





# UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT

REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE WEST AND CENTRAL AFRICA



UNITED STATES ADDRESS  
ABIDJAN (REDSO)  
DEPARTMENT OF STATE  
WASHINGTON, D. C. 20521-2010

INTERNATIONAL ADDRESS  
REDSO/WCA  
C/O AMERICAN EMBASSY  
01 B. P. 1712 ABIDJAN 01  
COTE D'IVOIRE

## ACTION MEMORANDUM FOR THE ACTING DIRECTOR, REDSO/WCA

**Date:** July 29, 1993

**From:** AD/PMO, Clinton L. Doggett, Jr. *CD*

**Subject:** Project Paper Supplement for Municipal Development Support (681-0004)

**PROBLEM:** Your approval is requested (a) to authorize an amendment to the Municipal Development Support Project (MDSP), thereby increasing the life-of-project funding (LOP) by \$1.4 million and extending the project assistance completion date (PACD) to December 31, 1994, and (b) to approve a supplement to the original Project Paper.

**DISCUSSION:** The Municipal Development Support Project was authorized in September 1990 with LOP funding of \$5.0 million and a PACD of October 31, 1993. The Project Grant Agreement, which was signed in September 1990, obligated \$1.7 million in assistance funds. The agreement was subsequently amended in July 1991 and September 1992 to increase the amount of A.I.D.'s contribution by \$1.9 million and \$801,252 respectively. A.I.D.'s cumulative commitment to date thus totals \$4,401,252.

The project's three major components -- municipal management training, revenue-enhancing activities, and construction -- have had varying degrees of implementation success.

- o Training activities have taken place as planned, and results have been positive. An impressive service delivery and privatization module for municipalities has been developed and tested.
- o Revenue enhancement activities are also taking place essentially as planned. Simplified cadastral studies for the five project cities are nearly completed, and follow-on property tax collection activities have been designed for contracting. The surveys completed to date have resulted in significant increases in the tax base, and tax collections are expected to reflect these gains.
- o Construction, on the other hand, has encountered significant delays as a result of performance problems on

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the part of the entity originally identified by the Government of Côte d'Ivoire (GOCI) to be the implementing agency for the project, the Directorate of Public Works. Implementation responsibility for the construction component has recently been transferred to another agency (the Ministry of Interior's Directorate of Local Government), however, and re-designed procedures have been completed and approved.

Apart from the need for additional breathing space to complete planned construction activities, two additional factors argue for consideration of a 14-month PACD extension and an increase in LOP funding at this time:

- o First, while REDSO/WCA's bilateral strategy for Côte d'Ivoire has not yet been presented to and approved by AID/W, the document identifies improved governance as one of the Mission's two principal strategic objectives for the next three years. The MDSP project is the cornerstone of this thrust. In addition, the proposed extension will allow for systematic review and absorption of pertinent findings from the recent Decentralization Study to test the underlying assumptions of the GOCI's decentralization program. This exercise, which will take place over the coming several months, will enable us to develop a longer term, realistic framework for the governance strategic objective.
- o Second, the project extension will enable us to incorporate and implement recommendations from the mid-term evaluation regarding the Training and Revenue Enhancement components.

**Analyses and Requirements:** Analyses of technical, financial, economic, social soundness and environmental aspects of the project were conducted during preparation of the project paper. Technical review found the project to be institutionally, financially, socially, economically, technically, and environmentally sound, in addition to being consistent with the bilateral and regional development policies and strategies of A.I.D., other donors, and of the host country. These findings remain valid and applicable for the project paper supplement.

The amendment does not incorporate any new requests for waivers or additional conditions precedent or covenants. The implementation plan contained in the Project Paper Supplement has been carefully reviewed and judged realistic in terms of presenting a reasonable time frame for carrying out the remaining project activities proposed under the amendment.

**Summary Financial Plan:** The total cost of the project is estimated at \$8.534 million, of which A.I.D. plans to contribute \$6.4 million over the life of the project. The GOCI contribution is estimated to be the local currency equivalent of \$2.134 million, calculated at the exchange rate of 265 CFA

francs equals one dollar. The GOCI contribution will be in cash and in kind. (Note that although we have received a budget allowance of \$2.0 million for this project, only \$1,998,748 will actually be needed to bring the LOP to the authorized level of \$6.4 million.)

**Responsible Offices:** The Urban Development Division of the REDSO/WCA Program Management Office (PMO/UD) will continue to be have day-to-day responsibility for project activities. Other REDSO/WCA Offices will continue to provide operational, technical and DOA 551 backstopping, as appropriate.

The GOCI Ministry of Interior's Directorate of Local Government (DGCL) will continue to exercise the role of principal counterpart and host country coordinator for the project. Similarly, the institutional contractor, Research Triangle Institute (RTI), will continue to be responsible for the implementation of the project's Municipal Management Training component.

**Committee Review:** The Project Paper Supplement was reviewed at REDSO/WCA on July 14, 1993 (Issues Paper, dated July 12, 1993, is on file). The institutionalization of the Training Unit within the DGCL and the measurement of project impact were two major issues vetted at the review. These issues, which are discussed below, along with other concerns raised during the meeting have been fully addressed, and the Project Paper Supplement has been revised to reflect the outcome of the discussion.

In light of concerns raised during the Mid-Term Evaluation, the Review Committee expressed its own concern as to how the document specifically addresses the issue of the sustainability of the Training Unit. The Project Paper Supplement reviews the various options which are currently being discussed with the DGCL to address this issue. At the same time, the document argues that the institutional sustainability of training, in the form of a functioning training unit is linked to the prevailing economic situation in Côte d'Ivoire, as earlier cited in the Assumptions column of the MDSP Project Paper Logical Framework. Because of the current economic recession, the central concern of the GOCI is to meet its monthly wage bill, and all other financial obligations have temporarily become secondary considerations. Therefore, there is no certainty that the options to address the sustainability of a training unit being discussed will be implemented in the immediate future, requiring as they do an infusion of funds from the central government or the municipalities.

Notwithstanding this uncertainty, the Project Paper Supplement recognizes that: (1) in terms of its policy and strategy, the GOCI remains committed to the continued provision of municipal management training; (2) the GOCI has demonstrated its commitment to the training program by the significant amount of resources it has thus far invested in it; and (3) the trainers

that have been trained by the MDSP can never be considered a wasted investment, for they represent a core of municipal management training capacity in Côte d'Ivoire and are available as a sustained training presence in the country as a result of the project.

Thus, the Project Paper Supplement argues that, although the institutionalization of a training unit remains an objective of the project, circumstances in the larger economic environment may compromise its fulfillment in the near term. The project will, however, still result in an improved training capacity at the central level and in the creation of a trained pool of municipal agents at the local level.

The other major issue, which concerns the measurement of outputs resulting from the additional \$1.4 million A.I.D. contribution, was addressed by quantifying the activities that will take place under the Training and Revenue Enhancement components, along with the relevant expected achievements, during the extension of the project. These measurable indicators are appropriately reflected in the project's revised Logical Framework. Moreover, in response to the concern about measuring project accomplishment at the purpose level, the Monitoring and Evaluation Section of the document describes appropriate steps to be implemented under the project to establish comprehensive baseline data and periodically monitor and assess progress in service provision and revenue-enhancement activities.

Other concerns raised during the Review have been addressed as follows:

- (1) The number of procurement actions has been reduced from seventeen to eleven by collapsing the nine planned contracts for cadastral studies into three;
- (2) The section on Host Country Contribution has been revised to show actual GOCI expenditures to date; and
- (3) The Financial Plan section has been revised to show A.I.D.-financed project costs in terms of foreign exchange and local costs.

**AUTHORITY:** Pursuant to Section 4A(2) of Delegation of Authority 551, as amended, you have the authority to amend Project Authorizations provided that such action (a) does not bring total LOP funding to a level in excess of \$30 million; (b) does not present significant policy issues or deviate from the original project purpose; and (c) does not require waivers that can only be issued by AID/W. This amendment accords with these restrictions.

Pursuant to Section 5B of Delegation of Authority 551, you also have the authority to negotiate and execute grant agreements and amendments thereto.

A Technical Notification (TN) for the project was sent to Congress on June 25, 1993 and expired on July 10, 1993 without objection. A budget allowance for the Project Authorization Amendment was received April 12, 1993 in State 109756.

**RECOMMENDATION:** That you sign below, and on the attached Project Paper Supplement Face Sheet and amended Project Authorization, thereby increasing LOP funding to \$6,400,000 and extending the PACD by 14 months to December 31, 1994.

