



## Case Study

# *Cote d'Ivoire* – Dual-Tranche Offering (8.5Y WAL Sustainable and 12.5Y WAL)

On Tuesday 23 January 2024, Citi successfully priced a US\$2.6bn dual tranche offering on behalf of the Republic of Côte d'Ivoire (rated Ba3 (positive)/BB- (stable)/BB- (stable) by Moody's/S&P/Fitch). The offering consisted of a US\$1.1bn 8.5Y WAL (9Y final maturity) sustainable tranche, and a US\$1.5bn 12.5Y WAL (13Y final maturity) tranche.

### The Client

The Republic of Côte d'Ivoire, rated Ba3, BB-, BB- by Moody's, S&P and Fitch, respectively, is a Sub-Saharan sovereign with a population of 28.1 million and GDP of CFAF 43,674.8 billion in 2022.

### The Challenge

The challenge involved the uncertain environment for a Sub-Saharan sovereign to access international capital markets after a long hiatus in the region, especially for a sustainability tranche.

### The Solution

Citi acted as Joint Bookrunner, Joint Lead Manager, Dealer Manager and Paying Agent on this transaction, to price a US\$2.6bn dual tranche offering on behalf of the Republic of Côte d'Ivoire consisting of an 8.5Y WAL sustainable bond and a 12.5Y WAL conventional bond along with a tender offer that expired on the

29th of January. Citi also facilitated a liability management exercise consisting of an any-and-all-tender offer on their outstanding EUR-denominated bonds due 2025 and a \$300mn capped tender on their outstanding USD-denominated bonds due 2032, which expired on 29 January 2024.

### The Result

The Republic of Côte d'Ivoire managed to successfully return to international capital markets for a USD-denominated dual-tranche bond offering, including an inaugural sustainability tranche issued off their updated Sustainable Financing Framework.

This was CDI's first sustainability bond offering and was issued under an updated framework. In preparation for this issuance CDI had published an updated Framework and Second Party Opinion (SPO) in September 2023, and had organised a non-deal roadshow to

market the updated Framework and SPO in the UK and US in November 2023.

The positive result was achieved thanks to a proactive investor communication strategy, where the Republic was able to compress the marketing period to one day. On the back of very strong IOIs as well as a constructive market backdrop, the issuer released IPTs the next morning. The final price represented 50bps and 37.5bps tightening from IPTs on each of the tranches respectively.

The book was comprised of high-quality orders from international institutional investors who have been closely following the Republic's story and which highlights the strength of the Côte d'Ivoire credit. This deal reopened the Sub-Saharan Africa debt capital markets, paving the way for other issuers from the region to access markets after a pause since 2022.

**Transaction Highlights:**

- First Sub-Saharan African sovereign to access the international debt capital markets since April 2022
- Côte d'Ivoire's return to the international debt capital markets since their last transaction in 2021
- Africa's largest-ever sovereign ESG bond
- Côte d'Ivoire's largest ever transaction
- Côte d'Ivoire's first ESG-labelled transaction
- Côte d'Ivoire's return to the USD markets for the first time in 7 years
- Biggest orderbook ever achieved by a West African sovereign
- Upsized transaction on the back of high-quality orderbooks that peaked at \$8bn (3.1x)