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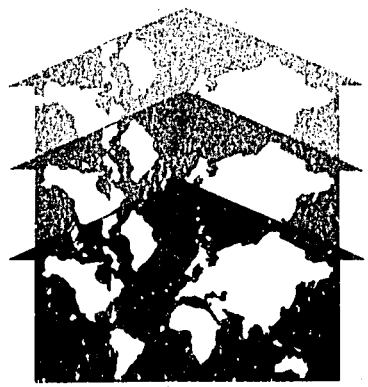
SHELTER SECTOR ASSESSMENT

IVORY COAST

March 1983



OFFICE OF HOUSING AND URBAN PROGRAMS
AGENCY FOR INTERNATIONAL DEVELOPMENT

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IVORY COAST

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Office of Housing and Urban Programs
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ABBREVIATIONS AND ACRONYMS

Banque Centrale des Etats de l'Afrique de l'Ouest

BCEAO	The Central Bank of West African States (Francophone)
BNEC	Banque Nationale pour l'Epargne et le Crédit National Bank for Savings and Loans
BCET	Bureau Central d'Etudes Techniques
BSIE	Budget Spécial d'Investissement et d'Equipement
CAA	Caisse Autonome d'Amortissement The National Sinking Fund
CCI	Credit de la Côte d'Ivoire Ivory Coast Credit Bank
CNA	Commission Nationale d'Attribution National Allocation Commission
CNAL	Commission Nationale d'Attribution de logements National Housing Allocation Commission
CNPS	Caisse Nationale de Prévoyance Sociale National Social Security Fund
DC	Direction de la Construction (MCU) Department of Construction
DDR	Direction du Développement Régional Department of Regional Development
DCDU	Direction Centrale des Domaines Urbains (MCU) Central Department of Urban Land
DCU	Direction Centrale de l'Urbanisme (MCU) Central Department of Urban Planning
EBC	Enquête Budget Consommation, 1978 Income Expenditure Study, 1978
EECI	Energie Electrique de la Côte d'Ivoire National Electrical Energy Company
FNA	Fond National de l'Assainissement National Sewerage Fund

FNH	Fond National de l'Hydraulique National Water Supply Fund
FSH	Fonds de Soutien à l'Habitat National Housing Support Fund
GOIC	Government of the Ivory Coast
HG	Housing Guaranty (Loan)
HIG	Housing Investment Guaranty (USAID)
IBRD	International Bank for Reconstruction and Development (World Bank)
IMF	International Monetary Fund
LAP	Logement d'Accession a la Propriété Core Housing for Plot Acquisition
LEM	Lotissement d'Equipement Minimum Minimum Standard Subdivision
MCU	Ministère de la Construction et de l'Urbanisme Ministry of Construction and Urban Planning
RHUDO	Regional Housing and Urban Development Office
SETU	Societe d'Equipement des Terrains Urbains National Urban Land Development Company
SICOGI	Société Ivoirienne de Construction et Gestion Immobilière The Ivorian Housing Construction and Management Company
SODECI	Société de Distribution d'Eau de la Côte d'Ivoire Water Distribution Company
SOGEFIHA	Société de Gestion Financière de l'Habitat National Housing Finance Management Company
TEN	Taux d'Escompte Preferentiel Preferential Rediscount Rate (BCEAO)
TEP	Taux d'Escompte Normal Normal Rediscount Rate (BCEAO)
TVA	Taxe sur la Valeur Ajoutée Value Added Tax

CHAPTER I

CONCLUSIONS AND RECOMMENDATIONS

I. INTRODUCTION

A. General

This Shelter Sector Assessment (SSA) of the Ivory Coast is an update of the comprehensive SSA of the country undertaken in 1977. The objective of this SSA, therefore, is to provide an overview of the current status of the Ivorian shelter sector with emphasis on those elements which will form the basis for program and project identification for possible support by AID. In addition, a separate analysis of the Ivory Coast's National Savings and Credit Bank (BNEC) was undertaken.

The SSA team -- composed of a shelter sector generalist, a housing specialist and a housing finance analyst and sociologist -- was in the Ivory Coast from October 11 to November 4, 1982. The shelter sector generalist returned to the country between November 29 to December 16, 1982, to discuss and finalize the SSA recommendations with the RHUDO and relevant government officials. In addition to the main report, an executive summary, based on Chapter 1, was prepared for general distribution. All reports were prepared in both French and English.

B. Economic Situation

Before presenting the conclusions and recommendations of the SSA, it is useful to put them in an economic context. The health of the housing sector is extremely dependent on that of the economy. While investment in housing and construction can have a beneficial impact on employment and economic growth, the housing sector is usually the first to experience a decline in growth and decrease in investment. Due to a precipitous rise and fall in the prices of coffee and cocoa and a subsequent increase in investment and debt, an average annual growth rate of GDP of 7 percent since 1960 fell to 1.4 percent in 1981. Since 40 percent of the financing for an ambitious government investment program (US $2 billion or one-fourth of GDP) came from external debt, the country's debt-service ratio rose rapidly to an estimated 30 percent in 1981.

The subsequent effects of the worldwide recession and the austerity program adopted by the Ivory Coast had a drastic impact on construction, the volume of which fell by 11 percent from 1980 to 1981, with employment dropping by 30 percent. In the housing sector traditional lenders such as BNEC and the CCI found themselves with a chronic shortage of funds as household savings and government credit both fell sharply. Funds to the sector were already limited due to the transfer of the FSH from BNEC to the general budget in 1980. In April 1982, the housing finance situation was further exacerbated by an increase in official interest rates by the BCEAO (TEP to 10 percent and TEN to 12.5 percent),

making it more difficult for low and moderate income groups to afford housing.

It is in these circumstances of high interest rates and general limited funds that the formal or modern public and private housing sector is operating. The major difficulty is that, for the most part, it is attempting to operate in basically the same manner as it did before the economic down-turn. No major revision of program, or dwelling unit types and standards have been contemplated. It is strongly felt that the current period of austerity and economic hardship is an opportunity for the sector to become more consolidated (i.e. more efficient and self-sustaining, so that it can continue to provide shelter not only for middle and moderate income groups, but for low income families where the need is the greatest). The conclusions and recommendations are, therefore, divided into four sections: Urban Policy Implications, Housing Supply, Housing Finance and Housing Demand, each of which summarizes the existing situation and procedures before recommending how these might be improved.

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II. URBAN POLICY IMPLICATIONS

A. Issues

Based on demographic and urban development trends, the 1981-85 plan for urban development has underscored several basic elements which will necessarily shape urban policy and investment planning:

- The structure of demographic and urban growth is a characteristic of the country's economic development.

- Current demographic trends do not appear sensitive to current economic difficulties and are likely to persist.

- Abidjan's rapid rate of growth is a function of the key role it plays in the national economy. Rapid growth trends will persist in the foreseeable future.

- The larger interior cities suffer from weak regional and local economies. This is partly due to the dominant role of Abidjan as a market and point of exchange for agricultural products, and the poor integration of direct investment in these centers.

- Ad hoc efforts at decentralization of investment have thus far not stimulated or induced significant urban development outside of Abidjan nor given adequate consideration to efficiency, operation or maintenance.

- Distribution of investment has been highly irregular and skewed among the interior settlements resulting in both inefficiency in some and poor levels of service in others.

- Physical urban development efforts have not adequately responded to the needs of the population nor resulted in investment efficiency.

  - In Abidjan, a minority of the population has benefited from the majority of the investment and access to urban land and housing; as a consequence, urban development is out of control. In the interior cities, a large number of unoccupied plots exist with high space standards which result in the inefficiency of urban form and limited access for lower and middle income groups.

- Due to scarce development resources and low income levels in both Abidjan and the interior cities, provision of plots and urban services can be achieved only through a reduction of standards and greater household participation in development costs. Levels of service should be allowed to evolve over time.

B. Objectives

The following urban policy objectives include those of the 1981-85 plan, those which are derived from various studies conducted in the interior cities, as well as contributions of the SSA study team. In general, they include:

- The need to recognize and anticipate continued urban growth trends such as the rapid expansion of Abidjan, continued growth and urbanization of the forest zone, the shift of urban settlements (and development) towards the western zone, and the increase in the number and size of smaller sized settlements.

- Care should be taken not to accelerate those trends deemed undesirable through disportionate investment or their indirect effects.

- Investment planning should be aimed at maximizing the induced effect of direct investment rather than solely the immediate or non-replicable effects related to implementation.

- Investment in urban development should be carried out on a more equitable basis among settlements and regions than during the previous planning periods where large disparities occurred.

- Decentralization of industry should predominantly take place within the sphere of Abidjan's influence in order to take advantage of the opportunities which it offers.

- A ceiling should be put on per capita public investment in Abidjan within parameters which are acceptable to national development, in order to strengthen the economic position of interior cities. Such a ceiling, however, could have negative impacts over the short-term as investments in Abidjan are more likely to be efficient in creating jobs and raising productivity.

- Public investment should be put to use as efficiently as possible. This will require sectoral investment planning and coordination of the resource available and a careful assessment of competing demands to meet overall policy objectives. An appropriate institutional structure is required.

- Urban development strategies should be as broadly based and flexible as possible and should consider all aspects of urban development in order to be capable of responding to changing needs and financial conditions.

- Generally, throughout the settlement system, emphasis should be placed on developing the traditional sectors and small and medium sized enterprises rather than large national entities, as the latter are capital intensive and, in relative terms, would create fewer jobs.

- The principal basis of economic activities in the interior will continue to revolve around agriculture, animal husbandry and related services.

- Government efforts in administrative decentralization through the creation of prefectures, sub-prefectures and communes should continue with the end goal of creating quasi-autonomous entities capable of auto-financing and management of urban development efforts. During the period of their evolution, prefectures and the DDR must play a key role in representing urban and regional concerns and needs for sectoral investment.

- Opportunities for local participation in economic and urban development are needed. The government can play a key role in stimulating these activities.

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III. HOUSING SUPPLY

A. Formal Sector

1. Supply of Land

The land analysis in Chapter III concentrates on three specific aspects of converting land from rural to urban uses in the Ivory Coast (i.e. cadastre and "domaines," value and availability of land, and property taxes). Subsequent sections on SETU and the MCU described the process of land development and allocation. There are several basic conclusions that can be drawn from these analyses:

- The formal land acquisition and titling process is lengthy and cumbersome, perhaps lasting three to four years before a "titre foncier" is obtained.
- Property taxes are a very small portion (less than one percent) of total government revenue and are extremely difficult to collect.
- There is a large gap ("rente foncière") between SETU's cost price of developed plots and the free market value, putting a heavy premium on these plots.
- In seven years of operation, SETU had completed only some 10,300 plots, roughly 1,500 per year.
- All SETU plots are fully serviced, most (except the LEM) being developed to high standards.
- Allocation of residential plots are through the National Allocation Commission (CNA), a system which leaves a great deal of margin for favoritism.
- There is, consequently, a great deal of speculation, lack of improvement, and some deterioration occurring with respect to SETU plots.

