trends. The volume of greenfield project announcements in CwA countries declined by 40 percent in 2023 registering \$76 billion, following exceptionally strong momentum in 2022, particularly in

Egypt and Morocco (figure 3.3). In 2022, Egypt had seen major growth in the volume of project announcements in renewable energy and green hydrogen sectors following COP27. In 2023, there were still large-scale project announcements in Egypt's renewable energy sector, however not at the 2022 level. CwA countries had experienced high growth in volume of investment announcements in 2022 that exceeded pre-pandemic levels, rising by 466 percent year-on-year in 2022 to \$129 billion from about \$22 billion in 2021, exhibiting extreme resilience in the face of multiple global crises.¹³ In contrast, the volume of greenfield project announcements in non-CwA countries in 2023 grew by 40 percent reaching \$88 billion, however due to one mega investment (\$34 billion) in Mauritania by UAE's Mubadala Investment Co in renewables. The number of projects in CwA countries declined by 2 percent in 2023 to reach 349 projects after having increased by 63 percent year-on-year in 2022 to reach 357 projects, while the number of projects in non-CwA countries increased by 11 percent year-on-year in 2023 to reach 469 projects (figure 3.4).

Figure 3.3. Greenfield Investment Announcements of Compact with Africa vs. the Rest of Africa by Volume

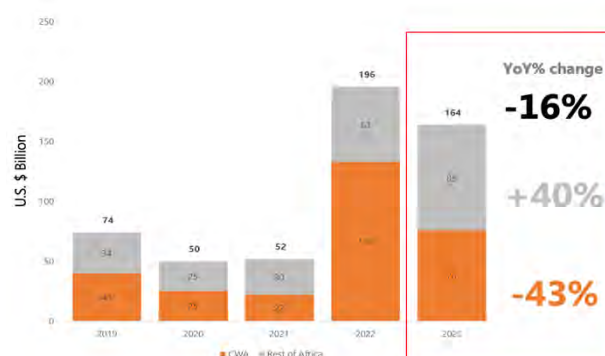
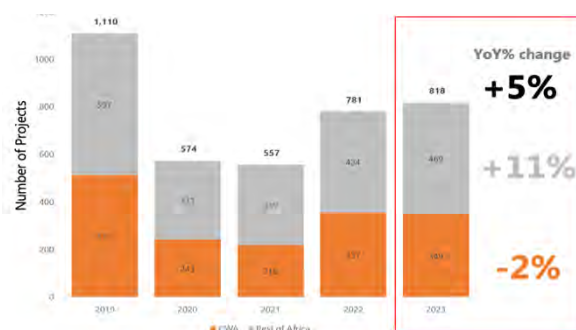


Figure 3.4. Greenfield Investment Announcements of Compact with Africa vs. the Rest of Africa by Number of Projects



Source: FT's fDi Markets, a service from the Financial Times Ltd.; IMF International Financial Statistics and Balance of Payments database; IFC staff calculations.

The decline in investment announcements in 2023 in CwA countries is mainly attributed to the decline in project announcements in the major CwA recipient country, Egypt. The value of Egypt's project announcements declined from \$108.1 billion in 2022 to \$40.2 billion, with its share of Africa's total announcements dropping from 55 percent in 2022 to 24.5 percent in 2023 (table 3.1). Egypt has been facing a difficult macroeconomic situation that began at the end of 2022 and worsened in 2023, which negatively impacted investment sentiment. Despite the decline in investment announcements in Egypt, the country remains the largest in the CwA in volume of announced projects in 2023, followed by Morocco, DRC, Ethiopia, and Ghana. Apart from Egypt, Senegal, and Togo, all other CwA countries have witnessed an increase in investment announcements in 2023. Most notably, Ethiopia's project announcements increased by 500 percent to reach \$3.6 billion, Ghana increased by 100 percent to reach \$2.6 billion, followed by Morocco's project announcements, which increased by 30.7 percent to reach \$20.4 billion in 2023.

As a share of total investment announcements (in value terms) in Africa, CwA countries' share declined to 53.6 percent in 2023, after having increased to 68 percent of total announced investments in 2022 (figures 3.5 and 3.6).

¹³ Excluding the DRC, which at the time was in the process of joining the CwA.

Table 3.1. Shifts in Largest Compact with Africa Investment Destinations in 2023 vs 2022

Destination Compact with Africa Country	2022		2023	
	Investment US\$ Billion	Percentage Africa	Investment US\$ Billion	Percentage Africa
Egypt	108.1	55.1%	40.2	24.5%
Morocco	15.6	8.0%	20.4	12.4%
DRC	3.4	1.7%	6.2	3.8%
Ethiopia	0.6	0.3%	3.6	2.2%
Ghana	1.3	0.7%	2.6	1.6%
Côte d Ivoire	1.1	0.5%	1.1	0.7%
Burkina Faso	0.1	0.0%	0.7	0.4%
Rwanda	0.4	0.2%	0.4	0.2%
Tunisia	0.4	0.2%	0.4	0.2%
Senegal	1.5	0.8%	0.3	0.2%
Togo	0.2	0.1%	0.0	0.0%
Benin		0.0%	0.0	0.0%
Guinea	0.1	0.0%		0.0%
CwA Total	132.7	67.7%	75.8	46.2%

Source: FT's fDi Markets, a service from the Financial Times Ltd.; IMF International Financial Statistics and Balance of Payments database; IFC staff calculations.

Figure 3.5. Share of Investment Announcements among Compact with Africa Countries by Volume, 2022 (U.S. billion)

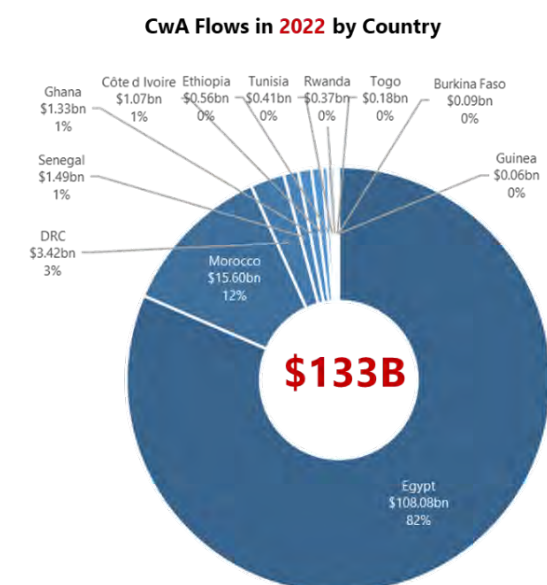
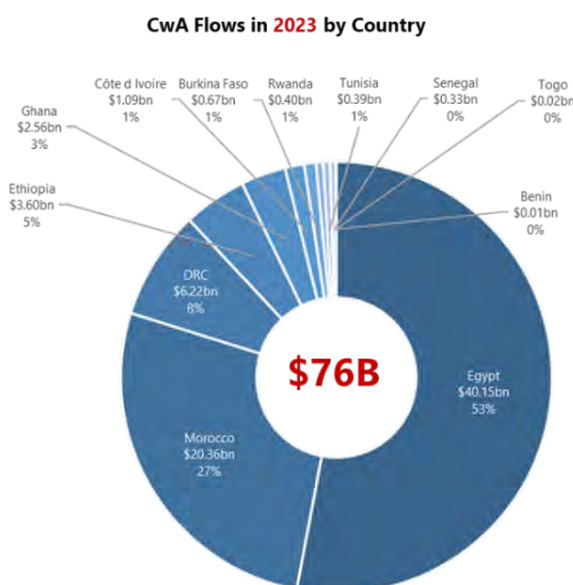


Figure 3.6. Share of Investment Announcements among Compact with Africa Countries by Volume, 2023 (U.S. billion)

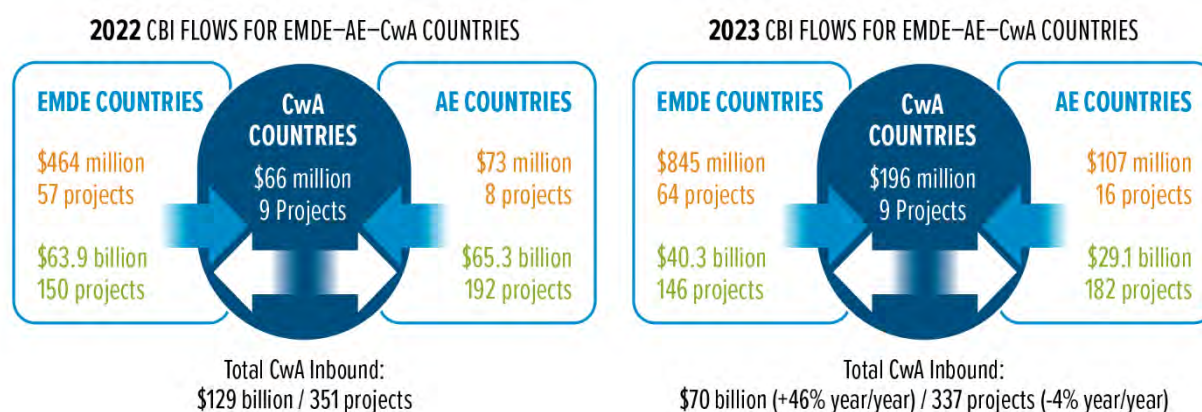


Source: FT's fDi Markets, a service from the Financial Times Ltd.; IMF International Financial Statistics and Balance of Payments database; IFC staff calculations.

The analysis of FDI source countries in the CwA reveals that investment announcements in 2023 by EMDEs were higher than from AEs with \$40 billion vs \$29 billion, respectively (figure 3.7). This composition has changed from the previous year where a balanced composition with similar shares of foreign investments coming from both AEs and EMDEs were witnessed. Additionally, flows within the CwA group increased year on year in volume with the largest

investments being Ghana to Senegal in internet infra sector, by Onix Data Centers, followed by Morocco to Senegal in business services by Bersam and Cie, and Morocco to Côte d'Ivoire in plastics recycling by Arma. Outbound investments from CwA countries to both AEs and EMDEs increased in 2023, mostly from Egypt and Ghana. The largest investors in the CwA in 2023 in terms of volume were China, Hong Kong, UAE, and Saudi Arabia, compared to UAE, India, France, United Kingdom, and Australia (figure 3.8). The largest investments in the CwA were in Egypt in the chemicals sector by Hong Kong's United Energy Group worth \$8 billion, followed by an investment in electronic components in Morocco by China's Guoxuan High-tech in the amount of \$6.4 billion.

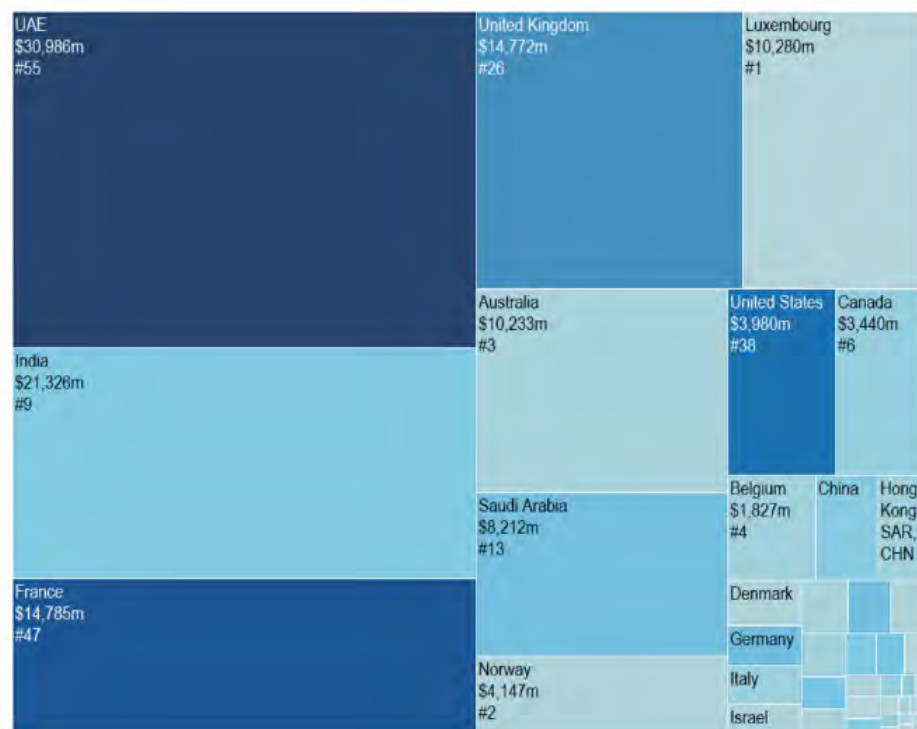
Figure 3.7. Cross-Border Investment Flows, 2022 and 2023



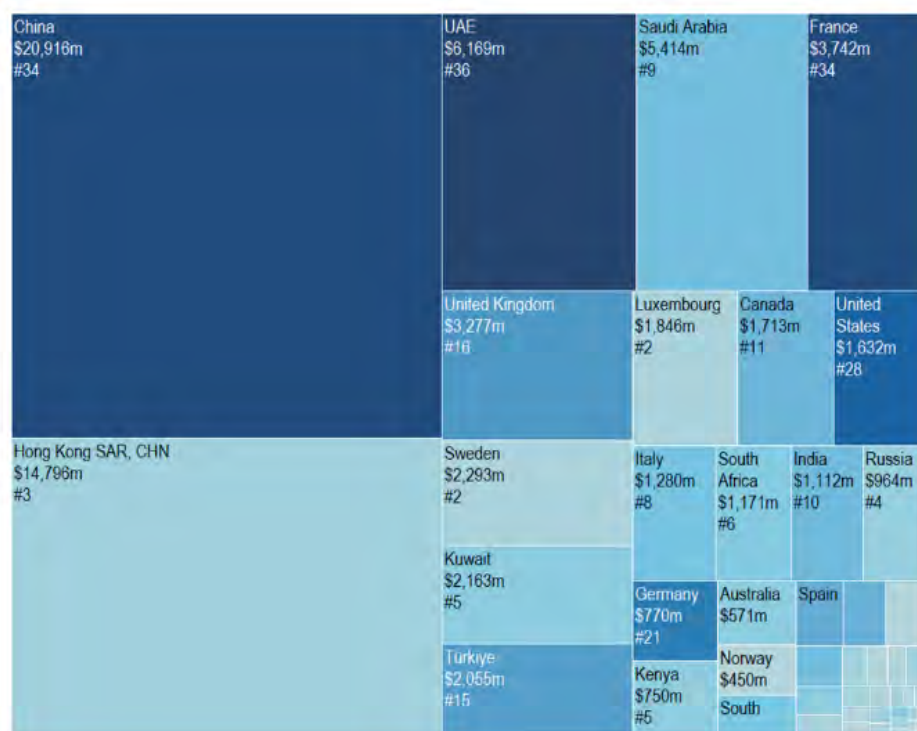
Source: fDi Markets (www.fDimarkets.com), a service from the Financial Times Ltd.; IFC staff calculations.

Figure 3.8. Cross-Border Investment Volumes by Source Country, 2022 and 2023

a. 2022

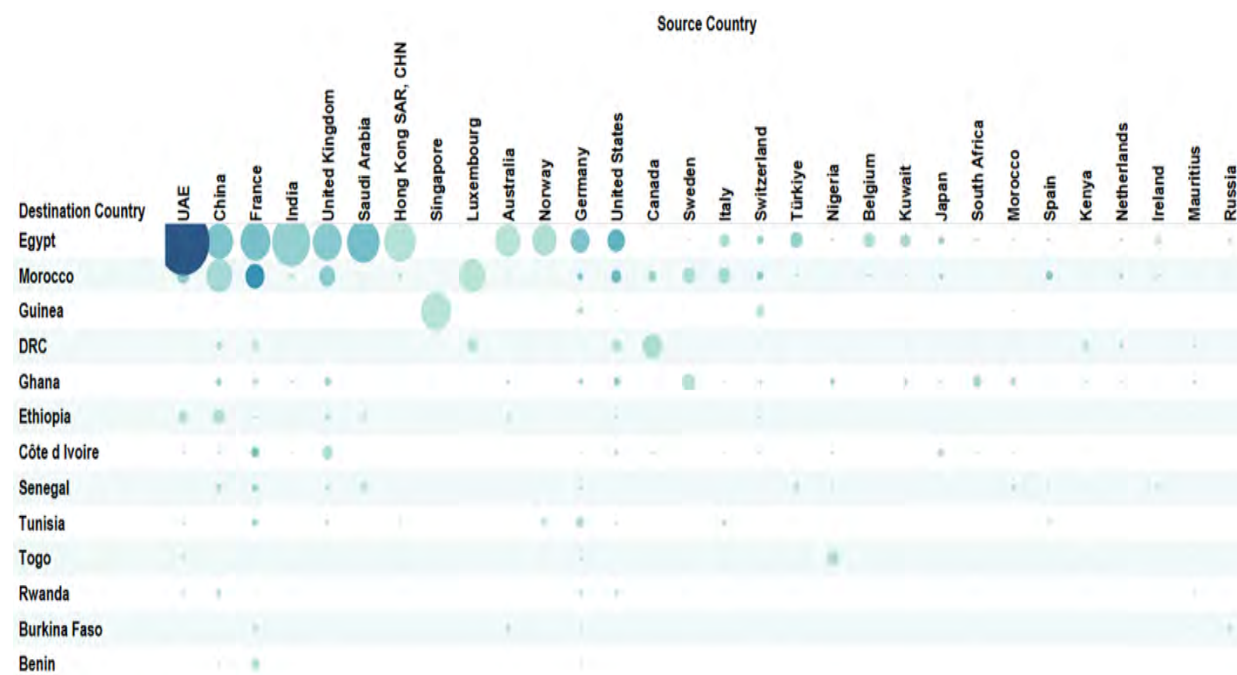


b. 2023



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

Figure 3.9. Cumulative Cross-Border Investments by Source Country, 2019–23 [Top 30]



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

Figure 3.10. Top 30 Cross-Border Investment Projects in Compact with Africa Countries, 2023

#	Parent Company	Source Country	Dest. Country	Sector	Investment, \$m	#	Parent Company	Source Country	Dest. Country	Sector	Investment, \$m	#	Parent Company	Source Country	Dest. Country	Sector	Investment, \$m
1	United Energy Group	HKG	EGY	Chemicals	8,000	11	Xinxing Ductile Iron Pipes	CHN	EGY	Metals	2,000	21	ADQ (Abu Dhabi Developmental Holding Company)	ARE	MAR	Renewable energy	696
2	United Energy Group	HKG	EGY	Renewable energy	6,750	12	HDF Energy	FRA	MAR	Renewable energy	1,979	22	Rosatom	RUS	BFA	Coal, oil & gas	671
3	Guoxuan High-tech	CHN	MAR	Electronic components	6,400	13	Eurasian Resources Group	LUX	COD	Metals	1,800	23	HC Capital Properties (HCCP)	GBR	CIV	Real estate	635
4	China Energy Engineering	CHN	EGY	Renewable energy	5,100	14	Agility	KWT	EGY	Real estate	1,231	24	Agility	KWT	GHA	Real estate	635
5	ACWA Power	SAU	EGY	Renewable energy	4,000	15	Finestra	ITA	EGY	Real estate	1,231	25	AMEA Power	ARE	ETH	Renewable energy	600
6	Brilliant Planet	GBR	MAR	Renewable energy	2,288	16	Rawabi Holding	SAU	EGY	Real estate	1,231	26	JJT Group	IND	EGY	Chemicals	583
7	China Coal Group	CHN	MAR	Renewable energy	2,288	17	MTN Group	ZAF	GHA	Communications	1,000	27	Royal Rock Forte	USA	COD	Coal, oil & gas	500
8	S2H2+Bm	SWE	MAR	Renewable energy	2,288	18	Alfajiri Group	CAN	COD	Coal, oil & gas	741	28	KuCukCalik irketler Grubu	TUR	EGY	Textiles	500
9	West China Cement	CHN	ETH	Building materials	2,200	19	Perenco	FRA	COD	Coal, oil & gas	741	29	China Baoan Group	CHN	MAR	Metals	491
10	Gulf Data Hub	ARE	EGY	Communications	2,100	20	Kenya Commercial Bank (KCB)	KEN	COD	Financial services	708	30	China Minmetals	CHN	COD	Metals	473

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

3.3. Sector Trends in Foreign Direct Investment

Global trends by industry in 2023 showed project numbers rose in global value chain intensive sectors (+16 percent), especially in automotives, textiles, machinery, and electronics (figure 3.11). The number of newly announced greenfield projects in semiconductors fell by 10 percent (39 percent in value) after the strong growth in 2022. The number of greenfield project announcements and international project finance deals in infrastructure industries (including transport, power, water, and telecommunications) fell by 4 percent overall, largely driven by lower project finance in renewable energy.

New international project finance deals in the renewable energy sector fell by 17 percent in number and 10 percent in value, only marginally less than the overall project finance decline. The decline in the number of new projects was the first since the Paris Agreement in 2015.

The number of international investment projects announced in developing countries in sectors relevant to the Sustainable Development Goals (SDGs)—including infrastructure, renewables, water and sanitation, food security, health, and education—remained flat. The number of SDG-relevant international project finance deals declined by 27 percent (-40 percent in value). The number of SDG-relevant greenfield projects rose by 12 percent (6 percent in value). Project numbers in food and agriculture rose marginally from low levels in 2022; most other sectors registered a decline.

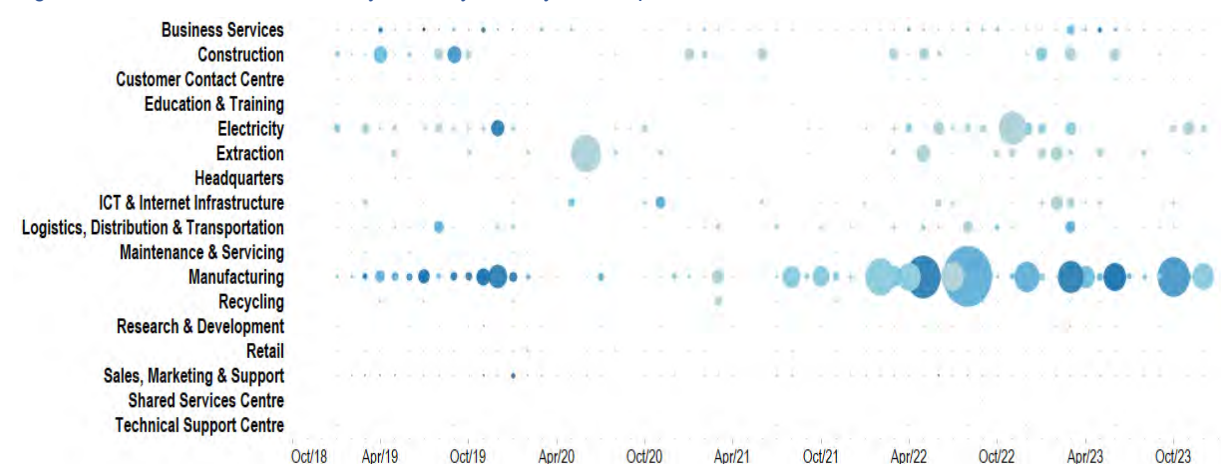
Following the same global trend, investment announcements in renewable energy in CwA countries fell in 2023 and investments in other sectors, such as chemicals, logistics, electronics, metals, communications, and real estate, have increased.

Figure 3.11. Yearly Investment Trends by Industry Activity in Compact with Africa, 2019–23



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

Figure 3.12. Investment Trends by Industry Activity in Compact with Africa, 2019–23



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



4. CLIMATE POLICIES IN COMPACT WITH AFRICA COUNTRIES

Key Messages

- This chapter offers an overview of existing climate policies within CwA countries to pinpoint potential policy gaps, providing a foundation for further discussion and strategic planning on how to advise them. It should be noted this chapter is based on the policy reforms undertaken up to April 2023 (as reported by the June 2023 Monitoring Report). The reforms undertaken since are discussed in the next chapter.
- Though African countries contribute minimally to global emissions, they bear a disproportionate burden of the impacts of climate change and support the widely accepted notion that climate change will severely impact CwA countries' economies, leading to significant welfare losses.
- Given the predominant reliance of CwA countries on the agricultural sector for livelihoods, a climate-induced decline in agricultural productivity is anticipated to instigate a substantial decrease in household income and, consequently, a significant decline in overall welfare.
- CwA countries have made bold commitments to mitigate climate impact and started some reforms but may benefit from guidance on further steps.

4.1. Introduction

Confronting climate change poses a significant hurdle to Africa's post-COVID-19 recovery and the pursuit of sustainable development. Effectively addressing this challenge requires a heightened commitment to climate policies, incorporating resources from domestic and external channels across all government initiatives. This emphasis becomes particularly critical in executing the CwA program due to the potential environmental risks associated with the Compact's objectives.

In 2021, global carbon emissions amounted to 37.12 billion tons of CO₂ (AJLabs 2023). According to Oxfam (2023), over half of all carbon emissions are attributed to the wealthiest 10 percent of the global population, and the wealthiest 1 percent of the global population, comprising 77 million people, accounted for 16 percent of global consumption emissions in 2019. Noticeably, Africa plays a minor role in carbon emissions, contributing only 3.8 percent to global greenhouse gas (GHG) emissions (Bedair et al 2023). The World Resources Institute reports that CO₂ emissions per person in Africa are only 0.8 mt, which is considerably lower than the global average of 3.9 tons (Change

2006). Though Africa exhibits lower carbon emissions than America, Asia, and Europe, its emissions levels are alarmingly increasing. The continent has experienced a more than 12-fold increase in total emissions since the 1950s (Boden et al 1985). World Bank development indicators further underscore this trend, indicating a consistent rise in carbon dioxide emissions in Africa over the years. Specifically, for Sub-Saharan Africa alone, CO₂ emissions escalated from 402 thousand kt in 1990 to 820 thousand kt in 2019.

Despite Africa's modest contribution to global GHG emissions, the continent is expected to face severe impacts of climate change. Although yet to be verified, Dahir (2018) projected that the GDP vulnerabilities of African countries to climate change could surge from \$895 billion in 2018 to about \$1.4 trillion in 2023, representing nearly half of the continent's GDP. Additionally, in 2022, the World Bank Country Climate and Development Report (CCDR) for the G5 Sahel nations and assessments on Cameroon, Ghana, and other African countries reveals that climate change could result in annual GDP losses ranging from 2 percent to 12 percent by 2050, potentially thrusting millions deeper into poverty (Diagana 2022). Particularly in the Sahel region, an estimated 13.5 million more individuals could face impoverishment by 2050 without intervention. The research underscores that enacting reforms to achieve swift, resilient, and inclusive growth is the most efficient climate adaptation and the optimal strategy for realizing development goals.

Climate change is eroding the progress achieved through hard-fought development efforts, exacerbating cycles of poverty, fragility, and vulnerability throughout the continent. African nations are experiencing unprecedented urgency to act, adapt, and fortify their resilience like never before. There is a sense to proactively engage in and gear up for low-carbon sustainable development initiatives. Some have even submitted ambitious targets in their Nationally Determined Contributions (NDCs) to contribute to global efforts in reducing emissions.

4.2. Impact of Climate Change in Africa

Africa continues to endure the impact of harsh climatic conditions. According to the AFDB, 7 of the 10 countries most vulnerable to climate change are in Africa. In 2015, four African countries ranked among the 10 most affected: Mozambique (1st), Malawi (3rd), and Ghana and Madagascar (joint 8th position).

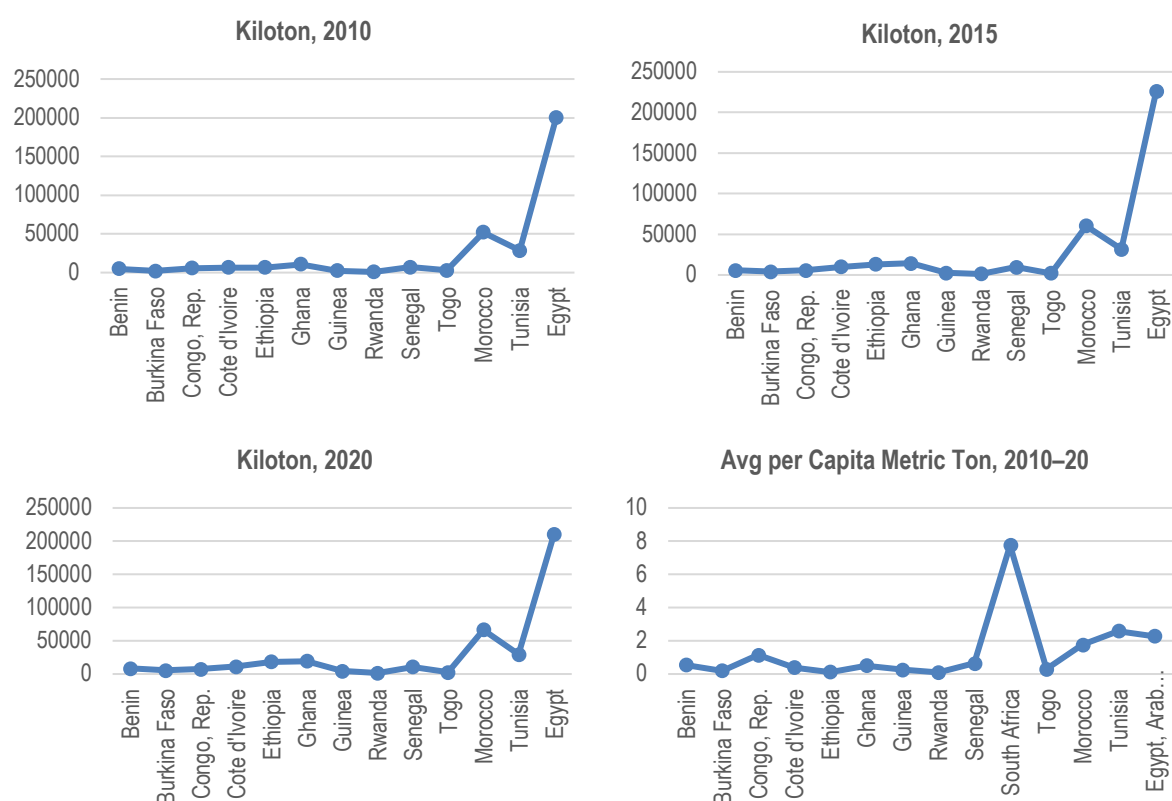
The situation is not improving; the 2022 State of the Climate in Africa report (WMO 2022) reveals an accelerated temperature rise in Africa in recent decades, resulting in increasingly severe weather- and climate-related hazards. A collaborative report by the African Union Commission and the Africa Climate Policy Centre of the United Nations Economic Commission for Africa highlights that in 2022, over 110 million people directly felt the impact of weather, climate, and water-related hazards in Africa. This resulted in economic damages surpassing \$8.5 billion, with the Emergency Event Database documenting 5,000 fatalities—48 percent linked to drought and 43 percent to flooding. Due to Africa's heightened exposure, fragility, and limited adaptive capacity, the impacts of climate change are anticipated to be particularly severe.

The key observation is that Africa's GDP significantly relies on agriculture, with 95 percent of agricultural practices in the continent being rain-fed. This renders agriculture and other weather-sensitive activities like herding and fishing exceptionally susceptible to climatic conditions, resulting in income losses, employment challenges, and food insecurity. This underscores that the welfare of individuals and the stability, prosperity, infrastructure, and diverse economic sectors throughout the continent are significantly exposed to substantial risks linked to climate change.

4.3. Compact with Africa Countries with the Highest Carbon Emissions

World Bank data on emission levels in CwA member countries reveals North African countries in the group, particularly Tunisia, had the highest carbon emissions per capita among CwA member countries from 2010 to 2020. In contrast, economically challenged Sub-Saharan African countries, such as the DRC, exhibited an average per capita CO₂ emission of 1.14 mt. Notably, Rwanda and Ethiopia had some of the lowest average per capita emissions within the CwA during 2010–20, at 0.09 mt and 0.12 mt, respectively. Figure 4.1 charts summarize each CwA country's total carbon and CO₂ emissions during 2010–20.

Figure 4.1. Emission Levels of Compact with Africa Countries, 2010–20



Source: World Development Indicators.

The emission levels among CwA countries remain low, with only Egypt and Morocco surpassing 50,000 kiloton. In contrast, non-CwA countries, such as Algeria, Libya, Nigeria, and South Africa, are significant emitters. In 2022, more than 60 percent of Africa's carbon emissions were concentrated in three countries: South Africa (435.9 million tons), Egypt (249.6 million tons), and Algeria (176.2 million tons). South Africa is one of the most coal-dependent nations globally, with nearly 85 percent of its CO₂ emissions originating from coal.

Despite their low emission levels, CwA countries are crucial in addressing Africa's global crisis. For instance, the Congo Basin in the DRC, the world's second-largest rainforest, is essential for stabilizing the global climate, absorbing 1.2 billion tons of CO₂ annually. The preservation of the Congo Basin and the Amazon is vital because these ecosystems help mitigate the pace of global warming. The DRC, which joined the CwA in September 2023, has started critical climate-related reforms by amending Article 16 of the Agriculture Law to enable FDI in the agriculture sector,

clarifying the procedures for the sale/transfer of mining assets of SOEs and completing the review of forest concessions (DRC CwA matrix and DPO2 supported by the World Bank).

The challenges posed by climate change present CwA countries with opportunities to leverage their significant resource potential to pursue the SDGs. For instance, the mineral intensity inherent in clean energy technologies presents a dual landscape of opportunities for resource-rich countries seeking to diversify and seize value in emerging markets. Within the CwA membership, countries endowed with ample green mineral resources can find a unique opening to industrialize and broaden their economic landscape amid the ongoing global shift toward a low-carbon future.

The shift toward clean energy amplifies the need for green minerals crucial in manufacturing batteries, electric vehicles (EVs), and diverse renewable energy systems. Member countries endowed with these resources emerge as pivotal players in this transformative trajectory. A prominent illustration is the DRC, abundantly rich in green minerals such as cobalt, constituting a substantial 70 percent of the global cobalt supply—an indispensable mineral for battery production.

Ghana is also rich in green minerals, such as bauxite, cobalt, copper, lithium, granite, manganese, and nickel. Ghana is poised to produce and refine lithium to contribute to the global fight against climate change. Table 4.1 identifies CwA countries that have discovered green minerals in commercial quantities.

Table 4.1. Green Minerals for Clean Energy Technology in Compact with Africa Countries

Green Minerals	Clean Energy Technology	Compact with Africa Country
Cobalt	EVs	Côte D'Ivoire, DRC, Morocco
Manganese	EVs, wind	Côte D'Ivoire, Ghana,
Bauxite	wind, solar technology	Ghana, Guinea
Zirconium (ore and concentrate)	green hydrogen	Senegal
Copper	EVs, solar, wind	DRC
Lithium	batteries	Côte D'Ivoire, DRC, Ghana
Phosphate	phosphoric acid for EVs	Egypt, Morocco, Tunisia
Alumina	primary aluminum	Guinea
Niobium	alloys and steel oxides	Rwanda

Source: Author's construct with data from various sources.

Specific governments within CwA countries recognize the transformative potential of their mineral reserves in reducing carbon emissions and are proactively implementing measures to develop this sector. Remarkably, certain nations have imposed restrictions on the export of minerals in their raw states, prioritizing local processing—an approach vividly demonstrated by the DRC and Ghana in producing and extracting cobalt and lithium, respectively.

Nevertheless, addressing climate change requires multidimensional policies. Prioritizing natural resources alone will not yield optimal environmental outcomes. Effective climate policies must enhance food security, bolster infrastructure and community resilience, promote sound environmental management practices and ecosystems for increased biodiversity and carbon sequestration, optimize key socioeconomic factors, and establish more efficient systems to spur improved economic growth. In response to these challenges, CwA countries are increasingly integrating climate policies into their national development strategies and various sectors of their economies.

4.4. Climate Policies Among Compact with Africa Countries

CwA countries have taken significant strides to curtail CO₂ emissions, as evidenced by their NDCs. Since the inception of NDCs in 2015, most CwA countries have enhanced their commitments and outlined specific interventions to achieve these targets, both unconditionally and conditionally. Moreover, they have integrated these interventions into their national development policies. Table 4.2 outlines CwA member countries, their overarching NDCs, and their emission targets based on external support and inherent capabilities, respectively.

Table 4.2. Nationally Determined Contribution Targets for Compact with Africa Countries in 2030

CwA Country	NDC	Conditional	Unconditional
Egypt	Commits to reduce emissions by 37% in the electricity sector (80 Mt CO ₂ e), 65% in the oil and gas sector (1.7 Mt CO ₂ e), and 7% in the transportation sector (9 Mt CO ₂ e) BAU, conditional on unconditional.		
Tunisia	72%	45%	27%
Ghana	64 Mt CO ₂ e	39.4 Mt CO ₂ e	24.6 Mt CO ₂ e
Burkina Faso	29.42% ¹⁴	-	-
Benin	20.15% ¹⁵	-	-
Senegal	36%	29%	7%
Rwanda	38%	22%	16% ¹⁶
Morocco,	63.8%	45.5%	18.3%
DRC	21%		
Guinea	66%	17%	49%
Côte D'Ivoire	129.36%	98.95	30.41% BAU
Ethiopia	68.8%	54.8%	14%
Togo	50.57%	30.06%	20.51% BAU

Source: UNDP climate promise.

Based on Table 4.2, substantial international support is needed for the countries to achieve their emission reduction targets by 2030, with Guinea having the highest unconditional target. The CCDRs¹⁷ on Burkina Faso, Egypt, Ghana, Morocco, and Rwanda underscore this necessity. The report emphasizes three key points: Firstly, climate change poses a significant threat to long-term development objectives, particularly in the realm of poverty reduction. Secondly, attaining climate objectives without jeopardizing development is feasible, contingent upon fulfilling specific essential conditions. Lastly, achieving this necessitates implementing rigorous policy reforms, optimally allocating limited public resources, increasing Public Climate Expenditure, and securing enhanced financial support from the international community. CwA countries will need to pursue reforms to achieve these targets.

¹⁴ With the potential to achieve a reduction of 30.76% with the successful implementation of adaptation measures.

¹⁵ The proposed measures are anticipated to reduce cumulative GHG emissions by 48.75 million metric tons of CO₂ equivalent (Mt CO₂e).

¹⁶ See NDC Partnership, Rwanda at

<https://ndcpartnership.org/country/rwa#:~:text=Rwanda%20submitted%20its%20updated%20and,an%20additional%2022%25%20by%202030>

¹⁷ This report was jointly conducted by the IFC and World Bank and concentrates on strategies aimed at reducing GHG emissions and bolstering climate adaptation measures.

4.5. Progress of Compact with Africa Countries' Climate Reforms (until April 2023)

The discussion below is based on the reforms made by CwA countries up to April 2023 as reported by the June 2023 CwA Monitoring Report. As reported in the next chapter, CwA countries have continued to pursue climate-related reforms.

CwA governments have undertaken various reforms, building upon the 2018 commitments and additional initiatives. These efforts are geared toward advancing the Compact's core aim of promoting sustainable private investment, with consideration given to economic, social, and environmental dimensions. World Bank Group Country Private Sector Diagnostics (CPSDs) informed several reform initiatives. These diagnostics underscore the importance of fostering links between FDI and SMEs, advancing the development of digital and green economies, and ensuring secure access to serviced land.

The June 2023 Compact Monitoring report outlines the reforms implemented during this period. The reforms are classified into three main categories within the CwA framework: macroeconomic, business, and financing frameworks. The climate-related reforms undertaken during this period focus on facilitating green investments and financing. This trend resonates with the significant rise in FDI announcements directed toward green projects.

4.5.1. MACROECONOMIC FRAMEWORK CLIMATE-RELATED REFORMS (until April 2023)

Integrating climate policies into macroeconomic reform efforts offers a strategic approach to addressing environmental and economic challenges simultaneously. By aligning climate policies with broader economic objectives, governments can unlock numerous benefits that promote sustainable development and resilience. Climate policies stimulate economic growth by encouraging innovation, investment, and entrepreneurship in low-carbon industries, such as renewable energy, energy efficiency, and sustainable agriculture, leading to job creation and enhanced productivity. Transitioning to a low-carbon economy requires workforce development and job creation in emerging green sectors, facilitated by investments in renewable energy infrastructure, energy-efficient technologies, and ecosystem restoration projects. These investments boost job creation and contribute to building a skilled workforce prepared for the demands of a sustainable future.

However, the macroeconomic reforms pursued by CwA countries show limited alignment with climate objectives (box 4.1). According to the matrix, only Côte d'Ivoire and Ghana are actively developing strategies to implement their NDCs on emissions reduction. Further, Côte d'Ivoire is in the process of establishing a framework for carbon markets, indicating a more proactive approach toward climate-oriented policies among some Compact countries.

Opportunities exist in the areas of carbon pricing and climate tax for CwA countries. With South Africa being the sole exception, no other country in Africa has enacted a climate tax. Implementing carbon pricing mechanisms, such as carbon taxes or cap-and-trade systems, presents several opportunities for African countries. Carbon pricing can generate significant revenue for governments, enabling them to fund climate adaptation, mitigation efforts, and other development priorities. However, it is crucial to recognize that implementing carbon pricing mechanisms can pose challenges, particularly for low-income households and energy-intensive industries. Therefore, careful consideration of distributional impacts and complementary policies, such as social safety nets and support for affected industries, is essential to ensure the effectiveness and fairness of carbon pricing measures in Africa. The capacity of CwA countries in this arena can be supported by the program.

Box 4.1. Macroeconomic Climate-Related Reforms in Compact with Africa Countries (until April 2023)

- **Tunisia** is integrating climate indicators into its financial management system. The Ministry of Environment, with support from the Ministry of Finance, is incorporating climate metrics from national policies into sector performance measures. This boosts monitoring and evaluation of climate priorities. In 2021, Tunisia advanced its capital market development with the release of a guide for Green, Social, and Sustainability Bonds by the Conseil du Marche Financier, complemented by the Tunisian Stock Exchange's issuance of an ESG reporting guide for listed companies. Looking ahead, the Ministry of Finance aims to introduce a national sustainable banking framework and formulate a climate finance policy.
- **Ghana** has established a climate change unit within the finance ministry, responsible for creating manuals to aid government agencies in accessing funding from the Green Climate Fund and integrating climate change considerations into the public financial management system.
- In 2019, **Côte d'Ivoire** joined the Coalition of Finance Ministers for Climate Action and set up a national green finance platform in 2020. Spearheaded by the Ministry of Economy and Finance, this initiative highlights the country's dedication to promoting sustainable finance. Additionally, the government formulated the "Programme de Développement de la Finance Durable en Côte d'Ivoire," further showcasing its commitment to advancing green finance.
- In **Rwanda**, the Rwandan Green Fund is partnering with the Rwanda Development Bank to create the Rwanda Green Investment Facility. This green bank initiative aims to bolster Rwanda's ability to leverage climate finance opportunities in the private sector. By employing a blended finance strategy, the facility seeks to mobilize private investments to support sustainable projects.
- **Ethiopia** has effectively integrated climate change into its public finance management, evident in national plans and sectoral strategies. The federal budgeting system ensures alignment with ministry plans. The country has also factored flood and drought risks into fiscal models and plans to track climate expenditure in the capital budget from 2023/24. This tagging system could mainstream climate concerns in budgets, pending robust capacity development for tag use in decision-making.
- In 2022, **Egypt** made advancements in constructing electric vehicle (EV) infrastructure, including the establishment of EV charging tariffs and the issuance of rules governing EV charging station operations. With the support of UNIDO, GIZ, and Switzerland, Egypt embarked on the development of eco-industrial parks to catalyze improved environmental and economic performance of Egyptian industries in 2022.

Beyond these policy directions, CwA countries made substantial investments that can improve macroeconomic variables. Egypt has invested the most in climate mitigation and adaptation among CwA countries in recent years. As of March 2024:

- Egypt has made significant investments in solid waste management infrastructure in four pilot governorates as part of the Egyptian National Solid Waste Management Programme. Additionally, in Greater Cairo, the Air Pollution Management and Climate Change Project (2020–26) aims to mitigate vehicle emissions, enhance solid waste management, and bolster decision-making processes related to air quality and climate issues.
- In renewable energy, it has significantly increased its non-hydro renewable energy capacities from 687 MW in 2014 to 3,016 MW in 2021. Key achievements include the launch of the Benban Solar Park (totaling 1,465 MW), Assuit hydropower plant (32 MW), Kom Ombo Solar PV Plant (26 MW), Zafarana Wind Power Plant (542 MW), Ras Ghareb Wind Power Plant (250 MW), and Gabal El-Zeit Wind Power Plant (580 MW).
- *Aquaculture*: Egypt is investing in establishing large-scale sea aquaculture systems in coastal governorates.
- *Coastal protection*: Efforts are underway to enhance adaptation in Mediterranean coast hotspots through a Green Climate Fund-funded project in the North Coast and Nile Delta regions.
- *Sea-level rise*: Measures include land use planning for coastal protection along 100 kilometers of coastline and shore protection along 40 kilometers to prepare for sea-level rise.