Approved: \_\_\_\_\_ *[Signature]*  
Disapproved: \_\_\_\_\_  
Date: \_\_\_\_\_ 8-3-93

**Attachments:**

Project Authorization Amendment Number Two  
Municipal Development Support Project Paper Supplement

**Clearances:**

AD/PDE, Kim Finan	_____ <u><i>KMF</i></u>	Date: _____ <u>8/2/93</u>
A-AD/WAAC, Mike Hase	_____ <u><i>MH</i></u>	Date: _____ <u>8/2/93</u>
RLA, Bobbie Myers	_____ <u><i>BM</i></u>	Date: _____ <u>7/30/93</u>
A-AD/OP, Orion Yeandel	_____ <u><i>OY</i></u>	Date: _____ <u>8/2/93</u>

Drafted: PDE, RBoncy \_\_\_\_\_ *[Signature]*  
          PMO, CDoggett \_\_\_\_\_ *[Signature]*

**PROJECT AUTHORIZATION**

**AMENDMENT NUMBER TWO**

**Country:** The Republic of Côte d'Ivoire  
**Name of Project:** Municipal Development Support Project  
**Number of Project:** 681-0004

1. Pursuant to the Foreign Assistance Act of 1961, as amended, and the provisions of the appropriations heading, Sub-Saharan Africa, Development Assistance, contained in the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1990, the Municipal Development Support Project for Côte d'Ivoire was authorized on September 27, 1990. The original authorization was amended on June 11, 1993 (said authorization as so amended being referred to herein as the "Authorization"). In order to increase the life-of-project funding by \$1,400,000 and to extend the project assistance completion date by 14 months, the Authorization is hereby amended by deleting paragraph 1 thereof in its entirety and substituting therefor the following:

"1. Pursuant to Section 496 of the Foreign Assistance Act of 1961, as amended, and the provisions of the appropriations heading, Sub-Saharan Africa, Development Assistance, contained in the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1990, I hereby authorize the Municipal Development Support Project for Côte d'Ivoire (the "Grantee"), involving planned obligations of not to exceed \$6,400,000 in grant funds over a four year and three month period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. Except as A.I.D. may otherwise agree in writing, the planned Project Assistance Completion Date of the project is December 31, 1994."

2. Except as specifically amended hereby, the Authorization remains in force.

**Date:** 8-3-93

  
David E. Mutchler  
Acting Director, REDSO/WCA



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## LIST OF ACRONYMS AND ABBREVIATIONS

A.I.D.	Agency for International Development
AID/W	Agency for International Development / Washington
DC	Direction du Cadastre (Department of Cadastral Studies)
DCGTx	Direction et Contrôle des Grands Travaux (Directorate of Public Works)
DGCL	Direction Générale des Collectivités Locales (Directorate of Local Government)
DDS	Direction du Développement Social (Department of Social Development)
DFA	Development Fund for Africa
DGI	Direction Générale des Impôts (Central Directorate of Taxes)
DIP	Direction des Investissements Publics (Department of Public Investments)
EXO	Executive Office
FAR	Fixed Amount Reimbursement Agreement
FPCL	Fonds de Prêt aux Collectivités Locales (Municipal Loan Fund)
FSN	Foreign Service National
GOCI	Government of the Côte d'Ivoire
IBRD	International Bank for Reconstruction and Development (World Bank)
IMF	International Monetary Fund
ITC	Institutional Training Contractor
KFW	German Aid Agency
MDSP	Municipal Development Support Project
MMTP	Municipal Management Training Program
MOF	Ministry of Finance (Ministère des Finances)
MOH&SP	Ministry of Health and Social Protection (Min. de la Santé et de la Protection Sociale)
MOI	Ministry of Interior (Ministère de l'Intérieur)
OP	Office of Procurement

PACD	Project Assistance Completion Date
PCC	Project Coordination Committee
PDE	Project Development and Engineering
PDM	Projet de Développement Municipal (Municipal Development Project)
PMO/UD	Program Management Office/ Urban Development Division
PSC	Personal Services Contractor
PSD	Private Sector Development
PWP	Project Work Plans
REDSO/WCA	Regional Economic Development Support Office for West and Central Africa
RETD	Regional Expatriate Training Coordinator
RET	Regional Expatriate Trainer
RHUDO/WCA	Regional Housing and Urban Development Office for West and Central Africa
RLA	Regional Legal Advisor
RTI	Research Triangle Institute
SACS	Local Social Action Committees
SADEC	Service d'Assistance au Développement des Collectivités Locales
SDSW	Sub-Department of Solid Wastes (Ministry of Environment, Construction and Urbanism)
TOT	Training of Trainers
UNDP	United Nations Development Program
USDH	US Direct Hire
UVICOCI	Union des Villes et Communes de Côte d'Ivoire (Union of Cities and Communes of the Côte d'Ivoire)
WAAC	West African Accounting Center

**MUNICIPAL DEVELOPMENT SUPPORT PROJECT  
(681-0004)**

**SUPPLEMENT**

**I. Summary and Recommendations**

The REDSO/WCA Project Committee has reviewed the design of the Supplement to the Municipal Development Support Project and recommends that the project be approved for a 14-month extension and an additional US\$1.4 million of funding. These changes will bring the Life of Project to US\$6.4 million and extend the Project Assistance Completion Date to December 31, 1994. The project has been found to be technically, financially, economically, administratively and socially sound.

The objective of the project is to improve the efficiency and effectiveness of local government operations and promote governance. The project's three major components, municipal management training, revenue-enhancing activities and construction, have experienced varying degrees of success to date. Training activities have taken place as planned and results have been positive. Among other things, an impressive service delivery and privatization module for municipalities has been developed and tested. Revenue enhancement activities are also taking place more or less as programmed. Simplified cadastral studies for the five project cities are nearly completed and follow-on property tax collection support has been designed for contracting. The surveys completed to date have resulted in significant increases in the tax base and tax collections are expected to reflect these gains.

In contrast to the first two components, the construction component has encountered significant delays due to the inability of the Government of Côte d'Ivoire (GOCI) implementing agency to carry out its project functions and the consequent need to redesign the implementing procedures. The redesign of these procedures has now been completed and approved.

In sum, while construction activities are about to be launched after a long delay, the training program is poised to reap the rewards of 18 months of intensive training efforts which have produced a cadre of competent trainers, a set of effective modules and a mastery of the logistics and costs associated with mounting training events. Further investment in training and revenue-enhancement activities could therefore continue without a hiatus, permitting the consolidation of gains to date and an enhanced probability of long-term sustainability.

## II. Background

### A. Summary of Project

The Municipal Development Support Project was authorized on September 27, 1990. It is intended to support the GOCI's efforts to revitalize its economy and to decentralize its system of territorial administration. The project purpose is: "to improve the efficiency and effectiveness of local government operations, particularly in the areas of governance, finance, management and service delivery; and to create models of sound municipal management, including those involving the effective use of the private sector that can be replicated in other Ivoirian secondary cities." The project features three components: municipal management training, revenue enhancing activities and the construction of revenue-generating infrastructure.

**Municipal Management Training:** Municipal management training has taken place at both the local and central level. Local-level municipal management training involves training elected officials, municipal agents and representatives of local interest groups in 34 communes. The training assists financial managers to produce and efficiently manage communal budgets. It teaches elected officials and agents how to work with concerned interest groups to identify and effectively exploit locally-generated resources, the only expanding revenue source for Ivoirian communes today. It helps public works agents to increase the level and quality of basic services provided to the population and to examine alternative methods, through the private sector or community groups, of providing such services.

Central level training aims at increasing the capacity of the Directorate of Local Government, the entity which supervises the communes, to deliver training and technical assistance to communes. It also works to computerize key functions and tasks performed by the agents of the Directorate of Local Government (e.g., communal budget analysis and approval, review of municipal council deliberations, and personnel assignments) by means of the provision of computer equipment and the training of targeted agents.

**Revenue Enhancement:** Revenue enhancement involves implementing simplified cadastral (property) surveys in up to six communes and the preparation of updated tax rolls. It also includes rendering the property tax collection system more efficient by providing equipment and technical assistance to the Department of Land Surveys (Cadastre) and to the central regional and local tax collection agencies.

**Revenue Generating Infrastructure:** The third project component is the construction of revenue-generating or fee-for-service infrastructure such as markets, transport depots, slaughterhouses and commercial centers in five project cities and training in the effective management of these facilities.

## B. Activities and Accomplishments

The following has been accomplished under the three components of the Project to date:

**Municipal Management Training:** A fully staffed and operational Training Unit has been established within the Directorate of Local Government (DGCL). Through the training-of-trainers (TOT) program carried out by the Project's institutional training contractor (ITC), the DGCL Training Unit staff have become experienced trainers. They are now equipped to design and deliver training modules in financial management, local resource generation, road maintenance techniques and the role of elected officials in environmental management. In addition, the DGCL Training Unit has developed an integrated training module for public works department management and solid waste collection. Close collaboration with, and utilization of, the private sector, including community groups, for service delivery are an integral part of this training activity.

Ten trainers in the Department of Social Development's (DDS) Technical Cell have received TOT training. The Technical Cell, in turn, has trained local social workers in community organization techniques and carried out "études de milieu," or studies in the five core project towns and organized local community action groups. The DDS and DGCL trainers are working together on integrating community groups into the solid waste collection activities.

At the DGCL, a computer training needs assessment has been completed, and support staff have been provided with computers and trained in word processing and spread sheet applications. DGCL professional staff have worked with the ITC to identify a list of tasks to be computerized, and selected relevant applications.

In twelve months of operation, the ITC and the DGCL Training Unit have organized 83 training events (seminars, conferences, workshops, round tables, periodic monitoring visits, etc.). Training has been provided to 317 municipal agents, 147 central level agents and 88 private sector individuals. Presently, an assessment of the relevance of action plans developed during training events is being carried out. The assessment will also measure increases in revenue and service provision levels attributable to training activities.

