

PD-AAT-061

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A CASE STUDY EVALUATION:  
AID SHELTER PROGRAMS  
IN THE IVORY COAST  
1965-76

Prepared for:

OFFICE OF HOUSING  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C.

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February 1979

F O R E W O R D

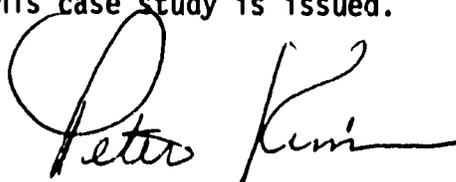
The Office of Housing undertook this case study of the Ivory Coast Housing Guaranty program to delineate the lessons learned from a decade of program experience in one country and, in this way, provide guidance for the formulation of additional multi-year housing programs in the Ivory Coast and other nations.

The Ivory Coast Housing Guaranty program spanned a period (1965-76) during which the country experienced rapid urbanization dominated by the growth of Abidjan, and AID underwent a major reorientation of its policies in foreign assistance programs towards directing its program benefits to the poor majority. The HG projects within the Ivory Coast country program (HG 001, HG 002 and HG 003) reflect these events.

The main objective of HG 001 and HG 002 was to provide the urban middle income families with access to improved housing, opportunities for home ownership, and the institutions through which to finance new homes. These projects successfully expanded home ownership providing 1,591 new units or better than 94% of the production planned. The institutional experience with SOGEFIHA provided valuable lessons in institution building which have been applied in HG 003.

A third project (HG 003) was authorized in 1976 to provide low income shelter. The Abidjan Urban Development Project HG 003 is assisting in financing a minimum standard, replicable shelter program which includes upgrading with basic infrastructure, sites and services, low income rental units, related institutional and project technical assistance and a monitoring unit for project implementation. In addition, in HG 003 the GOIC broke with the local practice of fully subsidizing the costs of secondary and tertiary infrastructure. This has been achieved through sustained dialogue and negotiations in which the GOIC and AID have gone forward together in ever increasing efforts to serve the urban poor. We are appreciative of Robert R. Nathan Associates, Inc. which performed the study in January 1979.

It is in the spirit of mutual learning and cooperation between AID and the Government of the Ivory Coast that this case study is issued.



Peter M. Kimm  
Director  
Office of Housing

## CONTENTS

Acknowledgements	v
Note on Currency Equivalents	vii
Preface	ix
I. SUMMARY	1
II. CONTEXT OF THE SHELTER PROGRAMS	15
III. AID'S HOUSING OBJECTIVES IN THE SHELTER PROGRAMS	25
IV. AID'S INSTITUTION-BUILDING OBJECTIVES IN THE SHELTER PROGRAMS	53
V. THE IMPACT OF HG-003 ON PUBLIC HOUSING POLICY	81
VI. ASSESSMENTS AND OBSERVATIONS	91
CHRONOLOGY OF SELECTED EVENTS IN THE SHELTER SECTOR OF THE IVORY COAST	105
PROJECT SUMMARIES	107
PHASE I. OUTLINE OF THE EVALUATION OF SHELTER PROGRAMS IN THE IVORY COAST, 1965-76	109

## ACKNOWLEDGEMENTS

RRNA wishes to express appreciation to the many individuals in SOGEFIHA, SICOGI, BNEC, Crédit de la Côte d'Ivoire, Societe Ivoirienne de Banque and other organizations whose discussion of Ivory Coast housing issues and problems with the RRNA study team proved invaluable to the preparation of this report. In addition, RRNA wishes to thank the staff of AID's Abidjan Regional Housing and Urban Development Office, notably Mr. Albert Votaw, Mr. Scott Johnson and Ms. Sara Frankel for their cooperation during the field work activities of the study, and Mr. Philip-Michael Gary of the AID Office of Housing for his assistance during the study's Washington, D.C. phases.

The full content, presentation and findings of this report remain, however, the sole responsibility of Robert R. Nathan Associates, Inc.

#### NOTE ON CURRENCY EQUIVALENTS

The unit of currency in the Ivory Coast is the CFA (Communaute Financiere Africaine) Franc, referred to as CFAF. A fixed parity exists between the CFA franc and the French franc:

FF 1 = CFAF 50

The CFA franc floats against the dollar.

Throughout this report, the following rates have been used for the conversion of CFA francs into US dollars and vice versa:

1968 and earlier years:	US\$1 = CFAF 247
1969:	US\$1 = CFAF 256
1970:	US\$1 = CFAF 278
1971:	US\$1 = CFAF 278
1972:	US\$1 = CFAF 252
1973:	US\$1 = CFAF 223
1974:	US\$1 = CFAF 241
1975:	US\$1 = CFAF 214
1976 (and beyond):	US\$1 = CFAF 230

## PREFACE

This study unfolded through two phases. Phase I, lasting a few weeks in April 1978, took place entirely in Washington, D.C. and afforded us the chance to review materials pertaining to AID shelter programs in the Ivory Coast at the Office of Housing. Phase II, which is completed with the publication of this report, included field work in the Ivory Coast in June and July 1978.

The end product of Phase I, developed in close collaboration with the Office of Housing and the Abidjan Regional Office of Housing and Urban Development, was a detailed outline of an evaluation of AID shelter programs in the Ivory Coast during the period 1965-76. It guided us in the preparation of the preliminary draft, draft final and final reports. Apart from some rearrangement of subject matter to reduce redundancy of treatment, which emerged at the time of the preliminary draft report, agreed upon in Abidjan, and editorial improvements, the organization of the final report reflects this outline. The outline itself has been included at the end.

We confined ourselves to the period 1965-76. In practice, this was impossible to do strictly because, simply, materials that carried a story further were available,

notably with technical assistance and the thrift and mortgage system. We see no harm in this and point out where it happens. But, by and large, our evaluation is of the period 1965-76.

The report concludes with a section entitled "Observations." It may appear that here we have departed from the evaluation of how well AID did what it set out to do and passed to the recommendation of what AID should be doing. Our reason for including this short section is that in effect it summarizes important lessons in providing housing to low-income families worldwide. Much has happened since 1976 and much is happening now with regard to the way AID contemplates future shelter sector programs in the Ivory Coast. Future programs are likely to be highly similar to some of those of "observations."

The first chapter of the report, which follows, it should be pointed out is a series of conclusions and highlights, briefly stated; the reasoning and the background information are to be found in appropriate chapters.

## I. SUMMARY

### Background

In the fifteen year period from Independence through 1975, the Ivory Coast has established an impressive record of economic development with an average annual growth rate of seven percent in real terms. One consequence of the Ivory Coast's development performance has been a rapid pace of urbanization, dominated by the growth of Abidjan, now a city of over one million people, which is 15 percent of the national population.

The shelter sector has been an important concern for the Ivory Coast since Independence. While the Government of the Ivory Coast (GOIC) has had no official comprehensive and detailed policy statement for the shelter sector, the GOIC's broad goals have been to increase the quantity and quality of housing in line with rising living standards, to provide for urban growth while controlling and ameliorating the pattern of urbanization and land use, and to reduce rural to urban migration. There also has been a public housing program policy to give priority to the housing needs of lower income groups but, in practice, this has not always been the result. It is also true that most public housing projects are concentrated in greater Abidjan.

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Creation of special parastatal institutions for financing and construction of housing, provision of special credits to these institutions outside regular government investment budgets and use of infrastructural and interest rate subsidies for low income housing have been major GOIC policy instruments to achieve housing goals. Additionally the GOIC has played a direct role in shelter sector development through planning and provision of urban infrastructure.

Two parastatal institutions -- SOGEFIHA and SICOGI -- have been responsible for public sector activities in residential construction. A third parastatal, SETU, was formed in 1972 to equip urban land with infrastructure for residential development. By the mid-seventies these institutions together were able to produce about 10,000 housing units per year in Abidjan, although estimates of the capital's annual housing construction needs in those years have ranged from 14,000 to 30,000 units.

Financing for public sector housing construction has come from several sources. Domestically, these sources include advances to the housing parastatals from the Central Bank of West Africa and from the Ivory Coast's National Sinking Fund, as well as from grants to these housing institutions from the government's investment budget. A special tax fund has been used to provide infrastructure and interest rate subsidies for low income rental housing. In 1975, BNEC, the National Savings and Credit Bank, was established to function as a central fiduciary for lower income housing development programs as well as a savings and loan operation to promote home ownership.

Foreign public and private organizations have also provided significant financing for housing in the Ivory Coast. Figures are rough, but it is estimated that between 1960 and 1973 about 17 billion CFAF (\$67 million) was devoted to housing, or eight percent of all foreign aid and loans received by the Ivory Coast in that period. France, through its aid fiduciary, CCCE, has been the major source of funds for housing, providing well over 10 billion CFAF. Other foreign sources of housing development funds have been Norway, Lebanon, Israel and the United States.

U.S. Government funding for housing -- channeled through AID -- has totalled about \$35 million between 1965 and the present. This figure includes about \$1.3 million in PL 480 credits for rural housing; \$12 million for the HG-001 and HG-002 programs of the late 1960s and early 1970s; and \$21 million for the HG-003 program, launched in 1976. Excluding HG-003, AID funding accounted for about 20 percent of foreign financing for housing in the period 1965-76.

#### AID Housing Programs in the Ivory Coast

##### Rural Housing Development: PL 480 "American Loan"

Assistance in rural housing development represented AID's initial activity in the Ivory Coast housing sector. This assistance took the form of a \$1.3 million local currency account generated by U.S. rice sales to the Ivory Coast under PL 480, which was used to finance part of a national "aided self-help" program for rural housing launched in 1967. To complement the PL 480 credit, AID provided a resident technical adviser to SOGEFIHA, the GOIC

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parastatal organization responsible for rural housing during a 30 month period (1967-69). This PL 480 "American loan," as it was known, enabled SOGEFIHA to initiate the GOIC's first national rural housing program, and during 1967 and 1968 furnished financing for an estimated 1,100 rural self-help units. Also the AID technical assistance effort represented the initiation of AID's relationship with SOGEFIHA, the organization which played a major role in later Housing Guarantee program activities.

Housing Guarantee Programs:  
HG-001 and HG-002

AID has conducted two Housing Guarantee programs directed to middle income urban housing in the Ivory Coast.

HG-001: Cite Fairmont. The first of these, HG-001, or the "Cite Fairmont" project, was authorized in August 1967 and originally involved a guarantee of \$3 million for the construction of 500 units including two, three and four bedroom detached and semi-detached homes, row houses and apartments. Midway through construction, this mix was changed to decrease apartments and increase semidetached houses, so ultimately only 391 units were built and \$2 million spent. Financing featured first mortgages requiring 10 percent downpayments and 20 year terms, with land servicing provided through a GOIC interest-free second mortgage. Construction was begun in late 1968 and was completed in February 1970.

The Fairmont International Corporation was the Sponsor for HG-001. AID selected SOGEFIHA as Project Administrator, responsible for credit reviews, mortgage servicing and transfer of loan repayments of the U.S. investor. This

arrangement was appropriate since a U.S. technical adviser provided to SOGEFIHA for the PL 480 "American Loan" would continue to be with the organization during the early months of HG-001 activities.

HG-002: SOGEFIHA's Williamsville and Abobo Gare Projects. The second Housing Guarantee (HG-002) was authorized in April, 1972, and featured \$5.7 million for the construction of 1,246 units in SOGEFIHA projects at Williamsville and Abobo Gare in the Abidjan metropolitan area, plus \$4.3 million to finance mortgage loans to be granted by a thrift and mortgage institution to be created in the program. SOGEFIHA was the Borrower-Sponsor-Administrator for HG-002. Technical assistance to SOGEFIHA during HG-002 was provided by the newly established AID Regional Housing and Urban Development Office in Abidjan.

HG-002 housing consisted of efficiency, two and three bedroom homes and row houses at Williamsville; and efficiency, one, two, three and four bedroom row houses and apartments at Abobo Gare. Construction began in early 1973 in Williamsville and was completed in 1974; Abobo Gare began in late 1974 and was completed in 1975. Nearly 1,200 units were constructed in all. Financing was provided through a combination of 25 year term mortgages requiring 5 to 10 percent downpayments, as well as some "lease with promise-to-sell" contracts at Abobo Gare.

The savings and loan institution envisaged under HG-002 was not established until June 1975. However, by then cost increases at Williamsville and Abobo Gare had absorbed most of the \$4.3 million designated for the pilot thrift and mortgage operation. Thus, the pilot thrift and mortgage

program was deleted and the remaining balance was reprogrammed in 1975 to finance about 300 units in SOGEFIHA's rural housing program.

HG-003: Low Income Urban Shelter. In 1976 AID authorized a \$21 million guarantee to finance minimum standard replicable shelter programs aimed at serving families earning less than the median income. The components of the HG-003 program and the \$21 million expenditures were allocated to: sites/services (\$2.4 million), slum upgrading (\$7.6 million), "very low income" rural housing (\$10 million), and rental loan-funded technical assistance (\$1 million). During the design of HG-003 it was decided to integrate this program into a similar project that the IBRD was preparing. AID and IBRD thus agreed to integrate HG-003 activities and financing within the larger Abidjan Urban Development Project.

A key element of the HG-003/Abidjan Urban Development Project is the establishment of BNEC, the National Savings and Credit Bank, as the GOIC central fiduciary for low income housing programs. In this role BNEC will finance both the operations of housing parastatals and the provision secondary infrastructure for low income housing. In addition, BNEC will offer loans to individuals for construction, purchase and improvement of low income housing. AID technical assistance will be provided both to BNEC and to the Ministry of Construction and Town Planning under HG-003.

#### Impact of AID

#### Housing Programs

AID has continuously provided financial support for shelter sector programs in the Ivory Coast since the late 1960s. These programs were designed to achieve both housing development and institution-building impacts in the shelter sector. Additionally, the current HG-003 program -- AID's largest shelter sector effort in the Ivory Coast -- is designed to have special impact on GOIC policies and practices.

### Housing Development Impacts

All of the AID shelter sector programs have increased the stock of improved housing in the Ivory Coast. The PL 480 "American Loan" program, for example, served to help the Ivory Coast initiate and rapidly expand nationwide rural housing production in the late sixties. Although the PL 480 monies did not evolve into a revolving fund for long-term rural housing development as originally intended, there is no doubt that the American Loan came at a critical point for the establishment of GOIC's national rural housing development activities.

The three urban housing projects completed within HG-001 and HG-002 (Cite Fairmont, Williamsville and Abobo Gare) were far more ambitious and comprehensive than the American Loan rural housing program. They produced nearly 1,600 housing units, which was over 94 percent of their combined output targets. All three sites show evidence of improvements undertaken by homeowners, formation of Homeowner Associations, establishment of some commercial and service enterprises, and provision of most community services as planned. Thus, the three development sites are visible proof of the successful creation of new urban communities.

An important objective of both HG-001 and HG-002 was to provide the urban middle class with greater access to improved housing and a wider opportunity for home ownership.

Ultimately housing in these projects appears to have been affordable on the average by families in the upper fifth or possibly in the upper fourth of Abidjan's income distribution. While this represents a less than dramatic penetration of the urban middle class, HG-001 and HG-002 nevertheless represented an important expansion of homeownership opportunities for middle class families. Additionally, because leasing of units by homeowners to families somewhat lower in the income distribution appears to be common, the populations actually in residence at these sites probably correspond more closely to the original target populations.

#### Institution-Building Impacts

SOGEFIHA was the focus of AID's institution-building efforts from the PL 480 American Loan through the HG-002 programs. This relationship evolved naturally, as SOGEFIHA was the GOIC institution designated to deal with off-shore loans for the Ivory Coast shelter sector. AID's attempts to strengthen SOGEFIHA were initiated with the technical assistance provided under the PL 480 American Loan. In HG-001, in the interest of enhancing local capabilities, AID designated SOGEFIHA as Project Administrator rather than the local commercial bank proposed for this role by the U.S. Project Sponsor. Then in HG-002, AID encouraged SOGEFIHA to assume still greater responsibilities by establishing the organization as Borrower-Sponsor-Administrator, and provided technical assistance for these functions through its newly established Regional Housing and Urban Development Office in Abidjan.

However, by the end of HG-002, it was apparent that while SOGEFIHA was able to organize housing production, it was unable to function as a housing finance agency. By the

late sixties the organization had become increasingly over-committed and also had a serious cash flow problem; by the mid-seventies financial collapse threatened. GOIC policies which pressured SOGEFIHA to expand operations using 10 year guaranteed loans on the one hand, while imposing arbitrarily low rents on the other -- as well as the government practice of delaying payments for the sizeable number of units which it rented -- were major contributors to the organization's financial weakness. Consequently SOGEFIHA plays no role in HG-003, and in fact the GOIC's commitment to financial rehabilitation of SOGEFIHA became an AID/IBRD precondition to the HG-003/Abidjan Urban Development Project.

In the HG-003/Abidjan Urban Development Project, institution-building still is a major thrust of AID's efforts. Based on the experience learned from SOGEFIHA, it is realized that a central fiduciary must be established. BNEC was established in 1975 to serve generally as a central fiduciary for public programs devoted to low income housing development, and specifically to perform this role in HG-003. To strengthen the capabilities of BNEC staff -- as well as those of the Ministry of Construction and Town Planning staff -- AID and the IBRD are providing substantial technical assistance, designed both to meet the immediate needs of HG-003/ Abidjan Urban Development Project management and long-term requirements for effective GOIC operations in the Ivory Coast shelter sector. Thus, HG-003 marks a continuation of AID's attempts to promote development of an institution at the center of the shelter sector with the capability and authority to manage and influence Ivory Coast housing programs and policies.

Promotion of the thrift and mortgage system in the Ivory Coast has been another important AID institution-

building goal. With AID encouragement and assistance, SOGEFIHA launched a Savings Division in 1973, but BNEC, the independent savings and loan institution, envisaged under HG-002, was not created until 1975, too late to use the \$4.3 million in HG-002 funds budgeted it. BNEC absorbed the SOGEFIHA Savings Division, and accounts with BNEC's Savings and Credit Department have grown steadily, reaching 700 million CFAF by the end of 1977, or a sevenfold increase over the value of accounts with SOGEFIHA in 1974. Preliminary evidence suggests that BNEC has had a positive net impact on aggregate private savings.

