

Department of State
Agency for International Development
Washington, D. C. 20523

PD-AAJ-424

Ivory Coast Secondary Cities Shelter
681-HG-004

Project Paper and Authorization Package

Authorization Date: November 10, 1980

U N C L A S S I F I E D

NOV - 6 1980

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM : AAA/AFR/DR, ^{JW Koehring} John W. Koehring

SUBJECT: Ivory Coast Secondary Cities Project, Project No. 681-HG-004

Problem: Your approval is requested for a guaranty of \$20 million from the Housing Guaranty Program for the Ivory Coast Secondary Cities Shelter Program (681-HG-004). Ten million dollars is to be authorized now. The remaining ten million authorization will be submitted to you when the project requires the second part of the financing. Your approval of the Initial Environmental Examination (IEE) for this activity is also required.

Discussion:

A. Project Description:

This project proposes a continuation of the existing AID/IBRD Urban Development Project (PDU), currently being implemented in Abidjan.

In response to continuing GOIC interest in A.I.D. Shelter assistance, this project proposes to finance replicable low-income shelter projects in secondary cities. The project purpose is to reinforce the policy initiatives begun under the existing PDU and to improve the capacity of Ivorian institutions to carry out such programs. To achieve these purposes the following activities will be undertaken:

- i) Upgrading of existing low-income neighborhood housing for about 70,000 persons in secondary cities;
- ii) Development of minimal standard sites and services projects suitable for housing about 50,000 low-income persons in secondary cities;
- iii) Letting of contracts for project activities to Ivorian enterprises;
- iv) Credit for approximately 300 small businesses;
- v) Approximately 1,000 home improvement loans.

Beneficiaries of the Project will be households earning less than the median income in selected secondary cities in the Ivory Coast.

B. Financial Summary:

The U.S. contribution to the project amounts to \$20 million. The overall breakdown of the funds requested is indicated in tabular form below.

	<u>HG</u>	<u>GOIC</u>	<u>(\$000,000)</u> <u>Down Payments</u>	<u>Total</u>
<u>*Upgrading</u>				
Infrastructure	10.0	10.0	-----	20.0
Community Facilities	4.0	4.0	-----	8.0
Sub-total	<u>14.0</u>	<u>14.0</u>		<u>28.0</u>
<u>*Sites/Services</u>	2.5	-----	0.3	2.8
<u>Physical Contingencies</u> <u>(15%)</u>	2.5	2.0	-----	4.5
<u>Small Loans</u>				
Business	0.5	0.5	0.2	1.2
Home Improvement	<u>0.5</u>	<u>0.5</u>	<u>0.1</u>	<u>1.1</u>
Total	20.0	17.0	0.6	37.6

*Includes inflation at 18% per year.

C. Socio-Economic, Technical and Environmental Considerations:

The analyses presented in the PP show the project to be socially, technically and administratively feasible.

The Initial Environmental Examination (IEE) recommends a positive determination so as to focus attention on maximizing environmental benefits to the beneficiaries and to pay special attention to the environmental issues discussed during the detailed engineering design stage of various subprojects. The recommendations of the IEE were taken into consideration during project design and have been incorporated in the PP.

D. Implementation:

Major implementing agencies are the Ministry of Public Works (MPPTCU) for the civil works portion of each subproject (roads, storms, drainage, and water and electrical distribution), the Central Direction of Public Works for construction costing over \$5 million, the Direction of Town Planning (DCU) for construction under \$5 million and the Ministries of Education and Public Health for implementation of the Community Facility's construction activities. The National Sinking Fund (CAA) will be the borrower for the Project and will advance funds to the implementing agencies responsible for the completion of various sub-projects in accordance with regular GOIC procedures.

There are no major special conditions or covenants. Final approval of beneficiary selection procedures, sub-project design and cost recovery procedures will be by mutual agreement between A.I.D. and GOIC to assure that the Project will effectively benefit low-income households.

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GUARANTY AUTHORIZATION

PROJECT 681-HG-004

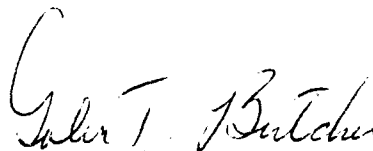
Provided From: Housing Guaranty Authority

For : The Republic of the Ivory Coast

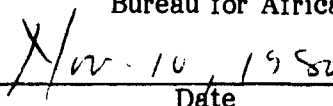
Pursuant to the authority vested in the Assistant Administrator, Bureau for Africa, by the Foreign Assistance Act of 1961, as amended (FAA), and the delegations of authority issued thereunder, I hereby authorize the issuance of guaranties pursuant to Section 222 of the FAA of not to exceed ten million dollars (\$10,000,000) in face amount, assuring against losses (of not to exceed one hundred percent (100%) of loan investment and interest) with respect to loans by eligible U.S. investors (Investor) acceptable to A.I.D. made to finance housing projects in the Ivory Coast.

This guaranty shall be subject to the following terms and conditions:

1. Term of Guaranty: The loans shall extend for a period of up to thirty years (30) from the date of disbursement and may include a grace period of up to ten years on repayment of principal. The guaranties of the loans shall extend for a period beginning with the disbursement of the loans and shall continue until such time as the Investor has been paid in full pursuant to the terms of the loans.
2. Interest Rate: The rate of interest payable to the Investor pursuant to the loans shall not exceed the allowable rate of interest prescribed pursuant to Section 223(f) of the FAA and shall be consistent with rates of interest generally available for similar types of loans made in the long term U.S. capital markets.
3. Republic of Ivory Coast Guaranty: The Republic of the Ivory Coast shall provide for a full faith and credit guaranty to indemnify A.I.D. against all losses arising by virtue of A.I.D.'s guaranties to the Investor or from non-payment of the guaranty fee.
4. Fee: The fee of the United States shall be payable in dollars and shall be one-half percent (1/2%) per annum of the outstanding guaranteed amount of the loans plus a fixed amount equal to one percent (1%) of the amount of the loans authorized or any part thereof, to be paid as A.I.D. may determine upon disbursement of the loans.
5. Other Terms and Conditions: The guaranties shall be subject to such other terms and conditions as A.I.D. may deem necessary.



Golar T. Butcher
Assistant Administrator
Bureau for Africa


Date

INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Ivory Coast

Project Title: Shelter Assistance in Secondary Cities

Proposed Housing Guaranty: HG-004

Amount: \$20,000,000

Date IEE Prepared: May 1980

Recommendation:

The impact of the proposed project can be expected to be primarily beneficial and focused on the localized human environment of the project beneficiaries. Impacts on the broader, natural systems or on life support systems are not anticipated. However, a Positive Determination is recommended so as to focus attention on maximizing environmental benefits to the beneficiaries and to pay special attention to the environmental issues discussed in this IEE, during the detailed engineering design stages for various sub-projects.

Office of Housing

David McVoy
David McVoy
Assistant Director for
Operations

Date: 8/6/80

Africa Bureau

Carla Katcho

Date: Nov-10, 1980

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE <input type="checkbox"/> A A = ADD <input type="checkbox"/> C C = CHANGE <input type="checkbox"/> D D = DELETE	PP 2. DOCUMENT CODE 3
3. COUNTRY/ENTITY IVORY COAST		4. DOCUMENT REVISION NUMBER <input type="checkbox"/>	
5. PROJECT NUMBER (7 digits) <input type="checkbox"/> 681-HG-004 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL B. CODE <input type="checkbox"/> AFR <input type="checkbox"/> 06 <input type="checkbox"/>	7. PROJECT TITLE (Maximum 40 characters) <input type="checkbox"/> Secondary Cities Shelter <input type="checkbox"/>	
8. ESTIMATED FY OF PROJECT COMPLETION FY <input type="checkbox"/> 8 <input type="checkbox"/> 5 <input type="checkbox"/>		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 1 <input type="checkbox"/> B. QUARTER <input type="checkbox"/> 2 <input type="checkbox"/> C. FINAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 4 <input type="checkbox"/> (Enter 1, 2, 3, or 4)	

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	()	()	()	()	()	()
(LOAN)	()	()	()	()	()	()
OTHER U.S. 1. HG			20,000			20,000
OTHER U.S. 2.						
HOST COUNTRY			17,000			17,000
OTHER DONOR(S) Down Payments			600			600
TOTALS			37,600			37,600

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY		H. 2ND FY		K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1)									
(2)		Non-Appropriated Funds							
(3)									
(4)									
TOTALS									

A. APPROPRIATION	N. 4TH FY		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	D. GRANT	F. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1)							<input type="checkbox"/> MM <input type="checkbox"/> YY
(2)							
(3)							
(4)							
TOTALS							

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 = NO
 2 = YES

14. ORIGINATING OFFICE CLEARANCE SIGNATURE TITLE Peter Kimm, Director Office of Housing		DATE SIGNED MM DD YY MM DD YY	15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W. DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
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Table of Abbreviations

GOIC	Government of Ivory Coast
RHUDO	Regional Housing and Urban Development Office (Abidjan, Ivory Coast)
P.C.	Peace Corps
IBRD	International Bank for Reconstruction and Development
REDSO/WA	Regional Economic Development Support Office/ West Africa (Abidjan, Ivory Coast)
PDU	Abidjan Urban Development Project (681-HG-003)
BNEC	National Savings and Credit Bank
MTPTCU	Ministry of Public Works, Construction and Urban Planning
MOF	Ministry of Economy, Finance and Plan
CAA	Ivory Coast Sinking Fund
AVB	Bandama Valley Authority
DGC	Central Direction of Construction
DCGT	General Direction of Public Works
DCM	Central Contracting Office
DCU	Direction of Town Planning
SODECI	Water Utility Company
EECI	Electric Utility Company
SETU:	National Land Development Agency

Currency Equivalents

Currency Unit	= French CFA
U.S. \$1.00	= 200 FCFA
FCFA 1	= US \$.005

Metric Equivalent

1 m ²	= 10.75 square feet
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I. Summary and Recommendations

A. Recommendations

This paper describes a continuation of the existing AID/IBRD Urban Development Project (PDU), currently in implementation in Abidjan.

In response to continuing GOIC interest in AID Shelter assistance, this paper presents a project to finance in secondary cities replicable low-income shelter projects. Project purpose is to reinforce the policy initiatives begun under the existing PDU and to improve the capacity of Ivorian institutions to carry out such programs.

The following activities will be undertaken:

- i) the upgrading of existing low-income neighborhoods housing about 70,000 persons in secondary cities.
- ii) development of minimal standard sites and services projects suitable for housing about 50,000 low-income persons in the secondary cities.
- iii) letting of contracts for project activities to Ivorian enterprises.
- iv) initial credit for approximately 300 small businesses.
- v) approximately 1000 initial home improvement loans.

The Borrower for this project will be the Ivory Coast Sinking Fund (CAA), which is the GOIC agency responsible for management of GOIC fiscal resources in the shelter sector.

Based upon a review of the proposal set forth in this paper, it is recommended that the subject guaranty be approved as follows:

Amount of Guaranty: \$ 20 million

Term: The consolidated loan will be for a period of up to 30 years with a grace period of up to 10 years for the repayment of principal to be negotiated with the Investor.

Interest Rate: The interest rate payable to the U.S. Investor shall not exceed the allowable rate of interest prescribed by the AID Administrator pursuant to Section 223 (f) of the FAA and shall be consistent with rates of interest generally available for similar type loans.

It is the conclusion of the Office of Housing (DS/H) that the project as set forth below is both sound and feasible, and that the GOIC is technically capable of carrying out the various sub-projects.

B. Project Background and Description

1. Background

Conditions in the Ivory Coast reflect:

a. Rapid urbanization, concentrated in the capital city of Abidjan, with the attendant inadequacy of water and sanitary facilities, over-crowding of housing units, and inadequate public health conditions.

b. An Ivory Coast Government (GOIC) policy of equity in housing, defined as modern housing units for all segments of the Ivorian population, and a major investment in social housing projects, urban and rural.

c. Until recently, a GOIC commitment to costly standard solutions (a policy of "double or nothing"), which resulted in serious financial distortions within the sector.

The 1980 population of the Ivory Coast is estimated at 8 million and has been growing at an annual rate of 4%, of which 1.5% is attributed to immigration from neighboring and poorer countries, attracted by Ivorian economic opportunities. Of this population, 2.9 million, or 36%, is urban. Overall urban growth rate has been 8.4%, considerably higher than the national rate, of which 4.9% is attributed to migration.

Urban growth has been concentrated in Abidjan, with an estimated 1980 population of 1.7 million. Population of secondary urban centers is as follows:

<u>Est. 1980 population</u>	<u>N° of Cities</u>	<u>Est. 1975-85 Growth Rates</u>
245,000	1	7.4%
40-80,000	8	7.1 - 12.3
20-40,000	14	4.5 - 7.1
10-20,000	18	4.6 - 6.9
Less than 10,000	16	3.2 - 7.1

Abidjan is expected to continue to grow at 7% per year. Growth rates in secondary cities vary widely: of 46 towns with estimates available, 20 appear to be growing faster than Abidjan and 26 are growing less rapidly than Abidjan.

2. The AID Response

In 1976, AID authorized a \$21 million HG project (681-HG-003) to finance in conjunction with the World Bank (IBRD) and GOIC the \$63 million shelter portion of the Abidjan Urban Development Project (PDU) consisting, for the HG portion, of settlement upgrading, sites and services, low-income very economic rental housing, and TA to the National Savings and Credit Bank (BNEC) and the Ministry of Public Works. One of the major purposes of AID and IBRD participation in the PDU was to initiate substantive changes in GOIC shelter policy and practices. These included:

- a. Careful financial management of the sector.
- b. Adoption of lower technical standards to permit affordability by low-income households.
- c. Reduction of subsidy and greater emphasis on cost recovery.
- d. Improvement - not demolition - of existing low-income neighborhoods.
- e. Devotion of an increasing proportion of GOIC resources to low-income programs.

While the project activities have initiated these changes on the technical level, GOIC perceptions have lagged. Discussions on standards, cost recovery and upgrading, while slowing project execution, have increased technical level understanding of these policy changes and so represent much of the institutional development component of the program. Project purposes, however, have not contributed to change in national policy, which is set by the President.

RHUDO worked closely with IBRD in the design and execution of the first PDU and collaborated in developing mutually reinforcing strategies for the second projects, which will be separately financed. IBRD will deal primarily with urban transit in Abidjan (\$63 million plus contingencies), with a \$18 million shelter component including pilot upgrading projects in two secondary cities and a substantial regional development study to prepare their third project.

AID's new project is designed to reinforce with a larger number of GOIC implementing agencies the three technical goals of AID/IBRD policy: minimum standards, cost recovery and neighborhood conservation. This can most effectively be accomplished by initiating activities in secondary centers which complement the concurrent implementation of the Abidjan project. This also supports GOIC policy to disperse investment and to encourage development outside of the capital. The urban investment component of the 1981-85 Development Plan provides that 50% of the funds will be directed to secondary cities to finance shelter, sewerage, water services and transportation networks.

3. The Project

a. Goal and Purposes

The broad sector goal of this project is to assist GOIC to develop the institutional, technical and financial capacity to provide improved shelter and related amenities to low-income urban residents of the Ivory Coast.

The purposes of this project are;

- i) to reinforce certain policy innovations of the PDU by assisting GOIC to complete in a variety of secondary urban centers minimum-standard shelter projects with cost recovery mechanisms affordable by below median-income households; and
- ii) to improve the institutional and technical capacity to carry out these activities on the part of the GOIC technical units, and to improve the performance of Ivorian construction firms and access to appropriate financing.

The project will finance a sectoral loan, with specific sub-projects chosen by mutual agreement between GOIC and AID. The technical section of this paper identifies the type of secondary cities which AID will consider and establishes the levels and types of specific activities which AID would approve for financing under the project. Representative cost data have been utilized to develop examples of the type mix and cost of activities for the various size categories of secondary cities. In general AID will review the following to determine acceptability under this program.

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i) capacity and willingness of the GOIC administrative units involved to integrate into these activities project goals of minimum standards and cost recovery;

ii) coordination with other urban investments financed by the 1981-85 Development Plan; and

iii) where appropriate, coordination with regional development activities around small urban centers.

b. Beneficiaries

The beneficiaries of this project will be resident households of Ivory Coast secondary cities whose income falls below the median for that city. In 1980, this typically ranged from 40,000-45,000 FCFA (\$200-225) per month.

These households are typically living in neighborhoods that lack basic infrastructure services. Due to unavailability of financing, they may be unable to construct or purchase their own home. Along with the lack of basic services, they may be living in overcrowded quarters.

The project is expected to impact approximately 120,000 people. This includes about 70,000 residents of under serviced low-income neighborhoods and about 50,000 additional persons who will be able to live in housing built by themselves on serviced sites. The loan programs will support these activities by initially making about 1000 loans available to beneficiaries to buy construction materials or to improve their existing dwelling.

The 300 initial business loans will be available to small businesses within the project areas and will serve to help economically stabilize the area. Special efforts will be made to include women in this sub-activity.

c. Outputs

Sub-projects will take place in urban centers of different sizes; activities depending on the size and needs of the individual urban center, will include as appropriate some or all of the following:

- i) Approximately 225 ha of neighborhood upgrading providing all weather streets and storm drainage, potable water distribution, on site sewage disposal; electrical distribution systems including public street lighting, construction of community facilities and registration of tenure. The proportion of HG financing will reflect the number of beneficiary households earning less than the median income.
- ii) Approximately 5,250 minimally serviced lots to be distributed with appropriate assurance of tenure to low-income beneficiaries and which would include:
 - (a) grading and drainage of access roads
 - (b) extension of secondary water line and electrical service
- iii) Core houses, as appropriate.

Project will be bid in small lots to permit Ivorian construction firms to be awarded at least 50% of the contracts.

- iv) A line of credit for small loans to artisans and small businessmen in the project areas who are members of the target group or who employ project beneficiaries. A special effort will be made to encourage women applicants.
- v) Small loans or a small loan guaranty program for home improvements/construction materials.

d. Inputs

i) Financial

The total project cost of \$37.6 million is to be provided as follows:

HG	\$ 20.0 million
GOIC	17.0
Downpayments	0.6

The funds will be used for the following activities:

(\$000,000)

	<u>HG</u>	<u>GOIC</u>	<u>Down Payments</u>	<u>Total</u>
+ <u>Upgrading</u>				
Infrastructure	10.0	10.0	---	20.0
Community facilities	4.0	4.0	---	8.0
Sub-total	<u>14.0</u>	<u>14.0</u>	<u>---</u>	<u>28.0</u>
+ <u>Sites/Services</u>				
	2.5	---	0.3	2.8
<u>Physical Contingencies (15%)</u>	2.5	2.0	---	4.5
<u>Small Loans</u>				
Business	0.5	0.5	0.2	1.2
Home Improvement	0.5	0.5	0.1	1.1
Total	<u>20.0</u>	<u>17.0</u>	<u>0.6</u>	<u>37.6</u>

+ Includes inflation at 18% per year.

ii) Technical Assistance

An already authorized IIPUP-funded project coordinator will be responsible for development of the individual sub-projects, coordinating access by beneficiaries to urban services, and evaluation.

TA to assist Ivorian construction firms to bid for contracts and manage their projects, and to provide advice to home owners to upgrade their individual households will be provided by 4 Peace Corps Volunteers (PCV).

4. Other Donors

The IBRD second urban project will include a shelter component (\$18 million) that will consist of: upgrading in two large secondary cities (\$11 million), technical assistance to local implementing agencies (\$4 million) and Regional

Studies to prepare for a third Urban Development Project in upcountry centers (\$3 million). This project is a follow-on to the joint AID/IBRD first PDU. RHUDO/Abidjan participated in IBRD Project Development Missions, and AID and IBRD maintain regular liaison to make sure that their policy objectives are compatible.

C. Summary Findings

1. Economic Analysis

GOIC development financing is project-oriented and generally consists of 50% domestic and 50% foreign financing. Foreign borrowing to finance investment, of which two thirds come from commercial sources, rose 60% in FY 78 and 30% in FY 79. Debt servicing costs are projected to rise from current 20% of export earnings to 28-30% in 1982. GOIC has stretched out some projects and cut back on others to overcome this conjuncture.

The proposed \$20 million HG loan represents less than 2% of the total GOIC borrowings in FY 79. Assuming a four year drawdown, HG disbursements will represent about 2% of the \$250-300 million per year anticipated GOIC Shelter Sector investments in 1980 and 1981.

The long maturities, relatively lower interest rates and untied nature of the HG make it a recommended source of exterior funding for the GOIC.

2. Social Soundness Analysis

a. Description of the Target Group

The target group are secondary city households whose income falls below the median for that city. Examination of income data indicates that most towns in the Ivory Coast have a median household income of CFAF 40,000-45,000 per month (\$200-225).

A review of a variety of socio-economic studies indicates that the towns in the Ivory Coast, both medium-sized and small, have similar housing types and tenure patterns and reasonably similar social networks. This is true despite the differences in spatial organization of

savannah and forest towns. Most of these towns have the basic service amenities, including water and electricity; however, these services are poorly maintained, under-equipped and not readily accessible to the lower income groups.

The proposed upgrading and related shelter activities will result in health and general welfare improvement for women. A special effort will be made to include women beneficiaries in the small business loan program. However, the conservative nature of medium and small sized towns in the Ivory Coast, will make it difficult for the project directly to attack the conditions which inhibit improvements in the status of women.

b. Social Feasibility of Proposed Activities

The project provides necessary changes that are both achievable and affordable. No special technology is required for the project activities and minimal relocation will be necessary.

c. Spread Effects

Successful implementation will demonstrate the feasibility of neighborhood upgrading without demolition, cost recovery will demonstrate replicability. The project relies on local businesses and ways of doing things that are compatible with accepted procedures and therefore will be easily replicable in other towns throughout the Ivory Coast.

3. Technical Analysis

Existing infrastructure in all up-country urban centers in the Ivory Coast is inadequate and under-maintained. Project activities will include upgrading of existing neighborhoods, including community facilities as well as construction of limited serviced lots and core housing units. Technical descriptions of the types of improvements which will be financed by this project are included by size of city for illustrative purposes.

Based upon experience of the ongoing joint Abidjan PDU, the upgrading and sites and services activities do not pose any engineering problems and are within the technical capacities of both the private and public sectors of the Ivory Coast.

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4. Administrative Analysis

The Borrower for this project will be the Ivory Coast Sinking Fund (CAA), which is the GOIC agency responsible for management of GOIC fiscal resources in the shelter sector.

The administrative arrangements will track those generally followed by GOIC and will involve the various sub-agencies of the Ministry of Public Works.

5. Environmental Concerns

The IEE identified five issues to be addressed during project design. These concerns are intergrated into the project design, and thus the proposed project activities are judged to be environmentally acceptable.

D. Project Implementation

1. Cost Recovery

The project is designed to be affordable to the target group, those households earning less than CFAF 40-45,000 (\$200-225), the median household income in upcountry centers. Costs will be recovered for the upgrading projects through general property and betterment taxes; electric and water service costs will be recovered through the existing rate system; market costs from rental of space; and community facilities through general revenue sources of the Ivory Coast.

The costs of minimally serviced lots will be recovered through direct sale by the Office of the Prefecture or Sub-Prefecture.

Loans will be recovered utilizing the regular repayment procedures of the participating banks.

These mechanisms, which track those used in the joint AID/IBRD Abidjan PDU, will generate sufficient cash flow to cover project costs.

2. Project Implementation

The National Sinking Fund (CAA) will be the borrower. CAA will advance funds to the implementing agencies responsible for various sub-project completion in accordance with regular GOIC procedures. These procedures, and AID's right to review and approve each sub-project, will be mutually agreed upon by GOIC and AID and set forth in the Implementation Agreement.

These procedures are as follows:

a. Civil works for each sub-project (roads, storm, drainage, water and electrical distribution) will be bid together.

i) Preparation of plans, specifications and bid documents, analyses of bids, and supervision of construction will be done by consultants, selected by mutual agreement on the basis of proposals.

ii) Contracts will be advertised, and awarded by the Central Contracting Office (DCM) of the Ministry of Finance.

iii) Responsibility for construction costing more than \$5 million rests in the Central Direction of Public Works (DCGT), for construction of less than \$5 million with the Direction of Town Planning (DCU). Both are part of the Ministry of Public Work (MTPTCU).

iv) The actual construction will be carried out by a general contractor and sub-contractors. Frequently SODECI and EECI, the water and electrical utilities, carry out their obligations as sub-contractors.

b. Community Facilities are handled separately:

i) Plans, specifications and bid documents are standardized and provided by the Ministry responsible for operation. (Education, Public Health).

ii) Contracts are advertised and awarded by the Central Direction of Construction (DGC), which is responsible for construction under procedures approved by and with the participation of DCM.

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GOIC will undertake the necessary actions to obtain cost recovery through property tax and/or special benefit assessments and will insure that the Treasury provides the CAA with the funds necessary for Investor Loan repayments.

Routine Project monitoring will be the responsibility of RHUDO/Abidjan, and regular Project Performance Evaluation will be carried out once a year by RHUDO and the various implementing agencies.

DS/H will carry out an Impact Evaluation two years after Project Completion.

E. Issues

The following is the response to issues identified in the PID approval cables 77 State 193691 attached as Annex C.

1. Exact AID/IBRD Collaboration

The Abidjan PDU contains sub-projects jointly financed by AID, IBRD and GOIC. These were developed by joint AID/IBRD Appraisal Mission. The AID Implementation Agreement and the IBRD Loan Agreement were drafted so that each document contained identical language on technical details of project execution and covenants. IBRD assigned to RHUDO the responsibility for in-country monitoring and for signing Implementation Letters on its behalf for the jointly-financed sub-projects. RHUDO participates in periodic IBRD Supervisory Missions.

IBRD initiated discussions with GOIC in March, 1979, on its second PDU to consist, like the first, of both urban transport and shelter. As with the first project, RHUDO has participated in all Appraisal Missions. Because secondary cities are relatively small, AID and IBRD have agreed to finance their shelter activities separately, with IBRD limiting itself to two larger urban centers (Daloa, population 80,000, and Korhogo, population 62,500). RHUDO continues to participate in IBRD Appraisal Missions, and both RHUDO and IBRD adopt common strategies on policy goals of the two projects.

During project execution, DS/H and RHUDO will maintain liaison on policy objectives with IBRD; exchange information on project progress through RHUDO participation in IBRD Supervisory Missions; and RHUDO will participate in reviews of the IBRD regional urban development study, through which IBRD expects to develop its third PDU.

2. GOIC willingness to accept minimum standard construction and full cost recovery in rural housing program

The PID for this project includes a rural housing component. At the time, it was recognized that GOIC considers rural housing a social welfare program and did not apply these criteria. Therefore the issue required a review of feasibility at the PP stage.

While GOIC has adopted the principles of cost recovery and reduction of standards in Abidjan and for secondary cities, actions to date indicate that these principles are not acceptable in the rural context. Standards and hence costs - are high, and adequate cost recovery is not an objective.

Therefore, this Project does not include financing for agricultural cooperative housing.

3. Evaluation of Savings Generation Aspect of BNEC

This has been a highly successful feature of BNEC activity, achieved with the help of AID short-term TDY. Volume doubled during FY 79, from 12,000 to 25,000 accounts and from CFAF 1.9 billion to CFAF 3.5 billion (\$17.5 million). By mid-1980 savings totaled CFAF 7 billion (\$35 million).

A full analysis of Ivory Coast home financing and savings program is attached as Annex D.

This analysis was completed prior to the GOIC decision in June, 1980, to make BNEC a completely private savings bank. RHUDO is monitoring developments closely, but the full effect of this measure cannot yet be determined.

II. Detailed Project Description

1. Introduction

The proposed project will be undertaken in secondary cities and small towns throughout the Ivory Coast in accordance with criteria mutually agreed upon by AID and GOIC and in coordination with other GOIC investments in upcountry urban centers during the 1981-85 Development Plan.

The project will address the improvement of access to shelter and related urban services by low-income households. It will also improve the delivery skills of Ivorian contracting firms. Project activity will be carried out in centers of differing size and by different implementing agencies, in accordance with GOIC practices. In this way, Project Goals and Purposes will be introduced and made familiar to an increasing number of GOIC operational institutions.

2. Sector Goal

The broad sector goal to which AID inputs are addressed is to assist the GOIC in developing institutional, technical and financial support to provide improved shelter and related amenities throughout the Ivory Coast. This shelter project is consistent with AID's long-term shelter strategy to:

- a. reinforce GOIC efforts to increase allocation of resources for coordinated planning and production of low cost shelter throughout the Ivory Coast.
- b. Institutionalize and expand the initiatives of HG-003 efforts to apply minimum standards, cost-recovery and conservation of existing housing.
- c. Increase access by low-income groups to housing finance.

3. Project Purposes

Project purposes are two-fold:

- a. to reinforce certain policy innovations of the first Urban Development Project (HG-003) by assisting GOIC to complete in a variety of secondary cities and rural service centers, minimum-standard shelter projects with cost-recovery mechanisms which are affordable by below-median-income households.

b. to improve the institutional and technical capacity to carry out such activities, including the performance of Ivorian construction firms and access to appropriate financing.