**Revenue Enhancement Activities:** Implementation of an approved computerization upgrading plan of the Department of Cadastre has started, following a computer needs-assessment of the Department. Simplified, low-cost cadastral surveys, which represent a major departure from the complex, high-cost surveys carried out previously by the GOCI, have been completed in two of the targeted five cities. Surveys are currently underway in four additional cities. To complement the objective of the cadastral surveys, a study of the property tax circuit has been effectuated. It identifies various constraints in the circuit and specifies

appropriate types of technical assistance needed to strengthen the tax collection process at the central, regional and local level. Terms of reference for a program of technical assistance interventions have been prepared by A.I.D. in collaboration with the Department of Cadastre and concerned municipalities. The technical assistance, which will be provided by a qualified local contractor, is to be funded out of the project's Studies line item. It will implement the recommendations of the tax circuit study with special attention to those concerning the amelioration of the tax collection process at the local level.

**Construction Activities:** Core project cities have been selected, construction sites identified and preliminary topographical and architectural studies completed for all project cities. At the same time, there have been serious delays in the construction component owing to the inability of the GOCI implementing agency, the Directorate of Public Works (DCGTx), to complete contracting activities proposed in the original project paper.

The planned method of implementation for the construction component was a Fixed Modified Amount Reimbursement Agreement (FAR). In July 1992, when it became clear that construction implementation was indefinitely blocked, Project Management began examining four alternative modes of implementing construction, three of which were within the context of a modification of the existing FAR. The different alternatives considered included: direct AID contracting for construction; utilization of the Ministry of Environment Construction and Urbanism as the implementing agent; employment of a newly created independent contracting agency; and assignment of implementation responsibility to the municipalities themselves. The last alternative was judged the most appropriate and supportive of project objectives. The documentation regarding this decision, dated June 12, 1993, can be found in the REDSO/WCA files.

The FAR has been extensively revised to withdraw implementation responsibility from the DCGTx and to place it in the hands of the communes. The lack of qualified technical, i.e., engineering capacity at the communal level, a factor cited in the Evaluation, has been taken into account by Project Management by providing for the furnishing of technical assistance to communes by the DCGTx (Note: the earlier contracting problem is not an issue). Contracting for construction work will commence after a change in one of the Project's Condition Precedent for the disbursement of funds is negotiated with the GOCI. REDSO/WCA approved the necessary change via an Action Memorandum to the Director, dated June 12, 1993. A revised implementation schedule for this component is included in Section IV, D.

### C. Lessons Learned:

**Mid Term Evaluation:** The mid-term project evaluation took place in December 1992, as programmed. One of the Mid-Term Evaluation's conclusions as stated in the Executive Summary is that "the strongest feature of the existing project is the relevance of its

design and strategy to emerging needs at the local level created by the rapid extension of the local government system in Côte d'Ivoire." In effect, given the present importance of decentralization in Côte d'Ivoire, as a tool of both economic development and democratization, a project which aims at strengthening the human and material resource base of local government units and promoting local-level development is totally supportive of a primary GOCI policy initiative.

The evaluation also observed that the training strategy of the project is particularly relevant because it provides technical training "on-site, where the needs are most felt...". The project works within the communes with local agents and elected officials to identify the problems which they encounter on an ongoing basis and to propose solutions that are precisely tailored to local conditions. Finally, the evaluation concludes that: "Since the success of the decentralization process ultimately lies in how successfully communes are able to respond to their new administrative and financial responsibilities, a development program which addresses these needs directly, at the municipal level, will ultimately leave behind the most sustainable results."

The following problems were cited in the Mid-Term Evaluation's findings:

- The first important problem cited in the Evaluation is the long-term sustainability of project results, above all that of training. It is described as the "overwhelming issue that needs to be addressed." Project Management agrees with this assessment and has proposed a scenario, discussed briefly in the Evaluation, for working with the DGCL and the communes to ensure the institutionalization of the Training Unit beyond the life of the Project.
- Commodity procurement has been taking place at an extremely slow pace, resulting in delays in the implementation of those project activities that require the use of the commodities. For example, delays in procurement of computer equipment have held up the completion of the remaining cadastral studies, the computer training for technical departments at the DGCL and the upgrading of the computer installation at the DGI. The equipment has since arrived in country and has been distributed as planned.
- There are serious problems associated with the construction component which need to be resolved. As described above, project management has already taken steps to address the problems.

To address the concerns regarding the effectiveness and sustainability of training activities, the following steps will be adopted. They represent a combination of recommendations made by the Evaluators and conclusions drawn by Project Management:

- At the communal level, for optimal impact, training will be more sharply focused on two key modules that contribute most directly to achieving project purposes: financial analysis/resource mobilization and public works management (with an emphasis on solid waste collection). Follow-up activities for the above key modules must be intensified, and action plans should be more focused to reflect available resources and capacity of local-level implementers. Other more generalized training modules, of concern to the communes, but with less immediate applicability (e.g., construction techniques) will be suppressed or done on a one-shot simplified basis for all communes.
- The level of interaction among trainers and between trainers and the DGCL administration will be greater.
- Citizen participation in training events, which is already taking place, will be increased via separate generalized information and education campaigns on the role of the mayor, the use of taxes, etc., to ensure more realistic citizen expectations vis-à-vis communal performance thereby promoting transparency and accountability.
- Ongoing dialogue with the DGCL and other appropriate donors (e.g., UNDP and Hanns Seidel) concerning specific steps that can be taken by the GOCI to ensure sustainability of training will be intensified. Options that are now being discussed include: the creation of a training fund to be financed jointly by the GOCI and interested donors; the direct purchase of training in specific modules from the DGCL Training Unit by interested municipalities; the gradual institutionalization of municipal management training within the National School of Public Administration by the setting up of a small in-service training program staffed by DGCL trainers. This program would eventually be expanded into a full fledged municipal management training school.

The institutional sustainability of training, in the form of a functioning Training Unit within the DGCL or elsewhere, is inextricably linked to the prevailing economic situation within Côte d'Ivoire. This was cited in the MDSP Project Paper Logical Framework assumptions column. The current economic depression has drastically lowered Ivoirian living standards and brought about a liquidity crisis that menaces the country's entire administrative structure. At present, the central concern of the government is to meet its monthly wage bill, and all other financial obligations have temporarily become secondary considerations. Under these circumstances there is no certainty that the options outlined above will be implemented in the immediate future, requiring as they do an infusion of funds from either the central government or the municipalities. The only certainties vis-à-vis institutional sustainability that one can assert at this juncture are the following:

- (1) As a policy and strategy issue, the GOCI is committed to the ongoing provision of municipal management training. Key policy makers, including the Minister of Interior and Director General of Local Government, have all provided both written and verbal evidence of their conviction that training is the tool that will permit the municipalities to manage their resources, generate revenues and provide the types of services that they will need to remain viable entities.
- (2) GOCI appreciation of the value of management training is further attested to by the high quality of its existing administrative corps, including prefects and senior civil servants, most of whom were trained at its prestigious School of National Administration. Decision makers, most of whom are products of this institution, acknowledge the necessity of providing comparable training for municipal level civil servants.
- (3) The GOCI has demonstrated its commitment to the MDSP training program by the significant amount of resources it has invested to date. Resources invested by central-level agencies and the municipalities include an average of 3,000 man-hours per month of trainer, support-staff and participant time from February 1992 through June 1993, valued at US\$185,000, and an additional US\$138,000 worth of inputs in the form of vehicles, equipment and office space for a total of US\$323,000. Besides these quantifiable contributions, GOCI commitment to the MDSP training program has been demonstrated through the additional good-will and support provided through the following activities: hosting and publicizing two regional conferences on decentralization and municipal management issues during the same period and making available top level officials for a week's worth of study and consultation with a Guinean decentralization delegation which came to Côte d'Ivoire to study its decentralization program in May 1993.
- (4) Lastly, the trainers that have been trained by the MDSP can never be considered a wasted investment. On the contrary, they represent an indissoluble core of municipal management training capacity in Côte d'Ivoire. They are available for use by the GOCI itself at the *Ecole Nationale d'Administration* or at a newly created training institution, by the private sector, or by other donors -- indeed, the UNDP's present municipal-level training program is staffed by A.I.D.-trained trainers. Thus, there will be a sustained training presence in Côte d'Ivoire as a result of the project.

In sum, although the project is committed to continuing to seek to institutionalize training within the DGCL or at some other appropriate institution, as outlined above, circumstances in the larger economic environment may compromise the immediate implementation of this undertaking. At the same time, even if this institutionalization attempt should fail, the project will still result in an improved training capacity at the central level and in

the creation of a trained pool of municipal agents at the local level.

The other problems cited by the Evaluators, commodity procurement and construction delays, have been addressed by REDSO Mission Management. Steps have been taken to reduce and simplify procurement procedures and the revised FAR governing the implementation of the construction component has been authorized.