In interior cities, unserviced plots have been traditionally developed and sold by sub-prefectures in order to augment local revenues. There is a wide disparity in the number of plots developed by settlement and a high percentage of unoccupied plots. According to local officials queried during field trips to interior cities, plots remain vacant, primarily due to owners' lack of adequate funds, or credit for construction.

2. Supply of Housing

Table I-1 is a summary of the production, costs, rents, allocation mechanisms and amount of arrears for the three principal public housing and land development enterprises in the Ivory Coast. It can be seen from the table that both public housing enterprises have produced significant numbers of units since they have been in operation (a total of approximately 35,000 units for SICOGI or an average of about 2,200 per year and some 29,400 by SOGEFIHA or 2,180 per year up to 1979). Furthermore, both institutions have a substantial backlog of applicants for units -- about 25,000 of SICOGI and 10,000 of SOGEFIHA. The major findings of the institutional analysis of the three enterprises can be summarized as follows:

SETU

- After the transfer of the FSH, SETU is suffering from a severe shortage of funds which has brought its operations nearly to a halt.
- SETU has been put in the position of having to finance its own operations, but does not have control over the allocation of its residential plots to households who deserve and can afford them.
- SETU also has no control over enforcing repayments for its plots; receipts as a percent of expenditures have fallen to 16 percent in 1981.

SOGEFIHA

- SOGEFIHA has had no control over allocating its units to families who could afford them.
- SOGEFIHA did not have the power to set its own rents; nor to adjust them as costs and salaries went up.
- Due to uncontrolled borrowing, mainly short-term and in foreign exchange (conditions not suited to financing low income housing), SOGEFIHA built up a massive debt and in 1979 was restricted from building and borrowing externally.
- SOGEFIHA now has a total outstanding debt of CFAF 52.5 billion that is mainly being repaid from the FSH through the BSIE.
- Since 1979, SOGEFIHA has devoted the majority of its efforts to managing its existing stock and selling some units.

SICOGI

- SICOGI has experienced a sharp drop in production due to government restrictions and a transfer of the FSH.

TABLE I-1

PRODUCTION OF PLOTS AND HOUSING UNITS IN THE PUBLIC SECTOR

INSTITUTION	TYPE OF UNIT/PLOT	NUMBER PRODUCED	COST PER UNIT	MONTHLY RENT	ALLOCATION MECHANISM	AMOUNT (%) IMPAYES
		(9/30/81)	(1981) (000)	(000)		(9/30/81)
1) SETU	a) L.E.M. (100-200m2)	4,154 (825)[a]	420 (@ 2,100/m2)	--	CNA[h]	Approx. 3,000 (29%) for total of FCFA 7 billion (5.6 billion credits)
	b) Low Income (Economique- (600 m2)	4,223[b] (375)	1,650 CFA (@ 2,750/m2)	--	CNA	
	c) Middle Income (Standing - 600-1,500 m2)	1,933 (1,190)	1,650 - 4,125 (@ 2,750/m2)	--	CNA	
2) SICOGI	a) L.E.M.	1,075-Abidjan	170-252/lot[c]		CNAL[i]	--
	b) Social	24,633-Abidjan	30-35/lot[d]		CNAL	1.11%
	c) Middle Income (Standing)	1,115-Abidjan 480-Interior	46/m2[d] 140/m2[e]		CNAL	
3) SOCEFIHA	a) Social (Economique)	24,699-Abidjan 2,420-Interior	8,000 (1979)[f]	8-20 (1979)[g]	CNAL	4.26%
	b) Middle Income (Standing)	2,153-Abidjan 127-Interior	--	13-30 (1981)	CNAL	

[a] Under construction
[b] 5 Units per plot
[c] Core houses
[d] Row houses
[e] 9 floors, infrastructure not included
[f] Not including land
[g] Rents have not been changed
[h] Commission National d'Attribution
[i] Commission National d'Attribution des Logements

- SICOGI has managed to continue projects for which it can find financing and units are economically costed.

- SICOGI has managed to effectively control costs through competitive bidding, standard designs, construction supervision and economies of scale.

- Although SICOGI's rents are based on full costs, it has not been allowed to adjust rents (except on one USAID project) resulting in cash flow short-falls.

B. Informal Sector

In contrast to the formal sector, the informal sector, composed principally of traditional landowners, has been surveying, subdividing, and selling plots in an uncontrolled but cost-effective fashion. While the extent of its current activity could not be determined, it was ascertained in several interviews that "chef coutumiers" could sell 400 m^2 plots in Yopougon for CFAF 300,000 (CFAF 750/m^2), CFAF 1.0 to 1.5 million (CFAF 2,500 per m^2) in Abobo Nord, and CFAF 2 to 3 million (CFAF 5,000 to 7,500 per m^2) in Cocody. When it is considered that they receive only about CFAF 220/m^2 (CFAF 2.2 million per hectare) official compensation (including crops, raw land and a serviced plot), it can be seen why traditional landowners take the land development process into their own hands.

These plots are for the most part unserviced. Once houses are built, mostly through household savings and the employment of skilled labor ("tacherons"), utilities are demanded, and water and electricity are usually extended by SODECI and EECI. Thus, what can take up to three to four years in the formal sector can usually be accomplished in less than half the time in the informal sector. Furthermore, though illegal, the profits from the sale of what the traditional landowner believes to be his or village land remains with his family and/or the village.

C. Recommendations

Based on the contents of the SSA, the following actions are felt necessary in order not only to increase the supply of housing, but also to see that it gets to those low income households who can afford it and have the greatest need. Several of the recommendations are in the housing policy chapter of the approved Five Year Plan, 1981-85, i.e.:

- increase the production and sale of serviced building plots;

- increase the production of social housing; and

- mobilize savings and means of housing finance.

This study endorses these lines of policy reform and would like to expand upon them as follows:

1. **Increase the supply of serviced building plots.**

In order to accomplish this, several actions are required:

- **Plots should be minimally serviced.** Approximately 90 percent of the cost of SETU plots is due to the capital improvements, studies, SETU overhead, finance costs, etc. If standards are reduced and communal services installed (public taps, unpaved access roads, unlined drainage, street lighting only, etc.), costs could be reduced substantially and plots could be afforded by families earning less than the median income in Abidjan (estimated at CFAF 62,400 in 1982).

- **Mobilize groups of owners to install secondary and tertiary services as necessary.** SETU is already planning to do this on an experimental project in Niangon Nord. In an experimental project in Niangon Nord, SETU is planning to install only primary infrastructure and spurs for secondary services. Presumably water and electrical connections would be installed by EECI and SODECI when demand is sufficiently high -- or by the owners themselves.

- **Involve traditional landowners in the process.** In order to gain the cooperation of traditional landowners, they either have to be compensated more or development must occur in partnership with them (i.e. a larger portion of semi- or fully serviced plots must be allocated to them, or, as has recently been the case, they form a partnership with land developrnent companies realizing a portion of the profit of land development schemes).

2. **Increase the market price of land.**

This should be done in order to capture a larger portion of the unearned increment ("rente foncière") for the State. In order that serviced plots remain affordable to low income groups:

- the range of production between summarily and fully serviced plots should be enlarged based on paying capacities of various income groups; and

- closer to market prices should be charged to higher income categories, thus creating a margin either for cross-subsidizing lower standard plots, or building community facilities, primary infrastructure, neighborhood improvement schemes, etc.

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3. **Revise the plot (and housing) allocation system.**

Although the problems of allocation should be diminished if plots are conveyed at closer to their market value, the system, which has become highly politicized, still needs to be reformed if the fruits of development are to reach the intended target populations. The present allocation system might, therefore, be revised along the following lines:

- Allocate a certain percentage, say 20 percent, along socio-professional lines as at present.

- Allocate the remainder by lottery/or random computer selection. Random computer selection among potential candidates whose applications have been approved according to pre-established beneficiary eligibility requirements.

- The results would be made public and those not selected would be put on a priority waiting list.

4. **Expand area improvement programs in order to conserve existing stock.**

While area improvement programs (Abobo Gare, etc.) have only recently been initiated in the Ivory Coast, they should be considered as an important part of future strategy. The housing problem can never be resolved by building only housing. Construction of new housing must be accompanied by improvement to existing stock; otherwise, losses to stock will mount until they are greater than new construction. In order for area improvement programs to be expanded, however, there must be an effective means of cost recovery to provide working capital for reinvestment:

- In Abidjan, the method to be used will be a special assessment tax, or betterment tax, which will be imposed upon the community to be improved.

- In the interior, with the exception of the largest settlements, the use of property and betterment taxes to achieve cost recovery for urban upgrading is not likely to be effective in the short and medium term due to undeveloped cadastral services and collection procedures, as well as the lack of precedence. Given that the interior cities have traditionally not received their share of urban investment, this problem should be of less short-term concern. On the other hand, to permit local governments to generate more local revenues and be less dependent on central budgetary appropriations property taxation is a viable longer term goal.

5. **Streamline the system of cadastre.**

Cadastral maps cover Abidjan and 11 other up-country cities. The Direction de Cadastre in Abidjan has, at best, only the capacity to keep existing cadastral maps up-to-date, not to undertake any new mapping. Land maps ("plans fonciers") exist for several other cities, however, and taxes are often levied on the basis of these maps:

- The use of lower standard limited cadastral surveys should, therefore, be investigated for smaller up-country towns.

- In the long run, after contributions have been mobilized, the property tax system can be developed to pay for further improvements and/or community facilities in up-country cities.

6. **Increase the production of social housing.**

"Social" housing or core housing (i.e. a 10 to 20 m^2 core unit which can be expanded according to various plans as a family can afford it) would be one of the plans in a progression of serviced plots and low cost units that would allow a family to move in and improve the plot almost immediately after allocation.

- Core housing programs will allow the government to conserve funds for housing while mobilizing the resources of low income families.

- SICOGI is presently experimenting with several "LAP" units and should be encouraged to expand its program.