The use of long-term mortgage contracts on a volume basis to finance housing has been a successful part of AID institutional efforts in many countries. In the Ivory Coast both HG-001 and HG-002 featured mortgage contract financing with long terms and relatively small downpayments designed to be affordable by middle income Ivorians. However, the volume-basis mortgage contract system has been difficult to adopt by the GOIC housing institutions which prefer various lease-purchase arrangements as more suitable for legal, economic and social conditions in the Ivory Coast. Thus, recognizing these institutional problems, in Abobo Gare, AID accepted the use of a lease-purchase variant for the financing of a portion of the project.

One of AID's most significant contributions in the Ivory Coast shelter sector may have been its effort to develop the management and technical capabilities of small Ivorian building contractors as part of HG-002. Because large-scale housing construction in the Ivory Coast has tended to be dominated by expatriate firms, AID "set-aside" a portion of the Abobo Gare project for a group of smaller Ivorian builders, and engaged local consultants to provide

on-the-job assistance in work programming and financial management for participating firms. The venture was a technical and management success.

It was hoped that the experience would have improved the capabilities of these firms to obtain and perform other important contracts. This result has not materialized, probably because the target firms require more than the experience and training of a single Abobo Gare-style project to develop and reinforce the necessary skills. Consequently, the Abobo Gare approach might be usefully continued in future HG activities.

Policy Impacts of HG-003/Abidjan  
Urban Development Project

In line with New Directions mandate of the 1973 Foreign Assistance Act and with AID's Shelter Sector Policy Statement, HG-003 is designed to influence GOIC housing policies and practices by producing minimum standard replicable shelter projects for lower income families. Accordingly, HG-003 funds the development of "very low income" rental housing, sites and services projects and slum upgrading, rather than the construction of middle income sales units as did HG-001 and HG-002.

Implementation of the HG-003/Abidjan Urban Development Project does indeed appear to represent a significant shift in GOIC shelter sector policy, although this judgment would probably be officially disputed by several high ranking individuals in GOIC housing institutions. First, compared with previous large-scale public investments in housing in the Ivory Coast, the Project implies acceptance of lower standards of construction in public housing and a real re-

direction of attention to the housing needs of low-income urban families. Second, because all its costs for secondary and tertiary infrastructure are to be recovered, the Project implies a departure from previous long-standing GOIC policies of infrastructure subsidy for public housing. Third, through its establishment of BNEC as a central fiduciary in the housing sector and through acceptance of the need to reorganize and rehabilitate SOGEFIHA, the Project implies a GOIC commitment to rationalize public institutions and operations in the Ivory Coast shelter sector.

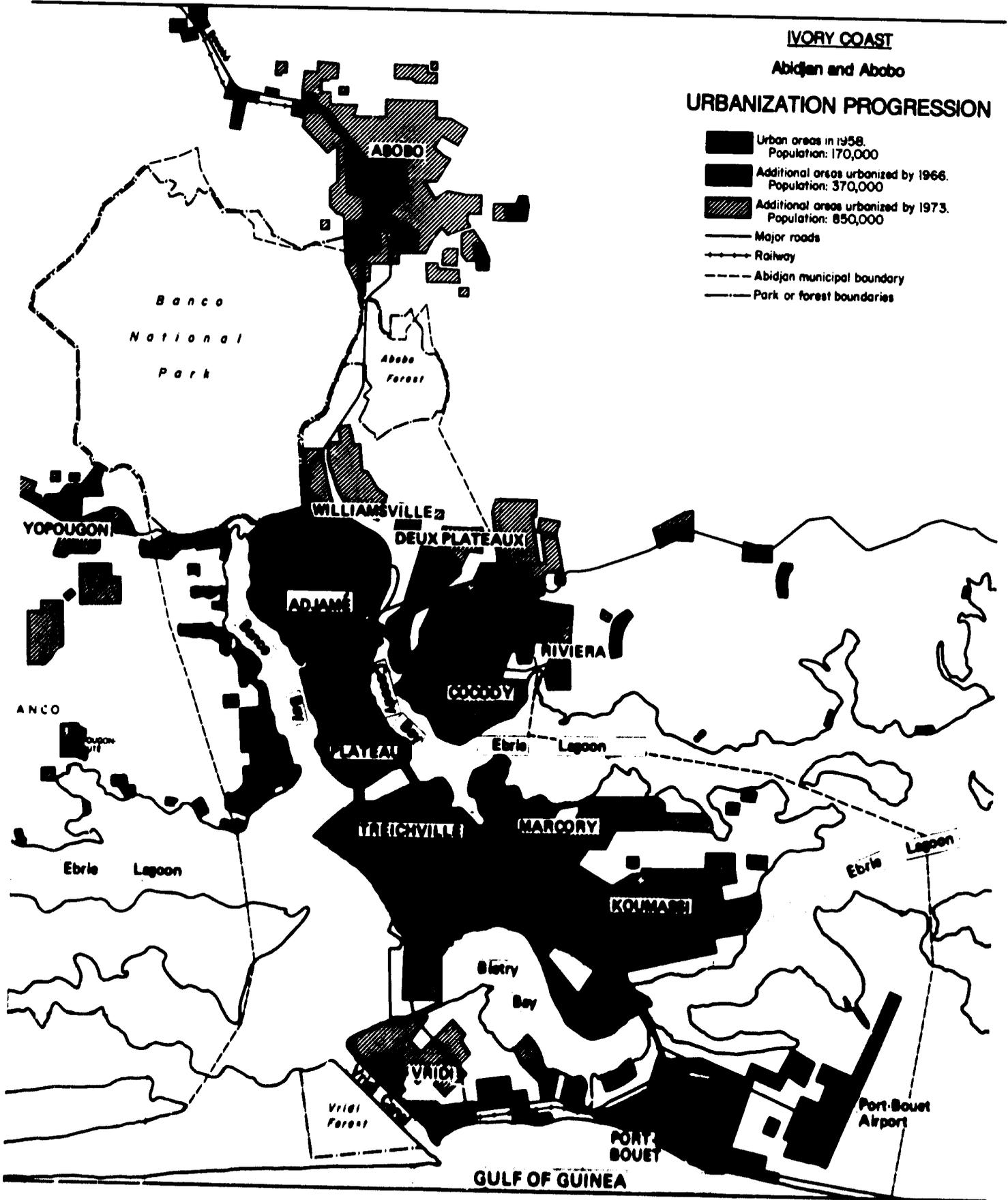
It is too early to assess definitively whether these changes denote a long-term reorientation of GOIC shelter sector policies. Nevertheless some HG-300 innovations -- notably the escalating monthly rental as a cost recovery mechanism -- seem to have gained recognition and acceptance among GOIC policymakers. Ultimately, it will be the extent to which the HG-003/Abidjan Urban Development Project meets its own objectives that will determine any lasting impact the Project may have on GOIC shelter sector policies.

**IVORY COAST**

**Abidjan and Abobo**

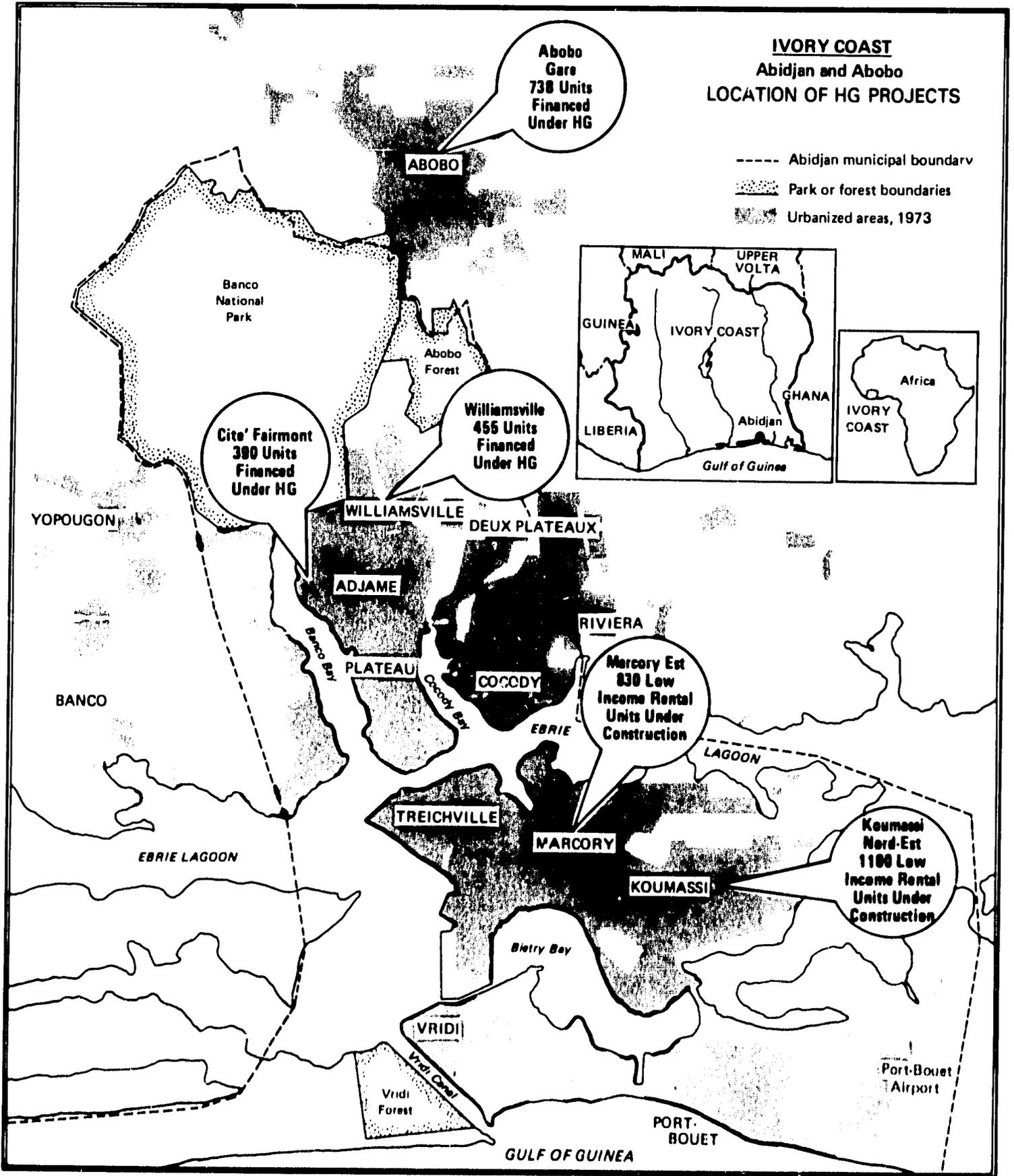
**URBANIZATION PROGRESSION**

-  Urban areas in 1958.  
Population: 170,000
-  Additional areas urbanized by 1966.  
Population: 370,000
-  Additional areas urbanized by 1973.  
Population: 850,000
-  Major roads
-  Railway
-  Abidjan municipal boundary
-  Park or forest boundaries



**IVORY COAST**  
**Abidjan and Abobo**  
**LOCATION OF HG PROJECTS**

- Abidjan municipal boundary
- ..... Park or forest boundaries
- Urbanized areas, 1973



## II. THE CONTEXT OF THE SHELTER PROGRAMS

### Economic and Social Development in the Ivory Coast

Market by an average real growth rate of over seven percent per annum in the 15 years from Independence through 1975, the Ivory Coast has had one of the world's outstanding records of economic development. This impressive performance was achieved by concentration on export-oriented agriculture and an emphasis on attracting foreign labor, capital and know-how. In particular, political stability, substantial public sector investment in infrastructure, a liberal investment code and the government's pragmatic and growth-oriented economic policies have made the Ivory Coast an especially favorable environment for foreign private investment and overseas development assistance alike. Moreover, the Ivory Coast's rapid economic expansion has created a magnet for unskilled immigrant workers from all over West Africa; foreign African workers now represent about 35 percent of the secondary and tertiary labor force in the Ivory Coast.

Since the mid 1970s, however, the Government of the Ivory Coast (GOIC) has begun to devote increasing attention to the nation's dependence on foreign resources, and has initiated a program of "Ivorisation," designed to reduce

reliance on foreign factors of production, mobilize internal savings, and expand economic opportunities for Ivorians. Additionally, it has become concerned with income distribution issues within its development strategy.

One consequence of the Ivory Coast's development performance has been a rapid pace of urbanization, dominated by the growth of Abidjan. From 1955 to 1975, the country's urban population grew from 0.3 million to 2.2 million, and the urban share of the national population increased from 13 to 34 percent. During this same period, Abidjan itself grew from a town of about 125,000 to an agglomeration of over one million, an average annual rate of increase of 11.5 percent. It now represents about 15 percent of the country's total population of 6.7 million. Given the heavy West African migration to the Ivory Coast in the past few decades, it is not surprising that non-Ivorian Africans make up nearly half of Abidjan's population. To balance the dominance of Abidjan, the Government is attempting to stimulate growth in other areas of the country, notably in the southwest and north, through industrial and infrastructural investment.

#### Public Housing in the Ivory Coast

Since Independence, the GOIC has attempted to give priority to the needs of lower income groups in its housing policies. Its broad goals have been to increase the quantity and quality of housing in line with rising living standards, to provide for urban growth, to control and ameliorate the pattern of urban expansion and land use, and to lessen rural migration. Policy instruments to achieve these goals have included creation of special housing institutions, special financing for these institutions outside regular government investment budgets, and infrastructural and

interest-rate subsidies for low-income housing development. However, most of the public sector's attention to housing has focused on Abidjan.

Two institutions, Société de Gestion Financière del'Habitate (SOGEFIHA)<sup>1</sup> and Société de Construction et Gestion Immobilière (SICOGI),<sup>2</sup> have been responsible for public sector activities in residential construction. SOGEFIHA, founded in 1963, had sponsored development of about 23,000 housing units (16,000 in Abidjan and 7,000 in rural and upcountry urban centers) by the end of 1975. SICOGI, created in 1965 from merger of two older institutions, SIHCI and SUCCI, organized in 1952 and 1960 respectively, had sponsored construction of about 30,000 units, most of them in Abidjan, by the mid 1970s. SICOGI in particular had attempted to direct much of its program toward low-income housing, including an experimental project of over 1,000 lots (sites and services). A third institution, Société d'Équipement des Terrains Urbains (SETU),<sup>3</sup> was formed by the Government in 1975 to equip urban land with infrastructure for residential and industrial development. By the mid 1970s in Abidjan, the organizations were able to produce about 10,000 units a year, but total housing construction needs for the capital were estimated at anywhere from 14,000 to 30,000 units annually.

Domestically, financing of public housing has come from several sources. These include GOIC financing for home loans and mortgages through the government-controlled but financially autonomous Crédit de la Côte d'Ivoire (CCI),<sup>1</sup>

- 
1. SOGEFIHA, the Housing Finance Management Company.
  2. SICOGI, the Ivorian Housing Construction and Management Company.
  3. SETU, the Urban Land Development Company.

and more recently, through the Banque National pour l'Epargne et le Cr dit (BNEC),<sup>2</sup> today, the key institution for financing public housing. BNEC replaced the Office pour le Soutien d'Habitat Economique (OSHE)<sup>3</sup> which funded infrastructure and provided interest subsidies for low-income rental housing. CCI has made mortgage loans to individuals, generally at the upper end of the income distribution, as well as single mortgage (block) loans to the housing construction authorities. Financing for public housing has also taken the form of advances and loans to SOGEFIHA and SICOGI. These have come from the government's investment budget; from the Central Bank of West Africa; from the National Sinking Fund; and previously, from OSHE.

The Ivory Coast has also received significant funding from foreign public and private sources. Figures are very approximate, but it is estimated that about eight percent of the roughly 210 billion CFAF received by the Ivory Coast in foreign aid and loans between 1960 and 1973 was devoted to housing; this amounts to nearly 17 billion CFAF (about \$67 million).<sup>4</sup> France, through its aid fiduciary, the Caisse Central de Coop ration Economique (CCCE),<sup>5</sup> has been the major source of foreign funds for housing, providing well over 10 billion CFAF. CCE funding has been channeled to finance the operations of SICOGI. Other foreign sources of housing development funds have been Norway, Lebanon, Israel and the United States. Foreign funds other than French have been directed entirely to SOGEFIHA.

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1. CCI, the Ivory Coast Credit Bank.
  2. BNEC, the National Savings and Loan Bank.
  3. OSHE, the National Office to Support Economic Housing.
  4. Les Investissements en C te d'Ivoire, Marches Tropicaux (24 October, 1975), p. 299B.
  5. CCCE, French Government Aid Fiduciary.

AID funding for housing totals about \$35 million between 1965 and the present. This figure includes about \$1.3 million in PL 480 credits for rural housing; \$12 million for the HG-001 and HG-002 programs of the late 1960s and early 1970s; and \$21 million for the HG-003 programs launched in 1976. AID funding -- not counting HG-003 monies -- appears to represent about 20 percent of foreign financing for housing in the period 1965-76. Elsewhere, it has been estimated that HG loans financed about eight percent of all the housing units constructed by SOGEFIHA through fiscal year 1976.<sup>1</sup>

AID's Policies and Strategy With Respect  
to Urbanization and Housing

The Housing Guaranty  
Program

Established by the Foreign Assistance Act of 1961, the Housing Guaranty (HG) Program has since grown into a billion dollar resource and the largest single source of international financing for shelter. Under the program today, private lenders in the United States loan funds to borrowers in developing countries to finance housing development and related shelter sector activities, with special emphasis on programs benefitting low-income people. AID provides a guarantee for these loans so that U.S. lenders are guarded against possible losses by the full faith and credit of their government. In turn, AID requires that the government

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1. From a report ("Report on the Reorganization Plan Adopted by SOGEFIHA") submitted to the Office of Housing by T. Sequeira, September 15, 1977.

of the borrower also provide its own guaranty for full repayment of each HG loan. Loans normally run for a term of 20 to 30 years, under an interest rate ceiling set by AID to reflect conditions in U.S. mortgage markets. In order to cover operating expenses and provide a reserve against claims, AID charges a fee for its guaranty. As a result, the HG program is self-sufficient, requiring no appropriated funds.