**Governing Assumptions:** The MDSP is currently grappling with key issues facing Ivoirian decentralization in general and Ivoirian municipalities in particular, i.e., how to generate financial resources and provide basic services in an environment of diminishing central-government support, expanding municipal-level responsibilities and rising political accountability. These issues continue to be within the manageable interests of the project and its modest interventions.

The approach taken by the project has been to provide the municipalities and their central government supervisory body, the DGCL, with the intellectual and practical tools needed to address the above issues: management training, above all in financial management and public service delivery, technical assistance in resource generation and the provision of revenue-generating infrastructure. Because the project provides highly focused technical assistance at the local level and seeks to improve local resource mobilization and increase service provision through the municipalities own efforts, it directly supports GOCI decentralization and promotes governance at the local level.

At the same time, these key issues are inevitably linked to larger assumptions covering the GOCI policy of decentralization and successful implementation of the Project. Some aspects of these assumptions are, however, outside the Project's manageable interests. Financially, they include assumptions relating to the depressed domestic economic situation and the GOCI financial regime of "Unité de Caisse" or shared treasury, which limits the capacity of municipalities to function effectively. Other financial assumptions, less important but nonetheless relevant, include municipal capacity to obtain credit, issue debt instruments, and negotiate contracts beyond a limited ceiling. Politically, they concern the number and types of powers transferred under the decentralization program and the level of commitment to the process. Administratively, they concern the distribution of power between and within the central, regional and local levels of government.

**Decentralization Study:** Because of the perceived importance of the above issues for the implementation of the Project and the emerging mission strategy, REDSO/WCA commissioned a study of the status of the GOCI decentralization program. An additional objective of the study was to articulate recommendations for A.I.D. interventions in support of GOCI initiatives under the decentralization program.

Initial findings of the study indicate that, in comparison to other countries in the subregion, the Côte d'Ivoire has the most evolved program of decentralization. After twelve years and three sets of elections, "...the Ivoirian communalization initiative on the decentralization spectrum would be rather positive: a modest, but in the Ivoirian context and under the circumstances, relatively significant and sustainable level of real decentralization has already taken place." The authors support this particular finding by citing the volume of powers and responsibilities, financial and budgetary resources and human resources placed at the disposition of the communes.

In 1992, for example, communal budgets accounted for 5.6 percent of the total national budget amounting to FCFA 31.4 billion, "a not inconsiderable amount." When the salaries of 669 central-level civil servants seconded to the communes are included, along with the support payments transferred by the state to the communes, estimated to be an additional FCFA 900 million per year, then it may be concluded that the central government has taken definite steps to provide the budgetary support required to make the program work. The fact that the Ivoirian national treasury is experiencing acute liquidity problems and cannot always respect its commitments is more symptomatic of the depressed state of the economy than it is of central-level unwillingness to finance decentralization.

The authors of the study also call attention to the fact that Ivoirian communes have become active players in the political system and that communal-level stake holders have emerged to counterbalance the central level. Communal interest is most strongly represented by a cadre of 4,137 democratically-elected officials, many of whom are important national political figures. This group is reinforced by local-level community groups, often organized around informal sector activities, which aim at strengthening local power bases with an eye to improving local economic conditions and enhancing service delivery. The interests of these new groups are supported by international donors who welcome the democratization of Ivoirian society and are fashioning programs of training, technical assistance and infrastructure provision intended to strengthen the communes.

The study's initial recommendations for actions to be taken in support of decentralization list revenue generating and training activities which are currently being supported by the project (e.g., simplified cadastral studies, computerization of the Department of Taxation, technical assistance to improve tax collection procedures). More detailed findings and prescriptions are expected to emerge from this study which is due mid-August, 1993.

#### **D. Rationale for the Project Supplement**

The original objective of the project, to assist GOCI decentralization efforts in administrative and political as well as geographic terms, remains sound and valid. Its validity is

anchored in the constitutional reforms that began in 1980 and are currently being implemented by the Government of Côte d'Ivoire. They serve to promote plurality, transparency and accountability in government at all its levels, while emphasizing greater local participation and an enhanced capacity to be publicly responsive at the local level. The soundness of the MDSP's objective was recently confirmed during the recent mid-term evaluation which concludes that its "strongest feature is the relevance of its design and strategy to emerging needs at the local level created by the rapid extension of the local government system in Côte d'Ivoire." There are additional reasons for extending the project at this time:

- **Support for Governance as a Strategic Objective:** The USAID mission has developed the draft of a bilateral strategy for Côte d'Ivoire which will be reviewed in AID/W in early FY 1994. One of the two principal strategic objectives of the proposed strategy is identified as governance. An extension of activities under the MDSP represents continued support for the achievement of this strategic objective. The 14-month extension of the project will allow for a systematic review of the Decentralization Study's findings and recommendations vis-à-vis the GOCI decentralization program. It will also provide the option for designing a long-term assistance framework that will incorporate the recommendations of the Study and be consistent with a bilateral strategy approved by AID/W.
- Construction activities programmed under the Facilities Construction Component of the Project will not be completed by the current PACD due to the delays brought on by the GOCI implementing agency's inability to complete contracting activities. Although a workable alternative for implementing this Project component has been developed and approved, a 14-month extension of the Project is required in order to complete construction activities for the five selected communes.
- There is a case to be made for financing additional training and revenue enhancement technical assistance without further analysis: in the six months which have elapsed since the Mid-Term Evaluation, an impressive service delivery and privatization module for municipalities has been developed and tested. In addition, independent evaluation results of half of the cities where financial analysis and resource mobilization training has taken place have documented positive results. In effect, the training program is poised to reap the rewards of eighteen months of intensive training efforts which have produced a cadre of competent trainers, a set of effective modules and a mastery of the logistics and costs associated with mounting training events. In effect, recent project implementation and monitoring have reaffirmed the Mid-Term Evaluation finding that the project is effectively addressing otherwise unmet needs faced by the municipalities. Further investment in these activities could therefore be

expected to produce positive returns, larger than initially expected.

- This extension of the project incorporates the training-related recommendations proposed in the Mid-Term Evaluation. As previously stated, changes to be made include: the sharper focusing of training activities on a more limited number of areas; the scaling down of action plans; the intensification of follow-up activities, including more frequent monitoring visits; and the extension of revenue enhancing training activities to additional cities participating in the program. The extension will provide an opportunity to increase the sustainability of local-level training results via more effective training interventions. More focused and intensive training interventions within the communes will increase the probability that training recipients, e.g., municipal agents, elected officials, associations of economic actors and neighborhood groups, will both internalize and apply the concepts that are presented. The expected end-result will be an impact of greater magnitude and the sustainability of training results over the longer-term, e.g., augmented resources, better service delivery, improved management, increased community participation and utilization of the private sector. Training activities at the municipal level will be more sharply focused; follow-up training activities intensified; and revenue-enhancement activities extended into additional municipalities.

### **III. Project Supplement Description**

The project's goal and purpose remain identical to that originally described in the MDSP project paper. Indicators of the successful achievement of the project purpose are shown in Annex A, the Logical Framework for the Project Paper Supplement. This document incorporates the additional activities and expected achievements that will further comprise the MDSP project. The document also provides the descriptive framework for continuing with the implementation of already planned but incomplete activities through the 14-month extension and increased LOP funding.

#### **A. Additional Activities**

Activities to be added under the Project Paper Supplement are consistent and complementary of other project activities described in the original Project Paper. The new activities will build on the lessons learned to date by expanding and refining a select number of training and revenue generating activities with an eye to better achieving the project purpose.

##### **(1) Training Activities**

Additional training activities are intended to: (a) improve upon modules that have been deemed successful and refine the approach utilized with these modules; (b) eliminate or diminish the use of modules deemed to be less effective or of less relevance; (c) introduce successful modules to additional towns; (d) enhance the capacity of the trainers; and (e) heighten the degree of community involvement in training and civic activities. Additional training activities consist in the following:

- **Financial analysis and resource mobilization training**, including more intensive post-training monitoring and reinforcement, to be carried out in eight additional project towns;
- **Evaluation and provision of additional reinforcement in financial analysis and resource mobilization training** for the twelve towns which initially received training in this particular module;
- **Public works management training** currently being completed in the five core project cities extended to eight additional towns drawn from the current pool of 35 towns;
- **Citizen education and information campaigns**, complementing citizenship participation in training activities, to be carried out in all towns where training activities are closely linked to, or heavily reliant on, community participation inputs;
- **UVICOCI seminars and information campaigns** supported via technical and logistical assistance and resources to assist

this organization in promoting the communal agenda and to provide them with information on issues of communal interest (e.g., on privatization possibilities, tax calculation formulas and anticipated returns, foreign assistance programs such as sister cities);

- Computer utilization training reinforced for central and local-level agents;
- On-going TOT for central level trainers according to the perceived needs of trainers, both individually and as a group;
- Refinement of training modules with the aim of having on-hand a set of effective and easily applicable training tools;
- Privatization of municipal services supported via training and technical assistance accompanied by the preparation of instructional materials. For this module two types of communes will be assisted: those five communes receiving new facilities (in which case management of some aspects of the facility will be privatized), and those towns making a request for assistance.