7. **Define institutional roles and coordinate their operations.**

It is primarily up to the MCU to define the technical responsibilities of its dependent para-statal organizations and supervise the execution of these responsibilities. For efficient, non-overlapping operations in the housing sector, the major para-statal responsibilities would be:

- **Land development and conveyance.** SETU should be allowed to concentrate on project development without being required to finance both construction and plot acquisition.

- **Housing (including core housing) development.** SICOGI has become an efficient, cost-effective developer but should also be relieved of the need to finance social housing schemes. SICOGI should concentrate on low cost core housing schemes where a large market exists. High standard housing should be left to private developers. In any event, it appears that this market is saturated.

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- **Management and payment collections of rental/sales units.** SOGEFIHA has developed a substantial capacity in this area and should be allowed to index rents in order to become financially viable by permitting greater recovery of initial building costs and by keeping pace with increasing operating costs.

- **Housing finance through long-term purchase loans and shorter-term improvement loans (for serviced plots, core housing, etc.).** A social housing bank or function should be created to extend long-term (15 to 20 years) purchase loans (perhaps with graduated payments and/or variable interest rates) and short-term housing improvement or construction loans.

In addition, the MCU must coordinate development operations with local level governments allowing communes to:

- work with local village leaders or "chefs coutumiers" to develop summarily equipped plots;

- undertake area improvement programs in collaboration with SETU and SECI; and

- pre-select applicant households for plots and social housing within their jurisdictions.

IV. HOUSING FINANCE

A. Constraints

The major problems presently affecting the Ivorian housing sector is a chronic lack of funds. Of equal importance as the lack of funds to the sector is the lack of systematic application of the funds that do exist (i.e. balancing resource availability with investment requirements). This is already being carried out at the national level under the structural adjustment program. Within the framework of the 1981-85 Five Year Plan, the government has begun to institute systematic planning and programming of public investment to ensure that the actions of all ministries and public agencies are based on a comprehensive assessment of available resources and development priorities. The vehicle to balance resource availability with investment requirements is a three year, rolling public investment plan ("loi-programme"), the first year of which is the public investment budget. All public investment, both government and para-statal, should be included.

While the "loi-programme" for 1983-85 lists all existing and planned land development projects and their present and proposed sources of finance, the only overlap with the BSIE is the AID/World Bank urban development project. It seems that many projects which are in the "loi-programme" are not in the BSIE and, vice versa, many major expenditures in the BSIE are not contained in the "loi-programme."

In addition, without access to the FSH, it was seen that the land development and public housing enterprises must raise their own financing for project development. For example, according to the "loi-programme," SETU is supposed to finance CFAF 11.7 billion for land development in Abidjan and CFAF 2.4 billion in up-country cities. Yet, no source of the funds is stated in spite of the fact that SETU is practically without funds.

This situation has been exacerbated by the intended conversion of BNEC, which has managed to mobilize substantial savings in the sector, into a private savings and credit bank. This will deprive the existing para-statals not only of needed funds for housing, but also of BNEC's experience in originating and servicing loans.

B. Recommendations

Based on the foregoing, the existing institutional situation in the sector and the recommendations given in the previous section on housing supply, the following actions are proposed with the objective of establishing a rational financial framework for the sector which is integrated with the system being established on the national level to balance resources and expenditures.

1. **Specify the expected level of funding to the sector from all sources.**

In order to balance resources and expenditure in the housing sector, the level of resources expected to be available to the sector must first be ascertained. Within the framework of the Five Year Plan and in more detail for the "loi-programme," the amount of resources expected to be forthcoming from the following sources should be stated:

- Private sector savings (i.e. the combined resources of private housing-savings [épargne-logement] programs).
- Public savings programs, i.e. the amount expected to be allocated from the FSH each year.
- Budget allocations in the BSIE.
- Foreign loans (AID, World Bank, CCE, etc.).
- Indirect aid, mainly from tax exemptions (TPS, TVA, etc.).

In addition to the primary financing sources listed above, an attempt should be made to quantify possible secondary sources:

- The approximate amount of the BCEAO rediscount facility available in the sector.
- The possibility of selling primary loans on a secondary mortgage market to large institutions such as the CNPS, etc.

2. **Manage the allocation of all funds to the sector.**

In order to enhance the impact of scarce resources, the allocation of all funds to the sector must be reviewed, coordinated and controlled at a high level. It is, therefore, recommended that:

- an inter-Ministerial commission composed of representatives from the Ministries of Finance and Economy; Plan and Industry; Interior; and Construction and Urbanism should be established to approve the final allocation of funds based on plans and project proposals from a technical secretariat under the direction of the MCU;
- in keeping with the "loi-programme," the technical secretariat composed of representatives from all implementing agencies would develop annual sectoral investment plans based on funds available and previous accomplishments; and

- the investment plans would emphasize three major lines, as follows:

  - development of a range of summarily or fully serviced building plots and community improvement projects;

  - development of economic and super-economic housing; and

  - long-term financing for each of the above.

- Public funds in the sector should continue to be managed by the National Sinking Fund (CAA). Though the recommended interministerial commission would define and authorize program investments, the CAA would assess the financial implications of proposed programs and monitor ongoing investments.

3. **Establish a social housing bank.**

In order to allow land and housing developers to concentrate on development and financiers to concentrate on finance, SETU and SICOGI should be freed of project financing functions. A social housing bank -- or function -- should be established which would provide short-term and long-term financing as follows:

- Initially, projects would be financed by allocations from sectoral funds directly to the responsible institutions.

- Seed capital would be allocated to a social housing bank.

- The social housing bank would take over completed projects paying the developers their "prix de revient" or cost price.

- The social housing bank would provide long-term loans to the selected beneficiaries.

- Developers would use the payments from the social housing bank to develop new projects. Any projects not meeting the social criteria established by the commission would not be converted to long-term financing by the social housing bank.

If BNEC is not ultimately transferred to the private sector, the social housing bank should be based in BNEC, given the experience this institution has developed in the mobilization of savings and the origination and supervision of housing loans. If BNEC is in fact "privatized," the social housing finance function might be located in the housing loan department of the CCI. As a development bank, however, the CCI does not have a major role in the mobilization of savings for housing. Since savings for housing is a principal means of

increasing funds to the sector and BNEC has had substantial success in this area, this fact should be given full consideration in the establishment of any social housing bank.

4. **Establish a secondary mortgage operation.**

The establishment of a secondary mortgage market will allow the social housing bank to sell its primary loans and maintain liquidity for future projects. Several studies have already been carried out regarding a "marché hypothécaire" and should be followed up. Only by recycling funds through the banking system will there be enough funds to continue making long-term loans to meet the shelter needs of low and moderate income groups in the country.

V. HOUSING DEMAND

With urban growth rates on the order of 10 and 7.5 percent per annum in Abidjan and the interior cities, there is a significant need for housing and urban development solutions which can respond to future demand. In addition, as sizable deficits in urban services exist particularly in interior cities and lower income neighborhoods in Abidjan, there is also a pressing demand for improving living conditions in existing communities. Housing demand differs among socio-economic group and the types of housing in which these groups reside. Based on housing typologies currently employed (i.e. the SEMA classification) and associated levels of household income by type, there has been little change in the distribution of population by housing type over the past decade. Thus, in determining future need over the next 5-10 years, the proportions of future population by housing type should remain similar to those which currently exist. However, the housing solutions adapted to each type may have to be modified to better correspond to available investment capacity and household affordability.

As of 1979, only about 9 percent of the population of Abidjan resided in high standard residential development and about 23 percent in public economic units. The remainder of the population (68 percent) was housed in lesser standard housing of a more traditional (évolutif) or spontaneous nature which accounts for about 20 percent of the latter. In the interior cities, on the other hand, between 80 and 90 percent of the population resides in "évolutif" or spontaneous housing. Investment programs by the MCU for 1981-85 have projected needs by housing type based upon expected increases in urban population and the corresponding shares of population anticipated for each of the housing types. For the period 1982-83 investment efforts are primarily aimed at land development, using different and lower levels of service than had been employed in previous years.

The government's role in responding to housing demand will be conditioned by a multitude of factors which influence or shape demand. Some principal considerations include:

A. Financial Considerations

1. The costs of plots and dwelling units, both in the formal and informal sectors, are currently beyond the means of the majority of urban households. As a consequence, about 80 percent of urban households are renters.

2. The levels and irregularity of household income, particularly among low income groups in Abidjan and the interior cities, is such that only a small minority of households qualify for credit or have sufficient savings to purchase plots and construct dwelling units. Furthermore, in the latter case, many years are usually required to complete housing construction.

3. Traditionally, households of all housing types or income groups have consecrated a relatively small percentage of income for housing (between 10 and 20 percent of income). In addition, though a higher level of effort might be expected of households if provided with an opportunity for plot purchase and construction, there is little experience to date which would confirm this hypothesis.

4. Lowest income households in Abidjan and the interior cities are generally foreign migrants with little means or incentive to invest in permanent shelter. Longer term migrants, however, do invest in land and housing as a means to supplement income through rents.

5. Among those households without access to credit, several years are required to construct a basic structure. As a consequence, regulations regarding construction time and standards cannot feasibly be respected.

B. Past Experience

1. Past experience of both the formal and informal housing sectors will necessarily influence housing demand. Many households with higher incomes such as high ranking civil servants and employees of private enterprises have been traditionally housed by the government or large enterprises. Furthermore, households in government housing projects are primarily renters. In either case, the standards and costs of the units provided have not corresponded to beneficiary incomes. In the former case, the government and large enterprises (through leases or direct construction), have carried the burden of financing; for publicly constructed units, rents were insufficient to cover the full costs of construction without substantial government subsidies. As a result, residents of these housing types have benefited from and become accustomed to dwelling unit standards which are beyond their means. As thousands of dwelling units of this type have been constructed over the past decade, aspirations have been set for new generations of potential beneficiaries which may not be within their own or the government's means to provide.

   On the other hand, traditional "évolutif" housing (though a dynamic sector which houses the majority of the population) has benefited very little from government assistance other than provision of basic urban services. In fact, as an adequate vehicle has not been found to promote and guide its development, its activities have been constrained by periodic demolitions, land use controls and deviation of investment into higher standard housing development. As a consequence, a self-perpetuating mechanism of informal housing supply has developed which confines about 80 percent of households to a renter status. Owners, on the other hand, with incomes supplemented by rents and possibly the sale of other property, are among the few capable of financing new construction.

Spontaneous housing appears to be a case apart. The majority of households are foreign migrants and construction is usually not permanent in nature. There are fewer renters than in traditional housing, greater risk that the units will be demolished, and the least satisfactory living conditions of all housing types. It is geared towards a semi-permanent or temporary population with very basic priorities. Its development has occurred in the least desirable areas for urban development such as in ravines and swamplands but, where possible, in close proximity to zones of employment.