4. Project Outputs

Project activities will take place in urban centers of different sizes. Although the range of activities will be consistent, their mix will vary depending on the size of the community and the associated other GOIC development activities. Project areas may be described as follows:

a. Predominantly lower-income neighborhoods in medium sized urban centers with population of 30,000-60,000.

b. Neighborhoods in smaller towns of 20,000-30,000 which, because of traditional demographic patterns, contain a more mixed economic distribution of households. Community facilities will be more likely to serve the entire town.

c. Small urban centers with population of 5,000 to 15,000 involved in regional development programs, in which improved shelter and urban service functions are to be developed.

Specific sub-projects will be selected by mutual agreement between AID and GOIC on the basis of:

a) capacity and willingness of the GOIC administrative units involved to integrate into these activities project goals of minimum standards and cost recovery;

b) coordination with other urban investments financed under the 1981-85 Development Plan; and

c) where appropriate, coordination with regional development activities around small urban centers.

Activities will consist of the following:

a) Upgrading

i) all-weather streets and storm drainage

ii) distribution of potable water

iii) on-site sewerage disposal

iv) electrical distribution system and public street lighting.

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v. construction of community facilities
(elementary school, health center, multi-
purpose center, market).

vi. Registration of tenure.

b) Sites and Services

A limited number of minimally serviced lots can be laid out as an extension to upgrading sub-projects to provide for demographic growth. These will have to provide for economic mixing, and most services will be provided as the new areas become populated. Minimum services will include:

- i. grading and drainage of access roads.
- ii. extension of a secondary water line.
- iii. core houses can be incorporated into some of the sites/services sub-projects, as appropriate.

5. Project Inputs

a) Financial

The total project cost is \$37.6 million, to be provided as follows:

HG	\$20.0 million
GOIC	17.0 "
downpayments	0.6 "

The funds will be used for the following activities:

(\$000,000)

	<u>HG</u>	<u>GOIC</u>	<u>Down Payments</u>	<u>Total</u>
+ <u>Upgrading</u>				
infrastructure	10.0	10.0	--	20.0
community facilities	<u>4.0</u>	<u>4.0</u>	<u>--</u>	<u>8.0</u>
S/T Upgrading	14.0	14.0	--	28.0
+ <u>Sites/Services</u>	2.5	--	0.3	2.8
<u>Physical Contingencies (15%)</u>	2.5	2.0	--	4.5
<u>Small Loans</u>				
Business	0.5	0.5	0.2	1.2
Home Improvement	0.5	0.5	0.1	1.1
<u>Total</u>	<u>20.0</u>	<u>17.0</u>	<u>0.6</u>	<u>37.6</u>

+ Includes provision for inflation at 18% per year

b) Technical Assistance

An already authorized IIPUP-funded project coordinator will be responsible for development of the sub-projects, coordination of access by beneficiaries to urban services, and evaluation. His responsibilities are to include, inter alia:

- i. assist in developing and monitoring effective access by low-income beneficiaries to small home-loan and small business financing programs ancillary to HG-003 and 004;
- ii. monitor bidding procedures to assure that small local contractors can effectively compete in order to enhance income generating effects of construction;

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- iii. assist in design of specific shelter sub-projects financed by HG-004;
- iv. coordinate beneficiary access to various social services;
- v. assist in design and review of socio-economic surveys;
- vi. assist in design and review of basic needs surveys;
- vii. assist in coordinating Peace Corps community development and small entrepreneur assistance in conjunction with HG-004;
- viii. assist in project monitoring and evaluation; and
- ix. assist with minimum design standard criteria.

The implementation experience of HG-003 shows that discussions on standards, cost recovery and upgrading with GOIC technicians, while slowing construction progress, resulted in increased perception of Project goals and, in effect, represents the main factor by which progress is made in overcoming institutional inertia and realizing Project goals.

Four Peace Corps Volunteers will also assist in implementation of the project. According to the PCI Ivory Coast Country Strategy Plans, Peace Corps will provide:

- (a) business advisors to assist small contractors in establishing correct bidding and accounting systems, and to provide financial advice to beneficiaries undertaking home improvements.
- (b) construction advisors to assist in advising the participants of the home improvement loan fund on repairs, installation of septic tanks and expansion of household units.

6. Implementation and Cost Recovery

The GOIC National Sinking Fund (CAA) will be the Borrower. CAA is the GOIC depository for public funds; manages the public debt, external and internal; and is the Borrower for the IBRD shelter projects.

CAA will advance funds to the implementing agencies, which will be those GOIC agencies which normally carry out these activities, as follows:

a) civil works are the responsibility of the Central Direction of Public Works (DCGT) for contracts of more than \$5 million and of the Direction of Town Planning (DCU) for contracts of less than \$5 million. Because of the size of the sub-projects, it is anticipated that most contracts will be for less than \$5 million.

b) Community facilities are the responsibility of the Central Direction of Construction (DCC) using plans and specifications provided by the appropriate technical Ministry.

c) While actual construction is let to private contractors by competitive bid, the electrical and water installations are installed by the electrical utility (EECI) and the water utility (SODECI), acting usually as sub-contractors.

Costs for upgrading will be recovered from general property and betterment taxes, for most civil works; from the existing rate system for water and electricity; from rentals of stall space for markets; and from general revenues for the community facilities.

Minimally-serviced lots will be sold, as is current practice, by the Prefecture or Sub-Prefecture.

Loans - for whatever purpose - will be recovered by the financial institution making them, in accordance with its regular procedures.

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7. Other Donors

The World Bank's second urban project consists, like the first, of transport (\$63 million), shelter (\$18 million) and contingencies, totaling ± \$100 million. RHUDO has participated in all IBRD Missions, and AID and IBRD are coordinating their strategies. IBRD currently has scheduled negotiation of agreements in September and Board approval before the close of CY80.

The Shelter component as of July 1980 is to consist of:

- a. \$11 million for upgrading in two large secondary cities (Korhogo, Daloa)
- b. \$4 million for TA to regional offices of the Ministry of Public Works, Transport, Construction and Town Planning.
- c. \$3 million for regional studies leading to a third urban development project in selected upcountry centers.

III. Project Analysis

A. Economic Analysis

The economy of the Ivory Coast over the last two decades has experienced an exceptional rate of real economic growth. Averaging 7 percent a year, per capita GDP increased about 4 percent each year. This has been achieved with virtually no mineral resource exploitation, but, rather, has been on a rapid and sustained expansion of agriculture as well as the creation of a manufacturing sector which has contributed to a diversification of the economy. Accounting for only 4 percent of GDP in 1960, manufacturing had increased to 13 percent in 1979. Although coffee, cocoa, and timber are the basis for most economic activity, there are many other products, such as pineapples, rubber, cotton, rice and sugar. In 1979, exports of cocoa and coffee represented about half of the country's total exports.

The diversification of the Ivory Coast's economy as well as the country's external trade and financial relations made it possible for the Ivory Coast to withstand in recent years the worst effects of the Sahelian drought, increased oil prices, and upheavals in the world economy better than many other African countries. Strong economic growth resumed in 1978 and continued in 1979, though at a reduced rate in real terms. This was the result primarily of softer world market conditions for the three main export commodities--coffee, cocoa, and timber. This also reflected a cutback in public investment expenditures. These trends are likely to continue in 1980, and real economic growth is expected to be between 3 and 4 percent.

An important factor in the development of the economy has been the degree to which the Ivory Coast has become dependent upon a foreign labor force. In 1979, the foreign population was estimated to be 2 million out of a total population of 7.9 million. This compares to 1 million in 1965 out of a population of 4.5 million. As a result of this increase in the foreign labor force, the wage income transferred abroad has become one of the major rising negative items in the Ivory Coast's balance of payments. Given this trend, development of an indigenous labor force has been an important development issue. Another key element which has helped in promoting rapid economic growth has been the Government's flexible policy regarding capital inflows. This policy provided liberal incentives for private foreign investments and essentially free repatriation of profits.

In 1978, the Ivory Coast's overall balance-of-payments remained in surplus as increased net capital inflows more than covered a much enlarged current account deficit. The deficit on the current account continued to increase in 1979 (estimated at

SDR 756 million in 1979, equivalent to 10.6 percent of GDP, compared to 9.3 percent in 1978) because of a further reduction in the trade surplus reflecting the stagnation in export receipts and larger imports, rapidly rising payments on services (including interest payments on external debt), and growing workers' remittances abroad. Net capital inflows were no longer sufficient to finance the further increased deficit on current account, and an overall deficit of SDR 200 million was estimated for 1979.

Gross international reserves declined from SDR 366 million at the end of 1978 to SDR 163 million at the end of August 1979, equivalent to about one month of 1980 projected merchandise imports. As a result of the heavy reliance on foreign borrowing, the Ivory Coast's outstanding amount of external public and publicly-guaranteed debt totaled US\$3.8 billion (CFAF 791 billion) at the end of 1979, double the amount outstanding two years earlier. New commitments declined from a peak level of US\$1.8 billion in 1977 to US\$0.8 billion in 1978, reflecting the Government's policy of slowing down the rise in external indebtedness. However, in 1979, new commitments rose again to about US\$1.3 billion. Since 1977, nearly three-fourths of the new commitments have been private loans contracted on relatively unfavorable commercial terms, i.e., high interest rates and short maturities, the result has been an overall deterioration of the debt profile. As a consequence, debt service payments have accelerated rapidly; total debt service payments on all public and publicly-guaranteed external debt in relation to receipts from exports of goods and non-factor services rose from 10 percent in 1977 to about 19 percent in 1979. Data for the first 10 months of 1979 suggest somewhat of an improvement in the debt profile.

During the years 1976-78, the average maturity on external loans declined to 9.8 years compared to 12.9 years in 1975. For the same period, average interest rates increased to 8.6 percent from 7.9 percent. Available data for the period January - October, 1979 indicates that average maturities have increased once again to 12.4 years and that the average grace period increased somewhat to e.2 years compared to 3.0 years in 1978.

The proposed \$20 million HG loan represents less than 2% of total external borrowing by the Ivory Coast in 1979, or .006 of \$3.4 billion export earnings. Assuming the Ivory Coast used the foreign exchange to retire short-term debt contracted on commercial terms, the country's external debt ratio would fall to 18.4% of export earnings. Given the long amortization period and relative lower interest rate structure of HG loans, the proposed \$20 million loan is an important source of external financing for the Ivory Coast.

Ivory Coast: Summary of Balance of Payments, 1975-79

	1975	1976	1977	1978 Prel.	1979 Est.
	(In millions of SDRs)				
Exports, f.o.b.	1,020.3	1,502.7	2,048.0	2,062.0	2,162.2
Imports, f.o.b.	-833.5	-1,005.4	-1,337.4	-1,609.6	-1,734.4
Trade balance	186.8	497.3	710.6	452.4	427.8
Services (net)	-386.2	-488.6	-598.3	-718.6	-828.5
Of which: interest payments	(-47.6)	(-64.1)	(-90.3)	(134.2)	(-194.3)
Transfers (net)	-116.4	-224.3	-283.5	-308.0	-355.6
Of which: salary remittances paid	(-151.4)	(-250.8)	(-306.8)	(-336.3)	(-366.6)
Current account balance	-315.8	-215.6	-171.2	-574.2	-756.3
Nonmonetary capital (net)	169.1	236.0	328.1	623.0	626.9
Official capital	111.4	178.0	388.0	559.3	571.9
Of which: gross official borrowing	(191.4)	(257.3)	(619.9)	(757.2)	(802.8)
Private capital	57.7	58.0	-59.9	63.7	55.0
Monetary capital (net)	60.0	-19.2	-37.0	57.4	-78.5
SDR allocations	--	--	--	--	7.9
Errors and omissions	16.7	0.3	0.4	13.7	--
Overall balance	-70.0	1.5	120.3	119.9	-200.0

Source: International Monetary Fund, "Recent Economic Development", February 21, 1980.

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Ivory Coast: Debt Service Payments, 1975-79
(In millions of U. S. dollars)^{1/}

	1975	1976	1977	1978 Prel.	1979 Est.
Total government and government-guaranteed external debt ^{2/}					
Interest	57.9	69.0	99.7	171.1	307.8
Principal	79.8	133.5	190.0	244.2	335.3
Total (A)	137.7	202.5	290.6	415.3	643.1
Exports of goods and services (B)	1,506.6	1,997.3	2,757.0	3,046.9	3,395.0
Of which: goods (f.o.b.)	(1,238.8)	(1,734.9)	(2,391.1)	(2,581.6)	(2,797.4)
services	(267.8)	(262.4)	(365.9)	(465.3)	(597.6)
Debt service ratio (A : B)	9.1	10.1	10.5	13.6	18.9
<u>Memorandum items:</u>					
Government and government-guaranteed external debt excluding the nonresident multinational entities (C)	103.1	196.3	248.3	406.8	564.4
Debt service ratio (C : B)	6.8	9.8	9.0	13.4	16.6

^{1/} Converted from CFA francs at following rates: 1975 1976 1977 1978 1979
214.32 238.98 245.67 255.64 210.84

^{2/} Debt managed by the CAA plus debt not managed by the CAA.

Source: International Monetary Fund, "Recent Economic Development", February 21, 1980.

III. B. Social Soundness Analysis

1. Description of the Target Group

The target group for this project will be households resident in secondary Ivory Coast cities whose income falls below the median for that city.

The median household income per month for a sampling of towns is strikingly similar despite the towns's geographical and spatial differences.

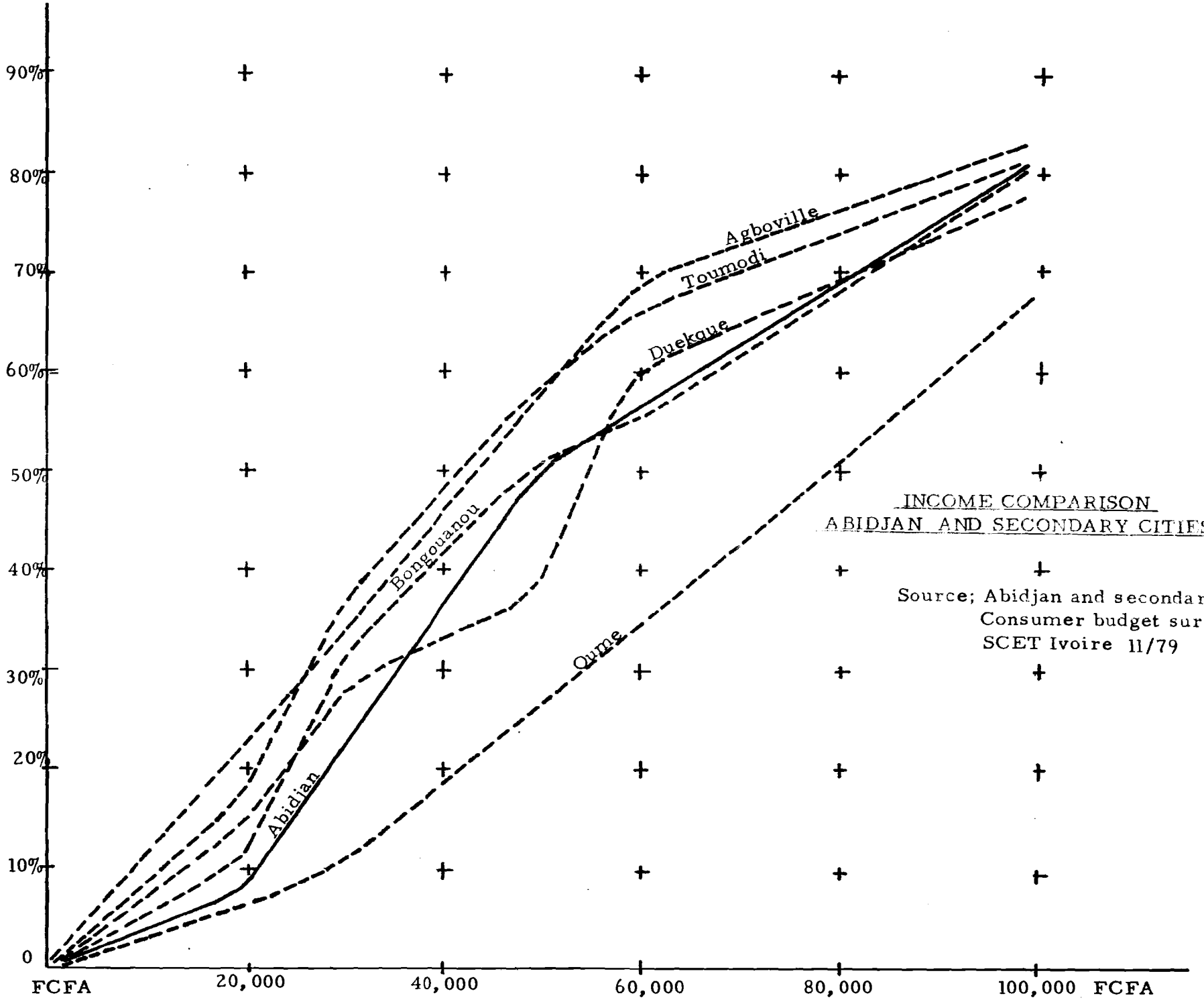
<u>Town</u>	<u>Population</u>	<u>Monthly median income</u>
Gagnoa (forest)	58,200	CFAF 45,000 (\$225)
Korhogo (savannah)	65,300	45,000 (\$225)
Toumodi (savannah)	18,000	41,100 (\$200)
Ferkessedougou (savannah)	34,400	39,100 (\$196)

A close examination of income data reveals that in the larger centers (excluding Toumodi) about 20% of the households earn less than 20,000 FCFA per month.

(More recently published data, comparing income distribution in Abidjan with that of five secondary towns of from 16,000 to 38,000 population, confirm this - see accompanying chart.)

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INCOME COMPARISON
ABIDJAN AND SECONDARY CITIES

Source; Abidjan and secondary cities
Consumer budget survey
SCET Ivoire 11/79

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The available socio-economic data, derived in most part from a survey of 64 urban centers prepared in 1979-80 for the Ministry of Finance, indicate that despite the difference in spatial organization of savannah and forest towns, the medium-sized and small towns in which HG activities will take place have similar housing types and tenure patterns and reasonably similar social networks. Both forest and savannah urban centers have experienced substantial annual population growth, although in general forest towns have had a somewhat higher growth rate because of the greater degree of economic activity in the hinterland.

Fifty percent or more of the households are renters. This is due mostly to the large immigration from neighboring countries and from other regions within the Ivory Coast. The neighborhoods which make up these towns are remarkably similar. The most densely populated neighborhoods are those which are closest to the center of town and market and contain the largest percentage of immigrants. Most of these towns have the basic service amenities; including water and electricity; these services are under-equipped, poorly maintained; not readily available to the lower income groups and insufficient to meet the needs of the expanding urban population.

The concerns of urban population are illustrated in a survey done in the savannah town of Toumodi in 1977. The majority of those interviewed complained about the condition of the market center; it was described as too small and unsanitary. Further criticism reflected the limited health services, the absence of sewerage and drainage systems, and the general state of public services.

Basic services are more limited in the smaller than in the medium-sized towns. With income levels lower in the smaller towns there appears to be few incentives for the 15-25 year age group to remain in place. This has led to a large out migration from many rural areas to the larger urban centers and Abidjan, at the same time that labor for coffee and cocoa plantations continues to be imported from poorer countries to the north.

Most small town dwellers, according to available data, live in traditional households organized around an interior courtyard with housing units built around it. Structures are of banco (dried laterite) or cement, with cement houses replacing those of banco. In a 1980 study of the northern city of Korhogo, (pop. 65,300), 79% of the population lived in traditional courtyards, one fifth of the households had access to potable water and 50% had private wells.

Sanitary waste facilities consist of pit latrines in each courtyard which are sealed up when full.

Women in small towns and cities play an important role in market activities, but the income derived is considered secondary. One study (in Korhogo) further indicates that average monthly income of women is 60% of that of males.

Conventional wisdom suggests that with increased urbanization comes greater opportunities for women (to earn money, to make contacts outside their extended family, etc.). However, recent studies, including one unpublished dissertation on the adaptations to urban settings of Dioula women in Gagnoa, suggest that the opposite may be true insofar as it concerns low-income women. Status in the urban context is a function of economic opportunity and education. Dioula women in Gagnoa appear to be more dependent on their husbands than their rural sisters because their economic role (agricultural production) has been decreased. Their earnings from petty commerce are limited and they are not pushed through the educational system by their parents (as are sons) so their opportunities are less. The role of the extended family persists in most urban centers (Abidjan offers a partial exception, at least as far as upper income families may be observed to have adopted the nuclear family) and is reflected in housing patterns.

Ivory Coast, following France, has created a Ministry of the Feminine Condition; and changes in the banking system, again following France, have permitted wives to have separate checking accounts to take out loans, and to own property. One factor in the numerical growth of savings accounts is reportedly their availability for women and students without permission of the head of household. However, Ivorian women are not as yet as prominent in government service as in, for example, Liberia or Ghana, and their role in business is to a large extent, but not completely, limited to extensions of their traditional occupations (couture, beauty shop, food production and preparation.)

An evaluation for REDSO/WA of the Entente Fund African Enterprise Program showed that 25% of the loans made in Ivory Coast were to women (44 of 177), the same proportion as for the entire five-country region. All but one of these were made by the Ivory Coast Credit Bank to small businesses; only one loan (for CFAF 29.3 million - about \$145,000) was made by the industrial development bank. Loans ranged from CFAF 194,000 to 17.3 million (\$970-8,600): about half were for less than CFAF 500,000 (\$2,500); one for wood working,

one for shoe making and three for transportation were the only loans for activities not traditionally undertaken by women. All but three loans were for businesswomen in the Abidjan area.

The IIPUP-funded Project Coordinator will be responsible for special efforts to include small business loans for women in the project.

The upgrading and related shelter activities, while offering health and general welfare improvements to women, will not directly attack the conditions which, in conservative atmosphere of the medium and small sized urban centers, inhibit improvements in the status of women.

One limited exception to this general tendency was noted in a 1965 study of the Gonfreville textile factory in Bouaké, the country's second largest city, where one department has hired exclusively women. The economic advantages this gives employees, mostly from neighboring villages, has enabled them to become independent, while still retaining matrilineal village ties (for rearing their children for example); these jobs are highly sought after and openings are filled through recommendation of women already employed. To the extent that manufacturing jobs are available to women in other secondary cities, similar opportunities could develop with increased urbanization.

2. Social Feasibility of Proposed Activities

The project provides possible and affordable changes that are both necessary and desirable. The physical environment inputs are designed to reach project-area residents as a whole. No special technology is required to benefit, and minimal relocation will be necessary. Thus social linkages will be retained throughout project activity.

Preliminary surveys indicate that residents desire many of environmental improvements proposed, such as improvements to drainage and to public facilities (especially markets and health services).

Most of the beneficiaries are involuntary, that is, they live in the areas to be upgraded and do not have to make a conscious decision to relocate in order to receive benefits.

Beneficiaries for the limited number of serviced lots are voluntary, that is they will have to make an effort to benefit and conversely, the lots will have to be marketed. This is why project design backs the existing system of sub-prefectural attribution of and payment for new lots.

Assignment of PCVs to assist in home improvements, hook-up to water systems and septic tank construction will provide a method for encouraging beneficiary participation. GOIC limits educational and informational campaigns in upgrading areas to formal meetings with administrative authorities, and the presence of PCVs will help amplify on this formal, official process.

3. Spread Effects

One major result of Project outputs (improved access to potable water and improved sanitary disposal systems) is expected to be a cleaner and healthier environment and reduction in the incidence of water-borne disease vectors. Better health, resulting from these environmental improvements should lead to improved productivity and hence income and improved general welfare.

Successful implementation will demonstrate the feasibility of neighborhood upgrading without demolition: cost recovery will demonstrate replicability.

The range of implementing agencies and types of cities suggests that in addition to technicians, a variety of decision makers will be exposed to the policy thrust of the shelter program.

There is no social dislocation required or implied. Existing neighborhoods are to be upgraded and demolition for improvements will be limited to less than 10% of existing units. Housing on serviced sites will be built by the beneficiaries in accordance with their own means and preferences. With the exception of the Ivorian tendency to want to do everything very expensively, program execution relies on local businesses and ways of doing things that are completely compatible with the accepted methods of doing things in small and medium-sized towns. Therefore, activities can be more easily replicated than if they required some form of social or technological innovation.

Use of PCVs to assist local contractors to improve their way of doing business should help them improve their performance in their other contracting operations

III. C. Technical Analysis

Existing infrastructure in upcountry urban centers in the Ivory Coast is inadequate and under-maintained. Most streets within the neighborhoods where the target population appear to be living are unpaved, poorly grade drainage channels are often blocked with refuse, erosion problems have been aggravated to the point of undermining some of the sub-structures of bordering houses, and stagnant rain water, combined with household refuse and waste water create unhealthy conditions within the community as a whole.

Though most towns have a potable water system, individual household connections can be substantially expanded, particularly within the target population of beneficiaries.

A small number of the larger urban centers have a water-born sanitary sewerage system serving the down-town areas. Where the capacity of the existing system permit and a hook-up is feasible, a water borne system of human waste disposal can be installed in certain neighborhoods. For the most part, human waste disposal in the smaller urban centers will have to be by septic tanks or a comparable system.

Community facilities, in general, including health dispensaries, primary schools and market centers, as proposed for financing under the present project, do not meet the needs of the growing urban population. New market facilities, which are among the most widely requested facilities, according to the socio-economic surveys, are a particular necessity for reasons of health and general sanitation.

Technical standards will be based on the ongoing experience of the existing joint AID/IBRD/GOIC Urban Development Project. Proposed project activities will include the following:

1. Neighborhood upgrading

a) Roadways and pedestrian walkways will be rehabilitated to specifications according to topography and amount of usage. Improvements will include filling, grading, compacting and graveling. Where sufficient daily usage warrants such as on the major neighborhood thoroughfares and around market center, roads will be paved.

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- b) Storm drainage systems will be installed to service all roadways within the target neighborhoods. This will generally consist in open, lined trenches and catch basins. Specific dimensions of these trenches will depend on runoff in the area.
- c) Existing water network systems will be extended to provide access to all lots within the target neighborhoods.
- d) Unless a sewer system already exists, which is the case only in administrative centers of a few of the larger towns, the limited number of users per sub-project site will not justify construction of a new urban sewer system that is affordable by the target population. Human waste disposal will be by septic tank for the most part, installed by each household as part of the upgrading activity.
- e) Access to the electrical distribution system will be provided for by extending existing lines, including street lighting, along major roadways within the project neighborhoods.
- f) GOIC criteria will determine the need to extend provision of primary schools, health centers and community centers within target areas. Neighborhood markets and central market places will be upgraded and covered.
- g) Beneficiaries will be ensured security of tenure through completion of registry formalities for each plot. A provisional system for this exists in Ivory Coast, in which a registry is maintained by the government administration (sub-prefecture) until a formal cadastral survey can be completed. Such a registry also permits liens to be registered, so that the property can be mortgaged. Furthermore, land registration will permit the administration to carry out cost recovery through increased collection of property taxes.
- h) Maintenance of public infrastructure and facilities has been inadequate throughout the Ivory Coast and particularly so upcountry. Discussions on cost recovery for the civil works will attempt to incorporate into the cost recovery mechanism charges that can be applied to on-going maintenance. This effort will parallel TA in the IBRD second PDU, a portion of which is directed towards those municipal and sub-prefectural services responsible for maintenance of urban facilities in Korhogo and Daloa, site of the IBRD sub-projects.

Illustrative examples of site-specific sub-project activities and cost breakdowns are included in Technical Annex F.

The site map of Sakassou shows how upgrading activities can be introduced into the existing land use of a savannah town of 4,000.

2. Sites and Services

A limited number of partially serviced lots, depending on the size of the town, will be developed as an extension of the upgrading exercise in each project town. The services will include the grading and drainage; all-weather access roads; extension of a secondary water line; and access to individual electrical hook-up. The main waste disposal will be by septic tank. It is proposed to upgrade these areas after self-help home construction and occupancy justify it, with cost-recovery thus following after the major home building effort has been completed.

Illustrative examples of site-specific sub-project activities and cost breakdowns are included in the technical Annex F. The Indicative Layout Plan shows development of a sub-project of 200 lots.

3. Construction and Contract Procedures

Construction contracts will be let through competitive bids as established by GOIC policy. The second and third Ivory Coast HG projects successfully implemented a policy of bidding the sub-projects in small lots permitting a response by Ivorian firms. A report on this experience is in Annex G.

The likelihood that many of these projects will be in medium to small sized towns should encourage local contractors to bid effectively.

Peace Corps volunteers will provide Technical Assistance to help small town firms determine accurate bid prices and efficiently amortize their equipment costs in their bids.

PCVs will also be available to assist home owners in making improvements and construction of septic tanks.