- *Municipal wastewater reuse:* Egypt has developed some of the world's largest wastewater treatment plants (Bahr Al-Baqar, Al-Mahsama, Al-Hammam) to facilitate the reuse of treated wastewater in agriculture.
- *Municipal solid waste management:* Investments are being made in collection and transportation systems, waste-to-energy and recycling facilities, and landfill development, including methane capture.

4.5.2. BUSINESS FRAMEWORK CLIMATE-RELATED REFORMS (until April 2023)

Business-friendly climate reforms refer to government policies and initiatives to create an environment conducive to private sector investment and innovation in addressing climate change. These reforms aim to support businesses in adopting sustainable practices, reducing GHG emissions, and adapting to the impacts of climate change. Business-friendly climate reforms have arguably seen the most progress among the three thematic areas. Egypt, Ghana, Morocco, Rwanda, and Tunisia have all pursued reforms in this domain. Box 4.2. catalogues the highlights of reforms pursued in this area.

Box 4.2. Business Framework Climate-Related Reforms in Compact with Africa Countries (until April 2023)

- In 2023, the **DRC** amended Article 16 of the Agriculture Law to enable FDI in the agriculture sector, clarified the procedures for the sale/transfer of mining assets of SOEs and completed the review of forest concessions (from the DRC's CwA Reform Matrix and the DPO2 supported by the World Bank) .
- On May 15, 2022, the government of **Egypt** introduced a special license, known as the "golden license," for foreign investments. This license expedites project establishment procedures in sectors like green hydrogen, electric cars, infrastructure, seawater desalination, and renewable energy projects. The golden license offers investors a unique opportunity to navigate the investment landscape with ease.
- **Ghana** is taking proactive steps to enhance the capacity of both public and private sectors, including SMEs and financial institutions, in climate change, climate finance, and green business. These measures demonstrate Ghana's commitment to sustainability and create a favorable environment for green investments.
- **Morocco's** Law 102.21, which came into effect in February 2023, is a significant step toward the sustainable and efficient management of industrial zones. The law is expected to positively impact decarbonization efforts and enhance access to renewable energy in these zones, making them attractive for environmentally conscious investors.
- **Rwanda** is updating its national investment policy to incorporate climate considerations. This includes publishing guidelines for appraisal and selection criteria, featuring 58 climate considerations on the Ministry of Finance and Economic Planning website. Moreover, Rwanda plans to publish a comprehensive report on major projects in various sectors, outlining appraisal and selection criteria related to climate adaptation and mitigation and rating distribution.
- **Tunisia** enacted Decree-law n°2022-68 on October 19, 2022, to facilitate renewable energy projects.
- **Côte D'Ivoire** has revised its investment code to offer tax exemptions for renewable energy projects and plans to establish a feed-in tariff. Despite plans for tender calls every two years, no projects have yet benefited from this initiative.

Source: June 2023 Compact Monitoring Report and other reports.

The ongoing reforms cover a wide range of areas, including renewables, licensing regimes, and the review of investment policies, though the specifics are still forthcoming. However, it is crucial to incorporate Climate Risk Disclosure Requirements into these reforms. Climate change disclosure in accounting literature pertains to the practice of offering comprehensive and transparent information within a company's financial reports, statements, and official documents regarding the present, real, and potential financial ramifications of climate change on the company. Such

disclosure is indispensable for all stakeholder groups, including regulators, investors, and the public, to form a holistic understanding of how a company addresses and navigates the opportunities and risks associated with climate change (Hassan 2023). Such requirements would mandate businesses to disclose their climate-related risks and mitigation strategies, thereby enhancing transparency and accountability. This disclosure would enable investors and consumers to make well-informed decisions while incentivizing businesses to proactively address climate risks in their operations.

4.5.3. FINANCING FRAMEWORK CLIMATE-RELATED REFORMS (until June 2023)

CwA countries have maintained their focus on reforming the financial sector to facilitate access to finance. Key reforms in this area are green finance initiatives. Notable efforts in this regard have been observed in countries such as Côte d'Ivoire, Egypt, Ghana, Morocco, and Rwanda. Overall, climate finance reforms among member countries aim to mobilize resources, strengthen institutional capacity, and promote investments that support climate-resilient and sustainable development across the continent. Box 4.3 itemizes initiatives being pursued among some CwA countries.

Box 4.3. Financing Framework Climate-Related Reforms in Compact with Africa Countries (until June 2023)

- **Ghana** is taking significant strides toward securing green finance and issuing green, climate, and sustainability bonds, demonstrating its strong commitment to environmental sustainability.
- **Morocco** is proactively conducting a study on developing a financing offer for the green economy. Their key objectives include conducting a comprehensive gap analysis of the supply and demand for green finance instruments across sectoral value chains targeting SMEs. They are also designing initial outlines of a new instrument to partially address the needs of SMEs based on the conclusions drawn from the gap analysis.
- In **Rwanda**, the Ireme Fund green financing initiative has been established. Ireme Invest serves as a centralized hub for green and sustainable investment, with an initial capitalization of \$104 million aimed at supporting the private sector in accessing green finance.
- Moreover, **Rwanda** is strengthening climate-related risk management for financial institutions. This involves developing a green finance market by issuing guidelines for climate-related risk management for financial institutions and providing guidance on implementing recommendations from the International Sustainability Standards Board.

Source: June 2023 Compact Monitoring Report.

Despite the significant opportunities green financing presents for financing sustainable development and addressing climate change in CwA countries, it also encounters various challenges. Addressing these challenges is crucial to unlocking the full potential of green financing and achieving the SDGs. Challenges include:

- *Inadequate Financial Resources:* Limited domestic savings, underdeveloped financial markets, and high borrowing costs hinder access to sufficient financial resources for green investments. Climate finance inflows into Africa have fallen significantly short of what is required, primarily comprising concessional facilities in the form of loans. Conservative estimates suggest that Africa requires approximately \$250 billion annually in both conditional and unconditional financing between 2020 and 2030 to effectively implement their NDCs as per the Paris Climate Agreement. However, reported annual climate finance inflows to the continent currently stand at around \$30 billion, equivalent to a mere 12 percent of the conservative estimate for annual required flows (APRI 2022). Recent analysis from the Climate Policy Initiative and the Global Center for Adaptation puts the climate finance requirement higher at nearly \$580 billion. Without a substantial increase in adaptation finance across the continent, a projected gap of \$453 billion is anticipated to emerge over the next decade (GSA 2022).
- *Weak Regulatory and Policy Frameworks:* The absence of supportive regulatory and policy frameworks for green finance undermines its growth and effectiveness.

- *Market Immaturity and Lack of Investor Awareness:* Nascent green finance markets in some regions contribute to limited investor awareness and confidence in green investments.
- *Capacity Constraints:* Insufficient technical expertise and capacity among financial institutions impede the effective structuring and management of green finance products.¹⁸
- *Currency and Exchange Rate Risks:* Green financing initiatives denominated in foreign currencies expose issuers and investors to currency and exchange rate risks.

4.6. Conclusions

Since the 1990s, climate change has emerged as a central mega-trend poised to profoundly impact the future trajectory of the world economy for centuries to come. Considering this, there is a clarion call on policymakers to address its far-reaching implications for development. The following section presents recommendations for each thematic area, encompassing macroeconomics, business environment, and financing frameworks.

4.6.1. MACROECONOMIC FRAMEWORK

The macroeconomic ramifications of climate change are evident, affecting variables such as government spending, government revenue, public debt, and inflation. Trade variables are also key macroeconomic variables vulnerable to climate change. The demand- and supply-side shocks stemming from climate change's physical and transitional effects can affect a country's endowment and comparative advantage factors, shaping their evolution over time. Given climate change's interconnected impact on all macroeconomic variables, it is recommended that CwA countries' governments first prioritize and outline measures necessary to achieve their country's macroeconomic objectives. These objectives should include fostering robust and inclusive economic growth, creating quality employment opportunities, and addressing poverty and inequalities. Subsequently, they must mainstream climate change considerations into the country's macroeconomic policy analysis in alignment with their NDCs. Development partners can offer capacity-building assistance to aid all Compact countries.

4.6.2. BUSINESS ENVIRONMENT

Policies in this area should be multifaceted and adaptable. The current reform matrix indicates a tendency toward narrow policy focus, particularly on incentivizing specific sectors like renewable energy and industrial zones. However, there is a pressing need to infuse climate-related considerations across all policy domains to enhance the business environment comprehensively. Key policy measures include policy measures implementing incentives, conducting Climate Risk Assessment and Disclosure, developing supportive policies for climate-resilient infrastructure, providing capacity building and TA to integrate climate considerations into business operations, implementing green procurement policies, and fostering partnerships and collaboration between various stakeholders to develop and implement climate-related initiatives.

¹⁸ This capacity constraint is especially prevalent in Ghana.

4.6.3. FINANCING FRAMEWORK

The primary challenge lies in the inadequate financing available to CwA countries. Most of the NDCs of CwA countries require funding from the international community for implementation. However, there has been a shortfall in the commitments made by developed countries to support climate action in developing countries. Developing nations voiced these concerns during the high-level consultations at COP27, highlighting the failure of developed countries to pledge the annual \$100 billion required for climate action. International institutions and developed nations must go beyond mere promises and fulfill their commitments by providing sufficient financing for climate action in developing countries. Considering Africa's heavy reliance on, but limited inflow of, donor climate finance, exploring alternative funding sources is essential to execute NDCs and address climate change while fostering sustainable job creation. Identifying and addressing barriers to investment at national, sub-national, and global levels within donor institutions are crucial steps toward unlocking the vast investment opportunities.

Moreover, to strengthen adaptation financing, it is essential to shift the perception from viewing it solely as a cost to mitigate disaster impacts to recognizing it as a strategic investment. By mainstreaming adaptation measures across various economic sectors, we can effectively enhance the resilience of communities and nations. This entails prioritizing investments that not only mitigate vulnerability to climate-related risks but also yield significant economic returns. Such investments can trigger multiplier effects, fostering increased productivity, job creation, and overall economic growth. Further, integrating adaptation considerations into development planning fosters sustainable and inclusive growth, aligning with broader socioeconomic objectives. Therefore, emphasizing adaptation financing not only addresses the adverse effects of climate change but also fosters long-term prosperity and resilience.



5. PROGRESS WITH REFORM COMMITMENTS

CwA countries have continued on their reform journey to enable and promote private investments. All CwA countries updated their reform matrices, except for Ethiopia and Senegal, the latter because of a recent democratic and peaceful transition. Benin, Morocco, Rwanda, Togo, and Tunisia confirmed having had Compact Country Team Meetings during which the government, private sector, and development partners discussed the reform matrix. As shown by the updated reform matrices in Appendix C, CwA countries continued to progress with their reform commitments in the face of growing macroeconomic challenges and to enable and promote green private investments and financing.

5.1. Macroeconomic Framework Reforms

In 2023, CwA countries focused their reform efforts on addressing the growing macroeconomic challenges. Specifically, they undertook policy reforms to strengthen debt management, boost revenue mobilization, including through leveraging digitization, improve public investment management, and address SOEs. For example:

- Benin continued to implement reforms under its new General Tax Code as outlined in Law no. 2021-15 dated December 23, 2021, which introduced a Book of Tax Procedures removing discretionary powers of tax inspectors.
- Burkina Faso is implementing a new debt management strategy that emphasizes concessional borrowing. Burkina Faso also made significant strides in reforming revenue agencies, broadening the tax base, and modernizing its tax collection system by incorporating electronic procedures and linking customs IT systems with neighboring countries.
- Côte d'Ivoire conducted the second and third reviews of its Economic and Financial Program (PEF) with the IMF for the period 2023–26, focusing on performance criteria and economic growth. It adopted a draft law on national debt policy and updated its public debt management strategy. It is set to adopt a new revenue mobilization strategy by May 2024, which will restructure taxes and introduce new tax measures targeting online gambling.
- The DRC promulgated the law on corporate tax and personal income tax and adopted a plan to digitize public finances.
- Egypt is undertaking a series of fiscal consolidation measures, including the elimination of tax exemptions and adjustments to fuel prices. Following up on its 2022 State Ownership Policy, Egypt announced in February 2023 its intention to sell stakes in 32 SOEs across 18 sectors.

- Ghana successfully met all performance criteria in the second and third reviews of its Economic and Financial Program with the IMF. It implemented measures to stabilize prices of essential goods. It is developing a revenue mobilization strategy that aims to expand the VAT base and introduce new tax measures, set for government adoption in 2024.
- Guinea Implemented the Single Treasury Account to streamline all government financial transactions into a single account, which has improved the efficiency of public funds management. The government has also continued the digitalization process with the operationalization of an electronic platform to streamline public procurements.
- Rwanda enacted a revised property tax law in September 2023, which changed trade licenses, asset sales, and tax rates on properties, thereby boosting tax collection. Rwanda also revised its Value Added Tax law in September 2023 to introduce VAT rebates for consumers who receive electronic invoices.

5.2. Business Framework Reforms

CwA countries pursued reforms to enable and promote green private investments. These entailed reducing setup costs, removing restrictions on FDI, providing incentives for green projects, and enacting energy sector reforms and reforms to promote entrepreneurship. For example:

- Benin adopted measures to encourage MSME formalization (e.g., free registration, tax rate reductions, and VAT exemption for imported equipment).
- Burkina Faso adopted in October 2023, a decree to decentralize the issuance of building permits to 12 regional capitals, thereby reducing the costs and delays of obtaining them.
- The DRC amended Article 16 of the Agriculture Law to enable FDI in the agriculture sector, clarified the procedures for the sale/transfer of mining assets of SOEs, and completed a review of forest concessions.
- The Egyptian Cabinet approved a draft law on May 17, 2023, to foster green hydrogen projects.
- In addition to pursuing its SOE and competition policy reforms, Morocco has made several reforms to enable/promote private investments in renewable energy, combining energy sector with public-private partnership (PPP) framework reforms (see box 5.1. for more details).
- In Togo, the government established the Investment Promotion Agency and signed a new performance contract with the Togolese Electricity Distribution Company (CEET) to improve its financial and operational performance.
- Tunisia operationalized the national digital one-stop shop, bringing together all investment agencies and government departments to simplify business-related procedures.

5.3. Financing Framework Reforms

CwA countries pursued reforms to promote green and inclusive finance. These entailed integrating climate risks in financial sector supervisory frameworks and incentives and green taxonomy for stimulating green finance markets, including through the issue of sustainability bonds. For example:

- Côte d'Ivoire is revising its financing framework to foster green finance and sustainability bonds and facilitated access to their payment systems to improve access for foreign investors.
- In Morocco, the central bank Bank Al-Maghrib (BAM) is integrating climate risks into its supervisory framework, developing policy incentives and reforms for stimulating green finance markets, and developing and adopting a national green taxonomy.

- Rwanda published the guidelines for climate-related financial risk management for financial institutions and successfully issued the Sustainable Investment Bond, which leveraged \$10 million of IDA to crowd-in \$30 million from more than 100 investors, rewarding them for meeting key performance indicators related to sustainable development.
- Togo launched a new Directorate dedicated to entrepreneurship and financing (DEFA) of the agricultural sector. This directorate has implemented financial instruments for agricultural development.
- Tunisia pursued the Implementation of laws on credit bureaus, equity, and investment.

More generally, CwA countries have also continued to pursue their reforms to promote financial inclusion and develop SME finance and their domestic capital markets:

- Côte d'Ivoire is strengthening the Credit Bureau and facilitating the access to the payment system to foreigners.
- The DRC published its financial inclusion strategy.
- Egypt is developing its domestic capital market in Egypt (e.g., T-Bills are now being issued through auctions).
- Ghana created the Domestic Credit Agency to reduce information asymmetry.
- Morocco created a regulatory regime to facilitate private equity into SMEs

Box 5.1. Morocco's Reforms to Support Green Transition

Over several years, Morocco has been committed to a green transition and a decarbonized and more competitive economy, thanks to the adoption and implementation of complementary strategies covering several key areas, including:

- **A Low Carbon National Strategy by 2050 (SNBC)**, which aims to accelerate the development of renewable energies, with a view to achieving a 96 percent clean electricity mix and carbon neutrality by 2050;
- **A new National Strategy for Sustainable Development by 2035**, which identifies six cross-sectoral areas of transformation, including the Green and Inclusive Economy, Human and Social Capital, Sustainable and Resilient Territories, as well as Innovation and Scientific Research;
- **A Generation Green 2020–30 agriculture strategy**, which aims to create a more resilient and eco-efficient agricultural sector by promoting climate-smart farming practices and encouraging the conservation of natural resources.

To achieve the ambitious goals it has set for itself, Morocco has initiated a series of far-reaching reforms aimed at creating favorable institutional, legislative, and regulatory frameworks, as well as appropriate financing. These reforms include:

- **The reform of the energy sector**, notably through the adoption of laws on renewable energies and power self-generation, as well as continued restructuring of the electricity market to create a friendly investment environment, strengthening transparency and competition, and promoting decarbonization and competitiveness of the economy.
- **The reform of the SOEs**, with the ongoing implementation of the framework law on SOEs reform and the operationalization of the National Agency for Strategic Management of State Participations and Performance Monitoring of SOEs (ANGSPE), with the aim of fostering the country's economic competitiveness.
- **The reform of the legal framework for PPP** to encourage the participation of private investors in financing major green investment projects (seawater desalination, renewable energies, and so on).
- **The development of green hydrogen** through the promotion of Morocco's new International Offer in this field, covering the whole value chain of the green hydrogen industry.
- **The project of elaborating a roadmap for a gradual introduction of a carbon tax.**
- **The continued greening of the financial system** to guide private financing and investment toward climate-friendly activities, notably through the ongoing development of a new national climate financing strategy, the greening of financing support mechanisms, and the development of a green taxonomy.

Source: Government of Morocco—see its reform matrix in Appendix C for more details.



6. NEED FOR \$100 MILLION TRUST FUND CONTRIBUTIONS TO ENABLE CWA 2.0

6.1. CwA 1.0 Achievements

As discussed in the November 2023 Monitoring Report, CwA countries outperformed their African peers in terms of FDI, exports, and growth during CwA 1.0 (2017–22). CwA countries currently attract on average close to \$2 billion a year in FDI inflows compared to about \$0.7 billion for non-CwA countries (they both were at about \$1 billion before 2015). Similarly, exports from CwA countries have steadily grown to reach \$20 billion in 2022 from \$13 billion in 2017, while exports from non-CwA countries have remained at about \$13 billion a year.

As documented in previous editions of the Monitoring Reports, CwA countries have undertaken numerous reforms aimed at promoting private investment during CwA 1.0, which can be grouped as follows:

- Macro framework reforms: Most CwA countries pursued domestic revenue mobilization through tax reforms, as well as public procurement and PPP law reforms to improve the quality of public expenditures.
- Business framework reforms: Most CwA countries pursued trade and investment reforms (most countries), competition and SOE reforms (e.g., Egypt, Ethiopia, Morocco), reforms to facilitate access to land (e.g., Benin, Burkina Faso, Ghana, Senegal, Togo, Tunisia), telecom reforms (e.g., Senegal, Togo) and reforms to promote renewable energy (e.g., Burkina Faso, Egypt, Ghana, Morocco, Tunisia).
- Financial framework reforms: CwA countries undertook reforms to develop domestic sources of long-term finance, e.g., Eurobonds in local currency (Benin), laws on secured transactions (Morocco), facilities to de-risk agriculture and promotion of value chain financing (Rwanda and Tunisia), and private equity laws (Senegal). CwA countries have also been reforming their State-owned banks (e.g., Côte d'Ivoire), improving the regulatory framework to resolve non-performing loans (e.g., Tunisia), and increasing the minimum capital requirements for banks (e.g., Ghana).

6.2. Technical Assistance to CwA 1.0 Financed through World Bank Group Multi-Donor Trust Funds

\$39 million worth of TA financed through World Bank Group MDTFs supported the following:

- **Policy reforms.** Reforms provided through ISCA (IFC Support to the Compact with Africa) led to the adoption of 95 laws and regulations. These included, for example, Morocco's Competition Policy Framework; e-Tax and e-Trade platforms in Ethiopia; Company Act in Ghana; Investment Code in Guinea; Senegal's regulatory capacity to enforce phytosanitary and traceability requirements for its exports; and reforms of the government securities and money markets in Rwanda (joint implementation with the World Bank's Finance, Competitiveness & Innovation Global Practice (FCI) team on policy/regulatory matters). In addition, the Tunisia CwA supported reforms in Tunisia, such as the modernization of customs and commercial courts and revisions to regulatory frameworks to promote renewable energy and resolve non-performing loans.
- **Reform delivery capacity.** Through the Tunisia CwA, activities supported Tunisia's Delivery Unit, the alignment of reform matrices, and the introduction of an IT system to track reform implementation. Tunisia shared its experience in eight CwA peer learning events, which inspired 10 CwA countries to request such support during CwA 2.0.
- **Mobilization of private investments—through advisory services.** Support provided through ISCA helped mobilize \$424 million of private capital and develop a pipeline of bankable projects. Examples include a renewable energy project in Egypt and five agribusiness projects in Benin, Guinea, and Senegal. In Rwanda, this support facilitated long-term financing to industry, infrastructure, and housing. The Tunisia CwA helped set up the Project Development Fund and the Tunisia Investment Authority.
- **Programs to link domestic firms with global value chains.** ISCA provided advisory services to 1,684 firms in CwA countries to improve their performance and compliance with environmental, social, and governance standards, notably through supply chain development programs in Côte d'Ivoire, Ethiopia, and Guinea. The Tunisia CwA supported the Central Bank of Tunisia to facilitate financing within the olive oil and cereals value chains.
- **Peer exchanges and learning.** Through TAP (Think Africa Partnership), ACET (Africa Center for Economic Transformation) delivered 22 peer learning events on topics requested by CwA countries. Peer learning on reform delivery allowed 11 CwA countries to share their experiences and hear from leading experts, compelling them to request TA to improve their capacity to reform as part of CwA 2.0. ISCA supported 2,550 workshops and training sessions in all CwA countries.
- **Knowledge.** ISCA helped finance CPSDs in all CwA countries (12 at the time), which informed their reform commitments and World Bank Group operations. CPSDs are now part of World Bank Group core diagnostics.

6.3. An Additional \$100 Million Is Now Needed to Finance the Technical Assistance Requested by Compact with Africa Countries for CwA 2.0

Building on the strong foundations of CwA 1.0, the CwA 2.0 reforms enacted in December 2022 entails, at the request of the CwA countries, more strategic TA to continue to reform, mobilize the private sector, and better leverage partners. As the trust fund resources that supported CwA 1.0 (2017–22) have been exhausted, there is an urgent need for new trust fund contributions to enable CwA 2.0 at a time when CwA countries face multiple challenges. \$100 million is needed over the next four years to meet these needs and the expected growth in the number of CwA countries—the DRC joined in September 2023, and eight countries have expressed interest in joining following the successful CwA Heads of State Summit in Berlin (December 2023).

CwA 2.0 comes at a time when the global environment for private investment is challenging, and fiscal space has been reduced following the COVID-19 pandemic. The lingering effects of the pandemic, exacerbated by geopolitical tensions, including spillovers from Russia's invasion of Ukraine, have led to trade and investment fragmentation and the resurgence of industrial policies. Other challenges include fragility and climate change, including growing green requirements imposed by key export markets, buyers, and international investors. Sound economic

policies and ambitious structural reforms are crucial to attract foreign investors and alleviate the credit crunch affecting domestic firms, especially SMEs, while ensuring the stability of stressed financial sectors. The job challenge is immense—a recent International Labour Organization (ILO)¹⁹ report estimates one-quarter of Africa’s youth (15–24 year olds) are neither in education nor employed, of which two-thirds are young women.

The financial landscape in CwA countries remains highly uncertain, exacerbating the growing need for micro, small, and medium enterprise (MSME) finance. The debt challenges and the sovereign-bank nexus are major sources of risk for CwA countries, exposing them to amplified macro-financial stability vulnerabilities. For example, Ghana and Ethiopia have a high potential for financial stress, disproportionately affecting businesses and derailing an inclusive, private-led economic recovery. These issues are coupled with underdeveloped capital markets, undiversified bank-centric financial systems, and an extended cycle of monetary policy tightening, with access to credit for SMEs being increasingly constrained across all CwA countries. Targeted efforts to mobilize climate finance could catalyze foundational capital market development work. Further, technology providers are rapidly transforming the financial services industry across the African continent, offering opportunities for closing the financing gap for SMEs, supporting resilience and growth of businesses, and improving cross-border payments. To enable the potential of financial technology for SMEs, it will be critical to continue focusing policy and regulatory reforms on foundational elements, such as creating the enabling environment, empowering users, and balancing the risks and benefits of innovative financial products.

At the same time, there are new economic opportunities for CwA countries in specific value chains. First, there is increased demand for energy transition minerals, natural forests as carbon sinks, and renewable energy—not only for Africa itself, but also for Africa to play a critical role in the global green transition. Second, there is potential to leverage unique cultural and natural heritage to develop high-value tourism that promises to create better and more diversified jobs, while bringing foreign exchange to countries. Third, digital services and creative industries (including digital content industry and software development) are rising and can seize the rapidly growing export (and import) of digitalized services. Fourth, high value-added agribusiness opportunities have been identified by CPSDs in all CwA countries. Finally, Africa is becoming closer to the competitive frontier in key manufacturing sectors, both labor-intensive (e.g., Egypt, Ethiopia, and Ghana) and complex (e.g., Morocco and Tunisia).

This is happening against the backdrop of the African Continental Free Trade Area (AfCFTA), which will strengthen Africa’s role on the global stage. If fully implemented, the AfCFTA is expected to boost Africa’s income by \$500 billion by 2035.²⁰ The AfCFTA presents CwA countries with important opportunities to access new markets. All CwA countries are signatories, and all countries except Benin have also ratified the AfCFTA.

CwA countries are requesting additional support to address these challenges and take advantage of emerging opportunities. When solicited by the CwA Co-Chairs in 2022 for suggestions to improve the CwA, beneficiary countries requested more strategic TA and knowledge to reform and catalyze private investments. These requests were endorsed as part of the three CwA 2.0 reforms unanimously approved on December 8, 2022, at the AAG G20 meeting and reflected in the Chairs’ Conclusions:

- **Reform 1.** *“To keep membership limited to reform-oriented countries.”* Aspiring CwA countries are now voted in by CwA countries following a presentation of their reform commitments. The DRC joined in 2023, and

¹⁹ See ILO blog about African youth at <https://ilostat ilo.org/blog/african-youth-face-pressing-challenges-in-the-transition-from-school-to-work/>

²⁰ See World Bank publication about the AfCFTA at <https://www.worldbank.org/en/topic/trade/publication/free-trade-deal-boosts-africa-economic-development>

eight more countries are interested in joining: Angola, Comoros, Kenya, Mauritania, Mauritius, Namibia, the Republic of Congo, and Zambia (see Appendix A).²¹

- **Reform 2.** *“To enhance technical assistance to Compact countries, it was decided to strengthen Compact Teams, peer-to-peer learning and investment promotion.”* This reform acknowledges the request from CwA countries for more strategic TA (summarized in Appendix C). These requests are fully aligned with the World Bank and IFC country strategies as reflected in the World Bank Group Country Partnership Frameworks.
- **Reform 3.** *“To enhance the understanding of entrepreneurial activities in Compact countries in order to identify concrete and country-specific policy recommendations.”* This reform acknowledges the need for the CwA to increase its focus on domestic firms and entrepreneurs, which are critical to the inclusive private sector-led growth agenda.

CwA 2.0 will help operationalize the renewed commitment from development partners for improved collaboration, increased focus on impact, and catalyze private sector financing. More financing is needed to de-risk private investments in Africa. CwA 2.0 is also drawing increased interest from G20 members, which see it as a key platform to promote better economic governance across Africa, improve the impact of their bilateral programs, and foster links between G20 investors and African businesses.

²¹ According to the note on CwA Formal Accession Procedures, the “reform-orientation” of aspiring members will be assessed as follows: “To build their case, in consultation with the IOs, countries should develop a reform matrix summarizing ongoing and planned reforms, reflecting the commitments and ambitions of the authorities...the reform matrix should clearly delineate government actions, measurable indicators and targets, and support from development partners, including the Ios.”

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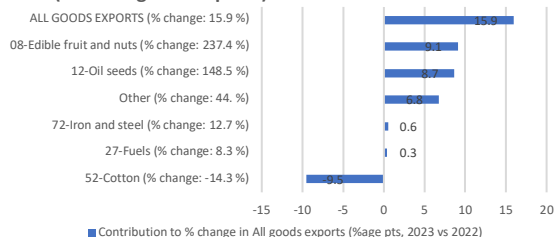
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APPENDICES

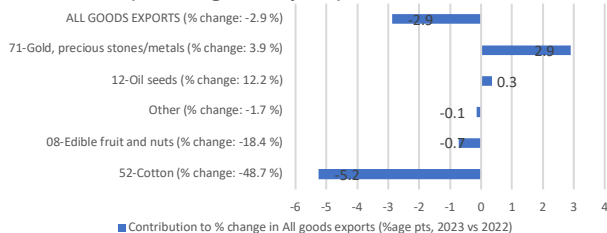
A. Contributions of Top Five Product Groups to Growth in Goods Export by Country, 2023 vs 2022

Current U.S. dollars

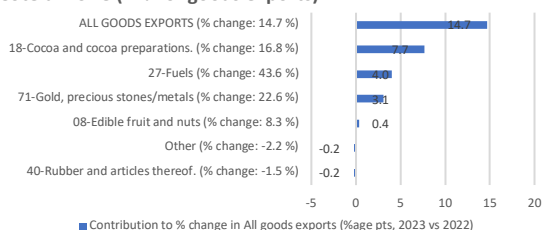
Benin (100% of goods exports)



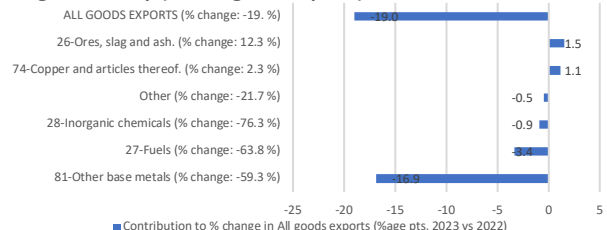
Burkina Faso (100% of goods exports)



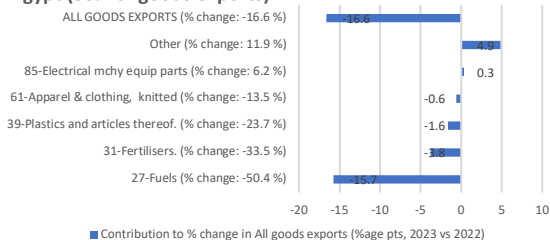
Cote d'Ivoire (71% of goods exports)



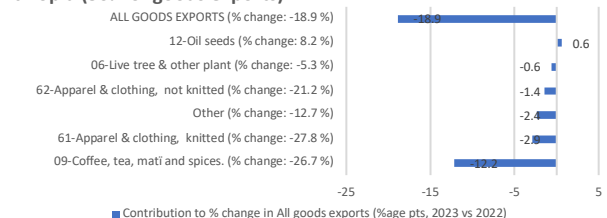
Congo, Dem. Rep (57% of goods exports)



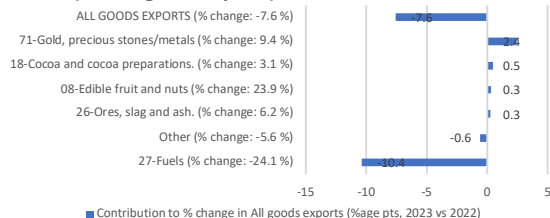
Egypt (53% of goods exports)



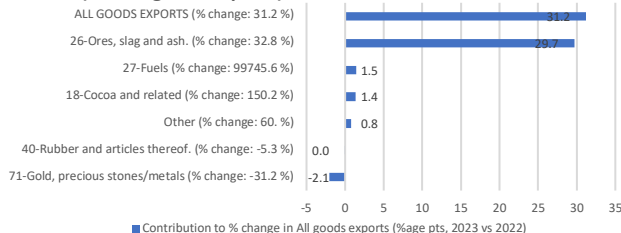
Ethiopia (56% of goods exports)



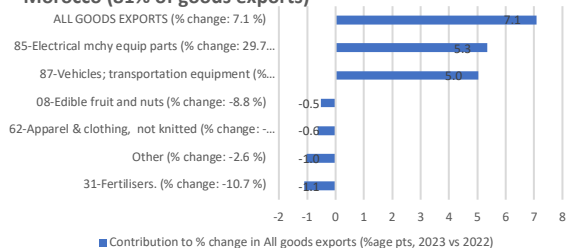
Ghana (56% of goods exports)



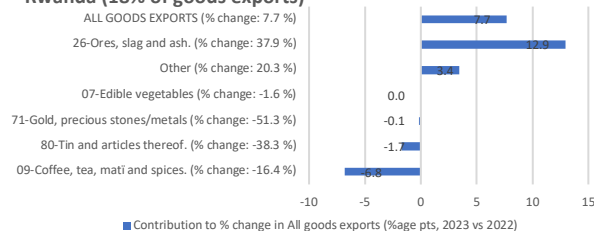
Guinea (50% of goods exports)



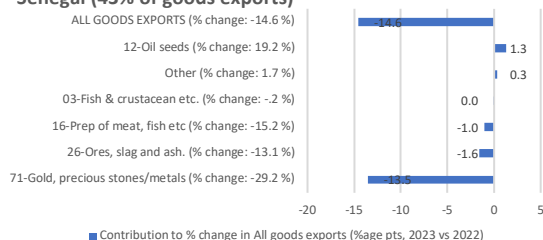
Morocco (81% of goods exports)



Rwanda (18% of goods exports)



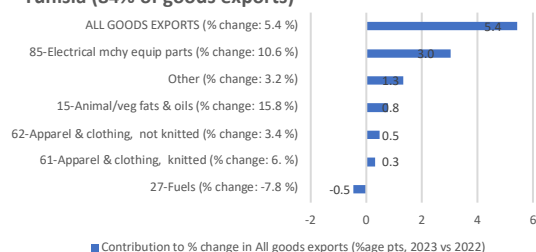
Senegal (43% of goods exports)



Togo (100% of goods exports)



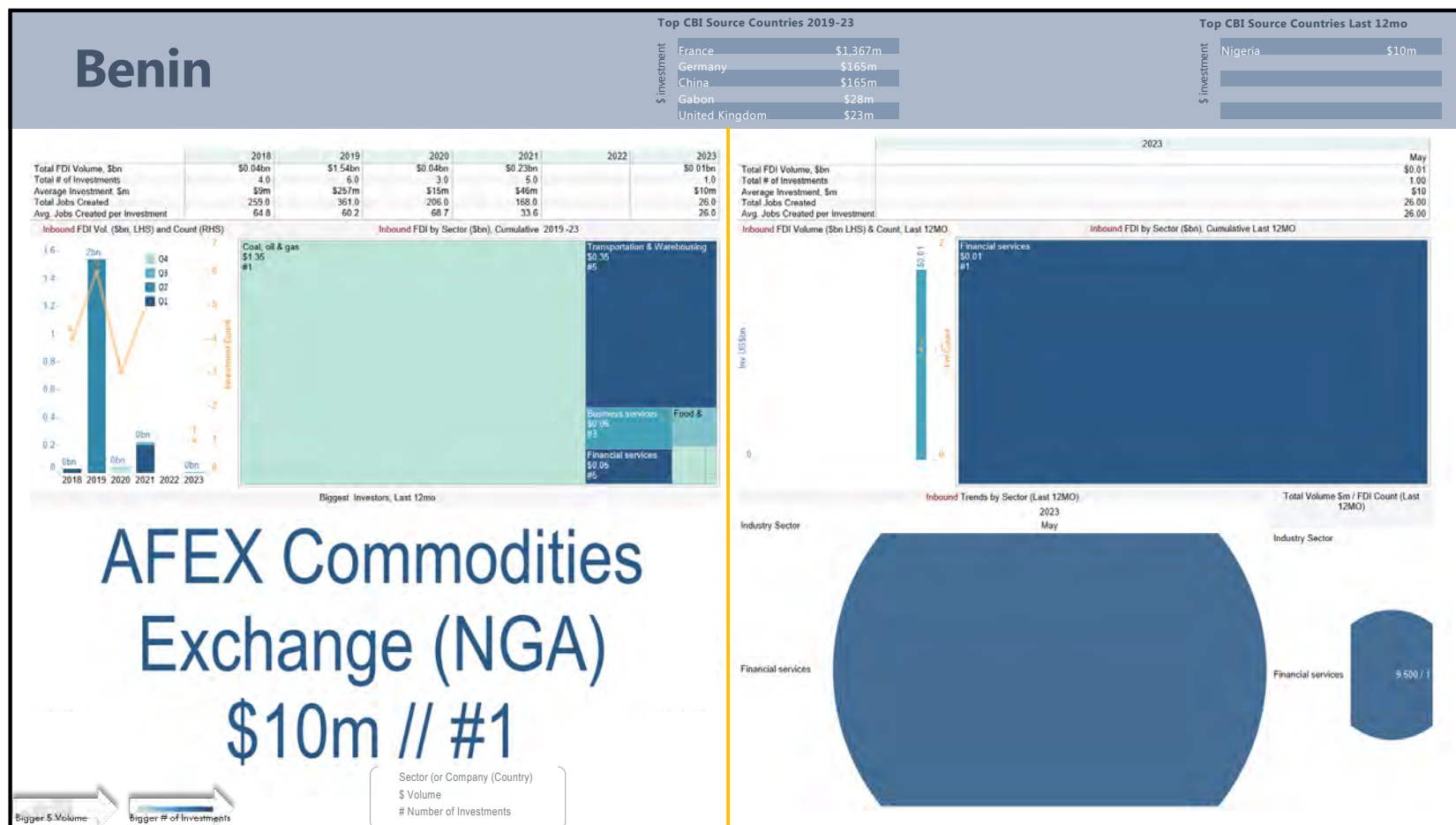
Tunisia (84% of goods exports)



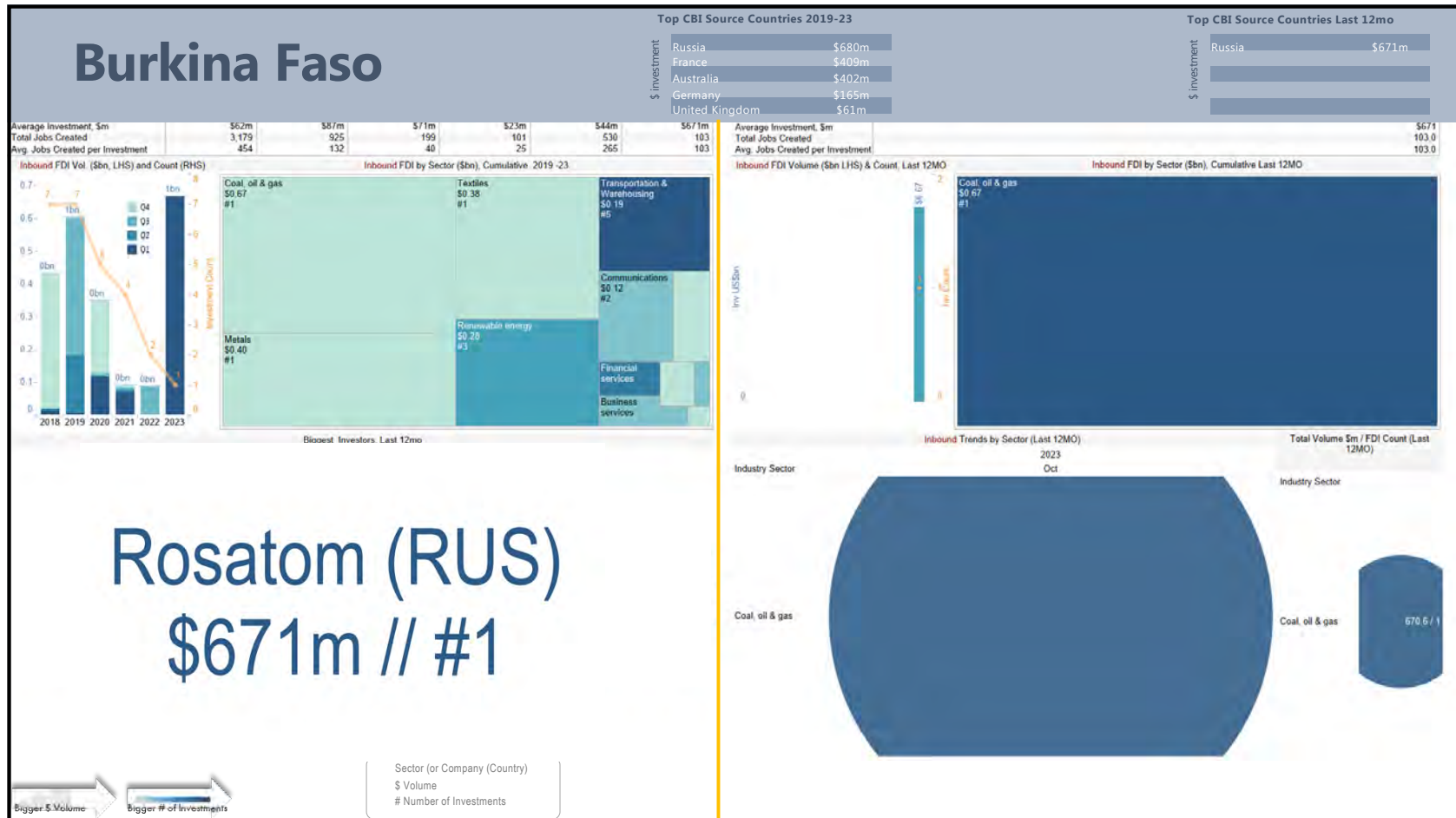
Source: Staff calculations based on data from China Customs, Eurostat, Japan Customs, U.S. Census, and UN Comtrade.

Notes: Share of destinations in exports indicated next to each CwA country name. Product group names indicate the HS code and growth rate in exports (percent change in 2023 vs 2022). Based on direct trade from Benin, Burkina Faso, and Togo, and mirror trade data for the other CwA countries, as reported by 58 countries accounting on average for 72 percent of the CwA's goods exports (2019–23). The growth rates may be inconsistent with figures reported in table 2.1, particularly for CwA countries with small coverage of the 58 reporters.