C. Socio-Cultural Considerations Influencing Housing Demand

1. As mentioned previously, the production of subsidized high standard housing has lead to high aspirations among future potential beneficiaries in terms of standards and the role of government in management and maintenance of property.

2. Among lower income households in traditional housing, both in Abidjan and the interior, socio-economic surveys reveal that households' priorities generally concern improvements in urban services rather than housing per se (i.e. improved drainage, access roads, street lights, and garbage collection). Moreover, these households prefer one storey units with potential for expansion rather than apartment structures. Densities in these developments, furthermore, are easily comparable to those attained in multi-storeyed structures.

3. Most first and possibly second generation urban residents have strong ties to their village or settlement of origin. Possibly because of expectations in the villages or as a measure to demonstrate success, many households are obliged to construct "au village" as well as maintain residences in urban areas.

4. Ties to the extended family, also a function of "success" and income can be an important drain on household resources. Thus, in public economic units, where primarily middle income Ivorian households reside, household sizes are several members larger than the urban average.

5. As suggested by the "Interior Cities" report, prepared for the 1981-85 plan, there is a general bias for the "large", the "modern" and the "dur" (permanent materials) in housing construction. Traditional building techniques such as "Banco" and earth blocks are looked down on. Thus, households would rather construct in concrete block over a long period of time than in improved, but traditional structures. This bias is reinforced (or created) by public construction programs which nearly exclusively use cement and concrete block, as well as legislation which forbids other forms of construction.

6. The principle of the level of urban services evolving over time in occupied subdivisions is readily accepted; however, this principle is not applied to dwelling unit construction. Households generally lay out the entire dwelling unit adding rows of block over time as finances permit,

rather than completing minimum core houses in which to reside while construction continues. Thus, in SICOGI LEM units, five years after site development has been completed, many units are still incomplete and unoccupied.

7. As urban areas become more ethnically mixed, communal ties and self-help initiatives become increasingly rare and are primarily restricted to friends and family.

D. Recommendations

1. Though urban development and housing needs can be conveniently tied to proportions of population by housing type, as is currently practiced, it is extremely important that household income, potential housing expenditures, and improved cost recovery are given due consideration in defining the future solutions to meet these needs. Under current economic conditions, it is unlikely that standards for "residential" and public economic housing can be maintained and large numbers of units built without seriously draining the resource pool and leading to a degradation of living conditions in existing communities.

2. Regardless of housing type or income group, greater emphasis should be put on the individual household to meet its housing needs. When faced with housing itself, it can be expected that household aspirations will be more in line with the household's financial means.

3. Greater attention needs to be given to channeling the dynamism of the private informal housing sector to help meet future needs. This can best be achieved by removing development controls in specified areas, provision of summarily serviced land at appropriate standards for construction and provision of access to credit for plot purchase and construction.

4. Though a threshold of household income which is satisfactory to permit ownership of plot and dwelling unit has not been determined, it is likely that a substantial number of lowest income households, and non-permanent residents (i.e. civil servants in interior cities) will have to retain renter status. Rental income will, thus, continue to help support construction costs.

5. On the other hand, to achieve a greater level of plot and dwelling unit ownership, it is imperative that lower cost solutions be developed which remain compatible with socio-cultural needs. This will require:

   - the development of sufficient, but affordable, plots for a wide range of income groups;
   - flexible and reduced infrastructure and subdivision standards;
   - promotion of alternative dwelling unit construction techniques and materials (i.e. core houses and use of improved traditional materials where appropriate);

- revision of legal standards and codes;
- provision of credit for plots and dwelling units to a larger number of low income households; and
- government assistance to primarily low and middle income households through the provision of plots and housing finance for these groups.

6. Due to past urban service deficits in existing low income communities and interior cities, continued and expanded rehabilitation efforts are needed to improve basic living conditions. These efforts will furthermore benefit a wide spectrum of households and through secure tenure help stimulate a revitalization of these communities.

7. In defining affordable programs to meet demand for new and existing communities, a full assessment of potential household contribution needs to be considered (i.e. local savings and investment potential, probable costs of urban services and connections, demands of the extended family, etc.)

8. In order to encourage use of alternative building techniques and materials (i.e. core house and stablized earth blocks [geobeton]), demonstrations and model units should be conducted on project sites and for specific government programs such as schools, teacher housing, and civil servant housing, etc. If proved practical, less expensive and acceptable revision of building codes would be required.

9. To encourage self-help efforts, group savings and financing plans might be encouraged and officially recognized (including group credit guarantees, such as the current rural GVC credit programs undertaken by BNDA and BNEC).

E. Programming Considerations

In Table I-2 a schematic annual program is presented for Abidjan between 1983 and 1986. The table demonstrates that shelter solutions can be developed for a wide range of household income at full cost recovery though a reduction in shelter standards for all income groups would be required. In the table, it is assumed that households with incomes of 40,000 FCFA and up will be provided with credit for plot acquisition and housing construction. The table also indicates that if current loan terms could be extended from 10 to 15 year duration, larger plots and core houses would be affordable. No downpayment is considered in the program as it is assumed that household savings would be required for utility connections, installation of septic tanks or cesspools and various taxes.

To finance the schematic program indicated, an annual investment on the order of FCFA 25.6 billion would be required. This would exceed the probable public investment in housing and urban development that is likely to be made available for Abidjan (Chapter III). Thus, private investment would be required to complete the program. Generally, it is suggested that public funds be used to finance plot acquisition and housing construction for households earning between FCFA 40,000 and 130,000 that are least likely

TABLE I-2

ANNUAL SHELTER NEEDS, AND AFFORDABLE PLOT AND DWELLING UNIT STANDARDS FOR ABIDJAN (1983-1986)

Average Annual Population Growth 1983-1986 180,000		Income Group Share Population		Monthly Income FCFA	Affordable Monthly Payment		Possible Loan Amount At 13 Percent Over 10 Years FCFA	(I) Affordable Monthly Payment				(II) Possible Loan Amount At 13 Percent Over 15 Years	(II) Affordable Physical Standards				(II) Annual Investment To Meet Needs By Income Group Billion FCFA	Annual Number Of Dwelling Unit Needed By Income Group
Population By Income Group	Households By Income Group	Share %	CUM %		Percent of Income	Amount Month FCFA		Plot Size M^2	Land DEVMT Cost/HA MFCFA	O.U. Size M^2	Constr. Cost Per M^2 FCFA	FCFA	Plot Size M^2	DEVMT Cost/HA MFCFA	Dwelling Unit Size M^2	Constr. Cost Per M^2	Billion FCFA	
57,600 (H.S.	13,714 = 4.2)	32	16	40,000	20	8,000	535,795	100	12	20	20,000	632,290	160	12	20	20,000	5.4	6,850
			32	58,000	20	11,900	797,000	160	12	20	25,000	940,531	175	12	30	25,000		
57,600 (H.S.	11,077 = 5.2)	32	48	73,000	20	14,650	981,000	160	12	30	25,000	1,157,723	200	12	35	25,000	6.8	5,884
			64	85,000	20	17,000	1,138,570	180	12	35	25,000	1,343,616	200	12	42	25,000	7.0	5,192
37,800 (H.S.	4,846 = 7.8)	21	70	100,000	20	20,000	1,333,000	160	23	35	25,000	1,572,840	200	23	40	25,000	2.2	1,384
			78	130,000	25	32,900	2,202,000	300	23	45	30,000	2,600,292	300	23	50	35,000	4.8	1,846
			85	150,000	27	45,000	3,013,900	300	30	54	35,000	3,556,631	360	30	64	35,000	6.8	1,938
18,000 (H.S.	2,769 = 6.5)	10	-	175,000	29	50,000	3,348,000	310	30	70	35,000	3,951,812	350	30	70	35,000	4.4	1,110
			-	200,000	30	60,000	4,018,500	325	30	80	35,000	4,742,175	375	30	95	35,000	3.9	830
			95	250,000	30	75,000	5,023,000	400	30	100	35,000	5,927,718	475	35	110	35,000	3.2	553
9,000 (H.S.	1,800 = 5)	5	100	250,000										TOTAL			40.5	25,587

(H.S. = Household Size)

Source: PAOCO Analysis based on PDA Income Update (1982) and Current Financial Conditions.

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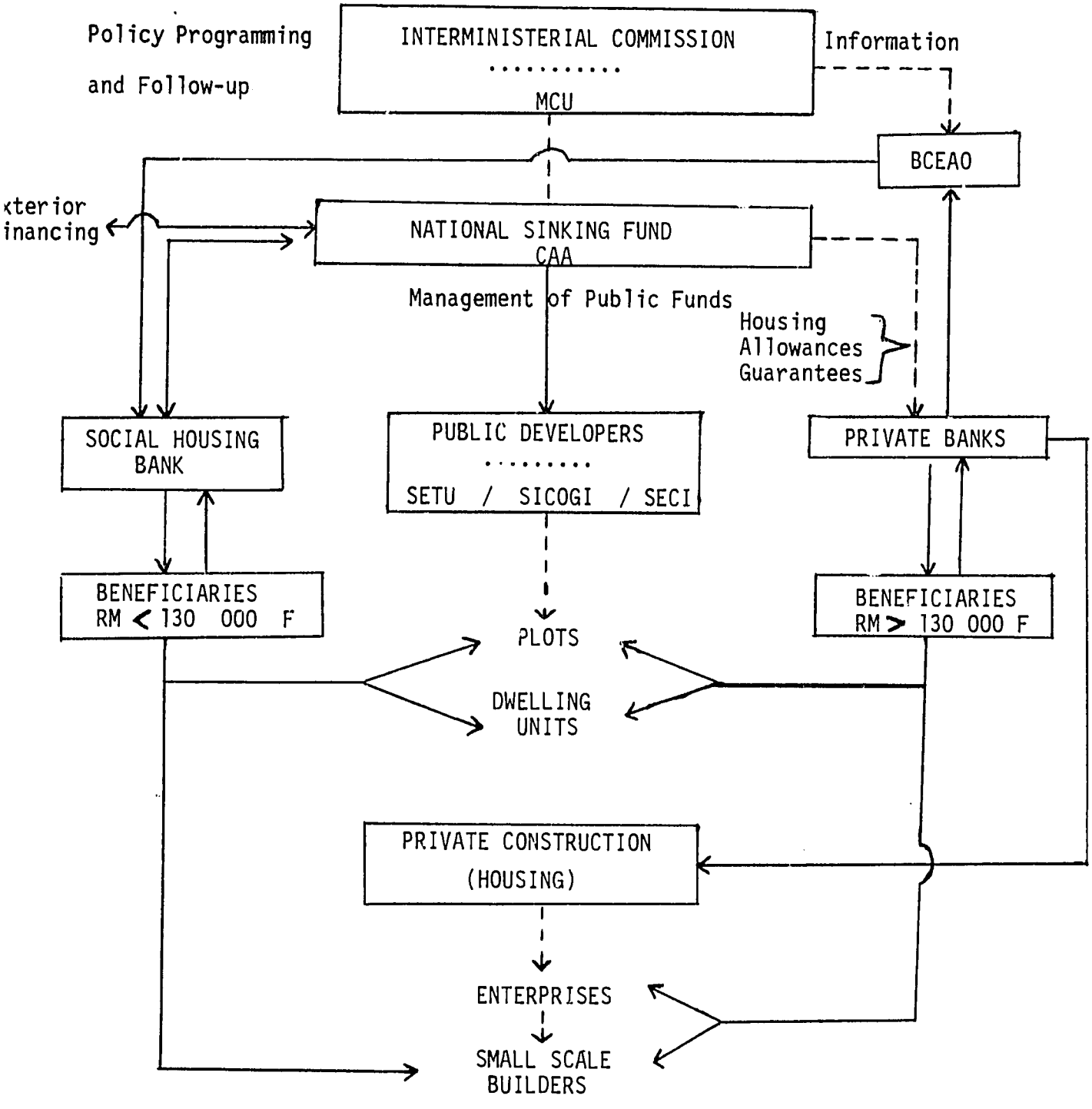
to be eligible for credit by private banks. Higher income households, including civil servants, would thus rely on private banks for financing. The GOIC and private enterprises that wish to assist employees could do so through guarantees and housing allowances which could be used towards mortgage payments. In Figure I a schematic diagram of shelter finance for each of these income groups is presented. The institutional framework for programming finance and development is along the lines discussed previously.

