



Centre for Affordable
Housing Finance
in Africa

Housing Investment Landscapes

Côte d'Ivoire

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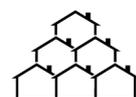


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1 Country background

After 10 years of political unrest, Côte d'Ivoire has undergone reforms and is now one of the fastest growing economies in the region along with Nigeria and Ghana. Côte d'Ivoire is a member of the West African Economic Monetary Union (WAEMU), an eight-country customs and currency union in which all members use the CFA franc (CFA). Unlike the Central African Economic and Monetary Community (CEMAC), the WAEMU zone maintained strong economic growth (6.6 percent in 2017), driven by stronger economic activity in Côte d'Ivoire and Senegal. Côte d'Ivoire's GDP grew on average by 9 percent a year between 2012 and 2015.

Since President Alassane Ouattara was elected in 2010, the country has experienced a period of political stability, but many social challenges remain. According to the government's most recent survey (ENSESI 2016), unemployment in Côte d'Ivoire is falling, from 6.1 percent in 2012 to only 2.8 percent in 2016. However, those figures are contested and other figures are put forward (70 to 90 percent), including by the African Development Bank (AfDB).¹² This is because different indicators are being used and these indicators do or do not account for informal and precarious employment. The country also suffered from severe lack of infrastructure investment during the 10 years of the crisis. To reduce this deficit of infrastructure, the newly elected government established a Plan de Développement National for 2012-2015. Shortly after, the presidency launched its social housing program to tackle the affordable housing deficit in Côte d'Ivoire, emphasising the lack of supply. The Ivorian government has also made efforts to address the complex issues of affordable housing finance with different instruments to guarantee housing loans for low income households and informal workers. Despite the government's active efforts to support both the supply and the demand sides of the housing value chain, the housing gap remains high. Most of the housing in Côte d'Ivoire is produced and financed informally and self-constructed.

Outside government housing-related agencies, key institutional investors in the housing and housing finance sectors include DFIs, banks, regional financial institutions like Caisse Régionale de Refinancement Hypothécaire (CRRH), microfinance institutions, pension funds and private equity funds.

2 Profiles of investors

The short- and medium-term outlook for the Ivorian economy remains positive. There are both local and foreign institutional investors active in the Côte d'Ivoire housing sector.

2.1 Local institutional investors

Capital markets

Foreign companies can invest in and list on the regional stock exchange for WAEMU countries, the Bourse Régionale des Valeurs Mobilières (BRVM), which is based in Abidjan. In 2018, the BRVM celebrated 20 years of operation. The BRVM has a market capitalization of US\$15 billion with 39 companies listed and is largely dominated by Ivorian and Senegalese firms. The BRVM is regulated by

¹ Lassale, E. Ivoirebusiness.net (2018). Scandale: Le vrai taux de chômage en Côte d'Ivoire se situe entre 70 et 90 percent selon la BAD. <https://www.ivoirebusiness.net/articles/scandale-le-vrai-taux-de-ch%C3%B4mage-en-c%C3%B4te-d%E2%80%99ivoire-se-situe-entre-70-et-90-selon-la-bad>

² Ballo, E. Africa Daily News(2018). Le taux de chômage: voici les vrais chiffres en Côte d'Ivoire <http://africadaily.news/le-taux-de-chomage-vrais-chiffres-cote-divoire/>

the Regional Council for Savings Investments (Conseil Régional de l'Épargne Publique et des Marchés Financiers, CREPMF). Côte d'Ivoire has 34 companies listed on the BRVM, including banks, telecommunications, energy and food companies, making it the leading country in the region, followed by Senegal with only three companies listed. Côte d'Ivoire issued four Eurobonds since 2014. The last one, in 2018, included dollar and euro securities, and a third tranche denominated in CFA franc, which is pegged to the Euro.³ However, capital markets remain a limited source of funding in Côte d'Ivoire.