SAKASSOU

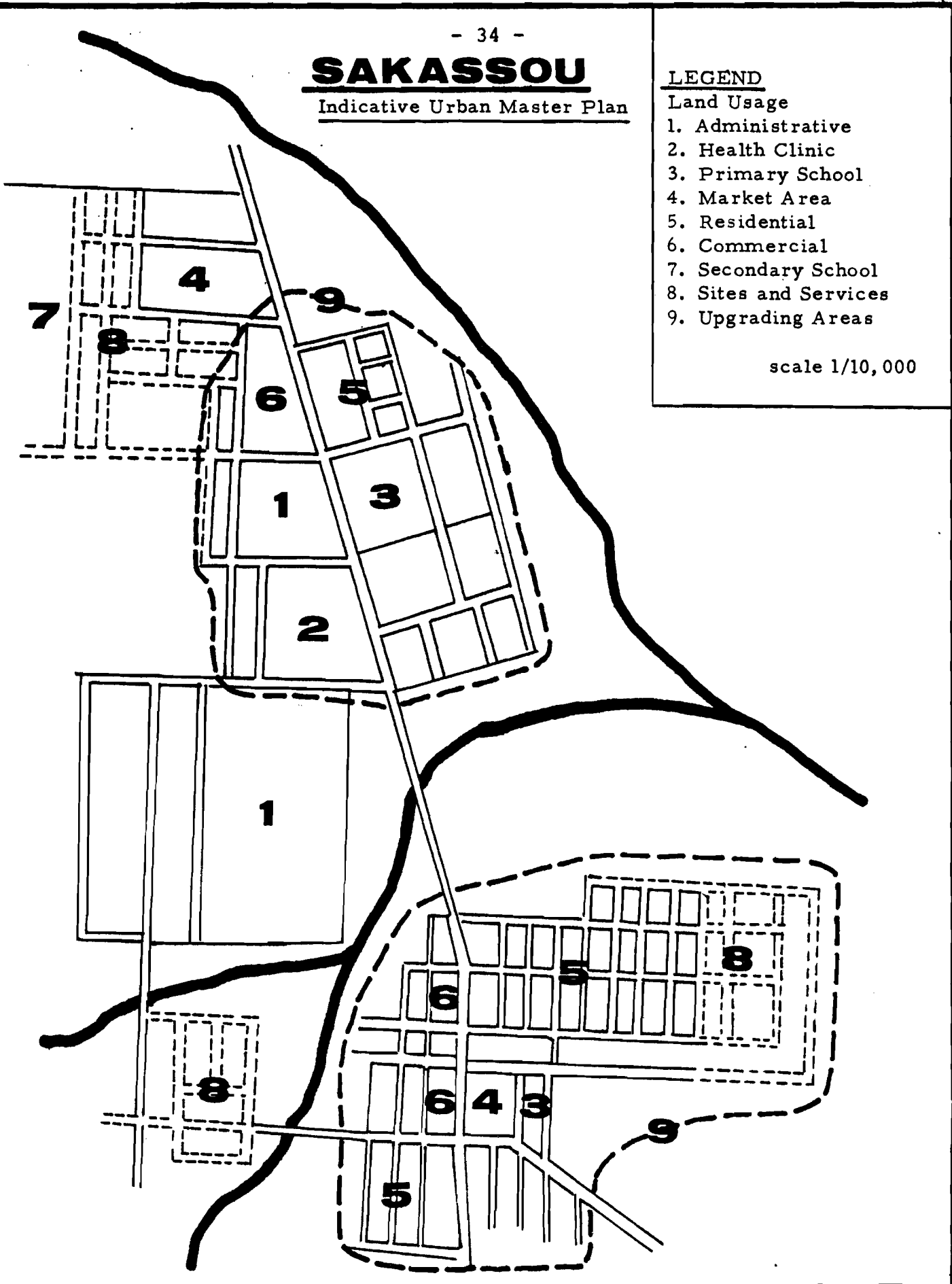
Indicative Urban Master Plan

LEGEND

Land Usage

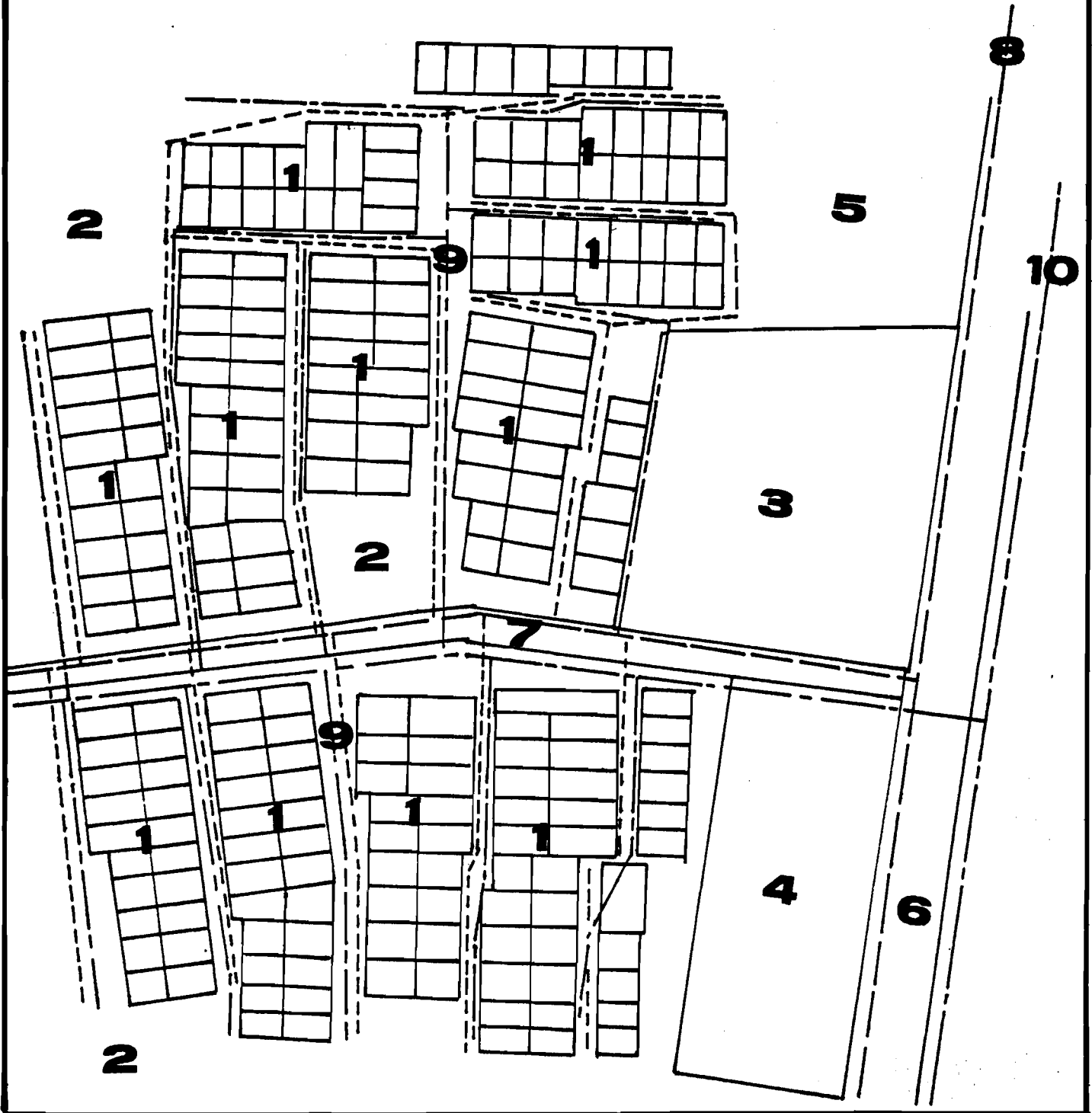
- 1. Administrative
- 2. Health Clinic
- 3. Primary School
- 4. Market Area
- 5. Residential
- 6. Commercial
- 7. Secondary School
- 8. Sites and Services
- 9. Upgrading Areas

scale 1/10,000



IVORY COAST
Secondary City Development Project
Sites and Services Indicative Layout Plan

- 1. New plot development
- 2. Sports field
- 3. Primary School
- 4. Health prevention clinic
- 5. Commercial space
- 6. Primary roadway
- 7. Secondary roadway
- 8. Water supply lines
- 9. Tertiary walkways
- 10. Electrical supply lines



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4. Technical Feasibility

Based on the technical analysis performed during project preparation, DS/H has concluded that the project is reasonably priced and designed to accomplish its purpose. The activities herein proposed are within the technical capacities of both the public and private sectors of the Ivory Coast.

III. D. Administrative Analysis

1. Borrower

The Borrower for this project will be the Ivory Coast Sinking Fund (CAA) which is the GOIC agency responsible, inter-alia, for management of GOIC fiscal resources in the shelter sector. The GOIC tax-supported National Housing Fund was incorporated into the National Savings and Credit Bank (BNEC) as part of the development of the PDU, and BNEC was responsible for management of these resources. Early in 1979 the President of the Republic directed that management of these resources be transferred to CAA, which also manages other public funds. Given the nature of the investments in the proposed Project, GOIC feels it more appropriate that the Borrower be CAA, which assumes this function for IBRD urban projects as well as for other direct GOIC borrowing.

CAA, which performs this function regularly, will advance funds as required to the various Implementing Agencies:

- MTPTCU/DCGT - for road, storm-water drainage, community facilities - contracts of more than \$ 5 million.
- EECI - for street lighting, electrical distribution; for water systems in smaller towns, where EECI also has this function.
- SODECI - for water distribution in communities served by SODECI Budget of the Sub-Prefecture, where the size of the operation permits.
- MTPTCU/DCU - for the urban component of regional developments undertaken jointly with the Ministry of Agriculture; infrastructure contracts of less than \$5 million.

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2. Implementation Arrangements

Implementation arrangements, as indicated on the Project Operational Flow Chart, should track those of GOIC. This requires an understanding of the different levels of projects and of GOIC agencies involved.

a) Works involving contracts of more than \$5 million are the technical responsibility of the General Direction of Major Works (DCGT). Letting of bids and award of contracts is carried out by the Central Contracting Office (DCM).

Civil Works are executed by contractors, electrical and water contracts by the respective utilities (SODECI for water, EECI for electricity).

Project coordination is the responsibility of the regional Direction of Construction of the MTPTCU, in cooperation with the relevant governmental administrator (Mayor or sub-Prefect).

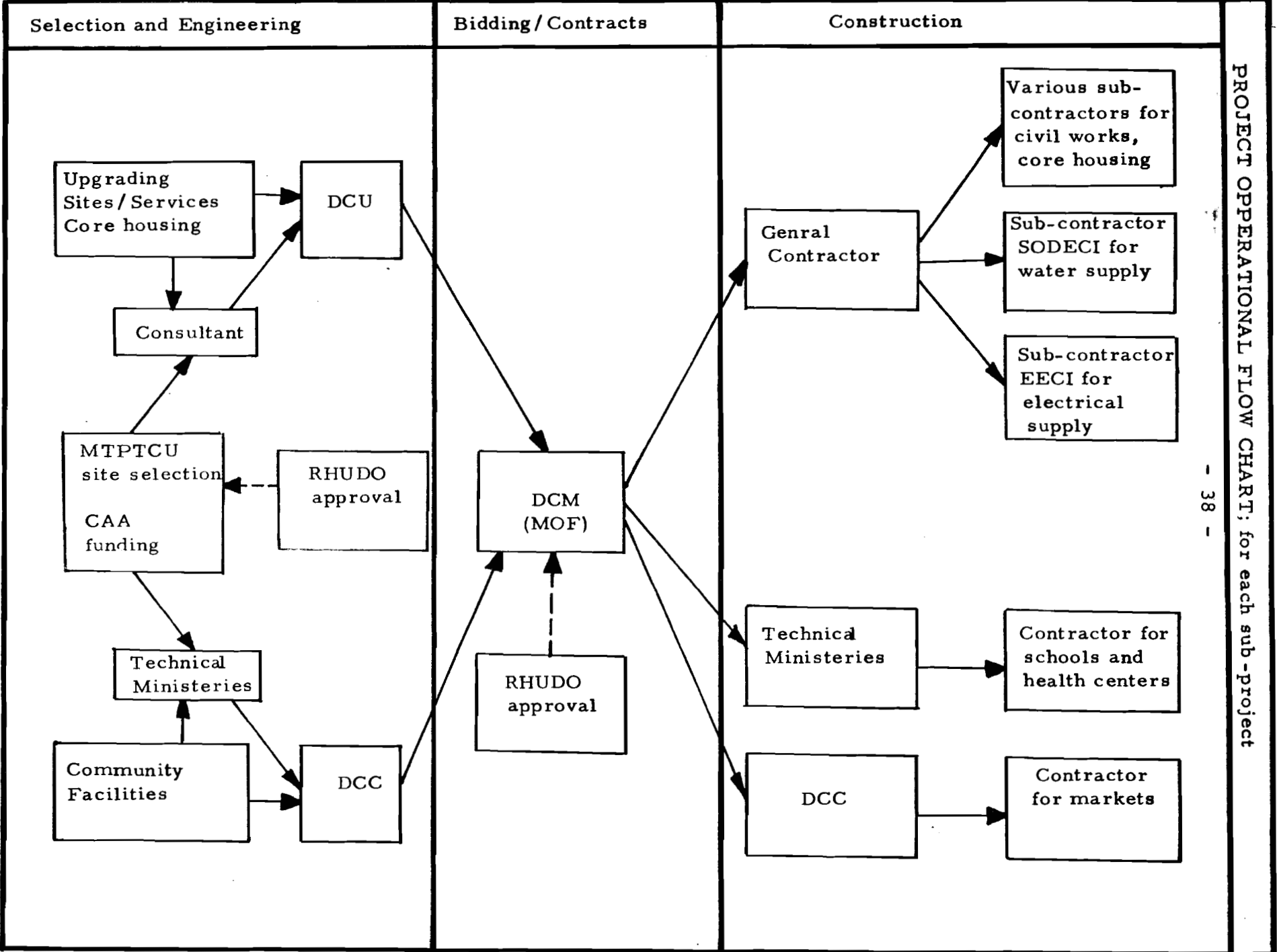
In the Abidjan Urban Development Project, responsibility for sub-project development and implementation was placed with the national land development agency (SETU). To the extent that project activities in any given locality justify, SETU, which is experienced and familiar with HG minimal standards projects, may be assigned the responsibility of Implementing Agency.

While use of SETU may be recommended because of its extensive experience in land development and urban infrastructure, including implementation of the Abidjan Urban Development Project (PDU), there are limits to the extent SETU can undertake the number of decentralized sub-projects planned under this program.

b) Contracts of less than 4 million dollars are the technical responsibility of the Direction of Town Planning (DCU). Letting of bids and award of contracts are carried out by the DCM.

c) To ensure participation of small and medium-sized Ivorian contractors bidding documents for any given sub-project will be prepared so as to include numerous small sub-contracts that will be within the financial capacities of these small enterprises. Awarding of the general and sub-contracts will be consistent with current DCM procedures, which include the presence of an

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PROJECT OPERATIONAL FLOW CHART; for each sub-project

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official panel at the opening of tenders, evaluation of these tenders with the Implementing Agency at DCM, and final awarding of contracts based upon the recommendations of DCM and Implementing Agency staff.

d) Administration of the small loan component will be by existing and experienced Ivorian banks in accordance with sub-agreements with CAA to be mutually acceptable to the parties and AID. This is the procedure used by IBRD and GOIC in the ongoing PDU.

DS/H proposes to involve several banks in the program to the extent possible in order to maximize the understanding of existing institutions to the financing needs of low-income families and to experiment with different underwriting techniques in accordance with the possibilities of the individual institutions. Among those potentially involved:

i) Ivory Coast Credit Bank (CCI), largest (assets \$ 141 million) and oldest (organized 1955) bank with experience in mortgage lending (40% of portfolio), construction material loans, and loans to small enterprises. CCI was the Ivory Coast implementing agency for loans to small business under African Enterprises Program financed by AID through the Entente Fund (of which 41 of the first loan tranche, representing 28% of the number and 19% of the total value, went to business women.) CCI has the capacity for both the small business and construction materials loans. During FY 1978 it made 545 mortgages totaling \$37 million, 1596 small loans for construction materials and water, electricity connections totaling \$1.6 million, and 233 loans to small businesses totaling \$12 million. It has seven branches up-country.

ii) National Bank for Savings and Credit (BNEC) has a mortgage portfolio of \$25 million, but has only offices in Abidjan. Participation in HG-004 will also depend on the outcome of reorganization resulting from the GOIC President's decision in June, 1980, to eliminate GOIC financial participation.

iii) National Agricultural Development Bank (BNDA), created in 1969, assets \$14 million, has 11 branches upcountry and a limited experience as a fiduciary for GOIC-financed rural housing in the cocoa-coffee region.

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2. Feasibility of Administrative Arrangements

The capacity of the various Implementing Agencies poses no difficulty. None are required to assume additional or unusual responsibilities beyond the ordinary course of their activities, and the incremental volume of civil works is not such as to tax the capacity of these various institutions. This is particularly true as implementation of the various sub-projects will tend to be decentralized.

There have been two major deficiencies in administration of the first Urban Development Project financed by HG-003 and IBRD:

- a. Slowness and lack of coordination by the various implementing agencies.
- b. Lack of familiarity with or resistance to the lower standards implied in the development of replicable programs for the urban poor on the part of the GOIC technicians and administrators.

The effort to overcome these two administrative problems represents an important institutional effort of the first project, and will continue as the major institutional purpose of the proposed second project.

III. E. Environmental Concerns

The Initial Environmental Examination (IEE) completed in May, 1980, gave a positive determination to the HG and identified five issues to be addressed during project design:

1. The adequacy of basic water and electrical supply for any project generated will be reviewed during preparation of plans for each sub-project. Staffing and operational budgets for community facilities will be reviewed with the responsible technical ministry, and the responsibility of GOIC to staff and maintain will be set forth in the Implementation Agreement.
2. The capacity of natural systems to support additional human occupancy. Availability of solid waste disposal sites and sewerage absorption capacity of soils and water ways will be a part of technical review. Migration to urban centers is not a function of shelter but rather of economic opportunity. The proposed shelter activities represent only about 4% of total GOIC upcountry urban sector investment during the period of project implementation and are not of such magnitude as to have any effect on migration patterns or additional human occupancy.

3. Appropriate Housing. In upgrading and sites/services project beneficiaries are responsible for construction of their own shelter, which is accomplished in accordance with their own desires and capacity.

4. To assure that improved health will accompany the improved environment, sub-project technical reviews will particularly examine adequacy of on-site sewage disposal so that it does not affect water supplies and the removal and disposal of solid waste. GOIC codes and standards provide for windows adequate for ventilation. However enforcement of overcrowding regulations and the control of siting of additions to existing housing is generally not undertaken by GOIC officials both because of inadequate staff and to avoid what many low-income residents would regard as an intolerable imposition on their civil rights. However, PCV assistance in aided self-help construction will include these considerations.

5. Maintenance of storm water drainage to prevent flooding will be discussed with local officials and is also one component of the IBRD second urban development project. Low-income beneficiaries normally replace temporary with permanent materials, thereby reducing fire hazard, as their incomes increase (and/or they obtain access to financing) and they feel secure about tenure; tenure and access to financing are part of the proposed project.

Technical proposals for the upgrading, and sites/services sub-projects were prepared by RHUDO and PSC Civil Engineer with the assistance of an Environmental Consultant. The consultant participated in establishing design criteria and the evaluation of their impact on the environment. AID will review tender documents and inspect work in progress in order to determine that the project environmental concerns are being followed.

These concerns are addressed in the project design as set forth in the Technical Feasibility Analysis (Section III-C) and the Technical Annex (Annex F).

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IV. Financial Plan

A. Project Budget

The following table summarizes the project budget. It shows the cost of the project outputs and their distribution between HG and GOIC financing. This table is illustrative, and the final project budget will be a function of the specific sub-projects in the urban centers to be identified by GOIC and AID.

Cost Estimates and Project Financing

(\$000,000)

	<u>HG</u>	<u>GOIC</u>	<u>Beneficiaries</u>	<u>Total</u>
Upgrading				
infrastructure	10.0	10.0	--	20.0
community facilities	<u>4.0</u>	<u>4.0</u>	<u>--</u>	<u>8.0</u>
S/T upgrading	14.0	14.0	--	28.0
Sites and Services	2.5	--	0.3	2.8
Physical contingencies (15%)	2.5	2.0	--	4.5
Small Loans				
business	0.5	0.5	0.2	1.2
home improvement	<u>0.5</u>	<u>0.5</u>	<u>0.1</u>	<u>1.1</u>
Total	\$ 20.0	\$17.0	0.6	\$37.6

The various types of urban centers in the Ivory Coast were analyzed resulting in a range of cost estimates for the upgrading and community facilities proposed by size of town as follows: for towns with population of 35,000-70,000, about \$4.5 million; for towns with population of 15,000-35,000, about \$2.5 million; and for small urban centers with population of 5,000-10,000, about \$1.5 million, including inflation and contingencies. Thus it will be possible to finance shelter programs in three towns of each type. The exact mix of sub-projects will be a function of GOIC submissions of sub-project proposals for mutual agreement of GOIC and AID. However, AID intends to finance at least two sub-projects within each size range described here.

The HG loan will be applied in each sub-project in proportion to the number of beneficiaries earning less than the median income. Because of the absence of economic segregation in smaller urban centers, the estimate used in this PP assumes 50% HG participation in the upgrading. In most cases the HG percentage will be higher.

B. Affordability

The target population, defined as those earning below the median urban income, may be identified as those with monthly incomes below 45,000 FCFA (\$225). This figure, which represents median income in towns of the size of Korhogo and Gagnoa is extremely close to the median income determined for other types of towns examined in the Social Soundness Annex.

Income data and the project costs for Gagnoa will be used to illustrate the affordability and means of cost recovery for the project activities.

Income distribution is based on an analysis of data collected by the Direction of Statistics, Ministry of Economy, Finance and Plan, in 1979, for their study of eleven types of urban centers.

Gagnoa Urban Household Income Distribution

	<u>% total</u>	<u>% with income</u>
no income	19.5	
less than 20,000 FCFA	14.9	18.6
20,000 - 49,000 "	30.3	37.7
50,000 - 99,000 "	21.1	26.3
100,000 +	14.2	17.4

Median income of those households reporting income is CFAF 45,000 (\$225)

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d) Upgrading

The following example shows the costs for the project in Gagnoa and the monthly repayment requirements for various components of the program and the percentage of population that can afford these various solutions.

	<u>US Dollars</u>	<u>CFAF</u>
Cost of project	3,150,000	630,000,000
Recoverable Costs (exclusive of primary infrastructure and community facilities) represent 60%	2,016,000	403,200,000
GOIC legislation adopted for the first Urban Development Project provides for recovery of up to 50% of the secondary/tertiary infrastructure	1,008,000	201,600,000

The upgrading neighborhood has approximately 1,200 households. Thus CFAF 168,000 per household is recoverable through the special benefit assessment. Calculated at 12% per annum over a 20 year repayment period, monthly payment per family = CFAF 1,850 (\$9.25).

The median rent paid in Gagnoa is approximately CFAF 2,000 (\$10). The total monthly costs per household thus would rise to CFAF 3,850 (\$19.25). Assuming an acceptable housing expense of 20% of income, this increased rent can be afforded by households earning as little as CFAF 19,000 a month, or approximately the 20th percentile.

Although this analysis uses median rent of CFAF 2,000 as a basis, studies show that in secondary urban centers nearly 50% of the households are owner-occupied and/or lodged free. Furthermore, within the target neighborhoods, the lots usually house several renters, thus reducing the cost per household by spreading it over several families. This should result in the upgrading program being affordable to a population that falls even below the conservatively calculated 20th percentile.

2) Sites/Services

Costs for a minimally-serviced lot (graded access road, secondary water line, surveying and boundary marking) is not expected to exceed CFAF 150,000 (\$750).

Construction by a local contractor of a basic concrete block unit of 35 M2, somewhat larger than the minimum acceptable in Abidjan, is expected to average CFAF 1,200,000 (\$6,000). To the extent that the owner participates in the construction himself, by acting as his own supervisor and paying only direct labor and materials cost (which is the traditional method of home building in the private sector) costs will be less.

Normally, minimally serviced lots are sold for cash. Ivorian propensity to save for purchase of real estate is very high, up to 50% of monetary household income for intermittent periods of 9 months to a year, plus access to savings from relatives in rural areas. On this basis a household at the 35th percentile earning CFAF 30,000 can be expected to save enough money to purchase a lot in a year's time.

Lenders limit the loan to 90% of the cost of the improvement. Assuming a worst case of contractor financing and minimal self-help, the following monthly payments suggest affordability to the 35th percentile, based on standard GOIC banking practice of limiting mortgage loans to a level that keeps repayments at one-third of monthly income and assuming a relatively short mortgage term of 10-15 years:

Total cost:

Land	CFAF	150,000	(\$750)
House		<u>1,200,000</u>	<u>(\$6,000)</u>
		1,350,000	(\$6,750)

Down payment:

Land	150,000	(\$750)	
10% of loan	<u>120,000</u>	(\$600)	
		270,000	(\$1,350)
Loan		1,080,000	(\$5,400)

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Monthly Payment at 9% (minimum allowable under banking regulations).

for 10 years	13,680	affordable at about the 49th percentile
for 15 years	10,960	affordable at about the 35th percentile

Extension of the mortgage term to 20 years could reduce monthly payments to CFAF 9,720, increasing affordability to about the 30th percentile.

c. Cost Recovery

The upgrading costs will be recovered through a general property and betterment tax. The electric and water services established are to be recovered through the existing rate system.

Market construction costs are recovered, in accordance with standard GOIC practice, from daily rentals for stalls and space.

The costs of other community facilities will be recovered through general revenue sources of the Ivory Coast.

Sites and Services cost recovery will be achieved through sale of the serviced lots directly by the Prefecture or Sous-Prefecture.

Loans for core house purchase, home construction, home improvement or for small businesses will be collected by the banking institution which made them, using its regular practices.

This system follows the cost-recovery methods of the ongoing HG-IBRD financed Abidjan Urban Development Project.

V. Project Implementation

A. Implementation Procedures

1. HG Borrower will be the National Sinking Fund (CAA), which is the Borrower for direct loans to GOIC, and which also is a depository for GOIC funds. In this capacity, CAA advances funds for GOIC development projects. Disbursement of the HG loan will be for work in place together with reasonable advances in accordance with procedures mutually agreed upon by GOIC and AID and set forth in the Implementation Agreement.

2. CAA will advance funds to the following Implementing Agencies:

a) For civil works and the construction of community facilities, CAA will make periodic payments in accordance with its procedures to contractors selected by competitive bids in accordance with GOIC practice or to the public utilities (EECI for electricity, SODECI for water).

GOIC procedures include technical control of civil works by the appropriate division of the Ministry of Public Works (DGTP for civil works contracts of more than \$5 million, DCU for civil works of less than \$5 million, and DCC for construction of community facilities) and supervision of bidding and contract award by the Central Contracting Office (DCM) of the Ministry of Finance.

b) The procedures for advances to financial institutions involved in the small loan programs will be set forth in sub-agreements between CAA and the involved institutions acceptable to AID. This is similar to the procedure currently followed by CAA and IBRD for the small loan component of the Abidjan PDU.

3. CAA will be responsible for HG Loan interest payments and Loan Amortization repayments, based on its own resources and on receipt of beneficiary repayments derived from:

- sale of serviced lots, to be collected by the appropriate administrative service (Land Division or Sub-Prefecture).
- Utility service charges from EECI and SODECI.
- recovery from real estate taxes and special benefit assessments, as appropriate, to be collected by the Treasury and paid into General Revenues.
- repayments of small loans to banking institutions.

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4. GOIC will execute the Host Country Guaranty Agreement.

GOIC will assure, as necessary, the provision of land and primary infrastructure, approval of specifications, carrying out of public bidding and contract award, and generally act with due diligence to assist in Project execution.

GOIC will also undertake the necessary actions to obtain cost recovery through the property tax and/or special benefit assessments, and to assure that the Treasury provides CAA with the necessary funds for Investor Loan repayments.

B. Implementation Plan

Selection of sites for the various sub-projects, preparation of the necessary technical documents, and additional socio-economic surveys are expected to be continuing activities.

AID, through RHUDO, will approve sites, technical standards, cost recovery procedures, cost estimates and contract awards in accordance with procedures mutually agreed upon in the Implementation Agreement.

The Project period from execution of the Implementation Agreement until final disbursement is December, 1980, to December, 1984.

Major items of project implementation are identified in the following schedule and on the Planned Performance Tracking Network (Annex H).

The following estimate of the time required for implementing various phases of the project is considered an accurate reflection of GOIC project administration capacities and construction seasons as determined by weather conditions, based upon RHUDO experience in HG-003.

CY 1980 Quarter 4

PP approval; \$20 million HG authorization.

CY 1981 Quarter 1

AID/GOIC sign Implementation Agreement.
GOIC/RHUDO identify first series of sub-projects for detailed engineering.

Quarter 2

GOIC/RHUDO approve master plans for first series of sub-projects on the basis of pre-bid estimates.
GOIC/RHUDO identify second series of sub-projects.

Quarter 3

GOIC calls for bids on first series of sub-projects.
GOIC/RHUDO select U.S. Investor and sign Loan Agreement
and Guaranty Agreements.

Quarter 4

GOIC awards contracts for first sub-projects.
First HG drawdown.

CY 1982 Quarter 1

Construction begins on first series of sub-projects.
GOIC/RHUDO conduct first annual project performance
evaluation.

Quarter 2

GOIC/RHUDO approve master plans and pre-bid estimates
for second series of sub-projects.

Quarter 3

GOIC calls for bids for second series of sub-projects.

Quarter 4

GOIC/RHUDO identify third sub-projects.

