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EVALUATION
PROJECT USAID 681-HG-004
(IVORY COAST)

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ABBREVIATIONS

BNEC	Banque Nationale d'Epargne et Credit
CAA	Caisse Autonome d'Amortissement
DCL	Direction des Collectivites Locales
DEP	Direction des Etudes et Programmes
DEUH	Direction d'Equipments Urbains et de l'Habitat
DU	Direction de l'Urbanisme
FSH	Fond Social de l'Habitat
GOIC	Government of Ivory Coast
IA	Implementation Agreement
IBRD	International Bank for Reconstruction and Development
INFS	National Institute for Social Work
MF	Ministry of Finance
MI	Ministry of the Interior
MSA	Ministry of Social Affairs
MTP	Ministry of Public Works, Construction, Telecommunications, and Post
ORT	American ORT Federation
PDU	Urban Development Program
PID	Project Identification Document
PP	Project Paper
RHUDO	Regional Housing and Urban Development Office
RTI	Research Triangle Institute
SAL	Structural Adjustment Loan
SETU	Societe d'Equipement des Terrains Urbains
TA	Technical Assistance

Exchange rates: 1985 high: \$1 = 580 FCFA
October 1985: \$1 = 400
December 1985: \$1 = 385

13. SUMMARY

The program has provided the Ivory Coast public and private sectors with work ranging from design to execution in urban development in low-income areas, under rigorous terms of reference and supervision to ensure maintaining basic project principles. Since this project has touched many levels of administration over a period of several years, and has been the sole raison d'etre of some offices during a period of economic crisis, there is little question that it has affected ways of approaching the inherent problems in implementation management. Further, in putting into action a program that calls for coordination between several GOIC agencies concerned with urban development, HG-004 has strengthened the basis for regular contact and communication started under earlier USAID and IBRD programs.

14. EVALUATION METHODOLOGY

14.01 Purpose

This represents the first formal evaluation of HG-004. In addition to the usual purposes that underlie AID evaluations - to record progress, identify constraints, suggest remedies, and evaluate development impact - several issues specific to this project were felt by RHUDO to require examination. These include: a large escrow interest fund, the greater purchasing power of the HG fund due to favorable exchange rates which offered opportunities to extend the program; and lessons being learned in the program that might affect the implementation of HG-005. In addition, the program had evolved during implementation in such a fashion that a more refined approach to secondary city development was underway than had been anticipated in the Project Paper. One of the purposes of the evaluation is to comment on aspects of this approach.

The Project Paper's Performance Tracking Network envisaged the first regular evaluation to be conducted in the first quarter of 1982, shortly after the start of construction activities. However, construction did not begin until the second half of 1984, and this evaluation was made with disbursements for the first twelve cities approximately 15% completed.

14.02 Sources of Information

Sources of information include the following:

- Project documentation on file in the RHUDO offices
- GOIC documents, as available

- Discussions with GOIC and RHUDO staff
- Brief background talks with IBRD WA staff
- Site visits
- A short questionnaire to collect sub-project data was circulated to the MTP and SETU.

Meetings were easily arranged, and discussion seemed forthright on the part of those interviewed. All parties interviewed were invited early during the evaluation to submit brief summary notes covering personal or official views on the project and its implementation. Two notes were received, from DEUH and DCL, and they served to amplify comments made in meetings. Documentation was found to be clear and orderly, particularly in RHUDO files, where memoranda to files, memoranda of conversation, and minutes of meetings provide detailed and apparently complete accounts of project development. Record keeping of this caliber assists considerably in fulfilling evaluation tasks.

14.03 GOIC Participation

Participation by the GOIC was positive and fully cooperative. The interest shown in this evaluation by the MTP suggests that their participation might be expanded in future evaluations. See Section 23.11 for recommendations on this matter.

14.04 Format

This evaluation is presented in the conventional Project Evaluation format. Discussion of special interest to RHUDO will for the most part be found under section 23, Special Comments. Sections 15 through 22 have been limited to summary narrative and commentary.

15. EXTERNAL FACTORS AFFECTING PROJECT

Two primary external factors have a bearing on the evolution and implementation of 004: the economic crisis of 1980 to 1984, and the GOIC's policy of decentralization, which began about the time of project approval. A secondary external factor has been the strength of the US dollar, which significantly increased the local currency funds available for HG project purposes, but had begun to decline as the evaluation mission was underway. In addition, changes in the GOIC bureaucracies during this period have affected project implementation.

15.01 GOIC priorities

15.01.1 Policy Evolution

At about the time the project design was being completed, the GOIC initiated a decentralization policy aimed at granting more local

autonomy to the interior areas. The potential that this policy promised for the HG role, however, was limited during the last five years because of the country's economic crisis. With the crisis virtually past, a new effort is underway, which appears to coincide with the development of terms of reference for programs in four additional cities to be given HG-004 program assistance, an extension of the program made possible by the exchange rate windfall.

A national shelter policy was shaped in 1983 in response to the IBRD Second Structural Adjustment Loan (SAL II). Policy changes urged by the Bank and RHUDO include:

- phasing out of public production of subsidized housing,
- selling of public rental housing to interested tenants,
- raising rents of public housing to market value,
- creation of a Caisse de Mobilization to promote greater public and private financing for the shelter sector,
- introduction of a program of development and sale of serviced lots ranging from minimally to fully serviced.

15.01.2 Administrative Issues

15.01.2.1 Administrative changes:

The MTP has undergone changes in leadership and changes in composition during start-up and implementation. While some changes continue, MTP offices with responsibility for HG-004 implementation seem to be settled, for the time being.

Just after completion of the Project Paper the BNEC was made private and the FSH shifted. The potential to develop a low-income mortgage system has thus been limited:

As part of a series of IMF-induced fiscal reforms, the GOIC was obliged to terminate large numbers of expatriate technical personnel. These had for some time made up the backbone of the GOIC technical services.

Twenty-seven cities had been made municipal communes; an additional 98 were given such status after field work for this evaluation had been completed, just prior to the November 1985 elections.

15.01.2.2 Other administration issues:

Fiscal reforms imposed by the IMF froze official pay, which by now has dropped well behind the private sector.

Travel per diem and other indemnities prerequisite to the implementation of a development program in secondary cities were frozen at inadequate levels; travel advances are not available, and reimbursement for expenses can take up to one year. Operating budgets were also frozen.

The vulnerability of existing GOIC agencies to sudden bureaucratic change is exemplified by the recent elimination of the DEP. The DEP was a technical office for design and supervision, and was involved in early HG-004 design. Its elimination took 70 GOIC technical personnel out of circulation for an indefinite period, apparently without plans to use their services elsewhere. In the context of the GOIC's policy as well as the necessity to develop the expertise of its Ivorian staff to meet national development needs, this move might seem to be counterproductive.

15.02 Economic Conditions

Some elements of the administrative fallout from the economic crisis of the early 80s on the GOIC's capacity to implement the program are stated above. In addition, the crisis forced a drastic reduction in investment in capital projects, and a concomitant shrinking of responsibilities for both public and private sector personnel.

On a more general level, the economic crisis has affected the purchasing power and general well-being of the target population, and restrained the GOIC's implementation of decentralization just as it was to move ahead.

As 1985 began, the crisis appeared to have abated. Time has been lost, however, and in such matters as civil service pay and ministerial operating budgets, remedies are still awaited.

It is in this environment that HG-004 took its first steps towards the goal of strengthening GOIC capacity to provide improved living conditions for its citizens in the secondary cities.

15.03 RHUDO Response

The response by RHUDO to the complex of external factors has been to go beyond what might have been expected of the program as originally planned.

With its emphasis on secondary city development, the entrance of HG-004 on the scene at this time was fortuitous. Perhaps also fortuitous was the fact that project design had by necessity been of an indicative nature, leaving considerable room for creative response on the part of those who were to develop concrete sub-programs and implement them.