## (2) Revenue Enhancement Activities

Revenue enhancement activities under the project are intertwined with its training elements given that almost all training activities, e.g., revenue mobilization, privatization and even public works management, are intended to increase communal revenues, i.e., through higher tax or fee collection, or to lower costs by providing services in a more efficient manner, e.g., through more effective solid waste collection or privatization of service delivery. At the same time, the distinctive project revenue enhancement activity is the carrying out of simplified cadastral surveys. Under the project supplement, two related types of revenue enhancement activities will take place:

- Carrying out of up to four additional simplified cadastral surveys. Selection of survey sites will be a function of need and willingness of municipal leaders to provide support for the surveys and the follow-on activities; and
- Long term follow-on technical assistance for the cadastral surveys intended to provide support for the collection of property taxes in towns where such surveys have been performed.

### B. Expected Achievements

Achievements for the above activities are not expected to differ from those currently listed in the logical framework of the project paper. As in the current project paper, they focus upon popular participation, increased revenues and services at the local level and replicable improvements in management practices. Specific achievements sought include:

- **Increased popular awareness of the developmental agenda and wider participation in decision-making as a direct outcome of associating citizens with the majority of training and revenue enhancement activities.**
- **An increase in levels of service provision for selected municipalities through the following interventions:**
  - (a) Training in solid-waste management in an additional eight municipalities, resulting in a minimum 25 percent increase in the volume of solid-waste collected from communal streets and deposited in an environmentally safe location. (The percentage increase is compared to the calculated base-line removal rate.)
  - (b) Assistance with the creation and training of community groups to ensure their participation in decision-making concerning urban service provisions. At a minimum, one community group will be functioning per neighborhood in the eight additional municipalities where this particular project activity is slated to take place.
  - (c) Privatization of a municipal service-delivery activity, where appropriate. The aim is to have at least one privatization effort in at least eight additional municipalities.
- **Measurable increase in levels of revenue collection for selected taxes brought about through:**
  - (a) Provision of specific training in resource mobilization to eight additional communes. This involves the calculation of initial CFA collection levels for a combination of targeted revenues, e.g., market fees, small business fees, taxi station fees, pushcart fees, slaughterhouse fees, and effectuating an increase of at least 25 percent or better in collection levels. (Note: Base line fee collection levels range from 2 million to 21 million CFA per trimester in secondary cities, depending on the size of the town and its volume of commercial activity.)
  - (b) Revenue enhancement activities, i.e., cadastral studies and follow-up work in four additional towns. Cadastral studies are expected to result in an updating of property tax rolls, an augmentation of the tax base of at least 100 percent and an equivalent 100 percent increase in collection levels.
- **Increased use of the private sector, including community groups and NGOs, for provision of municipal services encouraged through:**
  - (a) Training of municipal managers in the use and applications of privatization (e.g., through UVICOCI);

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(b) Organization of community participation for service delivery; and

(c) Technical assistance for implementing privatization program at the communal level.

- **The development of replicable models and practices in municipal management, revenue generation and urban service delivery to be achieved by means of:**

(a) Development and standardization of at least four basic training modules, including financial analysis, resource mobilization, solid waste management and community group organization.

(b) Demonstration value of working models in core project cities and elsewhere.

#### IV. Implementation Plan

##### A. Management & Administration

Three implementing institutions, USAID, GOCI, and RTI, will continue their involvement during the extension of the project. The following is a functional description of their involvement in the management and administration of the project.

**USAID:** The Urban Development Division of REDSO/WCA's Program Management Office will continue to manage the project. The PMO/UD staff consists of one USDH who functions as the Project Officer, a Program Assistant who assists in all aspects of project management and implementation, an Engineering Advisor who works exclusively on the project's construction and revenue enhancement components, and a secretary. Engineering services are presently provided through an institutional contractor. For the extension period of the project, plans are to employ a local hire personal services contractor (FSNPSC) to fill this position. Other REDSO/WCA offices, including WAAC, RLA, PDE, PSD and OP, will continue to be involved in the implementation of the project, as appropriate. The project's financial management is discussed further below.

**GOCI:** The following GOCI entities will continue to be involved in the implementation of the project: the Ministry of Interior's Directorate of Local Government (DGCL); the Ministry of Health and Social Protection's Department of Social Development (DDS); the Ministry of Environment, Construction and Urbanism's Sub-Department of Solid Wastes (SDSW); the Ministry of Economy and Finance's Department of Cadastral Studies (DC) and participating municipalities; and the Directorate of Public Works (DCGTx).

Composed of 60 administrative units and 108 employees, the DGCL will continue to function as the principal GOCI coordinating entity for the project. DGCL is responsible for the supervision of Ivoirian municipalities and coordinates all donor activities at the municipal level. The General Director of the DGCL functions as head of the Project Coordinating Committee which meets on a quarterly basis to review project implementation and to take decisions on pending issues. Also closely involved in following project activities are his deputy, the Director of Municipal Development, and the Assistant Director of Personnel and Training who heads the DGCL's ten-person Training Unit. The latter is the supervisor of training activities carried out under the project by the DGCL.

Over the life of the project the DGCL has become a more effective project coordinator as evidenced by: its role in working with other GOCI agencies to fashion the revised FAR; its appointment of two senior agents to function as supervisors of the training and construction components; and its increased championing of the interests of the municipalities at the central level.

The DDS will continue to work with the project trainers and municipal agents to carry out social surveys and education

campaigns and to organize local social action committees (SACS). These SACS collaborate with municipal agencies on service delivery and local development planning. There are eight central-level social workers and 30 local-level social workers currently involved in project implementation. They will continue to work on training and revenue enhancement activities related to the extension of the project. For training in solid waste management, the SDSW will provide four engineer-trainers. These individuals will work with the DDS and the DGCL trainers on implementing this highly specialized training module.

The Department of Cadastral Studies has been the lead entity for the revenue enhancing simplified cadastral studies. Given the highly specialized nature of this work, they will continue to spearhead the implementation of additional studies. They will continue to be provided with technical assistance by the PMO/UD Engineering Advisor and to utilize DDS services for undertaking community information campaigns prior to the actual studies. The DC has perfected the procedures for performing simplified surveys within the context of the project. The DC now plans to apply the technique to other cities after the PACD with financial assistance of other donors or with funding from the cities themselves.

Municipalities are not only beneficiaries of project activities; they are also providers of both manpower and logistical assistance for the implementation of those activities. Key implementing agents at the municipal level are the mayors, who are members of the GOCI Coordinating Committee, as well as their technical department heads who work closely with trainers and technical assistance staff.

**RTI:** To date, project training activities have been implemented through an institutional contract with Research Triangle Institute. The RTI staff consists of a Regional Expatriate Training Director (RETD) who devotes 50 percent of his time to the project, a Regional Expatriate Trainer (RET) who spends 75 percent of her time on the project, a full time local-hire Trainer and an Administrative Assistant.

RTI develops training strategies, plans and schedules with the DGCL, DDS, SDSW, and with private sector trainers in order to train trainers, develop training modules and make logistical arrangements for project-funded training. Most of the training modules have already been developed and utilized; therefore, the focus of training activities will be upon refining existing modules during the extension period of the project. RTI will continue to perform all of the above functions during the period of the project amendment. However, to help with the administrative and training duties associated with the expanded training program, an additional Local Hire trainer will be employed.

#### **B. TRAINING PLAN**

Training activities planned for the period of the project extension will be carried out, in country, by Research Triangle

Institute. The list of training activities is comprehensive; it is however subject to modifications in response to monitoring and evaluation inputs and observations of the trainers.

TABLE OF TRAINING ACTIVITIES FY'94				
Type Training Activity	Number Events	Number Part.per seminar	Trainer	Est. \$ Cost per seminar
Financial Analysis Studies/Seminars - preparatory study - training event - follow-on monitoring	8	10-15	DGCL	6,250
Resource Mobilization Studies/Seminars - preparatory study - training event - Follow-on monitoring	8	20-30	DGCL or Private	10,379
Solid Waste Collection - preliminary study - training seminars - community org. - site activities - follow-on monitoring	8	N/A	DGCL DDS SDDS	16,932
UVICOCI Support -2 seminars & 2 wrkshps - 3 publications - materials distribution	8	N/A	RTI DGCL Private	40,000 (total)
Community Organization & Education Activities	8		DDS RTI	7,345
Privatization - technical assist. - training - materials preparation	8	N/A	DGCL Private	5,000
Regional Seminars	3	30-40	RTI Private DGCL UVICOCI	20,505

**C. PROCUREMENT PLAN**

DFA Procurement Guidelines require that each project paper contain an activity procurement plan listing each procurement activity, its value and its source, with a justification for non-U.S. procurement. For this supplement to the project, the following table contains the required information.