CY 1983 - Quarter 1

GOIC starts construction of second series of sub-projects.
Construction complete on first series of sub-projects.
GOIC/RHUDO conduct annual project performance evaluation.

Quarter 2

GOIC/RHUDO approve master plans and prebid estimates for
third series of sub-projects.

Quarter 3

GOIC calls for bids for third series of sub-projects.

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CY 1984 - Quarter 1

GOIC/RHUDO conduct annual project performance evaluation.

Construction begins on third series of sub-projects.

Construction complete on second series of sub-projects.

Quarter 2

Quarter 3

Begin final project evaluation

Quarter 4

Construction complete on third series of sub-projects.

Final HG drawdown

Complete final project evaluation.

C. Project Monitoring and Evaluation

1. Routine project monitoring will be the responsibility of the Project Monitor assigned to RHUDO/Abidjan and will include regularly scheduled project site visits. It is expected that these visits will result in recommendations on improving technical aspects of the program which will be transmitted to the various implementing agencies for action.

2. A regular Project Performance Evaluation in accordance with DS/H guidelines will be carried out once a year by the Project Monitor, who will work with those GOIC officials responsible for the sub-projects to be so reviewed. The Evaluation Plan will include:

- a. An Evaluation of progress towards attainment of the objectives of the Project, projected program outputs and major implementation events as outlined in the Logical Framework and measured by the Objectively Verifiable Indicators; Planned Performance Tracking Network and Project Delivery Plan.
- b. Identification and evaluation of constraints which may inhibit such attainment and note the deviation of the projects actual performance and provide a detailed basis for revisions of project inputs and outputs as may be necessary.

- c. An assessment of how such information may be used to help overcome such problems. and
- d. Evaluation to the degree feasible, of the overall development impact of the Project.

Because of the decentralized nature of project execution, RHUDO intends to have carried out a separate evaluation of each sub-project that will identify Project goals and focus primarily on the timeliness of Inputs and Outputs. RHUDO experience during the Abidjan Urban Development Project suggests that these Evaluations can be valuable in articulating for Host Country officials the policy/institutional goals of AID intercession and, hence, the logic behind what appear to be bureaucratic donor delays.

RHUDO anticipates lack of coordination and resistance by GOIC technical and administrative personnel to the policy innovations of this and similar projects. Therefore, the Evaluation process is also seen as a method for achieving the Project Purpose of improving institutional capacity to carry out minimal standard programs with cost recovery.

3. At the conclusion of the project in FY 1984, a final evaluation of the project will be conducted in accordance with the standards and format developed for HG projects.

The Evaluation Team will include representatives from the DS/H Regional Housing and Urban Development Office, including the Project Monitor assigned to the Project, high level officers of MTPTCU and, representatives from the various sub-project implementing agencies. TDY specialized consultant services will be utilized as required in the preparation and execution of this final evaluation.

4. The IBRD pilot upgrading projects in Korhogo and Daloa will be in execution at the same time as this Project. RHUDO will maintain regular contact with IBRD Supervisory Missions and will be able to compare IBRD with AID experience. Evaluation Reports also will be discussed regularly with IBRD, in order to ensure feedback from the IBRD experience.

5. DS/H will carry out an Impact Evaluation two years after Project Completion to determine the extent to which beneficiaries have remained in the neighborhoods, have improved shelter conditions, and have improved their access to urban services.

D. Negotiating Status

AID will send a Letter of Advice to the Borrower after an authorization of the HG.

The Implementation Agreement by and between the Borrower GOIC and AID will be the first to be negotiated.

When Project progress indicates a need for HG financing, Borrower will so notify AID, which will place a Notice in the Federal Register inviting interested U.S. Lenders to submit proposals to Borrower. AID reserves the right to concur in Investor selection.

The three basic Loan and Guaranty documents will then be negotiated.

- a) Loan Agreement between the U.S. Investor and the Borrower.
- b) The Guaranty Agreement between AID and the U.S. Investor.
- c) The Host Country Guaranty Agreement between AID and the Government of Ivory Coast

E. Conditions Precedent

AID and IBRD have worked closely together through joint financing of the Abidjan Urban Development Project (HG-003) and parallel preparation of the IBRD Second Urban Development Project and HG-004. IBRD has expressed concern over lagging Project execution during Presidential contemplation of a new national housing policy, and has written to GOIC that it will delay negotiations on its second project (which, under IBRD procedure procede presentation to its Board) until progress is apparent on the upgrading sub-projects of the existing PDU. In order to track the IBRD negotiating stance and assure a continuing compatibility of AID and IBRD objectives, AID will open negotiations on the Implementation Agreement after it and IBRD are satisfied on progress of the ongoing Project.

A pending negotiating issue will be the method of cost recovery for the upgrading areas. GOIC adopted the principle of cost recovery through special benefit assessment for the first PDU. However, the absence of cadastral surveys in many upcountry centers will require modification of the specific cost recovery mechanism adopted for the Abidjan project, which involves a very complex juridical procedure. However, this should be feasible following the principle that has been adopted to permit "registration" of a "Promise to Mortgage" on properties in up-country urban centers without a cadastral survey.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 81 to FY 84
Total U.S. Funding \$20 million
Date Prepared: 7/10/80

Project Title & Number: Ivory Coast 681-HG-004 Secondary Cities Shelter

Annex A 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>Improved shelter and related amenities for low-income urban residents throughout the Ivory Coast.</p>	<p>Measures of Goal Achievement:</p> <ol style="list-style-type: none"> Increase water outlets, sanitary facilities. Increase community facilities and services. Allocate resources for the shelter sector to replicable low income programs. Increased access by low income households to financing 	<p>AID, GOIC reports</p>	<p>Assumptions for achieving goal targets:</p> <ol style="list-style-type: none"> Projects result in environmental, health improvements. Services available to tenants. GOIC maintain facilities Mobilize private sector financing. GOIC makes funds available for secondary cities.
<p>Project Purpose:</p> <ol style="list-style-type: none"> Reinforce policy initiatives by assisting GOIC to complete in secondary cities minimum-standard projects with cost recovery affordable by low-income households. Improve institutional capacity to carry out these activities, including performance of Ivorian contractors and access to financing 	<p>Conditions that will indicate purpose has been achieved: End of project status:</p> <ol style="list-style-type: none"> Sub-projects completed on schedule, including construction by Ivorian firms. target group remain in up-graded neighborhoods. new lots 100% affordable by below median income group GOIC continues using cost recovery, minimum standards 	<ol style="list-style-type: none"> AID Evaluation reports Periodic reports from participating agencies Post-Project Evaluation 	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> GOIC and local authorities accept policy initiatives (cost recovery) Target group accepts options Rent increase moderate; relocation avoided Willingness to borrow funds for housing.
<p>Outputs:</p> <ol style="list-style-type: none"> Neighborhood upgrading Minimal standards sites/ services letting of contracts to Ivorian enterprises. Credit for small businesses. Home Improvement loans 	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1.225 ha upgraded 5250 partially serviced lots more than 50% of contracts awarded to Ivorian firms 300 loans to artisans/ small businesses 1000 loans 	<ol style="list-style-type: none"> AID monitoring reports project records on site inspections US PC reports 	<p>Assumptions for achieving outputs:</p> <ol style="list-style-type: none"> GOIC staffs comm. facilities coordination among implementing agencies Beneficiaries willing, able to borrow funds for home improvement. Financial institutions will adopt appropriate underwriting criteria.
<p>Inputs:</p> <ol style="list-style-type: none"> HG GOIC Down Payment IIPUP project coordinator Peace Corps 	<p>Implementation Target (Type and Quantity)</p> <ol style="list-style-type: none"> \$20 million \$16 million 0.6 million \$200,000 (already funded) 4 volunteers 	<ol style="list-style-type: none"> disbursement records Participating Agency Records 	<p>Assumptions for providing inputs:</p> <ol style="list-style-type: none"> US Investor available GOIC budgets its input on time qualified volunteers available IBRD continues to parallel its urban projects with AID

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PROJECT PERFORMANCE TRACKING NETWORKCRITICAL PROJECT INDICATORS

1. AID authorization of \$ 20 million HG.
2. MOF/CAA/MTPTCU/AID sign Implementation Agreement.
3. MTPTCU/RHUDO identify first series of sub-projects.
4. MTPTCU instructs consultant begin design of first series of sub-projects.
5. MTPTCU/RHUDO approve design of first series of sub-projects.
6. MTPTCU/RHUDO identify second series of sub-projects.
7. MTPTCU instructs consultant begin design of second series of sub-projects.
8. DCM calls for bids on first series of sub-projects.
9. MOF/CAA/RHUDO select US Investor.
10. Execute Loan and Garanty Agreements.
11. DCM awards civil works contracts for first series of sub-projects.
12. First HG drawdown.
13. Construction begins on first series of sub-projects.
14. MTPTCU/RHUDO conduct first project performance evaluation.
15. MTPTCU/RHUDO approve design of second series of sub-projects.
16. DCM calls for bids on second series of sub-projects.
17. MTPTCU/RHUDO identify final series of sub-projects.
18. MTPTCU instructs consultant begin design of final series of sub-projects.
19. DCM awards civil works contracts for second series of sub-projects.
20. Construction begins on second series of sub-projects.
21. Construction complete on first series of sub-projects.
22. MTPTCU/RHUDO conduct annual project performance evaluation.
23. MTPTCU/RHUDO approve design of final series of sub-projects.
24. DCM calls for bids on final series of sub-projects.
25. MTPTCU/RHUDO conduct annual project performance evaluation.
26. DCM awards civil works contracts for final series of sub-projects.
27. Construction begins on final series of sub-projects.
28. Construction complete on second series of sub-projects.
29. MTPTCU/RHUDO begin final project performance evaluation.
30. Construction complete on final series of sub-projects.
31. Final HG drawdown.
32. MTPTCU/RHUDO complete final project evaluation.

List of acronyms;

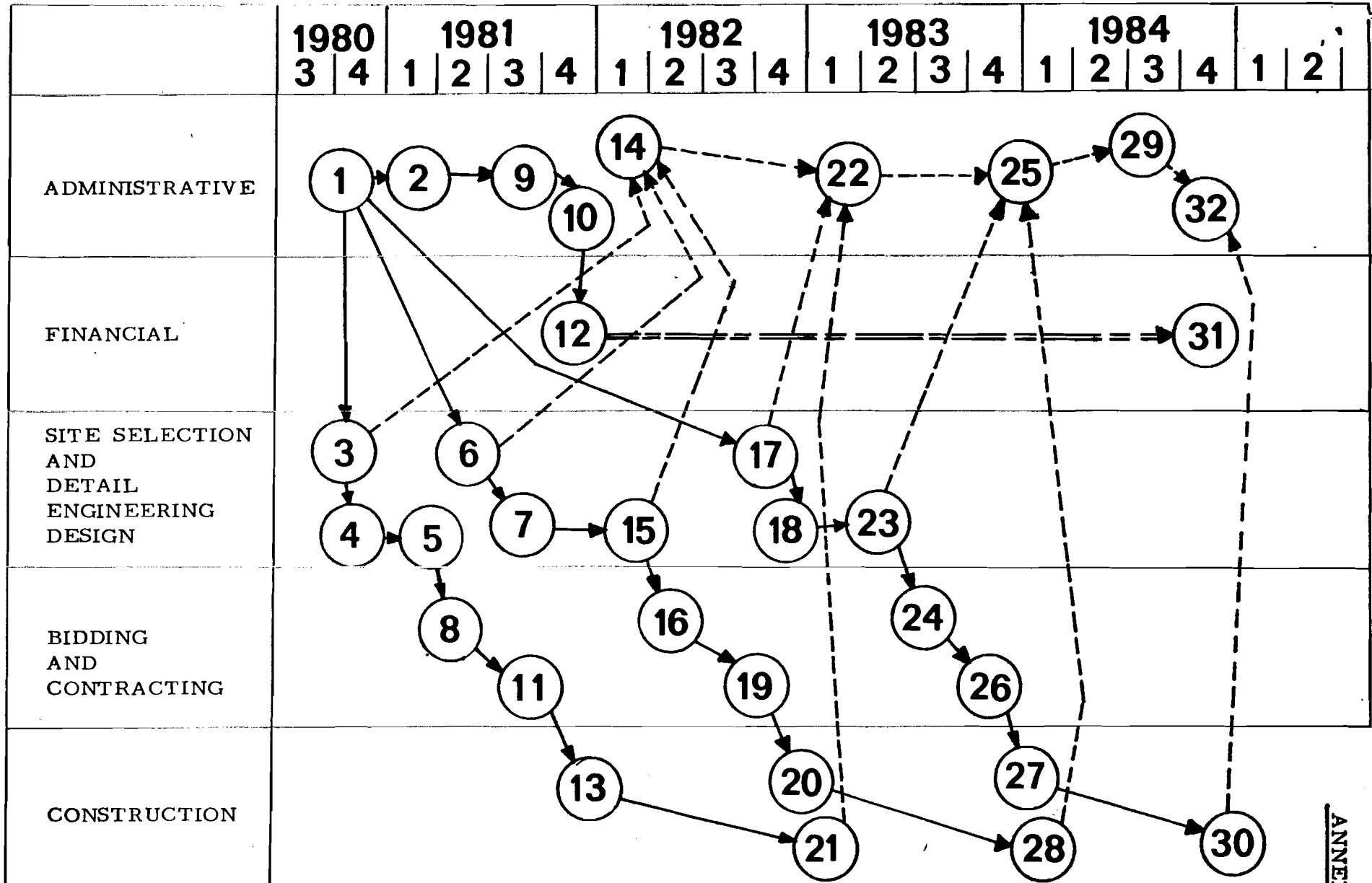
MOF - Ministry of Finance

CAA - Ivory Coast Sinking Fund

MTPTCU - Ministry of Public Works, Construction and Town Planning

DCM - Central Contracting Office

**PLANNED PERFORMANCE TRACKING NETWORK
CRITICAL PROJECT INDICATORS**



==== Drawdown schedule subject to construction progress.
 - - - - Dotted line indicates performance evaluation criteria.

68

01/70

ACTION COPY

UNCLASSIFIED
Department of State

INCOMING TELEGRAM

PAGE 01 ABIDJA 07939 012141Z
ACTION AID-35

2358

INFO OCT-01 /036 W

ANNEX B

R 011115Z AUG 80
FM AMEMBASSY ABIDJAN
TO SECSTATE WASHDC 727

AUG 5 10 17 AM '80

UNCLAS ABIDJAN 7939

A.I.D.
OFFICE OF HOUSING

AIDAC

DEPT FOR DS/H, AFR/CWA, AFR/DR

E.O. 12065: N/A
SUBJ: IVR (IVORY COAST SECONDARY CITIES
SHELTER 681-HG-004

1. FINAL VERSION P.P. SUBJECT PROJECT
HANDCARRIED FOR DS/H BY GAIL LEECE, GC/AFR. LECCE
ETA AID/W AUGUST 1.

2. THE P.P. DESCRIBES A \$20 MILLION HG
SECTORIAL LAON WHICH WILL FINANCE IN UPCOUNTRY URBAN
CENTERS ACTIVITIES INCLUDING NEIGHBORHOOD UPGRADING
AND SITES/SERVICES INITIATED BY THE AID/IBRD URBAN
DEVELOPMENT PROJECT CURRENTLY IN IMPLEMENTATION.

3. PROJECT PURPOSE IS TO REINFORCE POLICY
INITIATIVES BEGUN UNDER THE EXISTING JOINT AID/IBRD
PROJECT AND TO IMPROVE THE CAPACITY OF IVORIAN
INSTITUTIONS TO CARRY OUT SUCH PROGRAMS. AS SUCH,
SUBMISSION OF THIS PP COINCIDES WITH PARALLEL
IBRD DEVELOPMENT OF ITS SECOND URBAN DEVELOPMENT
PROJECT WHICH INCLUDES SHELTER SUB-PROJECTS IN
TWO IVORY COAST SECONDARY CITIES NOT INCLUDED
IN THE AID PROJECT.

4. AID-PEACECORPS COLLABORATION WILL INVOLVE
ASSIGNMENT OF VOLUNTEERS TO ASSIST IVORIAN
CONSTRUCTION FIRMS BID FOR CONTRACTS AND MANAGE
THEIR PROJECTS AND TO PROVIDE ADVICE TO HOME
OWNERS TO UPGRADE THEIR HOUSES.

5. REDSO/WA FINDS THE PROPOSED PROJECT IS
CONSISTENT WITH THE IVORY COAST ABS AD D (AND THE
COUNTRY STRATEGY AND CONCURS WITH THIS MESSAGE.

6. EMBASSY ENDORSES PROPOSED PROJECT. HG IS
SINGLE MOST IMPORTANT AND SUBSTANTIAL FACET OF BILATERAL
AMERICAN ASSISTANCE TO THE IVORY COAST.

7. REQUEST CONFIRM RECEIPT PP.
RAWLS

7
Act
HO
INF
6
AFCLW
AAAF
AFDA
AFDR
FHLB
HUB
PPPB
PDRR
PPEA
PPCE
IDCA
Relo
STA

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ANNEX C

NNNNVV TAB024ESC002
RR RUTAIJ
DE RUEHC 3691 220452
ZNR UUUUU ZZK
R 160010Z AUG 77
FM SECSTATE WASHDC
TO RUTAIJ/AMEMBASSY ABIDJAN 0149
RUFHYC/AMEMBASSY NIAMEY 0420
RUFJLE/AMEMBASSY LOME 1351
BT
UNCLAS STATE 193691

AIDAC RHUDO

E.O. 11652: N/A

TAGS:

SUBJECT: IVORY COAST LOW INCOME SHELTER PROGRAM (601-HG-004)
NIGER: SHELTER SECTOR PLANNING (685-0224)

PID REVIEW COMMITTEE APPROVED SUBJECT PROJECTS. IT WAS RECOMMENDED THAT FOLLOWING POINTS ON THE IVORY COAST HG BE ADDRESSED BY PP TEAM.

- (1) EXACT AID/IBRD COLLABORATION
- (2) GOIC WILLINGNESS TO ACCEPT MINIMUM STANDARD CONSTRUCTION AND FULL COST RECOVERY IN RURAL HOUSING PROGRAM.
- (3) EVALUATION OF SAVINGS GENERATION ASPECT OF BNEC.

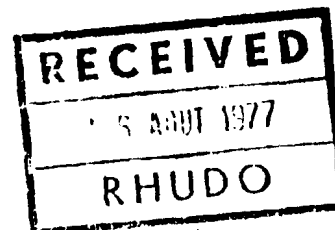
THE TITLE OF NIGER PROJECT WAS CHANGED TO SHELTER SECTOR PLANNING. VANCE

BT
3691

~~Handwritten signature~~
4/1/77

ACTION: RHUDO
INFO:
CHRON
CHARGE
REDSO

mac



ANNEX D

STATUS OF PRIVATE SAVINGS DEPOSITS
IN THE IVORY COAST
AS A SOURCE OF FUNDS FOR THE DEVELOPMENT
OF URBAN AND RURAL HOUSING

April 1980

Prepared for
RHUDO/Abidjan

Prepared by
National Savings and Loan League
Washington, DC

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 - B. Commercial Banks
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 - 2. International Bank of West Africa (BIAO)
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 - 4. General Corporation of Banks in the Ivory Coast (SGB)

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 - 3. Ivory Coast Credit Bank (CCI)
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 - D. National Savings and Loan Bank (BNEC)

GLOSSARY OF ACRONYMS

BCEAO	Central Bank
BIAO	International Bank of West Africa
BICI-CI	International Bank for Commerce and Industry
BICT	Ivorian Bank for Construction & Public Works
BIDI	Ivorian Bank for Industrial Development
BIPT	Ivorian Bank for Savings & Communications Development
BNDA	National Agricultural Development Bank
BNEC	National Savings & Home Loan Bank
CAA	Autonomous Amortization Fund
CCI	Ivory Coast Credit Bank
CIFIM	Ivorian Housing Finance Company
CNE	National Savings Fund
SIB	Ivorian Bank Corporation
SGB	General Society of Banks

SAVINGS AND CREDIT: THE CURRENT SITUATION

A. SAVINGS

Savings mobilization turned, at mid-year 1979, from a casual by-product of lending activities into a pressing need for all Ivorian banks.

The commercial banks are looking to private savings as the quickest, least expensive solution to their problems of liquidity, which became critical in the third quarter of 1979. Some banks are looking harder than others and have already mounted campaigns to educate and entice the potential saver. The relatively untapped and wealthy agricultural sector is receiving particular attention from the banks best geared for up-country operations. This aggressive effort is typified by a contest, launched in March 1980, where a major commercial bank is offering 3 prizes of 1 million F. CFA (approx. \$5,000) each for the village which produces the largest deposit total, the highest average account balance and the most accounts. Planters "savings" programs have historically consisted of the annual repayment of their bank loans (an action which, thereby, made them eligible to borrow again). Disposable income would disappear into nonproductive caches or "keeping up with the Koffis" kind of expenditures. The rates of return allowed on private deposits may not have been sufficiently attractive to solidify their resources, forcing some banks to bid on the open market for deposits from parastatal institutions which are unlimited as to rate and term.

The women's liberation movement has also contributed recently by broadening the scope of development of individual savings and checking account deposits throughout the Francophone countries. Changes in French banking regulations are quickly reflected in the Ivory Coast, and now women who have reached majority, married or unmarried, are free to conduct everyday financial affairs the same as men.

Private savings deposits at development banks that are destined for housing make up a woefully small percentage of total bank deposits. Furthermore, those deposits flow to the financial institutions authorized to collect savings for this purpose only because the depositors want to get a loan.

The banks must therefore face the dilemma of having to "promise" to relend those deposits up to nine times over, and the depositors lack the patience to make that system work through normal replenishment of loan repayments and noncommitted savings deposits.

These banks need time to develop a base of relatively low-cost, noncommitted savings deposits. The dream of having "free" private savings available as the renewable resource which fuels the housing finance process is unattainable in a highly inflationary economy in which interest rates on input and output are restrained below market. Furthermore, even a "contract" savings system, whether formally or informally structured, needs the flow of other noncontract funds to make it work. Inflation effectively eliminates, for both contractor and contractee, any and all benefits of committing for a home purchase four to five years hence.

These facts of life may be one reason why the Crédit de la Côte d'Ivoire, which has already been authorized and encouraged for more than two years to seek private savings deposits, feel it will be another three years before it will be properly geared up to open its first passbook.

The private, individual savings deposits which are now in the BIPT, the "bank in the Post Office," are destined for the funding of major improvements in the telephone communications network before being returned to the savers in the form of home loans.

Savers at BNEC, the National Housing Bank, have the best chance of all to get a real estate loan as a result of a regular savings habit, but there, too, new aspirants are being added at a rate of 1,000 each month while only 35 loans are being granted monthly.

In his Message to the Nation on the occasion of its 19th Independence Day celebration, President Houphouët-Boigny reiterated the past accomplishments and future needs in the construction of housing. Since 1960, 91,000 units have been built by or with the help of the state, 85,000 of those within the last ten years--impressive, perhaps, when compared to other African countries but well below the Ivory Coast's urban and rural needs. The president also promised immediate attention to the problems of fair and just allocation of the right to purchase property, with priorities to be given to the urban and rural poor.

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To fulfill those promises in the quantity that reflects the scale of projected needs, supplementary funds for housing construction within the Ivory Coast, such as those provided through the U.S. Housing Guaranty Program, will be needed to supplement the steady but slow growth of private savings.

B. CREDIT

Financial institutions in the Ivory Coast, of course, have not escaped the worldwide fiscal crunch. The cost of available European market funds consistently exceeds the maximum rates of return allowed by the Central Bank (BCEAO) and the resultant tightening of credit has yet to reach its most severe stage.

"There'll be bankruptcies," commented one local bank official, "which may be a necessary by-product of a burgeoning growth in the Ivory Coast.... Loosely run, inefficiently managed firms in all sectors will be purged from the scene and the overall economy may just emerge the better for it."

The Société Général des Banques is one local commercial bank which has been requested by the BCEAO to reduce holdings. As other banks buy the paper, one unwelcome result will be a further extension of credit within the market through the rediscount process.

Banks have become increasingly selective, since the first quarter of 1979, in all areas of lending. Corporate as well as the individual borrowers are now forced to shop around and are faced with even tighter credit controls.

In spite of the tightening, demands for credit continued to rise throughout the year, especially from public enterprises. The slowdown in allocation of credit was obvious, however, as total short, medium and long term credit increased only 16 % in 1978 compared to 32 % and 54 % in 76 and '77 respectively.

Money for individual home purchase or construction is virtually unavailable from commercial bank sources in the Ivory Coast. The only loans currently directed to this purpose come as a result of "pressure" from good bank customers. This, in effect, eliminates all but the upper-income applicants. Unfortunately, this same kind of pressure is applied to the "development" banks such as BNEC, BNDA, and CIFIM. Although specific corroborative data is not included here, the implications are that a disproportionate amount of available funds are loaned to government

officials and bank employees rather than being made available on an equal basis to the general public.

Unfortunately, too, is the relatively high percentage of delinquencies alleged to exist in the repayment of loans made to government officials.

As a general rule, delinquencies on real estate loans are not a problem within the surveyed banks. The garnishee process is available on loans made to salaried workers, by far the largest group of loan recipients. Among the unsalaried artisans or other small business owners in the interior, loan repayment history is very good. Several bank credit officers maintain that repayment schedules are better met among their up-country borrowers because of the personal relationships which are possible between borrower and lender in the small-town bank branches.

Mortgages remain the primary guarantees for housing credit, and although Ivorian law prohibits the bank from taking title through repossession, the legal process allows for the property to be resold after default and for the bank to recover its funds.

Specific real estate lending activity is recorded in the sections of this report covering BNEC and CIFM, the two financial institutions for which the GOIC has high hopes to become major factors in development of housing for the middle-income and below families.

II

THE ARRAY OF FINANCIAL INSTITUTIONS

A. THE PUBLIC SECTOR

1. The Central Bank

The Ivory Coast is one of six states of Francophone West Africa (the others are Benin, Togo, Niger, Upper Volta, and Senegal) belonging to the West African Monetary Union. The six states share a common currency, the CFA (Communauté Financière Africaine) franc, and have the same Central Bank of West Africa (BCEAO), which has its headquarters in Dakar, Senegal. The CFA franc is guaranteed by the French franc at a fixed rate of 1 FF - 50 CFAF, and as such is freely convertible. Credit controls are primarily effected through quotas set for the amounts and kinds of commercial paper eligible for Central Bank discounting. A National Monetary Commission periodically examines a country's short- and medium short-term financial requirements and, ultimately, fixes a maximum short-term loan ceiling (or quota) for each bank and a medium-term timetable and quota for each firm.

Historically, the BCEAO discount rate had been kept artificially low. Until 1973 the rate was held unchanged at 3.5%, because monetary authorities believed the effect of interest rate changes to be very limited, given the stage of development at the time of independence of the countries in the Monetary Union.

This is true of credit needs associated with the agricultural cycle, and a low discount rate could be construed as of benefit to the planters. The same argument was applied to the public sector of the economy, which overwhelmingly dominated the early stages of development and in which investment is a function of development policy rather than cost of money.

One result of this policy had been that as the modern sector grew in the Ivory Coast, it became increasingly advantageous for firms to expatriate their capital to the maximum possible into safe but high interest-earning areas

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(such as Europe), and to borrow domestically at artificially low rates. As the policy proved counterproductive to attempts to generate local savings, BCEAO increased its discount rate in 1973 to 5.5%; commercial bank loan rates have risen accordingly but are still not in parity with European rates.

In July 1975 the Central Bank extended the term of its rediscount from 5 to 10 years, thereby easing the terms at which it can intervene in development projects. A year later, the 5.5% rate was redefined as a preferential discount rate available only within certain categories and the normal discount rate was set at 8%. Minimum and maximum rates of interest which the banks are obliged to charge on their loans are currently as follows:

	Minimum Rate of Interest	Maximum Rate of Interest
<u>Short- and medium-term</u>		
Agricultural loans	6.5%	7.5%
Small business loans below 20 million F	6.5%	8.5%
Home construction loans (primary resident only below 15 million F)	6.5%	8.5%
All others		13.0%
<u>Long- term (up to 10 years)</u>		
Small business loans up to 20 million F	6.5%	8.5%
Small business loans up to 10 million F	6.5%	8.5%
All others		13.0%

2. Caisse Autonome d'Amortissement (CAA)

A key role in Ivory Coast financial management is entrusted to CAA, a uniquely Ivorian public agency created to manage the public debt but which also serves as bank of deposit for the Treasury and for parastatal enterprises. In this role CAA also serves as a source of credit, making short-term advances to the private sector (customs bills, particularly, and short-term loans to commercial banks) and, increasingly, medium-term and occasionally long-term loans to parastatal companies.

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In its role of debt management, CAA recognizes two categories of public debt:

1. Obligations repaid directly by CAA from its own resources (i.e., taxes).
2. Obligations repaid from income generated by loan beneficiaries, of which there are two subcategories:
 - a. operations repaid directly, because income generated is sufficient for debt servicing, and
 - b. operations consolidated by CAA in order to take care of the time lag between loan amortization requirements and the income flow to loan beneficiaries.

CAA also offers, through the local stock exchange, the sale of tax-free investment bonds at a face interest rate of 10% discounted, so the effective interest rate is 11% to 13%. The annual amount involved has grown from 500 million F in 1969 to more than 10 billion F 10 years later. In concert with the sale of stock, the program is succeeding in educating Ivorians to the idea of investment.