Pension funds

The insurance market is the largest of the region and grew by 8.6 percent in 2016, according to the Association of Insurance Companies (Association des sociétés d'assurance de Côte d'Ivoire, ASA-CI). The two public funds are the National Social Insurance Fund (CNPS) for the private sector and CGRAE for the public sector. In June 2017, CNPS acquired a stake in Eranove, which is active in the energy sector. Previously, CNPS also became a shareholder of two banks, Société Générale and Attijariwafa Bank, and several investment funds (Amethis, Yelen and AfricInvest). Côte d'Ivoire's pension funds could invest in more real estate and housing projects. CNPS is increasingly diversifying its assets, including in the real estate and housing sectors with the construction of 32 residential buildings in Cocody totaling 384 units.

Domestic Private Equity

The number of private equity funds based in Côte d'Ivoire has increased significantly, from two to 15 in the last 10 years.⁴ Among these, the most important are AfricInvest, Amethis Finance, Adenia Partners, AFIG Funds and Emerging Capital Partners. More recently, in September 2017, Investisseurs & Partenaires (I&P) created the fund Comoé Capital, which will be entirely dedicated to SMEs, with the objective of raising an initial €7 million (US\$8.2 million). Half of private equity transactions in West Africa are registered in Côte d'Ivoire. In 2017, private equity funds based in Côte d'Ivoire joined forces to create the Ivorian Association of Capital Investors. According to the association, the total amount invested by the funds based in Côte d'Ivoire is €280 million (US\$330 million).

Banque de l'Habitat de Côte d'Ivoire (BHCI)

The Banque de l'Habitat de Côte d'Ivoire (BHCI) was created in 1994 to finance the supply and the demand sides of affordable housing. In 2016, BHCI's market share in the housing loan market was 15 percent (CFA 7 billion/US\$12.25 million).⁵ BHCI is not a CRRH shareholder. After several years of crisis, BHCI was privatized in 2017 – the Ivorian state sold all its shares (51.6 percent) to the Canadian group Westbridge Mortgage – and is now Banque Habitat Afrique (BHA). The bank's other shareholders are the West African Development Bank (BOAD), the property developer SCI Demack, and the insurance groups NSIA and Somavie.

³ Jeune Afrique (2018). La Côte d'Ivoire prépare une quatrième émission d'eurobonds.

<http://www.jeuneafrique.com/528295/economie/la-cote-divoire-prepare-une-quatrieme-emission-deurobonds/>

⁴ Oxford Business Group (2017). Private equity gains momentum in Côte d'Ivoire with launch of new fund <https://oxfordbusinessgroup.com/news/le-capital-investissement-s%E2%80%99acc%C3%A9l%C3%A8re-en-c%C3%B4te-d%E2%80%99ivoire-avec-la-cr%C3%A9ation-dun-nouveau-fonds>

⁵ At an exchange rate of \$1 = 571,62 on 8 October 2018.

Government investment

The government of Côte d'Ivoire has taken measures on both the supply and the demand sides to support its social housing program with the objective of building 150 000 units by 2020. It includes facilitating access to serviced land, enabling access to housing loans for home buyers and granting fiscal exemptions to private developers. The main instruments to implement this program are under the supervision of the National Investment Bank (BNI) and include the Housing Mobilization Account or CDMH (Compte de mobilisation pour l'Habitat), the FSH (Fonds de Soutien à l'Habitat) and the CTU (Compte des Terrains Urbains). The CDMH refinances housing loans and offers incentives to private developers who build social housing, such as an 18 percent exemption on VAT. The refinancing conditions of CDMH were improved with a lower interest rate from 9.5 percent to 5.5 percent to facilitate access to mortgages. Since its creation in 1987, the CDMH has refinanced 5 000 loans but the fund is almost exhausted. The FSH is a subsidy scheme with a wide range of activities,⁶ covering part of the infrastructure costs of housing projects, generating interest subsidies on loans extended by BHCI, particularly for housing cooperatives, and lending to housing cooperatives, mainly in rural areas, at a low recovery rate. Just like the CDMH, the FSH has been improved and now also guarantees housing loans for the acquisition of social housing units, particularly for informal workers. Since 2011, the FSH has disbursed approximately CFA 22 billion (US\$38 million).