TABLE OF PROCUREMENT METHODS AND ESTIMATED COSTS				
Items/Element	Est. Amt (\$000s)	Source	Est. Number of Actions	Procurement Agent
<i>Technical Assistance</i> • RTI Contract Extension (12 mos. \$890,000) • FSNPSC Engineering Advisor (18 mos. \$90,000). • Institutional Contract Cadastral Follow-on TA (12 mos. \$150,000)	1,130	U.S CDI CDI	3	REDSO/OP
<i>Construction</i>	-0-		0	N/A
<i>Monitoring and Evaluation</i> • Training Evaluation \$20,000 • Cadastral Evaluation \$20,000 • Facilities Use Eval. \$10,000	50	CDI CDI CDI	3	REDSO/OP
<i>Audit</i>	-0-		0	N/A
<i>Studies</i> • 3/4 Cadastral Studies incl. commodities \$30-\$40,000	130	CDI	3	REDSO/OP
<i>Commodities</i> • Two Cars at \$40,000 each • 4 Computers \$ 2,500 each	90	U.S. U.S.	2	REDSO/OP
<b>TOTALS</b>	<b>1,400</b>		<b>11</b>	

There are only two sources for the procurement of technical assistance, training, commodities, and other services: the United States and Côte d'Ivoire. All long-term technical assistance and

limited commodities, i.e., two vehicles and four computers and accessories will be procured from U.S. sources. Local procurement will consist in the purchase of services for conducting planned monitoring and evaluation, audit, and studies activities.

**D. Implementation Schedule**

QUARTER	ACTION	AGENT
4 FY'93	<ul style="list-style-type: none"> <li>• Sign Amended Grant Agreement</li> <li>• Extend RTI Contract</li> <li>• Hire Engineering Advisor</li> <li>• Contract for follow-on cadastral studies work</li> <li>• Start vehicle and computer procurement</li> </ul>	<ul style="list-style-type: none"> <li>• GOCI/AID</li> <li>• REDSO/OP</li> <li>• REDSO/EXO</li> <li>• REDSO/OP</li>   <li>• REDSO/OP</li> </ul>
1 FY'94	<ul style="list-style-type: none"> <li>• Sign FARs with Communes</li> <li>• Start facilities construction</li> <li>• New Training Plan and continue training activities</li> <li>• Contract for new cadastral studies and small commodities</li> <li>• Vehicle and computer delivery</li> </ul>	<ul style="list-style-type: none"> <li>• USAID/Comms.</li> <li>• Constr. Con.</li> <li>• RTI</li>   <li>• REDSO/OP</li> </ul>
2 FY'94	<ul style="list-style-type: none"> <li>• Continue facilities construction</li> <li>• Continue training activities</li> <li>• Start new cadastral studies</li> </ul>	<ul style="list-style-type: none"> <li>• Constr. Con.</li> <li>• RTI</li> <li>• Contractors</li> </ul>
3 FY'94	<ul style="list-style-type: none"> <li>• Continue facilities construction</li> <li>• Continue training activities</li> <li>• Training evaluation</li> <li>• Cadastral follow-on work</li> </ul>	<ul style="list-style-type: none"> <li>• Constr. Con.</li> <li>• RTI</li> <li>• Contractor</li> <li>• Contractor</li> </ul>
4 FY'94	<ul style="list-style-type: none"> <li>• End facilities construction</li> <li>• Facilities use study</li> <li>• Cadastral evaluation studies</li> <li>• Contract for Project Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Constr. Con.</li> <li>• Contractor</li> <li>• Contractor</li> <li>• REDSO OP (or Wash)</li> </ul>
1 FY'95	<ul style="list-style-type: none"> <li>• Project Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Contractor</li> </ul>

**E. Monitoring & Evaluation**

The MDSP project paper includes a detailed monitoring and evaluation plan which utilizes indicators identified in the Project Logframe and comprises the following category of information: questions to be answered for each logframe level; types of data to be collected to respond to each question and; agents responsible for data gathering and analysis. Given the limited scope of this supplement and the fact that there has been no alteration in the project purpose and accompanying logframe, the existing plan remains both valid and applicable.

Under the MDSP, an independent firm has been carrying out comprehensive baseline studies for the five core project cities in which intensive project interventions, i.e., management training, cadastral surveys and facilities construction, were planned in 1991. These studies established detailed baseline levels for those areas in which project interventions would be focused including: a profile of the town's commercial sector; revenue collection and resource mobilization levels for key municipal revenues and locally collected taxes; and service delivery levels. These studies will be updated at the termination of project activities.

For those 34 cities where more limited training activities took place, e.g., the twelve cities benefitting from financial analysis and resource mobilization training and the five solid-waste management pilot cities, each training activity incorporated the establishment of base-line figures as a foundation for assessing the efficacy of training interventions. Subsequently, three-month monitoring and nine-month evaluations were carried out to ascertain sustainability of the results over time. Attached Annex D presents the data on the monitoring of training activities. In the case of community organization activities, base-line community surveys (*études de milieu*) were carried out to establish the socio-economic composition of the city and citizen preference for organizing groups and dealing with service delivery issues.

In like vein, all six cadastral studies that have taken place start with data in existing tax rolls and municipal cadastral maps, where these are available. The studies result in the issuance of computerized up-dated tax rolls and the establishment of simple cadastral maps which are then made available to the municipalities and to the Department of Taxation.

To date, monitoring and evaluation of project activities have been performed primarily by those agencies and contractors that are involved in the implementation of the project. Where necessary, i.e., for training interventions, independent consultants have carried out periodic evaluations. So far, one major project mid-term evaluation has taken place. A final formal project evaluation is scheduled for the end of FY 1994; it is expected that all three project components will be completed by that date.

## V. COST ESTIMATES & FINANCIAL PLAN

### A. Summary

The total amount of money to be added to the project is estimated at US\$1.867 million. Of this amount, A.I.D. will contribute US\$1.4 million in DFA grant funds and the GOCI will provide the equivalent of US\$467,000 in cash or in-kind contribution, as explained in Section V. C., below.

The principal expenditures in the new budget are US\$1.130 million for technical assistance to continue funding for an institutional training contract. Through the contract, municipalities will be provided with training in resource mobilization and service delivery, as well as technical assistance in privatizing service delivery and facility management. Technical assistance will also be provided to perform follow-on work for the tax billing and tax collection portions of the completed cadastral surveys. Other expenditures identified in the new budget are for studies, monitoring and evaluation, and commodities (i.e., vehicle purchase and computer equipment). The summarized Financial Plan for the additional funds is presented in Table 1 below. It is broken out by the U.S. and Ivoirian contributions and by inputs.

Table 1 - Total Project Costs  
(\$ thousand)

	A.I.D.	GOCI	TOTAL
EL:01 TECHNICAL ASSISTANCE	1,130	360	1,490
EL:03 MONITORING & EVALUATION	50	30	80
EL:05 STUDIES	130	77	217
EL:06 COMMODITIES	90	0	80
TOTALS	1,400	467	1,867

Table 2 below details U.S. contributions by project elements for the new US\$1.4 million obligation. Table 3 presents the life-of-project financial plan. The total US\$6.4 million A.I.D. contribution will finance both foreign exchange (FX) and local (L/C) costs of project activities. They total US\$2.666 million and US\$3.734 million, respectively. Although foreign exchange project costs comprise procurement of some services, e.g., the mid-term evaluation, and some commodities, including computer equipment and vehicles, the dominant element in this category is represented by the institutional contract with RTI for technical assistance; it constitutes 45.7 percent of A.I.D.-financed project costs. The construction of facilities, which constitutes 35.6 percent of A.I.D.-financed project costs, represents the major element within the category of local costs.

**Table 2 - Detailed Cost Estimates/A.I.D. Contribution  
(in \$ thousand)**

<b>EL:01 TECHNICAL ASSISTANCE</b>	<b>A.I.D.</b>
<b>A. Institutional Cont. 12 mo. Municipal Management Training</b>	
<u>1. Personnel</u>	
a. Resident Expatriate. Training Director (RETD)	39
b. Resident Expatriate Trainer (RET)	98
c. Local Hire Trainer	30
d. Local Hire Trainer	25
e. Admin. Assistant	18
f. Home Office TA/Support	12
<u>2. Travel</u>	
a. International Travel	12
b. Côte d'Ivoire Travel	12
<u>3. Other Direct Costs</u>	
a. Office Rental/Equipment	16
b. Communication	7
c. Vehicle Maint. Gasoline	7
d. Medical and Insurance	7
e. Shipping Costs	21
f. Equipment Purchase	8
<u>4. In-Country Training</u>	
a. Participant Costs approx 50 training events	385
<u>5. Contract Related Fees</u>	
a. G&A (21%) 12 mos = 143 b. Fees ( 7%) 12 mos = 48	193
<b>Subtotal Inst. Training Contract</b>	<b>890</b>
<b>B. Institutional Contract Cadastral Follow-on</b>	<b>150</b>
<b>C. FSN/PSC Engineering Advisor (18 months)</b>	<b>90</b>
<b>TOTAL TECHNICAL ASSISTANCE (A-C)</b>	<b>1,130</b>

<b>EL:03 - MONITORING, EVALUATION AND AUDITS</b>	<b>A.I.D.</b>
<b>A. Evaluation</b>	
1. Training/Cadastral Evaluation	50
<b>TOTAL MONITORING AND EVALUATION</b>	<b>50</b>

<b>EL:05 - STUDIES</b>	<b>A.I.D.</b>
1. Cadastral Studies 3 or 4 additional towns	100
2. Other Studies	30
<b>TOTAL STUDIES</b>	<b>130</b>

<b>EL:06 - COMMODITIES</b>	<b>A.I.D.</b>
1. 2 Vehicles at 40,000 each	80
2. 4 Computers at 2,500 each	10
<b>TOTAL COMMODITIES</b>	<b>90</b>

Table 3 - Life of Project Financial Plan  
(in \$ thousand)

LINE ITEM	CURRENT	AMENDMENT	TOTAL
EL:01 Technical Assistance	1,796	1,130	2,926
EL:02 Construction	2,280	-0-	2,280
EL:03 Monitoring and Evaluation	200	50	250
EL:04 Audit	25	-0-	25
EL:05 Studies	549	130	689
EL:06 Commodities	150	90	230
<b>TOTALS</b>	<b>5,000</b>	<b>1,400</b>	<b>6,400</b>

**B. Financial History and Pipeline Analysis**

Table 4 summarizes the project financial history to date and Table 5 contains a projected pipeline analysis which shows anticipated cumulative obligations, commitments and expenditures for the next two fiscal years.