16. PROJECT INPUTS

16.01 Summary

The Project Paper, approved in December, 1980, projected total financial inputs of \$37.6 million to be provided as follows:

HG-004	\$20.0
GOIC	17.0
Ben. downpayments	.6

The Implementation Agreement signed in December, 1981, projected inputs of \$25.6 million to be provided as follows:

HG	\$20.0
GOIC	5.0
Downpayments	0.6

The Implementation Agreement gives the following breakdown for HG and GOIC contributions:

Neighborhood Upgrading	\$20.0
Sites and Services	3.75
Loan programs	1.25

As of September, 1985, end-of-program financial inputs were projected by RHUDO as follows:

HG principal	\$20.0 million
GOIC:	
HG-003 escr. interest	3.5
Other GOIC contrib.	5.0
Total	\$28.5

Without increasing the loan amount, inputs from USAID in local currency go beyond those originally planned, thanks to the exchange rate windfall, which increased the purchasing power of the HG Loan by about 50%, from 5.5 billion FCFA to about 8 billion FCFA, as of mid-1985. Under agreements with the GOIC, this extra amount is being used to extend the program into four additional secondary cities. The fall in the value of the dollar which is now occurring will affect the local currency value of the dollar funds still in escrow, resulting ultimately in a lower total.

16.02 External Inputs

16.02.1 USAID HG Loan

The entire HG Loan amount of \$20 million was disbursed by the lender into an escrow account in June, 1983. As of September, 1985, \$5.85 million in principle had been disbursed from this account for construction purposes. RHUDO anticipates that an additional \$7 million will be disbursed from escrow by the end of

1986, with the final \$7 million to be required by the end of 1987. This last amount represents the effort going into projects in the additional four cities made possible by the exchange rate windfall, and therefore should not be considered as falling under the original project schedule.

The Project Paper anticipated final payments to be made in early 1985. If the final payments on the original cities are made in late 1986, as projected by RHUDO, the program will be about 20 months behind schedule.

HG Inputs by project component as of September, 1985, are as follows:

	(US\$ x 1 million)	
	as of 9/85	proj. at compl.
Upgrading	6.3	24.5
Sites and Services	0	.5
Small loans	<u>0</u>	<u>0</u>
Totals	6.3	25.0

The budget for each city is made up of combinations of the following investment categories:

1. Infrastructure Upgrading (VRD) includes roadway rebuilding and associated drainage systems, and general surface water drainage systems.
2. Community Facilities includes the building of structures or the preparation of areas and facilities for community use, such as markets dispensaries, social centers, schools, etc.
3. Sites and Services comprises the laying out and installation of serviced lots for sale to beneficiaries on unoccupied land.
4. Equipment includes the provision of tools and machinery for municipal maintenance.
5. Contingency and miscellaneous covers unforeseen costs.
6. SETU fees: this is a 4.5% fee paid to SETU for work implemented by SETU.

For a detailed breakdown of city investment budgets, see Annex A.

16.02.2 USAID Technical Assistance

The original project design included one AID-funded advisor and four Peace Corps Volunteers as total USAID technical assistance inputs. Given the relative lack of detail of the original project concept, this may be an understandable, if regrettable underestimation of TA needs. Unfortunately, the Peace Corps was withdrawn from the Ivory Coast soon after implementation began. The AID advisor has been in place since project start-up, and has proved to be a vital element in the implementation of this program.

Some USAID funded TA has been provided through RHUDO funds, including assistance for sites and services design as well as funding of training activities in municipal finance.

To meet the need for additional TA funds in developing and implementing the program, the GOIC has drawn on HG003 escrow interest. (See "Internal Inputs", below).

16.03 Internal Inputs

16.03.1 GOIC contributions

GOIC contributions are fixed at 20% of HG funds spent. Thus, with the total budget of 10.25 billion FCFA projected as of September, 1985, GOIC contributions will total 2.05 billion FCFA, about 60% of the GOIC local currency contribution figured in 1980. Since the GOIC contribution is tied to the value of the HG funds in local currency, it will change along with any changes in the value of the US dollar.

Other GOIC contributions may not show up in the balance sheet at the end of the project. For example, in the Vavoua, the sous-prefet has used his own budget to hire four young people as neighborhood workers, in an effort to educate beneficiaries in the basic responsibilities of urban living in order to reduce maintenance costs and preserve the investments. Although there may be few such contributions, their generation should not go unnoticed.

The GOIC has committed approximately \$3.5 million from the interest on the HG-003 escrow account for technical assistance, equipment support, and studies. Total contributions from this fund are expected to total \$5 million by end of project.

No disbursements have yet been made from the HG-004 escrow interest account, which stood at \$3.416 million as of September 13, 1985, although design costs for the four additional towns are expected to be paid from these funds.

16.03.2 Beneficiary contributions

Serviced lots will be sold at cost without financing, with all costs being recovered within a year of purchase.

17. PROJECT OUTPUTS

Of the sixteen cities making up the list for HG-004, four are recent additions financed by the exchange rate windfall and do not fall under the original project schedule.

Work in nine of the first twelve cities is proceeding. One of these is completed; another awaits start of construction, and the rest are in various stages of construction. Two of the remaining three cities await the resolution of political and administrative

obstacles. The third (PK 108) is an entirely new city that does not yet exist. See Annex B for a summary listing of the status in each city.

17.01 Infrastructure Upgrading Component

Upgrading construction work is underway in all but two of the nine cities that have entered the construction stage, and work in one of these (Man) was about to start in October, during the evaluation mission. (Because of political changes since the completion of project design, the local authorities had requested certain changes, which were worked out in meetings in early October. The upgrading component of the city of Man is the largest in the program, and its implementation will significantly advance the overall measure of progress.)

In Issia and Vavoua, upgrading work has been completed and has undergone the punishment of the rainy season. This has revealed some design faults in Vavoua, which are being corrected, and some maintenance problems in Issia, concern for which on the part of the local authorities was not apparent at the time of the evaluation.

Among the nine cities where work is either about to start, is underway, or is completed, work on the upgrading component is 32% complete.

17.02 Community Facilities Component

Work in this component has begun in all of the nine cities except one (Bongouanou), and is complete in three (Sassandra, Vavoua, and Bouna).

Covered market places are the most common facility found in this category, with cultural/social centers the second most popular. Also included are schools, abbatoirs, dispensaries, daycare centers, ateliers for small-enterprise crafts, and, in one case, a sports field.

Among the nine cities underway, the Community Facilities component is 47% complete.

17.03 Sites and Services Component

This component was reduced in scope as the upgrading component increased, and is suffering delays. 1,941 lots have been laid out in three of the project cities and the beneficiary selection process has begun. As of October 1985, construction work had not yet begun.

17.04 Small Loans Component

No outputs have been generated in this component, which envisioned up to 1300 small loans to families for home improvement, and to small businesses. After considerable discussion with the GOIC and interested local banks, this component seems to have a questionable future because of interest rate ceilings imposed by

the West Africa Monetary Union, which conflicts with current GOIC policy to pass the HG interest rates on to the beneficiaries. (See Section 23.06.)

18. PROJECT PURPOSE

18.01 The project purposes as stated in the PP include:

- "i) to reinforce certain policy innovations of the first Urban Development Project (HG-003) (PDU) by assisting GOIC to complete in a variety of secondary urban centers minimum-standard shelter projects with cost recovery mechanisms affordable by below median-income households; and
- ii) to improve the institutional and technical capacity to carry out these activities on the part of the GOIC technical units, and to improve the performance of Ivorian construction firms and access to appropriate financing."