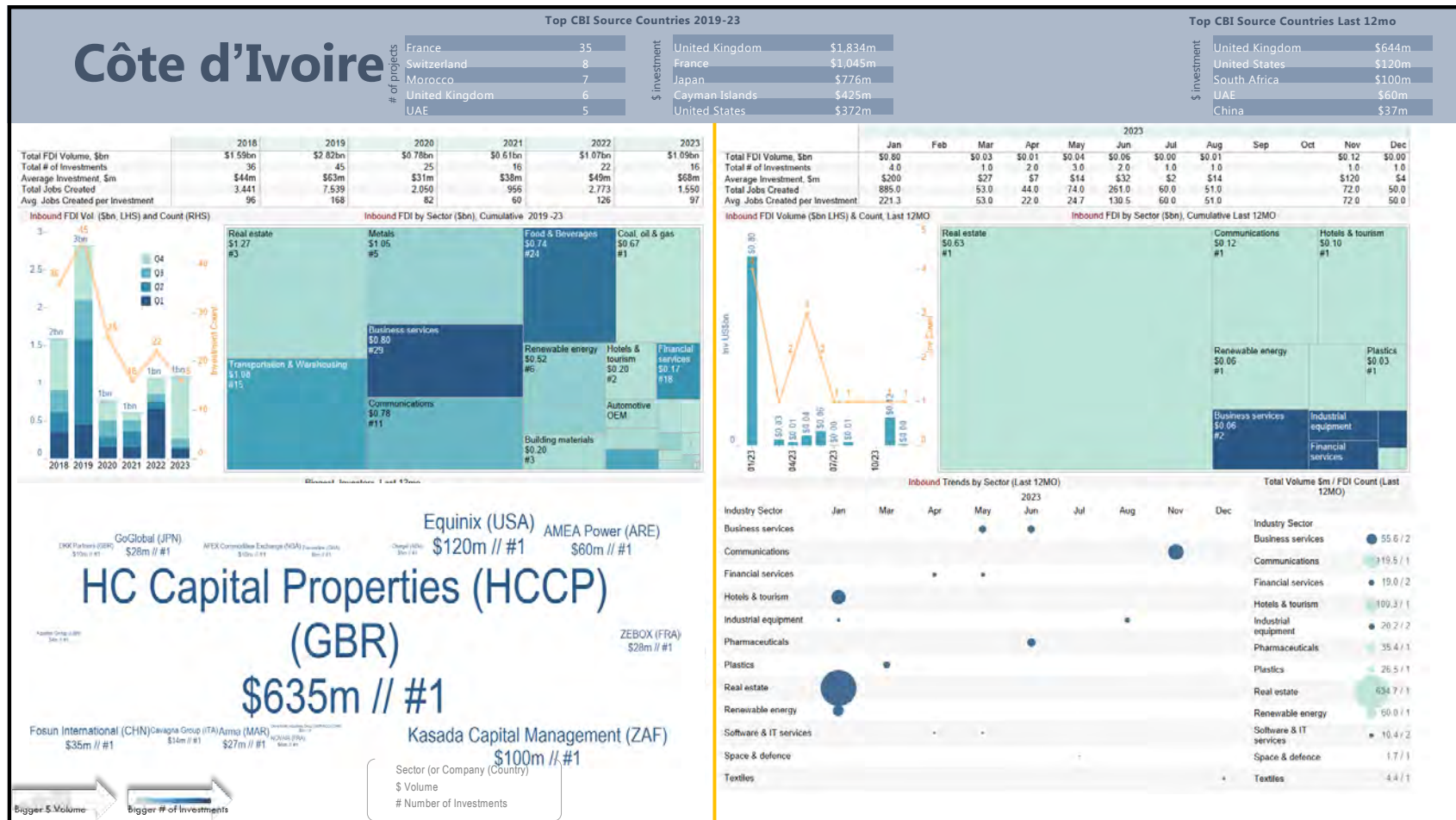
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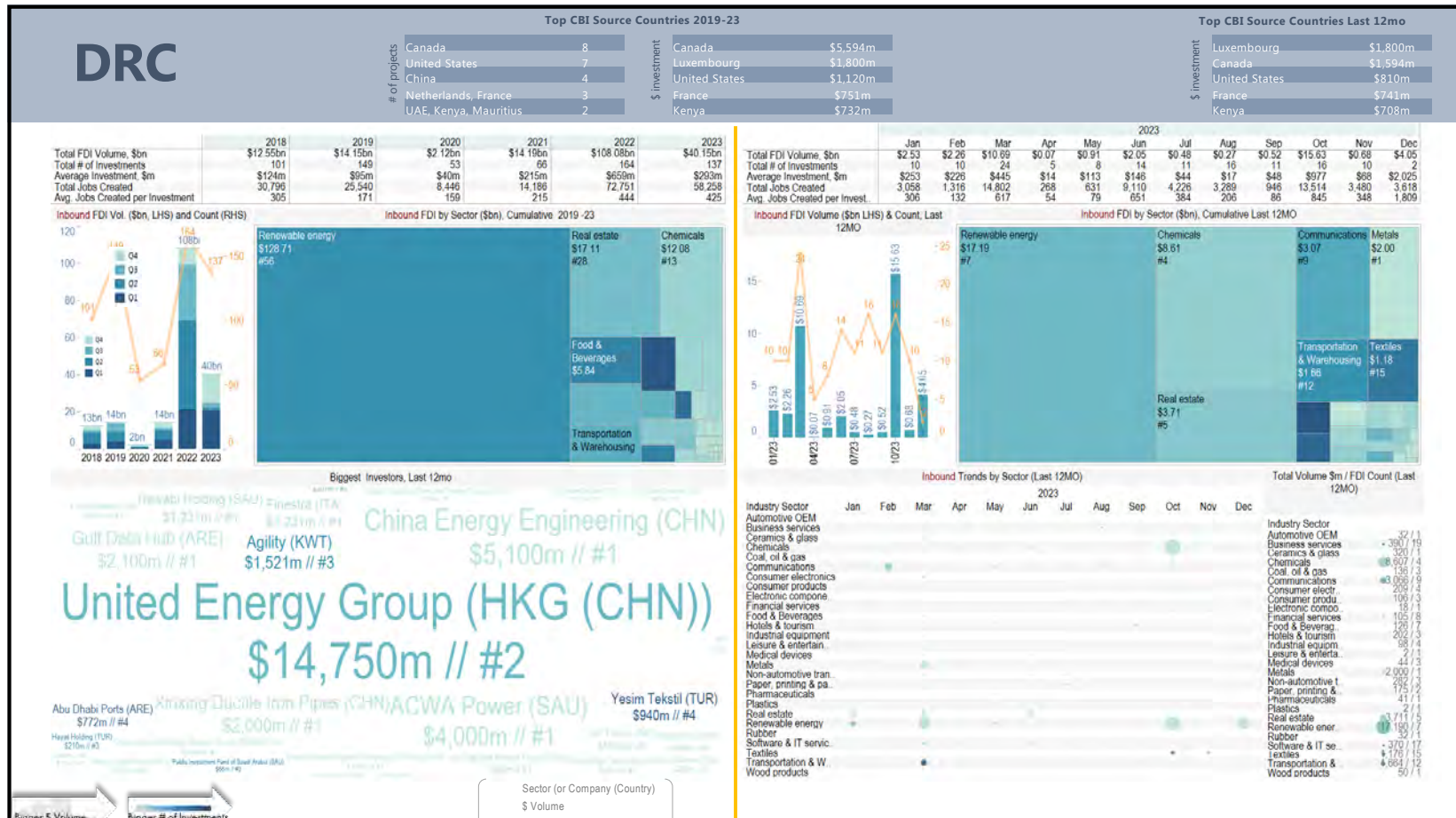
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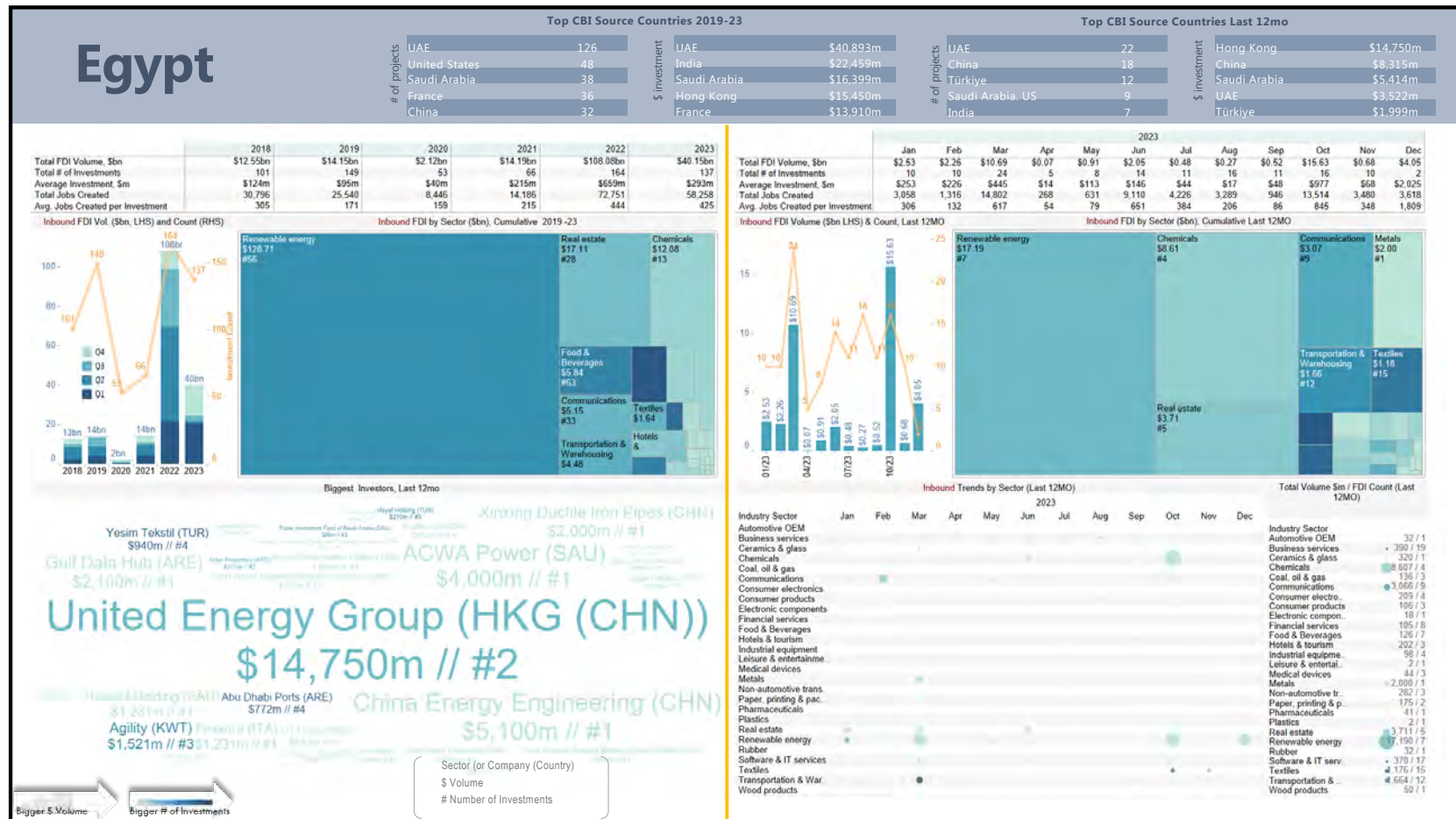
CÔTE D'IVOIRE



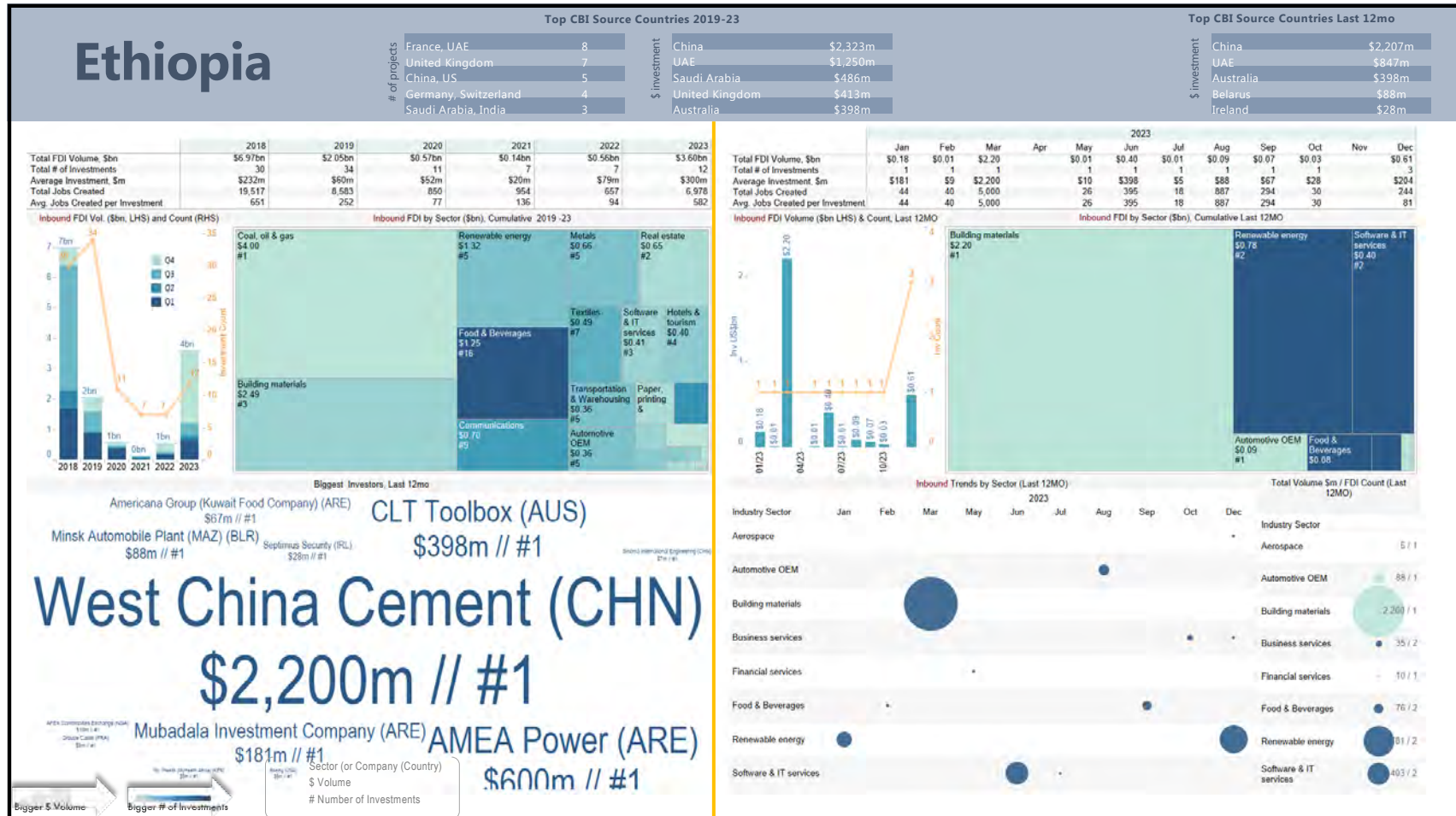
DEMOCRATIC REPUBLIC OF CONGO



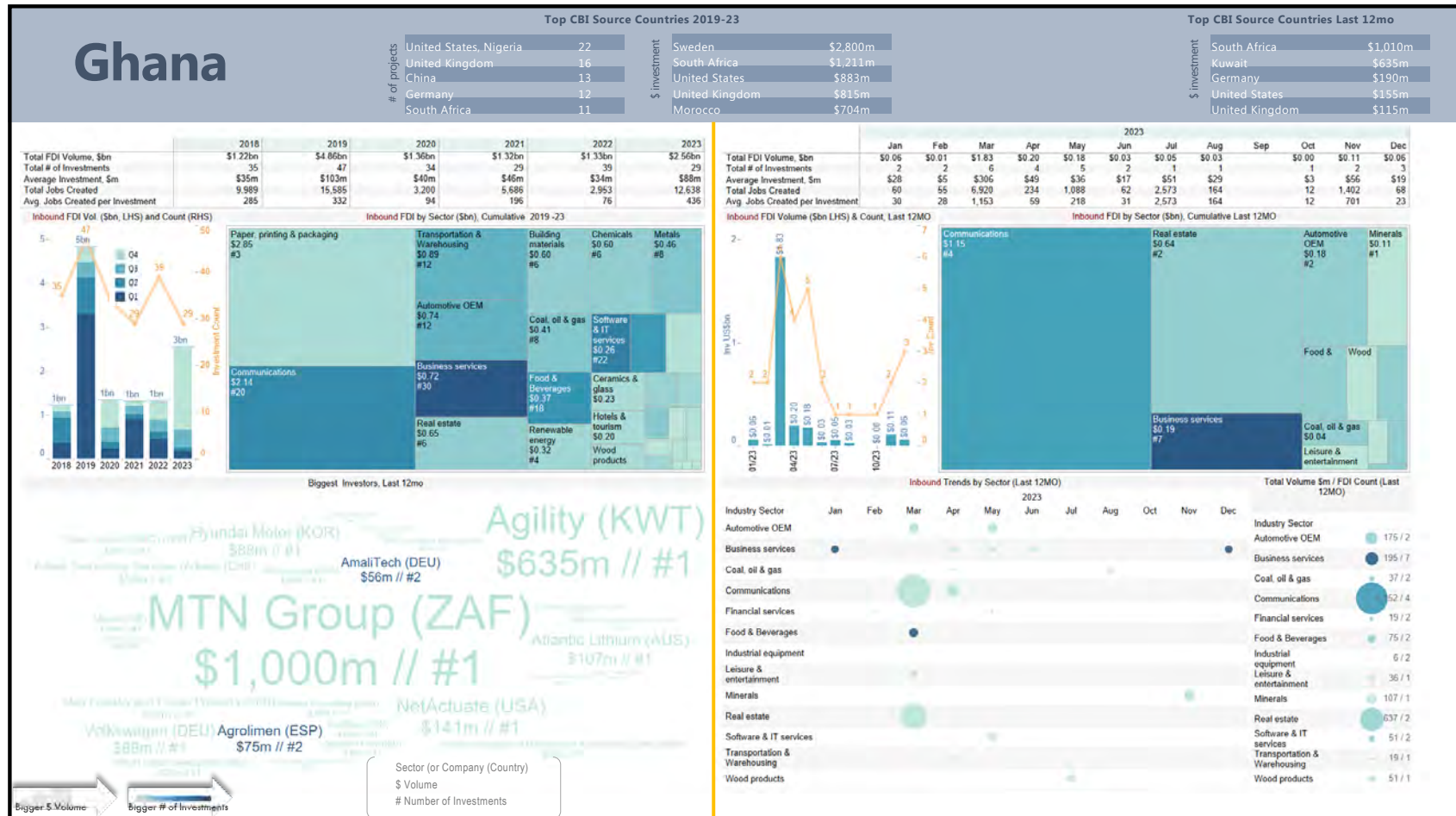
EGYPT



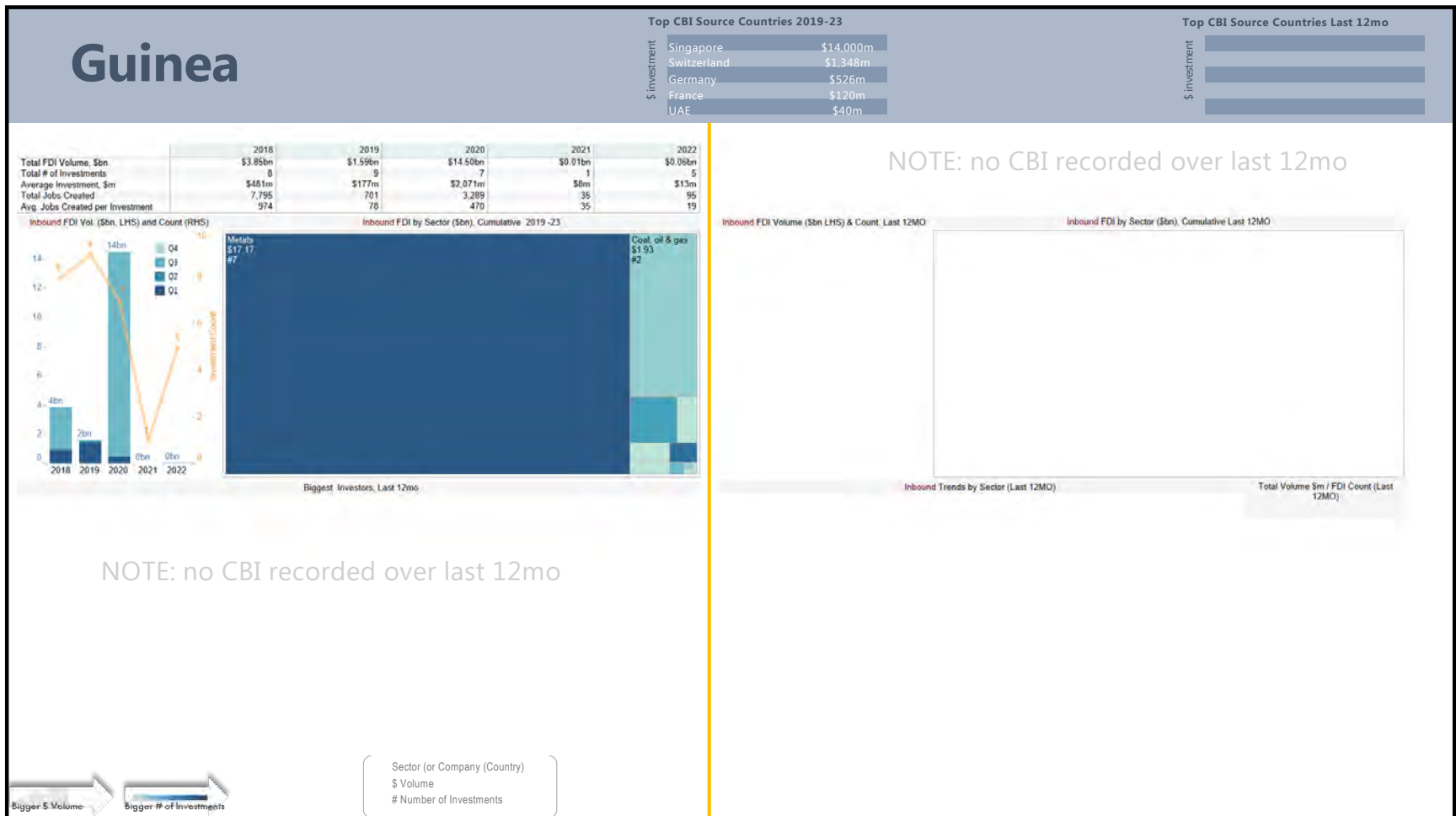
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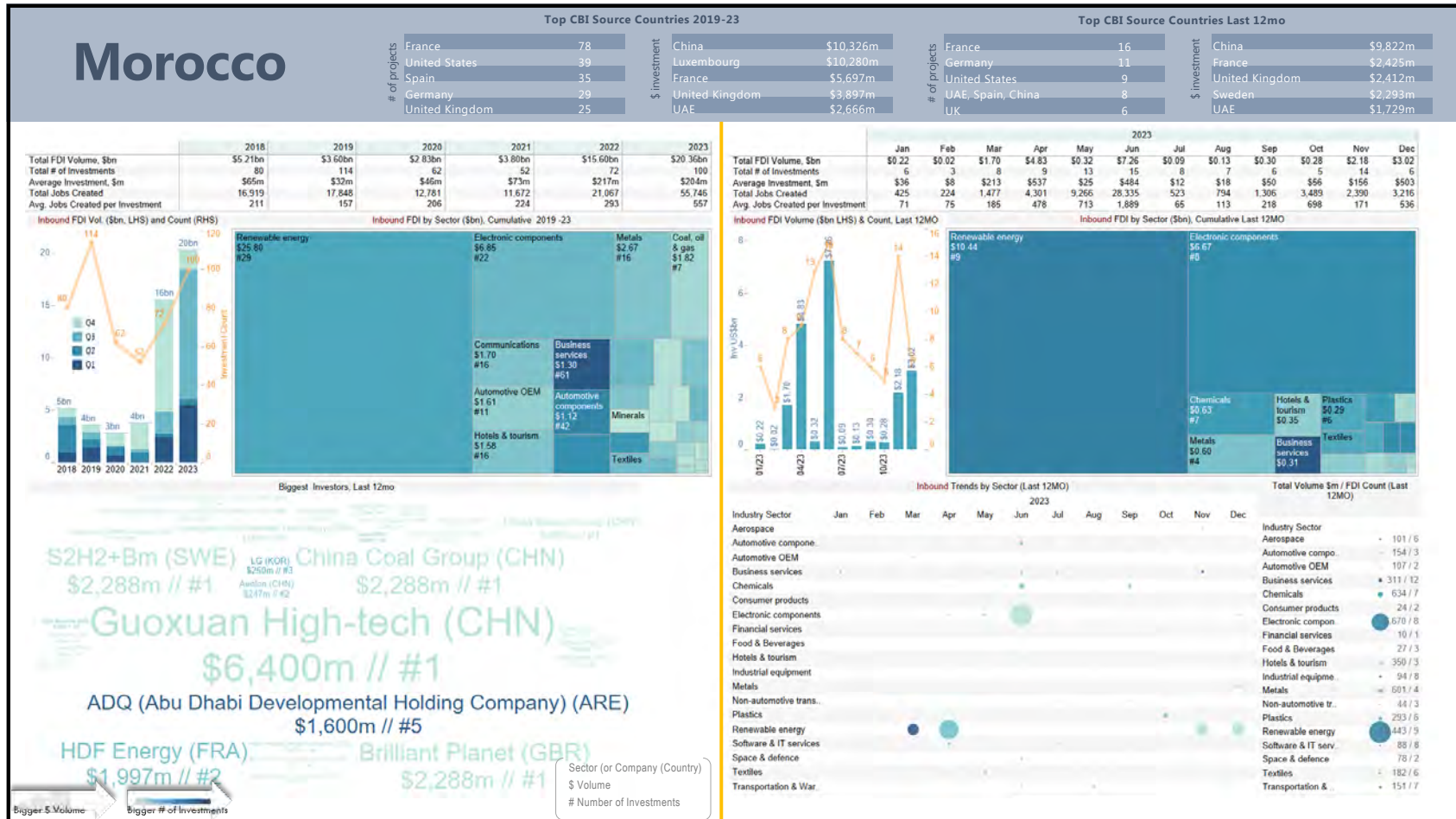
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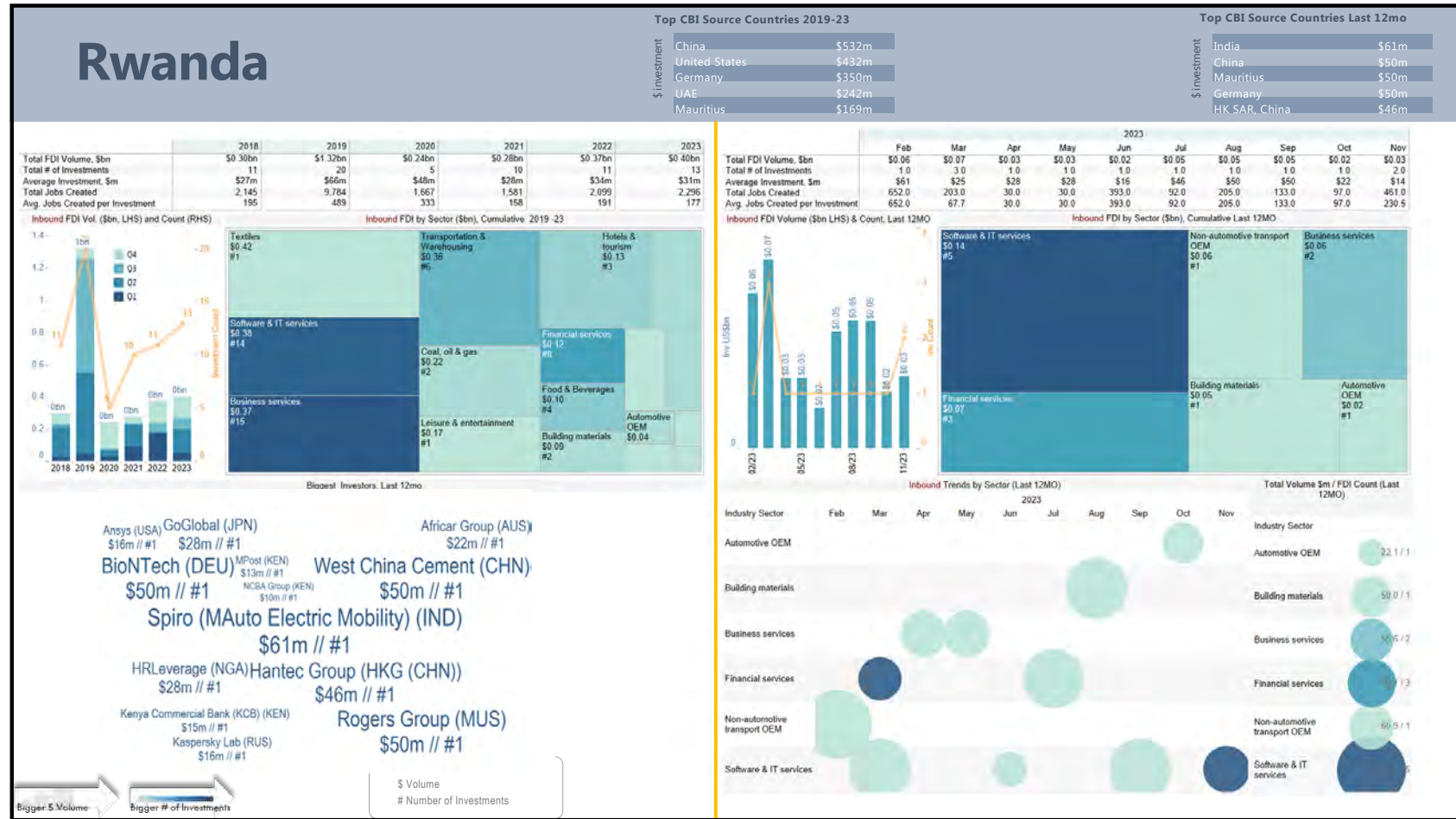
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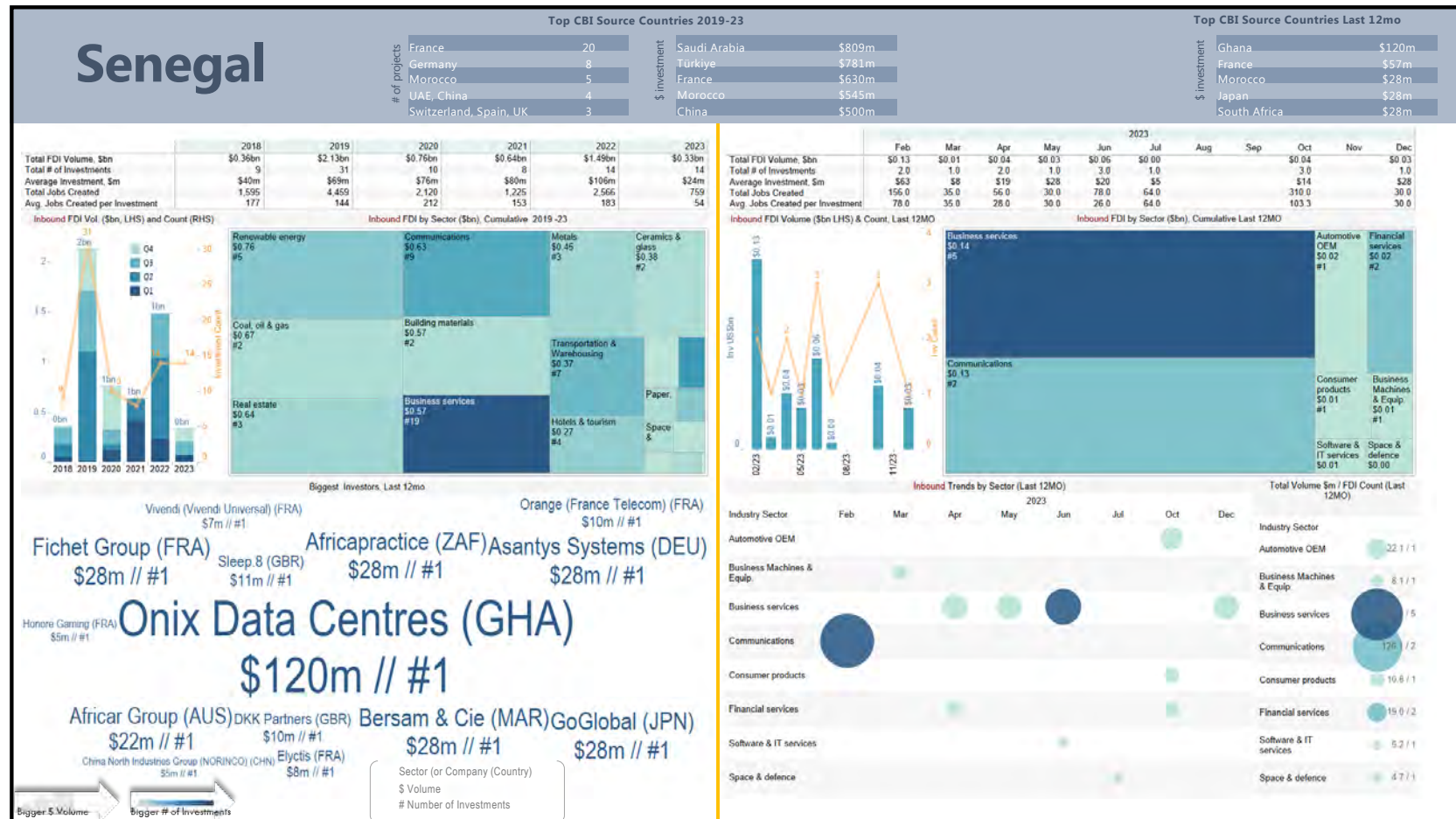
MOROCCO



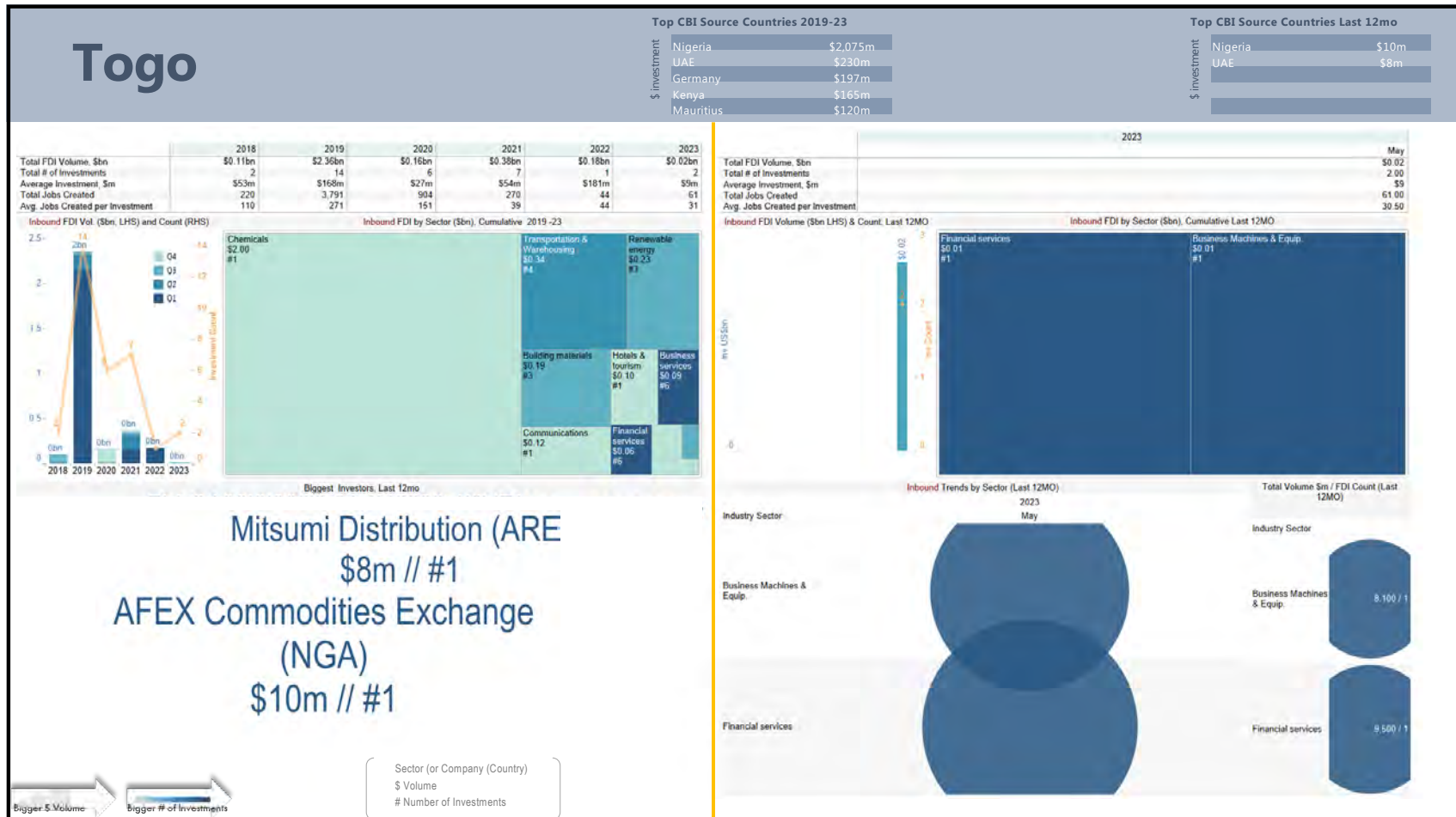
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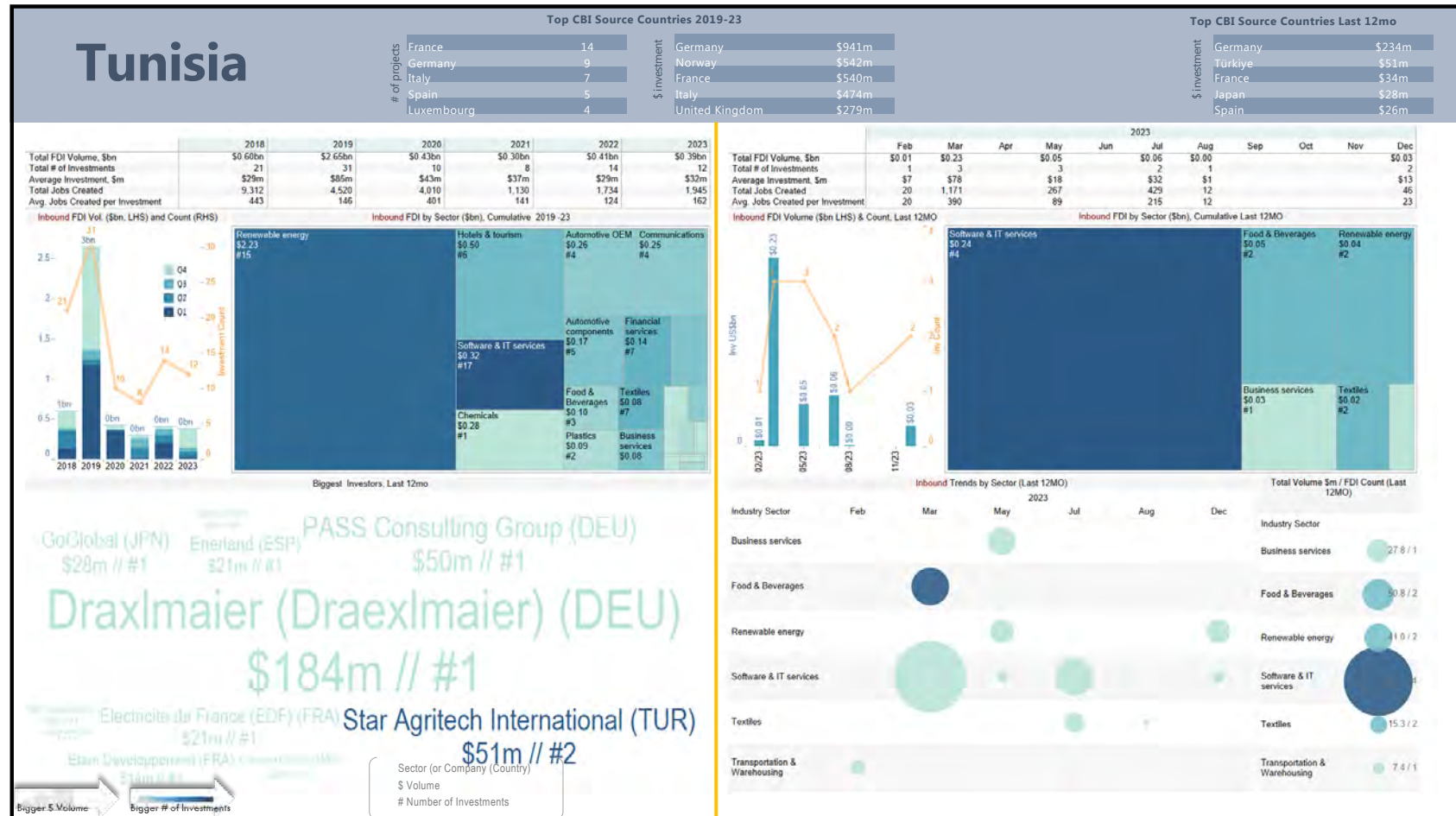
SENEGAL



TOGO



TUNISIA



C. Compact with Africa Countries Reform Matrices

BENIN

BENIN'S REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
Maintain macroeconomic stability	To strengthen the macroeconomic framework and ensure its stability, Benin has incorporated three main actions into the government's 2021-2026 action plan: (i) strengthening the macroeconomic framework and regional integration, (ii) continuing to improve the management of public finances and (iii) continuing to improve the business climate. Details of the reforms and projects linked to each of these pillars can be found in the presentation of the PAG 2021-26.	The IMF supports macroeconomic stability through the ECF, the RCF/RFI financing tranche, and the SDR allocation that took place in August 2021. The World Bank (WB) has complemented these efforts with policy reforms supported by Development Policy Operations (DPOs) in the following areas.	The continued resilience shown by Benin in recent years, the country's very favorable growth prospects, and the acceleration of fiscal consolidation anticipated from 2023 are a reminder of the strong economic dynamism recorded by Benin since 2017 despite successive external shocks, with growth in surplus. We have forecast growth of nearly 6% in 2023, accelerating to an average of nearly 6.5% over 2024-2026. These projections are underpinned by the soundness of the economic policies pursued and the effective implementation of the Government's Action Programme. In addition, the rapid development of the Glo Djigbé special economic zone is contributing to the structural transformation of the Beninese economy and the development of high value-added sectors. We expect Benin's fiscal performance to improve in the short term, driven by continued growth in budget revenues and a strategy of targeted spending on the most strategic sectors. From 2023 onwards, we will see an acceleration in the reduction of the budget deficit, which should fall back below the EU standard of 3% by 2025. The quality of the country's financing strategy and proactive debt management should be highlighted. The favorable structure of Benin's public debt, the support of international donors, and the ability to mobilize innovative financing mean that the repercussions of the global rise in interest rates on Benin can be effectively limited.
Computerization of tax and non-tax revenue procedures and payments to tax and customs authorities.	Updating and extending Benin's Integrated Tax Management System (SIGIBé) Complete dematerialization of the property transfer registration procedure Extending the online issuing of tax clearance certificates to all businesses	WB-PO series (2018-2020)	Since 2017, an automatic data exchange platform has been in place between the Directorate General of Customs and Indirect Taxes (DGDDI), the Directorate General of the Budget (DGB) and the Directorate General of Taxes (DGI). This data exchange platform makes it possible to monitor taxpayers' imports and exports, the public contract awarded to them, and the payments made by the Budget on their behalf. This system makes it possible to block (deactivate the Unique Tax Identifier) taxpayers who are not up to date with their tax obligations or who under-report their turnover. It should be noted that this measure obliges treacherous taxpayers to regularize their tax situation and to get some of them out of the informal sector. It should also be noted that some taxpayers are in the Small Business Tax Centres (CIPE) and who make imports in excess of fifty

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
			<p>million euros are systematically checked and transferred to the higher segment tax centers.</p> <p>This platform, known as C-FISC, has been completely updated with the integration of modules and interconnection with SIGIBé.</p> <p>In April 2021, the DGI launched work on a new integrated tax management system, a project to completely overhaul the information system used until then. Made operation on 30 April 2022, the platform was extended two months later to all medium-sized business tax centres nationwide. La plupart des modules fonctionnels sont déjà développés et mis en production. Il s'agit essentiellement des modules : adhésion, authentification des documents, télédéclaration DGI, module gestion des comptes bancaires, module gestion des paiements, traitement des ordres de paiement par AP Console, module tiers, module de gestion documentaire, module administration, CNS teledeclaration, ePayment, documents module, taxpayer module, collection module and statistics module. Since June 2022, tax returns and payments for medium-sized and large businesses have been made directly online via this new system, a platform called e-services.impôts.bj, which will be gradually updated with the integration of new modules and new functionalities.</p> <p>During the fourth quarter of 2023, thematic workshops on local taxes were organized, as well as workshops on the automatic issue of VAT tax liability certificates, the taxation of digital giants, TVM and mpayment. These included the introduction of mpayment (tax payments by mobile money) and taxation of the Web giants.</p> <p>However, as of 31 December 2023, several other modules are still under development. These include</p> <ul style="list-style-type: none"> - stabilizing and maintaining e-services & SIGIBé; - deployment of SIGIBE in the Small Business Tax Centres (CIPEs); - automate the management of local taxes so that the reform can be deployed in Cotonou's small business tax centers by the end of 2023 at the latest; - digitize the entire tax audit procedure; - modelling and development of the module for monitoring tax disputes; <p>the creation of an "Individuals" e-services portal, with payment of GST, TVM and property taxes (TFU);</p> <ul style="list-style-type: none"> - Implementation of a module for electronic transmission of financial statements (eBalance sheet) in e-services;

