

How the Republic of Côte d'Ivoire leveraged the London Stock Exchange's Sustainable Bond Market to access international sustainable finance



The issuer The Republic of Côte d'Ivoire

The challenge

For two years following the Covid pandemic, rising interest rates, inflation and global geopolitical tensions meant that most emerging markets issuers, including Sub-Saharan African sovereigns, were unable to access the international bond markets. It was against this backdrop that the Republic of Côte d'Ivoire, the largest economy of the West African Economic and Monetary Union, and a seasoned Eurobond issuer, began planning its first Dollar bond issuance in almost seven years.

Aiming to further diversify its investor base, the West African sovereign was also interested in exploring market appetite for its first benchmark sustainability bond. It planned to do this using a sustainable financing framework (aligned with the global International Capital Market Association's Sustainable Bond Principles) it had first published in 2021 and later updated in September 2023. Côte d'Ivoire had successfully used this framework (which defines the environmental and social purposes to which proceeds will be directed) to raise sustainable, green and social loans, and was keen to expand its sustainable finance base with a bond issuance.

Given the choppy markets, Côte d'Ivoire was looking to attract as many investors as possible, including those with sustainability mandates, according to Côte d'Ivoire's General Directorate of Financings.

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General Directorate of Financings

Republic of Côte d'Ivoire

The solution

Following an investor roadshow which revealed interest among sustainability-focused bond investors, Côte d'Ivoire, through its Minister of Finance and Budget, began marketing a \$1.1 billion 8.5-year sustainable bond alongside a \$1.5 billion 12.5-year conventional bond. It turned to the London Stock Exchange for both issuances, choosing the Exchange's dedicated Sustainable Bond Market (SBM) to display the former.



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Key factors in the decision to list in London were the reach and high visibility of the London Stock Exchange's SBM among international investors with a specific mandate on ESG assets, and the robustness of the rules and standards governing the admission of sustainable bonds. Côte d'Ivoire's representatives were also attracted by the flexibility provided by the London Stock Exchange's 'prospectus exempt' route to market. This route allows issuers such as sovereigns, municipalities, and supranational bodies to issue debt securities without requiring the London Stock Exchange to vet their prospectuses, thereby reducing costs and – critically – time to market.

The benefits

This flexibility helped Côte d'Ivoire move quickly, setting its own timeline and catching a favourable window for issuance in the capital markets in January 2024, thus reopening the international bond markets to Sub-Saharan African sovereign issuers. The transaction attracted over \$8 billion of orders for the \$2.6 billion of bonds, representing the largest order book to date for West African sovereign debt. The depth of liquidity offered by the London Stock Exchange's SBM, and the high standards of transparency and governance that it requires, are among the key factors that contributed to the successful execution of the transaction.

Exceptionally strong demand for Côte d'Ivoire's bonds helped the bookrunners tighten pricing by 50 basis points during bookbuilding, significantly reducing the cost of debt for the issuer.

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[Learn more about the London Stock Exchange's Sustainable Bond Market, and how to access it.](#)

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