Verifiable indicators listed in the Logical Framework include:

- subprojects completed on schedule, including construction by Ivorian firms;
- target group remains in upgraded neighborhood;
- new lots 100% affordable by the below median-income group;
- GOIC continues using cost recovery, minimum standards.

18.02 Progress towards achieving project purposes:

18.02.1 Subprojects in eight of the twelve original cities are underway. Completion is expected by the end of 1986 for the original 12 cities and by the end of 1987 for the four additional ones. Completion of the original twelve is about 20 months behind schedule, which is roughly equal to the delay in starting construction. Delays were due to the length of time needed to negotiate a locally acceptable package of project activities for each city and the execution of urban planning documentation. In some cases, delays were also caused by extended and lengthy contracting procedures.

18.02.2 The small loans program is not underway, and the sites and services component is reduced.

18.02.3 Components of the cost recovery mechanism are either in place or under development. Progress is being made on simplified cadastral surveys. (See Section 23.01.)

18.02.4 Of the 24 construction contracts signed, 22 are with Ivorian firms. (See Section 23.05.)

18.02.5 Financial and project management techniques on the part of agencies involved have improved. Unfortunately, a plan for the CAA to use data processing equipment purchased for them under this program with escrow interest earnings failed. The equipment was subsequently installed in SETU, which has made good use of it. (See Section 23.04.)

18.02.6 The project coordinator appointed by GOIC heads a special service set up to handle USAID and IBRD PDU projects.

18.03 Comment:

18.03.1 The reduction in the Sites and Services component is offset by an increase in the Upgrading component.

18.03.2 Four additional cities are to be assisted by HG-004 under a more sophisticated approach to integrated development which is expected to engender new methods of achieving the project purposes. (See Section 23.07.)

18.03.3 Failure to establish a small loan program does not significantly detract from achievement of the stated project purposes. If this program is to be dropped, a decision stating the reasons should be drafted jointly by USAID and GOIC, and a review made as to what might be done to make a loan project possible in a future program.

18.03.4 Interagency coordination and cooperation could be improved. There is apparent rivalry at the implementation level over whether the Ministry of Public Works or the Ministry of Interior ought to have leading responsibility.

18.03.5 Frozen salaries have affected morale and frozen budgets have hindered GOIC agencies from coming up to speed. Inadequate travel indemnities and lack of project vehicles have prevented coordinating personnel from visiting project sites and monitoring project progress, and perhaps participating at full potential.

18.03.6 The concept and aim of low physical design standards, as applied to infrastructure investments, is understood, but it is questioned at the technical level.

18.03.7 The low standards policy, as applied to roadway paving and drainage, might be reviewed in certain areas where maintenance and citizen education are poor. A renewed dialogue with GOIC technical and policy units on this issue is recommended in order to determine to the satisfaction of all parties that the proper course is being taken, and/or to agree on revisions that might be deemed appropriate.

18.03.8 The USAID programs, along with those of the IBRD, are providing professional challenges to central and local government

technical staff, where there would otherwise have been little to do during the economic difficulties of the past five years.

19. PROJECT GOALS AND SUBGOALS

19.01 The broad sector goal of HG-004, as set forth in the Project Paper, is

"to assist the GOIC in developing institutional, technical, and financial support to provide improved shelter and related amenities throughout the Ivory Coast".

Verifiable indicators listed in the Logical Framework include:

- "- increase in number of water outlets and sanitary facilities;
- increase community facilities and services;
- allocate resources for the shelter sector to replicable low-income programs;
- increased access by low-income householders to financing."

19.02 Progress towards meeting project goals

19.02.1 The GOIC has made progress in improving the services required to meet the upgrading and site-servicing needs of its secondary cities. In addition, through its policy of decentralization, the GOIC is attempting to place more responsibility for urban investment and maintenance at the local level.

19.02.2 Infrastructure is being upgraded, and serviced lots and community facilities are being installed in 12 secondary cities, with four additional cities in the planning stage.

19.02.3 Increased access by low-income families to financing for shelter has not materialized and is not likely to be developed under this program.

19.03 Comment

19.03.1 The primary indicator for achievement of project goals in HG-004 would perhaps be best described as 1) the number of city neighborhoods and common facilities improved and secured against loss to erosion, and 2) the establishment of the requisite GOIC and local administrative and technical apparatus required to do so on a continuing basis.

19.03.2 While GOIC agencies are coming to grips with the problems of fulfilling project aims in the design and execution of the various subprojects, there remains room for improvement in

institutional procedures, particularly regarding interministerial cooperation. Many agencies are involved, and the degree to which they embrace the challenges offered by HG-004 varies, with the technical services tending to be the more enthusiastic. Decisive interest and leadership above the Sous-Direction level could contribute to an improvement.

19.03.3 The need to develop effective local maintenance and related beneficiary education has become apparent as the program has evolved, and solutions are being pursued for the four add-on cities. Follow-up review of the durability of improvements made in the first 12 cities - with respect to the physical, institutional, and social contexts - might be considered as a part of the add-on cities' program design.

20. BENEFICIARIES

20.01 Quantitative Impact

The concentration of HG-004 on the upgrading of common facilities makes it difficult to agree on methods of estimating numbers of beneficiaries. The investments selected are urgently needed for the improvement of living conditions for the low-income, but all citizens benefit to some extent. There are two categories of investment in upgrading facilities for the common good: 1) those the use of which cannot be ascribed geographically to the people of one neighborhood more than those of another, such as markets, abattoirs, social centers, playing fields, maintenance equipment, and general drainage canals; and 2) those that are used intensively by the population of one definable area more than others, yet are used by, and benefit, all. These would include day-care centers and in some cases schools, and the grading and drainage systems of streets that are not main roadways.

In terms of population served, the neighborhood upgrading component of HG-004 will be having a direct impact on 16 cities with a combined population of around 600,000. The number of those who live outside the city but who benefit by virtue of their economic and social dependence on the city are not easily estimated. The Project Paper's figure of 70,000 expected beneficiaries for the upgrading component is not verifiable, and its verification should not be considered critical to measuring the program's achievements.

The Sites and Services component presents no problems in identifying and counting beneficiaries. 1,941 lots have been laid out and applications for purchase have been received. Using an estimate of between 10 and 12 persons per lot, which includes the owner's household and renters, the total number of beneficiaries can be expected to number between 20,000 and 25,000. This represents a reduction of about 50% in the number anticipated in the Implementation Agreement, even though the resources allocated are about one-sixth of those projected in the I.A.

20.02 Eligibility

Direct screening and selection of beneficiaries on the basis of eligibility criteria is possible only for the sites and services component. This is done through a system developed by GOIC with the assistance of RHUDO, based on the following criteria:

- the city in which the applicant desires a lot must be in the area of the applicant's original residence;
- the applicant's income must be below the median;
- the applicant cannot own another lot;
- the first choice of lots goes to Ivorian citizens.

The median income has been updated through surveys; 70,000 FCFA per month is now accepted for this project.

The median is adjusted for each city on the basis of that city's relationship to the country average. This results in a complicated system for dividing project cost between AID and GOIC, to ensure that HG funds allocated in a given city on a given improvement are proportional to the population with incomes below the median.

21. UNPLANNED EFFECTS

As in HG-003, the major unplanned effect of the HG-004 program concerns the additional project funds available in local currency, thanks to the jump in dollar value after program authorization. This has permitted a 50% increase in inputs, which has generated the addition of four more secondary cities to the program. Significantly, this extension of the program not only delivers more capital investments, i.e., a bigger program than expected, but also permits program planners and implementers to build immediately and imaginatively on the experience being gained in working on the first twelve cities. The response of RHUDO has been to take a more rigorous look at the process of secondary city development and to begin to establish a more refined methodology for the selection of sites and investments. For a discussion on the potential of this opportunity, see Section 23.09.