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
	<p>Benin has adopted a new General Tax Code 2022 in accordance with Law no. 2021-15 of 23 December 2021. The CGI 2022 incorporates a Book of Tax Procedures (LPF), which now establishes a clear separation between tax assessment rules and tax procedures. The recommended new rules of procedure ensure transparency, speed, and taxpayer protection. With this new document, the government is aiming to establish a tax system that serves the public. The new CGI is a fundamental instrument for guaranteeing State revenue while respecting taxpayers' rights in accordance with the requirements of the rule of law.</p> <p>Several other improvements are planned for the online tax payment system, including a module for automatically correcting returns, the integration of VAT refunds into the online system, the payment of taxes at national and local level using mobile money and the digital provision of tax certificates. Training courses are also planned for practitioners to familiarize them with the new functionalities.</p> <p>The digitization of the registration of goods and transfers through the introduction of an electronic tax stamp will also help to improve the mobilization of domestic revenue.</p>	<p>Canadian Global Affairs (through PAARIB)</p>	<ul style="list-style-type: none"> - digitising the issuing of tax documents; - creating an accounting module for seamless integration with the Public Finance Management System (SYGFP); - automated management of the business directory; <p>On 1 February 2021, the Directorate General of Taxes (DGI) made the electronic platform for issuing standardized invoices, known as e-MECeF, operational. Before this date, standardized invoices could only be issued using Certified Electronic Invoicing Machines in physical form. The e-MECeF platform allows taxpayers to issue standardized invoices online without a physical MECeF machine.</p> <p>In 2023, the Directorate General of Taxes continued to implement the reform of standardized invoices by updating the technical specifications, which were reviewed and validated by COPIL with the consortium, updating the SyGMEF, integrating the payment schedule for the 5% AIB by MoMo and stepping up controls in Benin's departments. During the 4th quarter of 2023, 14,229 new machines were activated for 11,073 taxpayers. By 31 December 2023, 157,039 machines had been deployed to 151,180 taxpayers, including 9,063 VAT and 14,785 GST payers and 127,332 individual VAT consultants.</p> <p>The operationalization of the Guichet Unique du Commerce Extérieur www.guce.gouv.bj has enabled almost thirty services offered on the port platform to be put online. Several certificates and licenses are now issued online. Similarly, despite the sub-regional crisis and the sanctions imposed by ECOWAS, customs performance has been kept under control. The implementation, from May 2019, of the National Authorised Economic Operator (AEO) Programme.</p> <ul style="list-style-type: none"> - The online availability of Sydonia world, which now gives authorized customs agents unrestricted access to the customs clearance tool wherever they are;

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
			<ul style="list-style-type: none"> - The requirement for importers to sign a customs clearance order for their goods, together with the relevant supporting documents, to strengthen the fight against the production of false documents and the misuse of IFU numbers during customs clearance; - The introduction of digital management of exemption requests, which will increase productivity, make life easier for customs users and strengthen controls to ensure compliance with regulations; - The drafting of a new decree defining the conditions for the approval of Authorised Customs Agents (CAD) with a view to further promoting professionalism, ethics, and better performance for customs operations; - Continuing the interconnection of Benin's customs IT systems with those of neighboring countries, notably Togo with SYGMAT and those already achieved with Niger and Nigeria. - The modernization of connectivity infrastructures and access to electrical energy at the level of all Customs Administration Units - Strengthening collaboration with the General Tax Directorate by setting up a data exchange system and creating the Joint Tax-Customs Research Unit (CERMID), which aims to rationalize controls for greater efficiency; - Strengthening maritime surveillance and land border control, with the launch of a project to install video surveillance equipment at the Kraké-Plage and Hillacondji customs posts;
Strengthening the legal framework for public finance (2018)	<p>Benin intends to bring all selection criteria for public investment projects into line with international standards and practices in the coming years.</p> <p>This will be done by implementing the recommendations of the mission to evaluate investment management using the PIMA methodology.</p> <p>Public investment expenditure is deployed and structured in terms of commitment authorisations (CA) and payment appropriations (PA) in the sectoral ministries.</p> <p>A methodological guide needs to be drawn up for AE/CP and for the transition from CP to AE, with mechanisms to guarantee the quality of execution. Principles and rules must be established for the management of carry-over funds and</p>		

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
	<p>their implementation by the sectoral ministries.</p> <p>Trade debts arising from the execution of capital expenditure on closed or ongoing projects should be systematically included.</p> <p>The aim is to develop the skills of government employees in monitoring the budgetary and financial aspects of the implementation of public investment expenditure.</p> <p>The model for the AE/CP annexes in the appendix to the Finance Bill for the National Assembly needs to be improved.</p>		
Operationalising the institutional framework for sustainable public investment programming	<p>Benin has adopted Decree no. 2021 - 586 of 10 November 2021, setting out the general framework for public investment management. The decree sets out the legal framework for selecting, implementing, and monitoring projects in collaboration with the institutions in charge of projects under the government's action programme.</p> <p>Benin plans to continue revising the decree. 2019 - 193 of 17 July 2019, setting the general framework for the management of public investment projects, to strengthen it and bring the legal framework into line with methodological and organisational developments in budgetary and accounting management in programme mode.</p>	<p>MCC (energy compact)</p> <p>World Bank (IPFs and DPOs)</p>	
	<p>As part of the PAG 2021-2026 projects, Benin aims to restructure the distribution system and extend SBEE's networks in major urban centres.</p> <p>Performance contracts are to be implemented for the main public enterprises to improve their performance.</p> <p>Fifty-seven (57) socio-economic development projects will benefit from the funds raised from investors and partners. At around €485.4 million, half of the amount</p>		<p>69% of the 2023 Energy Budget was earmarked for electrification, network extension and densification (...) to ensure that more and more localities in the country, more and more of our fellow citizens, have access to this major development moment. The Government is also committed to making renewable energies a cornerstone of its energy mix through the National Renewable Energy Development Policy. To this end, around 18% of this budget has been earmarked for the development of renewable energy infrastructure.</p> <p>In addition, the following projects continue to be implemented, and it is hoped that they will be completed by 2025. These are</p> <ul style="list-style-type: none"> - The project to build a 140 MW combined-cycle gas turbine power plant on the Glo-Djigbé SEZ site;

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
	allocated to all the projects selected is in the form of repayments and the other half in the form of new financing requirements.		<ul style="list-style-type: none"> - The project to extend the DEFISSOL solar power plant (Forsun solar section); - Benin's Sustainable and Secure Access to Electricity project (PADSBEE 2019-2025) VINCI section; - Restructuring and extension of SBEE's distribution system (PRESREDI); - Modernisation of SBEE's information system (DEFISSOL-Volet SI); - The project to extend and increase the electrical density of SBEE's networks (PEDER); - The project to electrify 750 social and community infrastructures using photovoltaic solar systems, etc.
Reinforced monitoring of Business Ready indicators (B-Ready)	<p>In 2021, Benin made operational the Technical Support Unit for Improving the Business Climate and Investment Promotion (Cellule technique d'appui à l'amélioration du climat des affaires et à la promotion des investissements), which is responsible for steering wide-ranging reforms relating to the business environment, governance, and private sector development,</p> <p>The CCA is working to: (i) adopt legislation to promote compulsory infrastructure sharing by existing operators through; (ii) clarify the digital law 2017-20, art. 188-189 implication for towercos; (iii) detail the conditions under which mobile sites can be deployed and transferred; (iv) clarify the digital law 2017-20, art. 72 implication for towercos: clarify the compulsory sharing provisions in priority areas and (v) study the reduction of administrative formalities for site deployment authorisation at municipal level.</p>	IFC/WB	The Business Climate Unit is now operational and is working on setting up and running the national framework for public-private dialogue. It provides the secretariat for the country's preparations for the World Bank's Business Ready evaluation.
Streamlining and simplification of procedures	The following reforms are expected (i)(i) streamlining and strengthening entrepreneurship programmes and promoting innovation (ii) operationalising the Interministerial Committee for the Support and Financing of Growth Entrepreneurship in Benin, which will identify and supervise key reforms;		ADPME is now operational as a one-stop shop for the promotion of SMEs, with a mandate to federate all public interventions for the benefit of Benin's micro and medium-sized enterprises.

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
	Streamlined procedures should be implemented for all types of businesses requesting an electricity connection (all capacities combined).		<p>The streamlining of electricity connection procedures is continuing with the automation of the connection request.</p> <p>SCADA work is underway, with funding from the MCA.</p>
Investment Code authorisations			
Creation of special economic zones (SEZ)	The GDIZ is a 1,640-hectare integrated industrial zone focused on the creation of flourishing value chains ranging from the supply of raw materials and the processing of resources to the export of finished products. The GDIZ is being developed on the model of an integrated business city and the Work-Learn-Live & Play concept.		<p>Following the development of the first 400-hectare phase, 36 investors have signed up to set up factories within GDIZ-Benin. In terms of installations, 12 units are already operational. These include 02 textile production units, 05 cashew nut processing units and 02 organic and conventional soya processing units, for a total processing capacity of 260,000 tonnes of soya. By the end of 2024, GDIZ's soya processing capacity will be 600,000 tonnes. In addition to these plants, there is one (01) packaging manufacturing unit and 02 concrete plants. All these units, which are already operational, have generated more than 10,000 direct jobs.</p> <p>A veritable industrial revolution is underway at GDIZ-Benin. As a result, the Zone has obtained several ISO certifications in terms of quality management, environmental management and occupational health and safety management.</p>
Other	<p>Implementing the national strategy for technical and vocational education and training through</p> <ul style="list-style-type: none"> - Building thirty (30) modern agricultural technical colleges with new vocations that will enable them to contribute effectively to the development of the national economy, - Building seven (7) benchmark schools in the fields of energy, digital technology, construction and public works, automotive and industrial equipment, water and sanitation, the wood and aluminium industries, tourism-hospitality, and catering, - Construction of seventeen (17) rehabilitated technical high schools in the energy, digital, living environment-infrastructure-transport and tourism-hospitality-restauration sectors. 		<ul style="list-style-type: none"> - Work is underway to develop training programmes with the help of South African technical partners. - The TVET governance model is also being developed - The APS and APD have been completed and tenders have been launched for 14 lycées, with construction work on 10 lycées due to start in 2024.
	Implementation of the e-forex module of the one-stop shop for foreign trade (digitising the process for handling foreign exchange authorisation requests relating to international trade).		

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
Setting up new commercial courts	<p>The 2021-2026 PAG incorporates the modernisation of judicial services, access to justice and accountability (phase 2).</p> <p>A court of appeal has been created within the Cotonou commercial court.</p> <p>In the coming years, the focus will be on continuing to train lawyers and bailiffs on the electronic case management system at the Cotonou Commercial Court, digitising old judgements, and maintaining and improving the digital system and its databases.</p>		<p>The Cotonou Commercial Court of Appeal has been set up and is becoming operational.</p> <p>Training sessions are regularly organised for users of the Commercial Court.</p> <p>Digitalisation of the Commercial Court continues</p>
Set up a zoning system and electronic registration of property titles	<p>The PAG 2021-2026 intends to continue the dematerialisation of land titling.</p> <p>The efficiency of the property registration process is to be further improved in the coming years by streamlining and digitising procedures and reducing costs for users. To this end, a single parcel number is to be introduced.</p> <p>Awareness-raising and training programmes on the new digitised procedures must be set up for municipalities.</p> <p>Title deeds must be drawn up for all private plots in the capital and, eventually, throughout Benin.</p> <p>The mapping of all private land parcels in Benin must be completed.</p> <p>All cadastral registers should be made available online.</p> <p>To simplify the settlement of property disputes, a national database for verifying identity documents is to be set up.</p> <p>A judicial procedure to resolve property disputes more quickly should be introduced.</p>		

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
	Statistics on property disputes over the past five years should be published online and updated regularly.		
Strengthening and diversifying financing instruments for SMEs and agricultural businesses	<p>The PAG 2021-2026 incorporates a number of reforms in the area of SME financing: setting up an investment and venture capital mechanism in conjunction with the CCIB; introducing a one-stop promotion shop and a public guarantee mechanism for SMEs (particularly those affected by Covid-19); setting up a mechanism to promote private investment in the processing and craft industries; developing the Benin Chamber of Trades.</p> <p>In addition to the above reforms, the project to strengthen the competitiveness and upgrading of SMEs will be put into operation.</p> <p>The government has also approved the WAEMU Community Directive on leasing, which has been sent to the National Assembly for consideration and vote.</p> <p>Facilities for SMEs: Many measures are being implemented to promote small and medium-sized enterprises.</p> <p>These include Measures to encourage the creation of businesses: (i) the free registration formality listed in the General Tax Code for several deeds including company deeds is still in force. (Introduced by the Amending Finance Law of 2016); (ii) For businesses subject to the Synthetic Professional Tax (TPS) regime: exemption from the TPS for new businesses, duly created, for their first twelve months of activity; and reduction of the minimum tax from 150,000 to 10. 000 CFA francs; (iii) for new businesses subject to corporation tax (IS) or business profits tax (IBA): exemption from business tax (patente) for the first twelve months of business; and a</p>	<p>Several donors for COVID-19</p> <p>WORLD BANK</p>	ADPME operationalisation

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
	<p>reduction in income tax by instalments over the first three years of business; (iv) for start-ups: exemption from corporation tax and employer's payment on salaries for the first two (2) years of business; and a 50% reduction in the same taxes for the third year.</p> <p>Measures to promote SMEs: (i) introduction of a system for declaring and charging AIB and abolition of the requirement to apply for validation in advance; (ii) introduction of the possibility of obtaining a modulation of income tax instalments when the company estimates that the tax it will pay in respect of a year will be lower than the instalments for that year; (iii) reinstatement of depreciation deemed to be deferred (ARD), which are now considered as deductible losses over five years (iv) introduction of the possibility of payment in instalments of the supplementary tax to relieve the cash flow of companies awarded works contracts; (v) introduction of the possibility of deferred payment of registration duties when the State is a party to the deed; (vi) free registration of deeds of transfer of real estate, the amount of which is less than or equal to 50. 000. 000, in the name of commercial and industrial companies; (vii) reimbursement by tax credit of the costs of acquiring and configuring certified electronic invoicing machines (MECeF); (viii) abolition of the 40% withholding tax on the amount of VAT invoiced, for certain companies in a justified credit situation; (ix) reduction in the rate of income tax from 30% to 25%, for public school, university, technical and vocational education schools; (x) a tax credit for companies that have been in business for one year, following the conclusion of a permanent employment contract with people taking up their first job; (xi) exemption from VPS for new companies that have been duly set up in their first year of business; (xiii)</p>		

BENINS' REFORM COMMITMENTS BY CWA COUNTRIES IN 2018	COMMITMENTS FOR 2023	PARTNER SUPPORT	IMPLEMENTATION STATUS AND OUTLOOK
	<p>exemption from VAT, on request, for new materials and equipment imported by small and medium-sized enterprises not benefiting from a special tax regime, intended for the installation of craft and industrial units. The procedures for implementing this provision are set by decision of the Interministerial Investment Promotion Committee provided for by the Investment Code in the Republic of Benin (Article 12 LF 22.)</p> <p>Measures aimed at formalising the informal sector: (i) a 40% reduction in corporation tax, business profits tax or synthetic business tax for any business not known to the tax authorities and carrying on a commercial, industrial, craft or agricultural activity, which joins an approved management centre (CGA), from the first to the fourth year after joining the CGA; (ii) exemption from tax audits for the first two financial years following the year in which the business joins a CGA; (iii) remission of penalties, fines and tax surcharges for any taxpayer in the informal sector who spontaneously submits his or her business tax return for previous financial years for the first time and who pays the duties due in full; and (iv) exemption from payment of duties due for previous years for companies that were previously set up and that have declared on their honour that they have not carried out any activities since they were set up.</p>		

BURKINA FASO

Macroeconomic Stability

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
I.1. Implement the new 2018-2020 IMF-supported ECF program	Completed	The ECF program 2018-2020 concluded in March 2018 with the IMF bodies ending in 2020.		IMF
I.2. Negotiate and implement the new three-year IMF-supported ECF program	Ongoing	A new ECF program 2023-2027 was signed and adopted by the IMF board on September 21, 2023.	Implement the commitments contained in the new program.	IMF
I.3. Develop a new debt management strategy favoring concessional borrowing	Completed	Burkina Faso develops a Medium-Term Debt Management Strategy (MTDS) annually in conjunction with budget exercises. The 2023-2025 MTDS was adopted on December 24, 2022, and annexed to the 2023 Finance Law. This strategy's implementation allowed for the mobilization of concessional resources during 2023. This strategy plans for the mobilization of a non-concessional external loan in euros to reprofile domestic debt.	<ul style="list-style-type: none"> Develop the 2024-2026 strategy to be annexed to the 2024 Finance Law. Continue seeking strategic partners for a non-concessional external loan for domestic debt reprofiling. 	IMF, World Bank
I.4. Conduct a cost-benefit analysis of the 10 largest public projects, including PPPs	Completed	As part of budgetary risk management, a cost-benefit analysis of the largest public projects, including PPPs, is conducted annually. This analysis is annexed to the Finance Law. Additionally, regulatory texts banning pre-financing in projects and setting budgetary limits for PPP contracting were adopted. These include Order No. 2018-054/PM/MINEFID of December 20, 2018, prohibiting the negotiation and contracting of projects with pre-financing features and Order No. 2019-113/MINEFID/SG/DGCOOP of March 21, 2019, setting budgetary limits for PPP contracting. Also, PPPs have been accounted for in the State Budget.	Continue the annual cost-benefit analysis of the largest public projects, including PPPs.	World Bank, IMF
I.5. Create fiscal space for priority public investments through increased domestic revenue mobilization and expenditure control	Ongoing	<ul style="list-style-type: none"> Efforts to reform revenue agencies continued to broaden the tax base, secure revenues, and modernize the tax collection system. These include implementing electronic procedures (e-declarations and e-payments), standardized invoicing, creating new tax services offices, computerizing the national land registry, the automated revenue management system (SYGARS), and interconnecting the customs IT system of Burkina Faso with those of neighboring countries. As a result, own-source revenues increased from 1946.6 billion CFA francs in 2021 to 2288.3 billion CFA francs in 2022. For the year 2023, revenues are projected at 2479.3 billion CFA francs as per the Amended Finance Law. The increase in tax revenues led to an increase in investment expenditures executed from own resources, rising from 528.2 billion CFA francs in 2021 to 871.4 billion CFA francs in 2022. In terms of public expenditure rationalization, notable actions include: 	<ul style="list-style-type: none"> Continue implementing the Fiscal Cadastre; Computerize the national land registry; Continue and strengthen customs interconnection with Ghana and Benin; Implement and operationalize the customs value advisory system; Establish a vehicle customs clearance platform; Implement SYGARS functionalities in the new SYCAD application (Customs); Deploy SYGARS across different revenue agencies. 	World Bank, EU, Switzerland, Luxembourg, Denmark, IMF

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
		suspending the purchase of vehicles using state budget resources and its agencies except for ministries in charge of defense, security, and humanitarian action; personnel attendance and payroll controls; public vehicle use checks and reducing the number of functional vehicles for ministers and heads of institutions; administrative lease audits; developing state vehicle management software; launching the eDouane platform on December 14, 2023.		

Economic Governance

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
II.1. Reform the legal and institutional framework of public procurement	Ongoing	Public procurement is governed by a set of legislative and regulatory texts, including: Law No. 039-2016/AN of December 2, 2016, on the general regulation of public procurement; Decrees No. 2019-0358/PRES/PM/MINEFID of April 30, 2019, and No. 2019-0549/PRES/PM/MINEFID of May 31, 2019, amending Decree 2017-0049/PRES/PM/MINEFID of February 1, 2017, on the procedures for the award, execution, and settlement of public procurement and public service delegations; Decree No. 2019-0574/PRES/PM/MINEFID on the nature and modalities of acquiring goods and services as part of the implementation of Article 6 of Law No. 039-2016/AN of December 2, 2016, on general public procurement regulation; Decree No. 2022-0009/PRES/PM/MINEFID of January 20, 2022, on the easing of measures related to the award, execution, reception, and payment of public procurement and public service delegations as part of the implementation of the emergency program for the Sahel (PUS); Decree No. 2020-0615/PRES/PM/MINEFID/MS of July 8, 2020, on easing the conditions for recourse to direct agreement procedures for public procurement and public service delegations as part of the fight against the COVID-19 pandemic in Burkina Faso; Order No. 2020-0587 adopting standard technical specifications for computer equipment; Order No. 2020-517/MINEFID/SG/DGAIE of October 19, 2020, adopting standard technical specifications for office equipment subject to public procurement in Burkina Faso.	Continue the digitalization process of public procurement.	World Bank
II.2. Adopt the implementing texts of the law against corruption	Completed	As part of the operationalization of the laws No. 004-2015/CNT of March 3, 2015, on the prevention and repression of corruption in Burkina Faso, and Organic Law No. 082-2015/CNT of November 24, 2022, on the powers, composition, organization, and functioning of the High Authority for State Control and the Fight Against Corruption (ASCE-LC), two implementing decrees were adopted in May 2021. These are the decree on the organization, powers, and functioning of the ASCE-LC and the one on the recruitment procedure for the State Comptroller General. A National Strategy for the Prevention and Fight Against Corruption and Similar Offenses in Burkina Faso was adopted in October 2022. Additionally, a platform for the declaration of interest and assets has been developed and is operational since August 2020.	Adopt a law on the protection of whistleblowers, witnesses, and experts.	Sweden, Denmark, World Bank
II.3. Dematerialize the documentation required for public expenditures.	Ongoing	The dematerialization process initiated in 2018 has not yet been completed. However, several actions have been taken in this direction. These include the dematerialization of public procurement procedures, the level of implementation of which as of December 31, 2022, stands at 45%.	Continue the dematerialization of public procurement procedures.	World Bank

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
II.4. Create a General Inspection Unit for the civil service responsible for managing the wage bill	Ongoing	✓ The creation of a General Inspection Unit responsible for managing the wage bill is not yet effective. The function of managing the wage bill is carried out by the Ministries in charge of the civil service and finance. However, several actions have been taken to control the progression of the wage bill: Job description sheets for ministry positions; Adoption of 10 decrees on the specific status of public administration jobs in Burkina Faso; Organization of a comprehensive operation on the state of affairs of State agents.	• Accompany the HR departments in assessing the workload; Implement modern human resource management tools; Conduct a study on the description of workloads.	World Bank
II.5. Adopt a new policy of decentralization and deconcentration	Ongoing	• To support decentralization, Burkina Faso adopted a national administrative deconcentration strategy in 2014, aiming to make decentralized state structures modern, effective, and capable of supporting local authorities, the private sector, and CSOs in the sustainable development process at the grassroots level. Regarding decentralization, the country has three benchmarks: the forward-looking vision of decentralization by 2040, the national decentralization policy, and the ten-year decentralization strategy 2017-2026. Moreover, as part of the reform of the financing of decentralization, a decree transforming the Permanent Fund for the Development of Local Authorities into a National Agency for the Development of Local Authorities was adopted in 2020. Additionally, a national strategy for strengthening the capacities of decentralization actors was adopted in 2019.	• Continue the review work of the general code of local authorities; Adopt a financial programming law for resources in favor of local authorities; Conduct a study on the administrative deconcentration of public services of the State.	World Bank, EU, France
II.6. Adopt a new law for land management.	Ongoing	• In anticipation of the revision of Law 034-2009/AN on rural land tenure, an evaluation of its application was done before 2023. The evaluation report was validated in June 2021. Furthermore, the following actions were taken: Continued issuance of rural land possession certificates (APFR) in municipalities. More than 8,775 APFRs have already been issued. Establishment of 331 Rural Land Services (SFR) in municipalities, Development of the Land Security Project for Large Hydro-Agricultural Developments (PSF-GAH) in 2021, the implementation of which is ongoing (2021 to 2025) and will contribute to securing land for large hydro-agricultural developments to increase agricultural production in four regions (Cascades, Centre-East, Hauts-Bassins, and Plateau Central); Development of a new Rural Land Security Program (PSFMR 2020-2024); Development of a new roadmap in 2020 to generalize the application of land texts in all municipalities. Adoption of Law No. 008-2023/ALT of June 20, 2023, on real estate promotion in Burkina Faso.	Continue the establishment of SFRs and the issuance of APFRs in municipalities.	World Bank, EU

Domestic Resource Mobilization

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
III.1. Extend the use of a standard form for all taxpayers to reduce fraud and protect VAT collection	Ongoing	The use of the standardized invoice has been effective for large and medium-sized enterprises since 2018. It was extended in 2022 to taxpayers under the Simplified Real Taxation Regime (RSI) and the Micro Enterprises Contribution (CME).	Continue the implementation of electronic procedures.	World Bank, Switzerland, Luxembourg, Denmark, EU

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
III.2. Implement online procedures for tax declaration and payment	Ongoing	E-declaration is effective and is mandatory for large and medium-sized enterprises and taxpayers under the Simplified Real Taxation Regime (RSI). The e-declaration platform was updated to integrate the e-payment module, which has been effective since July 2018, as well as the operationalization of the annual results e-declaration (eLIASSE). An eCME application for managing the micro-enterprises contribution was developed. In June 2022, an evaluative study of dematerialization projects was conducted within the revenue agencies. The main recommendations aim to increase state revenues and improve service delivery to users (creation of reception and orientation services for taxpayers). The establishment of the eDOUANE platform.	Continue computerizing service revenues.	World Bank, Switzerland, Luxembourg, Denmark, European Union
III.3. Computerize the tax control system and use risk-based selection methods	Ongoing	The verification procedure (verification program, verification notice, adjustment notice, and recovery of control results) is implemented in the Computerized Taxation System (SINTAX); The deployment of the "infocenter" application for electronic control management is effective. Its purpose is to exchange information held by various administrations to improve the decision-making system of the DGI. The infocenter already contains data from SINTAX, SYDONIA, CNSS, CID, SIGU, NERE file, and RCCM.	Proceed with the interfacing between SINTAX and SYDONIA. Automate the selection of files to be verified.	World Bank, Switzerland, Luxembourg, Denmark, European Union
III.4. Develop GPS tracking for goods in transit and connect the customs information system of Burkina Faso with those of Côte d'Ivoire and Togo.	Completed	Satellite tracking of goods is effective. The interconnection of the customs information systems of Burkina Faso with those of Côte d'Ivoire, Togo, and Niger is effective.	Continue the interconnection of the customs information system of Burkina Faso with that of Ghana. Interconnect the customs information system of Burkina Faso with those of other WAEMU countries.	World Bank, Luxembourg, Denmark, European Union

Improvement of the investment climate

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
IV.1. Revise the legal framework concerning contract enforcement, land access, investor rights protection, and electricity connection.	In progress	Contract Enforcement: All provisions of the Civil Procedure Code were revisited in 2020, and a draft bill is available.	Adopt the draft bill for its introduction into the adoption process.	World Bank, EU, IDB
		Land Access: Law No. 034-2009 of June 16, 2009, on rural land tenure foresaw the creation of the National Rural Lands Agency (ANTR) for managing the rural land domain of the State and local communities. Foundational documents for the Agency were developed and validated by the ministry's cabinet council and the interministerial committee. A National Agency for the Land Domain of Public Organizations (ANDFOP), tasked with coordinating the security activities of the state's land domain, local communities, and other public organizations, as well as mobilizing relevant financing, has been created.	Continue the establishment of the National Rural Lands Agency (ANTR).	
		Investor Rights Protection: Ongoing negotiations for signing investment protection and promotion agreements with certain states.	Continue negotiations for signing agreements.	

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
		Electricity Connection: A protocol agreement between the Enterprise House and SONABEL was signed to facilitate business connections to the electricity network. The online electricity connection request (estimates and online payment of fees) was launched in Ouaga and Bobo.	Follow the implementation of regulatory texts in the energy sector; Continue implementing rural electrification projects; Expand the dematerialization across the national territory.	
IV.2. Reduce the time and costs required to start a business, obtain a construction permit, and acquire a land title.	Realized	Business Creation: Several measures have been implemented to reduce the time (to 24 hours) and costs of starting a business, including launching the "e-creation" online business creation platform on March 23, 2020 (https://www.creerentreprise.me.bf); setting up a one-stop shop for legal professionals (notaries and lawyers) in 2018; establishing the "Entrance Gate to Burkina" virtual portal in 2019, which initially dematerialized three (3) commercial acts, including the Authorization to Conduct Business (AEC) by foreigners now accessible at www.peb.bf ; implementing identified actions under the Application Maintenance Contract for online creation; training notaries and lawyers on using the online business creation platform; opening five cyber rooms for online business creation in various regions; and implementing preventive, corrective, and evolving maintenance of the new CEFAC application.	Conduct feasibility studies on the dematerialization of the deposit of corporate capital; Set up a unique identifier (IDU) for business registration (RCCM, IFU, CNSS, CPC); Continue training legal professionals on using the business creation platform; Implement the agreement between the cadastre, licensed surveyors, and MEBF to facilitate land demarcation procedures; Interconnect all partners in Ouaga and Bobo to the new CEFAC platform; Implement the maintenance project of the new CEFAC application; Establish Public Project Management Assistance Units (UAMOP) in all ministries to support them.	
		Construction Permit: New regulations on building acts that significantly reduced the time required and introduced the "silent agreement" principle were adopted. (Interministerial Order No. 2020-012/MUH/MATDC/MINEFID of April 10, 2020, creating, assigning, composing, and functioning the technical committee for consulting and instructing permit application files; Decree No. 2023-1469/PRES-TRANS/PM/MUAFH/MATDS/MEFP of October 30, 2023, on the procedures for recourse to the ministry in charge of urban planning, architecture, housing, and construction concerning architecture and construction; Publication of all construction-related texts online; Issuance of a circular reducing the delivery times of fire safety notes from 10 to 7 days; Decentralization of CEFAC services to 12 regional capitals and reducing the costs of completing formalities for obtaining building acts; Design and deployment of the new CEFAC platform; Training of CEFAC partners on using the new platform.		
		Property Transfer: The entire set of procedures (steps, file composition, and costs) related to property transfer has been made available online by the DGI; a dedicated professional land service counter has been set up at the one-stop land shop; a committee to monitor the improvement of the GUF platform's operation has been established.		
IV.3. Adopt a new labor code that will further liberalize the labor market.	In progress	The draft bill for the labor code was adopted by the Council of Ministers on September 22, 2021. However, new consultations are ongoing on points of divergence between employers and trade unions. Twenty-two (22) out of twenty-four (24) application texts of the law governing the social security regime applicable to salaried workers and similar persons in Burkina Faso have been adopted. Four (4) out of seven (7) application texts of the law governing the social security regime applicable to state public agents in Burkina Faso have been adopted, and 2 draft texts have been prepared.	Adopt the law at the Legislative Assembly of Transition (ALT); Adopt validated regulatory texts; Continue the drafting process for the remaining five (5) application texts.	ILO

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
IV.4. Set up a one-stop shop for investors and create an online guide to all administrative procedures.	In progress	While a one-stop shop has not yet been established, an information platform on investment procedures (e-regulation Burkina Faso) exists and has been enhanced to include more information on obtaining Business Licenses (www.businessprocedures.bf). Additionally, the Bagré Business Facilitation Center (CEFAB) in the "Growth Pole of Bagré" project area is operational. Eight ministerial orders relating to the simplification of obtaining 35 Business Licenses in animal health, technical and professional training have been adopted. 124 Industrial Unit Installation Authorizations (AIUI) were issued by the Permanent Secretariat of the One-Stop Shop for Trade as of December 31, 2023. A virtual portal "Entrance Gate to Burkina" (PEB) has been created.	Continue operationalizing the PEB.	World Bank, UNCTAD
IV.5. Accelerate the use of online processes to facilitate administrative procedures.	Realized	The virtual counter has been redesigned to facilitate access to necessary information for obtaining an administrative act; New services have been launched online, including requests for nationality certificates, criminal records, technical approvals in IT, public competition file submissions, and the operationalization of the online business creation system (March 23, 2020); Since December 28, 2023, the FN RCCM database has been online to digitize searches for availability and reservation of social names and commercial names; Since 2022, the MEBF has adopted a new application named "NAV" for the registration and processing of business creation requests at CEFOR and building acts at CEFAC; The e-SINTAX platform is used for declaring and paying all declarative taxes and duties online; The virtual liaison system (SYLVIE) for import and export operations at the customs level; The first phase of the virtual portal "Entrance Gate to Burkina" involves the dematerialization of three (3) commercial acts, namely the Certificate of Origin (CO) of goods, the Special Import Authorization (ASI), and the Authorization to Conduct Business (AEC) by foreigners, now accessible at www.peb.bf . The first three phases of the PEB through the dematerialization of six (6) acts (Certificate of Origin, Special Import Authorizations, Special Export Authorizations, Authorization to Conduct Business by Foreigners, Decisions on Water Production and Pre-packaged, Decision on Production of Edible Oils); The e-liasse module has been operationalized; The mobile payment for the Residence Tax and the Motor Vehicle Tax has been operationalized; The online request module for VAT credit reimbursement has been operationalized; The online services (ASF, CA certifications, Withholding Certificates) are operational; The "open service" has been operationalized; The electronic version of the Nominal Schedule of Salaried Workers (BNTS) by the National Social Security Fund (CNSS) has been made available online to facilitate the calculation of social contributions due by companies. The "Number of administrative procedures available on the Virtual Counter of the Public Administration" stands at 670 as of December 31, 2023, against a forecast of 675. Four (4) administrative procedures to be integrated into the Virtual Counter; in total, ten (10) have been integrated with a surplus of six (6). These include the management of new requests for secondment and availability (online request and processing of the act), renewal of secondment and availability (online request and processing of the act), termination of secondment and availability (online request and processing of the act),	Interface the SYLVIE and SYDONIA platforms.	World Bank

Burkina Faso				
Measures	Situation	State of Implementation	Perspectives	Partners
		corrections of secondment and availability (online request and processing of the act), cancellations of secondment and availability (online request and processing of the act). Two (2) e-services integrated into the Virtual Counter as of December 31, 2023: one (01) e-service for secondment and one (01) e-service for availability. Business procedures have been deployed.		
IV.6. Adopt the application texts of the new Mining Code.	Realized	Twenty-nine (29) application texts (decrees and orders) have been adopted under the law No. 036-2015/CNT of June 26, 2015, concerning the mining code. The mining and quarrying strategy for the period 2017-2026 was adopted in 2018, along with its action plan. The law governing the organization of the marketing of gold and other precious substances in Burkina Faso has been adopted.		World Bank

MEASURES TO IMPROVE SECURITY

Measure	Situation	Implementation Status	Outlook	Partners
V.1 Combat terrorism by improving socio-economic conditions in the Sahel region, most exposed to attacks and radicalization	In progress	Government has implemented extensive development programs such as the Emergency Program for the Sahel in Burkina Faso (PUS-BF), Local Economies Development Support Program (PADEL), Emergency Territorial Development and Resilience Project (PUDTR), Sahel Community Recovery and Stabilization Project (PCRSS), and Socio-Economic Infrastructure Implementation Project (PRISE). A study on the impact of insecurity on the implementation of development projects and programs has been completed.	<ul style="list-style-type: none"> Continue implementing development programs and apply recommendations from the impact study. 	World Bank, BOAD, Japan, AFD
V.2 Make a counter-terrorism unit operational	Completed	Multiple counter-terrorism units have been created and are operational, including versatile intervention units of the Police and Gendarmerie, a specialized anti-terrorist investigation brigade, and a central brigade against cybercrime. Over 7,506 security patrols have been conducted.	<ul style="list-style-type: none"> Operationalize the project to strengthen the mobile intervention units of the National Police and implement the strategic plan of the BSIAT. 	EU, France
3 Strengthen the implementation of the emergency program for the Sahel (PUS)	Completed	A Priority Action Matrix of the program was adopted in 2020 following an Evaluation of Prevention and Peace Consolidation (EPCP) with an estimated cost of 226.9 billion FCFA. PUS-BF received budgetary and project support from various partners.	Continue mobilizing resources for the implementation of Phase II of PUS-BF and stabilization plans.	World Bank, EU, SNU, BAD

DIVERSIFYING SOURCES OF FINANCING

Mesures	Situation	Etat de mise en œuvre	Perspectives	Partenaires
VI.1. Revise the legal and regulatory framework to promote PPPs	In progress	<ul style="list-style-type: none"> Law No. 032-2021/AN of June 25, 2021, on the legal and institutional framework of PPPs in Burkina Faso was enacted by Decree No. 2021-0826/PRES on August 6, 2021. Several regulatory texts have been adopted to apply the new PPP law, including decrees on the application modalities, the composition and functioning of the Public-Private Partnership Commission, and the establishment of a Public-Private Partnership Unit. 	Continue developing the decree promoting the participation of national enterprises, especially SMEs, in PPP projects.	World Bank, BAD, IMF
VI.2. Create a specialized bank for SMEs	In progress	Although a specialized bank for SMEs has not yet been established, the Government approved a decree in July 2021 for the special statutes of the Burkinabe Fund for Economic and Social Development (FBDES) to expand its interventions as a direct and indirect investor in start-up or developing businesses alongside the private sector. Several projects and structures set up by the State and its partners support SMEs.		
VI.3. Strengthen / diversify financial instruments for agriculture (partial credit guarantees, medium/long-term credit lines, insurance)	Completed	The Agricultural Bank of Faso (BADF) has been operational since February 26, 2019. It established an "Agricultural Development Fund" to finance the agricultural sector. By the end of 2021, BADF had financed various agricultural producers and developed strategic plans and insurance agreements to cover agricultural risks.	<ul style="list-style-type: none"> Mobilize technical and financial partners to contribute to the vitality of the Agricultural Development Fund. Extend insurance products to other regions and agricultural speculations. Link insurance subscription with the provision of inputs. 	World Bank
VI.4. Strengthen the banking sector's capacity to support agri-food value chains	In progress	The Agricultural Bank of Faso has been operational since February 26, 2019, and has established various branches and a development fund within the bank to finance the agricultural sector.	Continue expanding the network by opening 11 new branches to increase financing for rural activities and associated value chains to reach 55% of the bank's total portfolio.	World Bank, BAD, Kuwait Fund, EU, AFD, Denmark, Switzerland

Mesures	Situation	Etat de mise en œuvre	Perspectives	Partenaires
VI.5. Promote digital finance, including certification through electronic signatures	In progress	A national strategy for inclusive finance and its action plan for 2019-2023 were adopted on March 23, 2019. A decree on the digitization of payments in Burkina Faso was adopted to promote financial inclusion and secure payments. The implementation of the Support Project for Financial Inclusion and SME Financing began in September 2020.	<ul style="list-style-type: none"> Implement the national strategy for inclusive finance. Develop a national integrated program to strengthen financial inclusion. Prepare the annual statistical directory and report on financial inclusion in Burkina Faso. Continue financial education training for the general population. 	World Bank, EU, BOAD, Luxembourg
VI.6. Convert diaspora economies into productive investments	In progress	Economic promotion activities targeted at the diaspora, titled e-B50, were organized in response to the health situation. The Support Project for Diaspora Entrepreneurship in Burkina Faso (PAED-BF) was operationalized with an information and assistance platform for the diaspora. A national diaspora management strategy (SNGD) has been drafted.	<ul style="list-style-type: none"> Hold focus groups and B50 events to continuously promote investment opportunities in Burkina Faso. Adopt the national diaspora management strategy (SNGD). Continue organizing the biennial diaspora week in Burkina Faso. 	World Bank

CÔTE D'IVOIRE

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
Support from TFPs	Macroeconomic framework	Macroeconomic stability	GDP growth rate	Average annual growth rate of 7.2% over the period 2024-2028 (government estimate)	Organize two reviews (2nd and 3rd) of the Economic and Financial Program (PEF) concluded with the IMF for the period 2023-2026	The 2nd review of the PEF was successfully done in March-April 2024. At the end of December 2023, all the performance criteria had been met and the structural benchmarks had been achieved.
		Inflation	Inflation	Maximum 3%	Facilitate market supply channels	
				Maintain debt-to-GDP ratio below 70	✓ Raise awareness among sellers to fight against speculative practices on basic necessities	
		Dette publique (% du PIB)	Government debt (% of GDP)	Reduce the budget deficit to 3% of GDP by 2025	✓ Expand the list of so-called basic necessities	
					✓ Continue fiscal consolidation	
					✓ Adopt the law on national debt policy	
			Budget deficit (% of GDP)	Contain the current account deficit	Update and implement the public debt management strategy	
				At least 3 months imports	Continue the activities of the National Committee for the Repatriation of Export Earnings	
		Déficit budgétaire (% du PIB)	Current account deficit	Actualiser et mettre en œuvre la stratégie de gestion de la dette publique	La stratégie de gestion de la dette à moyen terme a été actualisée. Le plan de financement 2024 prévoit une répartition : 46% financement extérieur et 54% financement intérieur	The macroeconomic situation remained solid:
		Déficit du compte courant	Foreign exchange reserve (Number of months of imports)	Poursuivre les activités du Comité national de rapatriement des recettes d'exportation		
		Reserve en devises (Nombre de mois d'importations)				

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
	Mobilisation des ressources domestiques	Domestic resource mobilization Taux de pression fiscale	Average annual increase Tax burden rate	Minimum revenue increase of 0.5% of GDP/year Fiscal burden of 15.4% in 2026 Formaliser les entreprises dans le secteur informel Mettre en place une fiscalité adaptée aux PME Poursuivre la digitalisation de l'administration fiscale	Develop and implement a medium-term revenue mobilization strategy Implement the plan to reduce tax exemptions Formalize businesses in the informal sector Implement a tax system adapted to SMEs Continue the digitalization of the tax administration Plusieurs mesures d'administration fiscale ont été prises dont l'élargissement de l'assiette fiscale, le renforcement du suivi des prix des transferts et l'institution d'un timbre fiscal sur les produits de tabac en vue d'assurer la traçabilité du tabac pour lutter contre la contrebande La taxes des entrepreneurs a été instituée, en faveur des PME	
	Gestion des investissements publics	Public Investment Management	Public investment rate Amélioration du score du PIMA	Increase in investment rate Improved PIMA score Concevoir et mettre en œuvre le plan d'Investissement Public triennal Renforcer le suivi de la mise en œuvre du Budget-programme par son extension dans les Etablissements Publics Nationaux	Implement the Public Investment Monitoring Program Implement the Road Maintenance Plan (PER) Design and implement the three-year Public Investment Plan Strengthen the monitoring of the implementation of the Program Budget by extending it to National Public Establishments	The PIP is being implemented and constitutes the main basis for defining the State's priorities in terms of public investment

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
	Qualité des services publics et inclusion sociale	Quality of public services and social inclusion Taux de raccordement à l'électricité Taux d'accès à l'eau potable Accès à l'éducation de qualité	Improvement of pro-poor spending Rate of connection to electricity Rate of access to drinking water	Increase in pro-poor spending Increase in the rate of electricity connection Increase in the rate of access to drinking water	Continue the implementation of the PSGOUV 2, which is the Government's social program Implement the 2023-2027 Hospital Program Strengthen the CMU dispositif by increasing the number of new enrollees	The implementation of the PSGOUV 2 continues, with a budget of 561.3 billion CFA The Hospital Health Program is being deployed to respond to urgent requests In 2023, 6.4 million new registrants in the CMU database, bringing to 10.3 million registered in the database

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
WB, ADB	Pillar 2	Governance, Environment and Regulation	World Economic Forum (WEF) Global Competitiveness Index Mo	Improved country scores	Update the investment code with the new objectives.	
		Indice Mo Ibrahim		Mettre en œuvre le programme PEPITE visant à accélérer le développement des filières stratégiques de l'économie	Implement the PEPITE program aimed at accelerating the development of strategic sectors of the economy	
		Indice B ready de la Banque Mondiale		Renforcer le Guichet Unique de développement des Entreprises (GUDE-PME), qui vise à offrir le continuum d'accompagnement financier pour les PME.	Strengthen the Single Window for Business Development (GUDE-PME), which aims to offer the continuum of support and financing for SMEs.	
		Indicateurs du MCC		Poursuivre la généralisation de l'identifiant Unique des entreprises	Continue the generalization of the Unique identifier for companies	
				Réviser le code des investissements pour prendre en compte les nouveaux défis	Revise the investment code to consider new challenges	
				Réviser le code minier et le code pétrolier afin de prendre en compte les nouveaux défis	Revise the mining code and the petroleum code to consider the new challenges	
				Poursuivre la dématérialisation des actes administratifs	Continue the dematerialization of administrative acts	
				Mettre en place une plateforme de soumission de demande et de renouvellement des licences et permis d'affaires		