U.S. lenders have typically been savings and loan association, insurance companies and Federal Home Loan Banks. Developing country borrowers have often been various governmental entities, but also local financial institutions, trade unions or housing cooperatives when appropriate government guarantees are provided. Prior to each loan application, AID assists prospective borrowing institutions to formulate a program adapted to local housing needs and resources. AID assistance includes an initial broad analysis of a borrowing country's shelter sector, as well as support in preparation of detailed project proposals for HG loan financing. Borrowers ultimately enter into agreements with AID defining the use of HG funds in addition to the commitments they make to lenders regarding the terms and conditions of loan repayment.

#### Elements of the Housing Guaranty Policies and Strategy

The HG Program has been AID's major instrument for shelter sector development since the early 1960s, although the program has continued to evolve with changing perceptions of housing sector needs and possibilities.

During the 1960s, AID's housing programs sought to introduce U.S. home finance and construction practices as well as to nurture the development of housing finance institutions. The HG Program provided the basic framework for these activities, supplemented by AID development grants, loans, and technical assistance. AID policies in those years did not overtly distinguish among income groups, and housing construction typically was targeted for middle income groups.

In 1973 AID adopted a shelter sector policy which gave priority to low income housing development. This policy was further underscored and refined in the Policy Statement of October 1974, which continues to outline AID's basic objectives for the shelter sector. Specifically, through the HG Program and in all its housing activities, AID's efforts are to be directed at assisting developing countries to build the institutional, technological and financing capacity to provide shelter under reasonable conditions to all levels of society, but with particular emphasis on government actions to meet the needs of the poor.<sup>1</sup>

AID's strategy for implementation of this policy is composed of several elements. These include assistance to developing countries in performing systematic analyses of shelter sector problems and resources (Shelter Sector Assessments); formulation of comprehensive national shelter sector development policies; and the creation and strengthening of the institutional framework for policy implementation, with special attention to institution-building for bodies with

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1. The "urban poor," as a term of policy, is today defined as the poorer half of the urban population in a country or city.

financial, technical and/or management responsibilities for housing development. Actions which will help to mobilize savings are also emphasized; efforts to improve techniques and approaches to housing construction are still other important strategy components.

Congressional Mandate<sup>1</sup>  
on Aid to the Poor  
Majority

The Congressional Mandate of 1973 redirected AID's programs so that they might support more effectively the poor majority in developing countries; henceforth, efforts were to be concentrated in key sectors (food and nutrition, population, health and education), affecting the basic well-being of the poor. Given the nature of these key sectors, AID's efforts under the 1973 Mandate were to emphasize rural as opposed to urban development needs. But at the same time, both Congress and AID have increasingly realized that the spirit of the Mandate requires recognition of the urban poor as legitimate members of the "poor majority." The 1976 Foreign Assistance Act, for example, made specific mention of the need to formulate programs which aim to enable the urban poor to participate more fully in the economic and social development of their countries. The 1976 Mandate made it possible for AID to elaborate a number of initiatives already undertaken. The HG Program today is accordingly prepared to finance slum upgrading and community facilities development; sites and services, including core housing construction; and low-cost housing development for both sale and rental. In addition, AID's Office of Housing

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1. These are legislative reforms of the U.S. foreign aid program contained in the Foreign Assistance Act of 1973.

is expanding its scope to encourage local institutions to plan not just for financial and physical aspects of shelter programs, but also to provide for job creation, social service development, and increased opportunities for community action and participation in support of HG projects.

### III. AID'S HOUSING OBJECTIVES IN THE SHELTER PROGRAMS<sup>1</sup>

#### Rural Housing

Rural housing development in the Ivory Coast has focused on the replacement of traditional shelter in villages and up-country urban centers by Western style structures of permanent materials. Improvements of rural housing have long been an important GOIC development objective. AID's assistance in this domain is significant both because it represents the Agency's initial sphere of activity in the Ivory Coast housing sector, and because it helped the GOIC to expand its rural housing effort into a national program.

Availability of PL 480 financing and a Ministry of Construction and Town Planning (MCU) request for technical assistance occasioned AID's entry into rural housing activities in the Ivory Coast. The PL 480 funding took the form of a \$1.3 million local currency account -- about 321 million CFAF -- generated by U.S. rice sales to the Ivory Coast in the mid 1960s which the GOIC and AID agreed would be used to help expand GOIC rural housing activities.<sup>2</sup>

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1. This chapter focusses on AID's ability to have produced and financed housing units.

2. Originally, the GOIC requested for MCU an entire technical assistance team in rural housing. Eventually,

Prior to the availability of the PL 480 funding, the GOIC had already made some initiatives in rural housing. First, it charged SOGEFIHA with responsibility for rural housing from the beginning of the agency's operation in 1964. SOGEFIHA responded by establishing a self-help program in five pilot villages in the South at an investment of about 115 million CFAF (about \$465,000) for self-help housing loans. Second, the GOIC allocated 200 million CFAF (\$180,000) to Prefects and Sub-prefects in the West, Center-West and North Regions, to be used for rural housing improvement, also in the form of self-help loans. SOGEFIHA was also made responsible for the use and results of these funds.

Intending to build the PL 480 monies ("The American Loan") plus the 315 million CFAF already allocated into revolving loan funds, SOGEFIHA undertook to launch a nationwide rural housing program in 1967. The effort was patterned after SOGEFIHA's five previous "aided self-help" pilot village projects: Villages formed mutual assistance societies (mutuelles) to provide all unskilled labor and locally available materials needed for construction of members' houses, and to pay for all skilled labor requirements as well, while SOGEFIHA extended loans of up to 300,000 CFAF to purchase the needed modern construction materials. Loans were interest free and repayable over 10 years. SOGEFIHA also exacted from each mutual society a contribution to a guarantee account as a precondition for commencement of work, or alternatively, required that members' houses be completed to the rafter level before receiving SOGEFIHA loan funds. Additionally,

technical support was provided by MCU, which prepared a standard set of house plan options and furnished occasional job site supervision. Local Prefectural and Sub-prefectural administrations aided in project organization and site selection.

In its first 4 years of operation,<sup>1</sup> SOGEFIHA dramatically increased rural housing production, from 444 units constructed in 1967, to 1,325 units constructed in 1970 (Table 1). However, by the early 1970s the program had run into difficulties. First, SOGEFIHA quickly became overcommitted as it accepted obligations for new projects without reference to the resources it had available, and thus exhausted its PL 480 credit by the end of 1968. The reasons for this situation were: powerful pressure on SOGEFIHA by the GOIC to expand rural activities as rapidly as possible; SOGEFIHA's pliancy in the face of the pressure; inattention in the housing authority itself to the exercise of financial controls; and a strong demand for modern housing among rural and up-country town populations. (Rural housing frequently was merely housing in up-country centers.) Consequently, another 300 million CFAF was appropriated by the GOIC in 1969 to try to meet project commitments begun under the American loan.<sup>2</sup> Second, repayment problems on existing

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it was agreed that AID would provide one adviser for a two and one-half year period, at a cost to AID of \$200,000. MCU placed him in SOGEFIHA. The contribution of this phase of AID's technical assistance is fully discussed in Chapter IV.

1. The PL 480 credits financed the initial 2 years (1967-68) of SOGEFIHA's nationwide rural housing program; this was then supplemented by a GOIC appropriation to finance the next 2 years of program activities (1969-70).

2. This could be viewed as AID precipitating a GOIC contribution to the rural housing program of nearly the same amount as the PL 480 funds.

Table 1. SOGEFIHA's Production of Rural Housing, by Region and by Year,  
1967-75

(Number of units)

28.

Region	1967	1968	1969	1970	1971	1972	1973	1974	1975	Total
South	68	296	60	75	55	97	104	47	547	1,349
Center	31	171	193	195	205	240	129	--	474	1,638
North	120	167	428	268	--	106	--	--	60	1,149
East	--	60	30	152	259	--	60	65	215	841
Center-West	188	159	152	181	30	101	30	--	135	976
West	37	102	251	454	--	--	--	76	40	960
<u>Total</u>	444	955	1,114	1,325	549	544	323	188	1,471	6,913

Source: SOGEFIHA, 10 Ans d'Activité, p. 11, for 1967-69; Office of Housing, AID, Ivory Coast Shelter Sector Analysis, August 1975, p. 152, for 1970-75.

loans quickly became serious, with loan beneficiaries falling in arrears and mutual societies failing to assume collective responsibility for members' debts, as had been the program's concept. This was due to an overselling of project benefits at the expense of emphasis on borrower obligations at the outset of many projects, as well as to lack of support for SOGEFIHA's collection efforts from Prefectural and Sub-prefectural administrations. Third, work at many job sites often dragged on for several years because of inadequate self-help contributions and poor control of skilled labor and materials, further distorting SOGEFIHA's pattern of commitments and resources.

The consequence of these difficulties was that SOGEFIHA's rural housing program -- its PL 480 credits and later GOIC financing -- never became a revolving fund to the extent intended.<sup>1</sup> The program was thus forced to cut back in the early 1970s for lack of funds; after constructing 1,325 rural housing units in 1970, production declined by about 58 percent in 1971 to 549 units, and continued to decline thereafter to a low of 188 units in 1974 (Table 1). In 1975 the SOGEFIHA program was, however, reorganized and after receipt of a new GOIC appropriation of 1.2 billion CFAF (\$5.6 million), production rose once again.

Until 1975 there was no official interest on the part of AID in further involvement in SOGEFIHA's rural housing

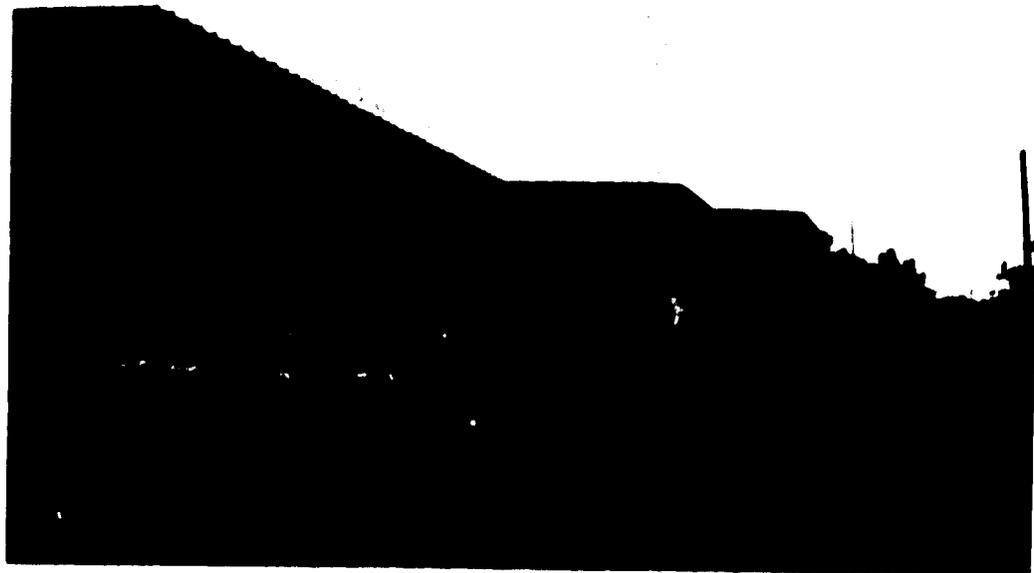
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1. Assuming, for example, that half the roughly 321 million CFAF in PL 480 credits was disbursed in 1967 and the other half in 1968, with repayment beginning immediately, even with the actual delinquency rate of 30 percent, by the end of 1973 nearly 40 percent of the initial funding could have revolved. At 700,000 CFAF per unit, this would potentially represent 1974 funding for 185 units from revolved PL 480 sources alone; but total SOGEFIHA rural housing production from all sources was only at this level in 1974.

30.



Bonoua rural housing unit constructed  
with PL 480 financing



Ehorsoho rural housing units  
constructed with HG 002 financing

program, although the housing authority had informally broached the subject of additional financing with the USAID staff more than once. However, events in the HG-002 project generated a balance of about \$700,000 which had no outlet through the project's original purposes. In 1975 SOGEFIHA accordingly requested these "idle" funds to help meet a set of outstanding commitments for rural housing loans, and to permit release of GOIC monies for an extension of the rural housing program.

Regional Housing and Urban Development Office (RHUDO) staff in Abidjan, after examining a sample of the proposed rural housing project villages, in June 1975 recommended that 653 units at a total loan value of 366.2 million CFAF justified HG funding. This recommendation was made on several grounds. First, in the mid 1970s the rural housing program had been restructured to lend only to agricultural cooperatives with a proven economic capacity; payment of interest on the HG-002 funds would be guaranteed by OSHE, even though the actual loans to cooperatives would be interest free. Second, rural housing construction was produced now on a turn-key basis without any self-help component. Third, putting the HG-002 funds to work in the rural housing sector would be preferable to never disbursing them in the Ivory Coast. RHUDO qualified this feeling by recommending a ceiling of 750,000 CFAF (plus cost of materials transport) on each loan to be extended, so that the loan money would in principle be spread widely.

AID accepted RHUDO's recommendation and released \$700,000 (149 million CFAF) to SOGEFHIA which made loans for 297 units from these funds. Construction took place in 12 villages and was routinely completed. HG-002 funding for

rural housing was one-time infusion arising from special circumstances, rather than part of a broader sector strategy.<sup>1</sup>

PL 480 funding for SOGEFIHA's rural housing program came at a critical point for the GOIC and helped touch off the rapid build-up in rural housing production which the GOIC had been preparing to undertake throughout the early 1960s. The overall importance of AID funds in the financing of rural housing should not be overstated, however. In the first five years of SOGEFIHA's rural housing activities (1965-69), "American Loan" monies made up only 34 percent of SOGEFIHA's total rural housing loans; nevertheless, during the 1967-68 period, PL 480 funds were the only major funds available for rural housing. However, for the overall period of 1965-76, total AID monies amounted to only 21 percent of SOGEFIHA's rural housing resources (Table 2). The implication of these figures is that AID's potential long-term influence upon the organization or implementation of the rural housing has always been relatively limited.

There is some evidence, on the other hand, suggesting that in the realm of loan repayment, the obligations of borrowers were more effectively communicated to loan beneficiaries during the "American Loan" period than at other times. For example, as of December 31, 1973, SOGEFIHA's delinquency rate on the PL 480 loans was 30 percent, the lowest on any category of SOGEFIHA rural housing loans and 5.6 percentage points below the average delinquency rate on

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1. The GOIC, as well as SOGEFIHA, continued to try to interest AID in more rural housing. A number of approaches were made to AID between 1975 and the present. AID's policy is, of course, to stress rural development, which would allow for more rural housing. Lately, the project identification paper for HG-004 proposes \$3 million for rural cooperative housing, including therein smaller towns and cities.

Table 2. The Ivory Coast's Investments  
in Rural Housing, 1965-75

(Millions of CFAF and percent AID financed)

Program	Year	CFAF	AID financed
SOGEFIHA five pilot villages	1965	115	0.0
Prefect/subprefect administered appro- priation	1965	200	0.0
PL 480	1966-68	321	100.0
GOIC appropriation to complete commit- ments made under PL 480 program	1969	300	0.0
GOIC appropriation to revive rural housing investment	1974	1,200	0.0
AID's reprogramming of HG-002 balance	1975	149	100.0
<u>Total</u>		2,285	21.0

Source: Ivory Coast Shelter Sector Analysis, August 1975, p. 207;  
also internal AID documents.

such loans (Table 3). Since the AID adviser stressed the importance of loan repayment and collection efforts, it is reasonable to infer that here his efforts had some lasting effect.

As stimulus for a rapid increase in rural housing output, AID's PL 480 funding was an immediately successful resource; as contribution for a revolving fund upon which to build a long-term rural housing program, it has been less so. However, given its limited leverage, it is unlikely that AID could have done much to help SOGEFIHA avert the problems that rapidly beset the rural housing program. Political pressures and demands upon SOGEFIHA to expand its rural housing activities were by all indications so intense that problems of overextension, delinquency and disorganization were inevitable.

### Middle-Income Urban Housing

#### The Projects

On July 22, 1965, the Fairmont International Corporation submitted an application to AID for an investment guaranty on a housing project to be built in Abidjan, Ivory Coast. The site, today Cité Fairmont, was situated in Agban, about three miles northwest of the central business district but outside the city limits. The sponsor proposed to build 500 units consisting of two, three and four bedroom detached and row houses and apartments. Downpayments of 10 percent of the purchase price would be required; and the units were to be financed with 20-year first and second mortgages. The housing investment guaranty (HG) agreement provided for the construction of 500 units at a total cost of \$3.0 million; however, only 391 units were constructed,

Table 3. Delinquency Rates in Rural Housing Programs,<sup>a</sup>  
by Region and Program, on December 31, 1973

(Percent)

Region	Five SOGEFIHA pilot villages	Prefect/ subprefect administered appropriations	PL 480 program	1969 GOIC appropriation	Special projects	All programs
South	36.2	--	16.9	61.4	--	31.0
Center	--	--	21.3	26.0	1.0	16.8
North	--	31.4	34.4	--	40.0	33.3
East	--	--	31.0	40.7	65.9	39.4
Center-West	--	55.4	26.1	44.6	--	49.4
West	--	100.0	49.7	--	90.0	68.6
Overall delin- quency rate <sup>b</sup>	36.2	44.8	30.0	34.4	39.4	35.6

a. Delinquencies relative to the amount due.

b. The rate includes all regions in each program.

Source: Internal AID documents.

mainly row houses, and only \$2.0 million was spent. When about half of the project was completed, sales resistance forced a change from apartments to single story dwellings. It proved impossible to acquire additional land adjacent to the site; consequently fewer units had to be built on the available land and one third of the funds was not utilized.