Also not anticipated was HG-004's timeliness with regard to the economic crisis, which severely hurt the Ivory Coast and forced a drastic reduction in public investment in capital projects. The USAID and IBRD programs were vital in cushioning this reduction for both private sector and public sector personnel, by providing the capital to invest and the valuable projects on which GOIC personnel and private firms could be kept busy.

22. LESSONS LEARNED

On a purely technical level, lessons in secondary city development are being learned under HG-004, and the evolution and testing of a methodology can be expected. Equally important however, are lessons being learned about the process of design and implementation of programs, which should be reviewed by program planners. Especially worth noting is the role of creative responses, both to changes in the political and economic environments during implementation, and to opportunities for adjusting program design on the basis of implementation experience. (See Section 23.07, Secondary Cities.)

This particular project might confirm that 1) shifting political and economic environments offer opportunities for building policy initiatives at times that might otherwise appear uncondusive to such initiatives and 2) in order to take advantage of such opportunities, a combination of flexible project design and considerable RHUDO autonomy and creative resources is necessary. While this notion might appear obvious at face value, it often conflicts with the need for quantitative measures of achievement, Logical Framework analyses, and conventional project performance tracking methods. However, given that the primary goal of the Housing Guarantee program goes beyond the delivery of shelter to include the establishment and testing by the borrowing governments of more refined attitudes towards national policies, this flexibility in implementation should be accommodated. HG-004 demonstrates ways of doing so.

In terms of evaluation needs, flexible design calls for broader measurements of achievement of project purposes and goals. The project paper should attempt to anticipate this in defining goals and purposes and the verifiable indicators of their achievements. Less emphasis might be placed on the quantitative aspects of planned versus actual outputs as measures of success. In addition, the already accepted notion that evaluations should be a part of the ongoing design and implementation process could be creatively applied under the flexible approach.

23. SPECIAL COMMENTS

23.01 Cost Recovery

Instead of a betterment tax specifically tied to the project's investments, as planned for cost recovery in HG-003, the HG-004 mechanism bases recovery on the collection of property taxes. While the legal structure for tax collection is in place, property identification and valuation has not been effected in the interior of the country except in a few of the larger cities, and even those rolls are outdated with weak collection enforcement.

In deciding to make the property tax the basis for HG-004 cost recovery, GOIC and RHUDO note two primary benefits:

- a) The cost to low-income beneficiaries of upgrading is reduced by its apportionment to all city residents, thereby making improvements more affordable to the largest group; and
- b) the mounting of a functioning property tax system is needed by all city governments to recover other investment costs and thereby increase local revenues for expansion of physical improvements and greater financial independence.

While the structure for tax collection exists in the Ivory Coast, the practical aspects are embryonic outside of Abidjan, the main problem being the lack of the cadastral surveys necessary to create tax rolls. RHUDO felt, however, that the expertise existed in the GOIC to take on the problem of establishing practical methods of local tax collection. Thus the HG-004 condition precedent to disbursement, to "establish the outlines of a cost recovery mechanism," served as a timely catalyst. In the hands of the GOIC and RHUDO, the development of that mechanism became a program output of greater importance than had been originally envisaged, largely because of the thoroughness with which it was approached.

GOIC and USAID have together started implementation of a simplified cadastral survey in two of the program's cities which will be sufficient for thorough and accurate tax calculation and accounting, lacking only the accuracy required for title registration. Even the latter process will benefit from the simplified survey, because it will establish the inventory of parcels and thus assist in the planning for the detailed cadastre.

In addition to the pilot surveys, GOIC and RHUDO have established a pilot training program in municipal finance management in Gagnoa, one of the four add-on cities. This program began with seminars in Gagnoa during the time of the evaluation mission. It is taking municipal employees through rigorous working sessions in the process of municipal finance management, and it is apparently being met with enthusiasm. The timeliness of this activity is apparent, both in felt need at the local level, and in the readiness of local officials to take control of their revenue collection process.

The Project Paper did not sufficiently consider either the problems to be faced in implementing property taxes collection in the interior of the country or the TA that would be required to solve these problems. Funds for the pilot surveys are being provided by the GOIC from the HG-003 escrow interest. RHUDO grant funds are being used to pay for training in municipal finance and management.

In spite of the thorough efforts underway, questions remain as to how quickly project cost recoveries will begin to flow from the tax collection system. Although the office responsible for establishing the cadastres is impressively staffed and organized, the two pilot programs are not being done simultaneously, suggesting that the capacity to conduct even the simplified

surveys is limited, and it is not clear when all 16 cities will have their property identified and valued. In addition, a considerable amount of political will is going to be required on the part of the GOIC to achieve a broad collection of property taxes, as vested interests resist their application after many years of non-compliance (in Gagnoa, property taxes account for less than one percent of local revenues). Even the small owners, who may not have influence, will be able to resist collection unless effective enforcement mechanisms are broadly applied.

Therefore, a substantial increase in property tax collection should not be expected in the early years of the cost recovery process, even after all the practical steps are taken. Nonetheless, the need to develop a cost recovery mechanism for HG-004 promises to have a lasting effect on local government operations in the Ivory Coast, and this is an example of how the pilot nature of the HG program can work for significant institutional change.

23.02 Site Selection Process

The GOIC selected the original 12 cities without extensive RHUDO involvement. However, an inventory of Ivory Coast cities was made in the late 1970s by the GOIC, which collected the kind of data that would be needed in making an informed selection of cities for development. It is presumed that this data was used to some extent, but many factors come into play in such a selection, including considerable political interest. Opinion at the lower levels of the technical services involved in planning and construction is that too much weight was given to political considerations in the selection of the first 13 cities, and some anecdotal evidence is cited.

For the four additional cities to be funded under the HG-004 program, GOIC and RHUDO have attempted to clarify and rationalize the process. The aim has been to examine the urban centers of the interior of the country in order to define the role each plays in its region. Investments would then be selected with an eye to strengthening that role, and thus would include, but not be limited to, the infrastructure needs of specific poor neighborhoods. A methodology would be developed to guide the actual selection process.

In mid-1984, the GOIC agreed to the development of such a methodology for use in the selection of additional cities for investment. The investments would be funded by the additional HG-004 local funds generated by the favorable exchange rate.

On the basis of an economic methodology developed by PADCO, and the application of the method to the case at hand, four cities were chosen as having the best potential for regional impact: Gagnoa, Aboisso, Korhogo, and Abengourou. If three were to be chosen, it was suggested that Korhogo be dropped, but that in any case the first two be kept.

RHUDO submitted the list to the GOIC, which accepted Gagnoa, Aboisso, and Abengourou, and added a fourth, Didievi, which was chosen apparently on grounds other than those embodied in the selection criteria agreed on by RHUDO and the GOIC. The budget for this fourth city is quite limited by comparison to the other three, which are of regional importance and are expected to play greater roles in the development of their respective regions.

The second phase of the selection process involves the choice of investments. Through consultants working for the GOIC, local and regional studies are being undertaken in the cities to identify investments with the greatest potential impact.

The GOIC and RHUDO have agreed, however, that while thorough surveys are essential, the projects should get moving as soon as possible, and that studies in Aboisso and Gagnoa, where physical planning work had already been undertaken by the GOIC, could be based on secondary source data. It was decided that more could be done in Abengourou, where investment in the satellite towns is not ruled out. Moving quickly past the survey and study stage will ensure work continuity for the DU as the first phase of HG-004 is completed.

The methodology being developed in the four add-on cities relies on the PADCO model, and thus is based on quantitative economic criteria. A review of this model is not in the scope of this evaluation, but it might be advisable to review the methodology with an eye to including broader non-quantitative criteria in the ultimate selection process, such as social and political ones. Such criteria have a legitimate role to play, and providing them a place in the selection framework could be important to establishing a realistic selection methodology that is applicable in the long run.