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
Pilier 2: Environnement des affaires	Pillar 2	Investment protection and anti-corruption	Complaints registered and processed	Ensure the processing of all claims	Publish the decisions rendered by the Commercial Court of Abidjan Continue the declaration of assets by senior state officials Strengthen the activities of the High Authority for the Fight against Corruption	
		Delai de traitement des conflits commerciaux	Time taken to deal with trade disputes	Reduce the time taken by the Commercial Court to 90 days for the processing of commercial disputes	Develop and implement the national anti-corruption strategy for the period 2024-2027 www.spacia.gouv.ci) de lanceurs d'alerte en matière de corruption mise en place par le Gouvernement a été vulgarisée	
		Indice de perception de la corruption (Transparency International)	Corruption Perceptions Index (Transparency International)	Improve the country's score under Elaborer et mettre en œuvre la stratégie nationale de lutte contre la corruption pour la période 2024-2027	Un système informatique intégré de maitrise de l'effectif des assujettis à la déclaration de patrimoine a été mis en place. L'objectif est de parvenir à un taux de déclaration de 90% à fin 2024 La strategie Nationale de lutte contre la corruption a été élaborée et sera soumise à l'adoption du Gouvernement avant fin Septembre 2024 Le pays occupe en 2023 la 87ième contre 99ième place en 2022	
	Gestion des marchés publics	Public Procurement Management	Reduction of over-the-counter rates Strengthening transparency in the award of public contracts	Keeping the private contract rate to less than 20% of the total amount of contracts awarded during the year Improving transparency in the management of public contracts Renforcer la transparence des contrats de marchés publics	Continue the digitalization of public procurement Continue the activities of the National Authority for the Regulation of Public Procurement (ANRMP) Strengthen the transparency of public procurement contracts pour assurer la transparence des contrats de passations de marchés	
		Renforcement de la transparence dans l'attribution des marchés publics				
	Dispositifs pour la préparation des projets	Devices for project preparation	Budget for the preparation of projects		Strengthen the study fund dedicated to financing feasibility studies for projects registered in the NDP Increase the budget allocation of the study fund	
		Mécanisme en place pour la préparation des projets		Increased budget for project preparation Augmenter l'allocation budgétaire du fonds d'études		

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
	Renforcement du dispositif de gestion des PPP	<p>Strengthening the PPP management system</p> <p>Communication autour des projets PPP*</p> <p>Utilisation des dispositifs standard de gestion des PPP</p>	PPP Project Governance Framework	<p>Improved PPP management</p> <p>Mettre en œuvre les recommandations des missions d'assistance technique, pour le renforcement du dispositif PPP</p> <p>Renforcer l'évaluation annuelle des risques budgétaires liés aux PPP</p>	<p>Publish the list of PPP projects signed and on sale</p> <p>Implement the recommendations of TA missions, for the strengthening of the PPP framework</p> <p>Strengthen the annual assessment of budgetary risks related to PPPs</p>	
Amélioration du cadre de financement	Improving the funding framework	Reduced investment risk	Availability of risk-sharing instruments	<p>Improving the financial instruments and vehicles available</p> <p>Poursuivre la mise en œuvre de la stratégie Nationale d'Inclusion financière (SNIF) 2019-2024</p> <p>Renforcer les activités du Bureau d'Information sur le crédit (BIC)</p>	<p>Develop new financing instruments;</p> <p>Continue the implementation of the National Financial Inclusion Strategy (SNIF) 2019-2024</p> <p>Strengthen the activities of the Credit Information Bureau (CIB)</p> <p>La hausse de quote part du pays dans le capital de l'Agence pour le Commerce et en Afrique est en cours</p>	
	Développement du marché de la dette intérieure	<p>Development of the domestic debt market</p> <p>Amélioration de la notation en monnaie locale</p>	<p>Local currency bonds/GDP</p> <p>Improvement of local currency rating</p>	<p>Increase in local currency financing as a percentage of GDP</p> <p>Increase in available financial instruments</p> <p>Opérationnaliser le compartiment de la BRVM dédié aux PME ;</p> <p>Promouvoir la finance Islamique</p> <p>Développer de nouveaux instruments financiers</p>	<p>Continue the restructuring of banks</p> <p>Continue the implementation of the financial sector development program</p> <p>Operationalize the BRVM compartment dedicated to SMEs;</p> <p>Promoting Islamic Finance</p>	

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
	Mobilisation des investissements institutionnels privés	<p>Mobilizing private institutional investment</p> <p>Investissement privé mobilisé par les banques multilatérales</p>	<p>Sovereign rating</p> <p>Private investment mobilised by multilateral banks</p>	<p>Improvement of the sovereign rating</p> <p>Increase in the number of institutional investors</p> <p>Adhérer à la banque Européenne pour la reconstruction et l'investisseur</p> <p>Renforcer la Caisse des Dépôts et Consignations pour lui permettre de jouer pleinement ses missions</p>	<p>Implement the necessary actions/reforms to improve the country's rating</p> <p>Promote the Ivorian economy to attract new institutional investors</p> <p>Join the European Bank for Reconstruction and the Investor</p> <p>Strengthen the Caisse des Dépôts et Consignations to enable it to fully play its missions</p> <p>Le Gouvernement a marqué un avis favorable, pour l'adhésion à la Banque Européenne pour la Reconstruction et le Développement (BERD)</p>	Moody's upgrades the country's rating from Ba3 with a positive outlook to Ba2 stable outlook
OCDE FMI, BM, U	Pillar 4: Tackling climate change	<p>Climate Change Mitigation</p> <p>Mix énergétique</p> <p>Reduction de la déforestation</p>	<p>GHG emission reduction targets in Nationally Determined Contributions</p> <p>Energy mix</p> <p>Reduction of deforestation</p>	<p>30.41% by 2030</p> <p>Achieve 45% renewable energy by 2030</p> <p>Reduce deforestation by 70% by 2030 compared to 2015</p> <p>Opérationnaliser le système de mesure, de notification et de vérification (MRV) lié au chapitre énergie</p> <p>Opérationnaliser le système national de traçabilité et de vérification de la légalité des bois</p>	<p>Continue the implementation of the Nationally Determined Contributions</p> <p>Implement the national energy mix strategy</p> <p>Continue the implementation of the national renewable energy production plan</p>	The implementation of the NDCs continues

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
				Prendre les textes d'application du code forestier Vulgariser et mettre en œuvre le code forestier Renforcer le système de gestion des parcs nationaux et réserves Etendre le réseau de parcs nationaux et réserves	Operationalize the measurement, notification, and verification (MRV) system related to the energy chapter Operationalize the national system for traceability and verification of the legality of timber	
	Adaptation au changement climatique	Adaptation to climate change	Coverage of climate-sensitive sectors	Increasing adaptation measures in climate-sensitive sectors Mettre en œuvre « Abidjan Legacy Program » (ALP) de lutte contre la désertification et la sécheresse Mettre en œuvre les mesures d'adaptation au Changement climatique	Implement the national Sustainable Cocoa strategy Implement the Abidjan Legacy Program (ALP) to combat desertification and drought	Cocoa farmer cards were set up and distributed to about 1 million farmers. The ALP Programme is being implemented, with the implementation of the Governance Framework and the adoption of the 2024 Action Plan. FMI BAD UE KOICA
	Financement du changement climatique et intégration du climat dans la gestion des finances publiques	Climate Change Financing and Climate Integration in Public Financial Management Développement des instruments financiers liés au changement climatique	Mobilizing green finance Development of climate change financial instruments	Increase in green financing Expansion of available financial instruments Mettre en place un cadre réglementaire du marché carbone Opérationnaliser le fonds forestier national Mettre en œuvre progressivement un système	Establish a platform for the coordination of green financing Strengthen international financing instruments at the national level Establish a regulatory framework for the carbon market Operationalize the national forest fund	The draft text for the establishment of the green finance coordination platform is being finalized The country has subscribed to the IMF's Resilience

Côte d'Ivoire	Sub-theme	Sub-theme	Indicators	Target	Government Reforms/Initiatives	Progress as of end-April 2024
				<p>d'assurance contre les aléas climatiques.</p> <p>Mettre en place un système de marquage des dépenses d'investissement liées au climat au stade de la programmation des investissements publics</p> <p>Mettre en place un site web où les acteurs domestiques et internationaux de la finance climat pourront trouver les informations clés sur les principaux piliers de la Stratégie Nationale de Mobilisation du Financement Climatique</p>	<p>Gradually implement an insurance system against climatic hazards.</p> <p>Establish a system for marking climate-related capital expenditure at the public investment programming stage</p>	<p>and Sustainability Facility, enabling it to mobilize financing to deal with climate change</p> <p>The texts for the implementation of the carbon market are being prepared</p> <p>The Global Environment Facility's national dialogue was held in early 2024, with a view to mobilizing all stakeholders</p> <p>Preliminary work is underway to ensure the tagging of climate-related investment spending</p>

DEMOCRATIC REPUBLIC OF CONGO

Democratic Republic of Congo		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		
Planned and Achieved Measures MACROECONOMIC FRAMEWORK Implement the computerized public revenue chain	Progress	Support from Partners
Launch and deploy the Integrated Tax Management Software (ITMS) at the DGI	The analysis phase and needs collection are finalized. Equipment has been delivered and installed at DGI headquarters. Development and deployment will continue in 2024: batches 1 (administration) and 2 (business services) deployed	
Continue the deployment of the LOGIRAD non-tax revenue management software in the second group of tax services	After launching and deploying LOGIRAD in 11 provinces for the 6 main tax services in 2022 (Mines, PTNTIC, Hydrocarbons, Environment, Land Affairs, DGM), in 2023, priority was given to improving LOGIRAD by integrating user feedback and consolidating the platform. Training of users in the second group of 6 provinces started in March 2024 and will continue until June. The new provinces will transition in early January 2025 after acquiring computer and energy kits.	
Improve and extend the functionalities of ISYS-REGIES	After two years of successful implementation, the Terms of Reference for improving and extending ISYS-Regies were finalized. Work launch scheduled for the first half of 2024	
Extend the network for exchanging state financial data (REDOFIE)	After Kinshasa over a coverage of 12 km, the network was deployed successively in Matadi (over 6 km connecting the provincial directorates of the financial administrations) and in Lubumbashi over 9 km for 10 operational services of both financial administrations and national ministries (tax services)	
Strengthen public finance management		
Implement the "Budgetary Reform" axis of the Public Finance Reform Strategic Plan 2022-28 (PSRFP)	- Program budget: reclassification of auxiliary bodies into annex budgets (public establishments and spending services) for the adoption of program budget templates - Management of budgetary risks associated with public enterprises and administrative public establishments: signature of the circular by the prime minister concerning the production and timely submission of financial reports by public enterprises and administrative public establishments	

Democratic Republic of Congo		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		
Planned and Achieved Measures MACROECONOMIC FRAMEWORK Implement the computerized public revenue chain	Progress	Support from Partners
Implement the "Tax Policy and Administration" axis of the Public Finance Reform Strategic Plan 2022-28 (PSRFP)	- Tax policy: adoption of the plan to rationalize the acts generating non-tax revenues in the Council of Ministers; implementation of the STDA software in the tobacco, brewing, and telecommunications sectors to improve the traceability of excise duties; promulgation of Ordinance Law No. 23/053 of 30 November 2023 relating to corporate tax and personal income tax; continuation of the inventory work of parafiscal charges, revision of the nomenclature of non-tax revenues based on the rationalization plan adopted by the Government; production of a non-tax revenue collection procedure manual - Tax administration: deployment of GESIMPOT software in 2 CIS and ISYS-regies in 107 customs offices; implementation of e-filing; Signing of the decree establishing the standardized invoice and setting the terms for the implementation of fiscal electronic devices to consolidate VAT management; Signing of orders granting approval to the organizational frameworks of the DGI, DGDA, and DGRAD by the Minister of Public Service	
Implement the "Public Expenditure Management" axis of the Strategic Plan for Public Finance Reform 2022-28 (PSRFP)	- Signing and publication of the decree on the manual of public procurement procedures- Signing of the ordinance law on public debt- Signing of the decree on the management of public investments- Signing of the decree on the standard methodological guide for the evaluation of public investment projects including environmental and social impact studies as well as the systematic assessment of impacts related to climate change- Signing of the ministerial decree on creation of the Ministries' Accounting Posts - Signing of the procedures manual and expenditure circuit adapted to the deconcentration approach of scheduling	
Implement the "Digitization of the public financial management system" axis of the Strategic Plan for Public Finance Reform 2022-28 (PSRFP)	- Adoption of the global orientation plan for the digitisation of public finances (POG)	
Implement the arrears clearance strategy agreed with the IMF and adopted by the Council of Ministers	The implementation of the strategy has been initiated, through: The publication of a press release by the Minister of Finance to operationalize the strategy- The publication of the list of eligible creditors- The publication of a press release explaining the technical modalities for the clearance of certified domestic arrears	
Adopt a tax expenditure rationalization plan aimed at reforming the exceptional tax regimes, as well as all conventions, approvals, agreements, letters, or other documents providing for tax exemptions, except those provided for by the administrative codes in force.	A first rationalization plan was developed with the assistance of the IMF's Fiscal Affairs Department, based on the published reports on tax expenditures in fiscal years 2017 and 2018. This plan has been adopted by the Government and is being implemented. The measures adopted are monitored by the ad hoc committee responsible for evaluating tax expenditures.	IMF
Reform the collection of traffic tickets. Implement modern devices (cameras, radars) to identify and collect traffic tickets, as well as video-ticketing.	The administrative procedure is underway (the pre-selection report of the applications and the tender documents were sent to the General Directorate for the Control of Public Procurement for validation).	
Reforming the control of traffic and revenues of mobile money operators and services	The study is underway at the level of the Ministry of Finance with a view to requesting the support of a service provider	
Implement the reform on gambling. Reorganize the sector, set up a legal framework, install a computer system for monitoring and controlling bets. The objectives are to	The draft contract of the technical service provider is submitted to the General Directorate for the Control of Public Procurement for validation. The Finance Act for the 2024 financial year has reallocated to the	

Democratic Republic of Congo		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		
Planned and Achieved Measures MACROECONOMIC FRAMEWORK Implement the computerized public revenue chain	Progress	Support from Partners
mobilize the sector's revenues and fight against dependency and money laundering.	Ministry of Finance the 2 revenue-generating acts of the sector that were previously the responsibility of the Ministry of Sports and Leisure.	
Establish the payment of state revenues through digital channels (online bank, mobile application, USD phone, POS, ATM...)	The circular was signed in January 2024	
Finalize the generalization of the ASYCUDA system in all customs offices	The computerization schedule has been finalized for 6 offices in the Equateur DP, 3 in Kongo Central and 1 in Moba. Training and configuration permissions are required but not yet effective in all these offices.	
Maintaining macroeconomic stability		
Establish a Monetary Policy Forecasting and Analysis System (FPAS) with IMF technical assistance	By the end of 2024, the FPAS must be operational. - The first component, which involves the production of analyses and forecasts illustrating the capacity of the quarterly forecasting model, has already been put in place. - The second component concerning the organizational structure of the FPAS, including a planned mission with IMF technical assistance, is underway.	IMF
Strengthen the stability of the financial sector: - Issue an instruction on the identification and management of risks associated with related-party transactions in line with the 20th Basel Fundamental Principle - Recruit and retain banking experts, deploy risk-based supervision and set up a committee to prepare data for stress testing and a centre of expertise on IT risks - Adopt a regulation on related party plans bank recovery - Creating a financial stability function - Strengthening the supervision of non-bank financial institutions - Developing supervisory and early warning tools to analyse sectoral interdependencies and interconnections - Aligning the emergency liquidity provision framework with best practices - Conducting a review of cross-border cooperation agreements with all the home countries of the parent companies of banks established in the DRC	- Publish an instruction on the identification and management of risks associated with transactions between related parties in accordance with the 20th Basel Fundamental Principle: Publication by the BCC of Instruction No. 51 laying down the rules relating to the transactions of Credit Institutions and financial companies with related persons. Recruit and retain banking experts, deploy risk-based supervision and set up a committee to prepare the data necessary for stress tests and a center of expertise in IT risks: Establishment of a working group in progress, pending the creation of a department in charge of the issue within the Directorate for the Supervision of Financial Intermediaries- Adopt a regulation on bank recovery plans: Ongoing project with IMF technical assistance - Creating a financial stability function: Recruitment by the IMF, for the benefit of the BCC, of a consultant to support the establishment of this function. The Consultant began his mission on October 22, 2023. A Financial Stability Directorate was created by the decision of the Bank's Board of 27 February 2024- Strengthening the supervision of non-bank financial institutions: Work in progress with the support of an expert with the support of the World Bank and BCC's accession to CISNA - Developing surveillance and early warning tools to analyze sectoral interdependencies and interconnections: project in progress with IMF technical assistance - Align the framework for the provision of emergency liquidity with best practices: finalization in progress of a draft appraisal order - Review cross-border cooperation agreements with all countries of origin of the parent companies of banks established in the DRC: ongoing project. The BCC has benefited from the technical assistance of the MCM/IMF, a model MoU project is being developed and will be signed first with the Central Bank of Kenya	IMF

Democratic Republic of Congo		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		
Planned and Achieved Measures MACROECONOMIC FRAMEWORK Implement the computerized public revenue chain	Progress	Support from Partners
Strengthening the governance of the BCC: - Adoption of an internal audit charter by the BCC Board- Establishment of a Procurement Unit and a procurement manual- Establishment of a compliance function, in charge of the fight against money laundering and the financing of terrorism, ethics and internal and external fraud	- Adoption of an internal audit charter by the Board of the BCC: new Audit Charter adopted by the Board of the Bank on 13 June 2023- Establishment of a Procurement Unit and a Procurement Manual: adoption of the BCC procurement rules on 13 December 2023, by the Board of the Bank - Establishment of a compliance function, in charge of the fight against money laundering and the financing of terrorism, ethics and internal and external fraud: Work is underway. Three pools were set up: the AML/FTP pool, the ethics pool, and the anti-fraud pool	
Reassessing the reserve requirement framework	After evaluation of the new reform in relation to the reserve requirement, the crystallized stock of reserve requirements on foreign currency deposits was reduced by 2.5% on August 08, 2023, and 2.5% on December 12, 2023.	
Implement the preparation of financial statements in accordance with the IFRS accounting framework	The IFRS project is currently in the preparation phase to produce the Bank's first IFRS financial statements, which will be those ending December 31, 2023, with 2021 as the transition year and 2022 as the comparison year.	
Implement the recapitalization of the BCC Signing of the MoU between the BCC and the Ministry of Finance	Project signed on the balance sheet. Ongoing project on the results-based approach. MoU on the terms of the capital release. Signing of the MoU on the regularization of debts between the State and the BCC of December 2021.	
Strengthening the statistical tool to improve the monitoring of the Congolese economy		
Migrate the national accounts to the 2008 SN - Finalize the migration from SN 93 to SN 2008- Request Technical Assistance for support with AFRITAC- Finance a workshop for validation by stakeholders	Work on Migration from the SNA93 National Accounts to the 2008 SNA is underway with the assistance of AFRITAC Centre and the support of the Statistical Body of the African Union.	IMF/AU
BUSINESS CLIMATE		
New reforms		
Revision of the Investment Code		
Drawing up the Urban Planning and Construction Code	The texts were finalized and validated in workshops.	
Amending the Law on Government Procurement		
Promulgate the Law on Standardization and Legal Metrology		
Continuing to improve the business climate		
Amend the Law on SEZs to incorporate the benefits provided for in Decree No. 15/007 of 14 April 2015 on the creation, operation, and organization of SEZs	The Ordinance-Law was published in the Official Journal on 1 February 2024	
Interconnect services and simplify the process of setting up a business through the following actions: (i) Automating the issuance of tax and national identification numbers(ii) Setting up an online registration system for setting up a business	A consultant has been hired to study the feasibility of implementing an online registration system.	

Democratic Republic of Congo		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		
Planned and Achieved Measures MACROECONOMIC FRAMEWORK Implement the computerized public revenue chain	Progress	Support from Partners
Strengthen the enforcement of contracts (i) Implement E-justice, to dematerialize proceedings before the Commercial Courts(ii) Align the legal framework with international best practices - Generalize the preparatory conference as a method of managing cases to lower courts in the law amending the Commercial Courts - Set up a small claims chamber in the Commercial Courts- Implement the system random assignment of cases (to be considered in e-justice)- Establish a mechanism to enforce the provisions concerning the number of adjournments or postponements- Reduce the time taken to pronounce judgments- Set in law the time limit for the holding of the first hearing	Reform not carried out to date	
Computerize the building permit file and urban planning notices - Dematerialize the process of processing the granting of building permits and urban planning notices) - Develop the digital mapping of the DRC starting with the city of Kinshasa (3 years)	The reform is effective: establishment of the Single Window for the issuance of building permits, appointed facilitators, operational institution	
Adopt the Anti-Corruption Action Plan	Waiting for work on identifying actions to be validated	
Agricultural/forestry sector		
Strengthen and improve the legal framework, by amending and supplementing the Agricultural Law, especially in its articles 16 and 82	The bill is currently being examined by both houses of parliament	
Operationalize the National Fund for Agricultural Development	The decree that creates and organizes FONADA must be signed	
FUNDING FRAMEWORK		
Definition of the national strategy on financial inclusion		

Democratic Republic of Congo		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		
Planned and Achieved Measures MACROECONOMIC FRAMEWORK Implement the computerized public revenue chain	Progress	Support from Partners
Adopt a national financial inclusion strategy with an associated regulatory framework, to accelerate access to financial products and services, with six objectives: - Improving access to financial services and products- Increasing loans to households and SMEs- Increasing the use of mobile money and other fintech services- Consumer education and protection- Strengthening infrastructure and financial services. Institutions - The expansion of insurance services offered to companies and individuals	The National Financial Inclusion Strategy (SNIF) has been published. It includes six strategic objectives that contribute to the improvement of financial products and services and their use by the poorest populations and MSMEs. Each strategic objective has specific objectives with clear actions for the targets set for 2028.	
DIGITAL		
New reforms		
Implement all regulatory measures for the implementation of Ordinance-Law No. 23/010 of 13 March 2023 on the Digital Code and strengthen the institutional framework - Creation of the Data Protection Authority; - Creation of the National Cybersecurity Agency;- Creation of the Electronic Certification Authority;- Creation of the Digital Regulatory Authority		
Create the digital governance framework for the State's IT systems		
Create the following tools: - Government intranet- National datacenter and cloud- Dematerialization of the Public Administration- Support for services through training	In progress.	World Bank
Strengthening the business climate and the digital architecture of services available to citizens		
To set up a platform of services to citizens by centralising services that concern citizens in a transversal way	In progress.	
Increase the government's visibility on the population and streamline administrative procedures for the population		
Create a unique identifier assigned at birth to centralize the various administrative (social security, passport, etc.) and commercial (banks for example) requests. This reform involves the creation of a data center and a 'national cloud' aimed at centralizing the information of the various administrations	In progress.	
Strengthening the digital culture and knowledge of the population		

Democratic Republic of Congo		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		
Planned and Achieved Measures		
MACROECONOMIC FRAMEWORK		
Implement the computerized public revenue chain	Progress	Support from Partners
Setting up an ecosystem to reduce the digital divide - Strengthening the ICT capacities of teachers - Creation of digital centres and incubators - Opening of a digital academy - Installation of "smart cities"	In progress.	
ENVIRONMENT AND SUSTAINABLE DEVELOPMENT		
New reforms		
Operationalize the Carbon Market Regulatory Authority		
Operationalizing the Environmental Intervention Fund		
Update the nomenclature of non-tax revenues of the Environment and Sustainable Development sector		

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.	<ul style="list-style-type: none"> 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 them in its annual budget documentation shared with parliament and 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	<ul style="list-style-type: none"> 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. 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 	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
	<p>any bonds related to sustainability, water, social or other forms. This will allow the country to access unconventional markets and widen its debt scope.</p> <ul style="list-style-type: none"> • 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. • 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 divest stake in public entities	<ul style="list-style-type: none"> • 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 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 is 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. 	The World Bank has not been asked to provide 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 35.7 percent, and core inflation (excluding volatile food and regulated prices) at 35.1 percent in February 2024. 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		

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
New incentive program for electrical vehicles		The World Bank is not involved in providing advice on this policy.
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.	
Fiscal Consolidation	<ol style="list-style-type: none"> 1- Strengthening efforts to bring down general government debt as a percentage of GDP. FY 2023/24 budget is targeting a primary surplus of 2.5 percent of GDP, inclusive of 0.4 percent of GDP of divestment proceeds that flow to the budget. In addition, we commit to secure the Egyptian pound equivalent of \$12 billion proceeds from the recent Ras El-Hekma investment deal with ADQ to reduce the public debt. This one-off windfall will boost the primary balance by 4.6 percent of GDP, bringing it to 7.1 percent of GDP in FY 2023/24. 2- For FY 2024/25 we will target a primary surplus of 3.5 percent of GDP, in addition to targeting 1 percent of GDP of divestment proceeds to be transferred to the treasury to reduce budget sector debt, underpinned mostly by new structural revenue measures that generate an expected improvement in tax and dividend revenue of about 1.0 percent of GDP. 3- Tax measures of 0.4 percent of GDP were identified, including the full year impact of the previously implemented law that eliminated preferential tax treatment and exemptions for SOEs, along with rationalization of VAT exemptions. A law to speed up the resolution of tax disputes, which will provide an additional 0.2 percent of GDP tax revenue for FY24/25 will be enacted. 4- Parliament will see amendments to the VAT law that simplify the VAT, rationalize exemptions, and enhance its efficiency and progressivity by November 2024. This VAT reform will target a structural increase in tax revenue of at least 1 percent of GDP on a 12-month basis 	
Structural and Fiscal Governance	<ol style="list-style-type: none"> 1- Publish a comprehensive annual tax expenditure report, including available details and estimates of tax exemptions and tax breaks broken down by classification, including those provided to companies operating in free economic zones and to all SOEs, including public sector companies, public business sector companies, military-owned companies, economic authorities, and joint ventures and partnerships by April 2024. 2- Introduce a binding requirement to ensure the timely publication of the Central Auditing Organization's (CAO) annual audit reports on the fiscal accounts by March 2024. 3- Enact executive regulations of the PFM by March 2024 including: (i) main elements of the budget calendar starting with the submission and approval of the fiscal strategy paper, (ii) the process to update and publish the MTBF considering the costing of new laws and regulations, (iii) a requirement for all entities to separate the baseline and new policy initiatives, and (iv) a section on climate that would provide a mandate for climate-related activities. 4- Create new national fiscal indicators that will include the general government and economic authorities. These indicators will, over time, include all economic authorities. We will begin this effort in FY 2024/25 with the inclusion of a maximum of 40 economic authorities into the indicator and will gradually expand the perimeter of the indicators by including an additional 5 economic authorities each subsequent year so that all economic authorities are covered by FY 2029/30. This reform will require economic authorities to report semiannually in the first year and then quarterly in subsequent years to the Ministry of Finance. 5- Introduce binding ceilings on the debt of the entities included in these indicators in the annual budget law, adjustment of which will require parliamentary approval. 6- Improving transparency on economic authorities' activities to strengthen MoF's ability to monitor their fiscal performance and the size of public investment. In parallel, recognizing that in the steady state only those economic authorities that are nonmarket producers should be included in the general government, we will conduct a sector classification exercise of all 59 economic authorities, in accordance with the concepts and principles in the GFSM 2014 and document the rationale for each classification decision by end-September 2024. 	

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Management of Fiscal Risks	<ol style="list-style-type: none"> 1- To monitor potential risks and safeguard future fiscal resources, MoF will report annually the payment arrears of the budget sector, including to critical SOEs and EAs. 2- To further strengthen control of fiscal risks from off-budget activity, MoF will ensure that the stock of government guarantees relative to GDP will stabilize for the remainder of the current fiscal year at their end-September 2023 level and decline as a percent of GDP starting from end-June 2024. 3- Publish an annual fiscal risk statement as part of the budget documentation, starting from FY 2024/25 4- To monitor potential risks and safeguard future fiscal resources, the MoF will report annually the payment arrears of the budget sector, including to critical SOEs and EAs. The MoF will publish an annual report within 90 days of the end of the fiscal year (recurrent structural benchmark) on the stocks of commitments, overdue payments, and overdue transactions. It will also include the stock of gross liabilities and due payments to and from the MoF with the Egyptian General Petroleum Corporation, General Authority for Supply Commodities, New Urban Communities Authority, National Postal Authority, National Authority for Egyptian Railways, National Investment Bank, Central Bank of Egypt, Egyptian Electricity Holding Company, Holding Company for Drinking Water and Sanitation, and EgyptAir. To further strengthen control of fiscal risks from off-budget activity, we will ensure that the stock of government guarantees relative to GDP will stabilize for the remainder of the current fiscal year at their end-September 2023 level and decline as a percent of GDP starting from end-June 2024. We will also publish an annual fiscal risk statement as part of the budget documentation, starting from FY 2024/25 in line with IMF technical assistance. 	IMF will provide technical support to MoF regarding the drafting of the annual fiscal risk statement
Exchange Rate Regime	<ol style="list-style-type: none"> 1- A track record of a shift to a flexible exchange rate regime without rationing and backlogs. This is assessed in a comprehensive manner, based on monitoring of FX system functioning, using the information and indicators including FX demand backlogs at banks, the spread between the official exchange rate and measures of market-clearing rate, and interbank FX turnover. 2- Sustain the flexible exchange rate regime without rationing and backlogs. This structural benchmark is assessed in a comprehensive manner, based on monitoring of FX system functioning, using the information and indicators including FX demand backlogs at banks, the spread between the official exchange rate and measures of market-clearing rate, and interbank FX turnover. 	
Subsidize lending initiatives		
Monetary Policy	<ol style="list-style-type: none"> 1- CBE to issue a circular announcing the immediate introduction of fixed rate, full allotment of its 7-day deposit operations, with the fixed rate being the mid-corridor rate, and the intention to publish the results of each operation on the CBE's website within one hour of the operation allotment by April 2024 2- CBE issues a plan approved by the CBE Board to reduce its existing claims on public sector agencies excluding the Ministry of Finance. The plan will specify the timing for reducing the claims to zero by end-FY 2025/26 and how the claims would be repaid or transferred off the balance sheet of the CBE by April 2024. 	
Domestic Revenue Mobilization		
2018		
Implement international standards on exchange of information for tax purposes	<p>The exchange of information for tax purposes is included in 58 bilateral tax agreements signed with Egypt.</p> <p>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.</p>	The OECD continues to provide Egypt with TA to implement the exchange of information under the transparency framework.

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Implement a Medium-Term Revenue Strategy (MTRS) starting FY20/21	<p>A MTRS was formulated and approved by Cabinet in December 2020, targeting a 2 percent increase in tax-to-GDP levels over 4 years up to FY24. 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.</p> <p>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 in the tax policy and administrative sides and in 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.</p>	IMF, World Bank, and OECD were main partners in developing this strategy, with several TA missions and meetings held with the MoF to help guide the process.
Improve Public Finance Management (PFM)	<p>A new modern PFM Law has been approved by Parliament in 2022.</p> <p>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.</p>	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 the 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.	
Tax measures	We will continue with tax revenue-based fiscal consolidation. In addition to the VAT measures noted above, we will introduce other new tax policy and administrative measures, such as widening our tax base by ensuring the full implementation of taxation and e-commerce on all traded goods, implementing a new Income Tax Law by FY 2025/26 to address existing loopholes, consolidate amendments, and limit tax exemptions; adopting green fees and taxes in line with international best practices; implementing reforms adopting the Automatic Exchange of Information Standard by FY 2026/27; accelerating reform of property taxation to leverage this pro-growth and progressive source of revenue; and introducing anti-fraud measures and strengthening the e-tax platform to improve tax efficiency and reduce the size of the informal economy.	
VAT Law Reform	Submit to parliament amendments to the VAT law that simplify the VAT, reduce exemptions, and enhance its efficiency and progressivity, targeting a structural increase in tax revenue of at least 1 percent of GDP on a 12-month basis	IMF will provide support regarding this measure
Streamlining tax exemptions	<ol style="list-style-type: none"> 1- Publish a comprehensive annual tax expenditure report, including details and estimates of tax exemptions and tax breaks broken down by classification, including those provided to companies in free economic zones and to all SOEs, including public sector companies, public business sector companies, military-owned companies, economic authorities, and joint ventures and partnerships. 2- To protect the revenue base, by end-September 2024m MoF will undertake a detailed assessment of the economic and financial benefits of the current freezones and in the meantime will limit any further expansion of freezones until this assessment is conducted. 3- Published an executive regulation to ensure full implementation of the law removing preferential tax exemptions for SOEs 	IMF, OECD, and WB can provide support in this measure.

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Mobilize IPO proceeds	<ol style="list-style-type: none"> 1- At least 50% of all IPO proceeds will be transferred to the State treasury worth 0.4% of GDP in FY23/24, 1% of GDP in FY 24/25 and 0.7% of GDP over the medium term. 2- Establish the Ministry of Finance asset divestiture committee with a target of generating EGP 20-25 billion annually for the treasury over the coming years. This will support and complement our broader efforts to meet the annual divestment targets embedded in the program 	
Public Financial Management (PFM) Law	Enacted executive regulation of the PFM law, including: (i) main elements of the budget calendar starting with the submission and approval of the fiscal strategy paper, (ii) the process to update and publish the MTBF considering the costing of new laws and regulations, (iii) a requirement for all entities to separate the baseline and new policy initiatives, and (iv) a section on climate that would provide a mandate for climate-related activities.	
Public Investment Management (procurement, PPPs, SOEs, utilities)		
2018		
Improve public procurement practices and transparency	<ul style="list-style-type: none"> • 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 and facilitate business participation. According to the last update, GAGS has developed a new e-Portal that will be launched in March 2023. • The MoF started publishing all government procurement contracts above E-GP 20 million monthly. 	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 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		In October 2022, the World Bank participated in a Public Investment Management

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
investments, and improve the quality of public investment portfolio consistent with macroeconomic framework.		Assessment mission led by the IMF. The same mission conducted a climate assessment.
Amend Law no. 67 for 2010		
New Reform Commitments and Initiatives		
General Government Consolidation	<ul style="list-style-type: none"> • Create new national fiscal indicators that will include the general government and economic authorities. These indicators will, over time, include all economic authorities. We will begin this effort in FY 2024/25 with the inclusion of a maximum of 40 economic authorities into the indicator and will gradually expand the perimeter of the indicators by including an additional 5 economic authorities each subsequent year so that all economic authorities are covered by FY 2029/30. This reform will require economic authorities to report semiannually in the first year and then quarterly in subsequent years to the Ministry of Finance. • Introduce binding ceilings on the debt of the entities included in these indicators in the annual budget law, adjustment of which will require parliamentary approval. • Undertaking these reforms will improve transparency in the activities of economic authorities and will be a valuable step in strengthening our ability to monitor their fiscal performance as well as the size of public investment. • In parallel, recognizing that in the steady state only those economic authorities that are nonmarket producers should be included in the general government, we will conduct a sector classification exercise of all 59 economic authorities, in accordance with the concepts and principles in the GFSM 2014 and document the rationale for each classification decision by end-September 2024. 	
Slowdown of public investments	<ul style="list-style-type: none"> • Acute external pressures call for measures to limit the demand on the foreign exchange market. More comprehensive management of the overall public investment portfolio is central to achieving consistency in the macro policy mix. • We have announced measures to slow down projects undertaken by the budget sector that are less than 70 percent complete, have cut funding for budget sector investment in the second half of FY2023/24 by 15 percent relative to the prior year, and have postponed any new projects. To better monitor and control total public investment, the Prime Minister has issued a decree requiring all public entities to report annual projected investment, including projects contracted or undertaken by entities such as the Administrative Capital Urban Development (ACUD), National Urban Community Authority (NUCA), and the Armed Forces Engineering Authority and its affiliates, to a cabinet level committee chaired by the CAO (prior action). The first submission outlining projected investment for FY 2024/25 will be due by April 30, 2024, and then annually by April 30 thereafter. The decree requires all public agencies to report to the committee each October and April all investment spending executed over the periods January – June and July – December, respectively. • Moreover, there is a ceiling on the value of total public investment over the period from January – June 2024 (EGP 350 billion) and another target for FY 2024/25 (EGP 1,000 billion). 	
Expansion of Golden Licenses	<ul style="list-style-type: none"> • To accelerate and streamline procedures that companies must follow when introducing new industrial and infrastructure projects in Egypt, we have been expanding the granting of “Golden Licenses,” which provide one single approval process for potential investors. We intend to further expand the granting of these licenses so that they are available to all commercial entities. 	

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
BUSINESS FRAMEWORK		
Regulations and Institutions		
2018		
Trade		
Implement National Single Window in preparation for Regional Single Window and International Single Window	Rollout of the National Single Window <i>Nafeza</i> is underway in ports and airports since April 2021. Several constraints to the full and effective implementation of <i>Nafeza</i> 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 <i>Nafeza</i> needs to be strengthened by introducing formal lines of control between the governing body and the operating entity. The accountability of the operator to the users and government needs to be strengthened to offer clients and the government the necessary guarantees of quality of service.	The World Bank has a longstanding TA engagement with the customs department focused on trade facilitation.
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	<ol style="list-style-type: none"> 1- Amendments to the Competition Law introduced in December 2022 empower the Egyptian Competition Authority (ECA) by introducing an ex-ante approach to merger control for mergers and acquisitions that meet certain thresholds. 2- The executive regulations for the amendments await Cabinet approval and we aim to complete this step by end-April 2024. 3- Amendments to the Competition Law submitted to Parliament in January 2019 which strengthen the ECA's independence are being revised to address potential constitutionality concerns and we will submit them for Cabinet approval by [end-June 2024]. 4- The ECA is constructing an index which will allow it to track the views of key stakeholders regarding competitive neutrality and identify future reforms to the competitive neutrality framework 5- Publish the executive regulations of the law abolishing preferential tax treatments for SoEs, therefore leveling the playing field with the private sector. The regulations stipulate that all SOEs, including economic authorities and military-owned entities, are subject to the provisions of the law 	
Land Allocation	Streamlining the land allocation process will help improve Egypt as a destination for investment. We [restructured] the system for allocating industrial land, and as of [end-June 2023 we have consolidated] processes that were under the purview of different entities. In addition, to improve transparency, we will create an integrated information system which outlines in one location all the steps involved in the process of all land allocation, including industrial and agricultural land. We will also prepare legislative amendments to facilitate the use of land under investment as collateral for funding.	
Enhancement of Anticorruption Measures	<ol style="list-style-type: none"> 1- Government will continue making progress in line with the National Strategy for Anti-Corruption (2019-2022), as government will plan to issue an amendment to Law 62 of 1975 and its executive regulations aiming to digitalize and automate the submission and processing of asset declaration forms. 2- Planning to require a submission of such forms at least once every three years with the objective of moving to annual submission within the program horizon and to widen their coverage to include top officials in all SOEs without any exclusion, as defined in the state ownership policy. 	

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
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- 3- Plan to publish an annual report that shows the compliance rate with the submission of asset declarations by a group of public-sector employees.

Investor Protection and Dispute Resolution
2018

New Reform Commitments and Initiatives

Investor Protection and Transparency	<ol style="list-style-type: none"> 1- Prime Minister to issue a decree requiring all public entities to report annual projected investment, including projects contracted or undertaken by entities such as the Administrative Capital Urban Development (ACUD), National Urban Community Authority (NUCA), and the Armed Forces Engineering Authority and its affiliates, to a cabinet level committee chaired by the CAO. 2- Publication monthly of all public procurement contracts that exceed EGP 20 million on the E-tenders government procurement portal website Ensure that everyone can access this information without the need to set up an electronic account. 3- Monthly publication on the general government's e-tenders site of all procurement contracts and awards made by the largest 50 SOEs.
Dispute Resolution	<ol style="list-style-type: none"> 1- Enact a law to speed up the resolution of tax disputes, which will provide an additional 0.2 percent of GDP tax revenue for FY24/25.

FINANCING FRAMEWORK
Investment risk mitigation
2018

New Reform Commitments and Initiatives

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.
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.
Strengthening Financial Sector Resilience	<ol style="list-style-type: none"> 1- The CBE is moving forward with the establishment of a bank resolution unit. The CBE will also strengthen transparency and communication of financial sector issues, including through the publication of semi-annual financial stability reports, with translation provided in English, and ensuring all instructions and guidance to banks are undertaken through formal written channels. 2- The CBE will also continue to conduct solvency and liquidity stress tests. They will discuss the assumptions of upcoming stress-tests with the IMF prior to undertaking them, as well as the results 	IMF is providing technical assistance on these issues

Egypt's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Ease of Doing Business	To improve the ease of doing business, customs procedures are transitioning towards a risk-based approach that is helping to reduce import clearance times. To take stock of our progress in this area and assess the scope for further improvements, the Egypt Customs Administration will conduct Time Release Study (TRS) in accordance with the World Customs Organization TRS methodology.	
Mobilization of Private and Institutional Investments		
Progress Made on 2018 Reform Commitments		
Domestic debt market		
Establish Clearing, Settlement and Depository 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 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.
New Reform Commitments and Initiatives		
Use new debt instruments, such as Green Bonds, Sukuk, Panda Bonds, Samurai Bonds, Sustainable Bonds...etc.	<ul style="list-style-type: none"> Egypt is planning to diversify its financing tools and instruments to include sustainability linked bonds over the medium term, with ticket sizes of no more than \$1.5 billion. 	
High levels of primary surplus	<ul style="list-style-type: none"> We are targeting a primary surplus of 2.5% of GDP for FY23/24 including the treasury's share from the IPO proceeds (around 0.4% of GDP). This excludes the treasury's share from the Ras ElHekma deal. In FY24/25, we are targeting a primary surplus of 3.5% of GDP excluding any IPO proceeds. We are targeting to keep the 3.5% of GDP target over the medium term. 	
Debt ceiling	<ul style="list-style-type: none"> We are committed to a ceiling on the budget sector's gross debt with the aim of bringing it below 90 percent of GDP by end-FY 2025/26. 	
Guarantees	<ul style="list-style-type: none"> To further strengthen control of fiscal risks from off-budget activity, we will ensure that the stock of government guarantees relative to GDP will stabilize for the remainder of the current fiscal year at their end-September 2023 level and decline as a percent of GDP starting from end-June 2024 (indicative target). 	