AID and the GOIC judged HG-001 a success. But the government was interested in a larger HG program and one aimed at a substantially lower income class. The African Bureau<sup>1</sup> approved in principle a new HG program of \$10 million in June 1971.

SOGEFIHA, which was to be the borrower in HG-002, proposed to construct a total of 1,246 dwelling units at two sites, Williamsville and Abobo Gare. The former is located about four miles north of the central business district; the latter is nine miles north in an area adjacent to the main highway from Abidjan to the eastern part of the country. At Williamsville, 548 units of efficiency, two and three bedroom detached and row houses and apartments were to be constructed; at Abobo Gare, 698 units of efficiency, one, two, three and four bedroom row houses of \$4,000 or less and 10 percent for houses of more than \$4,000. Monthly payments were to be calculated over a 25-year amortization period at an interest rate which would not exceed 9 percent including the AID fee. The program was approved in principle in June 1971; construction started at Williamsville in February 1973 and at Abobo Gare in October 1974.

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1. The Office of Housing was organized in 1970 but was not operational until late 1971. HG-002 was the first housing guaranty under the auspices of the Office of Housing in the Ivory Coast. HG-001 was implemented under the African Bureau's Office of Private Enterprise.

Housing Units

	<u>Planned</u>	<u>Completed</u>	<u>Financed under HG</u>
Cité Fairmont (HG-001)	500	391	390
Williamsville (HG-002)	548	514	455
Abobo Gare (HG-002)	698	738	738
Total	1,746	1,643	1,583

In comparison, the Ivory Coast Credit Bank made 1,756 individual mortgage loans in 1972-73 and only 640 in 1973-74; they were mortgages with shorter terms than AID.

Populations: Target,  
Applicant, Resident

Who was supposed to move into Cité Fairmont, Williamsville and Abobo Gare? Who actually moved in, or at least, applied to move in, and who is resident there now?

To explore these questions, we initially compared the income distribution of African households in Abidjan in three years: 1963, 1973 and 1977. Then, employing the apparent trends in household incomes between 1963-73, on the one hand, and 1973-77 on the other, we estimated income distributions for the years in which families were moving into Cité Fairmont, Williamsville, and Abobo Gare. These were 1970, 1974, and 1977, respectively. Not enough is known about the income elasticity of demand for housing, but it may not be unity. Bearing this qualification in mind, we have assumed in Table 4 that households over the entire income distribution are able (and willing) to pay 25 percent

Table 4. Monthly Income and Maximum Monthly Expenditure on Housing of African Households in Abidjan, 1963, 1970, 1973, 1974, 1977

(Current CFAF)

Relative location in income distribution (Percentile)	1963	1970	1973	1974	1977
----- <u>Monthly income</u> -----					
20th	11,000	16,600 <sup>a</sup>	19,000	22,500 <sup>b</sup>	33,000
40th	15,000	25,500	30,000	34,000	46,000
50th	18,000	30,600	36,000	40,000	52,000
60th	21,000	37,800	45,000	48,500	59,000
80th	32,000	60,700	73,000	75,500	83,000
----- <u>Maximum monthly expenditure on housing</u> <sup>c</sup> -----					
20th	2,750	4,150	4,750	5,630	8,250
40th	3,750	6,375	7,500	8,500	11,500
50th	4,500	7,650	9,000	10,000	13,000
60th	5,250	9,450	11,250	12,130	14,750
80th	8,000	15,175	18,250	18,880	20,750

a. Interpolations, 1963-73.

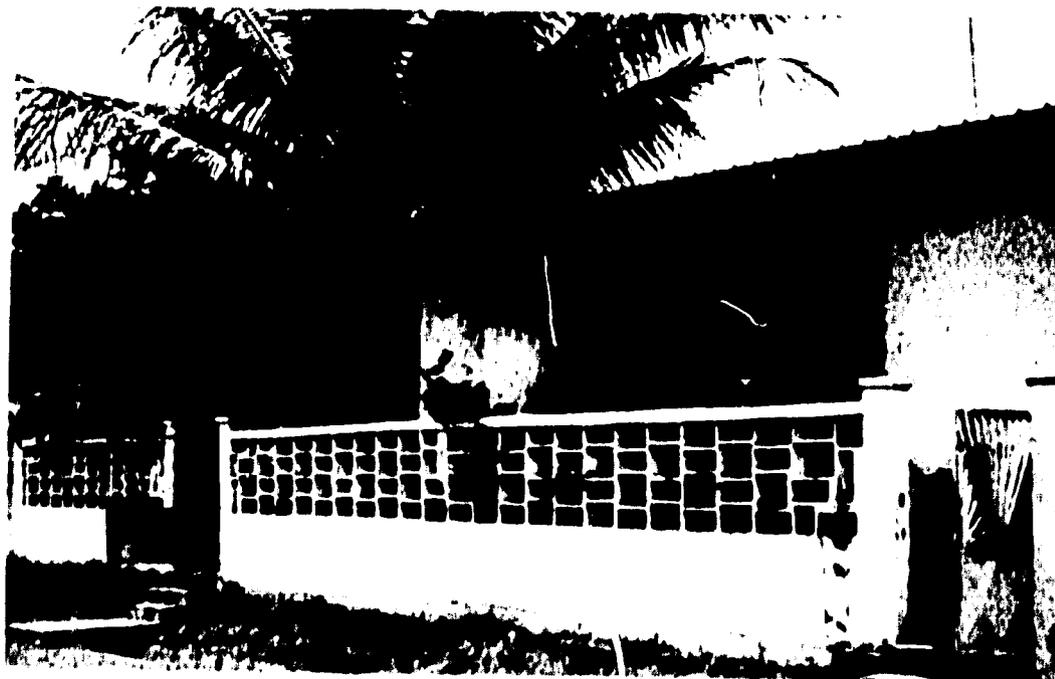
b. Interpolations, 1973-77.

c. 25 percent of monthly income.

Source: The 1963 income distribution is from a survey by the French firm, SEMA. The 1973 income distribution is the 1963 income distribution projected by BNETD/BCEOM (Bureau National des Etudes Techniques de Developpement/Bureau Central d'Equipement d'Outre-Mer); but it has been used almost as an independent survey. The 1977 income distribution is from a new survey in Etude des Perspectives Decennales (Abidjan 10-Year Development Study), Rapport de 1<sup>e</sup> Phase, 1<sup>e</sup>re Partie, decembre, 1977 (Report on Phase 1, Part 1, December, 1977).



Williamsville row housing constructed  
under HG 002 program



Williamsville villa constructed  
under HG 002 program

of income for housing. This fraction is undoubtedly too high for low income families, but may be reasonable for the others.

In table 5 we have calculated the average monthly payment at each site both as proposed and as finally determined. Comparisons between the proposed payment and incomes should identify the target population, while comparisons between the final payment and incomes should tell us who actually moved in or, rather, only who could have moved in. We will draw on other evidence and inference to conclude who, and which income classes, are living at the sites today.

At Cité Fairmont, the average proposed monthly payment would have been affordable by 22 percent of households; the average final monthly payment was affordable by less than 20 percent.

At Williamsville, the average proposed monthly payment would have been affordable by 45 percent of households; the average final monthly payment was affordable by 27 percent. This suggests that the target population at Williamsville on the whole was a lower income group than at Cité Fairmont.

The Williamsville pattern was repeated but exaggerated at Abobo Gare. The average proposed monthly payment would have been affordable by 70 percent of households. The average final monthly payment, however, was affordable by less than 20 percent of households.

But what of the actual home buyers; what were their incomes? This information was available for both Williamsville and Abobo Gare.

Table 5. Affordability at Cité Fairmont,  
Williamsville and Abobo Gare

(CFAF)

Item	Cité Fairmont (1970) <sup>a</sup>	Williamsville (1974)	Abobo Gare (1977)
<u>Proposed:</u> <sup>b</sup>			
Range of monthly payments	9,724-26,394	6,275-13,091	6,008-12,978
Average monthly payment <sup>c</sup>	14,564	11,138	9,828
Affordable (percent) <sup>d</sup>	22	45	70
<u>Final:</u>			
Range of monthly payments	10,794-24,906	7,999-25,542	10,000-25,000 <sup>e</sup>
Average monthly payment	15,527	16,655	21,388
Affordable (percent)	less than 20	27	less than 20

a. Assumed year of occupation.

b. Proposed monthly payments are from Project Papers. The monthly payment includes principal and interest, management costs, maintenance, and fire and life insurance.

c. A weighted average, with numbers of units as weights.

d. Percent of African households or families in Abidjan.

e. First five years of an escalating monthly payment.

Before proceeding it is worthwhile to describe how homes are sold in the Ivory Coast. First, the public is informed of the availability of homes through publicity. During this time, new applications are made or old ones confirmed. Typically an applicant furnishes a variety of information about himself and produces proof of his eligibility such as his last paycheck. The data are screened; and if the applicant is chosen, his name is placed on a list which is submitted to the National Allocation Committee for approval. This Committee meets near the end of the construction period and allocates all the housing units of a project. Its membership includes the Ministries of Finance and Construction, the Offices of the Mayor and Prefect of Abidjan, the Chamber of Commerce, the General Association of Ivory Coast Workers, and SOGEFIHA. Some units may be allocated to an organization, such as SOGEFIHA; others directly to individuals. In principle, the main criterion applied by the Committee is that the applicant demonstrate an income four times the monthly payment and be otherwise credit-worthy. Once the Committee has made a decision, the names of successful applicants are published in the newspapers, and the applicants then come in to make the rest of the payments due and complete formalities. Thus, homes are allocated, rather than sold, in the Ivory Coast.

At Williamsville, only 11 percent of the home buyers indicated incomes below the median income; 41 percent had incomes higher than that of the 80th percentile; 48 percent had incomes between the 50th and the 80th percentiles.<sup>1</sup>

At Abobo Gare, it seems that 24 percent of the home buyers had incomes below the median; 51 percent had incomes

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1. Judging by the 1974 income distribution of African households in Abidjan.

above that of the 80th percentile; 25 percent had incomes between the 50th and the 80th percentiles.<sup>1</sup>

Thus, it would appear that at Williamsville nearly 60 percent, and at Abobo nearly 50 percent, of the units went into the hands of families below the 80th percentile in the city.

These findings must be qualified, however. Incomes were those of individuals. Unless the successful applicant's household had only him as income earner, corresponding household incomes contained in this sample would be located at higher percentiles of the income distribution. There is an indication that the household incomes of successful applicants were higher than applicants' incomes alone. When at Abobo Gare monthly payments were taken in relation to applicants' income, it appeared that half would be paying more than one fourth of income for housing and a very high proportion would be paying more than one third. In light of these, the data on applicants' incomes would seem to corroborate the results of the earlier analysis on who could have afforded to move in.

In a city where perhaps three quarters of the population rents, it should not be surprising it at Cité Fairmont, Williamsville, and Abobo Gare quite a few families are sub-leasing from the actual homeowners. While we were simply not in a position to conduct a systematic inquiry into this question, we explored it repeatedly, especially with those located at the sites. Anecdotal evidence abounds. For example, many of the actual owners are civil servants, and have had to relocate at one point.

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1. Judging by the 1977 income distribution of African households in Abidjan.

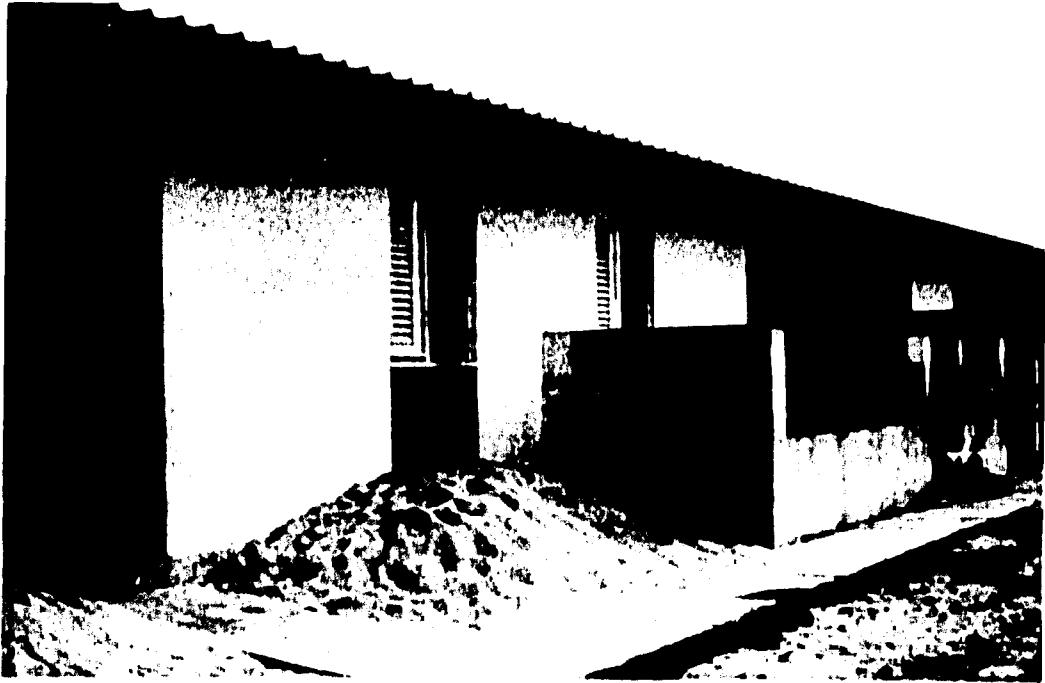
Everyone agrees that population has swelled at all three sites. While there is direct evidence of a fair proportion of subleasing (a survey at Cité Fairmont showed that roughly one out of three resident families might be subleasing), rising density could be indirect evidence. If many of the families that moved in really could not afford the housing, we would expect density per dwelling to rise. Families would be doubling up, boosting the household's income through more working members. The tendency would be reinforced by the African tradition of an extended family. In turn, widespread subleasing and rising density could be evidence that the resident population is more like the target population than might be supposed from the final cost of the units.

In the opinion of an official once closely connected with urban planning, public housing typically cannot be afforded by those for whom it is intended, mainly due to uncontrolled and escalating construction costs. Consequently, it has tended to go to higher income groups who in turn, sublease it to lower income groups. The homeowners at Cité Fairmont, Williamsville, and Abobo Gare are in some measure subleasing to the target population.

We have also been told that the proportion of renters has declined with each new project (i.e., that it is highest at Cité Fairmont and lowest at Abobo Gare).

#### Physical Development

At each of the three HG-funded projects, there is some evidence as to the continued physical development of housing units and project neighborhoods. Rising rental values of units would be one indicator of this continued development,



Cité Fairmont unimproved row housing



Cité Fairmont Improved semi-detached housing

but since the GOIC regulations prohibit leasing of units at rents above the level of the mortgagee's monthly payment, it is not possible to learn from official data whether this has been taking place. Other indicators, such as presence of property improvements and general state of maintenance, are nevertheless available.

Improvements to units undertaken by occupants are evidence at all three projects, though most noticeably at Cité Fairmont and Abobo Gare. Villa occupants (Cité Fairmont and Williamsville) appear to have been the most active in improving their properties. Considerable improvements have also been effected at Abobo Gare among row houses, and to a lesser extent among Williamsville's row houses. Some typical improvements include construction of additional rooms, both as extensions to houses or within courtyards, building or raising courtyard walls, and minor landscaping around houses. A sense of tenure is perhaps the most important determinant of whether residents will be willing to make physical improvements. Home ownership is a proven method of establishing this sense. The extent to which home improvements are made, however, depends on household income.

Most units in the three projects appear to have been reasonably cared for by occupants, although they have of course been heavily "lived in," especially apartments. All projects report some defects attributed by occupants to architectural or construction mistakes. Problems have been most critical at Williamsville, where drains and sewers have frequently overflowed, although it is unclear whether this has been due to higher than anticipated population densities, occupant misuse, design defects, or a combination of all three.

General upkeep and maintenance of projects on the part of SOGEFIHA has been variable. At the moment, the Abobo Gare project is probably best maintained, from the point of view of grounds, roadways, building exteriors and so on, but it is also the newest of the three HG-financed developments. Garbage pickup has apparently been especially poor at Cité Fairmont and Williamsville.<sup>1</sup> However, since SOGEFIHA has been caught between an official policy of relatively low fixed monthly fees to occupants and rapidly rising costs, it is not surprising that upkeep and maintenance have suffered even at these sites.

#### Community Development

There are some signs that each of the project sites has begun to develop into an identifiable community. The presence of social services, local economic activity, and homeowners associations are among such indicators.

All three of the HG-financed housing projects were built upon sites previously unused for permanent residential construction. Two sites, Cité Fairmont and Williamsville, were developed as new neighborhoods more or less adjacent to existing quarters in Abdjan. The third, Abobo Gare, was created as a new quarter. At the project planning stage, attention was therefore given to provision of social infrastructure for the new communities.

In most cases, community services have been established in the new neighborhoods as was intended. At Cité Fairmont,

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1. SOGEFIHA counters that residents do not leave garbage at designated pick-up areas.

Williamsville, and Abobo Gare, SOGEFIHA built primary schools of 12 classes each, which the GOIC has subsequently staffed. Similarly, SOGEFIHA constructed dispensaries at Williamsville and Abobo Gare and built an anti-tuberculosis center at the latter site as well. All are reportedly functioning with the prescribed Ministry of Public Health programs. Cité Fairmont residents have access to health facilities in nearby neighborhoods. Police services have been extended to the three project sites, and at Williamsville, a post office has been recently constructed. Rudimentary sports fields have been developed in each of the three neighborhoods. Municipal government representation in the form of local mayoral offices was programmed in the site plan for Williamsville, but the City of Abidjan has not moved to begin construction and apparently has no plans to do so.