23.03 Collaboration between USAID and the GOIC Ministries of Social Affairs and Interior

The lead GOIC institution for the implementation of HG-004 is the MTP, with the Ministry of Finance (MF) responsible for fiscal matters. The Ministry of Interior (MI) seems to be seeking a larger role in policy setting and implementation, and indeed the political and administrative structure at the local level would argue for this greater role. In theory, one might expect the MI to play an increasingly important role in secondary city development, particularly as decentralization proceeds. This is certainly likely to be the case for future World Bank funded projects.

The potential role of the Ministry of Social Affairs (MSA) has not been so clear to the GOIC. RHUDO, however, has sought to expose this potential and to develop a role for the MSA, on the basis of past experience of problems brought about by the absence of community sensitivity to maintenance problems and respect for the investments being installed. This indicates a need to integrate community development programs, training, social education and organization.

Because of the apparent need to bring these ministries into the project design and implementation process, RHUDO and the GOIC are aiming training activities at improving their capacity to provide needed leadership in areas now found to be weak (municipal finance management, including cost recovery), or virtually non-existent (social animation, organization, sensitizing).

The Ministry of Interior, through the Direction des Collectivites Locales (DCL) is the primary collaborator with USAID in the municipal finance management training now underway in Gagnoa.

In recent HG-004 coordination meetings, the MI's representative (DCL) has been absent. The reason, according to some, stems from the rivalry that is emerging between the MTP and the MI concerning project leadership. The absence of the DCL at these meetings is an implementation problem that should be remedied, but there is little that RHUDO can do about it, except perhaps to assist in resolving the question of leadership responsibility. The IBRD is in fact preparing to give lead responsibility for its next program to the MI.

The MSA's collaboration with RHUDO in HG-004 started in 1984 with a pilot project in "urban animation" in Bouna and Dabou, in which the the National Institute for Social Work (INFS) participated actively. In addition, a regional seminar held in Daloa in May, 1985 was financed by USAID. The next one will be in Bouake. Additional seminars are to be held with the objective of mobilizing and sensitizing social workers in the field in community "animation" for urban development projects, including:

- social problems caused by rapid urbanization;
- obstacles to urban development (beneficiary behavior, municipal service problems, etc.);
- USAID contribution to urban development; and
- "animation" methods.

The collaboration between USAID and the MSA is seen also in extensive discussions regarding the establishment of a "technical cell" within the MSA with the following role:

- to develop a community development policy ("animation communautaire");
- to provide technical assistance to social workers and local authorities in developing community development programs related to the investments programmed under HG-004;
- to handle the training of community workers in the cities involved with HG-003, -004, and -005;

- to assist the MTP and MI in the development, implementation, and follow-up of urban development projects;
- to develop training materials relating to urban development projects for use by the INFS.

As of October, 1985, this group had not been able to start activities.

The MSA has been referred to as a "poor cousin" with scant resources or support. Counterparts for the AID work, however, are seen by ORT as enthusiastic and informed. It would appear that HG-004 is in a position to provide an immediate and essential purpose for this agency and to strengthen its usefulness and morale, as well as its technical capabilities. The ORT consultancy seems to be off to a good start in this endeavor, the success of which is important to achieving RHUDO's goal of integrated secondary city development.

23.04 Management Capacity acquired by SETU, CAA, DEUH, DC, and DU to implement low-income shelter projects.

One of the HG-004 project purposes is to strengthen the GOIC's ability to implement low-income shelter programs; thus a key question is whether the implementing agencies show an increase in capacity. In the absence of previous, continuing experience or base data, however, it is impossible to verify such improvements objectively. To a large extent evaluation of this aspect must rely on information and opinion provided by participants, together with observation and judgment.

The program has provided work in the area of low-income urban development, from design to execution, and in doing so has established rigorous terms of reference and supervision to ensure maintaining basic project principles.

In establishing regular working contact with local authorities, the program has exposed the central government units to new sets of design and implementation problems and to the process of developing solutions to these problems. This exposure has also served to clarify to the local authorities the roles and responsibilities of central government units, which has the potential of leading to a more productive interaction.

Since this project has touched almost all levels of administration over a period of several years and has been the primary raison d'etre of some offices, there is little question that it has affected ways of approaching the inherent problems in implementation management. Further, in putting into action a program that calls for coordination between many agencies, HG-004 has instilled a habit and established an institutional basis for regular contact and communication which can have beneficial repercussions in other work they may undertake.

If the Direction des Grand Travaux absorbs this work, as is rumored, the beneficial effects of HG-004 on the technical capacity of the implementing agencies may be reduced, depending upon the arrangements subsequently put in place.

Direction de la Construction: The DC is responsible for overseeing the design and execution of non-residential buildings built on the GOIC's account. Under the HG-004 program, the DC looks after the building of structures such as markets, schools, and other collectively used structures.

At a time when the economic crisis had reduced construction activities and the Direction des Grand Travaux took upon itself an increasing role in Ivory Coast construction activities, work financed by the HG loan has helped to maintain the DC in its role as primary overseer (Maitre d'Ouvrage) for the GOIC's construction activities.

HG-004 activities in the DC are handled by an expatriate architect whose contract is close to expiring. This should not be allowed to happen before a capable replacement is assigned and trained in the management systems now being used.

Societe d'Equipement des Terrains Urbains: SETU's job is to acquire, develop and sell subdivided and serviced land. SETU staff feel that as currently structured (as an "EPIC," or Public Industrial and Commercial Corporation) it has all the disadvantages of a government service without the advantages of a private company.

The Housing Guarantee Loan and IBRD work has brought about a PDU unit in SETU which is run by an expatriate who is funded by HG-003 escrow interest earnings. This unit has 14 technical personnel out of a total SETU staff of about 160, and at present it is handling about half of SETU's total work. The PDU unit has established a project-tracking and -reporting system using mini-computers also provided by HG-003 escrow interest funds.

An interim evaluation of HG-003 noted that SETU bore primary responsibility for delays in that program. This cannot be said for HG-004, where delays have been due to the slow contract approval process established by Ivorian law, changes in subproject design after approval, and lack of coordination between central and local agencies. None of these fall under the exclusive control of SETU.

Issues concerning SETU which might require resolution are sufficiency of field personnel and the absence of responsibility on SETU's part for follow-up after construction. This issue is mentioned because of an expressed reluctance on the part of some in the MTP field offices to take on responsibility for projects for which they had no design and construction supervision responsibilities. MTP involvement in the execution stages might be considered if this concern proves to have merit.

Direction d l'Urbanisme: DU's participation in HG-004 is sharpened by the presence of an enthusiastic Sous-Directeur. The general remarks above concerning the impact of the HG program on the DC apply also to the DU. The evaluation did not expose implementation problems in the DU, nor was it possible to make a determination regarding the DU's ability to take on more work. This question is raised in the context of interest expressed by Germany, Canada, and the EEC in funding additional secondary city development projects in the Ivory Coast. The DU's Sous-Directeur expressed confidence that 15 cities can be handled each year.

Direction de l'Equipement Urbain et de l'Habitat (DEUH): This is a fairly new Direction, which includes the Sous-Direction des Operations Urbains, established to coordinate USAID, IBRD, and other urban development programs. The establishing of this Sous-Direction is a positive step towards enhancing the DEUH's capacity to implement this type of program. The Sous-Directeur is the GOIC-appointed HG-004 program coordinator, who is fully knowledgeable and supportive of program aims and principles. Since starting his involvement, the coordinator has deepened his participation and knowledge of AID and IBRD concepts. He has also attended a training session sponsored by the IBRD in Washington DC.