ETHIOPIA

Ethiopia's Reform Commitments and Initiatives (2023)	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	<p>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.</p> <p>In 2022, the government reported that the NBE adopted a Roadmap to Modernize the Monetary Policy Framework, which also facilitates 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).</p>	
Stabilize and improve external debt distress rating and government budget deficit	<p>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.</p> <p>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.</p>	
New Reform Commitments and Initiatives		
Domestic Revenue Mobilization		
Progress Made on 2018 Reform Commitments		
Introduce improved tax collection and other tax transformation reforms for increased share of domestic tax revenue.	<p>Domestic revenue mobilization reforms seek to ease tax compliance, rationalize tax exemptions, expand the tax base, and reduce distortionary effects of trade taxes.</p> <p>In 2021, the government reported that a new excise tax law was 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</p>	

Ethiopia's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
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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	<p>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).</p> <p>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.</p>
Introduce a comprehensive legal regime that governs PPPs. Ensure PPP contracts largely use standard clauses.	<p>PPP regulatory framework and implementation guidelines. Ratification of the SOE privatization proclamation.</p> <p>In 2022, the Government reported that all PPP legal frameworks had 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</p>
Expand productive infrastructure for business competitiveness.	<p>Decision to open in the telecom and energy sectors to private and foreign participation.</p> <p>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.</p>

New Reform Commitments and Initiatives

BUSINESS FRAMEWORK

Regulations and Institutions

Progress Made on 2018 Reform Commitments

Ethiopia's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
Enhance the ease of doing business in Ethiopia through trade logistics and business regulation reforms.	<ul style="list-style-type: none"> 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 World Trade Organization accession	Ethiopia ratified the AfCFTA protocol. Accession to World Trade Organization under negotiation	
New Reform Commitments and Initiatives		
Investor Protection and Dispute Resolution		
Progress Made on 2018 Reform Commitments		
Target investor recruitment in priority manufacturing, industrial park, energy generation and logistics services sectors.	<ul style="list-style-type: none"> New investment law (more open to private sector and foreign investors than before). <p>In 2022, the government reported:</p> <ul style="list-style-type: none"> 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 economic sectors except a few. 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	<p>Ratification of New York Convention.</p> <p>In 2022, the government reported that the New York Convention has been ratified and that investor grievance management practice is developed.</p>	
New Reform Commitments and Initiatives		
FINANCING FRAMEWORK		
Investment Risk Mitigation		
New Reform Commitments and Initiatives		

Ethiopia's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
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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
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New Reform Commitments and Initiatives	
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GHANA

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
MACROECONOMIC FRAMEWORK					
Ensure Macroeconomic Stability and Debt Sustainability	Continue fiscal consolidation efforts: i) Constrain expenditures within budgetary limits to reduce expenditure overruns.	<p>Fiscal deficits below 5 percent in 2018 and 2019, in line with Fiscal Responsibility Act. Higher fiscal deficit (excluding Energy and Financial sector related costs) of 11.5% of GDP in 2020 reflects 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% 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% of GDP amidst the twin global shocks namely the Russia-Ukraine War and COVID-19 Pandemic.</p> <p>The implementation of the 2023 budget witnessed significant progress in the fiscal consolidation process to improve the fiscal balance to sustainable levels over the medium-term. The fiscal deficit 2023, based on provisional data, was 3.3% of GDP outperforming the targeted deficit of 6.4 percent of GDP.</p>	<p>Fiscal consolidation was achieved through continued structural fiscal reforms, legislation of new revenue policy initiatives, particularly on the back of Government's digitalisation agenda, and expenditure rationalisation and reforms, among others.</p> <p>Government's macroeconomic policies under the IMF-supported PC-PEG programme, coupled with structural reforms and debt restructuring, are delivering positive outcomes. The fiscal consolidation strategy is to progressively improve the fiscal balance to sustainable levels over the medium-term through the implementation of revenue enhancing and expenditure rationalisation measures, as well as the implementation of macro-critical structural reforms to address structural bottlenecks and improve competitiveness and efficiency.</p> <p>The Ministry of Finance contracted PwC to undertake an independent review of Earmarked Funds in</p>	<p>Implement an IMF-supported programme</p> <p>The following key measures will be implemented in line with the IMF supported PC-PEG programme to support the Government's fiscal consolidation process:</p> <ul style="list-style-type: none"> - Implement Government's strategy to streamline earmarked funds to improve operational efficiency of each to ensure value for money and reduce budget rigidities. - Development of a centralized inventory of all ongoing and planned public investment projects: - Enabling "Blanket Purchase Agreement" to fully capture multi-year commitments / contracts in GIFMIS - Integrate HRMIS with GIFMIS and the Payroll system to strengthen control on "ghost names," promotions, hiring and payroll costs. 	<p><u>Ongoing</u></p> <p>IMF support for:</p> <p>i. technical assistance on arrears clearance and Commitment Control</p> <p>ii. Technical assistance on Tax Policy</p> <p>AfDB support for Non-Tax Revenue enhancement:</p> <ul style="list-style-type: none"> - 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 <p>Past</p> <p>IMF support for:</p> <p>i. Technical assistance on arrears clearance and Commitment Control</p> <p>ii. Technical assistance on Tax Policy</p>

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
			<p>accordance with (ACT 947) and propose specific implementable recommendations for the consideration of Cabinet.</p> <ul style="list-style-type: none"> - Earmarked Funds Review Strategy was developed and approved by Cabinet in September 2023. 	<ul style="list-style-type: none"> - Align the quarterly allotments with a cash forecast and tighten the use of allotments as a control on the GIFMIS rather than the budget (starting from Q1-2024). <p>Implement 7-point agenda of the post-COVID-19 Programme for Economic Growth (PC-PEG). These include an agenda to:</p> <ul style="list-style-type: none"> • Streamline and rationalise expenditures; - Integrate public procurement approval processes with GIFMIS to ensure that projects approved are aligned with budget allocation; - Review key government programmes to reflect relevance, promote efficiency, and ensure value for money; an - 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 	

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
	li) Pursue a primary surplus to reduce the debt accumulation rate.	<p>Primary surpluses of 1.9 and 0.9 % of GDP in 2018 and 2019, respectively. The primary deficit in 2020 inched up to 5.2% 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% of GDP and 0.9%, respectively.</p> <p>Provisional data for 2023 indicates that, the primary balance on commitment basis (main fiscal anchor) was a deficit of 0.3% of GDP, below the target deficit of 0.5 percent of GDP reflecting improved revenue performance and higher spending efficiency.</p>	<p>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.</p> <p>The primary balance on commitment basis has been programmed to improve from a deficit of 0.3 percent of GDP in 2023 to a surplus of 0.5 percent of GDP in 2024 representing a fiscal effort of 1.0 percentage point of GDP over the period. The primary balance is further expected to increase to 1.5 percent of GDP in 2025. This is meant to slow the rate of debt accumulation and improve access to credit to the private sector.</p>	<p>Amendments to the Fiscal Responsibility Act to improve fiscal discipline considering the following:</p> <p>(i) Design of new fiscal rules; and</p> <p>(ii) A revised framework for the Fiscal Advisory Council ensuring its independence.</p>	

Ghana					
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	iii) Pursue domestic debt re-profiling to lengthen the maturity profile, reduce rollover risks and cost of credit.	<p>IT Equipment for the Migration of CS-DRMS to Meridian has been procured and delivered to the Treasury and Debt Management Division.</p> <p>Contract for the preparation of Standard Operating Procedure (SoP) has been signed and commenced as at end January 2024. The SOP is to document the Division's procedures and align the Division's operations with best practices.</p> <p>RFD evaluation on the following consultancy services have been conducted and contracts are yet to be awarded to vendors;</p> <p>i) cash management functions of TDMD by enhancing the TSA operations, effective forecasting and cash management operations for Government,</p> <p>ii) capacity building on liquidity forecast, banking arrangements and operations for treasury management,</p> <p>iii) capacity building in debt management in line with the Public Financial Management Act, i</p> <p>v) debt reporting and reconciliation.</p>			<p><u>Past</u></p> <p>World Bank GEMS-TA</p> <p><u>Ongoing:</u></p> <p>World Bank DPO Series to improve debt management and transparency</p> <p>AfDB support:</p> <ul style="list-style-type: none"> - Procurement, Delivery and Installation of IT Equipment for the Migration of CS-DRMS to Meridian - Consultancy services: i) Development of Standard Operating Procedures (SOPs) for TDMD, ii) cash management functions of TDMD by enhancing the TSA operations, effective forecasting and cash management operations for 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) filing/documentation of loans <p>- Medium Term Debt Management Strategy (MTDMS) and publication of debt reports and borrowing</p>
	iv) Re-Development of the Domestic Securities Market post Domestic Debt Restructuring Programme (DDEP)	Government securities issuances have been on the short end (Treasury Bills- 91,182 and 364-day bills) as a result of the Domestic Debt Exchange Programme.	Re-development of the bond market in the Medium-to-long term.		

Ghana					
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					plans US Treasury Support i. 'The United States Treasury Office of Technical Assistance (US-OTA) has dispatched an Embedded Advisor on a technical support programme to assist the Treasury and Debt Management Division on areas that needs to be improved in the Domestic Securities Market. ii. Ten (10) Graduate Interns of TDMD being supported by the US Treasury through USAID.
Increase Domestic Revenue Mobilization	Simplify tax administration to boost domestic revenue through voluntary compliance				

Ghana					
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	i) 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).	<p>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 Value Added Tax Act, 2013 (Act 870) published on GRA website.</p> <p>ii. The published abridged version of the Excise Tax Stamp Act replaced the published abridged version of the Revenue Administration Act on the GRA website.</p>	<p>i. Practice Notes and guidelines on specialised tax handles have also been published on the GRA website. These include the Transfer Pricing Regulations, 2020,</p> <p>ii. The list of DTAs currently in force in Ghana are also published on the GRA website</p> <p>iii. The Exemptions Implementation Guidelines were published on the MOF website.</p>	<p>Government commits to develop and publish:</p> <p>i. A Double Taxation Agreement (Policy and Manuals for negotiation and administration. This seeks to improve governance and promotes transparency, accountability, trust, compliance, empowerment, and education regarding data handling practices, benefiting both the government and the public.</p> <p>ii. Detailed Annual Tax Expenditure reports. This is to meet the PFM requirement and ultimately improves trust and accountability in the governance process. It is also to meet international best practice</p> <p>iii. Develop a repository/database of tax expenditures</p>	<p><u>Past</u> Support development of simplified versions of tax laws (Germany, Switzerland, Netherlands, Netherlands under Good Financial Governance Programme)</p> <p><u>Ongoing</u> FCDO - Business Enabling Environment Programme i. FCDO - Ghana Revenue Reform Programme ii. Germany - DTA Policy Manuals under the GoVID/ PAIReD Programmes Governance for Inclusive Growth, development of abridged versions of tax laws, upgrade of customs laboratory, Construction of IT training institute iii World Bank - tax expenditure repository</p> <p><u>Future</u> IMF</p> <p>AfDB support (FISCERP Budget Support) - MTRS -E-VAT invoicing - Environmental Fiscal Reform - Tax exemption reports (publication) - Coverage of IGFs in GIFMIS</p>

Ghana					
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	ii) Provide simplified record-keeping systems for the determination and payment of taxes and filing of returns.	i. The record keeping has been 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. Currently, the iTAPS has been replaced with Ghana Integrated Tax Management Information System (GITMIS) for tax administration and filing of returns. ii. A USSD code has also been developed for simplified payment of taxes ii. The GRA taxpayers portal has also been developed for the filing and payment of taxes. (taxpayersportal.com)		to develop a new tax adminstration system to be functional from the 2025 fiscal year (iTax). The objective of the iTax is to make GRA process more efficient and better technologically with better intergation systems for tax administration improvements.	<u>Past</u> i. Support the roll-out of simplified business record keeping (Germany, Switzerland, Netherlands, Netherlands under Good Financial Governance Programme) ii. USAID - Governance Programme iii. World Bank - GEMS-TA for improved taxpayer database and data warehouse
	iii) Provide software to taxpayers for tax calculations	A tax calculator has been developed and is available on the GRA website to aid on tax calculations			
	iv) 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 GITMIS replaced this)			
	v) Provide additional specialized cargo examination bays.	This was suspended due to the unavailability of partner support.			Partner support needed

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		<p>i. The GRA data warehouse project has been completed.</p> <p>ii. The Exemptions Act, 2022 (Act 1083) has been passed and is operational. Exemption implementation guidelines were developed based on the Exemptions Act; this has been published on the MOF website.</p> <p>iii. Currently, the Customs Management System - ICUMS is used to process exemption requests online.</p> <p>iv. A Free Zones Monitoring Unit has been established within GRA.</p> <p>v. A draft Environmental Fiscal Reform (EFR) Policy has been developed, as well as a draft Ghana Green Fund legislation were developed.</p> <p>vi. Guidelines for the taxation of the night economy were developed, and a monitoring team established and is operational.</p>	<p>i. Technology improvement Programme</p> <ul style="list-style-type: none"> Expand the data warehouse project to interface with additional data sources Develop systems for monitoring Gaming and Betting and Quarrying and Salt Mining -The E-VAT system, Enhance Audit Capacity (CbCR), HNWI policy, EIFRA <p>ii. Improve Tax Exemptions Administration</p> <ul style="list-style-type: none"> Develop Regulations and Administrative Guidelines for the Exemptions Act Develop and implement and exemptions management system <p>iii. Establish an integrated free zone monitoring Unit</p> <p>iv. Review and implement an environmental reform policy</p> <p>v. Develop and implement guidelines for taxation of the night economy</p> <p>vi. Strengthen the legal and regulatory framework for Non-Tax Revenue (NTR) mobilization through:</p> <ul style="list-style-type: none"> 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 (SOP) manual for the Unit. 	<p>Strengthen the legal and regulatory framework for Non-Tax Revenue (NTR) mobilization through:</p> <ul style="list-style-type: none"> a. Developing an overarching Non-Tax Revenue (NTR) Legislation; b. Developing an NTR strategic framework to guide policy formulation and implementation; c. Reviewing key NTR Agencies' revenue efficiency and developing a Standard Operating Procedures (SOP) manual for the Unit. 	<p><u>Past</u> World Bank GEMS - TA FCDO</p> <p><u>Ongoing</u> AfDB under the Strengthening Institutional Capacity for Domestic Resource Mobilisation and Economic Management Project</p> <p><u>Future</u> GiZ, World Bank</p>

Ghana					
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		<p>i. The 10-Pillar Technology Transformation Programme has been completed</p> <p>ii. A Special Voluntary Disclosure Programme will be launched in March 2024</p> <p>iii. The first phase of the E-VAT invoicing under the 10-Pillar TT Programme commenced in 2022, with about 60 taxpayers onboarded onto the E-VAT system. The second phase is scheduled to begin in 2024 with the onboarding of an additional 600 taxpayers, and in the medium-term, an additional 2000 taxpayers will be onboarded onto the system.</p>	<p>i. Under the SDFP, priority actions (PPAs) were agreed upon to improve domestic revenue 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.</p> <p>ii. Implemented 10-Pillar Technology Transformation Programmes comprising:</p> <ul style="list-style-type: none"> - 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 	<p>i.. Implementation of the Unified Property Rate Platform programme in 2023; The Unified Common Property Rate Platform also known as Myassembly.gov.gh is a complete end-to-end district revenue collection and administration platform designed to enhance the collection and accounting of property rates. It was intended to be linked to the Ghana.gov.gh payment platform to make revenue collections processes more seamless</p> <p>Update: The Unified Property Rate Platform has been developed but currently on hold and not being used pending policy review. A policy reversal on planned rates collection based on revenue sharing formula requires that assemblies continue with their respective revenue collections while remedial measures are being put in place under the ghana.gov or digital solution platform.</p> <p>ii. Develop and implement a Medium-Term Revenue Strategy (MTRS) (2024-2027). The MTRS provides a framework to deliver effective tax system reforms. The Ghana MTRS</p>	


Ghana					
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				<p>is a high-level roadmap of reforms covering 2024-2027 fiscal period, reforming policy, administration, and legal frameworks of the country's revenue system</p> <p>Update: the MTRS has been developed, approved, and published on the MOF website. The short-term strategies outlined in the strategy document served as the basis for the 2024 revenue measures contained in the 2024 Budget. The 2024/short-term strategies are at various stages of implementation.</p>	

Ghana					
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Ensure Sound Public Investment Management	Implement and maintain a Public Investment Management (PIM) framework.	<p>i. Passage of State Interest and Governance Authority (SIGA) bill into law (June 2019) ensuring SOEs adhere to good corporate practices to promote growth of industry and commerce. 666 SIGA is fully functional. 666 ii. Prepared and published Annual State Ownership Reports from 2016 to 2021. iii. SIGA signs performance contracts with SOEs annually iv. The 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. This is on-going. v. Passage of Public Financial Management (Public Investment Management) Regulations, 2020, L.I. 2411</p>	<p>i. Under the SDFP, priority actions (PPAs) were agreed upon to support the preparation of a State Ownership Policy, setting the principles for public investment / divestment in SOEs. 666 ii. The State Ownership Policy has been approved by the Cabinet. 666 iii. Guidelines for the preparation and appraisal of public investment projects approved and under implementation. iv. Guidelines for development of the Public Investment Plan (PIP) approved and under implementation. v. Public Investment Programme Working Committee established to appraise project documentation and recommend investment projects for approval vi. 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</p>	<p>i. Pursue major structural reforms in the Public Sector by continuing with the portfolio review of the State's equity stake in Specified Entities, which is made up of SOEs, Joint Venture Companies (JVCs), Other State Entities (OSEs) and Minority Interests. Recommendations emanating from the portfolio review will likely fall into one of the following categories: (a) Listing on the stock exchange (b) Disposal of GoG's share (c) Divestiture (d) Liquidation (e) Merger (f) Recapitalisation ii. Development of National Asset Management Policy ongoing iii. Development of additional Sector Specific Methodologies in multi modal Transport (Aviation, Rail), Sea Defence / Drainage, Tourism and Communication / Technology (ICT) to improve the efficiency of public investment projects iv. Development of the Integrated Bank of Projects System</p>	<p>Past World Bank, Ghana Economic Management Strengthening Project Ongoing AFD - GHASORG Project</p>

Ghana					
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	Enact the Public Private Partnership (PPP) Law and develop Regulations for the operationalization of the PPP Act after its passage.	<p>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.</p> <p>ii. The Public Private Partnership Committee was established to consider requests of contracting authorities to undertake public private partnership projects.</p> <p>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 as well as the implications of the project with respect to the Viability Gap Facility.</p> <p>iv. Complaints Panel was established to address complaints in relation to the bidding process. It is chaired by a Supreme Court Judge.</p> <p>v. The Viability Gap Facility was established to provide funding support for economically viable projects that are not financially viable.</p> <p>vi. Project Development Facility established for Feasibility Studies for pipeline conventional projects and PPPs</p> <p>vii. PPP Regulations submitted to Parliament for consideration.</p> <p>viii. 2021 and 2022 Annual Reports on PPP submitted to Parliament and published to promote transparency and accountability.</p> <p>ix. Developed the Standard Bid Documents (RfQ & RfP) and the Standard Framework Agreement for national PPPs projects.</p>	<p>i. Develop the Standard Bid Documents (RfQ & RfP) and the Standard Framework Agreement for local government PPPs.</p>	<p>Develop PPP Guidelines, and Manuals</p> <p>Develop Standardized Agreements and Bidding Documents for PPPs</p> <p>Develop a pipeline of viable projects to attract private investors (incl PPP)</p>	<p><u>Past</u> World Bank supported drafting of PPP Bill</p> <p><u>Ongoing</u> World Bank GETP</p> <p><u>Future</u> World Bank to support work on PPP regulations, guidelines, and manuals, including long-term finance, VGF, Project Pipeline Standardised Documents and Capacity Building</p>

Ghana					
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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.	<p>Total renewable energy generation (excluding Hydro) has almost doubled from 22.6MW at the beginning of 2018 to 42.6MW in 2020. In 2022, the total installed capacity reached 151MW representing 3% RE in the generation capacity.</p> <p>Additional 165MW solar PV plant is under construction by VRA and BPA and expected to be completed by 2023.</p>	Additional 165MW solar PV plant under construction by VRA and BPA and expected to be completed by 2024		<p>'Past: i. AfDB- Electricity Distribution System Reinforcement and Extension Project (EDSREP) completed in January 2023 has contributed in (i) reducing the distribution system losses (technical and commercial); (ii) reducing the frequency and duration of outages; and (iii) improving the voltage level at the end user's level, (iv) extending the distribution system in peri-urban and rural areas and in remote areas where it is not economically viable to extend the distribution system, the project deployed solar Photo-Voltaic (PV) systems to connect public entities and households as well as capacitating the Ghana energy sector institutions through various training activities. Further, the EDSREP project undertook various 10 hydro studies which provided good background data for the current SREP project under the SE4ALL initiative.</p> <p>Ongoing: i. AfDB - Mini Grid and Net Metering project being cofinanced by AfDB, SECO and CIF (Impact: a.</p>

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					<p>increase access to clean and reliable electricity services and support low carbon socio-economic development, and b. support Ghana in the electrification of island communities that account for the remaining 15% in achieving universal access to electricity by 2030. (i) Increased Renewable Energy in the Energy Mix, (ii) Greenhouse Emissions Avoided, and (iii) Climate proof Renewable Energy Generated)</p> <p>ii. Germany - Reform and Investment Partnership, Pilot Photovoltaic Project, Renewable Energy and Energy Efficiency for the Public Sector (REEEPublic), Market Entry into RE and EE for the Productive Sector</p> <p>iii. Switzerland</p> <p>iii. World Bank - DPO support and Technical Assistance</p> <p>iv. Germany - Government Goes Solar, Green Credit Line</p> <p><u>Future</u></p> <p>i. World Bank - DPO support and Program for Results (P4R)</p> <p>ii. SE4ALL supporting Ministry of Energy to develop Investor-friendly Energy Transition Plan</p>

Ghana					
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Improve the financial health of the energy sector: 					
i) Implement the Cash Waterfall Mechanism (CWFM) (The CWFM is a transparent system to ensure that all stakeholders in the power supply chain benefit fairly from the total revenue collected by ECG and VRA (from its deregulated market, including its foreign sales) in a transparent manner).		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.	The PURC has adopted the multi-year tariff order (MYTO) and approved the tariff in September 2022 and committed to quarterly tariff adjustment. The 2022-2025 major tariffs review decision has been published and available on PURC website		Ongoing World Bank - Ghana Energy Sector Transformation Initiative Project
iii) 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.	PURC gazetted the Net-metering tariff guideline and Reckoner for customer-generator bill calculation.	
BUSINESS FRAMEWORK					

Ghana					
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Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
liable Regulations and Institutions	Update Ghana's business legal and regulatory framework to reflect new trends in business practices.	<p>i. Passage of Companies Act of 2019 (Act 992) streamlining business registration and operations as well as establishing an autonomous Office of Registrar of Companies (ORC) with the governing board.</p> <p>ii. Corporate Restructuring and Insolvency Act, 2020 (Act 1015) assented by President on April 30, 2020. This legislation introduced a rescue culture of administration and restructuring options for businesses. Hitherto, the only option was official or compulsory liquidation of companies. It has helped in managing financial distress, protecting stakeholders, protecting entrepreneurship and providing confidence for foreign direct investors.</p> <p>iii. The Office of the Registrar of Companies is in operation. - Strategic Document for the next 5 years, Organizational Manuals and Decoupling Plan almost complete for approval to complete the final decoupling of the ORC from RGD to enhance the ease of doing business. The ORC will concentrate on business entity registration, administration and promote sound corporate governance principles.</p> <p>iv. A new Insolvency Services Division (ISD) is being set up, and new Insolvency Practitioners were inducted. The ISD will oversee the Administration, Restructuring and Insolvency proceedings of companies.</p> <p>v. VVIP services commenced in November 2023 for expedited services with application processing time reducing considerably and registration documents received within 24 hours. This has led to significant improvement in customer service experience and satisfaction.</p> <p>vi. New Software for the registration processes</p>	<p>i. Development and approval of the Regulations for the Companies Act 2019 (Act 992). - Regulations for the Companies Act 2019 (Act 992) passed on October 31st, 2023. (Companies Regulations 2023 L.I.2473. This will provide full implementation of the Companies Act 2019 and bring about certainty and clarity of the registration requirements.</p> <p>ii. Development and approval of the Regulations for the Corporate Insolvency and Restructuring Act 2020 (Act 1015) - Regulations for the Corporate Insolvency and Restructuring Act 2020 (Act 1015) being developed by consultant. It is expected to be completed and laid before Parliament by the end of May 2024. This should enhance the full operationalisation of the new Insolvency Services Division.</p> <p>iii. Development of Special Economic Zones (SEZ) Policy underway to provide a clear, concise framework for developing industrial and other related land and infrastructure for and with the private sector.</p>	<p>i. Special Economic Zones (SEZ) Act to be promulgated</p> <p>ii. Special Economic Zones Authority to be established.</p> <p>iii. Competition Act to be passed</p> <p>iv. Consumer Protection Act to be passed</p>	<p><u>Past</u></p> <p>i. IFC - TA support ii. DFID/FDCO - Business Enabling Environment Programme (Support to Better Business Regulations Strategy)</p> <p><u>Ongoing</u></p> <p>World Bank GETP ACP Trust Fund Implementation (EU Funded)</p>

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		<p>complying with best practices is being developed for better efficiency. The software will be integrated with institutions for ease of doing business ie. GRA (TIN), NIA (Identify verification), Ghana Post (Postal and digital address), BoG Collateral Registry (Security Interest in collateral created), Local Government (Business operating permit) Ghana.gov (online payments), Judiciary (Directors charged with fraud and dishonesty) and GIPC (investment promotion). The software will revolutionize the way of doing business as processes will be fully automated and accessible online.</p> <p>Ongoing training of staff –(Internal) Company Inspectors, Lawyers, Customer Services & External stakeholders, Practitioners etc.</p> <p>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 a Cargo Time Release Study which will provide recommendations for areas to be streamlined along the chain.</p> <p>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 as well as 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.</p> <p>ix. Ghana Standards Authority Act, 2022 (Act 1078) passed to amend and consolidate the law relating to</p>	<p>iv. Strengthening Anti-Money Laundering (AML) and Terrorism Financing (TF) regime.</p> <p>v. 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.</p> <p>vi. Migration of the current e-Registrar onto the G-Cloud for efficient service delivery before the final development and deployment of the new registration software</p> <p>vii. Development of a Manual that establishes a standardized and acceptable criterion for the review/amendment/repeal of business-related laws and regulations in Ghana.</p> <p>viii. Passage of a Business Regulatory Reform Commission Bill to enforce the use of BRR regulatory governance tools and risk management mechanisms such as Regulatory Impact Assessment (RIA), use of the Ghana Business Regulatory Reform portal for public engagements on business-related policy, legal and</p>		

Ghana					
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		<p>standardization, conformity assessment and metrology and to provide for related matters.</p> <p>x. National MSME and Entrepreneurship Policy approved and launched in 2020 to provide the necessary regulatory, institutional, legal, and administrative framework for the growth and development of the MSME sector.</p> <p>xi. Ghana Enterprises Agency Act, 2020 (Act 1043) passed to promote and develop MSMEs in Ghana and provide for related matters.</p>	<p>regulatory changes). The BRR Bill shall establish a Business Regulatory Reform Commission which shall facilitate the ideals of the Business Regulatory Reforms by promoting an improved business regulatory environment in Ghana with simpler, transparent, and predictable rules and processes.</p>		

Ghana					
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	Development and deployment of an online interactive portal for public-private consultations and e-registry of business-related laws and regulations that are in force in Ghana.	i. Ghana Business Regulatory Reforms Portal (GBRRP) which comprises the consultation portal and e-Registry of business laws and regulations was launched on August 26, 2020. 666 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, as well as promote dialogue and feedback between government and all its stakeholders to enhance quality of government programmes and service delivery. 666 iii. Technical Assessment of the websites/web-systems of 20 public institutions completed. Actual integration of the GBRRP with the institutions is expected to be completed before the end of December 2023. iv. Reforms Monitoring and Progress Tracking System developed and fully functional. Capacity of Seventy (70) officers from the thirty-four (34) institutions built as end-users of the System to effectively track and report on progress of reform activities.	Back-end systems integration of the GBRRP with the web-systems of 20 selected public institutions	i. Development and deployment of an online/web-based Reform Management and Progress Tracking System to track the progress of implementation of reforms. ii. Rolling review (Review of Business laws, policies etc. and disseminate information on policy reforms)	

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
	<ul style="list-style-type: none"> • 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. 	<p>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.</p> <p>ii. Development of online Fire Permit and Certification Management System (FP&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.</p> <p>iii. Review of the EPA Act 1994 (Act 490) and the Regulations</p> <p>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.</p> <p>v. Steering Committee of Heads of Development Permit Institutions established to help improve time it takes to issue development permit in Ghana.</p>	<p>i. Full automation of the fire permit acquisition processes</p> <p>ii. Continue automation of the law courts to improve the turnaround time for dispute resolution.</p>	<p>i) Design, development, and deployment of a Unified Digital System for application, processing and issuance of development and related permits in Ghana.</p>	

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
	Conduct Cargo Time Release Study which will provide recommendation for areas to be improved in Ghana's ports and land borders	<p>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.</p> <p>GRA-Customs in collaboration with Ministry of Trade and Industry (Business Regulatory Reforms unit and Trade Facilitation) has completed the Time Release Study and published.</p> <p>Action plan to implement the recommendations has been developed.</p>		<p>i. Enhance electronic payment channels within ICUMS to provide instant payment notification to all fee-charging institutions at the port to facilitate port processes.</p> <p>ii. Institute and conduct periodic surveys (quarterly) and opinion polls on concerns related to the delivery of ports and customs services.</p>	<p>Ongoing</p> <p>USAID</p> <p>World Bank GETP</p> <p>GIZ</p>
Investor attraction, protection, and dispute resolution:			<p>i. Development and implementation of an Investor Grievance Mechanism- A platform for investors to voice concerns and seek redress for grievances encountered during their operations in Ghana.</p> <p>- expected to be completed by the end of Q3 2024</p> <p>ii. Development of Customer Relationship Management System (CRM) for enhanced Investor relations. The CRM will offer support, clear communication channels, and timely updates to investors. CRM will help manage the workflow from the initial stage of lead identification through to the establishment of an investment and provide aftercare services, monitoring investors and investments, among others.</p> <p>- expected to be completed by the end of Q2 2024</p>	<p>i. Amendment of GIPC Act and/or</p> <p>- ongoing - the Bill is at the Committee stage for consideration in Parliament</p> <p>ii. Adoption of a new Investment Code - Work has started on this in 2023 - Paper drafted on adopting an investment code for a holistic view on investment in Ghana (February 2023)</p> <p>- TOR for engaging a consultant to develop an Investment Code has been drafted as of February 2024</p> <p>iii. Institute a quarterly investment roundtable to resolve investor issues</p> <p>- similar objective is being achieved currently through GIPC's Aftercare division, GIPC's CEOs Quarterly Breakfast meetings, Inter-</p>	<p>Future</p> <p>World Bank GETP</p> <p>USAID</p>

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
			<p>iii. Development of Case Management Systems to fully automate District courts in Ghana. - the system will cover the full cycle of civil and criminal case adjudication, including electronic filing of a case to the time a final decision is issued, case assignment, preparation, and dissemination of key court documents (e.g., warrants, subpoenas, orders, etc.), the scheduling of hearings, judgement delivery and electronic payment platforms.</p> <p>iv. Passage of the Business Regulatory Reform Commission, 2024 to enforce the use of regulatory governance tools and risk management mechanisms. This will be done by simplifying the existing regulatory procedures and removing procedures that unnecessarily impede business growth.</p>	<p>agency dialogues.</p> <ul style="list-style-type: none"> - The CEOs quarterly breakfast meeting provides a platform for investors to voice their concerns and government to update investors on government policies and initiatives impacting the business environment. -The Aftercare Division offers ongoing support to investors by assisting with regulatory procedures, navigating the business landscape, and collaborating with other agencies and regulators to solve challenges for investors. -Inter-Agency Dialogue provides a platform to foster cooperation among various government agencies by streamlining processes and supports investors needs by facilitating communication and collaboration among relevant ministries and departments. <p>iv. Establish an integrated IT solution for a one-stop shop investor support services</p> <p>v. Provide comprehensive and continuous advisory services to investors to facilitate prompt implementation of business</p>	

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
				<p>projects</p> <p>vi. Ten (10) Sectorial Technical Working Groups (TWGs) were established to identify areas of reforms by Government institutions. The TWG, which is constituted across the following ten business environment thematic areas, is to facilitate the implementation of reforms that reduces red tapes, regulatory compliance burdens, and improves transparency and efficiency of regulatory services:</p> <ol style="list-style-type: none"> 1. Starting a Business 2. Dealing with Construction/ Development Permits 3. Utility Connections 4. Business Insolvency 5. Financial Services 6. Taxation 7. International Trade 8. Labour 9. Market Competition 10. Dispute Resolution <p>The TWGs chaired by the private sector and made up of government, Business Executives and representatives of Domestic/ Foreign Business Associations and Chambers, Academis, Think Tanks and Professional Bodies,</p>	

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
			<p>Implementing a 10-point industrial transformational agenda, including:</p> <ul style="list-style-type: none"> - One District One factory - Strategic Anchor Industries - Industrial Revitalisation Programme - Improving Public-Private Dialogue 	<p>Develop PPP Guidelines, and Manuals</p> <p>Develop Standardized Agreements and Bidding Documents for PPPs</p> <p>Develop a pipeline of viable projects to attract private investors (incl PPP)</p>	<p>Ongoing</p> <p>World Bank GETP (supporting Public-Private Dialogue)</p> <p>FCDO - Jobs and Economic Transformation (JET)</p> <p>GIZ</p> <p>ILO</p> <p>Future</p> <p>New World Bank loan - Jobs for Youth through Competitiveness and Entrepreneurship project</p>
			<p>Implementing the GhanaCARES programme 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 etc.</p>		<p>Ongoing</p> <p>AfDB - Post COVID Recovery Program. (Outcome. To contribute to Ghana's Post-Covid-19 recovery through restoration of livelihoods and the creation of jobs among youths and women.) (i) Improved enrolment capacity in TVET in targeted districts, Increased employment opportunities among women and youths for restored livelihoods, and (iii) Improved efficiency and timeliness in processing of small loans to MSMEs by MASLOC for greater financial inclusion)</p>

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
			Develop relevant market demand driven technical skills for the job market and enhanced entrepreneurship		<u>Ongoing</u> World Bank Job and Skills Project Germany (KfW and GiZ) EU (Pact for Skills) <u>Future</u> New World bank loan - Jobs for Youth through Competitiveness and Entrepreneurship project
FINANCING FRAMEWORK					

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
Investment Risk Mitigation	Develop de-risking instrument to leverage private investment including renewable energy (RE), energy efficiency, and agricultural lending (GIRSAL - Ghana Incentive-Based Risk-Sharing System for Agricultural Lending)	<p>i. Financial sector clean up implemented and bailout implementation is ongoing to ensure a vibrant financial sector.</p> <p>ii. The minimum capital requirement for banks was increased to GH¢400 million from GH¢120 million (end 2018);</p> <p>iii. Ghana joined the Asian Infrastructure Investment Bank (AIIB) and the Africa Trade Insurance (ATI) to leverage private capital for infrastructure development</p> <p>iv. Ghana Infrastructure Investment Fund (GIIF) is providing support for infrastructure development</p> <p>v. Ghana Exim Bank is providing support to private companies to boost production for exports</p> <p>vi. Venture Capital Trust Fund provides financial resources for the development and promotion of venture capital financing for SMEs.</p>	<p>i. Government is working to reform the Ghana Amalgamated Trust (GAT) to support any future intervention in the financial sector through a market-oriented approach.</p> <p>ii. Instituting 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 Green Credit Line, etc. DBG provides loans to commercial banks and other financial institutions in Ghana, for on-lending to SMEs.</p> <p>iii. DBG Guarantee (DBGG)- formally PCG Facility. It seeks to increase SMEs' access to affordable and appropriate credit, with special attention for underserved groups such as women owned businesses (financial impact and additionality). DBG Guarantee seeks to increase SMEs' economic output, productivity, and job creation with special attention to environmentally and socially sustainable production and green sectors (economic impact and additionality). (new rendition)</p> <p>iv. Ghana Commodity Exchange</p>	<p>i. Embark on comprehensive capacity development in the area of financial risk mitigation including partial risk guarantee</p> <p>ii. Establish a Domestic Credit Rating Agency to reduce information asymmetry between market participants (borrowers, lenders, and regulators), promote credit-culture, risk-based lending, and pricing of debt instruments. This will help promote market transparency and discipline and facilitate independent rating of regulated financial institutions and other corporate entities and issuers, facilitate investment decisions by helping investors achieve a balance in the risk-return profile and assist firms access to capital.</p>	<p><u>Ongoing</u></p> <p>i. AfDB - Support to GIRSAL</p> <p>ii. Germany - Reform and Investment Partnership (Accompanying Measure)</p> <p>iii. Germany - Reform and Investment Partnership (ATI subscription payment)</p> <p>iv. World Bank GETP</p> <p>v. Germany - Reform and Investment Partnership (Green Credit Line)</p> <p>vi. Germany: A grant is being provided by KfW for the implementation of the Partial Credit Guarantee to strengthen the private sector and especially MSMEs to accelerate economic growth and job creation in Ghana.</p> <p>DBG Partners: World Bank, AfDB, EIB, KfW</p> <p>AfDB: Ghana Infrastructure Investment Fund (GIIF) seeks to leverage its equity capital base to secure its first balance sheet debt financing, and thereby enhance the Fund's ability to support its infrastructure investments.</p> <p>AfDB institutional support project - Risk Based Supervision (RBS) for Ghana Security</p>

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
			operational, linking buyers and sellers of commodities to trade by rules, while assuring the market quantity and quality, timely delivery, and settlement, as well as reduce transaction costs and operational and market risks.		<p>and Exchange Commission</p> <ul style="list-style-type: none"> - Support to update Ghana Fixed Income Market (GFIM) rules, draft Exchange Traded Funds (ETF) and surveillance rules for Ghana Stock Exchange <p>AfDB (FISCERP) budget support</p> <ul style="list-style-type: none"> - Financial Sector Support Strategy - Insurance Sector Strategy <p>Ghana Commodity Exchange Partners: WFP, IFAD, UNIDO, UNDP, USAID, SNV, UKAID, IFC, GIZ</p> <p><u>Future:</u></p> <ul style="list-style-type: none"> i. New World Bank Financial Sector loan ii. World Bank DPO iii. Other DPs iv. AfDB support (FISCERP budget support): - Climate financing strategy - Financial Sector Support Strategy - Insurance Sector Strategy
Mobilization of private and institutional investments:	Normalize and extend the yield curve	The spread as at end September 2020 was positive. The yield curve had some inversions			

Ghana					
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Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
	Enhance secondary market activities	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 5.56billion (as at end December 2020), which is lower than the 5.58billion recorded in 2019. In 2018 the volume was 3.60 billion.	<p>In 2020, the Primary Dealers (PDs) Guidelines and Requirements and Responsibilities was revised to include the introduction of the Bond Market Specialists (BMS) system. The existing PDs Guidelines was revised to ensure the operations of the Primary Dealers (PDs) are efficient, feasible and eliminate inconsistencies between PD rights and obligations.</p> <p>Government in collaboration of GSE, NIC, and NPRA, has established a Domestic Credit Rating Agency (DCRA) to reduce information asymmetry between market participants (borrowers, lenders, and regulators), promote credit-culture, risk-based lending, and pricing of debt instruments. This will help promote market transparency and discipline and facilitate independent rating of regulated financial institutions and other corporate entities and issuers, facilitate investment decisions by helping investors achieve a balance in the risk-return profile and assist firms access to capital. The DCRA will be launched in June 2024.</p>		<p>US Treasury</p> <p>AfDB - Institutional Support Project: Enhancing Regional Financial Integration in West Africa. The project's objective is to enhance regional financial integration and increase access to financial services in West Africa. Its specific objectives are (i) to strengthen the region's financial system, among other things by harmonizing policy, to make the region an attractive center for major firms to establish their presence and take advantage of the West African market; (ii) to stimulate long-term investment for development; and (iii) to develop the green finance market in West Africa</p>
	Introduce a wider spectrum of instruments	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.			

Ghana					
Goal: Improve framework conditions for private investment (domestic and foreign)					
Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
	Build the capacity of all domestic debt market players in the pricing of bonds	On-going			<p><u>On-going:</u> FCDO support for development of Capital Market Master Plan The World Bank is providing support to market development under the programmatic multi-year GDRM program</p>
		Regular preparation of government's annual debt reports, MTDS and conducting of DSA		<p>i. Develop a climate financing strategy for the Ghana Nationally Determined Contributions. This will be coordinated by ERMERD, with climate change related institutions being key stakeholders</p> <p>ii. Prepare towards securing green finance, issuance of green/climate/sustainability bonds etc.</p> <p>iii. Develop public and private sector capacity including SMEs and financial institutions in climate change and climate finance/green business.</p>	<p><u>Past</u> World Bank – GEMS-TA Project</p> <p><u>ongoing</u> i. Germany - Reform and Investment Partnership (Green Credit Line) Germany is providing funding for the implementation of the GCL to improve access to affordable financing for clean energy in Ghana.</p> <p>AfDB (FISCERP) budget support - Climate Financing Strategy</p> <p><u>Future:</u> i. New World Bank Financial Sector loan ii. Germany - Nationally Determined Conditions (NDCs) Support Projects/ Renewable Energy and Energy Efficiency iii. Other DPs</p>

Ghana					
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Focus Areas	Government Commitment	Progress on reform commitments since 2018	Additional Reform Commitments	New Reform Commitments	Partner Support
			Ghana has taken steps in establishing a partnership between the Ghana Stock Exchange (GSE) and the London Stock Exchange Group (LSEG) to support the development of Ghana's capital markets through support for businesses to raise capital locally and internationally.	iii. Implementation of the 10-Year Capital Market Master Plan (CMMP) (meant to transform the capital market into a deep, efficient, diversified, and well-regulated market with a range of products attractive to both domestic and foreign investors) is ongoing. The government plans to establish an International Financial Services Centre (IFSC) in due course.	<u>Ongoing:</u> World Bank support under the Ghana Development Finance Project (GDFFP)
	i. Create an environment conducive to establishing an IFSC in West Africa ii. Establish a Regional Financial Centre Authority (RFCA) iii. Build the capacity of the IFSC's secretariate to deliver financial services	On-going	Ghana has taken to work with four ECOWAS RMCs and WAMI to establish the IFSC	Strengthen the capacity of regional institutions and use TA to harmonize policies and develop the strategies necessary to install the regional IFSC in Accra Ghana.	AfDB West Africa Monetary institute

GUINEA

Commitments and Initiatives of Guinea's Reforms	Progress in Commitments and Initiatives		Partners
Macroeconomic Framework			
Macroeconomic Stability			
Progress Made in the Context of Commitments Taken in 2018			
Finalize the implementation decree for the law on the management of public enterprises	✓	1. A copy of the law and its implementing decree was sent via group mailing to all listed public bodies.	World Bank, French Development Agency (AFD)
	✓	2. Training sessions for the actors involved in disseminating Law 056 are organized every Thursday.	
	✓	3. Regular meetings for information exchange and sharing about the provisions of Law 056 are held between the DGPEIP and public bodies.	
	✓	4. Law 056 and its implementing decree have been made available to new accountants at the DGTCP.	
	✓	5. A letter was sent to all public bodies urging them to comply with Law 056.	
	✓	6. A team has been deployed within certain public bodies to assist in the compliance process.	
Finalize the implementation of the Single Treasury Account (STA)	(i)	Accounts for which balances must be directly leveled with the pivot account "central treasury current account"; and	IMF
	(ii)	Accounts of treasury correspondents that are transferred to the treasury deposit agency (ADT), itself a sub-account of the central treasury current account (CCCT) whose balance is leveled daily.	
	(iii)	his activity, the only one scheduled for this purpose, allowed the treasury to fulfill its role as the state's cashier.	
Improve public finances	<ul style="list-style-type: none">- The development of a nomenclature of supporting documents for expenditure;- The continuation of the dematerialization of the preparation and execution of the State budget through:- The alignment of the budget nomenclature with the 2014 Public Finance Statistics Manual (MSFP);- Updating the State's chart of accounts;- The development of a nomenclature of supporting documents for expenditure;- The continuation of the dematerialization of the preparation and execution of the State budget through:- The strengthening of the dematerialization of the process of preparation of the State budget through the Budget Development Platform (PLEB) as well as the monitoring of the execution of the expenses of decentralized services with the Deconcentrated Budget Execution Chain (CEBUD);- Upgrading the IT chain for the execution of public expenditure;- The implementation of the integrated state accounting system (SCIE);- The establishment of a debt management computer system (DMFAS), which made it possible to publish the debt statistical bulletin on a quarterly basis;- The design and development of a transversal electronic platform for the management of the public procurement system;- The operationalization of the integrated investment platform and improve the capacity of all stakeholders to monitor the financing and evolution of said investments and to strengthen their coordination and monitoring;- The operationalization of the Monitoring System for Public Bodies (SYSOP);- The implementation of the Public Procurement Management Application (GMAP), for the registration of public procurement contracts.		French Development Agency (AFD), UNCTAD, World Bank

Commitments and Initiatives of Guinea's Reforms	Progress in Commitments and Initiatives	Partners
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- The adoption of the commitment plan as a tool for budgetary regulation;
- The implementation of a system
- The cleaning up of the civil service file to comply with the provisions of Article 25 of the LORF relating to the authorization ceilings for jobs paid by the State;
- The generalization of the production of sectoral Medium-Term Expenditure Frameworks (MTEFs) for the migration to the program budget;
- Production of draft laws on regulations and budget reports for the financial years 2019, 2020, 2021 and 2022 for the strengthening of transparency and budgetary accountability;
- The development of the mercurial prices for supplies and services;
- Production of government finance statistics in accordance with the GFSM 2014.