3. Banque Ivoirienne d'Epargne et de Developpement des Postes et Télécommunications (BIPT)

Another full-service Ivorian bank was created October 1, 1978, with the merging of the CNE (Caisse National d'Epargne) and the CCP, the money order service. BIPT is a state enterprise under the general direction of the Minister of the Post Office and Telecommunications.

The Bank has already opened two discrete offices in Abidjan. Plans for 1980 include three additional bank branches in the capital city and regional branches in Yamoussoukro and Bouaké.

Although BIPT will continue to collect private savings through each of the nation's post offices, the plan is to eventually have bank-trained personnel operate separately from the postal windows; savings and loan functions will be coordinated through regional bank offices.

A sizeable savings base exists--195,000 accounts, of which approximately 50,000 are active. Current regulations which permit funds to remain inactive for 30 years before reverting to the state will be changed to 10 years. The process of making deposits and withdrawals has been simplified and accelerated with the change to banking procedures. BIPT can also make personal, home, and small business loans, which adds to its appeal and ability to generate savings.

Before the creation of the bank, 75% of the Caisse National d'Epargne funds had to be deposited with the CAA at fixed rates of interest; the funds were then made available to the GOIC Development Budget. Now BIPT has the option of seeking market value return and has funds invested in most of the commercial banks.

The bulk of those funds are now earmarked (as indicated in the bank's full name) for the long-awaited physical improvements and new construction of post offices and the telecommunications network. Additional investments are planned for development of the petroleum and maritime transport industries.

Only as those projects are finished, and as the BIPT grows in size and proficiency, will a meaningful percentage of the savings deposits be directed to the savers in the form of personal loans.

4. BICT (Banque Ivoirienne de Construction et de Travaux Public

Formed in September 1979 with an initial capitalization of 2 billion F CFA, this new bank of the state will, as its name implies, be primarily concerned with financing within the building and public works sector.

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B. COMMERCIAL BANKS

In recent years the banking system within the Ivory Coast has expanded very rapidly. The total number of deposit money banks has doubled since 1975. Of the current twenty, 14 can be classified as commercial banks, including the 6 branches of foreign banks. The latest entry is the American Express Bank which opened a branch office in Abidjan March 28, 1980.

There are now 220 windows in service for today's Ivorian customer compared with 95 in '74 and 160 in '77. The large majority of those belong to the following:

Published Asset Figures are as of Sept. 30, 1978

1. Ivorian Bank Corporation (SIB) (Assets 96.25 billion F CFA)

The SIB is the Ivorian subsidiary (42%) of the Crédit Lyonnais. Other participants include Morgan Guaranty of New York, Deutsche Bank, Banca Commerciale Italiana, and GOIC (10%) through SONAFI, its forced investment fund.

SIB has 11 offices in Abidjan and 20 branches and periodic windows up-country.

2. International Bank of West Africa (BIAO) (Assets 111.1 billion F CFA)

The largest French commercial bank in Black Africa (BIAO is a French corporation), BIAO has branches in 13 former French colonies, Nigeria and Zaire. Its origins go back to 1853, when it was organized as Banque du Senegal. It served as the bank of issue for French Equatorial Africa until 1942 and for French West Africa until 1955. In 1965 it changed its name to BIAO and brought in fresh capital from First National City Bank of New York.

FNCB's 49% capital participation was sold to a group including the Union of Swiss Banks (20%), the Bank of Brazil (20%), and the Compagnie Inter-Africaine de Banques based in Luxemburg (9%). Controlling interest remains with the Compagnie Financiere France-Afrique, a holding company which includes many of the large French banks.

BIAO has its central headquarters and main branch on the "street of banks" on the Plateau of downtown Abidjan. At least one of BIAO's ten branches is located in each of the "quarters" of Abidjan.

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Service to the interior Ivory Coast has expanded rapidly in recent years to include seven regional branches in the major cities of Bouaké, Daloa, Dimbokro, Deukoue, Gagnoa, Man, and San Pedro. Another 15 full-time offices (with four to five employees) serve smaller towns. BIAO plans to add three to four more in 1980 (including Yamoussoukro and Grand Bassam) as well as adding to the six current part-time offices which are open two or three days per week.

BIAO and the other commercial banks feel they are serving the individual housing market through their participation with CIFIM and will make only occasional real estate loans to preferred bank customers who can repay within the maximum term of seven years.

These and other personal loans can be made at the Abidjan office and at the regional offices with maximum credit lines ranging from 1.7 to 3.0 million F.

3. International Bank for Commerce and Industry
(BICI-CI) (Assets- 121.3 billion F. CFA)

Since 1971 GOIC has held a majority interest in BICI-CI, with other participants including Bank of America (12%), Banque National de Paris (of which it is the Ivory Coast subsidiary), and others. BICI-CI has 10 agencies in Abidjan and 36 branches or periodic windows up-country. It is the second largest bank in the system.

4. General Corporation of Banks In the Ivory Coast (SGB)
(Assets - 185.5 billion FCFA)

The Société Général des Banques is the local subsidiary (51%) of the French bank of the same name, with participation from among others: Bankers Trust (8%), Banca Nazionale de Lavoro (10%), and GOIC, again through SONAFI. SGB, the largest bank in the country, has the most extensive network up-country of any banking institution and has recently opened a large regional office in Yamoussoukro. SGB deposits increased only 13% to 132 billion FCFA during the 78/79 year compared to a 48% increase the previous year. This was due to decline in public deposits and increased/liquidity investment needs of its business customers.

Ivorianization increased from 79% to 82%

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C. DEVELOPMENT BANKS

1. Ivorian Bank for Industrial Development (BIDI)
(Assets - 17.9 billion FCFA)

Spun off in 1965 from the then general-purpose development bank dating back to pre-Independence, BIDI was organized with capital participation from GOIC (21. 1%), the French Aid Fiduciary (10. 7%), International Finance Corporation (7. 1%), Central Bank (5. 7%), and numerous private banks, including Chase International Corporation.

2. National Agricultural Development Bank (BNDA)
(Assets - 28. 3 billion F CFA)

Created in 1969, BNDA lends to various farm groups for equipment, production, marketing, and to carry farmers cash needs during the immediate premarketing period. Loans are medium term (two to ten years) and short term. Capital of 1. 3 billion F is divided among GOIC (33%), the Agricultural Stabilization Fund, Central Bank, and CCCE.

BNDA also served as fiduciary for a GOIC-financed cocoa production and rural housing effort.

3. Ivory Coast Credit Bank (CCI)
(Assets - 28. 2 billion F CFA)

The original development bank from which the above two institutions were spun off, the CCI is now a social credit bank specializing in loans for small business and consumer goods. CCI is now the majority stockholder in CIFIM.

4. Compagnie Ivoirienne de Financement
Immobilier (CIFIM) (Assets - 183 million F CFA)

This housing finance company claims to be the first of its kind in black Africa. Patterned after the French Construction Credit Union (Union du Crédit pour le Bâtiment) and to whom it paid approximately \$100,000 for start-up technical assistance), CIFIM provides real estate loans with up to 20-year repayment schedules.

The unique aspects of CIFIM's operations, in addition to the longest terms available in the Ivory Coast, are in the variety of repayment schedules from which to choose. The young worker, up to approximately 35 years of age, may select an escalating payment, which after about ten years at two lower-than-normal stages of monthly payments reaches the third and final state for the balance of the term. The middle-age worker, 35-45 years of age, is normally placed into the constant-payment category while an older worker is given a descending payment schedule for the term of his loan.

CIFIM was formed in May 1977 and still suffers growing pains, due to the manner in which it was initially structured. In order to give CIFIM greater operating flexibility, 51% of its shares were recently transferred to the Crédit de la Côte d'Ivoire, which previously held the largest share but not the majority of the stock. The remaining shares are held equally by the four commercial banks (BICI-CI, SGB, SIB, and BIAO), with smaller percentages held by the Ivorian Finance Company and the Construction Credit Union of France.

As things were originally intended, the commercial banks would participate not only in extension of a credit line but in management assistance and other technical expertise. That did not materialize during the first 15 months of operation. Representatives from the banks were interested only in following their particular investments and applied such a variety of procedures and demands that CIFIM's efficiency and effectiveness were greatly impaired.

About 300 loans had been anticipated for the period ending September 30, 1978. In fact, only 323 applications were accepted, of which 137 were approved, of which 69 contracts were signed, for a total of 566 million F.

The goal of 2 billion F for the second full year of operation was surpassed because of more centralized control and closer cooperation with the talents and resources of CCI. Capital was increased to 320 million F, and funds committed by CAA gave CIFIM the opportunity to better anticipate its lending levels and aggressively seek loans rather than having to wait for the banks to decide what and when they would apportion.

The social aspects of construction finance in the Ivory Coast received a welcome boost with the appearance of CAA funds. The average loan dropped from 9 to 7 million F. That figure could be further reduced in the 1979/80 fiscal year. A 3 billion F production goal has been set, with half of that already committed by CAA at 7%.

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 CIFIM will add only 1% and extend the term to 20 years. This 8% (plus fees of 1.54%) money is intended for individual loans on principal residences with minimums set at 2,500,000 F. CFA and maximums at 10 million F. CFA.

CIFIM expects to encounter strong demand from the middle-income earners (150,000 F monthly) in the purchase of SICOGI homes and apartments as their prices have risen to the point where only the upper-income levels can afford to borrow on terms of 10 years or less.

The potential for a steady and meaningful flow of money into the construction of individual homes exists with CIFIM. However, it is far from being realized. The loan applicant who lives up-country may present his request at a CII branch in the area but, if approved, he must plan on several visits to Abidjan for his insurance physical, to sign his contracts, and to receive his funds. Expert approvals required on construction phases are unacceptably slow, for borrowers and lenders alike.

Management contends that additional funding is required to enable CIFIM to build a truly effective base of operations.

D. NATIONAL SAVINGS AND LOAN BANK (BNEC)
 (Assets - 23.9 billion F. CFA)

BNEC (Banque Nationale Pour l'Epargne et le Cr dit) is a special-purpose bank that was created in June 1975 and which began operations in GOIC in September 1975.

With the assignment of a new Director General, M. Lazar Yebou , in April 1978, the role envisioned for BNEC by its creators became possible. A separate Department of Savings was formed with its own director on equal status with the other departments. A one-year technical assistance contract was signed with the National Savings and Loan League in September 1978, and J.J. Storck, an operations specialist, was sent to Abidjan, along with the project coordinator, J. Donald Klink, to lay the groundwork for a serious deposit acquisition program. Their procedures and methods training enabled BNEC to more effectively handle the daily traffic with an eye toward the increased load that was hoped to result from BNEC's first major advertising campaign.

The operations (the traditional French system requiring a records clerk, a teller, and a cashier) improved tremendously, lowering transaction time while maintaining controls at acceptable limits.

Work hours were fixed: 7:30 a.m. to noon and 2:30 p.m. to 6:00 p.m., with the teller windows open from 7:45 a.m. to 11:30 a.m. and from 2:45 p.m. to 4:45 p.m. Monday through Friday. (Surveys show that customers prefer these hours for downtown banks, as there seems to be no problem taking time from work for banking, but would like some noon and Saturday morning hours for residential area branches). At the end of the first three months of National League consultant help, BNEC was opening an average of 25 new accounts and handling approximately 300 deposit and withdrawal transactions daily, and the personnel were prepared for the launching of a major promotional campaign.

At the end of the 1978/79 fiscal year, 30 September 1979, BNEC's total savings deposits exceeded 3.5 billion F.

Regular Passbook Savings	2,400,000,000 F
Certificates of Deposit	433,000,000
Mutual Savings (Cooperatives)	473,000,000
Commercial Accounts	176,000,000
Bank Personnel Accounts	<u>51,000,000</u>
Total	3,533,000,000 F - \$17.7 m.

The total^s/reflected increases of 119% in number of accounts and 98% in account balances.

During the 12-month period, 13,090 accounts were opened, with a total of 1,625,500,000 F.

	New Accounts (Oct. 1978-Sep. 30, '79)	
	Number	Amount (F)
Regular Passbook Savings	12,500	1,122,500,000
Certificates of Deposit	440	196,000,000
Mutual Accounts	133	200,000,000
Commercial Accounts	<u>17</u>	<u>107,000,000</u>
Total	13,090	1,625,500,000

The pace continued through the last quarter of 79 and 1st quarter of 80. By April 1, total savings deposits exceeded 5 1/4 billion F. CFA.

These important increases in net savings deposits were due in large part to an aggressive promotion campaign which BNEC began in January 1979. The publicity stressed the primary advantage of a savings account at BNEC--the means to apply for a home loan. The bank began accepting applications and granting loans in May and June 1978. Since that time (through 30 September 1979), some 500 individual loans totaling 2.5 billion F have been granted out

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of some 1,250 requests. The sum represents the construction or purchase of more than 750 housing units (3.3 million per dwelling unit).

Interest rates for individual loans vary from 8.5% to 12.5%, depending upon the following conditions:

1. An 8.5% loan is granted only to first-time borrowers who intend to build or buy a home to use as a primary residence with the loan amount less than 15,000,000 F.
2. A 10.5% annual interest rate is applied to all other individual borrowers on loans less than 15,000,000 F.
3. A 12.5% rate is applied on loans exceeding 15,000,000 F.

Nearly all of these loans were granted for use in Abidjan or other major Ivory Coast cities. In rural housing, BNEC loans of 1.5 billion F have resulted in the construction of more than 1,300 housing units through a village contract program (1.15 million per dwelling unit).

Village cooperative units (GVC) are formed with legally registered tax-exempt status. Through a formula of assessment (normally 10,000 F per participating household) a sum is collected as an opening balance for a Mutual Savings Account at BNEC. In essence, the village enters into a contract with BNEC to receive a loan in the amount of 90% of the projected construction costs at the time it has achieved a 10% balance in the account. Funds on deposit earn 5% annual interest and the loan is granted at 5% annual interest for a maximum of 15 years.

As of April 1, 1980, BNEC had undertaken to finance 14 village construction projects. One of these projects had been completed by year-end 1979 and another was expected to be completed in February 1980. The loan applications of other villages are in process, and 100 more have indicated serious intent to refurbish their housing stock by opening a Mutual Savings Account at BNEC.

BNEC has also granted approximately 40 million F to 44 bank-related individuals for home purchase or construction since opening its doors.

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All loans are guaranteed by first deed of trust mortgage, life and accident insurance on the borrower (decreasing term on the remaining principal balance) with BNEC as beneficiary, and by income (salary) guarantees of the borrower or co-signer.

The loan repayment process has only just begun with an inflow of 106,000,000 F during the 1978/79 fiscal year (of which 48,000,000 F was principal). Anticipated capital reimbursement for the 1979/80 fiscal year will approach 250,000,000 F. Collection experience has been excellent, but loan amortization will only gradually build to be a significant source of lending capital.

New lending activity is forecast to exceed 5 billion F through 1980. Sources for these funds include as yet untapped credit from the Central Bank, new savings deposits through expanded main office activity and at least two branch offices (off in Abidjan and one in an interior location), and BNEC's projected entry into secondary mortgage market operations.

NOTE by RHUDO: In June, 1980, Ivory Coast President Houphouet-Boigny announced a major reform of parastatal organizations. Among those affected was BNEC, which by that time had CFAF 7 billion (\$35 million) in 25,000 savings accounts and had made mortgage loans totaling CFAF 5.5 billion (\$27.5 million). BNEC now is to become completely private. At the same time, the President also announced dissolution of BIPT, a full service bank created in 1978 through merger of the Postal Savings and Postal Money Order systems.

The impact on BNEC of this GOIC decision to get out of the savings business and rely exclusively on taxes for the collection of local resources cannot as yet be fully determined.

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SOCIAL SOUNDNESS ANNEX

This Annex presents in Summary form data collected by the division of Statistics of the GOIC Ministry of Economy and Finance and Plan. These data, published in 1979-80 and some of which are still in preparation, present demographic characteristics, economic activity and employment, housing, community facilities and utilities, and income distribution in 64 urban centers, exclusive of Abidjan. On the basis of these data, GOIC planners identified 11 categories of secondary cities, using the following criteria:

- (a) Percentage of active population
- (b) Percentage engaged in agriculture
- (c) Population.

Table I details this typology. It is to be noted that the socio-economic studies were then undertaken in a sampling of towns in each category, and represent, therefore, a general description of conditions, if the planners assumptions are correct, in each category of urban center.

POPULATION

Type	TOWN	1965	1975	1980 (E)	1985 (E)	% Growth rate 1965-75	% Growth rate 1975-85
10.	Bouake	85,000	173,000	245,500	336,300	7.36	6.87
9.	Daloa	35,000	59,496	79,900	105,400	5.45	5.89
	Man	30,000	48,521	65,300	95,900	4.93	7.05
	Korhogo	24,000	45,146	62,500	85,600	6.52	6.61
	San Pedro		31,500	60,000	100,000		12.25
	Gagnoa	21,000	42,000	58,200	77,900	7.18	6.37
	Yamoussoukro	8,000	35,000	56,800	77,800	15.90	8.32
	Dimbokro	15,000	33,000	53,400	75,000	8.20	8.56
	Abengourou	17,500	30,597	43,000	60,900	5.75	7.13
8.	Agboville	17,500	27,210	38,600	54,200	4.51	7.13
	Grand-Bassam	16,500	26,000	36,900	51,800	4.65	7.14
	Ferkessedougou	11,500	25,000	34,400	48,300	8.07	6.81
	Dabou	10,000	24,000	34,100	47,800	9.15	7.13
	Anyama	11,000	26,739	34,000	48,100	9.29	6.05
	Adzope	14,000	21,500	30,300	42,500	4.38	7.05
7.	Katiola	11,000	18,000	24,900	33,400	5.05	6.38
	Sinfra	5,500	17,500	24,700	33,000	12.27	6.55
	Bonoua	11,000	17,500	23,600	30,900	4.75	5.85
	Arrah	6,800	16,000	22,200	29,700	8.93	6.38
	Bongouanou	6,800	13,000	17,800	23,800	6.69	6.23
6.	Bondoukou	7,000	18,500	25,700	34,700	10.21	6.49
	Bouafle	5,500	17,500	24,800	33,200	12.27	6.61
	Danane	13,500	18,500	22,500	28,700	3.20	4.49
5.	Daoukro	9,200	18,000	24,900	33,300	6.94	6.35
	Odienne	8,000	14,000	18,700	25,000	5.76	5.97
	Seguela	9,000	12,636	16,600	22,000	3.45	5.70
	Gr. Affery	6,500	11,256	15,100	19,700	5.64	5.75
	Akoupe	4,700	10,200	13,600	17,800	8.06	5.73
	M'Batto	5,000	10,000	13,800	18,500	7.18	6.35

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POPULATION

Type	TOWN	1965	1975	1980 (E)	1985 (E)	% Growth rate 1965-75	% Growth rate 1975-85
4.	Tiassale	4,000	15,400	19,600	24,600	14.43	4.80
	Aboisso	9,000	14,000	18,700	24,400	4.52	5.71
	Toumodi	6,000	13,000	18,000	24,100	8.04	6.37
	Lakota	5,500	13,000	17,400	22,700	8.98	5.73
	Agnibilekrou	6,000	12,314	16,700	21,800	7.45	5.88
	Beoumi	5,500	11,100	15,200	20,300	7.27	6.22
	Duekoue	6,000	11,976	16,600	26,100	7.16	8.10
3.	Guiglo	4,000	10,016	13,600	15,800	9.61	4.66
	Boundiali	5,500	9,753	13,300	17,800	5.90	6.20
	Vavoua	4,000	6,933	10,100	13,500	5.65	6.89
	Botro		6,993	9,600	12,800		6.23
	Bocanda	4,500	6,784	8,900	11,900	4.19	5.78
	Bouna		5,856	8,100	10,500		6.01
	Guiberoua		5,251	7,800	10,400		7.07
	Mankono	5,500	6,570	7,800	10,000	1.79	4.29
	Touba	3,000	5,241	7,100	9,500	5.74	6.13
	Adiake	4,000	4,743	6,100	7,700	1.72	4.96
Toulepleu	3,000	4,472	5,900	7,700	4.07	5.58	
2.	Zuenoula	4,500	9,341	12,300	16,400	7.58	5.79
	Sassandra	8,000	9,136	10,700	12,700	1.34	3.35
	Tabou	5,500	8,289	9,600	11,400	4.19	3.24
	Tanda		7,098	9,000	11,200		4.67
	Soubre			8,700	10,400		
	Tiebissou	4,000	5,863	7,600	10,100	3.90	5.59
1.	Ayame		4,747	6,100	7,700		4.96
	Biankouma		4,543	6,100	8,200		6.08
	Gr. Lahou		3,771	4,800	6,000		4.75
	Dabakala		3,272	4,300	5,700		5.71

EMPLOYMENT

Type	TOWN	Primary Sector	Secondary Sector	Tertiary Sector (Prvte)	Tertiary Sector (Pub)	Activity Rate %
10.	Bouake	5,692	15,000	15,000	6,261	33.2
9.	Daloa	5,320	3,042	4,606	1,466	34.2
	Man					
	Korhogo	6,250	7,812	20,312	9,375	70.50
	San Pedro	1,868	5,537	1,869	1,752	100
	Gagnoa	2,584	3,210	5,160	1,618	41.3
	Yamoussoukro					
	Dimbokro	12,600	2,516	3,136	950	38.4
	• Abengourou					
8.	Agboville	1,701	2,396	1,673	929	35.4
	Grand Bassam	1,450	1,140	7,300	860	63.8
	Ferkessedougou	15,652	3,784	7,396	7,568	100.
	Dabou	3,083	1,093	2,637	766	41.6
	Anyama	1,883	602	1,170	423	238
	Adzope					
7.	Katiola	1,540	891	1,291	635	35.6
	Sinfra					
	Bonoua	3,680	1,000	740	116	50.5
	Arrah	3,811				
	• Bongouanou	2,138	441	882	343	45.2
6.	Bondoukou	1,606	508	1,170	792	30.7
	• Bouafle	1,354	1,108	1,219	776	35.9
	Danane	1,773	573	1,170	430	35.2
5.	• Daoukro	1,891	478	1,127	347	39.6
	Odiene	1,656	204	1,123	589	43.
	Seguela	1,447	212	762	639	39.8
	Gr. Affery	2,636			62	
	Akoupe					
	M'Batto					

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EMPLOYMENT

Type	TOWN	Primary Sector	Secondary Sector	Tertiary Sector (Prvte)	Tertiary Sector (Pub)	Activity Rate %
4.	Tiassale					
	Aboisso	1,166	590	1,176	749	38.5
	• Toumodi	741	850	1,092	480	35.8
	Lakota					
	Agnibilekrou	1,394	1,151	1,118	334	47.6
	Beoumi	1,055	398	732	419	36.0
	Duekoue	1,582	559	1,301	212	42.7
3.	Guiglo	1,276	448	567	474	42.45
	• Boundiali					
	Vavoua					
	Botro				90	
	Bocanda	654			120	
	• Bouna					
	Guiberoua					
	Mankono					
• Touba	1,035			290		
Adiake						
Toulepleu	607			145	45.7	
2.	Zuenoula	182			230	
	Sassandra	658	369	582	520	37.3
	Tabou					
	• Tanda	698			312	
	• Soubre	745			331	
Tiebissou						
1.	Ayame					
	Biankouma	913			162	48.4
	• Gr. Lahou					
	• Dabakala					

Note: This table derived from information included in "Urbanisation: Villes de l'Intérieur"
Phase 1: Inventaire de l'Existant, Nov. 1979

The town types are those defined by the GOIC Statistics Office Survey conducted in 1979. These towns were grouped according to two criteria:

1. The percentage of active, masculine, agricultural workers (AAM)
2. The size of the town.

Type No.	Criteria	Towns Surveyed	Other Towns
1	--5000 pop +40% AAM	GRAND LAHOU	DABAKALA-AYAME-BIANKOUMA
2	5-10,000 0-40% AAM	SASSANDRA TANDA	TABOU-SOUBRE-N'DOUCI-ZUENOULA TIEBISSOU
3	5-10,000 pop +40% AAM	BOUNA ADIAKE	GUIBEROUA-BOCANDA-BOUNDIALI- GUIGLO-VAVOUA-BOTRO-TINGRELA- TOUBA-MANKONO-TOULEPLEU
4	10-15,000 pop 0-40% AAM	TOUMODI LAKOTA	AGNIBILEKROU-ABOISSO-TIASSALE OUME-HIREWATTA-ISSIA-BEOMI DUEKOU
5	10-15,000 pop +40% AAM	ODIENNE	AKOUBE-SEGUELA-DAOUKRO- GR. AFFERY-M'BANIAKRO-M'BATTO
6	15-20,000 pop 0-40% AAM	DANANE	BOUAFLE-BONDOUKOU
7	15-20,000 pop +40% AAM	SINFRA	BONOUA-ARRAH-BONGOUANOU
8	20-30,000 pop +40% AAM	AGBOVILLE FERKESSEDOUGOU	ANYAMA-DABOU-GR. BASSAM ADZOPE
9	+30,000 pop +40% AAM	MAN-GAGNOA-KORHOGO DALOA-YAMMOUSSOUKRO DIVO-ABENGOUROU	SAN PEDRO-DIMBOKRO
10	+150,000 pop - 10% AAM	BOUAKE	

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For project analysis purposes it was decided that it would be useful to attempt to describe the socio-economic makeup of the various types of cities and towns that the HG loan may be applied to. The purpose of this analysis is not to describe a particular town, but rather to analyse the characteristics of the types of towns found in the Ivory Coast. This will be critical for project design analysis when the GOIC proposes specific towns that will participate in the project upgrading and development exercise.

Much of the information contained herein is drawn from an inventory done on 64 cities and towns completed in August 1979 for use in establishing Master Plans for 1981-85 by the GOIC.

Within the large classification of towns to which the proposed shelter solutions shall be addressed are two distinct geographic types; the Savannah Towns and the Forest Towns.

The Towns of Korhogo (subject of next IBRD Urban Project) and Ferkéssédougou exemplify the urban structure of towns in the Savannah region of the Ivory Coast.

Korhogo is the regional capital of the north and Ferkéssédougou is the major railroad station in the northern region. During the last decade these areas have experienced a renewed economic growth due to the increased production of cotton, vegetables, the recent introduction of sugar cane production as well as improved cattle production. Accompanying this agricultural expansion has been the implantation of small related industrial complexes to serve as primary processors of the produce grown. This has served to expand the available employment in the area.

In 1975 the population of Korhogo was 47,000 and is estimated to be 62,500 in 1980 though one recent survey estimates 1980 as approaching 75,000; it is expected to reach 85,000 by 1985. Korhogo grew at 6.5% annual increase from 1965-75 and is expected to grow at a 6.6% increase over the 1975-85 period. Ferkéssédougou had a population of 26,000 in 1975 and is estimated to be 34,400 in 1980 and is expected to grow to 48,300 by 1985.

The annual growth rate for the period 1965-75 was 8% and it is expected to continue at 6.8% for the 1975-85 period. (These estimates may be optimistic: construction and operation of the country's first sugar refinery stimulated considerable growth. The refinery itself has not proven a success, and is unlikely to stimulate further economic activity.)

Korhogo is provided with a wide range of community facilities; most of which are underequipped, badly maintained and insufficient to meet the needs of the expanding urban population. Water is supplied to 80% of the population through 3500 wells and there are only 1248 subscribers connected to the public water system.

In Ferkéssédougou, a breakdown of employment activity indicates a city with substantially more agricultural activity, more homogeneous in ethnic composition and having fewer services available than does Korhogo.

NATIONALITY		Korhogo	Ferkéssédougou
IVORIENS	Sénoufo	51	66
	Dioula	22	15
	Other Ethnic Groups	9	6
	Total Ivoiriens	82	87
FOREIGNERS	Africans	17	12
	Other Nationalities	1	1
	Total Foreigners	18	13
		100.0	100.0

The breakdown of ethnic composition suggests that there has been a perception of limited economic opportunity by non residents; thus limiting the number of immigrants into the area. Furthermore, it is important to note that there is a group of towns in the Ivory Coast that contain a population that is nearly 50% involved in agricultural activity. There is a startling contrast in economic activities between the two towns:

(in percent)	<u>Primary</u>	<u>Secondary</u>	<u>Tertiary Private</u>	<u>Tertiary Public</u>
Korhogo	14	18	46	21
Ferkéssédougou	46	11	22	22

The strong representation of primary activity in Ferkéssédougou confirms the agricultural nature of the city and implies that many of the urban poor who are the target population of this project will likely be farmers whose residences are located in the urban center. This is true of many medium sized and smaller towns.

Examination of the typology of the neighborhoods found within Korhogo and Ferkéssédougou reveals certain understandings of their urban structure. The city of Korhogo covers approximately 1450 hectares and despite the fact that many of the neighborhoods have low densities and are relatively under occupied, subdivision of new tracts of land bordering the town limits continues. The neighborhoods that are categorized as being in an evolutionary phase, that is to say in the process of replacing banco structures with cement material construction represent a substantial portion of the total urban surface; 660 ha (more than one third of total) have severely limited access to basic service amenities, such as water and electricity. In the squatter settlement areas which cover nearly 200 ha. basic services are non-existent.