SOGEFIHA (Société de gestion financière de l'Habitat) and SICOGL were created in the 1960s as the main government bodies for the promotion of affordable housing through property development, asset management, and land development. The two companies produced housing units at a large scale in the 1970s and 1980s and. However, since the 1990s, most housing production has been informal. Formal housing production has been revived recently with the launch of the presidential housing program. More than 12 000 units were built by SICOGL or private developers from 2012-2017.⁷ The government expects 10 000 additional housing units to be constructed in 2018. SICOGL's website does not provide a list of future or completed projects.

Table 1 Government money mobilized

Activity	CFA mobilized by the government	Balance still to be mobilized
Purging customary rights⁸	17,25 billion (US\$30 million)	11,98 billion (US\$21 million)
Roads and other networks	30,8 billion (US\$54 million)	28,9 billion (US\$51 million)

Source: Government. <https://news.abidjan.net/h/641311.html>

Following Senegal, Côte d'Ivoire announced the creation of a Caisse des Dépôts et Consignations (Deposit and Consignment Bank)⁹ in January 2018 (based on the French model) to mobilize long-term resources for the economic development of the country. The CDC will mobilize resources and invest in targeted sectors such as SMEs, infrastructure, and real estate. The bill was passed in May 2018 by the Parliament.

⁶ Décret n° 2013-219 du 22 mars 2013 portant organisation et fonctionnement du fonds de soutien de l'habitat, en abrégé FSH.

⁷ Abidjan.net (2018). Côte d'Ivoire: plus de 12 000 logements construits sur la période 2012-2017 (Ministre) <https://news.abidjan.net/h/641311.html>

⁸ Extinction of customary holders' rights to the land as a result of the payment of compensatory allowances by the public authorities

⁹ Adingra, J. Patriote (2018). Cote d'Ivoire: Création de la Caisse des dépôts et consignations - Le projet de loi adopté en commission <https://fr.allafrica.com/stories/201805230591.html>

2.2 Foreign institutional investors

Caisse Régionale de Refinancement Hypothécaire de l'UEMOA (CRRH-UEMOA)

Ivorian banks can access liquidity through the Caisse Régionale de Refinancement Hypothécaire (CRRH), a Regional Refinancing Entity for WAEMU countries. The CRRH mobilizes resources on the regional financial markets of WAEMU countries by issuing bonds and securities on international financial markets. The CRRH then advances these long-term resources to its shareholder-borrowers in the form of refinancing loans. The CRRH has issued seven bonds so far. Details of the first five bonds are presented below.

Table 2 CRRH refinancing rates (end of 2015)

Year	Number of mortgages refinanced by CRRH	Volume (in billion CFA)	Interest rate (in percent per year)	Term (in years)
2012	2 231	24.4	6.1	12
2013	401	8.8	6	10
2014	643	11.7	6	10
2015	652	8.8	5.85	10
Total	3 927	53.7		

Source: CRRH, 2015.

So far, eight Ivorian banks have benefitted from CRRH's bonds for a total of CFA 41.45 billion (US\$73 million). BHCI is one of the only banks in the region that is not a CRRH shareholder.

Table 3 Refinanced Ivorian banks

Bank Name	Amount, billion CFA	Amount million US\$
BOA CI	4	7
BACI	4	7
BNI	4.8	8.5
NSIA Banque CI	10.05	17.8
Orabank CI	2.5	4.4
Ecobank CI	8	14
BSIC CI	1.6	2.8
SIB	6.5	11.5
Total	41.45	73.0