FIGURE I

SCHEMATIC SHELTER FINANCING PROPOSAL



CHAPTER II

I. ECONOMIC OVERVIEW

A. General

The current economic development program of the Ivory Coast is to promote the continued rapid growth of the economy, greater regional equality and Ivorianization of employment, capital and decision-making. Since independence, economic growth through economic, commercial and financial diversification and strong support to the agricultural sector has been pursued. Due largely to a political framework that promoted an open and stable economy, the Ivory Coast has been able to weather the effects of adverse world economic developments better than many other African countries. Since 1960, the country has experienced a 7 percent real annual growth GDP (Annex, Table 1), a pace surpassing most non-oil exporting countries. This has resulted in a 1980 per capita GDP of US $1,200, the second highest in sub-Saharan Africa.

Since independence, agriculture has been the key to the country's economic growth. Tropical rainforests in the south were exploited early, giving the country foreign exchange for investment. These areas were also ideally suited for the development of coffee and cocoa crops. Together coffee and cocoa, the traditional cash crops, account for half of the total export earnings. After Brazil and Colombia, the country is the world's third largest exporter of coffee, accounting for 30 percent of world output of Robusta coffee. It is also the largest producer and exporter of cocoa, accounting for over 20 percent of world cocoa bean output. Due to a favorable ratio of cultivable land to population, food output expanded with the needs of a growing population and the competition between food and export crops was limited. While public agencies strongly supported smallholder development in coffee and cocoa, state-owned industrial plantations were also established and prospered, especially in palm oil and coconut processing. Supporting this growth, agricultural research institutes developed and introduced additional varieties of coffee, cocoa, palm oil, cotton and rice, leading to a growth of value-added in the agricultural sector of over 5 percent annually.

Other sectors of the economy also grew rapidly based principally on exploiting import substitution potential such as cotton textiles. Industry, particularly agro-industry, grew at 12 percent per year (Annex, Table 2) while the tertiary sector also grew rapidly based partly on demand generated by agriculture and industry and partly on demand resulting from the provision of infrastructure and the establishment of a large para-public sector. The latter, containing enterprises in agriculture, transportation, power, and housing emerged as a result of the need to diversify growth in areas that private enterprise was unlikely to enter.

B. Balance of Payments

Promotion of government investment in infrastructure and the para-public sector led to an increase in public investment rates from 14 percent of GDP in the early 1960's to well over 20 percent by the mid-1970's. Stimulated by a rapid increase in coffee and cocoa prices (Robusta prices tripled in less than a year) in late 1976 and 1977, the government expanded public investment in 1978 to US $2 billion, nearly one-fourth of GDP. Since 40 percent of the financing for the program came from external debt, debt service has risen rapidly in the last five years from US $290 million in 1977 to an estimated US $900 million in 1981. As much of the investment was social overhead in nature with long gestation periods, export earnings did not increase proportionately. The debt service ratio, therefore, rose from 10.5 percent in 1977 to an estimated 30.1 percent in 1981 (Annex, Table 3). After 1979, coffee and cocoa export earnings fell sharply, losing over 50 percent of their peak 1977/1978 prices by 1981. Since import prices continued to increase with inflation, terms of trade declined and in 1979 the balance of payments became negative (-68.4 billion CFAF), decreasing to -149.5 billion CFAF in 1981 (Annex, Table 4).

C. Public Investment

Due to the resultant financial difficulties in 1980, economic growth slowed sharply in 1981. Based on the need for financial restraint, cutbacks in public investment resulted in an 11 percent drop in construction activity, while activity in the secondary sector as a whole declined by nearly 4 percent (Annex, Table 5). Thus, despite a continued strong performance of the agricultural sector, growth of real GDP is estimated to have slowed to 1.4 percent in 1981. Furthermore, the ratio of gross fixed investment to GDP, which had risen from 23 percent in 1976 to 30 percent in 1978, fell to 26 percent in 1981. Simultaneously, due to the rapid growth of public expenditure and shrinking receipts from coffee and cocoa exports, gross national savings declined from 20 percent of GDP in 1979 to 8 percent in 1981 (Annex, Table 5). This trend was exacerbated by the decreasing and sometimes negative returns on public investment.

Table II-1 shows a summary of public investment expenditure over the previous two plan periods. It can be seen that while the country adhered quite closely to the 1971-1975 Plan in terms of actual expenditures (over-spending by only 8 percent), radical departures occurred from planned expenditures in the 1976-1980 Plan (42 percent over target). These primarily occurred in the educational sector (151 percent over target) due to construction of very high standard educational facilities and in the housing and urban development sector (65 percent over target) due to large-scale construction of public buildings and high standard public housing. However, although current expenditure in housing and urban development from 1976 to 1980 was three times that from 1971 to 1975, the amount as a percentage of total investment declined from 13.5 percent to 9.7 percent.

TABLE II-1

PUBLIC INVESTMENT EXPENDITURE
(Billions of CFAF)

	1971-1975 PLAN			1976-1980 PLAN		
	Planned Expend. in 1970 Prices	Actual Expend. in 1970 Prices	Actual Expend. Current Prices	Planned Expend. in 1975 Prices	Actual Expend. in 1975 Prices	Actual Expend. Current Prices
Agriculture	86	80	108	346	419	532
of which sugar:	--	--	--	--	(251)	(311)
Industry & Energy	50	49	66	209	258	321
Transportation & Communications	55	69	97	221	311	358
Education	18	20	30	49	123	158
Health	9	6	8	19	19	26
Urban Development & Housing	34	39	56	97	160	169
Other	25	36	59	76	143	172
Total	277	299	416	1,020	1,443	1,736

Source: World Bank, Ivory Coast: Structural Adjustment Loan, Nov. 2, 1981, p.4.

A common theme in the public investment program is the increasing proportion of large projects with high unit costs and low to negative rates of return. Thus, according to the World Bank, a major cause of the slow growth of the early 1980's was the failure to convert the transient gains of the coffee/cocoa boom into capital capable of sustaining growth. If this failure had not occurred, World Bank experts feel that the growth in the early 1980's could have been close to the long-term 7 percent per year, despite the decline in coffee and cocoa prices.

D. Recent Developments

In view of the sharp decline in economic growth and increase in external debt, the World Bank in 1981 extended a Structural Adjustment Loan for US $150 million and is presently considering a second one to become effective in 1983. Furthermore, in February 1981, the IMF approved an Extended Fund Facility for the Ivory Coast. In summary, the objectives of the structural adjustment program are as follows:

- **to provide a sound basis for development and mobilization** of resources by reestablishing internal and external financial equilibrium through a financial recovery program;

- **to restore a system of effective economic management** of public resources, and of policy-making in support of expanded output, exports and job creation;

- **to rehabilitate the planning, management and incentive system in agriculture,** the main source of economic activity, so that it again becomes the primary basis for expansion in national output and employment;

- **to reform the inefficient public enterprise sector** so that it can set clear objectives and ensure efficient management and effective monitoring of the resources at its disposal;

- **to carry out a comprehensive reform of the system of industrial incentives** and official institutions involved in new industrial investment with a view to promoting an expansion of exports and production of goods competitively priced with imports;

- **to revamp the educational system** both to reduce the unsustainable growth in costs and relate the curriculum to more realistic national manpower planning.

The basic thrust of the IMF program, however, is to scale back the public sector which has become far too dependent on external borrowing. Table II-2 shows the estimated public investment results for 1981 and the programmed investments for 1982. It can be seen from the table

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TABLE II-2

IVORY COAST: PLANNED AND REALIZED PUBLIC INVESTMENT, 1976-1985

(In Billions of CFAF or percent of total)

	1976-1980 Realized Investment		1981-1985 Planned Investment		1981 Estimated Result[1]		1982 Programmed Investments[1]	
	In Current CFA Francs	Percent of Total	In Constant 1980 CFAF	Percent of Total	In Current CFAF	Percent of Total	In Current CFAF	Percent of Total
Agricultural & National Resources	532.1	30.7	405.0	18.7	58.5	15.4	63.9	17.4
of which: sugar	(311.0)	(17.9)	(25.7)	(1.2)	(6.0)	(1.6)	(14.2)	(3.9)
Industry, Mining & Energy	320.5	18.5	347.6	16.1	93.2	24.6	88.1[2]	23.9[2]
Transport & Communications	358.1	20.6	442.3	20.4	86.0	22.7	83.1	22.6
Urban Development & Housing	169.2	9.7	396.7	18.3	40.2	10.6	42.4	11.5
Commerce & Tourism	42.2	2.4	11.7	0.6	8.1	2.1	5.3	1.4
Social Services:								
Education	(158.3)	(9.1)	(230.0)	(10.6)	(42.8)	(11.3)	(41.8)	(11.3)
Health	(25.8)	(1.5)	(52.0)	(2.4)	(7.6)	(2.0)	(5.4)	(1.5)
Other	(17.2)	(1.0)	(54.5)	(2.5)	(4.6)	(1.2)	(9.9)	(2.7)
Other Services	112.9	6.5	225.2	10.4	38.1	10.1	28.3	7.7
Total	1,736.3	100.0	2,165.0	100.0	379.1	100.0	368.2	100.0

[1] Physical execution of investments, plus participations in capital, on Loi Programme basis; plus investment by SIR, PETROCI (1981), and the CNPS not included in the Loi-Programme. THe figures for 1982 reflect cuts in investment expenditure totaling CFAF 56 billion under the 1982 financial program.