Logistical support for DEUH activities is inadequate, however, primarily in travel indemnities, which are very low and require up to a year for reimbursement. A former IBRD project vehicle is at the disposal of this office, but maintenance and fuel costs are not funded. During the evaluation mission the coordinator was able to visit project sites outside of Abidjan for the first time, using travel funding for the evaluation. Thus the coordinator is able to attend meetings or visit sites in cities outside Abidjan only when funded by some other office or endeavor, a serious deficiency.

A primary project aim, the strengthening of the capacity of this office to manage its responsibilities fully, has been somewhat slowed by the central role that the USAID advisor was forced to take on by default during start-up and early implementation. This work should eventually be handled entirely by the DEUH, and plans should be made now for a gradual transition as it appears that the S. Direction des Operations Urbains is ready immediately to increase its responsibilities. For further discussion see Section 23.09, USAID Advisor.

Caisse Autonome d'Amortissement: In spite of its role as borrower and payer of bills, the CAA appears to have been operating without close coordination with the other implementing agencies, with RHUDO filling in as a go-between for the GOIC institutions. During the evaluation, informal contact between DEUH and the CAA office charged with HG payments was established for the first time, and an invitation was extended to the CAA to attend the bi-weekly coordination meetings. Though problems in the payment circuit seem to have been resolved through RHUDO intervention, the CAA should be asked to attend the coordination meetings as an active participant.

Tracking of program payments by the CAA is slow and invariably inaccurate and demands immediate remedy. USAID had hoped to provide two computers to assist the CAA in providing accurate, up-to-date accounting of program payments and funds, but this plan was not initially successful. The reasons for this are not so significant as to be insurmountable, and the use of computers by the CAA would be one of the necessary steps toward disengaging the USAID advisor from the details of day-to-day project management. Plans are now underway to provide one computer.

23.05 Contracting to Ivorian Firms.

Of the 24 construction firms involved in HG-004, 22 are majority-Ivorian-owned. Opinion in the GOIC and RHUDO is that most of these are wholly Ivorian-owned (accurate information regarding their exact composition is not easily available). Only one, a French-owned firm, is considered large, and about four are considered by the Ministry of Public Works to be medium sized. The rest are deemed small firms. Of the ten design consulting firms, eight are majority-Ivorian-owned.

Many of the contracting firms have limited experience and require special attention. SETU has encountered difficulties in achieving construction standards in a few cases, and although SETU understands and agrees with the principle underlying the policy of giving work to these new firms, doing so conflicts at times with their primary task of controlling construction standards.

Another problem connected with the use of small entrepreneurs, which includes many of the Ivorian firms involved, arose in connection with the GOIC's long contractor payment process which normally has taken about three months, but up to four or five months in some cases. The small contractor with limited operating capital, or without other projects to cover cash needs, cannot survive such long payment delays.

DEUH had noted the danger, because of delays, of losing the participation of the smaller firms, or worse, causing their demise. It appears, however, that with RHUDO intervention, agreement has recently been reached with the various agencies involved in the payment chain to permit the "walking through" of payment requests by the contractor-payees, from office to office. This has already speeded up the process, which in a few cases has been as short as two weeks.

23.06 Small Loans Program

The GOIC has informed RHUDO that a USAID subsidy would be required to bring the retail interest rate for the HG-004 loan program down to a level acceptable under West Africa Monetary Union agreements. The GOIC must conform to ceilings for on-lending interest rates for "social" loans, and these are too low to permit use of the HG funds for direct loans to beneficiaries. RHUDO would prefer to see an elimination of the direct connection between HG interest rates and GOIC on-lending terms, that is, to

separate the HG loan conditions from those of the GOIC.

The probable elimination of the small loan program under HG-004 does raise the question as to how quickly the serviced lots provided under the sites and services component can be developed without financial facilities. In discussions between the GOIC and RHUDO, it was noted that the low monthly payment level for the serviced lots, at 10% to 15% of income, leave sufficient resources for the beneficiary to manage improvements. In addition, the GOIC would like to test their belief that hidden savings will appear for development purposes once ownership of the lots is secured by the new owners. This process should be monitored carefully by RHUDO.

Even though the elimination of the HG-004 loan component might be justified, financial facilities for individual housing efforts and small scale enterprise ought to continue to be considered an important element in integrated secondary city development and to the long-term economic and social stability in the country's interior. Thus, while it will be necessary to lower the aims of the program, substituting perhaps a small pilot loan program might be considered. Such a program might be carefully designed so as to deal forthrightly with the economic, political, and social obstacles to a broad, socially oriented, small-loan system.

23.07 Secondary City Development

The additional program inputs made possible by a stronger dollar have permitted the inclusion of four additional cities under the original HG-004 funding. RHUDO has seen this as an opportunity to build immediately on the experience gained in work on the first twelve cities, resulting in an evolution of an approach to secondary city development. The work in the four additional cities will rationalize the approach and put into effect solutions to problems experienced earlier, and will exploit opportunities perhaps missed earlier. Thus, the approach to selection, investment, and implementation for projects in the additional four cities is intended by RHUDO to be more refined than that followed in the first twelve.

RHUDO is pursuing this approach with the support and cooperation of the GOIC, in hopes that methodology and procedures developed thereby can be applied to future national programs.

Elements of this approach, as seen by RHUDO, include the following:

1. Greater interministerial administrative and technical coordination in approaching secondary city development.
2. Integrated interdisciplinary approach to program conceptualization, design, and implementation, including:
 - use of regional economic/social criteria in selecting cities and investments;

- provision of training and technical services in municipal finance and management, social animation, and community development;
 - small enterprise management assistance and financial facilities.
3. Program focus on neighborhood upgrading, with emphasis on collective improvements rather than individual "shelter solutions" (housing), but still including the latter to the extent feasible.

In addition to the fact that it builds immediately upon the ongoing experience, the present policy and philosophical environment for this approach is appropriate. The rationale for pursuing general development as opposed to more conventional "housing" solutions to meet specific beneficiary needs includes:

1. Integrated secondary city development has for some time been acknowledged as key to the economic health of developing countries with an economic base in natural resources and agriculture, and to forestalling looming crises in the primary cities due to in-migration.
2. The Ivory Coast, with its strong, decentralized agricultural economy and the presence of a RHUDO, is an ideal place for a pilot HG program to tackle this problem more thoroughly than has been done in the past.
3. In targeting communal facilities and infrastructure, the impact is potentially greater and the necessary urban fabric is being ensured, into which specific beneficiary shelter needs can later be developed.
4. An approach to individual solutions through public policy is still embryonic in the Ivory Coast, which argues for a smaller pilot project integrated into a general urban development program.

The evolution of the interest in establishing a multi-disciplinary, interministerial approach began perhaps with RHUDO's need to rationalize and clarify the selection priorities for cities, sites, and investments. It was felt that economic criteria should dominate this process, but that they should not be the sole determinants. To quote a RHUDO consultancy work plan, "both AID and The World Bank are working to establish guidelines for any future selection of cities and investments within the urban settlement system of the Ivory Coast. The objectives of both donors are to aid the Ivory Coast to establish a public investment strategy for interior cities which draws maximum value from resources invested and at the same time furthers the national policy goal of realizing a more spatially balanced distribution of economic growth."

Implementation of this approach would thus depart from that of the

earlier 12 cities, not only in basing city selection more squarely on objective economic criteria, but also in selecting investments less on the basis of the specific development needs of a community and more on the basis of what is needed to strengthen the urban centers' potential role in the economy of the region. Additional criteria that might be applied include social and political criteria, as well as local administrative capacity and potential.

For the four additional cities to be included under the HG-004 extension, city selection has taken place, and three of the four proposed cities have been accepted by the government (see section 23.02). Still to be set in place is a methodology for investment selection, which should be developed as current data collection is underway.

Aspects of the integrated approach to design implementation can be seen initially in the RTI and ORT consultancies, which are aimed at preparing essential elements of the central and local administrations for management, maintenance, and cost recovery (see section 23.03).