New Commitments and Reform Initiatives

Domestic Revenue Mobilization		
Progress on 2018 Commitments		
Establish and implement an action plan for targeted reforms of tax policy and administration, including a unique tax identifier, basic VAT and customs code.	<ul style="list-style-type: none"> - As part of the mobilization of resources, the following main actions have been initiated: - the signing of performance contracts between the revenue agencies and the various supervising ministers and declined to the various internal operational services; - the continuation of the dematerialization of tax and customs procedures through: - the management of exemptions, the generalization of online payment of duties and taxes, the interfacing of the ASYCUDA system with the Ministry in charge of Transport for the issuance of vehicle registration documents, the implementation of the value management module as well as online payment through the platform of the Single Window for Foreign Trade (GUCEG); - the digitalization of tax reporting and payment procedures through E-tax and SAFIG (Guinean Tax Management System); - the implementation of the ECOWAS Interconnection Project (SIGMAT) and the electronic tracking (beacons) of goods to reduce fraud on transactions on goods in transit; - Continue the implementation of the PANG-CFU platform to allow the online payment of taxes related to the Single Land Contribution (CFU). - the strengthening of tax control with the support of the Project for the Mobilization of Internal Resources and the Formalization of Enterprises (PAMORIFE) for the control of 45 large companies; - customs clearance and delivery of goods to the port of Conakry 24/7 and the extension of this measure to other ports in the country, to the hydrocarbon depot and to the airport's freight; - strengthening the fight against fraud, cross-border organized crime and terrorism: through the operationalization of NCEN (National Customs Enforcement Network); - the reliability of the taxpayer register through the allocation of the NIFP, geolocation and interconnection between public administrations; - the creation of seven Medium-Sized Enterprise Tax Centres (CIME) in Kankan, Siguiri, Nzérékoré, Labé, Boké, including two in Conakry; - the establishment of new organizational frameworks and the capacity building of agents in charge of revenue mobilization. - 	IMF, AfDB, World Bank, AFD
New Commitments and Reform Initiatives		

Commitments and Initiatives of Guinea's Reforms	Progress in Commitments and Initiatives	Partners
Public investment management (public procurement, PPPs, public enterprises, public services)		
Progress on 2018 commitments		
To revise and implement the Public Procurement Code and all decrees issued pursuant thereto.	The decrees and implementing texts on the organic framework of the DGCMP, the dematerialization of the procurement process, the raising of the thresholds for the award and control of public contracts as well as the extension of the code to the branches of the DGCMP with a view to improving the institutional and legal framework of public procurement in the Republic of Guinea have all been made effective.	
Public procurement reform	The E-Procurement of Public Procurement Management in the Republic of Guinea has been operationalized and is awaiting the availability of the budget initially allocated for its popularization and the finalization of the training of actors. The budget also takes into account the development and deployment of the DGCMP's integrated management system.	
Evaluation of PMU performance contracts	To assess the execution of the performance contracts of the project management units, the National Directorate of Public Investments (DNIP) carried out a mid-term evaluation of the performance contracts in the first half of the year and a final evaluation at the end of the year. The performance contract evaluation report is drawn up and available. The management intends to do the same in 2024.	
New Commitments and Reform Initiatives		
COMMERCIAL FRAMEWORK		
Regulations and Institutions		
Progress on 2018 commitments		
<ul style="list-style-type: none"> • Completion of the institutional arrangements of the "trade and SMEs" sub-sector through the establishment of: the Local Content Regulatory and Control Authority; the National Consultative Committee on Prices and Competition; and the National AfCFTA Committee; • Established the Chamber of Commerce, Industry and Crafts and a single employers' umbrella organization representing all the country's economic actors; 		
New Commitments and Reform Initiatives		
Implementation of Guinea's national industrial development policy and promotion of industrial zones; Establishment of the National Commission of the AfCFTA; <ul style="list-style-type: none"> • Popularization of texts relating to the AfCFTA; • Popularization of texts relating to the ECOWAS Trade Liberalization Scheme (SLEC); • Popularization of the texts relating to the Common External Tariff (CET) liberalization scheme. 		
Investor protection, dispute settlement and anti-corruption		
Progress on 2018 commitments		
Establishing an effective anti-corruption framework	<ul style="list-style-type: none"> • Establishment of an internal system for monitoring and evaluating ministerial performance, based on mission letters, performance contracts, operational action plans, performance indicator monitoring tables and progress reports; • The operationalization of the Guinean Chamber of Commerce, Industry and Handicrafts and the Commercial Court of Conakry 	IMF/World Bank
New Commitments and Reform Initiatives		

Commitments and Initiatives of Guinea's Reforms	Progress in Commitments and Initiatives	Partners
FINANCIAL FRAMEWORK		
Investment Risk Mitigation		
Progress on 2018 commitments		
Dematerialization of Government Securities	Government securities are dematerialized	IMF/World Bank
Improvement of the SIC	SIC Upgrades and Enhancements	World Bank
Establishment of a Stock Exchange	Establishment of a legal and institutional framework for the Stock Exchange	
Redesign and drafting of the Exchange Regulations	Compliance of Texts with the International Standard	
Creation of a Foreign Exchange Office in the Republic of Guinea		
	Compliance of Texts with the International Standard	
Improvement of the Investment Policy	Improvement of the Investment Policy	
Development of the Economic and Financial Data Database (EBFD).	The system for storing and disseminating economic and financial data of the Central Bank of the Republic of Guinea on long series is improved and made available to the public (decision-makers, academics, researchers)	
The establishment of an online platform for the collection of survey data on Guinea's balance of payments and international investment position	The data collection period is reduced from 30 days to 15 days and the quarterly BOP is available and published on time	
Migration to the new Monetary and Financial Statistics Manual and Compilation Guide 2016	Monetary aggregates are improved and published, according to the new standards set out in the new manual of monetary and financial statistics and the 2016 compilation guide	

MOROCCO

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress Made on 2018 Commitments		
Strengthening the fiscal framework	<p>Fiscal consolidation and strengthening of the medium-term fiscal framework (MTFF)</p> <ul style="list-style-type: none"> - To strengthen the credibility and transparency of the fiscal policy, the government adopted a three-year fiscal framework document which was submitted, for the second consecutive year, to Parliament as part of the review and voting process for the 2024 budget law. - Through this framework, the government reaffirmed its commitment to continue reducing the fiscal deficit to 4% of GDP in 2024 and 3% in 2026. This progressive fiscal adjustment should bring the debt ratio to less than 70% of GDP in the medium-term. - The consolidation of public finances and the reconstitution of fiscal buffers involve a continued optimization of public spending, the implementation of the tax system reform framework law and the use of non-generating debt financing mechanisms including increased participation of the private sector. - The fiscal framework will be further enhanced through: <ul style="list-style-type: none"> ■ the improvement of the three-year fiscal framework document in particular the chapters relating to the assessment of budgetary risks and debt sustainability; ■ the institutionalization of this Document and the introduction of a new fiscal rule anchored on medium-term debt, in the frame of the amendment project of the Organic Law related to the budget law currently underway. 	IMF
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.	<p>The main tax reforms are:</p> <ul style="list-style-type: none"> - 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 from 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 digitization of tax declarations and payments, local tax simplification, collection improvement, interoperability between 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. <p>The main tax provisions introduced in 2023 are:</p> <ul style="list-style-type: none"> - Review of corporate tax rates as part of a whole reform aiming at converging towards a unified rate over the period 2023-2026 to ensure the visibility and stability of the tax system. - Progressive reduction of the withholding tax rate attached to income from shares and similar Income. - Revision of the income tax system aiming at (i) reducing the tax burden of employees, retirees, and newly recruited workers and (ii) reinstating the principle of taxing the annual global income of individuals. - Revision of the taxation system of land profits. - Extension of the social solidarity contribution on profits and income, in accordance with the recommendations of the New Development Model. <p>The main tax provisions introduced in 2024 are:</p>	World Bank EU IMF

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> - Reform of value added tax (VAT), using a gradual approach over a three-year period 2024-2026. This reform has three fundamental objectives: (i) a social objective to support household purchasing power and mitigate the impact of inflation by extending VAT exemption to certain basic consumer goods, (ii) an objective of economic neutrality to ensure the neutrality of VAT and reduce the impact on businesses of the differential rates applied upstream and downstream of the production chains for goods and services, by gradually aligning VAT rates (7%, 10%, 14% and 20%) and limiting them to two standard rates (20% and 10%) by 2026, and (iii) an objective of tax fairness with a view to facilitating the integration of the informal sector, rationalizing tax incentives and clarifying and harmonizing the provisions of the tax legislation; - The fight against tax evasion and the integration of the informal sector, by improving procedure for examining the entire tax situation of individuals, to ensure consistency between their income and expenditure and their liquid assets; abolishing the commission on abuse of rights and introducing the right to make an error, enabling irregularities in tax returns to be rectified spontaneously; introducing a new withholding tax system for VAT; extending the scope of VAT to cover remote services provided by non-residents. <p>New commitments and reforms initiatives:</p> <ul style="list-style-type: none"> - Prioritize the income tax system reform by 2025, to implement objectives set out in the framework law, particularly those relating to reducing the tax burden on taxpayers and the progressive nature of personal income taxation. - Subsequent Finance Acts will be devoted to continued introduction of new measures to improve procedures, to broaden the tax base, to combat tax fraud and evasion and to strengthen dematerialization and administrative efficiency. - Production and adoption of a design document for the introduction of a carbon tax. 	
Continue implementation of the transition to a more flexible exchange rate regime	<p>Exchange rate flexibility</p> <p>Exchange rate band widened from $\pm 0,3$ percent to $\pm 2,5$ percent in January 2018 and to ± 5 percent in March 2020.</p> <p>At the same time, the interbank forex market is deepening, and the use of hedging instruments has increased.</p> <p>The authorities will continue to implement the reform of the exchange rate regime.</p> <p>The authorities intend to tackle the next stages of the reform at the appropriate time. At the same time, the Central bank continues to finalize the inflation-targeting framework that will be put in place at an advanced stage of the reform.</p>	IMF
Public Investment Management (including SOEs, PPPs and utilities):		
Progress Made on 2018 Reform Commitments		
Improve SOEs governance and performance	<p>Improvement of payment delays</p> <ul style="list-style-type: none"> - 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; - Electronic invoicing for SOEs suppliers having opted for the use of the platform AJAL in line with the fixed schedule. - Publication of two respective reports on payment delays; - Publication in the Official Gazette (OG), in June 2023, of the Law 69.21 enacting special provisions related to payment delays. Its entry into force will be progressive depending on company size. - Issuing by tax administration of a circular note explaining the provisions of the law 69-21 instituting pecuniary sanctions against companies that exceed the legal payment delays. <p>SOEs sector oversight and refocus on core public mandates</p> <ul style="list-style-type: none"> - 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. 	<p>Payment delays: World Bank</p> <p>SOEs Mandate: World Bank EBRD</p> <p>SOEs Code: IFC World Bank AfDB</p> <p>Authorities: EBRD EU</p>

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> - 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. - Launching, in January 2024, by the National Agency for Strategic Management of State Holdings and Monitoring the Performance of SOEs, of the project to consolidate the accounts of the State as shareholder, in accordance with IFRS. <p>Publication of the following legal and regulatory texts</p> <ul style="list-style-type: none"> - 2 Decrees setting conditions and modalities for the appointment and compensation of State representatives and independent members sitting in the deliberative bodies (DBs) of SOEs (January 2023); - Decree related to the composition and operating procedures of consultative body on the State's shareholding policy, (January 2023); - 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. - Law n° 40-22 setting the number of independent directors and the conditions and procedure for their appointment to the decision-making bodies of public companies (July 2023); - Law n° 83-21 concerning the creation of regional multiservice companies (July 2023); - Laws relating to the reform of the health sector; - Decree no. 2.22.581 on the procedures for appointing State representatives to sit on the DBs of SOEs (February 2023); - Decree no. 2.22.582 on the terms of appointment and remuneration of independent members sitting on the BDs of SOEs (February 2023); - Decree no. 2.23.128 amending decree no. 2.13.24 establishing the list of SOEs subject to accompanying control (April 2023); - Decree no. 2.23.1033 implementing article 2 of the law on regional multi-service companies (SRM) (February 2024); - Decree n° 2.23.1034 authorizing the creation of 12 SRM (February 2024); - Decree no. 2.23.1035 implementing article 14 of law no. 83.21 relating to SRM (February 2024). <p>Texts under the process of adoption:</p> <ul style="list-style-type: none"> - Project of strategic orientation of State's shareholder policy, scheduled for adoption in the 1st half of 2024; - Draft decree defining the cases in which the State must conclude contract-programs with SOEs, which was finalized, and scheduled for publication in the 1st half of 2024; - Draft decree approving the code of good governance practices for EEPs. <p>Texts underway to be prepared</p> <ul style="list-style-type: none"> - Draft law on the reform of the governance and financial control system of the State over SOEs; - Draft law to create 12 regional urban planning and housing agencies (second half of 2024). - Draft law on the privatization regime (1st half of 2025); - Draft law on the creation of a central body for the liquidation of SOEs (1st half of 2025); - Draft law on legal measures governing the creation of SOEs whose creation does not fall within the scope of the law, and the acquisition of stakes by SOEs in the capital of private companies (to be introduced into the adoption circuit during the 1st half of 2025 after consultations with stakeholders). - Draft decree approving the Contractualization Guide and Program Contract Model (2nd half of 2024). - Draft decree on the valuation of the public domain made available to SOEs (1st half of 2025). <p>Restructuring operations</p> <ul style="list-style-type: none"> - The year 2022 has seen the 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 are underway, and a roadmap is elaborated to resize the public portfolio and to review and strengthen business models of several strategic SOEs. The restructuring of these entities is part of an overall vision that extends over five years. 	<p>Green steering of SOEs: AFD</p>

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> - Regarding the other SOEs that are not part of the strategic sphere, a roadmap is drawn up for the implementation of an integrated restructuring program for these entities. To this end, work and consultations are currently underway with all the stakeholders concerned, with a view to approving this program and implementing it within the required timeframe. - In this context, the urban planning, higher education sector and health insurance sectors have been targeted, as well as logistics, water and electricity distribution and energy efficiency sectors, enabling several restructuring and reform operations to be identified. <p>Code of Good Governance Practices for SOEs</p> <ul style="list-style-type: none"> - Since the launching in 2012 of a Moroccan Guide 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 Authority, Competition Council, UN WOMEN, CFA, World Bank.). - The proposals of the partners were processed and integrated into the Draft Code and discussed at the National Council. - The final version of the code was subject to a tripartite meeting (SGG-CNGE-DEPP) before being forwarded to the SGG. - Launching, in July 2023, by the National Corporate Governance Commission (NCGC), of a public consultation on the draft revised Code of Good Governance for SOEs with the aim of gathering remarks and comments from companies and other stakeholders, on the proposed changes. - The draft decree approving the SOEs Code of Good Governance Practices is in the process of being adopted (2nd half of 2024). <p>SOE and public investment management reforms to optimize finance for infra entities</p> <p>Creation, in January 2021, of the Mohammed VI Fund for Investment, 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.</p> <p>The Executive Director of this fund was appointed in October 2022 and became operational with the first Board of Directors meeting in December 2022.</p> <p>Mohammed VI Fund for Investment has 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;</p> <p>The Fund advocates three guiding principles for the development of its strategy:</p> <ul style="list-style-type: none"> - Dual sustainability: financial and economic, social, and environmental impact; - 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. <p>The financing vision of this Sovereign Wealth Fund, currently being structured, emphasizes 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, aims to raise \$3 billion from private investors.</p> <p>Following a call for expressions of interest addressed to management companies, the Fund is currently in the selection and negotiation phase, with a view to selecting the management companies that will lead the creation of the first thematic and sector-based sub-funds.</p> <p>In addition, the Fund aims to set up a quasi-equity financing product coupled with a bank loan to boost the financing capacity of SMEs and support their investment programs.</p> <p>Regulatory authorities (electricity, postal, telecoms) established or endowed with greater powers</p> <p>Completion, in 2021, of the structuring and the establishment of the Electricity sector regulatory authority (ANRE).</p> <p>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, notably through:</p> <ul style="list-style-type: none"> - The separation of ONEE's generation, transmission, and distribution activities and the strengthening of the transmission network, with the creation of a national Transmission System Operator. - The reform of the distribution sector, through the creation of SRMs, which will have exclusive rights to distribute electricity, drinking water, and liquid sanitation, through the enforcement of the Law 83.21, and its implementation decrees related to the transfer of assets belonging to ONEE 	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<p>adopted in February 2024. In line with the principle of progressive implementation of this reform, four SRMs relating to the Casablanca-Settat, Marrakech-Safi, Souss-Massa, and Oriental regions are to be set up in 2024.</p> <ul style="list-style-type: none"> - The strong involvement of the private sector in electricity generation, particularly through the continuation of the regulatory process for setting service tariffs. The latter is an essential condition for investors to commit to electricity generation for their private customers, and even for distributors. - The ANRE published, by February 2024, the tariff for the use of the national electricity transmission network and the tariff for system services, which are set for the period 2024-2026, as well as the national electricity system's renewable energy hosting capacity for the period 2024-2028. ANRE will also publish the tariff(s) for access to the medium-voltage electricity distribution network by renewable energy producers. - The implementation of the legislation on the electricity sector, notably through the gradual adoption of the regulatory texts provided for by the Laws 48-15, 40-19 and 82-21. - The effective implementation of new provisions, notably through ANRE's approval and publication of the quality indicators to be observed by the national transmission system, in terms of safety, reliability and efficiency (Art 12 of Law 48.15), and of the Transmission System Operator's code of conduct (Art 13 of Law 48.15). <p>Green steering of SOEs</p> <p>Within the framework of the Green Budget Transition program, the MEF is carrying out Green Transition actions for SOEs sector, mainly:</p> <ul style="list-style-type: none"> - Introduction of Corporate Social Responsibility (CSR) practices to be implemented at the level of the EEP code of good governance practices; - Inclusion of a chapter on green transition objectives in the contracting guide; - Inclusion of a section on green transition commitments in the standard model for program contracts; - Inclusion of a section on CSR/climate progress by SOEs in the report on SOEs accompanying the Budget Law; - Drafting of a working/conduct guide for sustainable governance for SOEs management; - Integration of a climate module into the SOEs budget risk monitoring project; - Set up a "green transition" SOEs club to promote best practices through cross-functional exchanges. <p>Membership in the SOEs MENA Compact</p> <p>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;</p> <p>This project includes commitments to improve governance of SOEs through strong governance of SOEs, fair competition, climate change mitigation, and sound fiscal management.</p> <p>A roadmap for the MENA Pact for SOEs reform is currently being drawn up by the World Bank and all the stakeholders (DEPP-DTFE-DB-DP-DCPC, CC and ANGSPÉ).</p>	
Develop PPPs	<p>PPP Framework brought in line with EU practices, and Investment Charter (for FDI) being revamped.</p> <p>Amended PPP law, adopted in March 2020;</p> <p>Publication of the implementing decrees of the law issued because of the amendment of the law on PPP contracts:</p> <ul style="list-style-type: none"> - State and SOEs: Amendment of procedural and National PPP Commission Decrees 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		

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Further diligence is underway for PPP deployment, notably	<ul style="list-style-type: none"> - 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	<p>Reform of social protection system within five years</p> <ul style="list-style-type: none"> - Publication in 2021 of a framework law n° 09-21 related to social protection system by which all citizens will access social security benefits. - Generalization of health care insurance by the end of 2022. - Generalization of family benefits by 2024. Payment of the first tranche of direct social assistance, through the allocation of a dignity income for the elderly, family allowances for all households and lifelong support for people with disabilities, began in December 2023. - Expansion of pension system and unemployment benefits by 2025. 	World Bank
Social Assistance Program	<ul style="list-style-type: none"> - Publication, in December 2023, of Law No. 58.23 on direct social program. This social program has been allocated the following benefits: <ul style="list-style-type: none"> ■ Protection assistance related to childhood: intended for families in situations of poverty with children under 21 years old. It includes basic monthly monetary assistance per child, additional assistance, and a birth grant. ■ Additional assistance: reserved for families who do not have children or have children over 21 and who are in poverty, fragility or suffering from risks linked to old age. ■ Special assistance: direct assistance to orphaned and abandoned children taken care of by social protection establishments. 	

BUSINESS FRAMEWORK

Business Environment and Regulation

Progress Made on 2018 Reform Commitments

Implement the roadmap for improving the business climate 2023-26	<p>Business climate strategy 2023–26</p> <p>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 with 46 priority initiatives. 70% of these initiatives were started in 2023 (41% have been finalized or in the process of being finalized):</p> <p>The first pillar aims to improve the structural conditions for investment and entrepreneurship through:</p> <ul style="list-style-type: none"> - Strengthening the business law framework; - Optimization, digitization, and devolution of administrative procedures; - Strengthening coordination and monitoring of the business environment. <p>The second pillar aims to strengthen national competitiveness, through:</p> <ul style="list-style-type: none"> - Mobilizing financing for a better economic recovery; - Improving access to renewable energy and industrial decarbonization; - Strengthening access to land; - Strengthening logistics competitiveness. <p>The third pillar aims to develop an environment conducive to entrepreneurship and innovation, through:</p> <ul style="list-style-type: none"> - The development of support mechanisms for SMEs and startups; - Promotion of innovation, R&D activities, and entrepreneurial culture; - Strengthening training offer and human capital performance. <p>The transversal pillar aims to strengthen ethics, integrity, and the prevention of corruption.</p> <p>The implementation of this roadmap has allowed:</p>
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Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> - The approval, in February 2023, of the simplification of 22 administrative procedures for investment, which should reduce the documents required in this field by 45%, in addition to the effective decentralization of 15 investment-related procedures at the territorial level, to speed up investment decision-making. - The launch, in February 2024, of a study on simplifying and optimizing investor processes, through an innovative approach based on digitization and interoperability of information systems between different administrations. 	
Simplify business-related administrative procedures, strengthen dematerialization, and create one-stop shop	<p>Reform of the legal framework governing public limited companies:</p> <ul style="list-style-type: none"> - 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. - 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. <p>Secured transactions framework:</p> <ul style="list-style-type: none"> - Enactment in 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 sûretés 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...) <p>Creation and support of businesses by electronic means</p> <ul style="list-style-type: none"> - Enactment in 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). - Adoption, by the Government Council in March 2024, of Decree no. 2.22.92 laying down the procedures and measures for setting up and supporting businesses by electronic means. <p>Reform of Regional Investment Centers (CRIs)</p> <ul style="list-style-type: none"> - 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 restructuring, creation of a unified regional investment commission, and simplification of investment procedures for processing investment files. <p>Next steps: a new reform of the CRIs is being adopted. This reform aims at enabling CRIs to supervise the entire investment process and increase their efficiency, and to provide better support services for the benefit of project holders, until their final realization.</p> <p>Simplification of administrative procedures and formalities</p> <ul style="list-style-type: none"> - Launch, in 2019, of the Tawtik.ma platform which aims to dematerialize tax certificates and create a one-stop shop for property transfers. - Launch, in 2019, of 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". <p>Simplification of public procurement procedures</p> <ul style="list-style-type: none"> - 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. 	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
	<p>Modernizing Foreign trade</p> <ul style="list-style-type: none"> - 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. 	
Align the new Investment Charter with the ambition of the new Moroccan Development Model regarding the enhancement of the role of private sector	<p>Overhaul of the Investment Charter</p> <ul style="list-style-type: none"> - 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 VSMs, in addition to the development of Moroccan investments abroad. - Effective entry into force of the framework law through Adoption of a decree and three decisions relating to the implementation of the main and the specific support schemes applicable to strategic investment projects. <p>Since the entry into force of the new investment charter in May 2023, investment projects worth over MAD 150 billion has been approved by the National Investment Commission, intended to create more than 70,000 direct and indirect jobs in key sectors such as chemistry/parachemistry, seawater desalination, mining, automobiles, agri-food, tourism, aeronautics, and renewable energies.</p>	
Modernize the legal, institutional, and regulatory framework for business	<p>Operationalization of the Competition Council</p> <ul style="list-style-type: none"> - Competition council operationalized with the appointment of its President and other 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. - The Competition Council stepped up its activities to prevent and combat anti-competitive practices, economic concentration, and monopoly operations. The year 2023 was marked by an acceleration in the number of cases overseen and sanctions. <p>Operationalization of the National Integrity, Prevention and Anti-Corruption Agency (INPPLC)</p> <ul style="list-style-type: none"> - 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. - To further anchor the values of probity and integrity, the operationalization of the INPPLC, whose prerogatives have been strengthened, continues through the reinforcement of both its human capital and the framework of cooperation with the various stakeholders. <p>Consolidation of Public Procurement regulatory framework</p> <ul style="list-style-type: none"> - Publication, in March 2023, of Decree 2.22.431 on public procurement, aimed at strengthening transparency, improving the business climate, opening 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. 	<p>Competition: IFC INPPLC: EU</p>
Promote industrial and digital activities	<p>Promoting industrial activities and decarbonization:</p> <ul style="list-style-type: none"> - 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. 	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> - Launch in May 2022 of an electronic platform of industrial land www.industrial-estate.gov.ma. This new website is considered a tool for promoting industrial zones to reinforce the international competitiveness and 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 and 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. <p>Promoting digital activities</p> <ul style="list-style-type: none"> - 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 a premium to support technological investments financing, covering expenses incurred in innovation and development of green products and supporting MSMEs to benefit from advice and technical expertise actions. - To date, following the launch of 10 calls for projects under this program, 16 clusters have been selected and benefit from State support. 	
New Commitments		
Accelerate Morocco's climate and energy transition	<p>National Sustainable Development Strategy</p> <p>Drawing up, in 2023, a new National Sustainable Development Strategy by 2035. The objective of this strategy is to achieve a gradual transition to a green economy, taking account of environmental challenges, promoting human development and social cohesion, and strengthening economic competitiveness in a sustainable way.</p> <p>Nationally determined contributions (NDCs)</p> <p>Review and submission, in 2021, of the Nationally determined contributions (NDC) to UNFCCC, which sets an overall target of a 45.5% reduction in Morocco's GHG emissions by 2030, compared to a business-as-usual scenario for seven sectors (power generation, waste disposal, industry, transport, agriculture, forestry and buildings).</p> <p>Long-Term Low Emission Development Strategy (LT-LEDS)</p> <p>Drawing up, in 2021, a vision of a National Strategy Low Carbon by 2050 (SNBC). In 2023, Morocco elaborates its SNBC aiming to achieve carbon neutrality by 2050 and ensuring a sustainable future for generations to come. Presented at COP28 in Dubai, this strategy is based on 4 strategic orientations:</p> <ol style="list-style-type: none"> 1. Accelerate the strong development of renewable energies with a view to achieving 96% decarbonized electricity mix by 2050, and promote the development of green hydrogen to decarbonize industry and road freight; 2. Generalize energy efficiency and the efficient use of natural resources in all sectors, particularly industry, construction, and transport, and stimulate new circular economy and waste recovery sectors; 3. Develop sustainable, climate-smart, and resilient agriculture and forest ecosystems, as well as carbon sinks; 4. Promote a new generation of sober and "intelligent" regions and cities, with zero-emission transport plans and logistics that favor multimodality and integrate new digital technologies. <p>Next steps:</p> <ul style="list-style-type: none"> - Finalization of the modeling of macroeconomic impacts of the SNBC strategy to achieve a fair transition at optimal cost. - Finalization of the SNBC implementation programming roadmap - Launch of the Net Zero roadmap for Morocco's 12 regions - Process for the upcoming revision of the NDC its alignment with the SNBC-LT - Revision of the Law n°28.00 on waste management and introduction of extended producer responsibility (EPR) - Drafting of the law on the circular economy and development of the national circular economy strategy 	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
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Strengthening the institutional and legislative framework for Morocco's climate and energy transition

- Creation of a climate unit within the Ministry of Economy and Finance (MEF) to implement the Green Budget Transition.
- Establishment of an inter-ministerial climate risk management committee to coordinate the efforts and initiatives of the different ministries to respond to the challenges of climate change.

Strengthening the capacities of local authorities

2021: Generalization of territorial climate plans for 12 regions;

2024: 6 Regional adaptation investment programs at territorial level and 12 Regional energy efficiency plans.

Climate-smart agriculture

- Launch, in February 2020, of the new development strategy for the agricultural sector "Green Generation 2020-2030", it aims to consolidate the achievements made by the Morocco Green Plan, through the adoption of a new vision of the agricultural sector, enshrining a new governance and the establishment of up-to-date means to serve this sector.
- The "Generation Green" strategy integrates a climate-smart approach through the following levers:
 - Improving the resilience of agriculture to the impacts of climate change by doubling water efficiency and saving irrigation water, promoting the use of renewable energies and soil conservation;
 - Promoting agricultural scientific research through increasing the budget dedicated to research;
 - Valorization of waste and agricultural biomass into energy and organic fertilizer;
 - Adoption of precision agriculture using new technologies for the conduct, management, and monitoring of agricultural operations (Drones, sensors, early warning, etc.) to increase productivity while reducing energy and inputs consumption;
 - Introduction of new technologies and digitization of agricultural services for the benefit of nearly 2 million active farmers;
 - Development and expansion of multi-risk agricultural climate insurance with a target of 2.5 million hectares.

Strengthen decarbonization and access of industrial zones to renewable energy

Progress and forecasting in terms of Morocco's industrial zones decarbonization

- 2022: Signing of an Agreement between the government and the National Office for Electricity and Drinking Water (ONEE) related to industrial access to electricity from renewable sources. The terms of this agreement are based on the commitment of the parties to set criteria and conditions enabling industrial companies to benefit from competitively priced electricity, with a view to increasing their competitiveness, by supplying them with electricity from renewable sources authorized under Law 13.09.
- Publication, in February 2023, of the law n°82.21 on self-generation of electrical energy, while pursuing a sustainable approach in all sectors to contribute to the development of a low-carbon national economy, while creating a favorable investment climate through lower energy bills.
- Publication, in February 2023, of law no. 40.19 amending and supplementing the law no. 13.09 on renewable energies.
- Review of the national energy efficiency strategy's action plans, particularly those dedicated to the industrial sector.
- Adoption, in February 2024, by ANRE of the national electricity system's capacity for energy from renewable sources for the next five years (2024-2028). This decision will provide crucial visibility for manufacturers and investors in the renewable energies sector. It will enable them to better plan and size their projects.
- Publication, in March 2024, of Morocco's new International Green Hydrogen Offer which is based on a comprehensive, practical, and transparent approach that gives investors a clear vision. This Offer consists of six parts, namely 1. scope of application, 2. land mobilization for its implementation, 3. necessary infrastructure to develop the green hydrogen sector, 4. incentive measures, 5. the process of investors selection and concluding contracts with the State, and 6. the green hydrogen sector governance. This Offer applies to integrated projects ranging from power generation from renewable energies and electrolysis to the conversion of green hydrogen, ammonia, methanol and synthetic fuels, as well as related logistics. It aims to attract investors or investor groups interested in producing green hydrogen and its derivatives, whether for both

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<p>domestic and export markets. The strong and active interest expressed by nearly 100 national and international investors in generating green hydrogen in Morocco confirms Morocco's great potential in this field.</p> <p><u>Next steps:</u></p> <p>Completion of the legal framework for energy efficiency by:</p> <ul style="list-style-type: none"> - Publishing a ministerial decree implementing the law on self-generation of electrical energy. - Adopting ministerial decrees specifying the labeling and minimum efficiency standards for a series of products; - Preparing a similar ministerial decree on lighting products; - Adopting the draft ministerial decree on ESCO (Energy Service Companies); - Preparing a study and regulatory texts on lowering the threshold of energy consumption associated with the mandatory audit. 	
Elaborate the national strategy of digital transformation	<ul style="list-style-type: none"> - 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. - Publication, in November 2023, of the decree creating a National Commission for Digital Development, chaired by the Head of Government, and composed of representatives from public and private sectors, which establish a governance framework to finalize the national strategy and ensure its effective implementation. As of April 2024, two meetings have been held. 	
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	<p>National Financial Inclusion Strategy (SNIF) being implemented</p> <ul style="list-style-type: none"> - 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. - 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. - Several actions in the working groups roadmap have been implemented structuring reforms such as 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. <p><u>Next steps:</u></p> <ul style="list-style-type: none"> - The year 2023 marks the completion of the first stage of SNIF. The Ministry of the Economy and Finance has mobilized TA to prepare a roadmap for the 2nd stage of this strategy, covering the period from 2024 to 2027. - The upcoming stage presents an opportunity to give a new momentum into the strategy by aligning it with the inclusive dynamics initiated at the national level through the various initiatives launched by the government in recent years, particularly in the areas of social protection and employment. <p>Reform of the national guarantee system</p> <p>Morocco has adopted a strategic vision for the new National guarantee system as part of the Central Guarantee Fund's development plan (2017–21):</p> <ul style="list-style-type: none"> - 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. 	<p>SNIF: World Bank EIB EU KfW AFDB GIZ FOPEP</p> <p>National Guarantee System: KfW</p> <p>Crowdfunding: EBRD BA: GIZ, World Bank, EU</p> <p>IPESF: AfDB</p>

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
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- Enactment, in July 2020, of the Law No. 36-20 transforming the CCG into a public limited company "National enterprise guarantee and financing company" (Tamwilcom)

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 TAMWILCOM 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 of April 15, 2022, fixing the conditions and modalities of the benefit of the State guarantee granted to the commitments of Tamwilcom.
- Continued support to Moroccan businesses to reinforce their capacity building.

Next steps:

- Tamwilcom's strategic plan for the period 2023 - 2026 takes over from the 2017-2021 plan, which ended with significant achievements despite a difficult context marked in particular by the Covid-19 crisis.
- The new strategic plan aims to consolidate the achievements of previous plans. 6 key thematic areas have been selected, in addition to two cross-cutting themes focusing on greater involvement of Moroccans worldwide and the gender approach: (i) financial inclusion and transition to the formal sector, (ii) private sector-led investment, (iii) green economy, (iv) international business development, (v) innovation & start-ups, (vi) cash flow and operating cycle financing.
- The product offering, dominated by the guarantee business, forms the core of the strategy and covers diversified corporate financing solutions, mechanisms addressing the entire financing chain for innovative start-ups, especially in their early stages of development, financing solutions for high value-added investments, and a range of complementary, targeted non-financial services.

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.
- Selection of the network EBAN (European Business Angels Network) to support Moroccan businesses to reinforce their capacity building.
- As part of the FII, launching by Tamwilcom, in October 2023, of a notice for Business Angels networks labeling, targeting startups and innovative project holders. Labeled networks would benefit from TA and support, subject to conditions, in the form of non-dilutive financing in favor of startups invested by network members.

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 crowdfunding companies and the declaration elements of business angels networks.
- Adoption in August 2023, of the "circulars" in application of the law n°15-18 of the central bank (Bank Al-Maghrib) and the capital market authority (AMMC) related to crowdfunding companies. 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
	<p>Reform of the law n°41.05 relating to undertakings for collective investment in capital (OPCC):</p> <ul style="list-style-type: none"> - 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 - Publication, in September 2023, of the law n°58-22 related to undertakings for collective investment in capital (OPCC). 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). <p>Debt Funds</p> <p>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:</p> <ul style="list-style-type: none"> - 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. <p><u>Next steps:</u> The realization of debt fund operations by securitization companies</p> <p>Souk At Tanmia project</p> <ul style="list-style-type: none"> - 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. <p>Integrated Program for Entrepreneurship Support and Financing</p> <ul style="list-style-type: none"> - 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. - Creation of a special Fund of DH 8 billion under the 2020 Finance Act, spanning over 3 years, financed by the government, the banking sector, and the Hassan II Development Fund. Credits, under this instrument, are granted at historically lowest rates, 2 percent in urban areas and 1.75 percent in rural areas. The guarantee quota for products "Damane Intelak" and "Intelak Al-Moustatmir Al-Qarawi" loans, initially 80% of the loan amount, has been increased to 85% in favor of businesses mainly run by women, as well as those run by Moroccans of the World (MDM). - For the support component, signing of a framework agreement between MEF and Tamwilcom, in May 2022, providing DH100 million for non-financial support of PIAFE program. - Signing bilateral agreements 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. - To continue the support program initiated in partnership with the CRIs, it was decided to allocate an additional DH200 million to Tamwilcom. 	
Implement the law on derivatives market and OTC operations	<p>Revision of the law governing derivatives market</p> <p>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.</p> <p>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).</p>	EBRD
New Reform Commitments		

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Develop a financing offer relating to the green economy	<p>Development of a financing offer related to the green economy</p> <p>The Ministry of Economy and Finance has implemented a co-funding mechanism "Green invest" that features funding from commercial banks and the national company for guarantees and enterprises funding (Tamwilcom), to support green investments carried out by enterprises.</p> <p>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 has adopted a guide on Green Bonds for issuers and professionals.</p> <p>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.</p> <p>Moreover, several companies have issued green bonds for a total amount exceeding DH5 billion.</p> <p>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.</p> <p>Study on the development of a financing offer relating to the green economy with main objectives:</p> <ol style="list-style-type: none"> 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. <p>To further improve the sustainable finance regulatory framework, the Ministry of economy and finance, the Central bank, the Capital Market Authority, and the Insurance Authority have recently launched the taxonomy preparation process. A working group has been established to monitor and follow up the taxonomy development and implementation process.</p> <p>The Ministry recently initiated the Sustainable Finance Strategy development process, along with the Central bank, the Capital Markets Authority, and the Insurance Authority. This strategy will build on the achievements and levers of the "roadmap for aligning the financial sector with sustainable development," developed during the COP22 held in Marrakech in 2016. It would include areas such as regulations, the development of green financial instruments, the mobilization of finance, particularly from the private sector, etc.</p> <p>The Ministry of Economy and Finance will advance in greening the national support system for access to financing by implementing requirements for assessing the environmental impacts of funded projects exceeding a certain Threshold.</p>	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	<p>Ongoing Implementation, especially, securitization framework to distressed asset recovery</p> <ul style="list-style-type: none"> - Enactment in 2018 of 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. - Adoption in August 2023 of 6 "orders" related to sukuk certificates that concerns investment sukuk certificate and financing sukuk certificates in application of law n°33-06 related to securitization. These orders are essential pillars in the establishment and the development of participative finance ecosystem. - 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. <p>Covered bonds</p>	IFC, World Bank KFW

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> - Publication, in 2022, of the law on covered bonds. - This law is part of the government's strategy for the development of the Moroccan financial sector and mobilization of long-term resources, as well as diversification of sources of financing. It also aims to meet the needs of investors regarding long-term financial instruments and other benefits for issuing institutions, particularly the diversification of refinancing instruments. <p>Secondary market for non-performing loans</p> <ul style="list-style-type: none"> - 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. - An additional reform package on debt transferability to support the development of a secondary market for NPLs is being finalized. 	
Operationalize the legal framework governing collective investment in real estate or in capital	<p>Good market take-up of Real Estate Investment Trust (REITs)</p> <ul style="list-style-type: none"> - 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
Improving Access to Financing for Individuals and SMEs		
Progress Made on 2018 Reform Commitments		
Revise the legal framework relating to microfinance	<p>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:</p> <ul style="list-style-type: none"> - Adopting in July 2021 the law 50-20 relating to microfinance; - Publication, in 2023, of circulars provided for in the aforementioned law and others resulting from the adaptation of the banking law. It concerns the minimum of capital, specific conditions applicable to microfinance institutions approved as a credit institution and the classification of the receivables of microfinance institutions and their coverage by provisions. <p>Ongoing regulatory texts preparation relating to the operationalization of the law relating to microfinance:</p> <ul style="list-style-type: none"> - 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 companies providing non-financial data as part of the national financial inclusion strategy.	<ul style="list-style-type: none"> - 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. - This law was published in the Official Gazette (OG) on 29 February 2024. 	IFC KfW
Improving Financial Stability		
Progress Made on 2018 Reform Commitments		

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
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.	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.	
Ensure continued macroeconomic stability in the aftermath of the COVID-19 pandemic	<p>Continue implementation of the recovery program (new reforms under the program are detailed below).</p> <ul style="list-style-type: none"> • 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 advised on analysis and design of economic policies and programs in the pandemic context.
Progress on 2023 Reform Commitments and Initiatives		
Ensure inflation is controlled	In face of the inflationary environment, the BNR continued the monetary policy tightening cycle to curb inflationary pressures and by March 2024, it had made a cumulative increase of 300 basis points since February 2022, and together with improvement in season A 2024 agriculture production, headline inflation was 4.5 percent in April 2024, down from the peak of 21.7 percent in November 2022.	<p>Various development partners are advising on analysis and design of policies and programs in the current context and areas of concern.</p> <p>Partners are also supporting government programs with financial resources.</p>
Ensure an adequate reserves buffer are kept while avoiding large fluctuations in the exchange rate	<ul style="list-style-type: none"> • Reserve coverage remained above four months of the following year imports standing at 4.4 months of imports by end of 2023, from the previous level of 4.2 months of imports • BNR continued intervening in the forex market, only to smooth fluctuations of the exchange rate. • A diagnostic assessment of the FX market has been completed by November 2023. The BNR has revised its official exchange rate calculation methodology to better reflect market conditions. 	IMF Policy Coordination Instrument (PCI) reforms
Enhance fiscal sustainability	Government has adopted a fiscal consolidation path, including both increased resources mobilization and rationalization of spending.	IMF PCI and FY23 performance and policy actions under the World Bank Sustainable Development Finance Policy.