The US\$5 million life-of-project was initially authorized during the last Quarter of FY 1990 and was obligated in three tranches, as indicated in Table 4. Plans are to authorize an additional US\$1.4 million during the last Quarter of FY 1993. There were no expenditures in FY 1990, owing to the authorization of the project during the latter part of that fiscal year. Subsequent yearly expenditures, as indicated in Table 4, have been low and reflect the fact that: (1) the bulk of the technical assistance money is committed to an institutional contract that was not signed until the end of 1991 but now consumes funds at the rate of approximately US\$ 50,000 per month; and (2) the construction component of the project, estimated at US\$2,280,000, has experienced serious delays.

Table 5 shows that the bulk of project funds will be expended in FY 1994. This corresponds with the period during which project facilities, estimated at approximately US\$500,000 per town, will be constructed. The revised schedule for the construction of facilities during FY 1994 is based upon the following: initial architectural and engineering studies have been completed, the implementation arrangements for the component have been modified and the call for bids is due to go out in July 1993. The present implementation schedule calls for construction to begin at the end of September in all five towns. Because these are fairly small facilities (markets averaging US\$400,000 per unit and transport depots US\$100,000 per unit), the actual construction period should range between six to nine months. Under the FAR, disbursement of the entire construction budget will take place in tranches as predetermined construction targets are met.

Funds for construction, which constitute the bulk of the project pipeline, will be fully committed in September 1993 with the start-up of construction activities. Based on the implementation plan, these funds will be entirely disbursed by the end of the Third Quarter in FY 1994. These funds cannot be utilized for other purposes, given that Ivoirian law requires that money for contracts must be available before they can be signed, and because the exact timing for the requirement of these funds during the next six months cannot be determined. The funds described under the Project Supplement will be utilized for additional training and revenue enhancement activities. The training contract extension is slated to be signed by the Fourth Quarter of FY 1993, as are the contracts for the new training engineer and the cadastral follow-on work. These three activities account for the bulk of the extension funds and need to be made available during the Fourth Quarter of 1993.

salaries and benefits, including travel benefits, earned by GOCI personnel while participating in training preparation or delivery or in the supervision or performance of revenue enhancing activities; (2) the value of vehicles for transportation of materials or personnel and (3) office space and supplies utilized in the implementation of project activities.

As of June 1993, actual GOCI contribution totals US\$828,000 and comprises: (1) the contribution by municipalities of US\$426,000 representing the value of land for facility construction sites and the cost of initial architectural and engineering studies; (2) the US\$155,000 in-kind value of office space and equipment for both training and cadastral studies contributed by the DGCL, DGI, DDS and municipalities; and (3) an estimated US\$247,000 contribution of salary and benefit costs for GOCI employees working as supervisors, trainers, and trainees on behalf of the project.

Table 6 - Host Country Contribution  
(in \$ thousand)

EXPENDITURE CATEGORY	ORIGINAL PROJECT PAPER	CONTR. TO DATE	AMEND-MENT	TOTAL
Municipal Counterpart Contribution for Facilities	1,116	426	-0-	1,116
Office Space and Equipment	150	155	90	240
Salaries and Benefits of GOCI Employees	401	247	377	778
<b>TOTAL</b>	<b>1,667</b>	<b>828</b>	<b>467</b>	<b>2,134</b>

**D. Methods of Implementation**

The methods of implementation and financing have been reviewed by the Regional Controller's Office and determined to be appropriate and are within the preferred methods as defined by the Payment Verification Policy Statements. No funds will be released to a Host Country Government organization to finance local operating costs. Accordingly, an assessment of accounting capability is not required. Table 7 below, presents the Methods of Implementation and Financing in summary format by project element.

**Table 4 - Project Financial History by Fiscal Year  
(in \$ thousand)**

FISCAL YEAR	1990	1991	1992	3/31/93
Authorizations	5,000	5,000	5,000	6,400
Obligation	1,700	1,900	801	-0-
Expenditures by Year	-0-	47	979	196
Cumulative Pipeline	1,700	3,553	3,375	3,179

**Table 5 - Projected Pipeline Analysis FY'92-FY'95  
(in \$ thousand)**

	Cumulative FY'92	Cumulative FY'93	Cumulative FY'94	Cumulative FY'95
Authorizations	5,000	6,400	6,400	6,400
Obligations	4,401	6,400	6,400	6,400
Earmarks	1,655	3,383	6,063	6,400
Commitments	1,575	3,318	6,024	6,400
Accrued Expend.	1,026	2,040	5,350	6,400
Mortgage	599	0	0	0
Pipeline	3,375	4,360	1,050	0

**C. Host Country Contribution**

The Project Grant Agreement dated September 28, 1990 requires that the Government of Côte d'Ivoire provide not less than the equivalent of US\$1.667 million, including costs borne on an in-kind basis. The amended grant agreement authorizing this project supplement will require that by the end of the project the GOCI will have provided, in aggregate, the equivalent of US\$2.134 million. Thus, host country contribution will increase by US\$.467 million under the project supplement. The aggregate amount conforms to Section 110 of the Foreign Assistance Act requiring a 25 percent host country contribution. REDSO/WCA/WAAC, in cooperation with the Project Officer, has responsibility for tracking GOCI contribution to the project, as per the line items presented in Table 6.

In large measure, host country contributions are provided by those municipalities in which facilities will be constructed. These municipalities will contribute 33 percent of the total cost of all facilities constructed in their town. Other forms of host country contribution will include: (1) staff time and related

**Table 7. - Methods of Implementation and Financing  
(\$ thousand)**

<b>METHOD OF IMPLEMENTATION</b>	<b>APPROXIMATE AMOUNT</b>	<b>METHOD OF FINANCING</b>
1. Technical Assistance AID Direct Contract -Institutional Contractors -Personal Service Contractors	2,926	Direct Payment
2. Construction	2,280	Modified FAR
3. Monitoring and Evaluation	250	Direct Payment
4. Audits	25	Direct Payment
5. Studies	689	Direct Payment
6. Commodities	230	Direct Payment
<b>TOTAL</b>	<b>6,400</b>	

**F. Audits**

The project has budgeted US\$25,000 for a final project audit. Although the amount of risk accruing to A.I.D. is estimated to be minimal because of the preferred methods of financing (Modified FAR and Direct Payment), and although an end of project audit is not required, the set-aside of contingency funds for a possible audit is considered by the project managers to be sound financial planning.

**G. Financial Management**

The financial management of the MDSP will continue to be the overall responsibility of the Project Manager (i.e., the REDSO/WCA Urban Development Officer) assisted by the following REDSO/WCA entities: (a) WAAC for accounting and, if necessary, audit functions and the monitoring of host country contribution; (b) PMO and PDE, as appropriate, for the issuance of project implementation documentation, periodic reporting, and overall program budget guidance; and (c) OP and EXO, as appropriate, for administrative support, including procurement functions.

With appropriate assistance, as indicated above, the Project Manager will ensure that appropriate financial management actions are taken in regard to the following:

- Monitoring of all uses of A.I.D. funds under the project.
- Maintenance of project budgets.
- Preparation of quarterly project accruals.
- Preparation of Project Implementation Orders.
- Identification and tracking of host country contribution.
- Review and administrative approval of project invoices, vouchers, and support documentation before processing to WAAC.
- Identification of funds for de-earmarking and de-commitment.
- Preparation of project implementation letters to outline financial procedures and the re-programming of funds for uses under different project elements.