All three project sites were conceived as residential quarters from which citizens would commute to work in other sections of Abidjan, which is in keeping with patterns throughout the city. Accordingly, municipal buses serve Cité Fairmont and Williamsville; Abobo Gare residents have to take a taxi to buses. Community economic development is evident in the form of small commercial and service enterprises, which in some cases have been established in sections of project houses. Such development is particularly striking in Cité Fairmont, where in addition SOGEFIHA has constructed a small commercial building at the request of residents.

"Homeowners associations" have been formed, at least on paper, at each of the project sites, complete with elected officers. Associations are reportedly most active at Williamsville and Cité Fairmont. Here, they have taken on the functions of both representing residents in dealings



Cité Fairmont school sports field



Cité Fairmont two-story row housing  
constructed under HG 001 program

with SOGEFIHA management over issues of maintenance and structural defects and of organizing upkeep campaigns among community residents. Further, at Williamsville where the "homeowners association" is apparently most vigorous, educational programs have been organized to help residents adapt to urban living and modern property ownership. The "homeowners association" at Abobo Gare, on the other hand, reportedly is not functioning, which the local SOGEFIHA representative believes is to be explained by lack of similarity of interest among widely varying housing groups including low-cost rental unit occupants and relatively expensive villa owners.

#### Unintended Effects of the Housing Projects

While it is uncertain to what extent members of income groups targeted to be served by the three projects are in fact currently occupying them, it is clear that all three subdivisions have attracted large resident populations. Although not based on censuses, there is consensus among the local SOGEFIHA representatives that the population density in each project has grown steadily since the units were first available for occupancy, and still continues to increase. As a result, the three subdivisions will probably expose more people to a standard of modern housing and amenities than was initially expected to be the case. In a positive light, this simply means that a larger absolute number of people will enjoy the benefits of modern housing and infrastructure services than was anticipated; unfortunately, it will also mean that the housing units and infrastructural systems will be subjected to more wear than was anticipated and therefore will deteriorate more quickly, so the average standard of housing and service amenities will be lower than intended.

### Conclusions: Housing Objectives

As stimulus to a rapid increase in rural housing, AID's PL 480 funding was successful. As a revolving fund on which to build a long-term rural housing program, it was less so.

Turning to urban housing, where far greater efforts were expended, improvements to units are evident at all three sites, most noticeably at Cité Fairmont and Abobo Gare. "Homeowner associations" have been formed. There are various signs that identifiable communities have begun to develop.

All three sites have attracted large resident populations. Positively, more people use a scarce resource; negatively, the units and infrastructure will wear down rapidly. This has tended to happen at all public housing projects in Abidjan and is not peculiar to AID-supported programs.

Given the high densities that materialized at all sites and the strong likelihood of a fair proportion of subleasing, the residents could nearly resemble the target population, but as renters and not as owners.

AID correctly sensed that, in the Ivory Coast, home ownership was reserved for the few well-to-do. And, it seemed to have little connection with whether others would be able to afford sales housing. One of AID's most important objectives became that of creating increased opportunities of home ownership for the urban middle class, which for the most part had to rent.<sup>1</sup> That this was the target

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1. The middle class might be thought of as households with incomes between the 50th and 90th percentiles of the household income distribution.

population in both HG-001 and HG-002 is obvious from the proposed monthly payments. But, when the housing units came on the market, they could not be afforded by the majority of the middle class. AID was able to reach the top fifth, possibly, the top fourth, of households. Nevertheless, it is true that all alternative homeownership programs contemporaneous with HG-001 and HG-002, namely CCI's mortgage program and SICOGI's lease purchase program, could only have been afforded by the top 10 percent of Abidjan families. In comparison with these, Cité Fairmont, Williamsville and Abobo Gare did mean an expansion of opportunity for homeownership by the middle class in Ivory Coast.

#### IV. AID'S INSTITUTION-BUILDING OBJECTIVES IN THE SHELTER PROGRAMS

##### The Organizations

##### SOGEFIHA

SOGEFIHA was established in 1963 as an independent state corporation. Its appointed role has been to manage financial resources for the development of the Ivory Coast housing sector, both urban and rural. To fulfill these responsibilities and finance its operations, SOGEFIHA was given the authority to receive public funds and to contract and service loans, including loans from foreign sources.

Two dimensions of SOGEFIHA's role during the 1960s and early 1970s are of particular interest, because they determined AID's relationship with the Ivory Coast housing sector. First, due to SOGEFIHA's legal capacity to contract loans from overseas sources, the institution rapidly developed into the GOIC's mechanism for receiving foreign financial assistance and investment in the housing sector. French financial assistance for housing was the only exception to this rule. Second, at the beginning of its operation in 1964, SOGEFIHA was charged by the GOIC with primary responsibility among public sector institutions for the development of rural housing.

Thus, when AID's PL 480 funding became available to the Ivory Coast in the mid 1960s and when the GOIC requested such funds to expand its rural housing program nationwide, it was wholly consistent with the existing institutional structure that AID's activities in housing would develop through a relationship with SOGEFIHA. The "selection," therefore, of SOGEFIHA as a focus for AID's institution-building efforts in the 1960s and beyond was practically inevitable.

In HG-001, both AID and SOGEFIHA potentially could benefit from this relationship.<sup>1</sup> In making SOGEFIHA administrator of the project, AID wanted that legitimate profits arising from this service be realized by an Ivorian institution rather than by the local branch of a French bank. Also, in this way, HG-001 would be able to take advantage of the resident AID adviser for the rural housing program in SOGEFIHA. But, primarily AID selected SOGEFIHA as administrator over one of the local French commercial banks to continue its technical assistance to this organization. The HG-001 experience led to HG-002, where SOGEFIHA became borrower-sponsor-administrator. HG-002 provided seed capital for the establishment of a thrift and mortgage system in the Ivory Coast. SOGEFIHA itself would not be able to carry out thrift and mortgage operations, because under Ivorian law, only a bank could do so; and SOGEFIHA was not a bank nor did the GOIC intend that it ever become one. But in HG-002, SOGEFIHA was the choice as promoter of the new system (its Director General was very much in favor of thrift and mortgage operations on a wide scale in the Ivory Coast) and also as the organization where a legally distinct pilot thrift

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1. SOGEFIHA would have played some role in HG-001 even without PL 480 rural housing.

and mortgage scheme would get a start. SOGEFIHA was selected to be the catalyst.

The strengthening of SOGEFIHA is a fine example of AID's step by step approach. We shall observe it being adopted again with the introduction of the thrift and mortgage system and with the attempt, in the framework of GH-003, to change subsidy policy in public housing. The step by step approach gradualism, or incrementalism, is partly the out-growth of AID's experience that its own policies and strategy can change and that funds and programs may have to be redirected. Generally, it is a wise approach, but like any other, it does not guarantee success.

Institution-building as it applied to SOGEFIHA was multifaceted. First, SOGEFIHA itself had to be strengthened; so it became the recipient of technical assistance, at the outset in connection with the PL 480 funded rural housing. Later, indirect technical assistance was received through the fiduciary inspections and the presence of the Regional Housing Office in Abidjan.<sup>1</sup> Second, it had to be assigned responsibility incrementally, for example, first serving in the role of administrator, followed by that of borrower-sponsor-administrator. Third, SOGEFIHA in turn was to assist in building and broadening other institutions.

But there was always concern by AID about SOGEFIHA. An internal evaluation of HG-002 listed the key assumptions at the beginning of the project:<sup>2</sup>

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1. The latter ended up substituting for a "resident loan-funded technical advisor" called for in the HG-002 Project Paper.

2. The evaluation concluded that in fact, all assumptions proved invalid.

- i. SOGEFIHA was aware of its shortcomings and was willing to improve;
2. The experience of developing a housing guaranty program will lead to greater effectiveness of operation through exposure to U.S. methods;
3. There will be relative price stability so that the projects can be sold at prices near to those planned.

In the aftermath of HG-002, SOGEFIHA was to receive a poor rating compared to two other housing institutions SICOGI and CCI.<sup>1</sup> The author pointed out that:

- a. "it has not been able to develop low-income programs or to manage its projects effectively,"
- b. its "internal organization is...inadequate for its...responsibilities,"
- c. its "underwriting policies and procedures have proven unsatisfactory,"
- d. it was not experienced or strong enough to resist some of the unwise pressures placed on it by its own government.<sup>2</sup>

SICOGI was considered experienced, technically capable and well run, maintaining its financial equilibrium and somehow able to resist the GOIC. CCI was evaluated as experienced, technically capable, and well run as well, careful with respect to underwriting, and tightly controlling loan repayments.

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1. AID, Office of Housing, Ivory Coast: Shelter Sector Assessment, August 1975. For SOGEFIHA, p. 161-65; for SICOGI, p. 142; for CCI, p. 187.

2. This was not a key assumption of HG-002.

The Chairman of the Board of SOGEFIHA traced the deepening troubles and disorganization in the following way:

1. SOGEFIHA was originally intended as an institution concentrating on housing for the lower income classes (logements sociaux); and there was tremendous pressure to build;
2. The first signs of overcommitment appeared already in 1966; (the Director General of CCI pointed out that it was in rural housing that SOGEFIHA first became over-extended);
3. As its problems grew, SOGEFIHA began to regard the constructing of houses of good standing (bon standing) and middle standing (moyen standing) as the way to improve its financial position;
4. The overcommitment, which was not only financial but also physical, had already advanced too far;
5. Finally, the GOIC was forced to step in to halt the snowballing decline, and reinstitute the original priorities.

This prominent banker did not single out the year by which SOGEFIHA'S overcommitments had advanced too far. SOGEFIHA'S overcommitment and shortcomings became very obvious in the course of HG-002. If we take the date of the latter as the middle 1970s, in the view of the Chairman the point of no return for SOGEFIHA must have occurred in the years prior, that is, in the very late 1960s or the early 1970s.

The truth is that the GOIC itself badly used SOGEFIHA. In order to provide the government with low-income housing, SOGEFIHA was forced to substantially underprice it. In 1967, the GOIC was renting three-fourths of the units that

SOGEFIHA was managing; the fraction did not drop to less than one-half until 1970; in 1973, still one-third of the housing units SOGEFIHA managed in Abidjan were rented to the government. The GOIC paid more than half of SOGEFIHA's rents until 1974, and historically, was a slow payer.

In addition, SOGEFIHA has been the largest single borrower of GOIC-guaranteed loans. With the exceptions of the HG financing and a loan from Israel, these loans have been for about 10 years. The reliance on 10-year credits to finance housing that must be amortized over 20 years, to be able to reach the low-income market, was another major contributor to SOGEFIHA's deepening financial weakness. Unlike the HG loans, little attention was paid to cost control under these loans. Unnecessarily high costs were then aggravated by low GOIC-imposed rents. SOGEFIHA's collapse, then, was largely the culmination of a history of manipulation by the GOIC itself.

A formal undertaking to implement a plan of action for the financial rehabilitation of SOGEFIHA was given by the GOIC to the World Bank, dated December 15, 1976. Reorganization and rehabilitation were conditions of both AID and World Bank loans. SOGEFIHA's problems, if left unattended, might have seriously prejudiced the Abidjan Urban Development Project.

SOGEFIHA, founded as a housing finance management company, was a moderate success at housing construction but a failure at housing finance management. It was this institution's special role in the public housing sector of the Ivory Coast that predetermined AID's close and extended involvement with it. SOGEFIHA progressed from AID technical

assistance to HG administrator to HG borrower to reorganization and rehabilitation. Although much sincere effort was expended by AID to strengthen it, SOGEFIHA practically collapsed. But given AID's slight influence over the organization, it was not something that AID could have prevented.

### BNEC

Title III of the Foreign Assistance Act of 1969 authorizes the President

to issue guaranties... in order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects, and related community facilities ....

In 1971, AID identified the need for a thrift and mortgage system in the Ivory Coast and even prepared drafts of basic legislation to achieve this goal. The establishment of a thrift and mortgage system was made one of the objectives of HG-002, under institutional objectives.

Under the system, deposits would be accepted from the public and loans made. For Ivorian law, these operations taken together would be considered banking and as such be subject to banking regulations. This concerned AID: it meant that a thrift and mortgage system could not become a part of SOGEFIHA; then, whether it came into being as part of a commercial bank or as a bank created for this purpose, it would mean that the new system had less chance of taking root. Also, thrift and mortgage operations would come under

the oversight of the Central Bank of West Africa,<sup>1</sup> where they would appear unfamiliar and complex and might actually be at variance with existing regulations. In another instance, AID chose to proceed incrementally.

AID earmarked \$4.3 million of a \$10 million loan under HG-002 as seed capital or pump priming for the new system. The GOIC, under the terms of the implementation agreement, committed itself to provide a capital contribution of CFAF 300 million (then, approximately \$1.2 million). SOGEFIHA, the sponsor and borrower in HG-002, would manage a pilot thrift and mortgage system, that would be legally distinct from it; the pilot would still require an enabling decree. As a first step, in September 1973 SOGEFIHA launched a Savings Division. It was really the embryo of a new institution.

But the \$4.3 million was never employed in the envisaged way. The decree that established BNEC was issued only on June 23, 1975, by the end of HG-002.<sup>2</sup> The loan ended up being used for cost increases at Williamsville and Abobo Gare and for rural housing. But, when BNEC was finally created, SOGEFIHA's Savings Division moved there practically bodily.

The delay can be explained in part by the political fortunes of Mr. Konan Bledou, the Director General of SOGEFIHA. The thrift and mortgage idea interested him; he gave it his

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1. The Ivory Coast is one of six states of formerly French West Africa belonging to the West African Monetary Union. The six have the same currency and the same Central Bank.

2. The decree provided for an initial capitalization of CFAF 1 billion, approximately \$5 million, and named SOGEFIHA's former Director General as Director.

whole support and it became identified with him. Bledou saw (and still sees) BNEC as a banque populaire in the American savings and loan style; it would have branches everywhere, staying open at hours convenient to peasants, and generally educate the people in the thrift and mortgage concept. He was the natural choice for head of the new organization. But, SOGEFIHA's problems with financing its operations, while by no means entirely attributable to Bledou, did not make for a good recommendation. There was reluctance by some in the Government to place him at the head of BNEC. Initially, he overcame these reservations and was appointed as BNEC's first director general. Another part of the explanation for delay was that while a thrift and mortgage system in the Ivory Coast was a high priority for AID, it was a lower one for the GOIC.

BNEC did not come into being as a pure thrift and mortgage operation even though for a time AID, given its objectives in HG-002, continued to look at it primarily from this angle; in fact, it was also chartered, somewhat imperfectly, as a national housing bank. It here resembled OSHE, formed already in 1968 and intimately connected with financing social (low income) housing. Initially, the situation was ambiguous, with two organizations having similar responsibilities. It seems that draft decrees favored the incorporation of OSHE in BNEC when, finally, the idea was dropped; but, the language of the drafts somehow got carried over into the final version. OSHE was merged with BNEC, permitting this bank to serve effectively as the central fiduciary for public housing finance. The legal dissolution of OSHE was a condition of both the AID and the World Bank loans.

BNEC, then, has two roles, requiring two separate administrations and two separate accounting systems.<sup>1</sup> These are the Savings and Loan Division and the Fonds d'Habitat (the Housing Fund). It is the latter role that gives BNEC the character of a national housing bank. The Fonds d'Habitat is supposed to receive all public funds earmarked for housing as well as all loans contracted by BNEC for the financing of social housing projects.<sup>2</sup>

The functions that today are lodged in BNEC might have been realized in other ways. There were at least three possibilities:

1. The continued existence of OSHE and the establishment of a savings and loan bank;
2. The establishment of a savings and loan operation and the reorganization of OSHE within an existing institution, necessarily a bank;
3. The establishment of a savings and loan operation and the reorganization of OSHE within a new institution.

AID's primary concern always was the realization in the Ivory Coast of the thrift and mortgage concept. Certainly at the outset it would have supported any one of the three alternatives. Bledou argued for merging the two functions in one institution and later the World Bank was strongly in favor of OSHE's disestablishment. CCI, an experienced and well-managed development bank, was the logical choice if both functions were to be placed in an existing institution.

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1. BNEC's Internal Rule, Title I, article 3.  
 2. Low-cost or low-income (economique) and very low-cost or very low-income (tres-economique). What is missing from BNEC's Internal Rule is a concrete awareness of the urban poor. But, in practice, we can expect the GOIC to define "social," and not BNEC.

But CCI was passed over because both AID and the World Bank were of the view that CCI had not demonstrated a sufficient interest in socially desirable projects. An institution with the role of a BNEC was to be at the center of HG-003 and the Abidjan Urban Development Project; so interest in socially valuable projects would be essential. This reduced the field largely to the third possibility.

It is far too early to make some final judgment about BNEC, or to point to it as proof of a new public housing policy.<sup>1</sup> However, if BNEC succeeds, it would have to be regarded as a major achievement of AID's housing policies and strategy in the Ivory Coast.

#### The Contribution of Technical Assistance

AID has sponsored technical assistance to the public housing sector more or less continuously since 1967. Such assistance took a variety of forms:

1. For SOGEFIHA's rural housing program, a resident technical expert was furnished by AID from 1967 through mid 1969;
2. For SOGEFIHA's conventional urban housing activities under HG-001 (Cité Fairmont) and HG-002 (Williamsville and Abobo Gare) and for its savings division, technical assistance was a by-product of fiduciary inspections and financial and management reviews by the National Savings and Loan League and from September 1972, of the monitoring and advisory support of the newly established Regional Housing Office in Abidjan; and

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1. Chapter V will discuss this issue.

3. For the HG-003/Abidjan Urban Development Project, a range of 10 technical experts were to be provided to BNEC and the MCU for 2- or 3-year periods, at a total cost of \$3.2 million, of which the AID share is \$1.0 million.

In the last case, technical assistance to BNEC began in July 1976 and has included an advisor to the finance director, a technical director<sup>1</sup> and an advisor to the Credit Department. A fourth position, advisor to the savings director was only filled in October 1978. All told, about 4.5 man-years out of a total projected 12 man-years of technical assistance to BNEC have been used at present. Technical assistance to MCU is also to include a total 12 man-years (six positions) in engineering fields, in architecture and in planning. This technical assistance team did not begin operation until well into 1977.