The current environment in the GOIC, though generally favorable, presents a few potential issues that require monitoring:

- absence of coordinating policy or leading institution to implement secondary city development and decentralization;
- ongoing interministerial struggles, rivalries;
- uneven distribution of management skills and dedication at the local level;
- probability of a short-term political advantage for some in keeping the old approach, particularly as to selection of cities and investments;
- possibility that the approach to integrated development as RHUDO continues to evolve it will not be easily grasped by existing institutions, thus posing the risk of "passing them by." This is, however, inevitable with any new approach, and it may be the working process has to be gone through in order to be understood. As long as the central necessity of integration and coordination is accepted, it is not necessary that everyone involved have an academic understanding of the process.

The capital resources available include the HG-004 "reliquat" (excess local currency generated by the strong dollar), which, with the US Dollar at about 400 FCFA and with the GOIC counterpart contributions (20% of total investment) is sufficient to take on four new cities. A drop in the dollar's value would, of course, require a cutback, and RHUDO/GOIC should consider establishing an agreement now as to how such a cutback might be effected, if it is

eventually required, so as to ensure the continuity of the program's special aims.

Technical assistance now envisaged and underway appears to be appropriate and effective. This work, which is being undertaken by RTI (Minis) and ORT (Levy) ought to be seen as continuing throughout project life, and should not be allowed to end without a specific review and evaluation involving all participants.

In addition to these consultancies, which cover municipal finance, management, and beneficiary preparation, consideration might be given to reviewing and possibly strengthening approaches to design and environmental concerns.

The USAID advisor now deeply involved in technical management, might gradually change his intervention as current programs near completion, away from his current position of project manager, technical supervisor, and administrative whip, to more of an advocacy, "animateur," and monitoring role.

23.08 Comments on HG-005

HG-005 focuses on sites and services projects in Abidjan. It represents a needed response to the Abidjan housing deficit and is the first USAID program designed with the IBRD SAL policy reforms in mind.

Since Project Paper approval, some developments have taken place which should be considered in shaping future RHUDO/GOIC cooperation. These include the relative success of the -004 experience and the difficulty experienced thus far in coming to an agreement on the financial and technical aspects of the -005 program - primarily those relating to standards. During the preparation of this evaluation, hope was still being expressed that agreement on -005 could be reached. This hope was based on a projected higher median income and technical studies for the Port Bouet pilot project. If this agreement does not come about, certain shifts in emphasis for HG-005 as an alternative project might be considered:

1. Reduce loan component to a carefully planned pilot program that deals with the interest rate problem and fits into a broader urban development program.
2. Include secondary cities development along the lines of the integrated approach being tested in the HG-004 extension program in order to strengthen these RHUDC/GOIC secondary cities' initiatives.
3. Review exclusive Abidjan focus.

At 25% GOIC participation, the \$10 million HG fund leverages a total of \$13.3 million, sufficient to extend the HG-004 approach to include three or four regionally important secondary cities. The potential impact on population would appear to be greater than

that afforded by the 4,500 serviced plots limited to Abidjan, as envisaged in the project paper.

The overall sectoral goal as stated in the Project Paper is the improvement of shelter conditions for low-income urban residents in Abidjan. This limitation of the overall goal to physical improvements in a single city does not follow the broader goals of earlier programs, and it should be questioned as a development strategy. Previous sector goals in the Ivory Coast have been framed in terms of assisting the Ivory Coast public and private sectors to implement urban shelter programs for low-income people.

Even with a shift of emphasis as outlined above, HG-005 ought to attempt to include a sites and services component integrated into the HG-004 extension approach. This approach makes a point of not basing investment selection on "felt needs" in specific neighborhoods, but favors investments more likely to have an impact on more regional economic and social development aims. If HG-005 does go ahead essentially as planned, serious consideration should be given to designing an -006 project to continue the noteworthy progress achieved in -004.

23.09 USAID Advisor Role

Theoretically, the USAID advisor position vis-a-vis HG-004 should be gradually self-eliminating as the end of program implementation approaches, and after a careful transference of responsibilities to the office of the program coordinator, some of which has begun to happen. Such a transition has been difficult until recently because the office of coordinator did not seem sufficiently able to exercise its responsibilities, and ministerial changes had forced the USAID advisor into the role of maintaining technical continuity, by default. In addition, RHUDO philosophy has emphasized close collaboration and monitoring as a means of training by the advisor, an approach which has been successful, and beneficial to the program's long-term health. However, by the end of the HG-004 project, the remaining coordination responsibilities of the USAID advisor should be entirely in the hands of the DEUH, monitored by RHUDO staff, and the Advisor's work plan should include the steps required to ensure this transference. Safeguards can be built in to ensure that capacity is in fact sufficiently developed. First steps might include informal training of the DEUH staff in the computer techniques for managing and tracking project progress that have been developed by the USAID advisor. This might be done by starting to assign the task of report updating to the program coordinator.

While the advisor's role vis-a-vis program coordination and operations might in theory be self-eliminating, less tangible aspects of the work are on-going. The value of continuing dialogue and training in project conceptualization and design should not be ignored, and the maintenance of the advisor's existing close working contacts with local participants is necessary to this end.

23.10 USAID Presence in Ivory Coast Urban Development Evolution

USAID and IBRD collaboration in urban development projects in the Ivory Coast present somewhat of a contrast in the respective approaches to the institutional weight, or presence, brought to bear on the local scene. The Bank could be characterized as having a low day-to-day profile, while being able, thanks to the significant resources it can bring to bear at several levels of the economy, to intervene persuasively at the policy level, while the USAID approach is through a strong RHUDO with a full-time project advisor/project-manager involved in detailed day-to-day technical support and policy development. Both approaches have merit.

USAID is sometimes said to take on responsibilities that should be left to the host government and other local offices. The central role of the USAID advisor could be cited as an example of USAID's "hand-holding," something that can be said for most HG programs. In the case of HG-004, however, RHUDO believes that the close monitoring has had substantial benefits, and this would appear to be unquestionable. The GOIC, however, like virtually all Housing Guaranty Loan borrowers, is quick to criticize USAID's complicated system of conditions precedent, documentation and reporting, pointing out that they are after all borrowing the money and paying the interest.

The Bank's approach is felt by some to be more likely to engender the increased self-reliance and capacity that is the goal of both approaches, but could also be said to miss opportunities that a stronger technical presence would be in a position to exploit, as USAID is demonstrating as HG-004 evolves.

It can be argued that the existing system where both institutions pursue the same fundamental policy goals is more constructive than opting exclusively for one or the other. Concerning the present program, it is doubtful that the past and potential breadth of HG-004's contributions could be achieved without the strong USAID presence and day-to-day involvement, considering the environment that has prevailed during the start of implementation. RHUDO's rigorous philosophical and technical standards applied in daily contact with participating local agencies serves, at the very least, to start the program on a feasible course with predictable benefits in both the near and long term, and, with appropriate follow-up, lays the foundation for fundamental improvements in institutional capacity.

23.11 Recommendations

23.11.1 Small Loan Program

Serious consideration should be given to formally dropping the small loan component of HG-004, if a way is not found to make FCFA available locally at Central Bank rates, independently of HG US market rates. In any case, a formal decision should be made, expressed through a joint GOIC-AID implementation letter. If the

component is dropped, a joint GOIC/RHUDO review should be undertaken to determine how a similar program might be developed in the future.

23.11.2 GOIC Lead Ministry

RHUDO should coordinate with IBRD regarding consolidating or shifting GOIC ministerial leadership for secondary city development. If the MI is to be brought forward by the Bank, HG-004 implementation will be affected even if the MTP remains designated lead ministry for this program.

23.11.3 USAID Advisor Position

The USAID resident advisor should draft a work plan jointly with MTP which lays out steps and a calendar for training of the GOIC project coordinator to take on full responsibilities for coordination of all aspects of the project.