Source: <http://crrhuemoa.org>

DFI investment

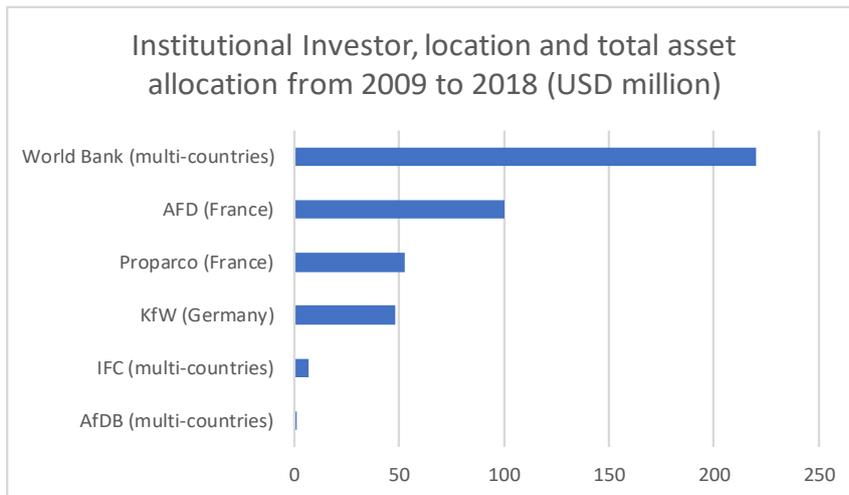
In 2016, donors pledged to fund Côte d'Ivoire's National Development Plan with up to US\$15.4 billion in grants and credits: an envelope of US\$5 billion in loans and grants from the World Bank, US\$2 billion

from the African Development Bank (AfDB), and US\$1.8 billion from the Islamic Development Bank. France, for its part, committed to providing €1.7 billion (US\$2 billion) in support through debt reduction contracts.

DFI investment in finance and housing

DFIs have invested heavily in Côte d'Ivoire, particularly in the financial and banking sector and in supporting SMEs. Main donors are the World Bank and the AFD.

Figure 1 DFI investment



Case Study: DFI Support of Housing Finance in WAEMU

Two significant investments have been made in affordable housing finance in WAEMU, both initiated by the World Bank Group.

The first was agreed upon in October 2017, when The West African Development Bank (BOAD), the WAEMU Commission, the West African regional mortgage refinance company (CRRH-UEMOA) and the World Bank signed a US\$155 million package to support the development of affordable housing finance in WAEMU. The US\$155 million package consists of an IDA Scale-up credit of US\$130 million to BOAD, the first IDA SUF credit to a regional organisation, and a US\$25 million regional IDA grant to the WAEMU.

Funding from IDA will be channelled from BOAD to CRRH-UEMOA, which will extend long-term loans to banks and microfinance companies, allowing them to extend the term of their loans to households with moderate and irregular incomes. IDA funding into CRRH-UEMOA is expected to facilitate about 50 000 new will leverage much greater amounts of investment into affordable

housing through the bond-raising activity of CRRH-UEMOA. Overall it is estimated that one dollar of IDA will leverage about five dollars of private finance.

In addition, the project will provide technical assistance to develop the enabling environment to support the construction of cheaper housing. The technical assistance element of the project is aimed at strengthening national housing policies and supporting the increased provision of secured and serviced land.

The project is also expected to support job creation. Housing investment has a strong multiplier effect across the economy given the number of linked sectors, whether it is production of raw materials, the construction sector, finished goods or financial services. Applying a conservative job multiplier of five to the additional mortgages originated by the project would result in the creation of about 250 000 jobs across the WAEMU region.

AFD and other DFIs financed the creation of two microfinance institutions: MicroCred CI and Advans CI for a total of CFA 656 million (US\$1.2 million). AFD is also a prominent investor in Côte d'Ivoire through the ARIZ guarantee. ARIZ guarantees loans to micro, small, and medium enterprises, and microfinance institutions (MFIs). The maximum amount guaranteed is €2 million (US\$2.3 million) per transaction and €4 million (US\$4.7 million) per company or group. This system has been operational in Côte d'Ivoire since 2008, and now operates with BICICI, BOA, SGBCI, SIB and ALIOS FINANCE. So far, the programme has guaranteed a total of €83 million (US\$96 million) in Côte d'Ivoire.