In Ferkéssédougou neighborhood inventories reveal a similar urban structure. Except for the areas bordering the CBD, neighborhoods have a relatively high number of unoccupied plots; one study indicates that only 17% of the total surface area of Ferkéssédougou is built up for shelter use.

The savannah towns, based on data collected in Korhogo and Ferkéssédougou, have many neighborhoods where density can be increased and yet remain manageable. Project activities that may be developed for towns of this type should be directed to improving access to basic services for residents of each neighborhood, thus encouraging more intensive and efficient use of existing urban space rather than developing substantial new sub-division programs which will encourage further urban sprawl and tax the already limited available services.

TYPOLGY OF NEIGHBORHOODS

KORHOGO

NEIGHBORHOOD	HOUSING	NUMBER LOTS	OCCUPANCY RATE	LEVEL OF SERVICES WATER & ELECTRICITY
Commercial and Administrative			Occupied by services	Fully serviced
Koko Sud	Core	323	Less than 50% of lots built on	Partial Electricity Very limited water
Nord -Ouest Koko	Core	299	Low Occu- pancy	No electricity 1 Public Stand pipe
Nord Koko	Core	428	More than 50% Lots	Fully serviced
Dam Koko	Core	182	Less than 50% built on	Water but only Partial electri- city
SOBA	Core	704	More than 50%	Fully serviced
SOBA	Core	408	Less than 50%	"
SINISTRE	Core	529	Less than 50%	"
Extension SINISTRE	Core	518	Less than 50%	Partial water No electricity
Air France Quatorze	High Income	458	More than 50%	Fully serviced
Residential	High Income	75+Lotiss.	Low Occu- pancy	Partially serviced
Ahoussabougou	Core	772	Less than 50%	Partial water Full electricity
Delafosse	Core	454	Less than 50%	"

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Banaforo	Core	454	More than 50%	Fully serviced
Petit Paris	Middle Income	880	Less than 50%	Partially serviced
Sanzoribougou	Squatter			
Ahoussabougou extension	"	-	-	NONE
Teguère	"			
Gbon				
Tiekélesso				

KORHOGO

URBANISED SPACE	Approx.	1 480 ha
TRADITIONAL HOUSING		113 ha
TRADITIONAL REBUILT		15 ha
CORE		53 2 ha
MIDDLE INCOME		103 ha
HIGH INCOME		164 ha
SQUATTERS		175 ha
PUBLIC SERVICES		277 ha
OTHER AND LOWLANDS		100 ha
GROSS DENSITY/ESTIMATED POPULATION 1980 (Population 62 500 per)		42 per/ha
GROSS DENSITY POPULATION 1978 (Population 47 657 per.)		32 per/ha
NET DENSITY (POPULATION 1980)		56.7 per/ha
NET DENSITY (POPULATION 1978)		43.2 per/ha

Density by Housing type

Traditional	60 to 80 per/ha
Core	60 to 80 per/ha
Middle Income	40 to 60 per/ha
High Income	Less than 20 per/ha
SQUATTER	20 to 40 per/ha

FERKESSEDOUGOU

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TYOLOGY OF NEIGHBORHOODS

NEIGHBORHOODS	TYPE OF HOUSING	NUMBER OF LOTS	OCCUPANCY RATES	LEVEL OF SERVICES WATER AND ELECTRICITY
Dioulabougou	Core	214	91,1 %	SERVICED
Zandel	Rebuilt Traditional	150	92,6 %	SERVICED
Mossibougou	Core	244	86,4 %	"
Bromakoté	"	355	80,8 %	"
Lanviera	"	607	69,8 %	"
Residentiel	High Income	188	32,4 %	PARTIAL
Z. Administ.	High Income Mixed	58	39,6 %	"
Care	Squatters			None
St. Paul	"			None
Douanes	"			None

FERKESSEDOUGOU

URBANISED SPACE	1 500 ha
Traditional	4 ha
Traditional rebuilt	22 ha
Core	111 ha
Colonial	6 ha
High Income	51 ha
Squatter	159 ha
Public services	65 ha
Other	82 ha
Core lots in process	197 ha
Gross density (population estimation 1979)	69 per/ha
Net density	71 per/ha
Number of M2 per person	145 m2/person

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The towns of Gagnoa and Toumodi were selected for comparative analytical purposes. Gagnoa is in the forest region, Toumodi in a transitional region between the savannah and the forest.

Gagnoa is the sixth largest secondary city in the Ivory Coast and is a crossroads between Abidjan to the South, San Pedro to the South west and Daloa to the West.

The region of Gagnoa produces 10% of the cocoa and 5.5% of the coffee in the Ivory Coast. Rice production is important in this region, accounting for 6% of the total Ivorian production.

Forestry activities, while the second largest activity after agriculture, have rapidly diminished due to the disappearance of available hardwoods in the region.

It would appear that future economic development of Gagnoa will be linked to industries that transform agricultural produce, commerce and the remaining forest exploitation that exists.

In Gagnoa the principal sources of employment are 3 lumber mills, (500 persons), 1 rice mill (55 persons), 1 coffee treatment plant (30 full time, 90 seasonal), and 4 bakeries (62 persons). Amongst small and medium sized businesses, commerce has the highest preponderance (28 %), textiles and clothing (21 %) and other services (16 %). There is a high percentage of auto repairs (13 %) due to Gagnoa being situated at a crossroads.

The population of Gagnoa is estimated to be 56,400 in 1979 and grew at an average of 7.17 % from 1965-1975. It is expected to reach 78,000 by 1985 and 110,000 by 1990. The population is expected to grow at 6.38 % annually over the 1975-85 period. In Toumodi the population was estimated to be 17,000 in 1979 and grew at an annual rate of 7.97% from 1965-1975. By 1985 the population is expected to reach 24,000 and by 1990 it will reach an estimated 32,200. The annual growth rate for 1975-85 is estimated at 6.4%.

Toumodi, typical of small towns in the central region is situated in the transition zone from forest to savannah. It has suffered over the past few years from an out migration of local inhabitants predominantly Baoulé who have gone to western regions to seek work on the cocoa coffee plantations. Despite this outmigration the population in Toumodi grew at nearly on 8% annual

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 growth rate in the period 1965-75. This was due to a very strong immigration of Dioula and other northern ems.

The only major industry in the town is a lumber mill which employs 650 people. There is a manioc treatment plant projected for construction in the region of Toumodi which will process the manioc being grown in the area.

In reviewing the ethnic makeup of both of these towns it is evident that most of the population has migrated from other parts of the Ivory Coast or from neighboring countries.

Ethnic Groups

Gagnoa:

Dioula - Baoulé - Mossi - Senoufo	-	80%
Mandé & Krou		20%

Toumodi:

Baoulé (local)	30%
Maliké (North)	20%
Other Ivorian Groups	15%
Other African nations	30%
Bété	5%

Employment data for the two towns shows a striking similarity despite the difference in size and the number of industries in place:

	<u>Primary</u>	<u>Sec.</u>	<u>Ter. Private</u>	<u>Ter. Public</u>
Gagnoa	20.5	25.5	41	13
Toumodi	23	27	35	15

This is important as it helps us to understand that work activities in the different size towns are similar and thus revenues and affordability are likely to be very similar.

What these data bring out is the confirmation of the premise that growth in the secondary cities of the I.C. is related to advances made in agricultural development.

The future economic growth of towns like Gagnoa & Toumodi, Ferkessedougou & Korhogo will be a reflection of success of GOIC initiatives in increased agricultural output.

DEMOGRAPHIC INFORMATIONSEX RATIO (URBAN -RURAL)MALE RATIO IN CITY.....: 123.6MALE RATIO IN RURAL SECTOR OF DEPARTMENT.....: 105.9AGE GROUPS

	MALE		FEMALE		TOTAL	
	No	%	No	%	No	%
0-4 Years	3,695	15,80	3,352	17,70	7,047	16,70
5-14	5,882	25,20	5,367	28,40	11,249	26,60
15-24	6,129	26,20	4,645	24,60	10,774	25,50
25-54	6,904	29,50	5,108	27,00	12,012	28,40
55 +	765	3,30	438	2,30	1,203	2,80
TOTAL...	23,375	100 %	18,910	100 %	42,285	100 %

MISCELLANEOUS

% of Single Males 25 - 40 years.....: 37,2 %

Average Household Size : City.....: 5,5

Rural Department.....: 5,8

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 The high percentage of single males indicates a high immigration rate and that a substantial portion of the population is not indigenous to the region.

A comparison of section employment breakdown as follows in percentage:

	Primary	Secondary	Tertiary Private	Tertiary Public
Gagnoa	20.5	25.5	41	13
Toumodi	23	27	35	15

In Toumodi about 50% of the farmers are Baoulé (indigins) and usually without any other source of income. The other half of the farming population represent the other ethnic groups who normally have a second income source (artisan, civil servant).

There are very few laborers in this region, due in part to the distance from town to farms and the means of transport there:

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EMPLOYMENT CHARACTERISTICS ON FARMS, IN PERCENTAGE

	Total
<u>Distance</u>	%
0 - 5 km	50
5 - 15 km	30
+ 15 km	20
Total	100
<u>Means of Transport</u>	
- On Foot	45
- Personal vehicle (motor bike, car)	45
- Bush Taxi Public Transportation	10
Total	100
<u>Frequency</u>	
- Everyday	45
- Weekly	-
- Other	55
Total	100
<u>Laborers</u>	
- Absent	25
- Present	75
Total	100

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The physical and social structure of Gagnoa and Toumodi have several striking similarities despite their difference in size which should assist in the development of upgrading strategies.

Gagnoa is a structured urban center with intensive commercial activity. The spatial organization of Gagnoa is determined by two important factors: (a) a lowland marshy area near the center that has been used as a rice field has physically separated the various neighborhoods.

(b) Ethnic separation in the neighborhoods with the indigenous groups (Bété) living on the Southern side of town and the outside groups (Dioulas, Baoulé etc) favoring the North side of town.

The old and densely populated neighborhoods Dioulabougou in Gagnoa is found just west of the central business district. The inhabitants are from diverse areas of the Ivory Coast, and neighboring countries. It is a neighborhood where intense retail trade and artisan activities occur. The neighborhood has a high density in comparison to other sections of town. Most striking is the absence of paved roads, lack of storm water drainage channels, high degree of erosion of road structures threatening the foundation of existing structure and the absence of public standpipes. There are other important neighborhoods, several of which have been completely subdivided and where cement structures have replaced traditional banco homes.

A comparison of the size and density of these two towns show further similarities :

	<u>Gagnoa</u>	<u>Toumodi</u>
Size surface of town	800 ha	280 ha
No. of m ² per person	142 m ² /person	164 m ² /per.
Density $\frac{\text{Pop}}{\text{Total Surface}}$	70 per/ha	60 per/ha
land surface occupied by public structures	210 ha (26%)	55 ha (19.6%)
Net density (Less public structure)	96 per/ha	75.6 per/ha

TYPOLOGY OF NEIGHBORHOODS

GAGNOA 116

NEIGHBORHOOD	Number of Lots	of Occupation	Type
PLATEAU.....	51	90	F.C-R.H.S.
DILOULABOUGOU.....	1.693	90	E
GARAHIO (LONACI) ...	787	80	R.E
LIBREVILLE&DREBOT..	412	70	E
NAIRAYVILLE&BABRA..	192	70	R.H.S-R.E
SOLEIL.....	304	80	R.E
ODIENNE KORANI.....	354	60	E
AFRIDOUGOU&COCOVI..	555	50	R.E
SOKOURADJAN.....	102	50	E.-R.E
DAR ES SALAM.....	266	80	E
BAROUHIO.....	219	70	R.E
ZAPATTA.....	240	50	R.E
RESIDENTIAL I.....	70	60	R.H.S
RESIDENTIAL II.....	100 (App)	-	R.H.S
RESIDENTIAL III....	115	-	R.H.S
RESIDENTIAL-Z-I..;	60	-	R.H.S
	5.520		
	Lots (1)		

F.C. = Public Housing
E. = Core
R.E. = Moderate Income
R.H.S. = High Income

N.B. : SOGEFHIA has created 50 low-Income Units on the road to DIVO.
SICOGI has built 37 villas for Teachers south of Libreville;
Squatters in the Northwest (Soukouradjan neighborhood) Subdivided - 3.900 lots occupied (Approx)

TOUMODI

TYPOLOGY OF NEIGHBORHOODS

NEIGHBORHOOD	Number of Lots	% of Occupation	Type	Level Of Services Water/Elec
COMMERCE.....	-	-	F.C	EQUIPT
ADMINISTRATIVE..	32	90%	R.H.S	"
DILOULAKRO.....	527))
DILOULA EXT.....	445)	1.049	90%	E.& R.E. PARTIAL
BIANAWA.....	77))
TOULODIKRO) C.E.G.).....	507	60%	R.E. & R.H.S	LIMITED
BOMBO.....	192	50%	R.E & R.H.S	PARTIAL
ROUTE DE DIMBOKRO	148	50%	R.E & R.H.S	"
RESIDENTIAL.....	318	15%	R.H.S	NONE
ROUTE D'ABIDJAN	(?)	0%	-	"
Total.....	2.246			
	(1)			

F.C. = Public Housing
 E. = Low-Income
 R.E. = Moderate Income
 R.H.S. = High Income

(1) - 2250 lots created(not counting sub-division on the road to Abidjan)

1500 lots occupied (Approx)

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It is not surprising to note that despite the fact that Gagnoa is more than 2.5x as large as Toumodi there is not much difference in density, square footage per inhabitant and the amount of surface occupied by public structures and services.

In both of these towns the neighborhoods containing the largest number of households and having the highest occupancy rates are those which have shelter units in either traditional or low income units.

In one study done on the town of Toumodi we are able to draw an impression of some of the concerns of the inhabitants. In an interview with 23 households; it appears that 29 % of those interviewed were satisfied with their lodgings; 19% were completely dissatisfied while the remaining 52 % were relatively content but had complaints.

The greatest amount of criticism (58%) was directed at the market center. It was felt to be lacking in health standards, and poorly situated. Further criticism was directed at the limited hospital services available; the lack of a sewerage system and general cleanliness of the town and the limited public lighting. Further complaints were listed on the difficulty of water branching in several neighborhoods and the need for resurfacing of roads.

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 Preliminary income distribution figures have been derived from surveys in a sampling of each category of urban centers and is considered representative of towns in that category. Data on the four towns described above is as follows:

Household Income Distribution

<u>Monthly Income</u>	<u>Percent Total</u>	<u>Cummulative Percent with Income</u>
<u>Category 9</u>		
KORHOGO; GAGNOA		
No Income	19.5	-
Less than 20,000	14.9	18.6
20 - 49,000	30.3	37.7
50 - 99,000	21.1	26.3
More than 100,000	14.2	17.4

Median Income: F.CFA 45,000

Household size: 6

Category 8

FERKESSEDOUGOU

No Income	14.6	-
Less than 20,000	18.8	22.0
20 - 49,000	37.5	43.9
50 - 99,000	15.6	18.3
More than 100,000	13.5	15.8

Median Income: CFA 39,100

Household size: 6.4

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Category 4

TOUMODI

<u>Monthly Income</u>	<u>Cumulative</u> <u>Percent Total</u>	<u>Percent with</u> <u>Income</u>
No Income	12.2	-
Less than 20,000	12.8	14.5
20 - 49,000	44.1	50.3
50 - 99,000	19.2	21.8
more than 100,000	11.7	13.4
Median Income:	41,100 FCFA	
Household size:	5.9	

The data draw out an important similarity. The median income of the 3 types of towns studied are extremely similar and therefore should permit a design of affordable shelter solutions that will be appropriate for more than one town type. Furthermore, the ranges of income that fall below the median income are fairly close; thus permitting design standards that should reach target groups through a wide range of towns. It is important to note that despite the assumption that income levels are substantially lower in Savannah regions, the Northern towns of the Ivory Coast appear to have an income spread similar to that of the forest towns.

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EQUIVALENTS FOR HOUSING STOCK

TYPE

1. Private High Income
2. Middle Income Appartment
3. Public Housing
4. Private Low Income
5. Private very Low Income
6. Core Housing
7. Low Income Traditional
8. Squatters

The definitions are extracts of the typology prepared for the "Ten Year Growth Plan for Abidjan.

Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %		
10	BOUAKE	OWNER	21,72	0- 2400CFA 42.42	1 PERSON 5.56	
		TENANT	62,63	25- 4900 " 21.21	2 " 7.07	
		SUB-TENANT	2,02	50- 9900 " 21.72	3 " 12.12	
		LODGED BY FAMILY	5,05	100-19900 " 7.58	4 " 14.14	
		LODGED BY EMPLOYER	8,59	200-	7.07	5-9 " 41.41
						10-14 " 15.15
				15 4.55		
			MEDIAN RENT:3400 F.	MED.HOUSEHOLD SIZE:6.35 PER		

Type Lodging	% Household	Total Income Per Household %	%
1	2.02	NO INCOME	5.56
2	13.13	1 - 19000 CFA	11.62 12.3
3	24.75	20 - 49000 "	34.85 36.9
4	50.51	50 - 99000 "	29.29 31.0
5	-----	100 - 199000 "	13.13 13.9
6	2.53	200 -	5.56 5.9
7	-----		
8	7.07		
		MEDIAN INCOME +	=51,300 CFA

+excludes those reporting no income

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Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %		
9	DALOA	OWNER	37.24	0- 2400CFA 57.93	1 PERSON 7.59	
	MAN	TENANT	48.97	25- 4900 " 16.32	2 " 10.34	
	KORHOGO	SUB-TENANT	0.46	50- 9900 " 13.10	3 " 11.49	
	GAGNOA	LODGED BY FAMILY	6.67	100-19900 " 10.80	4 " 13.33	
	ABENGOUROU	LODGED BY EMPLOYER	6.67	200-	1.84	5-9 " 36.32
	YAMOOUSSOKRO					10-14 " 14.71
						15 6.21
				MEDIAN RENT: 2000 CFA	MED. HOUSEHOLD SIZE: 6 PER	
		Other TOWNS IN GROUP				
		DIMBOKRO				
	SAN PEDRO					

Type Lodging	% Household	Total Income Per Household %	% ⁺
1	3.91	NO INCOME	19.54
2	----	1 - 19000 CFA	14.94 18.6
3	14.25	20 - 49000 "	30.34 37.7
4	58.85	50 - 99000 "	21.15 26.3
5	0.23	100 - 199000 "	10.34 12.9
6	3.45	200 -	3.68 4.5
7	0.92		
8	18.39		
		MEDIAN INCOME ⁺	= 45,000 CFA

⁺excludes those reporting no income

Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %
8	AGBOVILLE	OWNER 48.96	0- 2400CFA 66.67	1 PERSON 7.29
	FERKESSEDOUGOU	TENANT 39.58	25- 4900 " 16.67	2 " 10.42
		SUB-TENANT -----	50- 9900 " 13.54	3 " 12.50
	<u>TOWNS IN SAME GROUP</u>	LODGED BY FAMILY 2.08	100-19900 " 3.13	4 " 9.38
		LODGED BY EMPLOYER 8.33	200- -----	5-9 " 37.50
		OCCUPANT WITHOUT-STATUS 1.04		10-14 " 18.75
	GR. BASSAM			15 " 4.17
	ANYAMA			
	DABOU		MEDIAN RENT: 1,875 CFA	MED. HOUSEHOLD SIZE: 6.4 PER.
	ADZOPE			

Type Lodging	% Household	Total Income Per Household	%	% ⁺
1	4.17	NO INCOME	14.58	
2	-----	1 - 19000 CFA	18.75	22.0
3	4.17	20 - 49000 "	37.50	43.9
4	55.21	50 - 99000 "	15.63	18.3
5	-----	100 - 199000 "	8.33	9.7
6	7.29	200 -	5.21	6.1
7	-----			
8	29.17			
		MEDIAN INCOME ⁺	=	39,100 CFA

⁺excludes those reporting no income

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Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %	
7	SINFRA KATIOLA	OWNER	45,83	0- 2400CFA 72.22	1 PERSON 6.94
		TENANT	37.50	25- 4900 " 8.33	2 " 9.72
	SUB-TENANT	-----	50- 9900 " 15.28	3 " 11.11	
	LODGED BY FAMILY	8.33	100-19900 " 1.39	4 " 4.17	
	LODGED BY EMPLOYER	8.33	200-	2.78	5-9 " 31.94
	TOWNS IN SAME GROUP				10-14 " 19.44
					15 16.67
BONOUA ARRAM BONGOUANOU			MEDIAN RENT: 1725 CFA	MED. HOUSEHOLD SIZE: 7.8 PER.	

Type Lodging	% Household	Total Income Per Household	%	% ⁺
1	-	NO INCOME	18.06	
2	-	1 - 19000 CFA	8.33	10.2
3	-	20 - 49000 "	38.89	47.5
4	100	50 - 99000 "	25.00	30.5
5	-	100 - 199000 "	8.33	10.2
6	-	200 -	1.39	1.6
7	-			
8	-			
		MEDIAN INCOME = 45,100 CFA		

⁺excludes those reporting no income

Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %	
6	DANANE	OWNER	62.00	0- 2400CFA 93.0	1 PERSON 8.
		TENANT	24.00	25- 4900 "	2 " 9.
		SUB-TENANT	-----	50- 9900 "	3 " 9.
		LODGED BY FAMILY	8.00	100-19900 "	4 " 9.
		LODGED BY EMPLOYER	6.00	200-	5-9 " 47.
					10-14 " 10.
	<u>TOWNS IN SAME GROUP</u>			15 8.	
	BONDOUKOU		MEDIAN RENT: 1350	MED. HOUSEHOLD	
	BOUAGLE		CFA	SIZE: 6.6 PER.	

Type Lodging	% Household	Total Income Per Household	%	% ⁺
1	-----	NO INCOME	42.	
2	-----	1 - 19000 CFA	15.	25.9
3	7.00	20 - 49000 "	14.	24.1
4	58.00	50 - 99000 "	19.	32.8
5	-----	100 - 199000 "	5.	8.6
6	-----	200 -	5.	8.6
7	-----			
8	35.00			
		MEDIAN INCOME = 50,000 CFA		

⁺excludes those reporting no income

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Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %		
5	ODIENNE	OWNER	55.8	0- 2400CFA 75.	1 PERSON 7.35	
		TENANT	26.47	25- 4900 " 5.88	2 " 7.35	
		SUB-TENANT	1.47	50- 9900 " 16.18	3 " 8.82	
		LODGED BY FAMILY	1.41	100-19900 " 2.94	4 " 16.18	
		LODGED BY EMPLOYER	11.76	200- -- --	5-9 " 45.59	
		<u>TOWNS IN SAME GROUP</u>				10-14 " 8.82
						15 5.88
		MEDIAN RENT: 1675 CFA				MED. HOUSEHOLD SIZE: 6.15 PER.
		DAOUKRO				
		SEGUELA				
GR. AFFERY						
M'BATTO						
AKOUBE						

Type Lodging	% Household	Total Income Per Household %	% +
1	4.41	NO INCOME	41.18
2	----	1 - 19000 CFA	8.82 15.0
3	16.18	20 - 49000 "	20.59 35.0
4	48.53	50 - 99000 "	13.24 22.5
5	----	100 - 199000 "	11.76 20.0
6	----	200 -	4.41 7.5
7	----		
8	30.88		
		+ MEDIAN INCOME = 50,000 CFA	

+excludes those reporting no income.

Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %		
4	LAKOTA TOUMOUDI	OWNER	34.04	0- 2400CFA 70.21	1 PERSON 11.70	
		TENANT	46.28	25- 4900 " 16.	2 " 9.04	
	<u>TOWNS IN SAME GROUP</u>	SUB-TENANT	-----	50- 9900 " 9.57	3 " 11.70	
		LODGED BY FAMILY	15.43	100-19900 " 2.66	4 " 10.64	
		LODGED BY EMPLOYER	4.26	200-	5-9 " 1.06	37.77
					10-14 "	12.23
					15	6.91
		TIASSALE			MEDIAN RENT: 1775	MED. HOUSEHOLD SIZE: 5.90
	ABOISSO			CFA	PER	
	AGNIBILEKROU					

Type Lodging	Household %	Total Income Per Household %	% ⁺
1	5.32	NO INCOME	12.23
2	-----	1 - 19000 CFA	12.77 14.6
3	-----	20 - 49000 "	44.15 50.3
4	93.62	50 - 99000 "	19.15 21.8
5	-----	100 - 199000 "	10.11 11.5
6	-----	200 -	1.60 1.8
7	-----		
8	1.06		
		MEDIAN INCOME ⁺ =	41,100 CFA

⁺excludes those reporting no income.

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Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %
3.	BOUNA	OWNER 61.80	0- 2400CFA 83.15	1 PERSON 6.74
	ADIAKE	TENANT 24.72	25- 4900 " 10.11	2 " 5.62
	TOWNS IN SAME GROUP	SUB-TENANT -----	50- 9900 " 6.74	3 " 11.24
	GUILO	LODGED BY FAMILY 8.99	100-19900 "	4 " 7.87
	BOUNDIALI	LODGED BY EMPLOYER 4.49		5-9 " 41.57
	VAVOUA			10-14 " 15.73
	BOTRO			15 11.24
	BOCANDA		MEDIAN RENT: 1500 CFA.	MED. HOUSEHOLD SIZE: 7.2 PER
	GUIBEROUA			
	MANKONO			
TOUBA				
TOULEPLEU				

Type Lodging	% Household	Total Income Per Household	%	% ⁺
1	-----	NO INCOME	22.47	
2	-----	1 - 19000 CFA	21.35	27.5
3	-----	20 - 49000 "	35.96	46.4
4	95.51	50 - 99000 "	15.73	20.3
5	-----	100 - 199000 "	4.49	5.8
6	-----			
7	-----			
8	4.49			
		MEDIAN INCOME ⁺ = 34,500 CFA		
		⁺ excludes those reporting no income		

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Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %	
2	SASSANDRA TANDA	OWNER	50.00	0- 2400CFA 82.81	1 PERSON 12.50
		TENANT	40.63	25- 4900 " 14.06	2 " 7.81
	TOWNS IN SAME GROUP	SUB-TENANT	-----	50- 9900 " 1.56	3 " 7.81
		LODGED BY FAMILY	3.13	100-19900 " 1.56	4 " 4.69
		LODGED BY EMPLOYER	6.25	-----	5-9 " 42.19
					10-14 " 21.88
					15 3.13
					MED.HOUSEHOLD SIZE: 7.25
	ZUENOULA TABOU SOUBRE TIEBISSOU			MEDIAN RENT: 1500 CFA.	PER

Type Lodging	% Household	Total Income Per Household +	%	%
1	-----	NO INCOME	26.56	
2	3.12	1 - 19000 CFA	14.06	19.1
3	-----	20 - 49000 "	32.81	44.7
4	67.19	50 - 99000 "	20.31	27.7
5	-----	100 - 199000 "	6.25	8.5
6	9.37			
7	-----			
8	20.31			
		MEDIAN INCOME +	=	40,700 CFA
		+excludes those reporting no income		

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Type	TOWN SURVEYED	STATUS OCCUPANT %	RENT PAID HOUSEHOLD %	HOUSEHOLD SIZE %
1	GRAND LAHOU TOWNS IN SAME GROUP AYAME BIANKOUMA DABAKALA	OWNER	58.33	0- 2400CFA 79.17
		TENANT	33.33	25- 4900 " 4.17
		SUB-TENANT	-----	50- 9900 " 12.50
		LODGED BY FAMILY	-----	100-19900 " 4.17
		LODGED BY EMPLOYER	8.33	
				5-9 " 54.17
				10-14 " 4.17
		15		
			MEDIAN RENT: 1,512 CFA	MED. HOUSEHOLD SIZE: 5.75 PER

Type Lodging	Household %	Total Income Per Household %	% ⁺
1		NO INCOME	50.00
2		1 - 19000 CFA	8.33 16.7
3		20 - 49000 "	20.83 41.7
4		50 - 99000 "	16.67 33.3
5		100 - 199000 "	4.17 8.3
6			
7			
8			

MEDIAN INCOME⁺ = 43,900 CFA

⁺ excludes those reporting no income

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Source Documents

The following list includes the major source documents for the data presented in this Annex.

1. Preparation du Plan 1981-1985, "Urbanisation: Villes de l'Intérieur" Phase 1: Inventaire de l'Existant prepared by SCET Ivoire for Ministère de l'Economie, des Finances et du Plan, December 1979.
2. Préparation du Plan 1981-1985, "Urbanisation: Villes de l'Intérieur" Phase 2: Proposition de Problématique, Rapport N° 3: Approche Socio-Economique prepared by SCET Ivoire for Ministère de l'Economie, des Finances et du Plan, June 1980.
3. Nouvelles Estimations de la Population 1965 Résultats du Recensement de la Population de 1975, Projections Démographiques 1980-85-90 par S/Prefecture rural-urbain par Ministère du Plan, Direction des Etudes de Développement, Sous-Direction de la Planification Sociale et Culturelle, July 1977.
4. Recensement général des activités en milieu urbain en 1976 (enquête Chateau), Ministère du Plan, June 1977 (4 volumes.)
5. Enquête Budget Consommation aux villes secondaires, Ministère du Plan, 1979.
6. Risa Ellovich - Adaptations to the Urban Setting: Dioula Women in Gagnoa, Ivory Coast. Indiana University, doctoral dissertation 1979.