[2] Excluding PETROCI.

Source: IMF: Ivory Coast-Recent Economic Development, May 6, 1982, Appendix III, p. 74.

Plan Quinquennal de Developpement Economique, Social et Culturel, 1981-85; and draft Loi-Programme, 1982-84.

that — with the exception of the Industry, Mining and Energy, Commerce and Tourism sectors — 1981 investments were below the average of one-fifth of the 1981-1985 planned investments. In housing and urban development, 1981 investment was half of planned investment with roughly the same amount programmed for 1982. As a portion of total investment, the percentage has dropped from 18.3 percent planned (vs. 9.7 percent from 1976 to 1980) to 10.6 percent realized in 1981 and 11.5 percent programmed in 1982. The 1982 Plan reflects a cut of CFAF 56 billion (13 percent) from previous figures.

The cutback in public investment has had the greatest impact on the construction sector. Annex, Table 6, shows that the participation of the construction sector in GDP has varied from 5 to 9 percent from 1960 to 1981. In 1979-1980, construction activity declined by 6 percent (the first decrease since 1967) and in 1980-1981 by another 18 percent (Annex, Table 7). Most significant, however, is the fact that construction sector employment fell by 29 percent from 43,800 (25,100 Ivorians, 18,700 non-Ivorians) in 1980 to 31,200 (18,400 Ivorians, 12,800 non-Ivorians) in 1981, while the number of construction firms only declined from 298 to 279 (6.4 percent). According to sources in the sector, many of the foreign construction workers have not returned to their country of origin (where the economic situation is often worse), but have migrated to Abidjan. Thus, since most of the entrepreneurs are still in place, it would seem that the sector has substantial excess capacity.

E. Prospects

The 1981-1985 Five Year Plan has three broad targets:

- To restore the non-oil growth rate to around 7 percent annually;
- To raise the growth impact of the public investment program in both the short and long-term; and
- To reduce the current account deficit to about 7 percent of GDP by 1985 (compared to an estimated 15.7 percent in 1982).

Despite the deterioration in economic growth in recent years, it is felt that there still exists a potential for prolonged growth at annual levels above 7 percent. Based on its wide variety of projects, the agricultural sector still offers possibilities for expansion which in turn are likely to stimulate activity in other sectors. One of the main objectives of the government's investment program is to raise the growth in agriculture by 5 percent annually (i.e. close to the rates experienced in the early 1970's). It is, therefore, expected that the recovery of industry, which has been particularly hard hit during 1980-1981, will be accelerated by the spin-offs from agriculture, the implementation of the new incentive system, and the multiplier effects of oil activities.

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The introduction of oil production in 1981 and another field in 1983 is also expected to have an impact on the speed of recovery. Over the next two years, production is expected to replace oil imports and by 1985 the country should be in a position to export. Thus, it is expected that GDP growth could reach 7 percent in the mid-1980's and 8 percent in the second half of the decade. The World Bank's structural adjustment program will also try to reduce the public and private investment rate from 30 percent of GDP in 1980 to 27 percent by 1985 and 22 percent by 1990. To achieve this goal, the government is now reviewing projects more carefully through the Financial Coordination and Investment Control Committee of the Cabinet. This Committee, which is chaired by the Minister of Finance and Economy, is expected to give greater scrutiny to all public investments, thus, resulting in better utilization of capital.

Future external financing needs are also expected to increase, mainly due to the current account deficit and the continuing requirements of the crude oil sector. Although under the terms of the IMF's Extended Fund Facility the Ivory Coast has agreed to limit its borrowings of less than 12 years maturities, both the IMF and the World Bank plan to support the country's access to capital markets. Thus, while the debt-service ratio is expected to peak at roughly 35 percent in 1985, it is expected to decline by 1990 to around 24 percent of exports, including 4 percentage points for oil related debt.

II. POPULATION AND URBANIZATION

A. Demographic Trends

The nature of demographic growth in the Ivory Coast is a function of the country's past economic development and liberal open-door policy. During a long period of sustained economic growth and prosperity, persistent demographic trends have been set into motion, both internally and from neighboring, more impoverished countries.

Total annual population growth in the Ivory Coast over the period 1965-1975 averaged 4.5 percent per annum, increasing from 4.3 million to 6.7 million inhabitants.[1] Two percent of this increase was due to immigration. Between 1976 and 1980, about 450,000 non-Ivorian Africans migrated to the Ivory Coast per year contributing substantially to the 1980 population of 8.2 million.

Despite the current economic difficulties, demographers do not expect any major reduction in national population growth. As a consequence, by 1985, 1995 and 2000, respectively, populations of 10.4, 16.5 and 22.9 million are anticipated.

Within the Ivory Coast, there are two principal demographic trends which have been reinforced by in-migration. These include:

- Migration from the north to the south (from the savannah to the more agriculturally productive forest region).
- Migration from the eastern forest in favor of the less dense and agriculturally exploited western forest.

The drift of population from the savannah to the forest zone over the period 1965-1975 was primarily from rural settings. Urban growth rates in the savannah were similar to those in the forest (7.5 percent versus 7.6 percent per year). Annual rural growth rates averaged only 0.6 percent in the savannah versus 3.3 percent per year in the forest zone. Demographic growth in the western forest zone over that in the eastern forest is primarily due to the saturation of agricultural production and population in the latter and the opening of a new "frontier" of opportunities in the West.

Accompanying these demographic flows is the tendency for rapid urbanization. In 1965, there were 45 settlements with populations greater than 4,000 inhabitants representing a combined population of 870,000. By 1975 there were 131 such settlements with a total population of 2.5 million or 37 percent of the national population.

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1 By contrast, the Ivory Coast's neighboring countries registered the inferior annual growth rates. During the period 1970-1977, the following national growth rates were recorded: Liberia - 3.4 percent, Mali - 2.5 percent, Upper Volta - 1.6 percent, and Ghana - 3.0 percent.

The urban share of total population is expected to rise to 50 percent by 1990 and 58 percent by the year 2005. Further, this increase will be accompanied by a marginal increase in the non-Ivorian population which accounted for 35 percent of the urban population in 1975 and is projected at 37 percent in 1990.

Urbanization has occurred more rapidly and in greater numbers in the forest region than in the savannah, where urban settlements are evolving more slowly. In fact, recent growth in the savannah is viewed more as a direct result of government investment than real economic growth. In the forest region, on the other hand, the drive for increased agricultural exploitation and productivity and opportunities for increased income in urban settings are such that 80 percent of the total population and 82 percent of the urban population resided there in 1975. By the year 2005, it is expected that only 9 percent of the total population and 4 percent of the urban population will reside in the savannah.

In addition to the predominance of urban settlements and population in the forest region, the settlement system in the Ivory Coast can be characterized by the following:

- The dominance of Abidjan.
- A network of much smaller secondary cities dominated by Bouake.
- The concentration of smaller or intermediate settlements according to the agricultural productivity of each region.
- Urban formation through the expansion or consolidation of villages, also predominantly in the more productive zones.

B. The Urban Hierarchy

1. The dominance of Abidjan in the urban hierarchy

Over the past 30 years, Abidjan has increased at an annual growth rate of over 10 percent. From a population of only 50,000 in 1948, it grew to 330,000 in 1965, 950,000 in 1975, and an estimated 1,750,000 in 1981. In 1975, Abidjan represented 14 percent of the entire population of the Ivory Coast and 42 percent of the urban population, which is expected to increase to 49 percent by 1985 and 53 percent by 1995.

Abidjan's remarkable growth is a function of the key role it plays in the regional and national economy. It serves as the principal port, commercial, financial, industrial, and administrative center -- functions intimately linked to the agricultural exports and exchanges upon which the economy thrives.

Despite the recent downturn in the national and local economy, no significant slowing of Abidjan's growth is anticipated. By 1985, Abidjan is expected to have a population of 2.3 million and by 1990 and 2005, respectively, populations of 3.4 and 7.5 million are anticipated.

2. The interior cities

The growth of the interior cities, though less spectacular than that of Abidjan, represented an average growth rate of 7.5 percent over the period 1965-1975. For an in-depth analysis of urban trends in interior cities, the reader is referred to the report, "Préparation du Plan 1981-85; Urbanisation: Villes de l'Intérieur." For the purpose of this report, the principal characteristics of urban growth in the interior are summarized. These observations are based on analysis of growth trends between 1965 and 1980. They include:

- **Displacement of faster growing settlements towards the western forest zone.** These include: Kuekou, Soubre, Daloa and to a lesser extent, San Pedro.

- **Retainment of moderately high growth rates in the central forest zone,** traditionally a zone of high growth rates. These settlements include: Oume, Gagnoa, Bouafle, Toumodi and Divo.

- **Stagnation of northern settlements in the older but less vigorous cocoa producing zone** such as Bocanda and Daoukro. Reduced but moderate growth towards the south in Arrah and Bongouanou, and increased or steady growth in the settlements of Agboville and Dimbokro.

- **Reduced growth rates for settlements in immediate proximity to Abidjan,** such as Bingerville, Dabou and Anyama. However, increased settlement growth rates on the eastern littoral not heavily dominated by Abidjan: Grand Bassam, Bonoua, and Aboisso.

- **Steady and moderate growth for settlements in the West** such as Toulepleu, Logouale, Danane, and Biankouma with the exception or decline in growth of Guiglo.

- **Steady and increasing moderate growth rates for northern and savannah settlements** such as Odienne, Touba, Seguela, Bondoukou, Zuenoula, Katiola, and Botro. However, a reduced rate of growth occurred in Bondoukou. Inferior growth rates were also observed for smaller northern settlements.

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- **Decline in the growth rates for the settlements in the eastern forest** of Tanda and Agnibilekrou.