PROPARCO has also heavily invested in Côte d'Ivoire by providing equity capital to banking institutions:¹⁰ CFA 0.5 billion (US\$870 000) in equity to MFIs, CFA 4.1 billion (US\$7.2 million) in equity to banks and CFA 16.4 billion (US\$29 million) in debt to insurance companies. PROPARCO's total portfolio in Côte d'Ivoire is CFA 74 billion, making it the second largest national recipient of investment in West Africa after Nigeria.

Private equity

Outside the donor community and among the private sector, France and Morocco are the two largest foreign investors in the country. Twenty-two percent of companies in Côte d'Ivoire are Moroccan, primarily banks and their subsidiaries, and construction firms. Nigeria is also investing in the country for a total of CFA 67,2 billion (US\$118 million), which includes the construction of a cement plant in Abidjan.¹¹ Chinese companies are increasingly investing in Côte d'Ivoire, including in the real estate sector. The Chinese group China Railway Construction Corporation announced plans to partner with an Ivorian investment group, Phoenix Africa Partners Holding to build social housing units.

Local private companies have also been active in the construction and real estate sector since the launch of the presidential social housing construction programme in 2012. However, as in the other developing countries on the continent, Côte d'Ivoire's private developers have not yet built the necessary track record and experience, which as a result indicates an existing construction skills gap in the sector.

3 Investment processes

CEPICI, Côte d'Ivoire's investment promotion agency, facilitates foreign investment, and its services are available to all investors.¹² The agency has a one-stop shop to facilitate business creation and promote and attract national and foreign investments. Registration can be done online and takes 24 hours. The CEPICI provides several legal documents online, including the Investment Code and the most recent reforms affecting foreign investments. In addition to the CEPICI, investors and foreign companies in Côte d'Ivoire can also turn to the Ivorian Chamber of Commerce and the business leaders' association of large enterprises.

Côte d'Ivoire is ranked 139 out of 190 countries on the 2018 Doing Business index, and second best ranked country in West Africa after Ghana.¹³ Côte d'Ivoire achieved a 20 percentage point increase in

¹⁰ L'AFD et la Côte d'Ivoire: un partenariat pour une croissance partagée et durable, 2013. <https://issuu.com/objectif-developpement/docs/afd-cote-d-ivoire>

¹¹ Mieu, B. Jeune Afrique (2017). Investissements : la France repasse devant le Maroc en Côte d'Ivoire <http://www.jeuneafrique.com/395728/economie/investissements-france-repasse-devant-maroc-cote-divoire/>

¹² CEPICI website (n.d.) Akwaba en Côte d'Ivoire, terre d'investissements <http://www.cepici.gouv.ci/>.

¹³ World Bank, Doing Business. <http://www.doingbusiness.org/data/exploreeconomies/cote-divoire>

its “distance to frontier” (DTF) indicator¹⁴ in dealing with construction permits (Côte d’Ivoire’s DTF indicator improved from 37.83 in 2017 to 57.50 in 2018), a 0.34 percentage point increase in creating a business (from a DTF of 91.38 in 2017 to 91.72 in 2018) and a 0.32 percentage point increase in registering property (from a DTF of 57.24 in 2017 to 57.56 in 2018).¹⁵ The country has improved its score in registering property by digitizing its land registry system and lowering the property registration tax.

There are no limitations on foreign investments in most sectors, including no limitations on the level of foreign ownership of a company. However, there is a minimum investment of CFA 10 million (US\$18 000) with a maximum two-year implementation period to receive tax exemptions.

Companies that wish to buy land must have the property surveyed before obtaining a title. Surveying, which is a tightly controlled monopoly, can cost more than the value of the parcel of land.