POPULATION

Type	TOWN	1965	1975	1980 (E)	1985 (E)	% Growth rate 1965-75	% Growth rate 1975-85
10.	Bouake	85,000	173,000	245,500	336,300	7.36	6.87
9.	Daloa	35,000	59,496	79,900	105,400	5.45	5.89
	Man	30,000	48,521	65,300	95,900	4.93	7.05
	Korhogo	24,000	45,146	62,500	85,600	6.52	6.61
	San Pedro		31,500	60,000	100,000		12.25
	Gagnoa	21,000	42,000	58,200	77,900	7.18	6.37
	Yamoussoukro	8,000	35,000	56,800	77,800	15.90	8.32
	Dimbokro	15,000	33,000	53,400	75,000	8.20	8.56
	Abengourou	17,500	30,597	43,000	60,900	5.75	7.13
8.	Agboville	17,500	27,210	38,600	54,200	4.51	7.13
	Grand-Bassam	16,500	26,000	36,900	51,800	4.65	7.14
	Ferkessedougou	11,500	25,000	34,400	48,300	8.07	6.81
	Dabou	10,000	24,000	34,100	47,800	9.15	7.13
	Anyama	11,000	26,739	34,000	48,100	9.29	6.05
	Adzope	14,000	21,500	30,300	42,500	4.38	7.05
7.	Katiola	11,000	18,000	24,900	33,400	5.05	6.38
	Sinfra	5,500	17,500	24,700	33,000	12.27	6.55
	Bonoua	11,000	17,500	23,600	30,900	4.75	5.85
	Arrah	6,800	16,000	22,200	29,700	8.93	6.38
	Bongouanou	6,800	13,000	17,800	23,800	6.69	6.23
6.	Bondoukou	7,000	18,500	25,700	34,700	10.21	6.49
	Bouafle	5,500	17,500	24,800	33,200	12.27	6.61
	Danane	13,500	18,500	22,500	28,700	3.20	4.49
5.	Daoukro	9,200	18,000	24,900	33,300	6.94	6.35
	Odienne	8,000	14,000	18,700	25,000	5.76	5.97
	Seguela	9,000	12,636	16,600	22,000	3.45	5.70
	Gr. Affery	6,500	11,256	15,100	19,700	5.64	5.75
	Akoupe	4,700	10,200	13,600	17,800	8.06	5.73
	M'Batto	5,000	10,000	13,800	18,500	7.18	6.35

Technical Annex

The GOIC and AID will select by mutual agreement the urban centers that will participate in the upgrading and limited sites and services sub projects. Though each town differs in urban makeup, as the social soundness analysis indicates, there are enough similarities to permit us to draw general conclusions about the communities.

The following analysis of technical standards and estimated costs are based on GOIC experience in four different towns ranging in size from 4,000 to 65,000 residents and located in savannah and forest regions.

Cost breakdowns include a provision for inflation of 25%. A figure of 15% is provided for physical contingencies for the upgrading and sites/services.

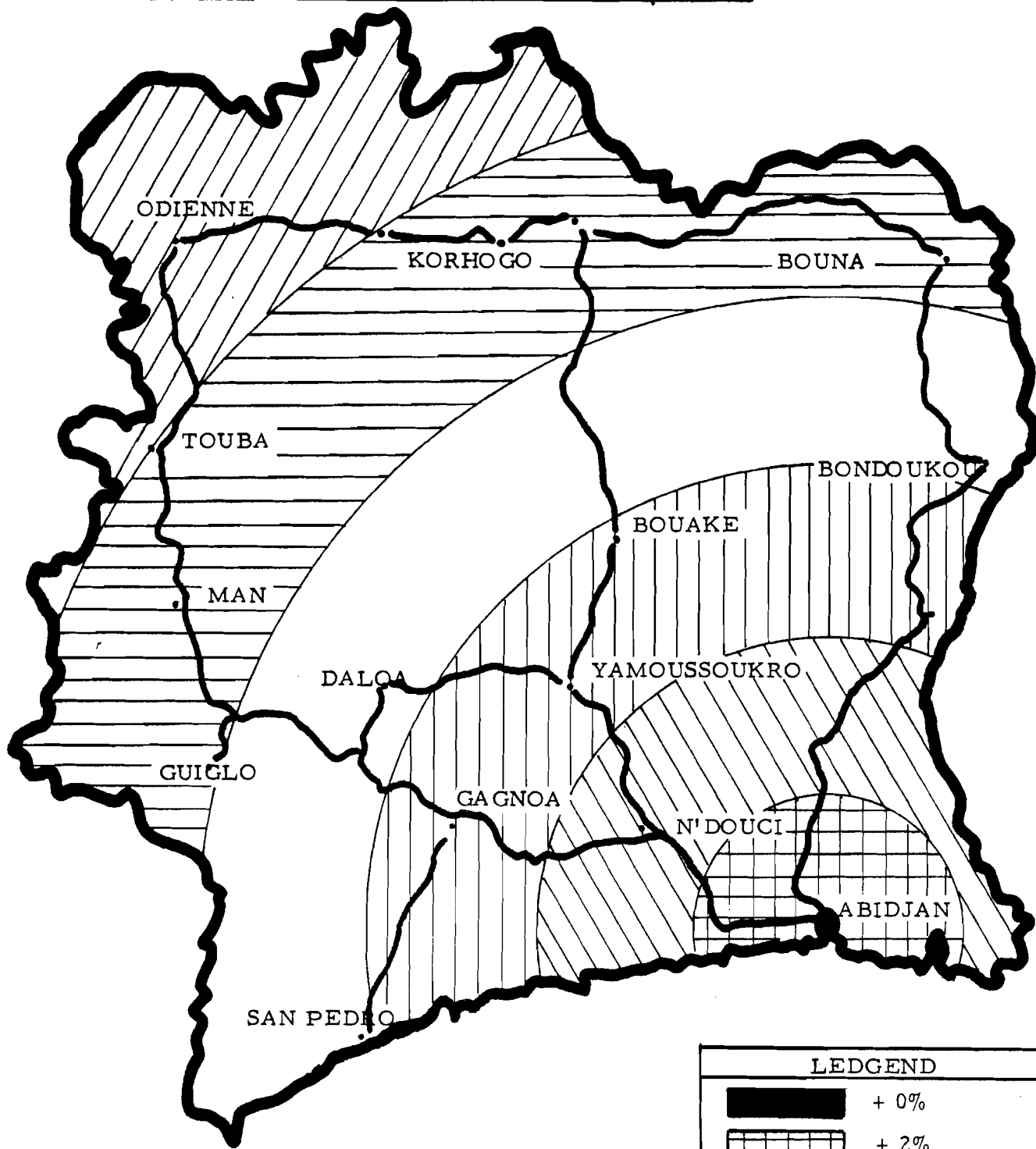
Material costs also will vary among regions, depending on distance from Abidjan as indicated on the accompanying map.

HG financing will be limited to that percentage of the beneficiary population represented by members of the target group.


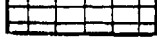
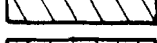
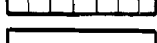
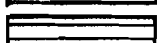


Based on data developed during the Abidjan PDU, the population of low-income neighborhoods typically contains from 25-40% households above the median income. Therefore, sub-project costs in the larger towns of Korhogo and Gagnoa are conservatively estimated at 60%HG/40%GOIC. In the smaller secondary centers, where socio-economic residential segregation is less apparent, or where the sub-project may include the entire town, a 50-50 project cost division is assumed.

IVORY COAST; regional variations of construction costs.

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This map indicates the escalation of construction costs resulting from the increase in distance from the port city and capital of Abidjan.

LEDGEND	
	+ 0%
	+ 2%
	+ 4-5%
	+ 6-8%
	+ 9-12%
	+ 13-18%
	+ 19-23%

These examples are designed to provide illustrative costs for urban centers that will be selected during project implementation.

I. Sirasso

Sirasso is a small savannah town with a population of 4,000; it serves as the commercial as well as administrative center of the sous-préfecture, which has a population of 35,000. It would appear that most of the urban population is involved in agricultural activity, through private farming or employed by the large rice seed production farm located in Sirasso.

Sirasso has electrical service about 60% of the time. There is a limited potable water service system that was recently installed. The existing central market is inadequate for the level of commercial activity that Sirasso now generates. The following types of activities in Sirasso would be acceptable for HG funding in the upgrading and sites and services sub-project.

Proposed sub project activities

	(CFAF 000,000)			
	<u>H.G.</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
a) Upgrading				
1. Roadways: rehabilitation of 50 kms of primary/secondary network including grading and filling where necessary standards:				
i) Primary roads 25 kms R/O/W width 20 meters compacted gravel carriageway width 10 meters, shoulders 2 x 3 meters including "V" shaped earthen drainage ditch	8	8		16
ii) Secondary 25 kms R/O/W width 15 meters compacted gravel carriageway width 7 meters shoulders 2 x 2 meters including earthen drainage ditch	4	4		8
2. Potable water distribution: expansion of existing network to make available individual courtyard hookups standards				
i) extension of additional 2.5 kms of Ø143,2/160 main line and 4 kms of Ø 80,6/90 PCV tertiary lines	5	5		10
ii) construction of 10,000 litres storage basin with pumping station and treatment facilities, including necessary security valves and fire hydrants.	20	20		40
iii) 730 individual hookups at 4,800 FCFA per unit			4	4

(CFAP 000,000)

	<u>H.G.</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
3. Sanitary sewerage not applicable				
4. Street lighting: installation along 2 kms of roadway				
standards sodium vapor lamps on standard timber poles at 50 meter intervals 300,000 FCFA per unit	6	6		12
5. Electricity distribution: expansion of existing network to make available individual courtyard hookups				
standards:				
i) main distribution will be from 25 KVA transformers down to single phase 220 volt conductors	14	14		28
ii) 750 individual courtyard hookups at 8,600 per hookups			6	6
6. Solid waste removal: rehabilitation and expansion of existing system				
standards:				
i) construction of collection bins 1 per 25 households = 30 bins x 60,000	1	1		2
ii) purchase of collection vehicle	4	4		8
sub/total civil works	62	62	10	134

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	<u>H.G.</u>	<u>GOIC</u>	(CFAP 000,000) <u>Bene-</u> <u>ficiaries</u>	<u>Total</u>
7. Community facilities:				
1) primary school of 12 classroom with health prevention facilities and instructors housing				
standards:				
hollow cement brick construction w/aluminium roofing				
2.5 MFCFA per class	15	15		30
1.5 MFCFA per housing unit	9	9		18
ii) Public Health Clinic				
standards:				
hollow cement brick construction w/aluminium roofing, glass windows and sanitary facilities	15	15		30
iii) Central Market extension				
standards:				
cement flooring with aluminium roof covering, 6 modules of 50 m2 each 1 module = 750,000 FCFA	3	3		6
iv) Sportsfield				
standards:				
graded sport area with limited landscaping	<u>2</u>	<u>2</u>		<u>4</u>
sub total community facilities	<u>44</u>	<u>44</u>		<u>88</u>
Total Upgrading	106	106	10	222

	(CFAP 000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
b) Sites and services				
1. 250 partially services lots standards: land boundry markers, all weather access road, secondary electrical and water lines 250 lots at 150,000 FCFA per lot	38			38
2. Core housing; 80 units standards 35 m2 cement block construction with aluminium roofing, and sanitary facilities 80 x 1,200,000 FCFA 10% downpayment	<u>86</u>		<u>10</u>	<u>96</u>
Total Sites/Services	124		10	134
Total Upgrading	106	106	10	222
	<u>230</u>	<u>106</u>	<u>20</u>	<u>356</u>
Detailed technical design and bid doct. preparation at 5% of total package	12	5	1	18
Physical Contingencies (15%)	35	16	3	54
Total sub project cost	<u>277</u>	<u>127</u>	<u>24</u>	<u>428</u>
(US \$ 000)	1,390	640	120	2,150

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II. Toumodi

Toumodi is a medium sized town located in the transition zone from forest to savannah in the central region of the Ivory Coast. The estimated 1980 population is 18,000. The economic development of Toumodi is related to advances made in improved agricultural production and to the timber export market. The population of Toumodi indicates a high in-migration of northern people who generally live in dense neighborhoods with limited services available to them. Toumodi recently benefited from an electrification program done by EECI and thus the proposals do not include any electrification activities. The proposed subproject activities herein described for Toumodi would be appropriate for HG funding as described in the PP.

Proposed subproject activities

				(CFAF 000,000)			
				<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
a)	<u>Upgrading</u>						
	1. Roadways						
	i) Primary network rehabilit- ation and paving where necessary of 15 kms of roadway, including cement lined drainage ditches						
	standards						
	- R/O/W 10 meters compacted cement reinforced earth base course						
	- paved carriageway of 10 m. width						
	- shoulders of 2x3 m reinforced earth with drainage ditches at 18 m. CFA per km.			90	90		180
	ii) Secondary/Tertiary network rehabilitation of 10 kms of light traffic roadway						

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(CFAF 000,000)

	HG	GOIC	Bene- ficiaries	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
standards				
R/O/W 15 meters of compacted earth base course				
- reinforced earthen carriageway of 7m.width				
- shoulders of 2x2 m including earthen "V" shaped drainage ditch at 8 million FCFA per kilometer	60	60		120
2. Potable water distribution expansion of existing network to outlying neighborhoods standards				
i) extension 4 kms of Ø 143, 2/160 PVC main line at 2,000 per 1/m	4	4		8
ii) extension of 6.5 kms of Ø 80, 6/90 PVC tertiary line at 1,200 per linear meter	4	4		8
iii) necessary security valves and 40 fire hydrants at 300,000 FCFA per hydrant plus valves	9	9		18
iv) 400 individual courtyard metered hookups at 4,800 FCFA per unit			2	2
3. Sanitary sewerage not applicable				
4. Street lighting installation along 10 kms of secondary roadway at 50 m intervals standards :				
- sodium vapor lamps mounted of timber poles at 300,000 per unit	30	30		60

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	(CFAF 000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene - ficiaries</u>	<u>Total</u>
5. Electrical distribution not applicable				
6. Solid waste disposal expansion of existing municipal service				
standard:				
central collection bin for every 40 households				
2 collection vehicles to supplement current fleet				
- construction of 30 cement block collection bins at 55,000 FCFA per bin	9	8		17
purchase of 2 collection vehicles	<u>10</u>	<u>10</u>		<u>20</u>
sub-total civil works	216	215	2	433
7. Community Facilities				
i) 2 primary schools of 12 classrooms each with instructors housing quarters				
standards				
- hollow cement block construction				
- wooden doors and windows				
- aluminium roofing				
at 2.5 million FCFA per classroom	30	30		60
2.0 million FCFA per housing unit	24	24		48

	(CFAF '000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
ii) Public Health Clinic with sanitary facilities standards:				
- hollow cement block const.				
- wooden doors & ceilings				
- glass windows				
- aluminium roofing	13	13		26
iii) Central market extension				
- expansion of existing market structures:				
standards:				
- cement slab flooring				
- concrete columns supporting				
- wood and aluminium roof structure				
at 22,000 FCFA per sq.meter x 400 m2	<u>5</u>	<u>4</u>		<u>9</u>
Sub-total community facilities	72	71		143
Detailed technical design and bid document preparation at 5% of total investment package	<u>14</u>	<u>14</u>		<u>28</u>
 Total Upgrading	 302	 300	 2	 604

b) Sites and Services

1. 200 partially serviced
lots.
standards
 - land boundry markers,
 - all weather access
road
 - secondary water and
elect. installation
at 150,000 FCFA per
lot
- 30

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(CFAF 000,000)

	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
2. Core housing				
50 core units of 35 m2 standards cement block construction wooden door windows aluminium roofing sanitary facilities at 1,200,000 FCFA per unit	60			60
Detailed technical design and bid doct. preparation at 5% of total package	<u>5</u>	<u> </u>	<u> </u>	<u>5</u>
Sub-total Sites and Services	95			95
Sub-total Upgrading	302	300	2	604
15% Physical Contingencies	<u>60</u>	<u>45</u>	<u>-</u>	<u>105</u>
Total sub-project cost	457	345	-	804
(U.S. \$000)	2,290	1,730	20	4,020

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 III. Gagnoa

Gagnoa is one of the large urban centers found in the coffee-cocoa belt of the forest region. The 1980 population estimated at 58,200 is growing at 6.4% per annum. Though Gagnoa contains several long established neighborhoods composed of Ivorians, foreign nationals also have long since settled in Gagnoa. These neighborhoods are lacking in basic services. The following description details possible sub project activities that could be financed with HG funds. It should be noted that in Gagnoa a roadway and primary infrastructure rehabilitation project has recently been completed; thus this component is not referred to in the sub-project descriptions listed.

Proposed sub project activities

	(CFAF 000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
Proposed sub project activities				
a) Upgrading				
1. Roadways				
1) Secondary network: rehabilitation and paving where necessary of 20 kilometers of roadway 5 kilometers pavement				
- R/O/W 20 meters				
- with 15 meters compacted cement reinforced earth base course				
- paved carriageway of 7 meters width				
- shoulders of 2x2m with cement lined drainage channels	228	152		380

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(CFAF 000,000)

	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
ii) tertiary network rehabilitation of 15 kms of light traffic gravel roadways and pedestrian walkways, including where necessary for erosion prevention cement lined drainage channels at 1 million FCFA per km	12	8		20
2. Potable water distribution				
- expansion of existing network to outlying neighborhoods				
i) 5 km extension of Ø143, 2/160 PVC main line at 2,000 FCFA per linear meter	6	4		10
ii) 5 km extension of Ø 80, 6/90 PVC tertiary lines at 1,200 FCFA per linear meter	4	2		6
iii) necessary security valves and 20 fire hydrants	4	3		7
iv) 1,000 individual courtyard metered hookups at 4,800 CFA per unit			5	5
3. Sanitary sewerage				
- Gagnoa has no central sewage disposal network therefore this item is not applicable				
4. Street lighting				
- installation along 10 kms of secondary roadway at 50 m intervals				
- sodium vapor lamps mounted on timber poles at 300,000 FCFA per unit	18	12		30

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	(CFAF 000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
5. Electrical distribution				
- expansion of existing system to outlying neighborhoods to enable individual household metered hookups				
i) distribution by 25 KVA transformers down to 220 volt single phase conductors	30	20		50
ii) 1,050 metered hookups at 8.600 per unit			9	9
6. Solid waste removal				
- expansion of existing municipal collection service				
i) construction of 30 bins for central collection at 55.000 FCFA per unit	1	1		2
ii) purchase of 2 specially equipped collection vehicles	12	8		20
Sub-total civil works	<u>315</u>	<u>210</u>	<u>13</u>	<u>538</u>
7. Community Facilities				
i) 2 primary schools of 12 classrooms each with accompanying instructors housing				

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	(CFAF 000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
- hollow cement block construction with wooden ceilings and windows and aluminium roofing at 2.5 million CFA per class-	36	24		60
room and 2.0 million CFA per housing unit	29	19		48
ii) Public Health clinic				
- hollow cement block construction, glass windows, wooden ceilings aluminium roofing and sanitary facilities	16	10		26
iii) Neighborhood market places				
- 4 modules of 75 m2 each				
- cement slab flooring reinforced concrete columns supporting aluminium roofing structure at 1.5 million per module	4	2		6
iv) Neighborhood Sportsfield				
4-graded and leveled sport area with limited landscaping	5	3		8
<hr/>				
sub total community facilities	89	59		148
sub total civil works	315	210	13	538
Detailed technical design and bid documents preparation at 5% of total investment package	20	14		34
Total Upgrading	425	282	13	720

(CFAF 000,000)

	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
b) Sites and Services				
1. 400 partially serviced lots - land boundry markers, all weather access road, secondary water and electrical lines at 130,000 FCFA per lot	52			52
2. Core housing 30 core units of 35 m2 cement block construction wooden doors and windows aluminium roofing and sanitary facilities at 1,200,000 FCFA	36			
3. detailed technical design and bid documents preparation at 5% of investment package	5			5
sub total Sites and Services	93			93
sub total Upgrading	425	282	13	720
physical contingencies (15%)	78	42	1	121
Total sub-project cost	596	324	14	934
in million dollars U.S. (US \$ 000)	2,980	1,620	70	4,670

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IV. Korhogo

Korhogo, the largest urban center in the savannah region of the Ivory Coast, has an estimated 1980 population of 62,500. Growth of this urban center is a result of recent GOIC initiatives to develop industrial complexes to process agricultural produce. Delivery of basic services (water, electricity, primary infrastructure) has not kept up with expansion of the city. The following sub-project package details possible activities with HG funding.

Proposed sub project activities

a) Upgrading	(CFAF 000,000)			<u>Total</u>
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	
1. Roadways - partial rehabilitation of primary and secondary network including area surrounding Central market place				
i) Primary network: 5 kms of pavement R/O/W width 20 meters				
substructure, 20 cm thick 10.5 m wide carriageway paved with sand, aggregate, asphalt mixture; at 92.000 FCFA per linear meter	148	100		248
ii) Secondary network - 15 kms of grading, compacting and filling where necessary - R/O/W 15 meters - compacted gravel carriageway of 7 meters - Shoulders 2 x 2 meters compacted earth width "V" shaped drainage ditch at 600,000 FCFA per km	72	48		120

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	(CFAF 000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
2. Potable water distribution: expansion of existing secondary/tertiary network for service to outlying neighborhoods				
i) 5 kms extension of Ø 143,2/160 main line	10	6		16
ii) 4 kms extension of Ø 80,6/90 tertiary lines	6	4		10
iii) 1,000 courtyard hookups at 4,800			5	5
iv) necessary security valves & fire hydrants	5	3		8
3. Sanitary Sewerage - Korhogo has no central sewer system. Sewage disposal is accomplished through the extensive use of collector basins and chemical treated septic tanks				
4. Street lighting				
i) installation along 15 kms of roadway at 50 meter intervals of sodium vapor lamps mounted on timber poles at 300,000 FCFA per unit	54	36		90
5. Electricity distribution to service outlying neighborhoods				
i) main distribution from 25 KVA transformers down to single phase 220 conductors	48	22		80

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	(CFAF 000,000)			
	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
ii) 1050 household hookups at 8,600 FCFA per unit			9	9
6. Solid waste removal - rehabilitation and expansion of exdisting services				
i) construction of 30 central collection bins at 60,000 FCFA per unit	2	0		2
ii) purchase of 2 collection vehicles	10	7		17
	<hr/>	<hr/>	<hr/>	<hr/>
sub-total civil works	355	236	14	605
7. Community facilities				
i) 2 primary schools of 12 classrooms each with instructors housing at 2.5 m FCFA per class and 1.5 m FCFA house	36 22	24 14		60 36
Construction will be of hollow cement block with aluminium sheet roofing				
ii) Neighborhood market extensions: will include 6 units of 50 m2 each at 750,000 FCFA per unit Construction will be of reinforced cement column roof structure with simple cement slab flooring and no outside walls	3	2		5

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(CFAF 000,000)

	<u>HG</u>	<u>GOIC</u>	<u>Bene- ficiaries</u>	<u>Total</u>
8. Related technical design and bid documents preparation at 5% of total investment package	22	14		36
Sub total community facilities	83	54		137
Total upgrading	438	290	14	742
b. Sites and Services				
1. 250 partially serviced lots - land boundry markers, all weather access, tertiary electrical and potable water installations at a per lot development cost of 150,000 FCFA	38			38
2. Core housing - 50 units of 35 m2 cement block construction with aluminium sheet roofing and sanitary facilities	75			75
3. Related technical design and bid document preparation at a rate of 5% of the total investment package	6			6
Sub total sites/services	119			119
Sub total upgrading	438	290	14	742
physical contingencies (15%)	84	44	1	129
Total sub project cost	641	334	15	990
(U.S. \$ 000)	3,210	1,670	80	4,960

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Report on Use of Small and Medium sized Ivorian Contractors

I. Background

The use of small scale contractors in the Ivory Coast is predominantly in new residential neighborhoods where they construct 95% of the new housing units. These small contractors work directly for the individual property owner on an informal piece-work basis, using labor intensive building techniques. These activities average contract values of between 1 million FCFA (\$5,000) and 5 million FCFA (\$25,000).

The expansion of small scale construction industry in the Ivory Coast is hampered most by the unavailability of financial backing, either guaranteed cash advances or construction materials credits. Of an approximate CFAF 100 billion (\$500 million) spent annually on construction projects only 3% or 3 billion FCFA (\$15 million) is handled by the estimated 150 small and medium sized Ivorian contractors (SMIC). The remaining CFAF 97 billion is divided among approximately 18 very large expatriate firms.

Large banking institutions consider financing of small scale construction firms activities high on risk and low on profitability. Another constraint is the long wait for payment for work in projects managed by large general contractor or the GOIC. Standard construction contracts require a minimum 90 day delay for payment on work in place, and larger contracts call for up to a full year. This effectively prohibits small firms from participating as they have limited working capital which they must turn over 3 or 4 times a year. Also 90% of the construction contracts let out by the GOIC Central Contracting Office (DCM) are for amounts in excess of 500 million FCFA. Of these contracts, 45% are for major highway development, 20% for urban developpment, 15% for rural development, 10% for heavy infrastructure and finally 10% for electrical and potable water systems. Although small firms are directly awarded only 3% of these contracts through sub-contracting they actually perform 15% of the work.

Lastly and possibly the most serious constraint for Small and Medium Ivorian Contractors (SMIC) is the extremely high cost of adequate technical assistance for both job-site and office management. Good management skills are critical to the expansion of a small enterprise. Even a slight error in the calculations of a bid submission or an erroneous measurement on the job site can over extend working capital and jeopardize the continued operation of the firm.

II. AID's experience

AID experience with SMICs began in 1973-74 with the HG-002 SOGEFIHA Abobo Gare project. In this project, construction of 578 row houses was reserved for SMIC. The 578 units were divided into 11 parcels of 30 to 80 each representing a construction value of CFAF 60 to 125 million (\$300-625,000). Since the objective of the "set aside" was not only to demonstrate that SMIC could handle relatively large contracts, but also to provide on-the-job training to the participating firms, a management assistance program was established.

The contractors were organized into a group, and INTRADEP, a consulting engineering firm plus experts from the GOIC's Office for the Promotion of Ivorian enterprises (OPEI) were engaged to provide day-to-day support in purchase and management of materials, and in programming of work. The Abobo Gare exercise was a success as the construction performance was satisfactory and the participating firms gained valuable management experience. The only major problem that arose was that the firms, in their desire to secure the contract under bid the actual costs. When construction was near completion, some of these firms were unable to complete their contract.

This problem was resolved through renegotiation of a slightly higher cost with the developer, SOGEFIHA.

In conjunction with the O03 HG project, PDU in Abidjan, small scale firms are participating in the following areas:

1. Of the 2000 SICOGI rental housing units financed by HG funds, 1500 are being constructed by SMIC firms who have working capital of up to CFAF 60 million (\$300,000). The remaining 500 units are being built by very small firms with working capital of only 5 to 20 million francs (\$20,000-100,000). A group of very small firms represented by OPEI who bid on the first 1500 units was not awarded the contract because their bids were too high. It appears that OPEI believed the contract for these 1500 units would be awarded to the SMIC regardless of cost because of a desire to utilize the small scale industries. GOIC has recently combined OPEI and two similar organizations. This may provide a more effective spokesman for SMICs in the future.

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Although the participation of SMIC in the construction of the rental housing component of this project is satisfactory, largely because SICOGI itself has managerially supported these firms with materials credits, SICOGI has had only moderate success in its experience with small scale contracting. In a sites and services project located at Yopougon in which small and medium sized firms participated, serious problems arose when construction deadlines were not met. The inflationary cost increases caused by this delay forced SICOGI to cut back the total number of plots in the project by 20% to stay within the projects budget. SMIC also participated in a SICOGI lease purchase housing construction project located at Bingerville. Again construction completion delays were a serious problem, this time due to lack of on-site technical assistance and off-site management expertise. In this project SICOGI had to withdraw certain contracts and reaward them to the more competent firms.

2. Two small Ivorian consulting engineering firms have been used for sub-project design. One firm sub-contracted the actual detail engineering and bid document preparation, the other firm performed sub-project design evaluation services. Both of these firms performed satisfactorily. It becomes apparent, from this experience, that local small scale engineering firms can be used in the design of future sites and services and upgrading sub-projects of the type now being developed in the PDU.

3. SMIC will make their most substantial input to the PDU during the construction phases. This input takes the following two forms:

A. For small building firms - the sewerage portion of the Port Bouet II sub-project representing approximately CFAF 180 million (\$900,000) is divided into 6 sub-lots of CFAF 30 million (\$150,000) each. 12 small firms participated in the bidding for this project. Preliminary evaluation of the bids suggests that 4 or 5 firms may be awarded one or more sub-lots. This is a new departure in the awarding of large scale construction contracts and is largely the result of AID insistence that the bidding procedure allow for the inclusion of SMIC who can be competitive if grouped together and managed competently.

B. For small engineering firms - job site supervision and construction quality control services will be performed by small firms. As this does not require large capital outlays but rather emphasises technical and management expertise, the small consulting firms can provide these services, provided they are supervised by the implementing land development agency (SETU).

CONCLUSIONS

- There exists a limited number of SMICs capable of performing construction and consulting services in the Ivory Coast. These firms can be utilized in future AID shelter projects by dividing large contracts into small sub-lots.