For the period 1967 through 1975, AID technical assistance was associated with SOGEFIHA. Principally, AID funded one resident advisor to SOGEFIHA's rural housing program from December 1966 through mid 1969. The GOIC had requested for MCU an entire technical assistance team in rural housing. AID was not prepared to go so far; and, eventually, it was mutually agreed that AID would provide one advisor, at a cost to AID of \$200,000. MCU placed him in SOGEFIHA. The groundwork for this technical assistance effort was not well prepared, however, particularly on the Ivorian side. Within an unstructured situation, the advisor was left to develop his own job, which evolved into a semi-advisory/semi-operational role. He focused upon tightening the

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1. An operational post.

management of SOGEFIHA's rural housing activities. Tasks undertaken included an attempt to strengthen SOGEFIHA's accounting and reporting for projects, performance of an inventory and analysis of projects financed by the 200 million CFAF Prefect/Sub-prefect loans, and organization of a record-keeping system for projects. However, when the technical assistance contract ended, SOGEFIHA did not request further technical support, nor did AID suggest additional rural housing assistance.<sup>1</sup>

AID's technical assistance to SOGEFIHA's rural housing program was useful to the organization during the period in which it was provided. The director of SOGEFIHA during these years considered the AID presence to be basically a form of financial control, but also believed that the AID advisor made a valuable contribution as an operational member of SOGEFIHA's staff.

It is unclear whether the influence of this technical assistance effort continues to be felt in present rural housing programs nearly a decade later. But it would hardly be surprising if it did not continue to be felt. Over the years, SOGEFIHA's rural housing program has changed substantially in concept and experienced staff has left.<sup>2</sup> In addition, the organization itself has undergone crises and changes.<sup>3</sup> Equally important, AID demonstrated little

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1. When the first 2 years of technical assistance were completed, SOGEFIHA was informed that it could request an extension of 6 months; it did so and received the extension.

2. The current head of the rural housing program, however, received training under the resident advisor in 1967-69.

3. Pressure from the Government to build and underprice; financial as well as physical overcommitment; reliance on supplier credits (relatively short-term credits) for financing; near collapse and financial rehabilitation.

interest in the rural housing program once the technical assistance phase ended.

From a broader perspective, AID's technical assistance activities throughout the 1967-75 period (even the fiduciary inspection and financial and management reviews) all appear to have been aimed at the same objective: to strengthen and develop the overall management and technical capabilities of SOGEFIHA. AID's ultimate objective was not fully appreciated by SOGEFIHA itself, as officials in the organization considered AID technical assistance to be directed primarily at financial control, and for explaining and helping the organization to satisfy AID regulations and procedures.

Nevertheless, through the late 1960s and into the early 1970s, AID was satisfied with both the form and the results of its technical assistance undertakings. For example, preparing HG-002, AID decided against providing direct technical assistance for the establishment of the thrift and mortgage system feeling that the new Regional Housing Office about to open in Abidjan could effectively provide it.

Most recently in the HG-003/Abidjan Urban Development Project, AID is again providing technical assistance. The immediate concern of the assistance is the provision of skills which are essential to successful project management. However, the ultimate objective is once more that of enabling key institutions at the center of the Ivory Coast housing sector to fulfill critical long-term responsibilities. By calling for counterpart participation in the management tasks of the project, i.e., by involving technical expertise in counterpart training, this latest effort

by AID aims to train key Ivorian officials in order to build permanent capabilities in BNEC and MCU.

Interaction between the high level Ivorian staff of BNEC and MCU and their opposite numbers among the experts is essential to the success of the HG-003 technical assistance effort. However, according to the recent (June 1978) AID evaluation of 2 years' technical assistance to BNEC, it has generally been lacking. <sup>1</sup> This lack of interaction may have already created an atmosphere which is prejudicial to counterpart training, an aspect of technical assistance that has been of special concern to AID. <sup>2</sup>

There has been a certain continuity in the AID technical assistance effort over the period from 1965 to the present. The common thread has been a desire to build an institution of influence and responsibility in the housing sector. With SOGEFIHA this effort failed, not because there was anything unsound about the technical assistance, but because pressures on SOGEFIHA from other quarters vitiated any influence AID might have exerted on the institution through the technical assistance it provided. In particular, SOGEFIHA's failure to develop into the kind of key role envisaged for it by AID is mainly attributable to the GOIC's pressures on SOGEFIHA to build without regard to methods of financing and to make housing "economic" through underpricing. In fact, the ultimate aim of present technical assistance to BNEC and the Ministry of Construction is the reversal of policies that tended to nullify technical assistance to SOGEFIHA.

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1. These materials take us beyond the period of evaluation, 1965-76; as they were available and continued the history of technical assistance, we elected to employ them.

2. It should be noted also that unlike previous technical assistance contributions which were funded by grants, the present effort is loan funded. No doubt the control exercised over technical assistance is different in the two cases.

Insofar as present technical assistance activities on behalf of BNEC are critical to enabling the institution to meet its responsibilities over the long term (those both of a national bank for low-income housing and a savings and loan bank), and insofar as the heart of technical assistance is considered to be close working cooperation between technical advisors and counterparts -- including training activities -- the experience of the technical assistance effort to date is properly a cause of concern to AID. However, it is being carefully evaluated.

#### The Impact on Private Savings

The present savings operation in BNEC is a lineal descendant of the savings division created in SOGEFIHA in 1973. Since its beginnings in SOGEFIHA, the total amount on deposit with the system has grown steadily. Thus, from a balance of about 100.7 million CFAF deposited with SOGEFIHA at the end of fiscal year 1974, total savings deposits with BNEC increased more than sixfold to about 700.3 million CFAF, and the number of accounts grew from 941 to 7,354 by the end of fiscal year 1977.

Total savings with SOGEFIHA or BNEC from 1974-77 on September 30 of each year were:

<u>Year</u>	<u>CFAF</u>
1974	100,651,466
1975	200,811,533
1976	346,232,413*
1977	703,300,000* (rounded)

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\*Passbook accounts and time certificates

Source: BNEC Savings and Credit Department.

It is notable that this increase has taken place despite the fact that BNEC operates only one office in Abidjan and has no up-country branches. Bankers and others interviewed in connection with the present study indicate that the BNEC/SOGEFIHA savings operations might be attracting new depositors not previously involved in formal thrift programs. Recent statistics of the International Monetary Fund do in fact show steady increases in total savings bank deposits since 1970, including substantial growth in the years 1974 through 1977 when the BNEC/SOGEFIHA system began. Where the average annual increase was 0.10 billions of CFAF between 1970-73, it rose to 0.18 billions of CFAF between 1973-76, the first three years of the BNEC/SOGEFIHA operation. It accelerated, then, by 0.08 billions of CFAF. In the same 1973-76 period, savings with BNEC/SOGEFIHA on the average rose annually by 0.12 billions of CFAF.<sup>1</sup>

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1. It was awkward to include 1977 in the analysis; for that year, we have a full year's observation for BNEC/SOGEFIHA, but only one quarter year's for aggregate savings bank deposits.

Savings Bank Deposits<sup>a</sup>

<u>Year</u>	<u>Billions of CFAF</u>
1970	.95
1971	1.09
1972	1.16
1973	1.25
1974	1.47
1975	1.54
1976	1.79
1977 <sup>b</sup>	2.04

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a. At end of period. Postal savings have not been included.

b. At end of first quarter.

The preliminary evidence suggests that BNEC/SOGEFIHA has not simply taken deposits away from the commercial banks and may have attracted new deposits. Nevertheless, it is probably still too soon to claim that BNEC's savings operation, as dramatic as its growth may have been, has produced a positive net impact on aggregate private savings in the Ivory Coast of a long-run nature. However, the fact that BNEC is empowered to pay rates of interest on its deposits slightly above those paid by commercial banks -- which it has recently begun doing -- as well as the fact that it plans to begin opening branches in various up-country urban centers, seem to assure BNEC's increasing importance and impact on thrift habits in the Ivory Coast.

BNEC has been very slow to turn savings into home loans for individuals. Thus, at the close of BNEC's 1977 fiscal year (September 30, 1977), the institution had more than

703.3 million CFAF in passbook deposits and time certificates; but its savings and credit department had made loans to individuals of only 21.7 million CFAF. We understand that there has been a marked improvement from this low level in fiscal 1978; these figures, however, were not available at the time of our visit. The reasons for the slow rise in the volume of home loans are unclear. But, it may not be unrelated to the persistent problem of containing construction costs. If the loan policy pursued by BNEC were one that made loans more available to middle income groups and if housing costs continued to outpace what these groups could afford, it would explain the Bank's difficulty with placing loans.

#### The Mortgage Contract

A major institution-building thrust of HG-001 and HG-002 was to demonstrate the effectiveness of the long-term mortgage contract. It was suggested, for example, that Cité Fairmont would demonstrate "volume marketing, mortgage origination and servicing" and would provide an excellent demonstration of how the housing requirements of a heretofore inadequately served income group can be satisfied through introduction of private financing, long-term mortgages and small down payments.<sup>1</sup>

To date, the mortgage contract system as implemented in the first two HG-supported Ivory Coast projects has not had the full demonstration impact intended by AID.

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1. Aid Development Guaranty Paper, Ivory Coast: Abidjan Housing Guaranty Project, July 20, 1967, p. 5.

The long-term feature of AID's mortgage contracts, however, has not been ignored by the home financing sector. It appears that AID's introduction of long-term (20-year) mortgages from the time of the Cité Fairmont project has encouraged local institutions, notably the CCI, to follow its lead and to lengthen the term of mortgage loans.<sup>1</sup>

However, overall evidence suggests that the mortgage contract system that Cité Fairmont, Williamsville, and Abobo Gare were meant to embody, is still poorly understood by many people familiar with those projects: SOGEFIHA personnel and SOGEFIHA homeowners and individuals in positions of authority in home financing. Conversation with representatives of these groups indicates a wide range of beliefs as to what SOGEFIHA's mortgage contracts (hypothèque) in the HG projects actually represent, and just how they differ from the more standard lease-purchase contract (location-vente).

SOGEFIHA's own representatives at Cité Fairmont, Williamsville and Abobo Gare, for example, appeared unaware that mortgage contracts were used to arrange all home financing for the first two subdivisions and that at least some residents have mortgage financing at the third. Representatives at all three sites continually referred to homeowners as renters (locataires) and to the terms of their occupancy as location-vente, the case with most other SOGEFIHA

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1. CCI has used mortgage contracts for loans to relatively wealthy individuals who already own land and propose to build. Use of mortgage contracts at Cité Fairmont, Williamsville, and Abobo Gare, by contrast, was meant to demonstrate individual mortgage financing for a broad middle class, and on a volume market basis.

developments of similar standing. This confusion over the quality of homeownership under the mortgage system is further exemplified by the fact that at one point SOGEFIHA mistakenly evicted 10 Cité Fairmont homeowners who had fallen in arrears, believing them to be lease-purchasers.<sup>1</sup>

Moreover, among various people at policymaking levels in the housing sector, who all understand the mortgage contract concept, there appears to be little support for the system, at least on a volume basis, in housing development projects of a standing similar to the three HG-financed subdivisions. SOGEFIHA's present Director expresses reservations concerning his experience with mortgage contracts, and believes that a notarized lease-purchase arrangement (location-vente notariée), in which title would be promised to the prospective homeowner but not actually assigned to him until amortization was complete, would have been a more appropriate approach to home financing.

SOGEFIHA's preferences are also made clear by the fact that the organization applied promise-to-sell<sup>2</sup> contracts (promesse de vente) at Abobo Gare as soon as AID agreed to allow adjustments to the mortgage contract system under which units were initially being sold. Additionally, it is evident that housing development corporations and banks in the Ivory Coast generally have not adopted the mortgage

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1. In 1971.

2. A lease-purchase variant where an individual rents a unit for his first 5 years of occupancy but has the promise that at the end of that period the landlord will sell the house to him by putting him henceforth on a lease-purchase basis. Monthly payments are higher under promise-to-sell than they would be under a normal lease-purchase during the initial 5 (rental) years to offset the fact that no down payment is required under the arrangement.

contract for housing operations similar to Cite' Fairmont or Williamsville, despite the example furnished by those projects.

Several objections to mortgage financing for Cite' Fairmont or Williamsville-type projects have been voiced. Some individuals maintain that the relatively larger down payment necessary under the mortgage contracts (5 to 10 percent of the selling price) are a barrier to prospective purchasers. Lease-purchase, with a smaller down payment or initial guaranty (the equivalent of 2 or 3 months rent) is normally the practice in the Ivory Coast, and is considered more effective in promoting homeownership.

The most serious objections to the use of mortgage contracts, however, seem to be on legal grounds. Reportedly under Ivorian law, the foreclosure procedure is extremely complicated and time-consuming. However, under a mortgage contract, foreclosure is the only prescribed solution for nonpayment, which has been a chronic problem. In applying the mortgage contract system to a Cite' Fairmont or to a Williamsville, a housing authority feels that it will soon be party to a complex and messy legal confrontation, one in which it has little flexibility compared to the latitude offered by lease-purchase or rental.

A lack of understanding of local conditions is often a major source of problems in projects. How deeply was the suitability of a mortgage contract system analyzed in relation to general legal and financial circumstances in the Ivory Coast in the planning stage? It may well be that the mortgage contract system implemented on a volume market basis in the context of a Cite' Fairmont, Williamsville, or Abobo Gare does not automatically represent an improvement over present lease-purchase practices which apparently have been the basis of many successful large-scale housing development projects.

### Experience for Small Contractors

One of the most significant contributions that AID may have made was its attempt to strengthen Ivorian building enterprises within the framework of the Abobo Gare sub-project. Dominated by larger, better-financed and better-managed firms, small and medium Ivorian building contractors have had difficulty establishing themselves in the sector. Though Ivorization of commerce and industry is a GOIC policy objective, government ministries and parastatal agencies have not been diligent about promoting Ivorian enterprise in construction, favoring instead allegedly more efficient and reliable foreign firms. There is some justification for this. Although the stronger Ivorian construction firms are reportedly technically competent, observers inside and outside the industry agree that most are still weak in project planning and management, especially in programming use of materials and funds.

In view of this, a private Ivorian architect proposed that AID and SOGEFIHA set aside and program a portion of the Abobo Gare subproject for qualified Ivorian builders, and organize the work to help develop the firm's management capabilities. AID and SOGEFIHA accepted the idea, and programmed construction of 578 row houses into 11 parcels of 30 to 80 units, each with a construction value of 60 to 125 million CFAF. Since the objective of the "set aside" was not only to demonstrate that Ivorian builders could handle relatively large contracts, but also to provide on-the-job

training to the participating firms, a management assistance system was established. The contractors were organized into a group, and INTRADEP, a firm of consulting engineers, plus experts from the GOIC's Office for the Promotion of Ivorian Enterprise (OPEI)<sup>1</sup> were hired to provide day-to-day support in purchase and management of materials, and in programming of work.<sup>2</sup> In addition, AID staff also monitored contractor progress.

By all reports, the exercise was a clear success. Although the Abobo Gare row houses were completed 6 weeks behind schedule, it was a respectable performance for a project of this size. Technical quality was also good. Abobo Gare was a costly project, but this was not due to inefficiency on the part of participating firms.

AID had high hopes that the experience of Abobo Gare would give participants a foundation of improved management and financial capabilities that would facilitate their obtaining further important projects. These hopes have not been realized. Substantially the same group of enterprises that participated at Abobo Gare has bid on other projects, but without success. They bid together on SICOGI's rental housing at Macory-Est, funded by HG-003, for example, but the group's bid was substantially higher than those of the competing French firms. More ominously, the Abobo Gare enterprises, bidding as a group, did win one small SOGEFIHA contract for construction of 104 houses in Yamoussoukro in 1976, but the project ended badly, with only 80 percent completion and funds exhausted. In this case, the missing

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1. Office National de Promotion de l'Entreprise Ivorienne.  
2. Payment was made through deductions from contractors' progress payments.



Two views of Abobo Gare row housing constructed by Ivorian building contractors under IIG 002



ingredient appears to have been the kind of management support that had been present at Abobo Gare.

Several conclusions emerge from the experience of the Abobo Gare project and since:

1. A group of Ivorian building firms does exist which is technically capable of performing significant large-scale housing construction.
2. Representatives of this group performed successfully at Abobo Gare because of the framework of management assistance and supervision provided at the work site by INTRADEP, OPEI, and AID.
3. It has by now become apparent that the participants of Abobo Gare have not gained sufficient experience through this one project to succeed in subsequent contracts without further assistance.
4. Despite the official policy, GOIC agencies cannot automatically be counted upon to promote local firms in public sector housing construction. Their hesitation is due to legitimate concern over the capacity of local contractors to hold down costs and respect deadlines. For social housing construction, such hesitation is also related to a desire to reduce unit costs as low as possible in view of a primary objective of assuring the affordability of such projects by intended beneficiaries.
5. The French government and French technical assistance cadres are unlikely to push for the development of Ivorian construction firms, if only because of vested interests on the part of French construction firms in maintaining their present predominance in the construction sector.
6. AID is probably the only interested organization with sufficient resources and vision to push for promotion of local construction enterprises and entertain some prospect of success.

Conclusions: Institutional Objectives

AID tried to strengthen SOGEFIHA; but, SOGEFIHA never became a more responsible and effective player in the Ivorian public housing arena. It would be unfair to conclude from this that AID failed. Although AID involved itself with this organization in three shelter sector loans and provided a variety of technical assistance starting in 1967, AID was never in a position to make SOGEFIHA into what it pleased. The GOIC was more nearly in that position; and, in fact, the series of shortsighted policies that the government directed at SOGEFIHA simply overwhelmed any contribution to its strengthening that AID's efforts might have made.

At the center of HG-001 was an American company; at the center of HG-002 was SOGEFIHA, at the center of HG-003 stands BNEC. In the Fonds d'Habitat, BNEC is the Ivorian bank for low-income housing. AID supports both of BNEC's roles, i.e., savings and loan bank and housing bank for the poor, with considerable funding and fresh technical assistance.