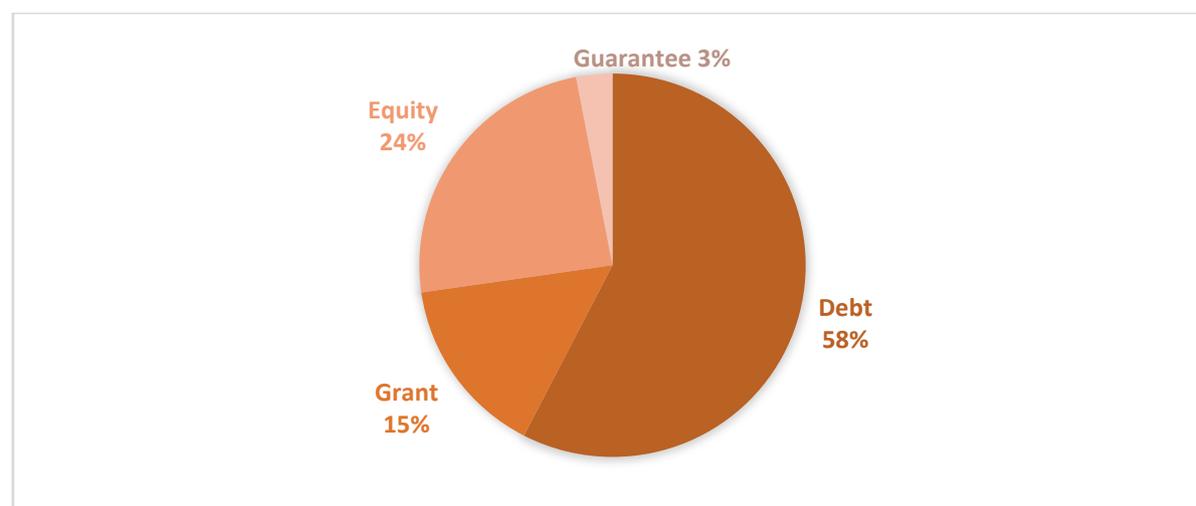
4 Investment activity in housing

This section presents the different investment tools used to support and expand the housing and housing finance sectors.

4.1 Top performing investment tools

DFIs have made major loans and given lines of credit to banking institutions and MFIs for the expansion of their financial products. Debt makes up more than half of the investments. The table below represents the distribution of investment instruments by number of investments.

Figure 2 Types of instruments



Source: Author’s own compilation

¹⁴ Note from Doing Business: “The distance to frontier (DTF) measure shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy’s distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.” http://www.doingbusiness.org/en/data/exploreeconomies/cote-divoire#DB_dwcp

¹⁵ World Bank, Doing Business.

4.2 Investment portfolio

The Table below gives an overview of the investment portfolio, activity, horizon and timelines committed by institutional investors in Cote d'Ivoire's housing and housing finance sectors.

Table 4 Housing investment overview

Name of investor	Allocation to housing (million US\$)	Investment activity	Year of investment
World Bank	50	Loan to build the capacities and institutions necessary to support the implementation of Cote d'Ivoire land policy	2018
BOAD	44	Loan to support the installation of a cement production unit	2018
World Bank	130	Scale-up credit to BOAD/CRRH	2017
World Bank	25	IDA grant to WAEMU Commission	2017
Proparco	29	Loan to NSIA-CI bank	2017
BOAD	35.5	Credit line to Orabank Cote d'Ivoire	2017
CRRH	45	7th bond CRRH-UEMOA 2017-2027	2017
IFC	5	Loan to support the growth of Microcred-CI	2016
IFC	2	Equity investment in CRRH	2016
KfW	48	Credit line with BOAD to refinance CRRH's loans	2016
Proparco	0.3	ADVANS-CI capital increase	2015
AFD	97	Ariz Guarantee to support SME lending	2008
AFD	1.7	Grant to support the microfinance sector	n/a
CNPS	43	Equity holding in a housing project (384 apartments)	n/a

5 Impact of investment on Côte d'Ivoire's housing and particularly affordable housing industry

5.1 Breadth and depth of housing and housing finance products

Key players and market size

With 28 banks and financial institutions representing 30 percent of the regional market share, Ivory Coast remains the leading banking centre in the WAEMU region. There are eight major banks and they represent almost 80 percent of the total banking activity in the country:¹⁶ SGBCI (subsidiary of a French bank, with 15.4 percent of market share in 2016), Banque Atlantique (subsidiary of a Moroccan bank, 13.7 percent), Ecobank (Pan-African Bank, 12.5 percent), NSIA (local private bank, 9.5 percent), BICICI (subsidiary of a French bank, 7.8 percent), SIB (subsidiary of a Moroccan bank, 7.6 percent) and BNI (public bank, 7 percent).