- The means for financial backing or construction materials credits needs to be investigated. If possible AID should include financial assistance to the SMIC in future shelter programs. This could take the form of limited construction advances or short term materials loans.

16/1/62

INITIAL ENVIRONMENTAL EXAMINATION

SHELTER ASSISTANCE IN SECONDARY CITIES
IVORY COAST - HOUSING INVESTMENT GUARANTY
HG - 004

Office of Housing
U.S. Agency For International Development

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INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Ivory Coast

Project Title: Shelter Assistance in Secondary Cities

Proposed Housing Guaranty: HG-004

Amount: \$20,000,000

Date IEE Prepared: May 1980

Recommendation:

The impact of the proposed project can be expected to be primarily beneficial and focused on the localized human environment of the project beneficiaries. Impacts on the broader, natural systems or on life support systems are not anticipated. However, a Positive Determination is recommended so as to focus attention on maximizing environmental benefits to the beneficiaries and to pay special attention to the environmental issues discussed in this IEE, during the detailed engineering design stages for various sub-projects.

Office of Housing

David McVoy
David McVoy
Assistant Director for
Operations

Date: 8/6/80

Africa Bureau

Date: _____

BACKGROUND INFORMATIONA. BASELINE ENVIRONMENTAL CONDITIONS-GENERAL DESCRIPTION1. Natural Environment

The Ivory Coast has two predominant geo-climatic regions. The southern third of the country can be described as a classic example of a tropical hardwood forest, while the northern two thirds is classified as savannah. The forest region contains the majority of the country's population and is extensively cultivated in traditional mixed-crop plots where basic subsistence products (corn, plantains and yams) are grown for several years before the forest is allowed to grow over again and a new plot cleared, usually by burning.

Coffee and cocoa are the principal commercial crops. Rubber plantations are also being developed in some of the areas where commercial lumber operations are underway. Rice cultivation has been developed in some of the river basins and is being continuously expanded as irrigation projects are completed throughout the savannah as well as in the forest region. While agriculture in the savannah is not as extensive as it is in the forest region due to natural limitations, it is intensive in those areas suitable to sustained production.

Cotton is the principal cash crop in the savannah. Large land areas in both regions have been set aside as natural reserves. These form a national park system which is enviable in its abundant natural resources but severely limited by lack of funds, personnel and legal authority to maintain and protect the reserves. To date they are in fact reserves rather than national parks. Tourism has not been developed, the interior of the parks remain virtually inaccessible, and no program

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exists for maintaining or monitoring, or even for inventorying, the area. It is in effect a national park system in name only at this time. It remains to be seen whether or not the GOIC will protect these resources when pressures increase to exploit the forests and the wildlife inside the park boundaries.

2. Physical Aspects of the Built Environment

Of the estimated 8 million people who live in the Ivory Coast, 2.9 million, or 36%, live in urban areas. The 1980 population of Abidjan is estimated at 1.7 million and by 1990 is expected to rise to 3.4 million, or 54% of the total urban population. Growth rates in secondary cities vary widely. Bouake', the second largest city, had a 1980 population of 280,000 and a growth rate of 7.4%. GOIC statistics are provided for 46 secondary cities grouped in ten categories which are based on employment, function, and size. Of these 46 towns, 20 appear to be growing faster than Abidjan, with 5 having growth rates in excess of 10%. Another 26 are growing less rapidly, including 6 at less than 4% per year.

Generally speaking, towns located in the forest region are growing somewhat faster than those in the savannah, perhaps due to the greater emphasis which has been placed on exploration of the timber resources of the forest and development of the agricultural potential of the region.

Basic infrastructure such as roads, electricity, schools and health facilities are found in most secondary towns, but the systems are inadequate to meet present population needs. An IBRD-funded project is assisting the GOIC in a 12 year program aimed at:

*Providing every prefecture and sous-prefecture (regional administrative centers subcenters) with a piped water

system by the early 1980's;

- * Extending existing systems to meet projected growth needs;
- * Providing all villages with population of 100 or more with wells.

The proposed HG project will also contribute to this program.

The level of public services in most towns is relatively higher than that found in similarly sized towns in other African Countries, yet sporadic trash collection, lack of sanitary waste disposal, scarcity of piped water, absence of basic health services and inadequate storm drainage are serious constraints on the well-being of the community.

Generally older neighborhoods are more compact than newer ones and forest towns more compact than those in the savannah regions. Most are well organized to serve community needs with roads which are generally broad enough to accommodate pedestrian and vehicular traffic. Access is provided to most houses from a road. Extensive squatter settlements which have developed quickly in boom towns such as San Pedro are an exception to this general organization.

In rural areas and in smaller towns and villages, houses are built of laterite clay "banco" over a loosely woven frame structure with a roof of multiple layers of palm branches laced to a wooden frame. Such structures provide a reasonable level of comfort in the humid tropics, but require continuous maintenance and provide possible shelter for insects and rodents.

In the larger secondary towns the banco houses are being replaced by concrete block structures, and metal roofs are replacing those of palm. While more durable, these modern "improvements" can aggravate rather than improve health by decreasing ventilation and transferring heat more rapidly to the interior of the house.

In lumber towns one often finds rough-sawn wooden boards used for houses. In most cases the house plan remains the same and should be found in the forest region or the savannah, whether it is built of wooden planks, laterite clay over a wooden frame or of concrete block.

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3. Socio-Cultural Aspects of the Built Environment

Family structure remains a strong influence on Ivorian society, as do village and tribal associations. Land is held in common by villages and through tribal custom. Traditionally, individual use of a particular piece of land for agriculture or for dwelling is sanctioned by the village chief. Most of the towns of the Ivory Coast have a surprising mix of people from different tribal origins and even from neighboring countries. This is primarily due to the relative affluence of the higher level of services and of incomes found in the towns vs. the rural areas.

Most outsiders live in the more densely built-up area closest to the center of town, and they are mostly renters. Family structure is similar throughout the country and, in fact, throughout West Africa; thus, there is relatively little difficulty in physical accommodation of this mixture of people even in relatively small towns. On the social level community organization is much more complex, however, as a result of the heterogeneous population.

Understanding the family structure is somewhat simplified by analyzing the house forms and how people live within the traditional house. Houses tend to be organized internally around a courtyard or compound, although the compound is not generally enclosed except in the more densely built-up sections. Cooking, washing and most other household work takes place in the compound. Animals are kept here, and there

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are sometimes fruit-bearing trees and a well. The surrounding rooms which make up the house include a room for the head of the household and separate rooms for each wife and her younger children. Older boys usually have a separate room, as do older girls. There is also a room for any elder member of the family and for any married brother or other relative who may maintain a separate household within the compound. Each compound generally has a single dry pit latrine connected to a septic tank, which is used until it is filled. It is then covered over and a new one is dug.

Respiratory ailments such as tuberculosis and bronchitis are the most prevalent health problems, followed by those related to water supply and sanitation. Thus environmental conditions have a major effect on public health throughout the Ivory Coast. Crowded housing conditions and poor sanitation results in particularly high incidences of illness among lower-income families in urban areas. High humidity levels and lack of ventilation in most sleeping rooms facilitate transmission of infections and impede recovery.

B. DESCRIPTION OF PROPOSED PROGRAM ACTIVITIES

The proposed project will be undertaken in secondary cities and small towns throughout the Ivory Coast. The project will address the improvement of access to urban services by low-income households. It will also improve the delivery skills of Ivorian contracting firms. Project activity will be carried out in centers of differing size and by a variety of implementing agencies, consistent with GOIC organization. In this way project goals and purposes will be introduced and made familiar to an increasing number of GOIC operational institutions.

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1. Project Purposes

Project purposes are threefold:

- To assist the GOIC in completing, in a variety of secondary cities and rural services centers, minimum standard shelter projects with cost-recovery mechanisms built-in, which are affordable by below-median-income households;
- To develop the institutional coordination necessary to carry out such activity;
- To promote and strengthen the capacity of local Ivorian construction firms.

2. Project Outputs

Project activities will take place in urban centers of different sizes. Although the range of activities will be consistent, their mix will vary depending on the size of the community and the associated other GOIC development activities. Project areas may be described as follows:

- Predominantly lower-income neighborhoods in medium-sized urban centers (population 30-60,000);
- Neighborhoods in smaller towns of 20-30,000 which, because of traditional demographic patterns, contain a more mixed economic distribution of households. Community facilities will be more likely in these cases to serve the entire town;
- Small urban centers with populations of 5-15,000 in regional development programs, primarily to increase agricultural production in which improved shelter and urban service functions are to be developed.

Activities will consist of the following:

a. Community Upgrading

1. All-weather streets and storm drainage
2. Distribution of potable water
3. Sewage disposal (on site)
4. Electrical distribution system and public street lighting
5. Construction of community facilities (elementary school, health center, multi-purpose center, market)
6. Trash collections and disposal

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b. Sites and Services: A limited number of minimally serviced lots can be laid out as an extension to an upgrading sub-project or to provide for demographic growth in an existing community or to provide for house needs in conjunction with a regional development program in small urban centers.

Minimal services will include:

- Grading and drainage of access roads;
- Extension of a secondary water line. Other services may be added as the area becomes populated to bring it to the standard of services used in upgrading sub-projects;
- Core Houses.

Construction of minimal-standard houses may be incorporated into the sites and service sub-projects located in small urban cities in which activities are being carried out by a regional development agency.

In all projects, beneficiaries will be ensured security of tenure through completion of registry formalities for each plot. A provisional system for this exists in the Ivory Coast, in which a registry is maintained by the government administration (sub-prefect) until a formal cadastral survey can be completed.

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EXAMINATION OF POTENTIAL ENVIRONMENTAL EFFECTS
OF PROPOSED HG PROGRAM

An initial environmental examination has been conducted for the range of project activities proposed in order to identify potentially important environmental concerns. Site-specific conditions were analyzed in representative towns in order to identify the types of issues which should receive special attention during the detailed design phase of the various sub-projects. These issues are outlined in Annex I-- Summary Environmental Impact Identification and Evaluation Sheet. The potentially critical concerns are discussed below.

A. PRINCIPAL ENVIRONMENTAL CONCERNS

The major environmental concerns facing the Ivory Coast are related to resource utilization and management, particularly the exploitation of the hardwood forests and their replacement with plantation agriculture. GOIC policies affecting these issues are not likely to be influenced by the HG program, nor do any settlement-related environmental programs have a major effect on these issues. The most significant settlement-related environmental issue is the long-term stability of smaller towns and urban centers. It appears that the proposed project will address this issue to the extent possible, but it should be kept clearly in focus as the project develops.

1. Stability of Settlements

A shelter program alone is not sufficient to assure long-term stability of a settlement. An employment base is critical, and new HG sub-

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projects should in most instances be tied to planned expansion of employment base through development of new crop land or industry. In any event the prospects for community growth should be good and the shelter program should serve to stabilize the settlement by making it a more desirable place to live. In rapidly growing towns such as San Pedro the lack of adequate shelter may in fact undermine the stability of a community. Thus a shelter program seems essential to the well being of all the inhabitants and to the orderly growth of the town. Through this approach, a shelter program in small urban centers may help to stem the migration from rural areas to the larger cities by providing some of the urban services which attract young people to the city.

Other issues of a more technical nature are addressed in the following section.

B. ISSUES REQUIRING SUBSEQUENT ANALYSIS

In preparing detailed plans for the sub-projects, a number of areas of environmental concern should be addressed at the technical level. These are outlined individually in Annex I but are summarized below according to categories of potential problems.

1. Balance of Supply and Demand

It must be recognized that improved quality of public infrastructure and increased access will increase usage or demand. The project should assure that the supply of water and electricity is available. An effort should be made to ensure staff and operational budgets for new schools or health facilities are adequate to meet at least the project-generated needs. Water supply is more likely to be a problem in savannah towns than in forest towns.

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2. Capacity of Natural Systems

In determining appropriate sites for HG sub-projects, the basic capacities of natural systems to support additional impacts of human occupation should be reviewed. This review should include the adequacy of local firewood supplies, particularly in the savannah region; availability of suitable solid waste disposal sites; sewerage absorption capacity of soils or waterways; adequacy of local agricultural production to provide food supplies; and availability of building materials.

3. Appropriate Housing

House forms, particularly interior design and spatial relationships to other shelter components (compound, cooking area, bathin, etc.), must respect ethnic origins and religious and cultural differences of the inhabitants if the projects are to be successful. Several examples of inappropriate houses being rejected by intended occupants can be found in the Ivory Coast, as in most countries. Care should be exercised in selecting implementing agencies to assure their willingness to develop appropriate and affordable housing choices for the local population in a particular town.

4. Improved Health

Improvement in public health is one of the principal objectives of the HG program. While provision of health facilities is one aspect of the project which addresses this concern, the primary contribution of the project will be an indirect one, achieved by eliminating environmental conditions which adversely affect health. Many debilitating illnesses commonly found in urban areas can be attributed to overcrowded

175 housing, inadequate ventilation, poor sanitation and lack of potable water. To the degree that the design of each sub-project can successfully eliminate these conditions, the general health of the population will improve.

Of particular concern should be the relationship between drinking water supply and the disposal of sewerage waste. If on-site methods of disposal are used, soil percolation capacity must be considered and the likelihood of seepage into underground aquifers evaluated, particularly where wells are the principal source of drinking water for the town. The removal and disposal of solid wastes should also be studied carefully as improvements in local management of this important environmental/health service are needed in most small towns.

The most difficult health issue to address will be overcrowded housing and inadequate ventilation. Household sizes are large, often including several generations within the same household. Open planning around a compound seems highly desirable from the health as well as the socio-cultural perspective. The apparent conflict between the desire for decreased maintenance of concrete houses and the greater ventilation of less permanent structures can be resolved through innovative design and proper orientation of the various components of the house.

5. Improved Safety/Convenience

Public safety within project areas can be improved by providing street lighting and by eliminating the damage to house foundations caused by erosion. Steep-sloped sites will require particular attention to design of the drainage system so as to avoid aggravated flooding through improper sizing of storm drains. Maintenance of storm drains will also be necessary, including a program

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for removing solid waste thrown into the storm drains as this will block the flow of stormwater away from the houses.

The danger of fires is also a major concern in some towns, especially those near lumber mills where wooden siding is commonly used on houses in densely developed neighborhoods. In such cases any upgrading program should include a home improvement loan component to encourage rebuilding in less flammable materials, as well as for steeper slope sites which can not be treated by unimproved drainage.

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III

RECOMMENDATIONS

A. THRESHOLD DECISION

The impacts of the proposed project can be expected to be primarily beneficial and focused on the localized human environment of the project beneficiaries. Impacts on the broader natural systems or on life support systems are not anticipated. However, a Positive Determination is recommended so as to focus attention on maximizing environmental benefits to the beneficiaries and to pay special attention to the environmental issues discussed in this IEE, during detailed engineering design stages for various such projects.

B. ENVIRONMENTAL ANALYSIS IN PROJECT DESIGN

The issues identified in the preceding sections of this report are primarily of a technical nature and should logically be incorporated into detailed project design at the stage of preparing site-specific engineering studies. At the time the scope of work for these studies is prepared, it would be advisable to include reference to the findings and recommendations for subsequent analysis contained in this report.

ANNEX H - SUMMARY ENVIRONMENTAL IMPACT

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IDENTIFICATION AND EVALUATION SHEET

COLUMN 1

COLUMN 2

COLUMN 3

LIST OF SELECTED CRITICAL ENVIRONMENTAL CONCERNS	PROGRAM/PROJECT COMPONENTS LIKELY TO CAUSE SIGNIFICANT CHANGES	ENVIRONMENTAL NATURE OF PROBABLE IMPACTS NEGATIVE (-) POSITIVE (+)
PROGRAM/PROJECT IMPACTS ON THE ENVIRONMENT		
<u>Natural Environment</u>		
1. Potential Major Effect on Existing Water Resources; a) Surface (Rivers, Lakes, Reservoirs) b) Underground (Aquifers) c) Estuary d) Ocean	Storm Drainage - U U Storm Drainage - U Storm Drainage -U	(+) Minimal effect in most cases, but should reduce sedimentation - " "
2. Potential Loss or Damage to Environmentally Sensitive Areas: a) Unique or Unstable Geologic Formations b) Wetlands, Marshes, Flood Plain, and Estuaries c) Aquifer Recharge Areas d) Rare or Endangered Plant and Animal Species and Their Habitats e) Historical, Archaeological and Cultural Resources	U U U U U	

NA - Not Applicable
 U - Unlikely to be of Importance
 P - Potentially of Importance
 C - Critical

SUMMARY

ENVIRONMENTAL IMPACT IDENTIFICATION AND EVALUATION SHEET

COLUMN 1

COLUMN 2

COLUMN 3

LIST OF SELECTED CRITICAL ENVIRONMENTAL CONCERNS	PROGRAM/PROJECT COMPONENTS LIKELY TO CAUSE SIGNIFICANT CHANGES	ENVIRONMENTAL NATURE OF PROBABLE IMPACTS NEGATIVE (-) POSITIVE (+)
3. Potential Significant Influence on Existing and/or Future Land Use Activities and Development Patterns Which May Affect: a) Wildlife Refuges b) Prime Agricultural Lands c) Valuable Natural Resources - Forests, Wetlands, Minerals, etc. d) Open Space/Recreation Lands e) Ecological Balance of the Area/Region f) Stability and Preservation of Human Settlement Areas	U U U U U Up-grading - P	(+) This is a principal objective of the project.
4. Potential Significant Ecological Consequence from Introducing New or Different Technological Systems in Conjunction with Community Infrastructure Services: a) Water Consumption versus Supply Limitations b) Energy Requirements c) Ambient Air Quality d) Water Quality and Quantity e) Change in Agricultural Practices & Use of Human Waste for Fertilizer	Water Service - C Electrical Service - C U Water Service -C U	(-) Impact of increased usage on supply should be examined. (-) Increase usage should be evaluate (+) Should be an objective of projec
NA - Not Applicable U - Unlikely to be of Importance P - Potentially of Importance C - Critical		

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SUMMARY

ENVIRONMENTAL IMPACT IDENTIFICATION AND EVALUATION SHEET

COLUMN 1

COLUMN 2

COLUMN 3

LIST OF SELECTED CRITICAL ENVIRONMENTAL CONCERNS	PROGRAM/PROJECT COMPONENTS LIKELY TO CAUSE SIGNIFICANT CHANGES	ENVIRONMENTAL NATURE OF PROBABLE IMPACTS NEGATIVE (-) POSITIVE (+)
<u>Human Environment</u>		
1. Potential Social Disruption or Change to Traditional Customs and Socio-Cultural Conditions: a) Community Character & Cohesion b) Social Organization c) Institutional Structures d) Life Styles and Cultural Traditions e) Family Patterns & Values f) Demographic or Social Profile g) Level of Personal Safety & Convenience	U U U U U U Up-grading - C	(+) This is an objective of the project
2. Potential Significant Change to Established Housing Concepts & Practices: a) Building Materials b) Construction Techniques c) Housing Form & Styles d) Interior Design of Structure e) Spatial Relationships of Structure to Other Shelter Components (Courtyards, Cooking Area, Bath, etc.)	U U Core-house - P/C " "	(-) Idea of appropriate house form may vary. " "
<u>NA</u> - Not Applicable <u>U</u> - Unlikely to be of Importance	<u>P</u> - Potentially of Importance <u>C</u> - Critical	

SUMMARY

ENVIRONMENTAL IMPACT IDENTIFICATION AND EVALUATION SHEET

COLUMN 1	COLUMN 2	COLUMN 3
LIST OF SELECTED CRITICAL ENVIRONMENTAL CONCERNS	PROGRAM/PROJECT COMPONENTS LIKELY TO CAUSE SIGNIFICANT CHANGES	ENVIRONMENTAL NATURE OF PROBABLE IMPACTS NEGATIVE (-) POSITIVE (+)
Human Environment, (cont.)		
f) Population Density	U	
g) Housing Location	U	
3. Potential Significant Effect on Public Health and General Well-Being:		
a) Communicable Disease Control & Environmental Health Conditions	Up-grading - C	(+) Improved sanitation.
b) Displacement & Relocation of Population	U	
c) Employment	U	
d) Land Tenure and/or Stability of Human Settlement	Total Program - P	(+) Major project objective.
LOCATIONAL FACTORS POTENTIALLY IMPACTING PROGRAM/PROJECT		
1. Presence of Significant Natural Hazards:		
a) Seismic Disturbances	None	(-) Low level risk exist; project proposes no change.
b) Flooding	U	
c) Droughts	U	
d) Tornadoes, Hurricanes	U	
e) Landslides, Rock Slides, or Unstable Slope Conditions	Drainage - C	(-) Same project areas may have unstable slope conditions.
f) Fires	Up-grading/home loans - C	(-) Some project areas may be predominately wood.
NA - Not Applicable		
U - Unlikely to be of Importance		
P - Potentially of Importance		
C - Critical		

SUMMARY

ENVIRONMENTAL IMPACT IDENTIFICATION AND EVALUATION SHEET

COLUMN 1

COLUMN 2

COLUMN 3

LIST OF SELECTED CRITICAL ENVIRONMENTAL CONCERNS	PROGRAM/PROJECT COMPONENTS LIKELY TO CAUSE SIGNIFICANT CHANGES	ENVIRONMENTAL NATURE OF PROBABLE IMPACTS NEGATIVE (-) POSITIVE (+)
<u>Presence of Significant Natural Hazards, (cont.)</u> g) Soil Stability - Shifting Sands, Expanding Clay, Erosion, etc.	All Projects -C	(-) Erosion control will be a factor in most project sites.
2. Existence of Major Environmental Health Problems: a) Water Quality/Supply b) Climate & Ambient Air Quality c) Exposure to Communicable Diseases d) Man-Made Nuisances - Noise, Odor, Toxic Materials, etc.	Water Supply - C	(+) Improved access to potable water.
	Core House - C	(-) High humidity and poor ventilation are major health problems in the forest area.
	Up-grading - C	(+) Improved sanitation to reduce risk.
	U	
3. Availability & Capacity of Basic Community Infrastructure & Services a) Transportation - Accessibility to Jobs, Services, etc. b) Water Supply & Distribution c) Sewage Collection, Treatment & Disposal d) Health Care e) Solid Waste Disposal	NA	
	Water Supply - C	(+) Increased demand may exceed supply.
	NA	(+) Added facilities may exceed staff and budget.
	Up-grading - C	(+) Improved collections may improve disposal problems.
<u>NA</u> - Not Applicable <u>U</u> - Unlikely to be of Importance <u>P</u> - Potentially of Importance <u>C</u> - Critical		

SUMMARY

ENVIRONMENTAL IMPACT IDENTIFICATION AND EVALUATION SHEET

COLUMN 1

COLUMN 2

COLUMN 3

LIST OF SELECTED CRITICAL ENVIRONMENTAL CONCERNS	PROGRAM/PROJECT COMPONENTS LIKELY TO CAUSE SIGNIFICANT CHANGES	ENVIRONMENTAL NATURE OF PROBABLE IMPACTS NEGATIVE (-) POSITIVE (+)
4. Urban/Regional Growth & Land Use Considerations: a) Strains on the capacity of existing natural systems (food production, water supply, etc.) or man-made systems (public transport, electrical supply, schools, etc.) due to Prevailing Physical Growth Pattern of Urban Center(s) Anticipated to be Possible HG Sites	Water Supply Electricity - C	See #3 on previous page.
b) Identifiable Important Environmental Resources Threatened by the Process of Urbanization <ul style="list-style-type: none"> ● Rare or Endangered Plant & Wildlife Habitats ● Wetlands ● Agricultural Lands ● Flood Plains ● Forests ● Historic, Archaeologic & Culturally Significant Sites ● Unique Natural Areas ● Scarce or Critical Raw Materials 	NA	Note: Although several of the resources listed are in fact threatened by GOIC policies, urban growth is not a factor nor is there any apparent way for the HG program to influence these policies.
<u>NA</u> - Not Applicable <u>U</u> - Unlikely to be of Importance	<u>P</u> - Potentially of Importance <u>C</u> - Critical	

THE HOUSING GUARANTY PROGRAM

STATUTORY CHECKLIST

Annex I

Republic of IVORY COAST

ANSWER YES/NO

Housing Guaranty

681-HG-004

A. General Criteria Under HG Statutory Authority

Section 221(a)

Will the proposed project meet the following criteria:

- (1) is intended to increase the availability of domestic financing by demonstrating to local entrepreneurs and institutions that providing low-cost housing is financially viable; Yes
- (2) is intended to assist in marshalling resources for low-cost housing Yes
- (3) supports a pilot project for low-cost shelter, or is intended to have a maximum demonstration impact on local institutions and national policy; and Yes
- (4) is intended to have a long run goal to develop domestic construction capabilities and stimulate local credit institutions to make available domestic capital and other management and technological resources required for low-cost shelter programs and policies? Yes

Section 222(a)

Will the issuance of this guaranty cause the total face amount of guaranties issued and outstanding at this time to be in excess of \$1,180,000,000

No

Will the guaranty be issued prior to September 30, 1982

Yes

Section 222(b)

Will the proposed guaranty result in activities which emphasize:

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- (1) projects providing improved home sites to poor families on which to build shelter and related services; or Yes
- (2) projects comprised of expandable core shelter units on serviced sites; or Yes
- (3) slum upgrading projects designed to conserve and improve existing shelter; or Yes
- (4) shelter projects for low-income people designed for demonstration or institution building; or Yes
- (5) community facilities and services in support of projects authorized under this section to improve the shelter occupied by the poor? Yes

Section 222(c)

If the project requires the use or conservation of energy, was consideration given to the use of solar energy technologies, where economically or technically feasible? Not applicable

Section 223(a)

Will the A.I.D. guaranty fee be in an amount authorized by A.I.D. in accordance with its delegated powers? Yes

Section 223(f)

Is the maximum rate of interest allowable to the eligible U.S. Investor as prescribed by the Administrator not more than one percent (1%) above the current rate of interest applicable to housing mortgages insured by the Department of Housing and Urban Development? Yes

Section 223(h)

Will the Guaranty Agreement provide that no payment may be made under any guaranty issued for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible? Yes

Section 223(j)

- (1) Will the proposed Housing Guaranty be coordinated with and complementary to other development assistance in the host country? Yes
- (2) Will the proposed Housing Guaranty demonstrate the feasibility of particular kinds of housing and other institutional arrangements? Yes
- (3) Is the project designed and planned by A.I.D. so that at least 90 percent of the face value of the proposed guaranty will be for housing suitable for families below the median income, or below the median urban income for housing in urban areas, in the host country? Yes
- (4) Will the issuance of this guaranty cause the face value of guaranties issued with respect the host country to exceed \$25 million in any fiscal year? No
- (5) Will the issuance of this guaranty cause the average face value of all housing guaranties issued in this fiscal year to exceed \$15 million? No

Section 238(c)

Will the guaranty agreement provide that it will cover only lenders who are "eligible Investors" within the meaning of this section of the statute at the time the guaranty is issued? Yes

B. Criteria Under General Foreign Assistance Act Authority

Section 620/620A

- (1) Does the host country meet the general criteria for country eligibility under the Foreign Assistance Act as set forth in the country eligibility checklist prepared at the beginning of each year? Yes

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(2) Is there any reason to believe that
circumstance have changed in the
host country so that it would now
be ineligible under the country
statutory checklist?

No

GUARANTY AUTHORIZATIONPROJECT 681-HG-004

Provided from: Housing Guaranty Authority

For: The Republic of the Ivory Coast

Pursuant to the authority vested in the Assistant Administrator, Bureau for Africa by the Foreign Assistant Act of 1961, as amended (FAA), and the delegations of authority issued thereunder, I hereby authorize the issuance of guaranties pursuant to Section 222 of the FAA of not to exceed Twenty million dollars (\$20,000,000) in face amount; assuring against losses (of not to exceed one hundred percent (100%) of loan investment and interest) with respect to loans by eligible U.S. investors (Investor) acceptable to A.I.D. made to finance housing projects in the Ivory Coast.

This guaranty shall be subject to the following terms and conditions:

1. Term of Guaranty: The loans shall extend for a period of up to thirty years (30) from the date of disbursement and may include a grace period of up to ten years on repayment of principal. The guaranty of the loans shall extend for a period beginning with the first disbursement of the loans and shall continue until such time as the Investor has been paid in full pursuant to the terms of the loans.
2. Interest Rate: The rate of interest payable to the Investor pursuant to the loans shall not exceed the allowable rate of interest prescribed pursuant to Section 223 (f) of the FAA and shall be consistent with rates of interest generally available for similar types of loans made in the long term U.S. capital markets.
3. Republic of Ivory Coast Guaranty: The Republic of Ivory Coast shall provide for a full faith and credit guaranty to indemnify A.I.D. against all losses arising by virtue of A.I.D.'s guaranty to the Investor or from non-payment of the guaranty fee.

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4. Fee: The fee of the United States shall be payable in dollars and shall be one-half percent (1/2%) per annum of the outstanding guarantied amount of the loans plus a fixed amount equal to one percent (1%) of the amount of the loans authorized or any part thereof, to be paid as A.I.D. may determine upon disbursement of the loans.

5. Other Terms and Conditions: The guaranty shall be subject to such other terms and conditions as A.I.D. may deem necessary.

Goler T. Butcher
Assistant Administrator
Bureau for Africa

date _____