There is continuity in the history of AID's technical assistance to the public housing sector of the Ivory Coast. It is to be found in the desire to build an institution of responsibility and significance. On behalf of SOGEFIHA, responsibility and significance. On behalf of SOGEFIHA, these efforts led to very little, not because there was anything wrong with AID's technical assistance but because as long as the GOIC indiscriminately employed this organization for repeated direct intervention in the shelter sector, it could be only a small influence. With technical assistance to BNEC and MCU, AID is attempting to alter this very policy. It is too early to tell what results the latest efforts will bring.

Dramatic as its growth has been, it is still too early to tell whether BNEC's savings operation has engendered a net increase in private savings. AID introduced "lending long on sight," the thrift and mortgage system; the "lending" part was very slow to come about. To date the mortgage contract has not had the demonstration effect intended. But AID's introduction of long-term (20-year) mortgages has encouraged other institutions to try to lengthen the mortgage loan.

The Abobo Gare venture with small Ivorian contractors was successful. AID could consider providing further assistance of this type as a means of developing a permanent, indigenous capability on the supply side of the shelter market. Such assistance would have enhanced value if coupled with appropriate technology transfer for design and construction of low cost housing.

## V. THE IMPACT OF HG-003 ON PUBLIC HOUSING POLICY

### Public Housing Policy Prior to HG-003

Public housing policy in the Ivory Coast is determined by the Ministry of Construction and Town Planning (MCU), the Ministry of Finance, the Ministry of Planning, and the President of the Republic.<sup>1</sup> But no documented National Housing Policy has ever appeared; and, the Minister of Construction and Town Planning's pronouncements have tended to deal with the problem of housing in Abidjan, the capital.<sup>2</sup>

Public housing policy since the 1960s has been characterized by high building standards. The adoption of high standards of urban development without taking into account what the majority of the urban population can afford to pay for housing has had a variety of consequence, including the need for public subsidies to reduce private costs and the demolition between 1969 and 1973 of an estimated 20 percent

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1. Ministere de la Construction et de l'Urbanisme (MCU) is now the Ministry of Public Works, Transportation, Construction and Town Planning; and the Ministry of Finance is now the Ministry of the Economy, Finance and Planning.

2. The number and mix of housing units to be built by SOGEFIHA, for example, are decided in the MCU and the Ministry of Finance in the form of basic guidelines (accords cadres).

of Abidjan's housing stock because it represented too low building standards as well as illegal private investment in housing (squatting).

A consequence of subsidies has been growth in demand for both housing and the full range of urban services. Thus, the GOIC not only stimulated the demand of those who could afford only subsidized housing but also subsidized the housing of those who would have been willing to pay more. It became impossible to retreat from such popular programs; in fact, there was growing dissatisfaction with the government for not doing more. This led to a further surge of activity and since 1969, vast public housing programs have gotten underway, mainly in Abidjan; relatively little public investment in housing occurred in the regional (secondary) cities and the rural areas.

Such a policy could not prevail forever. Rude shocks occurred and the signs of a more rational policy began to appear.

In the early 1970s, CCCE began cutting off aid to the housing sector in West Africa. Housing was the largest component of the French foreign aid package, but it became evident to the French that the housing institutions that they had created and were supporting were catering primarily to urban civil servants; this aspect was increasingly difficult to sell to the electorate.<sup>1</sup>

By 1974, the French were only interested in sites and services on an experimental basis, the lotissement a

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1. The actions of the French made the HG program especially welcome and doubtlessly had not a little to do with the creation of BNEC.

equipement minimum or LEM. At about the same time, AID also became interested in the potential of sites and services as a shelter sector solution.

For the time being, only three institutions effectively comprise the public housing sector: BNEC, SICOI and SETU. The 1972 creation of SETU marked the beginning of a trend toward simplification. In 1975, BNEC was established and shortly after, it absorbed OSHE. Although it cannot be disregarded completely, CCI was seriously weakened as a housing finance institution by the CCCE decision to discontinue the financing of housing in West Africa, because CCCE funds were a major source of long-term loans for CCI.<sup>1</sup> SOGEFIHA, whose immediate concern is to reorganize and financially rehabilitate itself, could also be said to be out of action.

#### Commitments Made by the GOIC in HG-003

In two tranches, in 1976 and in mid 1977, AID authorized HG-003 for a total of \$21 million. This project calls for joint financing with the GOIC and the World Bank of the larger Abidjan Urban Development Project.

Through HG-003, AID hopes to bring about a degree of control by the GOIC of public housing expenditures. The agency described its objective as "establishing and strengthening a coordinated Ivorian operation to design, implement, finance and manage replicable shelter projects for lower income families." The outputs of the projects are to be:

1. The establishment of a central fiduciary for lower income housing projects with trained and strengthened staff;

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1. Currently, CCI is lending near its maximum rediscount ceiling.



Marcory-Est low-income rental units  
constructed under HG 003 program



Marcory-Est secondary and tertiary infrastructure

2. Completed projects in slum upgrading, sites and services, and low-income rental housing;
3. A trained monitoring unit in MCU/SETU.

In the negotiations, the GOIC agreed, first, to accept lower construction standards and to redirect its attention from middle-income to low-income urban families (squatter and slum populations);<sup>1</sup> second, to reconsider its subsidy policy and specifically to accept the principle of full cost recovery of secondary and tertiary infrastructure in low-income rental housing projects; third, to rationalize financing of public housing by creating a central fiduciary for all public housing; and fourth, to reorganize and rehabilitate SOGEFIHA. These commitments certainly imply fundamental changes in public housing policy.<sup>2</sup>

However, anticipated changes in policy and in particular the new principle of full cost recovery should not be viewed as permanent commitments, completely ruling out the old procedures. The Director General of BNEC made clear that his bank has the power to subsidize the costs of secondary and tertiary infrastructure for low-income rental housing:

The Bank has the power to grant subsidies to Building Societies and Land Development firms for the benefit of low and very low cost programs designed

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1. In HG-003, operationally, those below the 50th percentile in the Abidjan household income distribution, excluding non-African households.

2. The World Bank insists that it has the GOIC's commitment to three principles: (1) a reduction of levels of service and standards of construction; (2) the recovery of all genuinely allocable costs from beneficiaries, meaning the gradual abolishment of all such subsidies; (3) increasing private sector participation in housing investment.

for straight rental and conforming to the norms defined by a joint resolution of the Minister of Economy and Finance and the Minister of Construction and Urbanization, located on lots which remain the property of the Public Authority.

These subsidies will be used strictly for the financing of infrastructure and will not be more than 25 percent of the cost of housing construction.<sup>1</sup>

Moreover, revenues earmarked for the financing of social housing will continue to be collected; these will be deposited by the Government in BNEC and supplied to the Housing Assistance Fund. Thus, while HG-003 has broken with the practice of fully subsidizing (or not recovering from beneficiaries) the costs of secondary and tertiary infrastructure for this type of housing, the special taxes by which this was done continue to be available. BNEC has the authority and the means to resort to the old policy on subsidy.

AID believes that only an incremental approach will succeed in the Ivory Coast. If the GOIC's experience with the commitments made in HG-003 is sufficiently instructive,

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1. From BNEC's Internal Rule to be found under the heading Operations on Behalf of the State. Elsewhere in this document, under Criteria for Action, it states that "The Bank ensures that the projects it finances...will reflect the housing stock and demand at sales prices or rents including at least the amortization of construction in principal and interest as well as the project expenses for maintenance and management." As sales prices or rents could amortize construction costs without amortizing various kinds of land servicing costs, compliance with the above does not prevent BNEC from subsidizing the latter. Moreover, officials at BNEC claimed (and it appears to be true from the Internal Rule) that the Bank can borrow at higher rates of interest and lend to the housing construction institutions at lower rates.

it will extend and continue them in other projects, until they actually become a permanent change in public housing policy.

#### Cost Recovery Methods

A central issue in the preparation of public sector housing projects is the allocation of the total costs of a project among public authorities, private commercial interests, and occupants. Allocation is aimed at providing a rational basis for considering charges on occupants and commercial interests and is related to general policies for charging the costs of public services. The final breakdown of repayment may need to take into account subsidies granted to the occupants as part of special social policies.

In HG-001, the cost of land servicing (secondary and tertiary infrastructure provided by the GOIC) was recovered from the occupants through an Ivory Coast second mortgage. There was no OSHE in those years. The remainder of the development cost was recovered from the occupants through down payments and a first mortgage.

In HG-002, the GOIC provided all infrastructure (including a sewage treatment plant at each of the two sites). OSHE was formed by then and it paid these costs.<sup>1</sup> At Abobo

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1. The Director General of SOGEFIHA recalled that AID had been adamant about not having the costs of secondary and tertiary infrastructure allocated at Williamsville and at Abobo Gare. AID may not have been aware that this was contrary to GOIC policy. This was housing that would be for sale; and, OSHE paid the cost of infrastructure only for low-income rental housing.

Gare, SOGEFIHA, with AID's approval, decided that while OSHE would continue to finance all infrastructure costs, loan HG-002 would also be used to pay for half of the cost of the community facilities to be constructed, which included three 12-room schools, a medical center, and a SOGEFIHA office. Selling prices were revised to cover these costs. A feature at Abobo Gare was the escalating monthly payment.<sup>1</sup>

HG-003, which includes conventional but low-income units, sites and services, and slum upgrading, exhibits the most varied and complex set of cost-recovery methods of the three HG loans. Development costs of primary infrastructure and community facilities will not be allocated in any of the three sub-projects. Development costs of secondary and tertiary infrastructure will be allocated in all. Recovery of construction, including secondary and tertiary infrastructure, of the low-income units will be through a monthly rental,<sup>2</sup> one that escalates every 5 years. Apart from bringing immediate monthly payments down, this mechanism tends to discourage speculation; even though subleasing a rental unit at market value is illegal, a monthly rental that is constant through time creates the temptation to do precisely that.

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1. Housing units at Abobo Gare could finally be sold because AID agreed to the substitution of the promise-to-sell, which meant a reduced down payment, and introduced the escalating monthly payment, which meant that immediately the monthly payment also could be reduced. The monthly payment would rise after 5 years, but it was believed that it would not rise as fast as incomes.

2. Very low income housing is still of recent origin in the Ivory Coast. The incidence of this reform is probably on a population that was never subsidized to any great extent. Low-income units, built when it was the policy to subsidize secondary and tertiary infrastructure, were of a standard and cost that few of them could have reached families below the median of the income distribution.

The serviced lots will be either sold or leased. For upgrading, the cost recovery methods are shown below:

<u>Item</u>	<u>Method</u>
Streets	Road user charge
Sewerage	Sewerage tax included in price of water
Water drainage	Drainage tax
Electricity	Electricity tariff surcharge
Secondary and tertiary infrastructure	Property taxes on owner and enforcement of betterment taxes

#### Perceptions of a Change in Policy

Is there the perception of a new policy by those who implement public housing policies? The consultants were granted interviews by the chief executives of four of the five institutions making up the public housing construction and finance sector in the Ivory Coast as well as by a number of others similarly placed.<sup>1</sup> None of these believed that new public housing policy has resulted from the implementation of the Abidjan Urban Development Project, although the rationalization differed.<sup>2</sup> All pointed out that BNEC, OSHE, SETU, SICOI and SOGEFIHA were created by the government to provide housing to the economically weak. One view was

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1. BNEC, CCI, SICOI, SOGEFIHA. SETU is the fifth institution. There was once a sixth, OSHE; it was abolished and its functions are now largely performed by BNEC.

2. Lotissements à équipement minimum (LEMs), minimally-serviced plots, and lotissements évolutifs, pre-planned plots, and very low-cost housing were being developed before HG-003. The director general of SICOI himself claims credit for designing the very low-cost unit.

adamant in denying that a new policy has resulted, amounting almost to a lobby against the very idea. Another view held that the project did not represent a major shift in policy but a restoration of traditional policies that were becoming unfocussed. The various opinions disclose that no significant reorientation in public housing policy has been sensed by these officials.

## VI. ASSESSMENTS AND OBSERVATIONS

### Assessments

#### Leverage

AID has provided, directly and indirectly, financial support for shelter sector programs in the Ivory Coast continuously since the late 1960s, the current HG-003 program being the most ambitious one. AID shelter programs have sought to achieve more than simple transfers of resources from the United States to the Ivory Coast as indicated by the range and scope of objectives.<sup>1</sup> These may be summarized as follows:

1. Construction of rural housing;
2. Construction of urban housing, at first for the middle class, and subsequently, for the urban poor;
3. Make available home ownership to the middle classes;

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1. These are objectives that we have discerned; they are not all found stated as objectives in Project Papers. Also, several obviously are aspects of the same thing, e.g., thrift and mortgage system, savings, mortgage contract.

4. Launch a thrift and mortgage system;
5. Exert a positive impact on private savings;
6. Promote use of the mortgage contract and long-term mortgages;
7. Strengthen the small Ivorian building contractors;
8. Build up one institution, a housing finance management company, by giving it increased responsibility in successive shelter sector programs;
9. Create another institution, both a savings and loan bank and a bank for low-income housing;
10. Sponsor technical assistance to both of the above institutions and to the public housing sector as a whole (the MCU);
11. Work toward a rationalization of the public housing sector;
12. Influence the GOIC to accept a reduction in construction standards, tantamount to a re-orientation of public housing policy in favor of the urban poor;
13. Influence the GOIC to adopt a new position on subsidy in public housing, one applicable even to very low-income housing; and
14. Introduce a new method of cost recovery, the escalating monthly payment and rental.

The list reflects a progression from project-oriented to sector-wide objectives. AID's experience with the shelter sector of the Ivory Coast was considerable, but, prior to HG-003, it did not seek to affect public housing policy at a high level directly. The explanation for this in part is the influence traditionally exercised by France

in the Ivory Coast; it has remained pervasive.<sup>1</sup> This has tended to limit receptivity to AID's initiatives where they diverged from established policies and practices. In particular, France's aid to housing in West Africa constituted the bulk of its aid to the region. But, by the 1970s, France was becoming disillusioned with the results. Its aid to housing too had tended to miss targeted groups. With the sharp reduction in French financial assistance to the housing sector, the GOIC became more receptive to consideration of conditions on which alternative sources of housing finance could be made available. It was under these circumstances that AID and the International Bank for Reconstruction and Development agreed to provide \$21 million and \$44 million, respectively, toward the cost of the Abidjan Urban Development Project under terms that include the GOIC "commitments" described elsewhere in this report (Chapter V).

In their collaboration in the Abidjan Urban Development Project, AID and the World Bank are using their loans to "lever" the implementation of policies which are in the long-term interest of the Ivory Coast.<sup>2</sup> The leverage is

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1. Compared to French assistance, AID programs are recent arrivals. French is the national language of the Ivory Coast. France underwrites this country's, and several neighboring countries' balance of payments. Institutions like CCI and SICOGI (in effect) were founded in the days of colonial rule; and, today, the French Government, through its foreign aid arm, holds part equity in them. French citizens may be in important executive positions in such organizations or even direct them. French assistance, relative to France's means, has been generous in the case of its former colonies.

2. The Abidjan Urban Development Project is the biggest World Bank project in the Ivory Coast to date. Its total cost is over \$100 million.

felt to be essential to the establishment of financial viability in the shelter sector, and to the total provision of low cost housing that can be afforded by the urban poor. Leverage, however, will be effective only under appropriate conditions. Several elements combined to create these in the Abidjan Urban Development Project:

- a. as noted above, the opportunity presented by the deteriorating financial situation in the urban housing sector exemplified by the condition of SOGEFIHA and the sharp decline in French assistance;
- b. AID's experience in this sector;
- c. the willingness of AID and the World Bank to pool their talents; and
- d. the substantial sums of money involved.

While leverage is not merely a matter of money, it cannot take place without a considerable amount of it. A large loan is necessary to enable the lender to enter into a meaningful dialogue with the Government. This was an important lesson.

### Housing

Although some lag occurred in construction of both rural and urban housing, on the whole, all three programs achieved substantially the target number of units.<sup>1</sup> As in some other developing countries, at Cité Fairmont resistance

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1. For the three urban sites as a whole, over 94 percent of planned units were actually completed; over 96 percent of the completed units were financed under GH.

to apartment units was encountered, leading to a shift to single units that exhausted the available land and thus resulted in a reduction in the total number of units constructed.

Housing provided at two of the three sites was quickly occupied, although not exclusively by owners. Nevertheless, on the basis of limited information, it appears that over time the occupant population, many of whom are subleasing or living within extended families, has come to resemble the original target population more closely than might be inferred from an analysis of actual monthly payments at the time of occupation. Thus, HG-001 and HG-002 probably succeeded in improving housing conditions for middle and some lower middle income families.

Residents at the three sites have formed "homeowners associations," with those at Williamsville and Cité Fairmont being most active; in general, community services have been provided as planned; some commercial and service enterprises have been established on the sites, evidencing economic development; and improvements have been undertaken by residents at all of the sites.

Although some of the problems encountered in new urban housing developments elsewhere -- even in developed countries -- have come to light in Cité Fairmont, Williamsville and Abobo Gare, the three developments represent the successful establishment of three viable urban communities, each of which is providing more adequate housing to a larger-than-designed number of residents.

While the HG-001 and HG-002 programs were successful in stimulating the development of viable urban communities,

they were only partially successful in achieving the objectives of securing middle income households as owner occupants. AID did not get as far down the household income distribution as was its intention, but in comparison with a contemporaneous alternative homeownership program like CCIs, none of whose housing units appeared to be affordable by families below the 90th percentile, AID achieved a breakthrough.

Then, although AID's efforts to introduce long-term mortgage contracts for the sale of housing units to individual owners were successfully implemented in the Cité Fairmont and Williamsville developments, this form of home financing has not been widely used elsewhere. Aside from its novelty to both lenders and borrowers, the general adoption of the long-term mortgage has been constrained by the higher down payment required, and, on the side of lenders, by the legal complications of foreclosure in the event of default.