**ANNEX A  
MUNICIPAL DEVELOPMENT SUPPORT PROJECT**

**LOGICAL FRAMEWORK**

<b>RATIVE SUMMARY GOAL</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<p>upport the GOCI's efforts to ensure equitable and sustainable local-level economic development throughout the country.</p>	<p>Increased economic activity and private sector growth at the local level.</p>	<ol style="list-style-type: none"> <li>1. Economic Indicators</li> <li>2. GOCI, AID and Donor Reports.</li> </ol>	<ol style="list-style-type: none"> <li>1. The GOCI remains committed to its current urban development and decentralization program.</li> <li>2. No undue deterioration in the Ivorian economy.</li> <li>3. The Ivorian socio-political system remains relatively stable.</li> </ol>
<b>POSE</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS END OF PROJECT STATUS</b>	<b>MEANS OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<p>To improve the efficiency and effectiveness of local government operations, particularly in the areas of management, finance, development and service delivery.</p> <p>to create in project cities a model of sound municipal management, including those ensuring the effective use of the private sector that can be replicated in other Ivorian municipalities.</p>	<p>In identified cities, there will be:</p> <ol style="list-style-type: none"> <li>1. An increase in popular awareness of the local developmental agenda and wider participation in the local-level decision-making process, especially among low-income households.</li> <li>2. A minimum of 25% increase in levels of provision of selected urban services.</li> <li>3. A minimum of 25% augmentation in collection levels of identified municipal revenues.</li> <li>4. The use of alternate modes of urban services management or provision (i.e. private sector and community groups).</li> </ol>	<ol style="list-style-type: none"> <li>1. GOCI Min. of Youth and Sports.</li> <li>2. Municipal documents and reports (i.e. work plans, budgets and periodic reports).</li> <li>3. Site visits to project cities.</li> <li>4. Contractors Reports</li> </ol>	<ol style="list-style-type: none"> <li>1. GOCI agencies participate fully in program and carry out terms of agreements.</li> <li>2. Municipalities agree to participate in the program according to project specifications.</li> <li>3. Private sector firms willing and able to assume management responsibilities.</li> </ol>

5. The development of replicable models and practices in the areas of municipal management, revenue generation and urban service delivery.

OUTPUTS	MAGNITUDE OF OUTPUTS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>MUNICIPAL MANAGEMENT</b>	<b>MUNICIPAL MANAGEMENT</b>	<b>MUNICIPAL MANAGEMENT</b>	<b>MUNICIPAL MANAGEMENT</b>
Central Level Outputs	Central Level Outputs	Central Level Outputs	
<p>DGCL Training Unit (is established and operational)</p>	<p>1. 8 to 10 person DGCL training unit constituted and provided with TOT.</p>	<p>1. AID monitoring and evaluation reports.</p>	<p>1. Annual work plans are implemented.</p>
<p>DGCL provides increased units of training and TA to project cities.</p>	<p>2. 100% overall increase in training and TA provided by DGCL.</p>	<p>2. Periodic contractor reports</p>	<p>2. DGCL training unit is fully staffed.</p>
<p>DGCL is equipped with computers.</p>	<p>3. 12 computers, associated peripherals and software provided to DGCL human resource, budget, financial and administrative depts.</p>	<p>3. DGCL and DDP reports</p>	<p>3. GOCI personnel remain in place after training.</p>
<p>DGCL obtains computer training.</p>	<p>4. Training provided to 30 DGCL staffers.</p>	<p>4. Training provided to DGCL</p>	<p>4. Women are represented among targeted training groups and steps are taken to include them.</p>
<p>DDS technical cell and W trained.</p>	<p>5. DDS Technical cell and SDSW receive training.</p>		
<p>Women central level agents trained.</p>	<p>6. 50% DGCL women agents trained.</p>		
Central Level Outputs	Central Level Outputs	Central Level Outputs	Central Level Output
<p>Elected municipal Officials trained.</p>	<p>1. 34 Mayors trained in municipal management issues.</p>	<p>1. Training Contractor reports.</p>	<p>1. Municipalities participate fully by making agents available for training.</p>
<p>Heads of Municipal Financial Departments trained</p>	<p>2. 34 heads of financial management departments trained in financial analysis and resource mobilization.</p>	<p>2. Examination of municipal departments in project cities.</p>	<p>2. Annual work plans and related activities are implemented.</p>

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	<p>Municipal agents and client groups in 20 cities receive intensive training in resource mobilization.</p>		
<p>Heads of Municipal public works departments trained.</p>	<p>3. 34 heads of municipal public works departments trained in urban services delivery.</p>	<p>3. A.I.D. Monitoring and Evaluation reports.</p>	<p>3. Private sector firms able to develop agreements and contractual arrangements with municipalities.</p>
<p>Municipalities utilize the private sector and/or community groups for development planning and public service delivery.</p>	<p>4. Municipal authorities and public works department heads in 13 cities receive intensive training in solid waste management and privatization of service delivery.</p>	<p>4. DDS Reports</p>	<p>4 &amp; 5 Citizens in project cities willing to participate in community organization activities.</p>
<p>Local-level social workers trained.</p>	<p>5. 50 local social-workers trained in community organization techniques.</p>		
<p>Neighborhood groups created and women represented as leaders and members.</p>	<p>6. In 13 cities local-level neighborhoods organized and functioning including women members.</p>		<p>6. Municipalities are committed to women in development activities.</p>
<p><b>OUTPUTS</b></p>	<p><b>MAGNITUDE OF OUTPUTS</b></p>	<p><b>MEANS OF VERIFICATION</b></p>	<p><b>ASSUMPTIONS</b></p>
<p><b>REVENUE ENHANCEMENT</b></p>	<p><b>REVENUE ENHANCEMENT</b></p>	<p><b>REVENUE ENHANCEMENT</b></p>	<p><b>REVENUE ENHANCEMENT</b></p>
<p>Simplified cadastres carried out.</p>	<p>In 10 cities</p> <p>1. Simplified cadastres completed.</p>	<p>1. Municipal and Local-level tax collection records. Municipal tax rolls. Contractor Reports.</p>	<p>1. Local firms available and qualified to undertake cadastral studies.</p>
<p>Gender disaggregated data included in studies.</p>	<p>2. Tax rolls updated including women proprietors.</p>	<p>2. Municipal financial documents and reports.</p>	<p>2. Local and central-level agents willing to collaborate on tax collection activities.</p>
<p>Revenue enhancement and cost recovery procedures instituted in up to five project cities</p>	<p>3. Coordination of tax collection procedures instituted between local and central-level tax collection agents.</p>	<p>3. Contractor Reports.</p>	<p>3. Municipal officials agree to institute cost recovery mechanisms and streamline fee and tax collection methods despite the potential of negative political fallout.</p>

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4. Reorganization and streamlining of fee and tax collection measures.
5. Site visits to municipalities.

4. Ministry of Finance and Economy annual reports.

#### Local level Input

1. Revenue Generating facilities constructed. Core project cities.

2. Male and female users of facilities consulted on design and maintenance of structures.

#### Local level Input

1. At least one revenue generating facility completed and functioning.
2. User consultation carried out in five core project cities.

#### Local Level Input

1. DCGTX Reports
2. A.I.D. Engineer construction site visits
3. DDS and ITC Reports.
4. FAR payments
5. Facilities Occupied.

#### Local level Input

1. GOCI's DCGTx retains capacity to successfully oversee 5 construction sites.

#### INPUTS

#### MAGNITUDE OF INPUTS

Technical Assistance	1,796	1,130	2,926
Facilities Construction	2,280	-0-	2,280
Monitoring and Evaluation	200	50	250
Transport	25	-0-	25
Services	549	140	689
Commodities	150	80	230

#### TALS

5,000 1,400 6,400

#### MEANS OF VERIFICATION

1. Contractor reports, A.I.D. financial records, site visits, GOCI financial records.

2. FAR payments

#### ASSUMPTIONS

Budgetary resources provided as required

1/17

Ministère Délégué  
auprès du Premier Ministre  
chargé de l'Economie, des Finances  
et du Plan

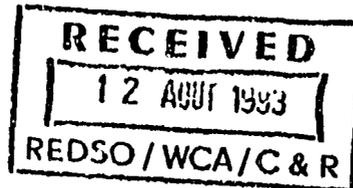
Le Ministre

République de Côte d'Ivoire  
Union - Discipline - Travail

Abidjan, le 12 AOUT 1983

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Monsieur Le Directeur du  
Bureau Régional de l'USAID  
ABIDJAN

LETTER CONT. NO.	813
ACTION	PMUTUD
INFO	
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DUE DATE	08/17
CHANGE ACTION TO	
ACTION TAKEN	8/18
GRANT AGREEMENT IN PREPARATION	
FILE	DFB...

Objet: Projet de Soutien au Développement Municipal  
Requête de financement complémentaire

Monsieur Le Directeur,

L'évaluation du projet cité en objet a montré que

a) la stratégie de formation mise en oeuvre dans le cadre de ce projet est particulièrement adaptée parce qu'elle fournit l'assistance technique " sur le terrain., là-même où les besoins se font sentir" b) le programme de formation entrepris depuis 1991 au bénéfice d'une quarantaine de communes se déroule de façon fort satisfaisante.

Compte tenu de l'importance de la décentralisation pour notre pays, le gouvernement ne peut que soutenir un tel projet qui vise à renforcer les ressources humaines et matérielles des administrations locales et à promouvoir le développement régional.

Aussi ai-je l'honneur de solliciter du gouvernement des Etats-Unis, un don d'un montant d'un million quatre cent mille dollars( 1.400.000\$ US) pour permettre la poursuite de l'exécution de ce programme. Comme par le passé, je réitère l'engagement du gouvernement à apporter une contribution minimale de vingt cinq pour cent( 25% ) du coût du projet.

Tout en vous assurant de la totale coopération du gouvernement ivoirien dans la réalisation de ce projet, je vous prie d'agréer Monsieur Le Directeur l'assurance de ma considération distinguée.

Ampliation

-Monsieur Le Ministre de l'Intérieur

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