

# Côte d'Ivoire Mobilizes €433 Million Commercial Financing linked to Energy Resilience and Forest Preservation

## Highlights

- **Côte d'Ivoire launched its Sustainability-Linked Finance Framework**, establishing itself as a leader of sustainable finance innovation in Africa.
- **The Framework ties Côte d'Ivoire's cost of borrowing to ambitious targets:** (i) increase share of non-hydro renewable energy, (ii) restore forested land and limit forest cover loss.
- **Using the Framework, the country secured West Africa's first sustainability-linked sovereign loan, €433 million (\$505 million), with private financing supported by World Bank Group guarantees, combining MIGA and IBRD products for the first time.**

## Background

For Côte d'Ivoire, expanding renewable energy sources beyond hydropower is crucial to ensure energy resiliency against climate change. In 2023, about 35% of its electricity came from hydropower, which is vulnerable to climate fluctuations.

Conversely, the depletion of [90% of the country's forest cover](#) over the last 60 years has created a major economic vulnerability. As the world's [top cacao exporter](#), this is critically important for the country, because cacao cultivation is responsible for 38% of national deforestation and the European Union's incoming regulation on "imported deforestation", will potentially impact Côte d'Ivoire's export prospects.

To address this, the government has renewed its focus on [Forest Preservation, Rehabilitation and Expansion](#).

### Financing resilience in a fiscally sustainable way

Against this backdrop, the government faces a financing dilemma: how to secure resources for enhancing resilience of its energy systems and protecting forestry, while upholding fiscal sustainability.

### Expanding Existing Financing Instruments

After issuing labeled bonds in 2024 ([\\$1.1 billion sustainability bond in 2024](#), and [ESG Samurai Bond in 2025](#)), Côte d'Ivoire explored complementary financing approaches beyond use-of-proceeds instruments to address economy-wide



Pont de Cocody (Cocody Bridge), Abidjan, Côte d'Ivoire  
Photo Credit: Adobe stock by Luis

environmental challenges. The government sought financing structures that are more flexible and could incentivize systemic behavioral change rather than fund discrete eligible projects.

## Financial Objectives

- Mobilize long-term commercial financing at competitive terms
- Create fiscal incentives for achieving ambitious targets through interest rate adjustments tied to Key Performance Indicators (KPIs)

## Financial Solution and Outcome

The World Bank Group supported the government in developing a Sustainability-Linked Financing Framework that links financing terms to the achievement of clearly defined key performance indicators: (i) renewable energy production (excluding hydropower), and (ii) deforestation prevention and reforestation. The Framework enabled the structuring of Côte d'Ivoire's first sustainability-linked loan (SLL, €433 million) backed by World Bank Group guarantees.

### What is Sustainability-Linked Financing?

A Sustainability-Linked Financing (SLF) instrument (loan or bond) ties the borrower's interest rate to the achievement of predefined performance targets, defined on financially relevant KPIs, chosen by borrowers. Indicators and targets are then validated by independent third parties, creating direct financial incentives for performance.

Unlike green or sustainable bonds where proceeds are earmarked for specific projects, sovereign SLF proceeds are added to the general budget, focusing on outcomes rather than use of funds. This makes SLFs well-suited for transformative changes that require flexibility and adaptability.

### Côte d'Ivoire's Sustainability-Linked Loan

The World Bank Group's Financial Services Sector team collaborated closely with the Guarantee Platform at MIGA, Treasury and the Economic Policy teams to advise on the Sustainable Finance Framework, calibration of the KPIs and the structuring of guarantees.

**Advisory:** With financing from the Joint Capital Markets Program, the World Bank Group supported [Côte d'Ivoire in developing a Sustainability-Linked Finance Framework](#). Published in June 2025, the Framework ties the cost of borrowing to targets in renewable energy and forestry. The advisory also included supporting the Second Party Opinion process by Sustainalytics, which verified the Framework's alignment with both the Sustainability-Linked Bond and Loan Principles. The Framework supports the country's goal to cut Green House Gas emissions by over 30% by 2030 and is expected to boost resilience to climate impacts on agriculture.

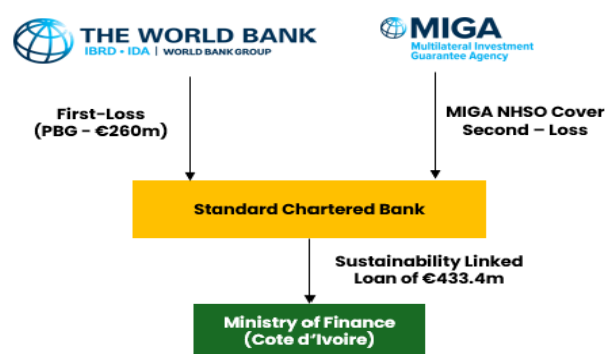
**Pricing mechanism:** The SLL has a two-way pricing mechanism. It offers an interest rate reduction (step-down) if Côte d'Ivoire surpasses its ambitious targets and an increase (step-up) if those are not met.

KPI	Pricing
<b>Share of non-hydro renewable energy in total installed electrical capacity by 2030</b>	
13% and above	Step down
11%-13%	No change
Below 11%	Step-up
<b>Increase in forest cover over the national territory</b>	
Limit forest cover loss 300K hectares	Step down
Fail to limit forest cover loss 300K hectares	No change
Fail to restore one million hectares of land to forest between 2021 and 2030	Step-up

**Monitoring:** Performance towards KPIs will be monitored and verified through annual reports from Côte d'Ivoire Ministry of Finance and Budget, supported by remote sensing and geospatial monitoring technologies, and verified by UNDP.

**Guarantees:** The operation marks a new step in Côte d'Ivoire's blended finance roadmap and is the second transaction of a guarantee envelope approved for the country in the context of wider Development Policy Operation approved in December 2024. The SLL, entered into with a competitively selected commercial lender (Standard Chartered), is the first combination of a €260 million IBRD first-loss policy-based guarantee (PBG), shielding the lender against early defaults, with a €372.9 million MIGA second-loss Non-Honoring of Sovereign Obligation (NHSO) guarantee, covering losses beyond IBRD's layer, up to 95% cover.

### Loan Structure



**Outcome:** The SLL received great interest from lenders. Côte d'Ivoire selected the Standard Chartered as the sole lender and lead arranger for the €433 million SLL, from amongst more than a dozen interested commercial banks. The structure helped Côte d'Ivoire secure improved financing conditions, including lower rate and longer maturities (15 years), advance climate objectives, strengthen key sectors, and attract sustainability-oriented private investment. The SLL also enables the government to drive systemic changes in setting agroforestry related policies and enforcing implementation.

### Award winning transaction

In 2026, Côte d'Ivoire's SLL, was awarded the [ECA, DFI and IFI Deal of the Year](#) by Global Banking and Markets in Africa, and [Award for innovation for loan structure \(EMEA\)](#), and [Sustainability-linked loan of the year for sovereigns/SSAs](#) by Environmental Finance, receiving recognition as a pioneering model for performance-based sovereign financing.