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
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 PCI reforms
Reform Commitments and Initiatives for 2024/2025		
Ensure continued macroeconomic stability amidst compound shocks	<ul style="list-style-type: none"> Continue implementing the on-going fiscal consolidation plan including both increased resources mobilization and rationalization of spending. Continue ensuring exchange rate flexibility. Continue building socio-economic resilience, including the implementation of Rwanda's ambitious climate agenda. Strengthening capacities for climate modelling and environmental taxation 	<p>IMF Policy Coordination Instrument and Stand-By Credit Facility (PCI/SCF) reforms</p> <p>World Bank, IMF, GIZ</p>
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
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 supported RRA on electronic single window for customs.
Adopt the Medium-Term Revenue Strategy (MTRS)	Adopted in May 2022, the MTRS spans three fiscal years with the objective to increase revenue-to-GDP ratios by 1 percentage point of GDP while supporting economic recovery. The MTRS is being implemented and will continue to be updated to take advantage of new revenue streams.	IMF, Tax Dev, World Bank, ATAF and other DPs to support in conducting 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
Progress on 2023 Reform Commitments and Initiatives		
Implement the MTRS – Revision of the CiT	An amendment of the law revising the CiT statutory rate from 30 to 28 percent was adopted and promulgated in September 2023	
Implement the MTRS – Property Tax	A revision of the law on property tax has been made and enacted from September 2023 with key changes on trade license, sale of immovable assets, and tax rate on properties. Overall, the reform increased the tax collection.	IMF

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Implement the MTRS –revision of the VAT law	<p>The revised law on VAT in September 2023 introduced the VAT rebate or rewards to the final consumer who receives an electronic invoice.</p> <p>The ministerial order providing the modalities for the implementation of this policy has been approved and published in February 2024. The revision also included a provision the VAT tax on Digital Services.</p>	IMF
Implement the MTRS – tax administration measures	The Rwanda Revenue Authority (RRA) continued to implement MTRS measures aimed at (i) taxing the shadow economy, (ii) improving voluntary compliance, and (iii) promoting compliance improvement plans (CIPs) and to combat tax evasion through its new operating model to strengthen RRA's capacity.	IMF
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 results will feed into the development of the MTRS 2.	IMF, TaxDev
Fighting tax evasion	Creation of the unit in charge of exchange of Tax information at Rwanda revenue Authority	FCDO
Reform Commitments and Initiatives for 2024/25		
Implement the MTRS – other measures	The Government will introduce a mix of tax policy changes and enhancements in tax administration, including (i) imposing VAT on mobile phones and certain telecommunication equipment, (ii) introducing gaming taxes, (iii) raising excise taxes on beer, tobacco, and IT services, and (iv) Reviewing the mineral taxation.	IMF
Comprehensive tax reform	The Government will develop a comprehensive tax reform package predominantly relying on broadening of the tax base, including by streamlining tax holidays and exemptions.	IMF, TaxDev
Public Finance Management		
Progress Made on 2018 Reform Commitments		
Improving the medium-term expenditure framework	The Organic Budget Law, that was enacted in 2022, is a critical legislative framework that (i) improves the budget and medium-term expenditure framework (MTEF), (ii) institutionalizes the fiscal risk management practices and structures, and (iii) helps the adoption of best practices in fiscal reporting.	
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
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	

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Progress on 2023 Reform Commitments and Initiatives		
Improving transparency and effectiveness of public investment	A ministerial order implementing the procurement law requiring by all procuring entities and by contractors, suppliers, and consultants as the single online portal for all procurements was gazetted in October 2023. The e-procurement system creates a single online portal for stakeholders, contractors, suppliers, consultants and the public at larger to access information on current procurement opportunities, learn about the procurement process, and obtain procurement documents and templates for all types of public contracts. This will promote equal access for all types of businesses, including SMEs, reducing the possibility of large or well-connected firms gaining an advantage because of information asymmetries. This will not only increase competition for government contracts, but also benefit the private sector by ensuring transparency, fairness and equal opportunity for all.	World Bank
SOE oversight, management, and governance.	In September 2023, the mandate of Ministry of Public Investment and Privatization (MININVEST) was integrated in the Ministry of Finance and Economic Planning (MINECOFIN), through the creation of the State Ministry in charge of Public Investment and Resource mobilization. This has triggered the restructuring of the ministry with the creation of (i) the privatization department to oversee the process of transferring State-owned companies and assets to private ownership, (ii) the 'Investment Opportunities' Department to identify and analyze strategic opportunities for profit-oriented public investments leading to the economic growth and transformation of the country, and (iii) the Portfolio Oversight Department to monitor the performance, oversight, and support of State-Owned Companies (SOC).	
Strengthen transparency of beneficial ownership	Companies have begun to submit beneficial ownership (BO) information since April 2023	
Reform Commitments and Initiatives for 2024/25		
Strengthening SOE oversight, management, and governance.	<p>The Government will continue the review of the legal framework underpinning SOE governance, which encompasses the following instruments: (i) the National Investment Policy, (ii) the Privatization Law, and (iii) the Privatization Policy. The draft Presidential Order will determine the prerequisites for establishment of an SOE and the rules of its management.</p> <p>SOE corporate governance reforms: The Government plan to enhance SOE Board oversight functions by formalizing and enforcing the selection criteria, accountability frameworks, and remuneration for members of the Board. This will strengthen internal audit functions and introduce a better risk management framework.</p> <p>Managing and mitigating SOE fiscal risk: The Government will continue to improve its internal capacity to assess, manage and mitigate fiscal risks associated with the SOE sector.</p>	<p>World Bank</p> <p>IMF</p> <p>IMF</p>

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Improving transparency and effectiveness of public investment	As follow-up to key PIMA recommendation, the Government will publish a pipeline of appraised major projects and project selection criteria annually alongside budget documentation.	IMF
BUSINESS FRAMEWORK		
Regulations and Institutions		
Progress Made on 2018 Reform Commitments		
Conduct feasibility study to inform government policy on industrial parks development	<p>Pre-feasibility studies on Industrial parks development were conducted for Bugesera and Rwamagana.</p> <p>Current Status: Framework Agreement between GoR and Arise IIP for the development of the Bugesera Special Economic Zone (BSEZ) was signed in 2022.</p> <p>BSEZ is being developed in three phases. Phase 1 is under construction of roads and wet utility networks. 16 companies are already operational at BSEZ as of end 2023.</p>	FCDO (former DFID) funded Invest Africa to support and facilitate investments attraction.
Progress on 2023 Reform Commitments and Initiatives		
Strengthen the competition and consumer protection	A new competition and consumer protection policy was adopted in 2023. The policy clarifies its scope and overarching principles and defines the institutional coordination arrangements needed for its successful implementation. Importantly, The policy recognizes competitive neutrality across public and private sector market players, and clarifies the interplay between competition policy and consumer policy, which is particularly important in digital markets.	World Bank
Enhancing services to investors	In 2023, the RDB One Stop Center was expanded and today has over 22 institutions that provide 440 services to businesses to set up, start, and operate their businesses in Rwanda	
Reform Commitments and Initiatives for 2024/25		
Industrial Policy	Finalizing the Industrial Policy (2024-2034) which will inform, among others, the development of other industrial parks and economic zones	
Enhancing services to investors	In 2024/2025, RDB will embark on a journey to fully digitalize the One Stop Center to further support investors and potential investors with ease of access to information. This will include the development of new business registration and mortgage registration systems	
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	<p>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.</p> <p>A Blended Finance Facility model will be explored to determine if we should limit it to PPPs and JVs projects.</p>	<p>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)</p> <p>DPs to support in determining necessary policy reforms and guidelines to improve quality of feasibility studies</p>
Develop a pipeline of projects to attract private investors (including PPPs)	The government 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 2024. ²² 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	<p>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 through provision of low-cost financing and offering even lower interest rates if acquired equipment would achieve either</p> <p>a. Significant increase in production output per worker</p> <p>b. Introduce more sophisticated manufacturing technique</p>	World Bank, AIIB – through the Access to Finance for Recovery and Resilience project

²² 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
Investor Protection and Dispute Resolution		
Progress Made on 2018 Reform Commitments		
Institute a quarterly investment roundtable to resolve investor issues	<ul style="list-style-type: none">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 (FCDO) TA through Invest Africa
Implement the systemic investment response mechanism (SIRM)	<ul style="list-style-type: none">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.	
Progress on 2023 Reform Commitments and Initiatives		
Insolvency Law reform	Ministerial Order n° 001/MINICOM/23 of 05/10/2023 relating to insolvency practitioners was gazette on 5 th October 2023. The training of Insolvency Practitioners and commercial judges was conducted by RDB and World Bank in March 2023	World Bank
Reform Commitments and Initiatives for 2024/25		
Insolvency Law reform	RDB is working on the amendment of the current Insolvency Law to establish simplified procedures for MSEs	World Bank
FINANCING FRAMEWORK		
Mobilization of Private and Institutional Investments		
Progress Made on 2018 Reform Commitments		

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
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	<p>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.</p> <ul style="list-style-type: none"> • 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
Progress on 2023 Reform Commitments and Initiatives		
BNR management to approve a road map for GMRA implementation endorsed by all stakeholders	<p>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.</p> <p>The road map for GMRA implementation was signed on 25th April, 2023. To address the gap in order to enforce GMRA in Rwanda, the law on holding and circulation of securities (CSD Law) was amended to include the operative close of closeout netting provision. The draft is being discussed among key stakeholders before seeking clean opinion from ICMA and ISDA before the law is enacted. Target date was set to end December 2024.</p>	IMF Policy Coordination Instrument reforms, with support from the World Bank and IFC.
To increase the savings rate and further deepen Rwanda's financial sector	To increase access to financing, increase trust in digital financial services and protect financial services consumers, the BNR has (a) issued Directive no. 4230/2023-00031[613] of 15/05/203 governing digital savings facilitators that safeguards the funds of savings and credit groups and (b) gazetted regulation no0 55/2022 of 27/10/2022 relating to financial services consumer protection, probating discrimination based on gender in access to credit. These reforms are expected to crowd in informal savings into the financial sector, support financial inclusion and guarantee the sustainability of such business models through responsible business conduct and market discipline.	World Bank

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
De-risking Investment in Specific Sectors (housing, exports, and agriculture)		
Progress Made on 2018 Reform Commitments		
Establish Affordable Housing Fund	<p>The Affordable housing scheme has started with funds available at Rwanda Development Bank.</p> <p><u>Current status</u></p> <p>The Funds was established & IWAVE Program was launched to the first homeowners.</p>	The World Bank 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)	<p>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.</p> <p><u>Current status (March 2023)</u></p> <p>At 80 percent of commitments</p> <p>50 percent final beneficiaries</p> <p>Available funds (budget) \$160 billion</p>	KfW is supporting EGF and DFID have plans to support.
Establish agriculture risk sharing facility	A Rwanda Agriculture De-Risking and Financing Programme is now operational.	The World Bank Group is supporting through the Commercialization and De-risking for Agricultural Transformation Project.
Climate Investment and Finance		
Progress on 2023 Reform Commitments and Initiatives		
Establishing Rwanda's Private and Public Green Investment Facilities (Ireme and Intego)	Ireme Invest 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.	EIB, Agence Française de Développement, Government of Sweden, Foreign, Commonwealth and Development Office of the Government of the United Kingdom, Global Climate Partnership Fund
	Intego (or NDC Facility) Intego has a capitalization of EUR 46 million grant from KfW as part of the Rwandan-German Climate and Development Partnership.	KfW
Innovative climate financing instruments: Sustainability-linked bond (SLB) issuance by Rwanda Development Bank (BRD)	In October 2023, the BRD issued an innovative sustainability-linked bond (SLB) to support Rwanda's sustainable economic development objectives. This was the first SLB issuance in East Africa and the first issuance by a national development bank globally. The SLB was partially credit enhanced by the World Bank.	World Bank
Climate budget tagging	Developed a prototype of climate budget tagging on development expenditure and released a climate budget statement based on initial tagging results	IMF

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Green taxonomy	Rwanda's Green Taxonomy covering selected sectors (agriculture, energy, transport, and construction) that represent 75% of all emissions was launched at the COP28 in December 2023	GIZ
Integrating climate risk into fiscal planning	Expanding the quantitative climate risk analysis by incorporating SOEs and PPPs that are vulnerable climate shocks into the analysis	IMF
Improve the sensitivity of PIM to climate-related issues.	<ul style="list-style-type: none"> 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. 	IMF
Enhance climate-related risk management for financial institutions and develop a green finance market	The guideline for climate related financial risk management for Financial Institutions was issued in November 2023.	IMF
Strengthen disaster risk reduction and management	<ul style="list-style-type: none"> A new National Disaster Risk Reduction and Management Policy was adopted focusing on clarifying the roles and responsibilities between institutions and providing clear frameworks for community-based disaster risk reduction and management. The Government adopted an action plan to strengthen the 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, World Bank, WFP
Enable the private sector participation in nature conservation	Rwanda has adopted the law governing national parks and reserves (Law 001/2023 of 13/01/2023), that provides modalities for the establishment and management of national parks, nature reserves and buffer zones. The law enables the private person authorized by the authority to manage national parks and nature reserves and convert private land to nature reserves. It also creates opportunities to use collaborative management partnership to facilitate private sector engagement in management.	World Bank
Carbon market framework	In September 2023, Rwanda has approved its Carbon Market Framework. The framework establishes a governance and institutional structure that will guide Rwanda's participation in the carbon markets. Rwanda is committed to mobilizing financing for climate action without contributing to public debt accumulation.	World Bank, GIZ
Reform Commitments and Initiatives for 2024/25		
Climate finance strategy	Adoption of the National Climate Finance Strategy, which will include an overview of roles and responsibilities, a work plan, and it will define a climate finance taxonomy, project selection process, and an information system to monitor investments.	World Bank, KfW
Climate budget tagging	Expand climate budget tagging to all expenditures	IMF
Green taxonomy	Rwanda's Green Taxonomy for additional selected sectors (manufacturing, ICT, waste and water management) will be endorsed and capacity development measures for implementation introduced	GIZ, IMF

Rwanda's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Sustainable Public Procurement	Conduct a legal review and a market readiness analysis for the identification of product groups to pilot sustainable public procurement, including through an SPP policy and action plan	KfW, WorldBank, AFD
Improve the sensitivity of PIM to climate-related issues.	Build up capacities of MINECOFIN, line Ministries and RAPEP to improve the quality of climate consideration in project appraisal and selection	AFD
	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
Enhance climate-related risk management (incl. sustainability aspects) for financial institutions and develop a green finance market	Issue a guideline to financial institutions regarding the implementation of recommendations of the International Sustainability Standards Board (ISSB). Relevant policies will be aligned to enable climate and nature investments and their monitoring, reporting, budget tagging, information system, etc. Awareness-raising and capacity-building in implementing data collection, reporting and disclosure, and stress-testing on climate risks as well as ESG in the financial sector	GIZ, ISSB, IMF AFD

SENEGAL

Senegal's Reform Commitments and Initiatives (2023)	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 National Committee of Public Debt (CNDP)	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 examination; reporting of information on cndp activities (texts; publications: bulletins, reports; acts: opinions and decisions)	
Domestic Resources Mobilization		
Progress Made on 2018 Reform Commitments		

Senegal's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
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 in-depth 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
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	

Senegal's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
	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 and was instituted in the BIA 2022 for 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. 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.	

Senegal's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
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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 optimizing the Administration's organizational framework, 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

BUSINESS FRAMEWORK		
Investor Protection and Disputes Resolution		
Progress Made on 2018 Reform Commitments		
Systematize and professionalize the amicable settlement of disputes	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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).	

Senegal's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
	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	
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 Ziguinchor 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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. 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. 	World Bank (DPO, TA) Note: Criticality of the ADIE reform for digital inclusion and digital transformation (especially at the public administration level).
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 millionradio area (both as an administrative center, industrial parks/SEZ, and as a new city/residential developments) and Ndayane (50km south of Dakar for containers).	

Senegal's Reform Commitments and Initiatives (2023)	Progress in Meeting Commitments and Initiatives	Partner Support
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	<p>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.</p> <p>Increase the availability of long-term resources for banks, such as La Banque Agricole, active in financing shrub crops.</p>	KfW, CDP, World Bank
Support access to finance in the agriculture sector using warehouse receipt financing	<p>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.</p> <p>In 2022, the government reported the institutional strengthening of ORSRE and development of an incentive framework to promote investment in warehousing services and infrastructure.</p>	IFC, World Bank
New Reform Commitments and Initiatives		
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 Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress made on reform commitments made in 2018		
Reduce debt and budget deficit to ensure debt sustainability and external stability	Until the advent of the COVID-19 pandemic, Togo maintained a disciplined fiscal policy supported by the IMF program (2017-2019). The budget deficit fell to 0.9% of GDP in 2019 (below the WAEMU norm) after peaking at 7.1% in 2016. Meanwhile, public debt decreased to 51.294% of GDP (from 61% in 2016). However, the deficit widened to 6.9% and debt increased to 58.61% of GDP in 2020 due to the COVID-19 pandemic, reaching 8.3% and 65.8% respectively in 2022. The budget deficit has widened in recent years mainly due to exogenous shocks. For 2023, the deficit is projected at 6.2%, with the new IMF program aiming for a 3% target by 2025.	World Bank, IMF, AfDB, EU
Reorganize debt management services in line with international best practices to improve management and sustainability of debt.	<ul style="list-style-type: none"> In 2017, the Directorate of Public Debt and Finance at 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 the implementation of the medium-term debt reduction strategy, now focusing on concessional loans as the preferred source of financing. The Directorate of Public Debt will play a key role in assessing fiscal risks, including those related to PPPs. In 2020, the government (with the support of the World Bank's emergency budget aid) improved debt management and transparency: (i) publishing key economic, financial, and fiscal information on the government's website, including a declaration of fiscal risks; and (ii) publishing an annual public debt report on the government's website, which includes an assessment of the implementation of the medium-term development strategy. In 2021, the government (as part of the World Bank's budget support) published (i) the annual borrowing plan in accordance with the Stratégie de la dette à moyen terme (SDMT); and (ii) the statement of budgetary risks. The 2023-2025 and 2024-2026 versions are published, and the 2025-2027 version will be produced and published in 2023. In 2023, the government (as part of the implementation of the World Bank's performance criteria measures) published an analytical report on debt management, including an evaluation of the implementation of the Annual Financing Plan (AFP) with lessons learned for the debt management strategy. These documents are available on the website www.togoreforme.gouv.tg. 	World Bank, IMF
Clear arrears and improve public financial management to prevent accumulation of new arrears, to support the proper functioning of private sector activities.	Efforts to synchronize the 2023 procurement and treasury plans have resulted in the clearance of all arrears by 2019. Despite the COVID-19 shock, Togo has not accumulated any new arrears to date.	World Bank, IMF
New commitments and initiatives regarding reforms		
Management of Guarantees and On-lent Loans	The texts governing the new legal and operational framework are being approved to assess the risk, pricing, and monitoring of public guarantees and on-lent loans to better manage potential liabilities associated with public enterprises.	BEEMER Budgetary aid 2023-24

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
Budget Consolidation Strategy	The national monitoring committee for the WAEMU fiscal transition program was established to oversee the budgetary sanitation program and control commitments regarding the mobilization of national revenues. Monitoring reports are prepared quarterly and published on the website togoreforme.gouv.tg . The report for the first quarter of 2024 will be published in April 2024.	World Bank, IMF
Strengthen public debt management	Togo has made arrangements to adhere to the deadline of March 30th each year for the production and publication of the Annual Public Debt Report, which includes an assessment of the implementation of the Annual Financing Plan (AFP) with lessons learned for the debt management strategy.	World Bank
Transparency in debt management and improvement of investor relations	A database tracking bidders and final investors of bond issues in the regional debt market has been developed by the Government. The statistical bulletin for the first quarter of 2024, including the table on the composition of domestic debt by category of investors, has been prepared and published.	

Mobilization of National Revenues		
Progress made regarding the commitments made in 2018 for reform		
Strengthening of the control bodies of the Togolese Revenue Office		World Bank, IMF
Introduce specific controls for companies operating in the phosphate, clinker, and cement sectors.	Since 2017, 100% of companies operating in the sectors of phosphate, clinker, and cement are subject to tax audits.	
Expand the tax base by adopting and implementing a new fiscal policy and transitioning to electronic or paperless tax collection.	<ul style="list-style-type: none"> A new tax code was enacted in January 2019, reducing the number of taxes, and offering various incentives. An online tax declaration and payment system was established for large and medium-sized enterprises. The coverage of this system has been extended to small and medium-sized enterprises. Online tax payment by large and medium-sized enterprises has been mandatory since 2019. The online tax declaration and payment system has been strengthened to ensure the legal protection of personal data. The VAT base has been broadened to include legal entities or individuals engaged in a liberal profession and holders of public offices and duties. The fiscal policy unit, created by decree in 2017, became operational with the appointment of the heads of various units in July 2021. Quarterly publication of the updated register of active taxpayers and the introduction of a special BIC (Industrial and Commercial Benefit) withholding on imports by inactive taxpayers. Increase in the rate of excise duties and introduction of new products. Increase in the VAT rate on hotel services and similar services. 	World Bank, IMF
Strengthen the assessment of imports and the control of customs exemptions through better risk evaluation.	<ul style="list-style-type: none"> Implementation of an automatic and dynamic selectivity model at the customs border. Introduction of tariff specification codes in Sydonia World, which sets floor values for certain products for control purposes. Creation of a value control unit. Launching of an application for the evaluation of used vehicles. Establishment of a mirror data analysis unit. Interconnection of the Togolese customs system with those of other ECOWAS countries for regional transit monitoring. 	

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> Deployment of a new high-performance electronic transit monitoring system. 	
Combatting corruption and fraud: Effective operation of the High Authority for the Fight Against Corruption, strengthening of inspection units.	<ul style="list-style-type: none"> Adoption by the National Assembly of Organic Law 2020-003 on 01/24/2020 setting the conditions for the declaration of assets and holdings of senior officials and other public agents. Togo finalized a national assessment of AML/CFT risks in 2019. Workshop held at the end of March 2022 to discuss a project for an anti-corruption strategy and a five-year action plan. This strategy was developed and validated during a national workshop, along with its action plan. This action plan is already operational. 	BEEMER
New commitments and initiatives regarding reforms		
Reduce taxes to increase compliance with legislation.	<ul style="list-style-type: none"> Specific tax reductions aimed at increasing compliance with regulations, including a 50% reduction of the TPU for the selected beneficiary. Reduction of the property tax rate from 15% to 7.5% for built properties and from 2% to 0.5% for unbuilt properties. A 50% reduction in the tax rate on motor vehicles. Reduction in the tax rate on money transfers by mobile phone. 	World Bank, IMF
Rationalize fiscal expenditures.	The new National Committee for the Evaluation of Fiscal Expenditures is tasked with defining the methodology for evaluating fiscal expenditures, collecting, and managing data for the analysis of fiscal expenditures, contributing to the annual report on fiscal expenditures with a cost-benefit analysis, and developing a strategy for rationalizing fiscal expenditures.	World Bank, IMF
Elimination of fiscal expenditures not in accordance with the law.	Rationalizing fiscal expenditures that are not in accordance with the law could yield potential gains.	
Stimulate revenue mobilization.	<p>The results of the national tax census of taxpayers from both the formal and informal sectors have led to an improved system of taxpayer registration and tax collection based on new data.</p> <p>The decentralization of services with the operationalization of fiscal operations offices at the municipal and prefectural levels, as well as the creation of cadastre divisions in all regions of the interior of the country.</p> <p>Introduction of a marking system for certain products subject to excise duty;</p> <p>Establishment of a VAT prepayment system;</p> <p>Operationalization of the Mixed Tax and Customs Control Unit.</p>	
Management of Public Investments (public procurement, PPPs, public enterprises, public services)		
Progress made regarding the commitments made in 2018 for reform		
Effective use and application of the procedure manual for public projects.	The use of the manual for selecting, prioritizing, and scheduling investments is mandatory. Since 2020, 100% of new public investment projects supported by the state budget are in accordance with the prioritized public investment plan based on the new manual.	BM: This measure's implementation was supported by the series

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
		of budgetary aids from 2017-2018.
Agricultural Sector - Increase productivity and strengthen sector competitiveness	<p>For the 2020-2021 agricultural campaign, the government (i) enrolled additional households in the NOVISSI transfer system and (ii) established a digital platform for input supply and advisory services. The NOVISSI system improves access to agricultural inputs. This reform is still supported by the World Bank's DPO in 2023-2024 through enhanced access to land and agricultural inputs.</p> <p>To promote sustainable climate-smart agriculture intensification, the government (i) established eighty (80) Planned Agricultural Development Zones (ZAAP) where agroecological practices are supported.</p> <p>For the 2022-2023 and 2023-2024 agricultural campaigns, the government, with the support of the AfDB, provided agricultural producers with 500 tons of climate-resilient certified seeds and 7,700 tons of fertilizers. These aim to increase maize and rice productivity and production.</p> <p>To enhance competitiveness in the sector, a new Directorate dedicated to entrepreneurship and financing (DEFA) of the agricultural sector was established in 2023. This directorate has implemented financial instruments for agricultural development.</p>	WB: This reform was supported by an emergency DPO in 2020 and in 2023-2024, by the AfDB, and GIZ.
Energy Sector: Improve the sustainability of the energy sector by reviewing the performance of the Togolese Electricity Distribution Company (CEET).	Energy Sector: Revision of the performance contract between the government and the electricity company to improve the financial viability of the sector. Reduction of costs for obtaining electrical connections. The government has taken significant measures 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 CAF DPOs alongside the government aimed at strengthening the financial viability of the sector, including the financial situation of the Togolese Electricity Distribution Company (CEET). A new performance contract between the government and CEET for the period of 2023-2024 has been signed to improve the financial and operational performance of the company.	WB: The implementation of this reform is supported by two series of DPOs: 2019-2021 and 2023-2024.
ICT Sector - Transform the two telecommunications companies (Togocell and TogoTelecom) into a single group composed of three entities. Infrastructure, Maintenance, and Services Sectors - Establish an independent regulatory body (ARCEP).	Increased participation in the private sector. Togocell and TogoTelecom have been merged into a single entity, TOGOCOM. TOGOCOM was then privatized, with a 51% stake sold to private investors. An independent regulatory body has also been established.	BEEMER
Water Sector - Improve water management and access to water through the public sector enterprise.	<p>The Ministry of Water has established and published an action plan adopted by an interministerial decree making it mandatory to carry out and finance an energy audit to identify pumping costs and opportunities for optimization and reduction of energy consumption.</p> <p>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 this consumption. The payment of connection fees is now spread over three years with an initial payment of 25,000 FCFA.</p> <p>The government has established the National Water Council (CNE) and the Integrated Water Resources Management Fund (GIRE) to strengthen governance in the water sector.</p>	WB: The implementation of this reform is supported by two series of DPOs: 2019-21.
Financial sector program aimed at addressing the issues faced by public financial institutions.	<p>Increase private sector participation in the banking sector.</p> <p>Three out of four public banks have been privatized. The last bank to be privatized is IB Bank. The Government has committed to supporting the latter in the execution of its recapitalization plan. The Government has pledged to improve the financial situation of the last Bank (UTB).</p>	

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
PPP: Draft the procedures manual on project selection and prioritization	The current manual for selecting and prioritizing public investment projects includes PPP projects.	World Bank: The DPO 2020-2022 supported the adoption of a new PPP law by parliament.
PPP: Mobilize funds for relevant project studies	The operationalization of the PPP unit will enable undertaking actions aimed at mobilizing resources for feasibility studies of PPP projects.	The IFC is assisting the government in developing and tendering 80 megawatts of solar energy structured by IPPs.
PPP: Implement the decrees of Law No. 2021-034 of December 31, 2021, on PPPs voted in 2020.	<p>In December 2021, the National Assembly adopted a new PPP law harmonized with the directives of the West African Economic and Monetary Union (UEMOA).</p> <p>The new Law No. 2021-034 of December 31, 2021, on PPPs aims for efficiency and transparency in public investment procedures by framing the development and implementation of PPP projects.</p> <p>Decree No. 2022-065/PR regarding the modalities for the implementation of the procedures for the award and execution of PPP contracts, and Decree No. 2022-066/PR regarding the missions, attributions, organization, and functioning of the PPP Unit were also adopted.</p>	
Strengthening the legal basis for public procurement control.	<p>To improve the efficiency and transparency of public procurement, the government has adopted:</p> <ul style="list-style-type: none"> (i) a decree establishing a 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. Additionally, the government has adopted; (iii) the new Law No. 2021-033 of December 31, 2021, on public procurement; (iv) Decree No. 2022-080/PR of July 6, 2022, establishing a code of public procurement; 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 commitments and reform initiatives		
Making the High Authority for Quality and the Environment (HAUQE) operational.	<p>The HAUQE has been operational since 2021 with the allocation of the institution's headquarters, the assignment of staff, and the appointment of the first transitional manager. On October 17, 2022, the president of HAUQE was appointed by decree in the Council of Ministers. Four general directors were appointed by presidential decree on March 14, 2023, to operationalize the technical structures of HAUQE.</p> <p>The operationalization of HAUQE contributes to improving the competitiveness of Togolese companies by relying on a system of certification, traceability, and quality. HAUQE will establish a certification system for organic products with the support of GIZ.</p>	
Implementation of a low-cost electricity development plan.	A low-cost electricity development plan has been developed through a participatory process and procurement procedures were established.	
Making the income protection program operational.	The government has established a department within CEET responsible for the income protection program of its largest consumers and has adopted general principles for the implementation of the Income Protection Program (IPP).	

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
Installing smart meters.	The government has adopted a new policy for the installation of smart meters for central public entities and prepaid meters for non-central local entities.	
Adopting a plan for the development of renewable energies.	The government has adopted a plan for the development of renewable energies with objectives to be achieved by 2025. The government has also taken measures to improve access to renewable energies, particularly in rural areas.	
Adopting the medium-term budget framework.	CEET has adopted a medium-term budget framework to support debt sustainability. A new framework is being developed for the period 2024-2026.	
Signing a new performance contract with the Togolese Electric Power Company (CEET).	The government has signed a new performance contract with CEET to support the improvement of its financial and operational performance.	
Operationalizing the TINGA Fund.	The government has established the Tinga Fund to facilitate access for vulnerable populations to basic social services.	

COMMERCIAL FRAMEWORK		
Regulations and Institutions		
Progress made regarding commitments made in 2018 regarding reforms		
Drafting and adopting the new land code and its implementing decrees	Law No. 2018-005 of June 14, 2018, concerning the land and property code, is currently being amended. Indeed, this draft law has been adopted by the Council of Ministers and sent to the National Assembly for voting. The implementing decrees of the land code are awaiting adoption.	
Digitization of the cadastre	Several reforms have been implemented to facilitate the process, including: <ul style="list-style-type: none"> • Operationalization of the digital land title production system; • Establishment of an e-land platform; • Establishment of the cadastral matrix of Greater Lomé; • Design of an electronic land database; • Development of an online tracking solution for land registration files; • Deployment of the permanent station network in Greater Lomé; • Digitization of land registers. 	BEEMER
Modernizing the building permit system	Togo has streamlined the process of obtaining building permits by reducing fees and adopting an online portal for applications. The country has enhanced transparency in managing building permits by making required documents, pre-approval, and fees available online. Togo has also improved construction quality control by regulating inspections during construction.	
New commitments and initiatives regarding reforms		

Enhancing trade facilitation		
Progress made regarding commitments made in 2018 regarding reforms		
Enhancing trade facilitation	<ul style="list-style-type: none"> • Togo has made significant progress towards fully digitizing customs clearance procedures in the port supply chain through the implementation of SYDONIA World, including an interface with other supply chain platforms for data exchange, electronic payment of fees, and regular information updates. In this context, the platform has automated the risk-based inspection mechanism and the process for requesting authorization and customs clearance. 	

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> • The acquisition of new scanners and their 24/7 operation has reduced waiting times for container scanning at the port of Lomé. • Additionally, juxtaposed control posts have been established with all neighboring countries. • The interconnection of the Togolese customs system with those of other ECOWAS countries for regional transit monitoring. • Simplification of procedures for joining Preferred Partnership Frameworks (PPFs) for trusted operators. • Operationalization of advance rulings. • Implementation of a simplified customs clearance procedure for express parcels at the airport. • Reduction in the number of documents required for importing and exporting goods. 	
New commitments and initiatives regarding reforms		
Investor protection, dispute resolution, and anti-corruption efforts		
Progress made regarding commitments made in 2018 regarding reforms		
Modernizing the justice sector. Fully implementing the project for the automation of chambers of commerce.	Adoption of the law authorizing the creation of commercial courts to resolve disputes concerning the interpretation and execution of contracts and streamline insolvency procedures. Two commercial courts were established in Lomé and Kara. The operationalization of the new code of judicial organization aimed at revising the outdated judicial system with the establishment of specialized courts, including the military tribunal.	
New commitments and initiatives regarding reforms		
FINANCING FRAMEWORK		
Investment risk mitigation		
Progress made regarding commitments made in 2018 in terms of reform		
New commitments and initiatives regarding reforms		
Mobilizing private and institutional investments		
Progress made in fulfilling the commitments made in 2018 regarding reform efforts		
The establishment of the Investment Promotion Agency as a one-stop shop for investments in Togo has come into effect.	<ul style="list-style-type: none"> • Adoption of a new investment code to stimulate private investment and job creation. • Establishment of a one-stop shop at the Adetikope industrial platform, including an investment agency, a free trade zone, and other essential services. • Launch of a digitization program including online regulation, online opportunities, and e-administration. • Adoption of a new law governing the status of the free trade zone in the textile and garment sector. • Development of the operational model of the Free Zone Investment Promotion Agency (APIZF). • Development of the Investment Policy Review (EPI) document. • Establishment of a framework for monitoring, consultation, and investment facilitation in the country's economic regions. • Conducting a study on the competitiveness of the sesame sector in Togo. • Development of a procedural manual for APIZF. • Creation of an investor welcome platform at the Gnassingbé Eyadéma International Airport. • Harmonization of the investment code with the investment protocol of the AfCFTA. • Launch of the national investment promotion policy and strategy. 	

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> • Development of an Investment Map Aligned with the SDGs (UNDP). • Development of a digital marketing strategy for investment promotion in Togo. 	
The "Invest in Togo" roadshow aims to present and promote Togo as an investment destination.	<ul style="list-style-type: none"> • In March 2022, the government organized a dialogue on FDI in Sub-Saharan Africa with the Multilateral Investment Guarantee Agency (MIGA), focusing on Côte d'Ivoire, DRC, Gabon, Guinea, Niger, Senegal, and Togo. • Additionally, action plans for organizing semi-annual roadshows and quarterly newsletters were developed for 2022 and 2023. 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. This is to reduce Togo's country risk, thereby attracting international private investors. • The 2024 action plan has already been developed and is being implemented. 	MIGA
Systematically include the private sector in various development projects.	In the Government's Roadmap 2020-2025, 3,500 billion CFA francs are allocated for financing development projects, with 50 percent for the private sector and 50 percent for the State. This allows the private sector to participate in financing the Togolese economy.	
New commitments and initiatives regarding reforms		

TUNISIA

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
Pillar 1: Macroeconomic framework					
Focus Area 1.1: Budget Sustainability					
Improvement in the management of public finance	1. Improve institutional arrangements for tax administration	1.1. Establishment of a directorate for large companies to better manage their tax procedures	MoF	IMF	
		1.2. Operationalization of the G20-OECD action plan on Base Erosion and Profit Shifting (BEPS)	MoF	KfW	EU, OECD
		1.3. Digitalization of tax procedures (m-filing and m-payments)	MoF	EU/KfW	USAID
	2. Strengthening of public financial management	2.1. Adoption by the Parliament of the organic budget law	MoF	KfW, EU	EU
		2.2. Improve fiscal transparency (publication of central administration's debt, SOEs financial reports)	MoF	JBS, EU	EU
		2.3. Regulations defining the role of public expenditure controllers (per Ministry) to implement OBB (Objective-based management)	MoF		EU
	3. Improve the institutional and operational framework for debt management	3.1. Adoption by the Council of Ministers of the legal framework for the creation of the Tunisia Treasury Agency	MoF	KfW IMF	WB and AfDB
	4. Adoption of the pension reform	4.1. Adoption of the new law on early retirement	PM	IMF	
	5. Reforming SOEs	5.1. Adoption by the council of Ministers of a strategy of SOEs governance.	PM	JBS	WB EBRD AfDB AFD

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
		5.2. Implementation of the performance contracts with the 5 largest SOEs (STEG, SONEDE, Tunisie Telecom, ONAS, ETAP).	PM MoF	JBS	FMI
		5.3. Publication of audited financial balances (in line with law 89-9), annual reports (in line with int'l best practice)	PM MoF	JBS, EU	
		5.4. Selection of independent administrators (merit/position) for at least 5 companies (pending to be chosen between the 20 SOEs of the pilot phase)	PM MoF	JBS, EU	
		5.5. Ten SOEs are placed under the article 22 of the law 89-9 to improve the autonomy and management of these SOEs- Approval of the law reforming Law 89-9 Governance of SOEs	PM MoF	JBS	
Focus area 1.2: Financial Stability					
Strengthening Financial Sector Oversight	6. Strengthen the capacity of the central bank as regulator and promoter of financial stability	6.1. Adoption by the board of directors of the central bank of a three-year strategic plan 2019-2021 in favor of an institutional and operational transformation of the CBT	CBT		GIZ
		6.2. Operationalization of the strategic plan	CBT		GIZ
Pillar 2: Business environment and investment legal framework					
Focus area 2.1: Removing Barriers to Investment, Trade, and Entrepreneurship					
Setting up a new legal and institutional framework for Investment	7. Limiting restrictions and increasing investor's protection	7.1. Adoption by the Parliament of the Investment Act	MDICI	IFC EBRD	
		7.2. Adoption by the Parliament of the law on tax advantages	MoF		
		7.3. Adoption by the council of Ministers of a decree establishing the operating principles of the High Council of Investment and the Tunisian Investment Authority	MDICI		
		7.4. Creation of the Tunisia Investment Fund	MDICI		

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
		7.5. Publication of three decrees operationalizing the bankruptcy law.	MoJ/MoF		
Improvement of the investment and private sector business climate	8. Streamlining investment entry restrictions and improving corporate governance	8.1. Adoption of the Transversal law for the improvement of the business climate	MDICI		
		8.2. Publication – Decree which obliges the concerned government departments/agencies to not request documents already in the possession of the administration	M. Fonction Publique (Public Administration Ministry)	JBS	
		8.3. Publication of Decree: 1) Typology of business projects; 2) Associated simplified procedures; 3) Description of the preferential margin for the requester of the spontaneous offer during the evaluation of proposals (offers)	IGPPP	JBS	
		8.4. Review the competition framework to support the autonomy and independence of the Competition Council (CC) and strengthen its financial and human resources to enable it to carry out its missions.	Ministry of Commerce	EBRD EU (OECD)	IFC/WB
Simplifying Investment Regulation and Procedures	9. Streamlining investment entry restrictions	9.1. Publication of a decree of a list of economic activities requiring authorizations and the legal basis for the elimination of 27 authorizations (first wave of simplification) – Decree 2018-417 of May 2018, 2020	MDICI	JBS EU	IFC
		9.2. Publication of the specifications required for those activities which are part of the negative list of activities for which 27 authorizations are eliminated) in application of article 4 of the Decree 2018-417.	MDICI	JBS EU	IFC USAID -Tunisia jobs
		9.3. Adoption of the decree for the elimination of a list of 26 economic and administrative authorizations (second wave of elimination)	MDICI	EU	IFC
		9.4. Revision of the Digital code and drafting of the digital act (secondary legislation)	MIDCI/TIC		IFC/ WB

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
	10. Facilitating international investments through a digital one stop shop and a National Investment Communication Strategy	10.1. Review and update of investment procedures to facilitate investment operations and guarantee investors satisfaction	MDICI/TIA		GIZ
		10.2. Reinforcing the strategic council within TIA to enhance private public-private dialogue for efficient investment policies	TIA		EBRD
		10.3. Launching of a national digital one-stop shop platform which will be an integrated information system that aims to bring together investment agencies and government departments to reduce inefficiencies and simplify all business-related procedures.	MDICI TIA	EU	GIZ USAID Jobs
		10.4. Adoption by the Council of Minister of a national Investment communication strategy involving the main stakeholders (TIA- MDICI- MoF- CBT) and setting out objectives and mechanisms for its operationalization.	MDICI TIA		GIZ
	11. Reducing Investment Transaction costs	11.1. Launching of a digital platform for capital transactions that allows a non-resident investor to self-declare and establish the investment form	CBT		
		11.2. Digitalization of the Business legal registration procedures which aims to introduce a faster, more transparent, and more uniform system for registering a business in the country (operationalization of the new law 52-2018 on business register).	MoJ and RNE		TBD
Promotion of start ups	12. Boosting young firms and entrepreneurs in the knowledge economy	12.1. Adoption by the Parliament of the startup act	MTIC	EU	
Focus area 2.2: Improve Trade Facilitation					

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
Improving Tunisia Competitiveness	13. Simplification and digitalization of trade procedures	13.1. Trade facilitation through the digitization of export and import procedures related of the Liaisse Transport (transport documents)	MoT/TTN/MoF DSI/TTN/CIMF	JBS UE WB	GIZ IFC
		13.2. Digitalize all procedures related to the Liaisse Unique: (i) DDM; (ii) Trade certificate (with/without payment) and (iii) technical control	MoF/ Customs/ TTN DSI/CIMF/TTN MoC	JBS EU	n.a.
		13.3. Digitization of the customs taxes and rights	MoF/ Customs/ TTN DSI/CIMF/TTN MoC	n.a.	n.a.
		13.4. Digitalization of the clearance process and guarantees	MdF/Customs DSI/CIMF/TTN		na.
		13.5. Support to the Change Management Process for the implementation of the customs IT system and its interoperability with other systems.	MoF/Customs	BERD	MCC
		13.6. Implementation of customs ex-post control	MoF/Customs CAP		Besoin d'AT d'après la douane
	14. Modernization of the Rades Port	14.1. Implementation of Smart Gate and TOS	MoT/STAM	JBS JICA	WB JICA
		14.2. Modification of concessions	MoT/ STAM/ OMMP	JBS EU	WB
		14.3. Signing contract for the construction of docks 8&9	MoT/OMMP	JBS EU MCC	EBRD MCC (tentative)
	15. Introduction of more flexible exchange rate arrangements and regulations	15.1. Adoption of measures to relax the exchange arrangements	BCT	EU	FMI

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
		15.2. Adopt and announce the roadmap for the gradual lifting of restrictions on access to foreign currency financing Review the BCT Information System and, once the control tools are in place, switch to a transaction control system ex-post rather than ex-ante, using a risk-based approach.	BCT	EU	FMI
Focus area 2.3: Strengthening Public Private Partnerships					
Improve PPPs Governance	16. Governance of PPPs	16.1. Strengthening of the capacity of the PPPs strategic council and IGPPP	IGPPP	EU	EBRD AfDB EU
		16.2. Launching of a digital platform to facilitate information, transparency, and efficacy in the identification, submission, and follow up of projects	IGPPP	EU	TBD
Speed-up Operationalization and financing of PPPs	17. Selection and preparation of projects	17.1. Publication of a priority list of PPPs open to at least 51% private investment	MDICI and IGPPP		IFC EBRD
		17.2. Publication of a decree modifying the conditions and procedures for concessions	IGPPP		IFC EBRD
		17.3. PPP program covering energy, sanitation and water initiated.	IGPPP		IFC EBRD
	18. Financing of PPPs	18.1. Establishment of a Project Preparation Facility to improve support and a mechanism to finance feasibility studies to activate the initiation of PPP projects	CDC/MoF/IGPPP	EU	IFC EBRD
Pillar 3: Financial Sector Framework					
Improving access to finance	19. Improving access to finance for MSMEs and young firms	19.1. Adoption by the Parliament of the seed and equity investment act	MoF	WB	
	Easing of the law on excessive interest rates to credits to SMEs	19.2. Adoption by the parliament of the amendments to the law on excessive lending rates	MoF	IMF/AfDB	

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
		19.3. Publication of regulations (Circular CBT and decree) laying down the methodology for calculation the global effective interest rate (TEG) and the average effective interest rate (TEM)	MoF/CBT		WB/IFC
		19.4. Lancement du fonds de fonds ANAVA pour soutenir le programme gouvernemental « Startup Tunisia ».	CDC/Min TIC/MEFAI	BM/KfW/UE	UE (Innovi)/GIZ/KfW BM
	20. Deepening access to finance for MSMEs & entrepreneurs and improve lenders' risk management	20.1. Adoption by the parliament of the organic law on credit bureaus	MoF	WB KfW	AfDB
	21. Strengthening the rights of creditors in movable collateral and expand the types of assets firms can use as collateral	21.1. Adoption by the parliament of the law on secure transactions	MoJ		IFC
	22. Making available collateral-free credits to SMEs by strengthening public guarantee funds	22.1. Signature of an agreement between the Ministry of Finance and SOTUGAR that Improves the financial products offered by the SME Credit Guarantee Fund, its operating procedures, and its risk management framework.	MoF	WB KfW	
		22.2. Signature of an agreement between the Ministry of Finance and COTUNACE that improves the financial products offered by the export credit guarantee fund, its operating procedures, and ands its risk management framework.	MoF		
		22.3. Guarantee mechanisms strengthened access to finance for exporting SMEs ("Dhamen Finance" law approved), 2019	MoF		
Improving financial stability	23. Reducing the non-performing loan ratios	23.1. Publication by the central bank of a directive on NPLs resolution	BCT	JBS	CwA -MDTF

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
		23.2. Publication by the central bank of a circular on Out of Court Resolution Mechanism	BCT	JBS	CwA - MDTF
	24. Restructuring of the public banking sector	24.1. Achieving the objectives of the 2017-2020 performance contracts with 3 public banks: STB, BH, BNA. They will set yearly operational and financial targets, particularly concerning the treatment of NPLs and the improvement of risk control.	MoF	IMF KfW EU	
	25. Improving the quality of financial information	25.1. Alignment of the public credit registry with international standards	BCT	IFC	IFC
		25.2. Collection of granular credit and credit risk data (Anacredit system – European Central Bank)	BCT	IFC	IFC
		25.3. Compliance with data protection regulations in relation with credits	ACM		WB (Moussanada)
		25.4. Know your Customer (KYC) and Anti Money Laundering (AML) requirements	BCT/CGA/ACM		WB (Moussanada) EU (Regional AML Fund)
		25.5. Dashboards and feedback to banks	BCT		
		25.6. Progress in the implementation of IFRS	BCT		BERD(BCT) Moussanada (ACM/CGA)
	26. Strengthen anti-money laundering	26.1. Mapping of ML/F risks in the banking sector and development of a risk-based supervision framework	BCT	TBD	
		26.2. Conclude a memorandum of understanding between CBT and CTAF to improve cooperation	BCT		
Improve capital market infrastructure and broaden the sources of financing for start-ups and PPPs	27. Development of an efficient reference system for emissions and valuation of mark to market	27.1. Publication of the yield curve	MoF	EBRD	AfDB

Tunisia					
Impact	Government Actions	Indicators	Follow up	Partners BS/Fin	Partners Technical Assistance
	28. Smooth access to equity finance exchange markets for small and medium businesses	28.1. Launching of a kit for SMEs to access equity financing through the capital market	MoF	EBRD And AfDB	
	29. Broaden financial instruments for start ups	29.1. Adoption by a Council of Ministers and transmission to the parliament of amendments to the code of commercial companies introducing the notion of "sociétés par actions simplifiées" (SAS) and alternative equity instruments other than ordinary shares that are adapted to startups.	MoJ	WB	
		29.2 Crowdfunding Law	BCT	EU	
		29.3 Approval of the crowdfunding law regulations	BCT	EU	TBD