23.11.4 Role of the Direction des Grands Travaux (DGTX)

RHUDO might consider the appropriateness of discussing with the GOIC ways of reducing the potential negative impact on any shift of technical responsibilities to the DGTX from the agencies currently involved.

23.10.5 Departure of Expatriate Personnel

RHUDO should monitor the impact - particularly on the DC, of the continuing departure of expatriate technical personnel.

23.11.6 Physical Design Standards

The policy of low design standards for paving and drainage might be reviewed in view of apparent maintenance problems. Renewed dialogue with GOIC technical and policy units on this issue is recommended in order to determine to the satisfaction of all parties either that these standards are appropriate or that they require revision.

23.11.7 Continuation of HG-004

In light of the achievements of HG-004 and the potential benefits offered by continuing the momentum the program has developed, serious consideration should be given by the GOIC and AID to implementing an add-on project, on the scale of \$10-15 million. If HG-005 does not go ahead, consideration might be given to transferring the authorization, as suggested above.

23.11.8 Evaluation Recommendations

A general comment for USAID HG programs applies to this program: host government participation in evaluations could be more highly developed, and ongoing. Of particular importance should be a responsibility on the part of the borrowing government to present

a pre-evaluation brief to USAID prior to arrival of the evaluation team, setting down the various participant agencies' views regarding strengths, weaknesses, and remedies and collecting such project data as might be requested by the team.

SUMMARY OF CITY BUDGETS (millions FCFA)

CITY	VRD	Com.Fac.	Equip.	Conting.	SETU	TOTAL
Man	1165	75	50	53	77	1420
Issia	268	152	-	86	30	506
Lakota	285	97	15	80	33	338
Odienne	210	88	-	32	20	350
Bongouanou	250*	150	-	75	25	500
Sassandra	230	58	50	12	-	350
Zouen-H.	118	142	25	5	16	306
Vavoua	175	97	15	14	17	318
Bouna	-	190	14	46	-	250
Dobou	650*	200	-	80	20	950
Oume	428*	220	-	72	40	760
PK 108	150	100	-	30	20	300
Gagnoa	1000	500	-	100	100	1700
Abengourou	650	200	-	100	50	1000
Aboisso	350	200	-	100	50	700
Didieue	150	100	-	100	50	300
TOTAL	6078	2568	169	915	520	10250

*Sites and Services included in VRD budget as follows:

Bongouanou	90 million
Dabou	60 million
Oume	75 million

VRD = Infrastructure installation and upgrading
 Com.Fac. = Community Facilities (structures, marketplaces, etc.)
 Equip. = municipal maintenance equipment
 Conting. = contingency
 SETU = SETU development fee

SUMMARY OF OUTPUTS AS OF SEPTEMBER 15, 1985

WORK UNDERWAY	% completed		
	VRD	Com.Fac.	Sites & Svcs.
Man	0%	26%	-
Issia	100	14	-
Lakota	60	40	-
Odienne	16	20	-
Bongouanou	0	0	0
Sassandra	80	100	-
Zouen-Hounien	34	16	-
Vavoua	100	99	-
Bouna	-	100	-
% of Total Completed	32%	47%	0%
Total projected budget	4.540.000.000 FCFA		

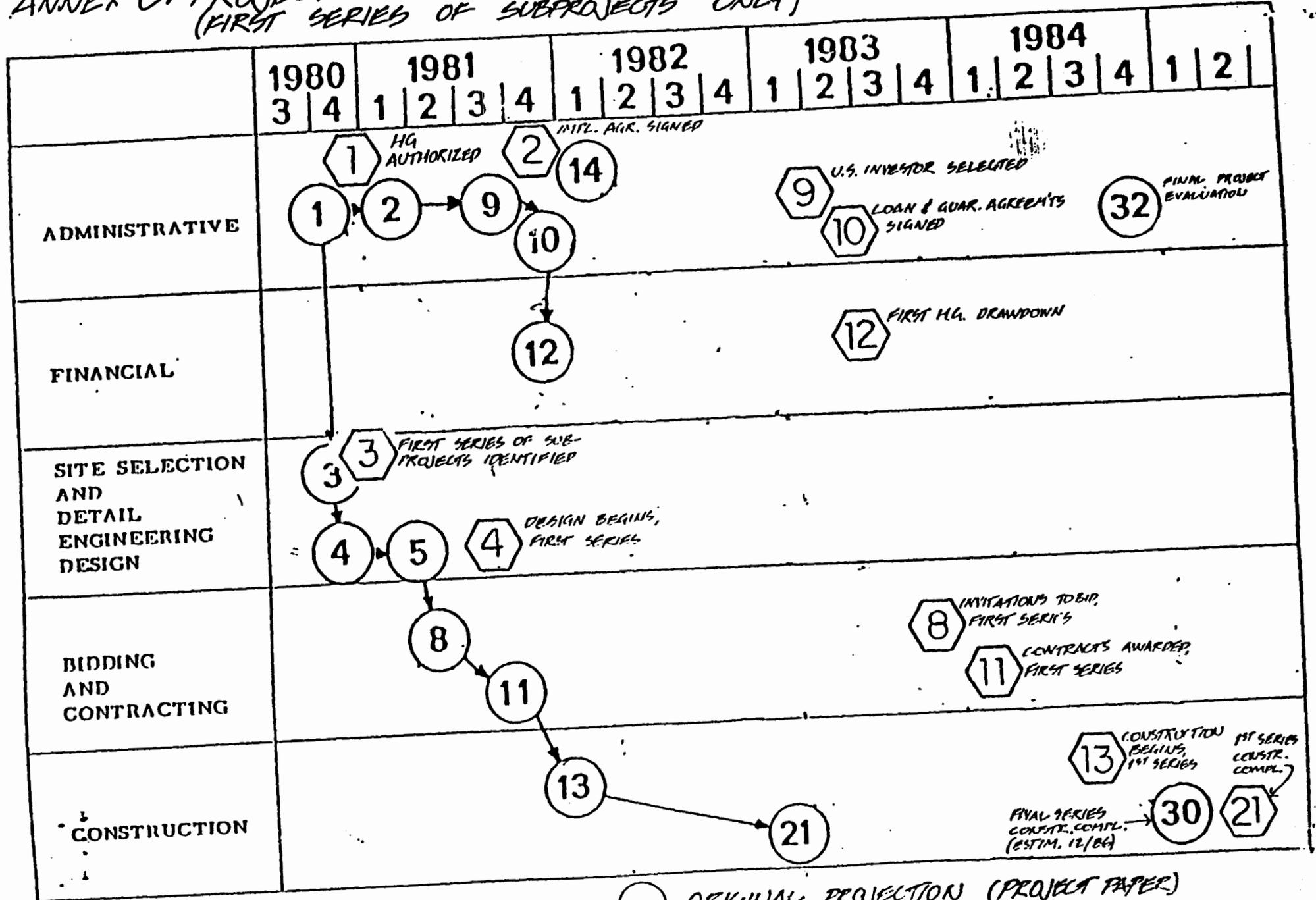
WORK NOT YET STARTED (bids not invited)

Projected budgets (millions FCFA)

Dabou	950
Oume	760
PX 108	300
Gagnoa	1.700
Abengourou	1.000
Aboisso	700
Didieville	300
Total projected budget	5.710.000.000 FCFA
GRANT TOTAL	10.250.000.000 FCFA (\$25.000.000)

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ANNEX C: PROJECT PERFORMANCE TRACKING NETWORK (FIRST SERIES OF SUBPROJECTS ONLY)



CRITICAL PROJECT INDICATORS:

○ ORIGINAL PROJECTION (PROJECT PAPER)
 ⬡ PROJECTION AS OF OCT., 1985