The 2010-2011 political crisis in Côte d'Ivoire had negative economic consequences for the whole West African region. However, the crisis did not affect bank deposits. On the contrary, they have increased since 2010. Another sign of the sector's recovery is the growth of credit to GDP, which was reported at 23 percent in 2016 by the BCEAO. Despite the vitality of the banking sector, mortgage lending is limited in Côte d'Ivoire and is little developed compared to the rest of the economy. Mortgages represent only 2 percent of banking loans.

Table 5 Measuring mortgages

Measures	2006	2007	2008	2009	2010	2011
Mortgages (million CFA)	60 266	53 073	52 759	63 638	55 879	45 969
Percent GDP	0.66 percent	0.51 percent	0.51 percent	0.59 percent	0.50 percent	0.41 percent

Source : BCEAO, 2014.

Access to mortgage finance

Access to formal banking services in Côte d'Ivoire is rapidly increasing. The account penetration rate in Côte d'Ivoire grew from 7 percent in 2007 to 16 percent 2016,¹⁷ compared to 16.1percent in the WAEMU region. The government wants to reach 20 percent by 2020. With electronic currency and mobile payments, this penetration rate reaches 48 percent.¹⁸ On housing finance, Côte d'Ivoire has the lowest mortgage interest rate in the region at 5.5 percent, as part of the CDMH. The CDMH also has a low refinancing rate for commercial banks, only 2 percent, which is a strong incentive for banks to increase their lending. In 2016, medium-term credit represented 31.8 percent of the credit portfolio and long-term loans only represented 3.2 percent because commercial banks lack long-term liquidity.

¹⁶ The Report (2017). Overview - Cote d'Ivoire looking to maintain high growth by restructuring, reinvigorating banking sector. <https://oxfordbusinessgroup.com/overview/key-changes-country-looking-maintain-high-growth-restructuring-and-reinvigorating-sector>

¹⁷ BCEAO

¹⁸ Konandi, JM. Financial Afrik (2017). Banques & Assurances Côte d'Ivoire: le taux de bancarisation a doublé en dix ans, à 16 percent fin 2016. <https://www.financialafrik.com/2017/05/30/cote-divoire-le-taux-de-bancarisation-a-double-en-dix-ans-a-16-fin-2016/>

In 2016, the amount of credit granted in Côte d'Ivoire increased by 1.9 percent from CFA 4 286 billion (US\$7.5 billion) in 2015 to CFA 4 368 billion (US\$7.6 billion) in 2016. However, it is below the rest of the region which is increasing at a rate of 10 percent.¹⁹ This slowdown is the result of a reduction in State allocation to public companies. However, the government has announced the implementation of several tools, including a guarantee fund, to support SME lending. Housing loans decreased from CFA 41 billion (US\$72 million) in 2015 to CFA 36.4 billion (US\$64 million) in 2016.

Banks lend mostly to their employees or to formally employed workers from large companies. To increase access to affordable housing finance, the government has created a “window” within the FSH to target informal workers and guarantee their loans.

Most of the major banks offer housing loans (“prêts à l’immobilier”). Outside the CDMH loan, the typical mortgage has a 20-year term and an 11.5 percent interest rate. Before its privatization, BHCI offered 8 to 10-year loans at 13 to 14 percent interest rates. The BHCI’s website was out of service at the time of reporting.

Table 6 Lending conditions of mortgages

Measure	Interest rate (in percent)	Term (in years)	Down payment (in percent)	Maximum loan (in US\$)
BHCI mortgage	13-14	7 to 15	20	n/a
CDMH mortgage (PPI CDMH)	5.5	11 to 15	10	35 000 (part of a programme) 42 000 (individual construction)
Classic mortgage	10.5 11 11.5 ²⁰	3 to 7 8 to 10 11 to 20	10 to 20	n/a

Source : Websites of several banks : Société Générale CI, BICICI, Ecobank.

