

Côte d'Ivoire

Macroeconomic and policy context

Key statistics	
GDP growth (annual) (2007-2017)	5.5%
GDP growth (annual, per capita) (2007-2017)	3.0%
CO ₂ emissions growth (annual) (2007-2017)	-0.5%
CO ₂ emissions growth (annual, per capita) (2007-2017)	-2.9%
Main combustible energy source; corresponding share of CO ₂ emissions (2017)	Biofuels, 74.0%
Non-combustible energy sources; share of primary energy use (2017)	1.3%
Total energy self-sufficiency (%) (2017)	99.0%
Share of population with access to electricity (2018) SDG 7.1.1	67.0%
Share of population with access to clean cooking (2018) SDG 7.1.2	29.0%
Tax-to-GDP ratio (2017)	17.9%

Sources as specified in TEU-SD brochure.

Côte d'Ivoire's tax-to-GDP ratio of 17.9% is lower than the OECD and LAC averages¹ of 33.9% and 22.8%, respectively, and higher than the Africa average of 17.2%.

Taxes and subsidies on energy use, 2018

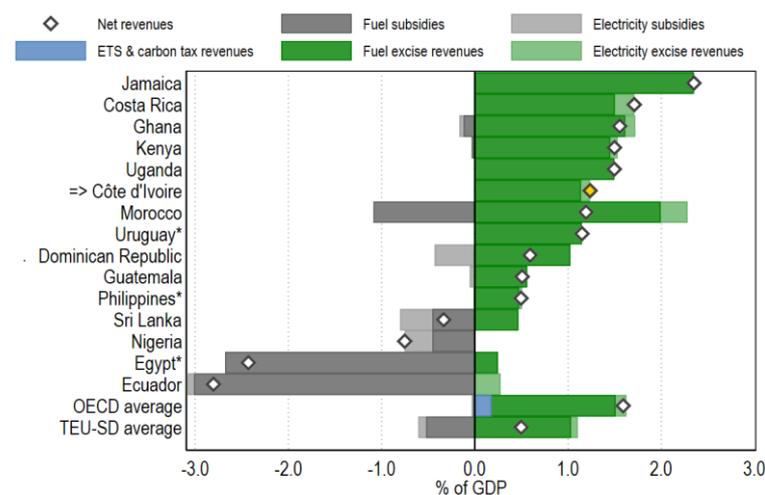
Côte d'Ivoire does not have an explicit carbon tax, nor a CO₂ emissions trading system. However, it does collect energy taxes, including:

- ◆ An excise tax on oil products: gasoline, diesel, and kerosene.
- ◆ A municipal tax on residential and commercial electricity use.
- ◆ A consumer tax on electricity consumption, and a rural electrification fee.

Net energy tax revenues, 2018

Net energy tax revenues are a bottom-up estimate of the net revenues resulting from taxes and subsidies on energy use.

Net energy tax revenues in Côte d'Ivoire represent 1.2% of GDP in 2018, contributing positively to domestic resource mobilisation as taxes exceed subsidies. Compared to the other countries considered in TEU-SD and OECD countries:



* Since 2018, Egypt has phased out most subsidies on energy use and the Philippines have implemented a major tax reform. In Uruguay, certain fuels like diesel attract VAT but not an excise.

¹ Averages across countries refer to the simple, unweighted average.

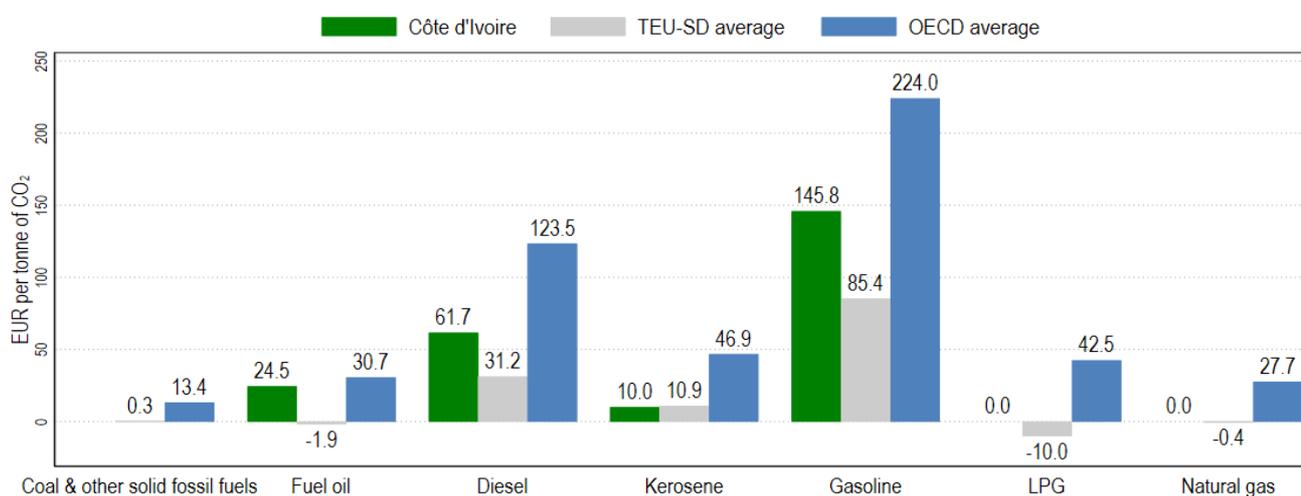
- ◆ Revenues from fuel and electricity excise taxes as a share of GDP are below the OECD average and similar to the TEU-SD average.
- ◆ There are no fuel or electricity subsidies, which is similar to the OECD average and most TEU-SD countries.