Alternative home financing arrangements are available and widely used. Together with rental occupancy, these may represent a more practical means of getting the urban poor into adequate housing than the U.S.-style, long-term mortgage. The escalating monthly payment which AID did much to introduce into the Ivory Coast eases the constraint imposed by too low household incomes and can be integrated with nearly any home financing arrangement.

The available evidence that the savings side of the thrift and mortgage system introduced by AID has led to a permanent net increase in private savings should still be regarded as preliminary and tentative. In any case, the availability of local financial resources for development in

shelter sector loans has increased sharply. Until recently, however, loans for individual housing from BNEC sources have been minimal.

### Technical Assistance

The effectiveness of technical assistance components of AID's support to SOGEFIHA contributed to the successful implementation of the rural housing program. However, the long-run impact is not clear. A single adviser was provided for approximately 2-1/2 years; officials in the organization considered the adviser as essentially a representative of AID to exercise financial control over the program; and although the training of counterparts took place it was not a primary concern of either AID or the GOIC. The later difficulties encountered by SOGEFIHA were attributable to outside forces that even a larger, longer and more carefully structured program of technical assistance probably could not have thwarted.

According to the recent AID review of the first two years, technical assistance to BNEC has been lacking in the type of interaction with counterparts essential to long-term development of institutionalized capability.

A program of technical assistance that will succeed in strengthening housing sector institutional capabilities requires certain elements:

- a. A carefully considered and well structure program involving qualified and motivated advisers. (There should be structuring with respect to not only the substance of the technical assistance -- e.g., the type of skills to be transferred, the issues to be tackled by this know-how -- but also its time

- dimension -- e.g., for how long, progressing through what stages and how quickly);
- b. Advisers free of any image as control officers of the agency providing assistance, or of interests other than strengthening the institution which they are serving;
  - c. A "team" approach by the advisers. (The provision of a large number of advisers without a designated leader, especially for a longer period, is likely to be counterproductive);
  - d. Professionally oriented and motivated counterparts likely to have long-term commitments to the institution.

There is another important lesson to be learned here. Control over a loan, project or program is often regarded as essential from a donor's point of view. But, technical assistance should avoid acquiring an image as the vehicle of control. A long-term commitment to an institution will allay suspicions that with technical assistance the donor is simply taking out insurance.

While too recent to provide a basis for definitive evaluation, the program of technical assistance to BNEC and MCU as a component of HG-003 appears to contain more promise of having a permanent impact than some of the earlier programs. Its focus on management of the Abidjan Urban Development Project can provide a valuable training Environment.<sup>1</sup> But it must not be regarded as the sole objective to the extent that it overshadows the importance of developing individual capabilities and an organizational structure able to administer successfully an ongoing shelter sector program.

The technical and managerial assistance provided to small building contractors appears to have been a successful undertaking. Further assistance should focus on performance in construction to the lower standards the GOIC has agreed to accept, and on training as well as operational assistance in carrying out the construction.

Policy decisions are the products of long sequences of discrete and often exploratory political decisions. But, where policies are not coordinated, a given policy can be in conflict with other policies and with development goals. Public housing policy in the Ivory Coast appears to have been a case of this.

The aim of technical assistance is to enable policy decisions to be made more rationally and with a fuller appreciation of the facts. AID's technical assistance throughout the 1965-76 period was provided to projects and to an organization, SOGEFIHA. None was provided at the sectoral level. Granted that technical assistance achieves more, the more concrete the situation, the bad policies were at the level of the sector. Conceivably, AID's assistance to SOGEFIHA in time could have had some effect on them. Unfortunately, there was not enough time. Even if given at the proper level directly, technical assistance by itself

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1. In HG-001 and HG-002, AID was intentionally, by degrees, assigning greater responsibility to SOGEFIHA. However, the adviser in SOGEFIHA at the time of HG-001 was concentrating on the rural housing program and in HG-002, there were no advisers to SOGEFIHA; technical assistance was a by-product of inspections and RHUDO's presence in Abidjan. Two employees of SOGEFIHA's Savings Division were sent to the United States for training. We met with one of these individuals on several occasions as he was importantly involved with BNEC's savings and loan operation. In our view, training abroad, especially over extended periods, is a good idea only in exceptional circumstances.

probably cannot rationalize the policies of a sector. Bad policies can have popular support and so be maintained a long time. In HG-003, commitments that in time could change the GOIC's traditional housing policy completely were brought about through leverage.

The commitments of the GOIC to accept lowered construction standards for low-cost housing; to reconsider its subsidy policy; to rationalize public housing finance through a central fiduciary for all public housing; and to reorganize and rehabilitate SOGEFIHA are substantial steps toward the achievement of AID's policy, organizational and institutional objectives in the housing sector of the Ivory Coast. While it is reasonable to expect that the GOIC has undertaken these commitments in good faith, it is also reasonable to expect that the thoroughness with which the commitments will be honored will be influenced by the magnitude of future technical and financial assistance to facilitate implementation of urban projects to provide housing for the urban poor.

#### A Common Thread

A common thread of AID's approach to housing problems in the Ivory Coast has been to introduce concepts about institutions, policies, organizational methods and instrumentalities that have succeeded in the United States and other developing countries. The thrift and mortgage system and the mortgage contract are good examples, although the latter has not generally been adopted since the savings and loan side of BNEC is more accurately a thrift and lease-purchase system. With HG-003, which will finance slum upgrading and sites and services, there is a need to find new solutions to the problem of the inner city rehabilitation. Conventional

low cost urban housing is almost automatically for rent in the Ivory Coast rather than for sale; and, for the low income units it is financing in HG-003, AID has gone along with this long-standing preference in French-speaking West Africa. But AID insisted on an escalating monthly rental, which, in the form of an escalating monthly payment, it had already introduced at Ahobo Gare. At least one key official, the Director General of SICOGI, gives AID full credit for this innovation and believes it stands an excellent chance of becoming the cost recovery method for low cost housing.

#### Observations

With the joint inputs of the IBRD and AID, together with the decline in French assistance to the shelter sector, AID's impact on public housing policies and on institutional development in the sector has an excellent chance of being of major significance in moving toward the objective of improved housing for the urban poor, and an institutionalized capability for sound management of shelter sector programs. It should be realized, however, that changes in institutions, including, but not limited to, agencies of GOIC, occur slowly. Commitments, per se, will not revolutionize the ways in which Ivorians acquire housing, or pay for it. A sustained effort at different levels, employing a variety of instruments and over an extended period will be required.

The success of efforts to improve housing for the urban poor of Abidjan will be significantly affected by several factors not explicitly addressed in the "commitments," nor in the HG-003.

The unsatisfactory state of housing for the urban poor in Abidjan is attributable, basically, to two factors: (1) the very high rate of growth in their numbers fed by large-scale migration from rural areas to Abidjan of people possessing few skills suitable for productive urban employment; and (2) the paucity of employment opportunities of a permanent nature, to provide incomes at levels that would permit the recent migrants to take on a continuing, long-term financial obligation for housing. Implementation of the GOIC's commitment to "reconsider" its policy of subsidy for low-cost housing, while correct in principle, will not make it easier for the lower third of the income distribution to acquire adequate housing as renters or owners.

Two modifications are suggested for any future housing programs: first, urban housing programs for the lower income groups, whether conventional housing for sale or rent, or sites and services or slum upgrading, should have built into them a substantial element of cross-subsidy. By means of sales, or leasing, of sites and/or structures for light industrial and commercial use, and for middle and upper income groups at market value, low-income sites and/or housing units could be provided at prices below fully allocated costs -- without government subsidy.

A "mixed" configuration of urban development of the type described above would offer two additional advantages: (1) it would create employment opportunities in the community, and thus a potential source of income that enabled the urban poor to afford the housing; it would also save

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1. The Abidjan Urban Development Project does indeed obtain a cross-subsidy element, but it is not sizable. In our understanding, it is all derived from upper-income housing sites.

them the cost in time and money of commuting to distant job sites; and (2) the suggested configuration would lessen the growth in demand for public transport, one of the more expensive services in rapidly growing urban agglomerations.

Secondly, future housing programs should place more emphasis on "secondary" or medium sized towns and cities in order to reduce the rate of migration to Abidjan. While many factors, most importantly the search for improved economic status, influence migration, provision of adequate housing for a major component of Abidjan's poor will almost certainly not restrain the flow of additional migrants, including additions to the urban poor. In short, an acceptable level of housing for Abidjan's urban poor is not likely to be achieved unless the rate of migration to the city is reduced.

Finally, whether in Abidjan, or in the smaller towns and cities, it is suggested that AID's housing programs would benefit from a broader perspective that would include social and economic elements essential to truly viable urban communities. Just as agricultural development projects have turned increasingly to an integrated multi-component approach,<sup>1</sup> so must shelter programs.

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1. Included as components have been land reform, electrification, transport, modern small-scale farm technology, cooperative marketing, credit, housing, health and hygiene, nutrition and education and training.

CHRONOLOGY OF SELECTED EVENTS IN THE  
SHELTER SECTOR OF THE IVORY COAST

- 1963            Creation of SOGEFIHA.
- 1965            SOGEFIHA pilot rural housing program initiated;  
                 its urban housing construction activities begun.
- Creation of SICOGI from fusion of two existing  
                 housing agencies, SIHCI and SUCCI.
- Fairmont International Corporation requests Hous-  
                 ing Investment Guarantee for the Cité Fairmont pro-  
                 ject.
- 1966            Agreement reached between GOIC and AID to use PL  
                 480 credits for rural housing development.
- Commencement of 30-month AID funded technical  
                 assistance to SOGEFIHA (December).
- 1967            Nationwide rural housing program funded by PL 480  
                 loan undertaken by SOGEFIHA.
- AID authorization of HG-001 Cité Fairmont project  
                 accorded (August). HG-001 loan agreement signed  
                 (November).
- 1968            Creation of OSHE.
- Commencement of construction for HG-001 Cité Fair-  
                 mont project (Autumn).
- 1970            HG-001 Cité Fairmont completed (February).
- 1971            GOIC/SOGEFIHA request for second Housing Invest-  
                 ment Guarantee program, for Williamsville and  
                 Abobo Gare.

106.

- 1972            Creation of SETU.
- AID authorization of HG-002. Williamsville -  
                  Abobo Gare project accorded (May).
- AID's Regional Housing and Urban Development Office  
                  (RHUDO) established in Abidjan (September). HG-002  
                  loan agreement signed (December).
- 1973            Commencement of construction for HG-002 Williams-  
                  ville subproject (February).
- 1974            HG-002 Williamsville subproject completed (May).
- Commencement of construction for HG-002 Abobo Gare  
                  subproject (October).
- 1975            GOIC request for Housing Investment Guarantee as  
                  part of IBRD/AID/GOIC funded Abidjan Urban Develop-  
                  ment Project.
- Creation of BNEC (June).
- Performance of AID Ivory Coast Shelter Sector  
                  Analysis (Summer).
- HG-002 Abobo Gare subproject completed (November).
- 1976            AID authorization of HG-003 Ivory Coast Low Income  
                  Urban Shelter Program accorded (June).
- Commencement of resident technical assistance pro-  
                  ject for BNEC begun, partially AID funded.
- 1977            HG-003 loan agreement signed (March).
- Commencement of construction for HG-003 Marcory  
                  Est subproject.
- Commencement of resident technical assistance pro-  
                  ject for MCU begun, partially AID funded.

PROJECT SUMMARIES

1. Project name	PL 480 rural housing	HG-001 Cité Fairmont	HG-002 Williamsville/ Abobo Gare	HG-003 Low income urban shelter program
2. Loan	PL 480 credit	Housing guaranty program	Housing guaranty program	Housing guaranty program
a. Amount authorized	\$1.3 million <sup>a</sup>	\$3 million	\$10 million	\$21 million <sup>b</sup>
b. Amount disbursed	\$1.3 million <sup>a</sup>	\$2 million	\$10 million	In process
c. Date of loan agreement	1966	November 1967	December 1972	March 1977
d. Borrower	GOIC	Fairmont Inter- national Corporation	SOGEFIHA	LNEC
3. Housing units				
a. Total number financed under HG program and types	1,100 (est.) detached units	390 row houses: 82 semi detached (1 story): 251 semi detached (2 story): 34 detached units: 15 apartment units: 8	Williamsville: 455 Abobo Gare: 738 Rural housing: 297 Williamsville: row houses, 156; apart- ment units, 219; de- tached units, 80. Abobo Gare: row houses, 578; apartment units, 160; rural housing, detached units, 297.	Project includes mix of slum upgrading, sites and services, low income rental units. Slum upgrading: 870 lots (est.) <sup>c</sup> Sites and services: 735 lots (est.) <sup>c</sup> Low income rental: 1,866 units <sup>c</sup> Marcory-Est: 766 units Koumassi Nord-Est: 1,100 units In process
b. Years of execution	1967-69	1968-70	Williamsville: 1973-74 Abobo Gare: 1974-75 Rural housing: 1975-76	
4. Home financing				
a. Instrument	aided self-help; construction loans	20-year mortgage contract	Williamsville: 25-year mortgage contract Abobo Gare: 25-year mortgage contract and 20-year lease with promise to sell (promesse de vente)	Slum upgrading; property and betterment taxation; utility user charges; sites and services land lease or lot sale pay- ments; low income rental units, escalating monthly rental payments
b. Down payment and rate of interest	Varying down payment; no interest	10% down payment; 7.5% interest	Williamsville: 5 and 10% down payment; 9% interest  Abobo Gare: mortgages -- 5 and 10% down payment; 9% interest; lease with promise to sell -- 3-month rent deposit, escalating monthly payments, 6th- 20th years	Not applicable

Footnotes to Project Summaries

a. Does not include AID grant for technical assistance to SOGEFIHA rural housing program estimated at \$200,000.

b. AID HG funding of \$21 million is integrated with \$44 million provided by the World Bank to finance essentially the foreign exchange cost of the \$122 million Abidjan Urban Development Project. This project will fund: (a) technical assistance to BNEC and MCU; (b) sites and service development; (c) slum upgrading; and (d) low income rental housing construction. AID will lend \$1 million for technical assistance, \$2.5 million for sites and service development, \$7.5 million for slum upgrading, and \$10 million for low income rental unit construction.

c. Estimates of numbers to be funded by AID are based on AID contributions to project costs: slum upgrading, 22 percent; sites and services, 18 percent; low income rental housing, 100 percent.

## PHASE I

Outline of the Evaluation of Shelter Programs  
in the Ivory Coast, 1965-76

- I. Summary and Conclusions
- II. Background
  - A. Ivory Coast, 1965-76
    1. Major socio-economic trends; record of economic development.
    2. Public sector activity in housing sector.
      - a. Stated goals of Government of the Ivory Coast (GOIC).
      - b. Level of construction activity; housing finance institutions involved, degree of involvement, level of construction activity in relationship to overall economic activity.
      - c. Involvement of international donors; their goals; degree of financial involvement.
    3. Degree of USAID's financial involvement.
  - B. USAID's policies and strategy with respect to urbanization and the urban poor.
    1. Brief description of how HG program works; impact of Congressional mandate to aid the poor majority.

2. Broad elements of USAID's policies and strategy.
3. USAID's specific policies and strategy in Ivory Coast.

III. The Housing Objectives of USAID's Projects in Ivory Coast

- A. Rural Housing (PL480, 1965; HG-002, 1972).
  1. For each, rationale and brief description.
  2. Assessment of the impact of 1966-69 technical assistance to SOGEFIHA.
- B. Conventional middle-income urban housing (HG-001, 1966; HG-002, 1972)
  1. For each, brief description of how project evolved; types and number of housing units built; selling prices and mortgages; project financing.
  2. Who was the target population?
    - a. Who was supposed to move in; target population's socio-economic definition, e.g., income, occupations, especially in relation to Abidjan's household income distribution.
    - b. Who actually moved in; as in (a)?
    - c. Who is there now; as in (a)?
  3. For each project, comparison of quality and cost of housing units.
    - a. For SOGEFIHA, between the USAID-supported project and a comparable non-USAID project.
    - b. Between the SOGEFIHA, USAID-supported project and a comparable, SICOGI project.

4. To what extent has the physical development of the projects continued as evidenced, e.g., by maintenance, improvements, rise in value based on rentals?
  5. To what extent has community development occurred, e.g., schools, health centers, economic and social support programs, home owners' associations?
  6. Were there any unintended impacts on housing sector policy?
- C. Brief analytical commentary on how well the housing objectives were achieved.
- IV. The Institution-building Objectives of USAID's Projects
- A. SOGEFIHA - PL480; HGs 001, 002, and 003.
1. What has been the institution's role?
  2. How successful has the institution been?
    - a. Why was the institution selected for institution-building (creation)?
    - b. How did the project expect to improve the institution?
    - c. What project elements were specifically directed at strengthening the institution?
    - d. What success did the project have?
    - e. What contribution has technical assistance made?
- B. BNEC - as above, with appropriate modifications.
- C. Assessment of the overall impact.
1. Has the capacity of the above institutions with respect to project planning, execution and management been strengthened?

2. What has been the contribution to home financing practices?
  3. Is there likely to be an impact on aggregate savings?
  - D. How have the projects affected architecture, engineering, planning, contracting and particularly small-scale contracting?
  - E. Brief analytical commentary on how well institution-building objectives were achieved.
- V. What impact could HG-003 (1976) be said to be having on GOIC housing sector policy?
- A. GOIC policy
    1. What is it today; what has it been?
    2. How has it changed?
    3. What specific objectives are posited for HG-003:
    4. What relationship, if any, could be claimed between changes in GOIC policies and HG-003 objectives?
  - B. Technical Assistance
    1. Its purpose.
    2. Its progress.
    3. Analytical commentary.
  - C. Have all the projects contributed to Ivory Coast's capacity to carry out a wide-scale program of housing for low-income urban families?
    1. Housing production.
    2. Housing finance.
    3. Cost-recovery methods.

**VI. Conclusions, Issues, Recommendations**

- A. What did USAID do well?
- B. What did USAID do poorly?
- C. What should be USAID's objectives in Ivory Coast, i.e., what should it do?