Microfinance

The microfinance sector is growing in Côte d'Ivoire even though it remains small and fragile compared to the banking sector. The penetration rate of microfinance in Côte d'Ivoire is 34 percent. MFIs’ total deposits in 2015 were CFA 175 billion (US\$306 million), while loans amounted to CFA 138 billion (US\$241 million) for the same period, bringing the total end of year balance sheet to CFA 230 billion (US\$402 million).²¹ The sector includes cooperatives such as UNACCOPEC and RCMEC. The UNACCOPEC network offers housing loans but with high interest rates (1.5 percent a month) and short terms (average term is 3 years). Additionally, UNACCOPEC has suffered great losses in the last five years, partly due to bad governance and fraud. In 2015, the organization was placed under temporary administration.²²

¹⁹ BCEAO (2017). Rapport sur les conditions de banque dans L'UEMOA en 2016.

https://www.bceao.int/sites/default/files/2017-11/rapport_sur_les_conditions_de_banque_dans_l_uemoa_en_2016.pdf

²⁰ There is an additional 1.5 percent for application fees.

²¹ The Report (2017). Overview - Cote d'Ivoire looking to maintain high growth by restructuring, reinvigorating banking sector. <https://oxfordbusinessgroup.com/overview/key-changes-country-looking-maintain-high-growth-restructuring-and-reinvigorating-sector>

²² Ibid.

Despite the negative consequences of the UNACCOPEC crisis, the microfinance sector continues to advance and new actors, MicroCred and Advans, have entered the market. They are supported by international donors with the objective of developing credit for SMEs.

Housing production

Most housing in Côte d'Ivoire is produced informally and self-constructed. However, the government undertook several housing development projects between the 1970s and 1980s, before stopping completely. It was not until 2012 that the government started subsidizing the housing sector again with the launch of the Presidential Social Housing Programme. The initial objective was the construction of 150 000 units by 2020. However, only a fraction of these have been produced. The former Ministry of Housing announced the completion of 12 000 units between 2012 and 2017.²³ Many real estate development companies were created following the launch of the presidential program. They signed agreements with the government for the development of social housing units. However, due to the lack of expertise in the sector, many have not been able to deliver.

6 Investment challenges and opportunities to improve the Investment Landscape

Côte d'Ivoire benefits from a leading position on the regional scene, both commercially and financially. It is one of Africa's fastest growing economies. Local and foreign businesses benefit from the stability of the CFA and the credibility of its currency exchange rate which is pegged to the euro.

One of Côte d'Ivoire's main challenges has been the banks' lack of long-term capital to grow their mortgage portfolios. The several funds implemented by the government, including the CDMH and the FSH, have considerably improved lending conditions in the country and have increased access to housing finance for low income households. However, these funds are almost exhausted and require refinancing to continue their activities. The CRRH also represents a great opportunity to develop affordable housing finance in Côte d'Ivoire. The institution enables Ivorian banks to access long-term finance and develop their mortgage portfolio. Additionally, the CRRH has created an affordable housing finance window to enable banks to target low income homebuyers and informal workers.

Another obstacle to the development of affordable housing mentioned by private developers through the National Chamber of Builders and Developers (CNCP) is land issues. Housing developers blame administration slowness and delays, particularly in delivering the *arrêtés de concession définitive* (ACD). The ACD was introduced in 2013 and is the only document that confirms property ownership. It requires nine steps and many participants: the Guichet Unique at CEPIPI, the land registry, the cadastre, and the Ministry of Construction. Developers have been critical of the 78-day delay to get the ACD set by the Ministry of Construction and Urban Planning, saying it is not fully respected. They also criticize the high cost of ACD (CFA 91 000, or US\$160), which goes up to CFA 300 000 (US\$525) with associated fees.

²³ Portail Officiel du Gouvernement de Cote D'ivoire (2018). http://www.gouv.ci/_actualite-article.php?recordID=9049&d=1#p