Recent developments: Since becoming a technical partner of the World Bank's Partnership for Market Readiness (PMR) in 2017, Côte D'Ivoire has worked to implement a project exploring the potential for a domestic carbon pricing mechanism to help meet the emissions reductions targets in its Nationally Determined Contribution to the Paris Agreement.

Average effective carbon rates by fuel, 2018

The Effective Carbon Rate (ECR) is the total price that applies to CO₂ emissions from energy use as a result of taxes and emissions trading, net of fuel subsidies. A higher ECR encourages consumers and producers to use cleaner energy sources or reduce energy use, avoiding CO₂ emissions and local pollution, while taxes and permit auctioning raise revenue.

- ◆ Natural gas, kerosene and LPG, used in the electricity and residential & commercial sectors, face the lowest ECRs. No coal use is reported. The former sectors represent 9.5% and 53.7% of Côte d'Ivoire's CO₂ emissions from energy use, respectively.
- ◆ Diesel and gasoline, the dominant fuels in road transport, and fuel oil, primarily used in the industrial sector, face the highest ECRs. The road and industrial sectors represent 8.0% and 20.1% of Côte d'Ivoire's CO₂ emissions from energy use.



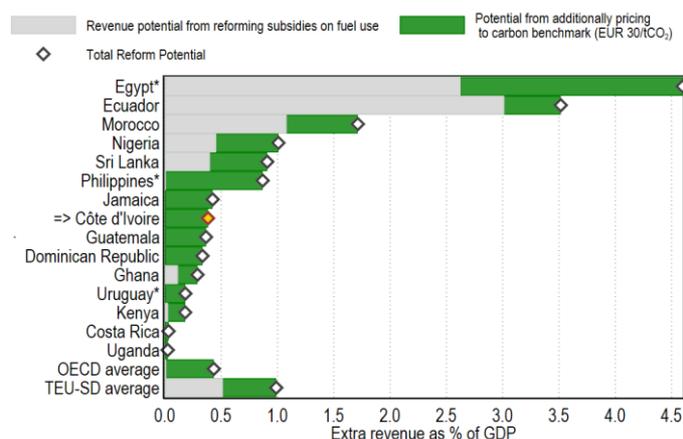
Côte d'Ivoire has low effective carbon rates relative to the OECD average, apart from the rate on fuel oil. Compared to other TEU-SD countries:

- ◆ The ECR is high for fuel oil, diesel, gasoline and LPG relative to the TEU-SD average.
- ◆ The ECR on kerosene and natural gas is similar to the TEU-SD average.

Revenue potential from carbon price reform

By how much would tax revenues increase if ECRs were raised to reach EUR 30/tCO₂ for all fossil fuels? The benchmark of EUR 30 is a low-end estimate of the climate damage caused by each tonne of CO₂ emitted. An equitable reform package is critical to ensuring that vulnerable groups, which also tend to be those that are disproportionately affected by climate change, will be able to access clean energy.

Côte d'Ivoire could increase tax revenues through carbon price reform. The potential increase that corresponds to 0.4% of GDP if ECRs were raised to reach the benchmark rate of EUR 30/tCO₂ for all fossil fuels, is close to the OECD average, and slightly less than the TEU-SD average. Similar to the OECD average and most TEU-SD countries, Côte d'Ivoire does not subsidise energy use.



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