In general, those settlements in both the more productive agricultural regions and along major highways are increasing more rapidly in size. Further, those settlements in the south central zone are increasing more rapidly than the distant settlements. Those settlements with the most rapid rates of growth (i.e. greater than 7 percent per annum) include pioneer settlements in the western forest (Dimbokro, Duekone, Doubre, and San Pedro) and principal settlements of the forest zone such as Piro and Agboville. Settlements with growth rates between 6 and 7 percent include the most dynamic settlements of the savannah (Bondonkon) settlement in the cocoa producing zone and central finest settlements. It is noteworthy that no interior settlement achieved a growth rate in excess of 10 percent per annum, a feat unique to Abidjan.

3. Secondary cities

In a rank size distribution of settlements, the secondary cities are far out-distanced by Abidjan. In fact, with the exception of Bouake, the distinction between secondary and intermediate cities is not great. The settlements are larger and play a greater regional role; however, they generally have been eclipsed by Abidjan and have not developed full regional or local economies. The seven largest secondary cities, their 1975 populations, 1965-1975 growth rates, and projected populations for 1986 are presented in Table II-3A.

The secondary cities are defined here on the basis of population. As a result, with the exception of Bouake, all of the settlements are in the forest region, in the south central part of the country, or in the southwest. Regional centers such as Man, Korhogo and others, though relatively smaller, play regional and administrative roles which are ignored by the analysis.

4. Evolution of smaller settlements.

As Table II-3B indicates, the number of settlements less than 600 in population is decreasing and will continue to so so through 1985. The largest increase in settlements occurred and is expected in the 2,000 to 5,000 population range; however, important increases have and will occur in the other settlement sizes as well. These trends suggest the general consolidation and expansion of the smaller settlements.

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TABLE II-3A

SECONDARY CITIES

	Growth Population 1975	Rate 1965-75	Growth Population 1979	Projected Rate 1975-86	Population 1986
Bouake	173,350	7.38	230,000	6.86	477,193
Daloa	59,500	5.45	74,800	5.89	140,380
Divo	47,500	9.88	62,000	6.89	129,032
Gagnoa	49,000	7.17	53,700	6.38	106,031
Dimbokro	33,200	8.26	46,000	8.50	112,845
San Pedro	31,500	-	41,800	7.0	87,982
Agboville	27,200	4.51	35,800	7.13	76,367

TABLE II-3B

PAST AND PROJECTED EVOLUTION OF SMALL SETTLEMENTS

Small Settlement	Number of Settlements		
	1965	1975	1985
600 population	7,484	5,852	4,448
600-2,000	1,098	2,027	2,707
2,000-5,000	147	314	608
5,000-10,000	36	50	87
10,000	20	46	91

Source: Plan Quinquennal 1981-1985.

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C. Economic Characteristics of the Urban Hierarchy

1. Abidjan

Abidjan's role in the national economy, coupled with its urban attractions and opportunities for employment and increased income (as well as its level of infrastructure and size), are all conducive for continued growth. In 1975, as the unchallenged urban giant in the Ivory Coast, it accounted for or benefited from:

- 90 percent of the value-added in the modern commercial sector;
- 80 percent of the value-added in the tertiary sector;
- 65 percent of the value-added in the modern secondary sector;
- 40 percent of the formation of net fixed capital; and
- 50 percent of the total household consumption of goods.

The structure of employment for 1976 and that projected for 1985 is presented in the following Table II-4:

TABLE II-4

EMPLOYMENT BY SECTOR: ABIDJAN
(percent)

SECTOR	1976	1985
Primary Sector	7	3
Secondary Sector	28	29
Tertiary	65	68

Source: PDA Study, 1978

2. Interior cities

By contrast, in the interior cities, about 32 percent of the active population is engaged in the primary sector (agriculture). On the other hand, the secondary sector employs about 24 percent of the active population which is relatively comparable with Abidjan.

Secondary sector activities comprise those activities involved in the exploitation of local resources such as timber. Agro-industries are primarily located on or near large plantations and not necessarily within the interior settlements. These include, for example, pineapple production at Bonoua, citruses at Sassandra, and canneries at Dabou. Industries for the preparation of cocoa, coffee, rice and cotton are more dispersed, while textiles are predominantly located at Bouake, Dimbokro, and Agboville. Both in terms of export and marketing, these products are oriented towards Abidjan.

Tertiary activities such as commerce and services represent about 31 percent of the total active population in the interior cities, while the tertiary public sector represents 13 percent. In general, with the exception of the services sector, economic activities are closely tied with Abidjan. Thus, the cities of the interior have developed weak regional and local economies.

According to the 1981-1985 plan, the characteristics of economic activities in the interior cities include:

- A tendency towards the specialization of economic activities in small regions and settlements.
- Saturation of industries geared towards import substitution.
- Decrease in industrialization, since the wave of investment during the period 1960-1966, due to decreased opportunities and financial constraints.
- Agricultural economic activities based on animal husbandry and forestry.
- Types of economic activities which change with settlements and location, while traditional commerce, crafts and services remain relatively constant.
- As city size increases, the number of civil servants and employees of the secondary and tertiary sectors increase disproportionately to normal increases.
- The modern service sector is not well represented in smaller cities where activities are primarily traditional.
- Only Bouake and San Pedro have significantly benefited from the decentralization of industry.

D. Physical Characteristics of the Urban Hierarchy

1. Abidjan

Abidjan has been the subject of seven master plan studies between 1928 and 1978, in addition to a multitude of sectoral studies. Hence, its urban growth, though not necessarily in correspondence with the plans, has been closely monitored. According to the "Perspectives Decennales" study of 1978, urban expansion has occurred in all directions, but less so towards the northeast. Primary directions of growth have principally been to the north and southwest, but in the past 10 years new directions of growth have occurred in the direction of Deux Plateaux (northeast), Riviera (east), and Banco (west). While Abobo has developed independently to the north, southern growth has been moderate for some time due to saturation.

Though the directions of growth have been highly skewed, the "Perspectives Decennales" study used a radius of concentric urban growth as an indicator of the expanding metropolis. It noted that between 1955 and 1975, the urban radius increased from 4 to 10 kilometers, while the urbanized area, increased from 1,350 hectares to 8,000 hectares. By 1980 and 1985, the study projected that Abidjan would have an urbanized area of 12,000 and 18,000 hectares, respectively. With the increasing size and population of Abidjan, there has developed a trend for increasing urban density. The urbanized area per capita, for example, decreased from 108m^2 to 85m^2 over the 1965-1975 period and was expected to fall to 77m^2 by 1980. This is equivalent to an increase in urban density from 93 to 117 persons per hectare between 1955 and 1975, and a 1980 urban density of 129 persons per hectare.

In 1975 the urbanized area of 8,000 hectares was roughly broken down into the following major land uses: 4,000 hectares for housing, 500 hectares for industry, and 800 hectares for public facilities and infrastructure. This would imply a gross residential density on the order of 234 persons per hectare.

Due to the fact that residential development in Abidjan is very non-homogeneous, and the fact that about 20 percent is collective in nature, it is difficult to relate plot sizes and ratios of population per plot for comparison with the interior cities (see below). However, since traditional or "evolutif" housing represents about 52 percent of the housing stock, the data in Table II-6 can be used as representative of the majority of the urban fabric.

Plot sizes in traditional housing average about 400m^2, though these may range between 200 and 900m^2. In higher standard land development carried out by SETU, plots have generally ranged between 600 and 1,500m^2.

TABLE II-6

PHYSICAL CHARACTERISTICS
OF SECONDARY CITIES

SECONDARY CITIES	POPULATION (000)	PERCENT OF PLOTS OCCUPIED	URBAN AREA (HA)	URBAN AREA m^2/PERSON	URBAN DENSITY PERSONS/HA	DENSITY EXCLUDING PUBLIC AREAS	AREA OF PUBLIC FACILITIES (HA)	PERSONS PER NEW PLOT
Bouake	230	56	3,390	147	68	100	32	8.7
Daloa	75	-	1,130	66	150	100	34	-
Divo	62	70	540	86	117	131	11	12.7
Gagnoa	64	71	800	142	70	96	26	9.8
Dimbokro	46	60	510	110	91	122	27	9.4
San Pedro	41	-	450	116	86	148	42	-
Agboville	38	62	600	165	80	75	21	8

Source: Urbanisation des villes de l'Interieur
Synthese des 44 villes; MIN PLAN 1981

In traditional housing, the number of persons per plot generally varied between 29 and 35 persons per plot or concession in 1975; while by 1979, the range had increased from 31 to 37 persons per plot.

2. Interior cities

According to the catalogue of settlements in the Ivory Coast, 72 of the 1976 settlements (excluding Yamoussoukro and Abidjan) have benefited from urban studies. These include the majority of settlements greater than 10,000 in population and many between 5,000 and 10,000. Of these studies, 40 urban development schemes and 12 diagnostic studies were completed. In recent years, the Ministry of Construction and Urbanism has adopted a more flexible form of urban plan to guide growth; defining the general directions and structure of urban development are the primary objectives of the plans, leaving land-use flexible for change.

In the interior cities, there is an average of 150m^2 of urbanized area per inhabitant or a density of 70 persons per hectare. In general, those settlements with more than 150m^2 per person are in the savannah region, while those with less are in the forest region. The difference between densities in the savannah and forest are related to geographical and financial constraints. The forest is an obstacle to low density development while the price of land is less expensive in the savannah. Urban densities in the interior cities excluding public facilities are on the order of 100 persons per hectare.

Plot sizes do not vary significantly among the cities: these range between 500 and 700m^2. Plot occupancy, however, varies from 9 to 44 inhabitants per plot and, most often, between 9 and 20 persons per plot.

Most cities have a ratio of 11 to 14 persons per plot. High plot densities such as those in Bonoua are due to the density in central and traditional zones, the inadequacy of plots on the market, and standard construction costs which cannot be afforded by the majority of households.

In general, one lot is created for every 9 inhabitants in the interior cities, but this varies between 4 and 19 inhabitants for each new plot. Most of those settlements with a ratio superior to 9 persons per each new lot are located in the southeast where densities are generally higher. In the northwest, where the demand is less strong, cities are less dense and land may be urbanized more easily. In the extreme cases, cities such as Bongouanou, Bonoua, Affah and Guitry lack any evidence of subdivision. On the other hand, cities such as Touba, Tanda, Bouafle and Katiola have a high number of plots that are not related to local needs. In the medium term, this situation could cause a number of problems (such as greater transport, development, and maintenance costs).

There is a relatively high number of lots which are unoccupied in the interior cities. Settlements by percentage of occupied plots break down into three major groups: 10 settlements with between 35 to 50 percent of the plots occupied, 13 between 50 to 70 percent, and 13 with more than 70 percent. In general, urban policy should consider the need to relate subdivisions to actual demand, whether these be in the forest or savannah region and avoid creation of subdivisions where the market is already saturated.

3. Secondary cities

The case of the secondary cities is interesting in that for most of the criteria cited above, the cities do not deviate much from the interior cities norm:

- In general, they are of higher density with less m^2 per capita than other interior cities.
- The area of public facilities is highest in San Pedro, Bouake and Dalou and least in Agboville.
- Despite its size, Bouake has the least dense urban population; however, when public facilities are excluded, it compares with the other settlements. Bouake also has the largest percent of unoccupied plots — a traditional characteristic of savannah settlements.

III. REGIONAL ANALYSIS OF INVESTMENT OVER THE PERIOD 1971-1981

An analysis of regional investment over the two previous planning periods was recently conducted by the DDR and the Minstry of Plan. In doing so, the 'law programs' from 1973-1982 and actual investment were correlated, though only about 74 percent of total investment could be broken down geographically. In general, it was found that the provisional envelopes were exceeded by about 28 percent over the period 1973-1981 and that the agriculture sector was the primary beneficiary of investment. The following is a summary of the study's conclusions regarding the regional distribution of investment. It is based on a correlation of investment and regional share of population. A diagnostic of investment is presented in Figures II-1 and II-2.

A. The North: Boundiali, Tingrela, Ferke, Korhogo, Odienne.

After implementation of the sugar complex in the beginning of the period, the share of urban investment with respect to population size declined, particularly after 1975, despite a decrease in the regional share of population.

Program Characteristics:

The North received substantial program investment in the three principal areas:

- Agricultural development - 65 percent of investment.
- Sanitary development, due to immediate action programs conducted over the period 1975-1977.
- Vocational development, culture and information.

The emphasis on economic development with the intention of creating higher income levels was too strictly tied to short-term operations without a strong foundation for continued development.

B. The West: Biankouma, Danane, Guiglo, Man, Touba

The study judged that this region did not receive a level of investment in accordance with its regional share of population, though the disparity was reduced somewhat with construction of the Man/Touba road. This investment, however, constituted nearly all investment to the region.

Program Characteristics:

Agriculture investment was the only line item which corresponded to the region's share of population, primarily due to the construction of the sugar complex at Borotou. Other sectors have been neglected, particularly those regarding urban development and housing.

C. **The Center West:** Daloa, Issia, Gagnoa, Oume, Seguela, Mankono

Though benefiting from a regular increase in investment, the region never obtained its share with respect to population size. However, in contrast to the west, investment was also more diversified.

Program Characteristics:

A disequilibrium exists between programs aimed at direct productivity and sustained support. There are better levels of investment, however, for improving the quality of the environment than in the West.

D. **The Center:** Bouafle, Zuenoula, Bouake, Dabakala, Dimbokro, Bongouanou, and Katiola

Distribution of investment was in relative proportion to population size with a good diversification of investment in transport, agriculture and energy.

Program Characteristics:

With respect to its share of regional population, the center was privileged with greater investment in agricultural development and energy. It also received adequate levels of investment in transport, vocational development and information.

E. **The East:** Bondoukou, Bouna

With the exception of the year 1971, a year of independence festivities and investment, this region only received about 0.5 percent of "law program" investment during the period studied.

Program Characteristics:

In all sectors, there was no equilibrium between investment levels and the regional share of population, with the exception of vocational development, information and culture -- the smallest line item of the 'law program'. Given the past lack of investment attention, it was suggested that immediate attention be given to health and social development, housing and urbanism to help decrease its isolation.

F. **Yamoussoukro:** (Due to its generally high level of investment, this settlement was considered as meriting regional consideration.)

An ever-increasing level of investment with respect to its relatively small share of population was noted. Investment emphasis has primarily centered on political educational and cultural sectors.

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Program Characteristics:

Investment levels are characteristic of a large urban settlement, though it remains small in size. Less emphasis was given to economic development than urbanism and housing, and its special cultural and political functions.

G. **The Southwest:** San Pedro, Sassandra, Soubre

This region benefited from a voluntary effort at massive investment with respect to its regional share of population. In this case, more importance seems to have been given to the amount of investment allocated than the result of the programs realized (i.e. output).

Program Characteristics:

Unlike other regions, the southwest received most of its allocated investment in the area of economic support. In principle, once all investments are completed, the southwest's regional shares of population and investment should be more in equilibrium. From this point of view, greater attention to housing, water supply, rural roads and public facilities and services (telex, banks, etc.) is required.

H. **The South:** Abengourou, outside Abidjan, Aboisso, Adzobe, Agboville, Divo, Lakota

A general reduction of investment with respect to its regional share of population was detected; its share of investment being similar in proportion to that in the West and Center West.

Program Characteristics:

The South did not receive investment levels in proportion to its regional share of population in any of the investment sectors, though near equilibrium was achieved in the areas of economic development and support. Weaknesses include social development, culture, and administration.

I. **Abidjan:** including Bassam, Anyama, and Bingerville

Investment in the Abidjan peaked twice over the investment period. In general, there is a positive correlation between investment and population, with some decline due to a continued high population growth.

Program Characteristics:

The role of Abidjan as the economic and administrative capital is clear with respect to investment allocations. Investment emphasis included: immediate action support, urbanism and housing (becoming the most important area of investment -- 28 percent), productive investment and increased public employment. It should be noted, however, that within the metropolitan area, disparities of investment occurred.

IV. Conclusion:

Investment was relatively high with respect to Gross National Product, although the benefits of investment were unequally shared among regions. As Figure II-1 indicates, Abidjan, Yamoussoukro and the Southwest received a higher percentage of investment than their corresponding shares of regional population. The Center and North received corresponding shares of investment, while the remainder of the regions, the Center West, West and East, received significantly less than their proportional share of population.

Figure II-2 illustrates the shares of actual total investment, in per capita terms (1981 francs). Yamousoukro and the southwest received highly disproportional shares of per capita investment with respect to the other regions (CFAF 171,951 and CFAF 112,111, respectively). Interestingly, Abidjan's per capita share (CFAF 49,756) is not significantly out of proportion, though the other regions received inferior shares of per capita investment particularly the East (CFAF 2,853), West (CFAF 13,695) and Center West (CFAF 14,936).

With respect to urban and housing investment (excluding social services), Yamoussoukro and Abidjan had the highest shares (20,163 and 14,161 FCFA) per capita followed by the southwest (7,107 FCFA) per capita. The east hao the smallest per capita share (566 FCFA) and the remainder varied between about 1,000 to 2,000 FCFA per capita.

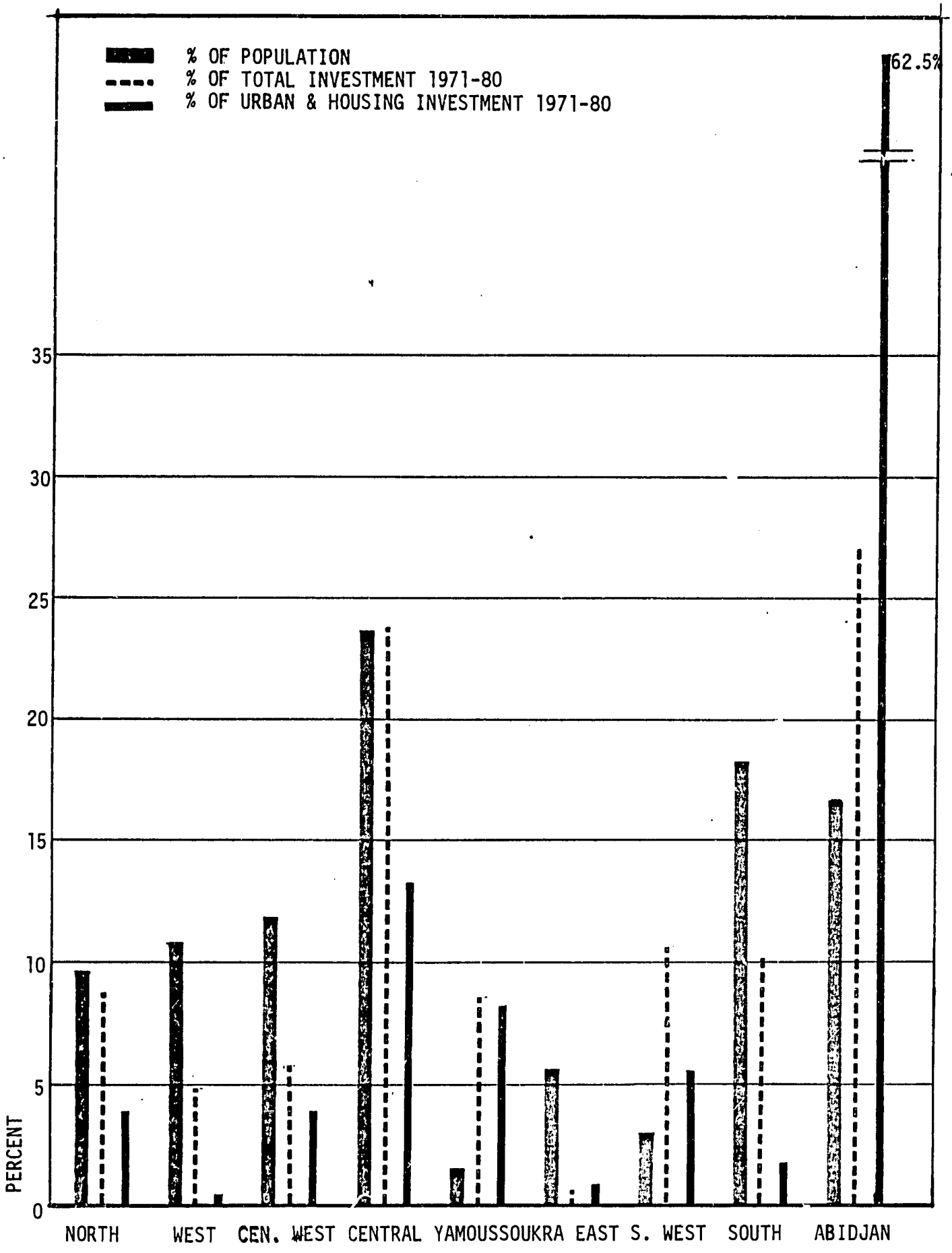
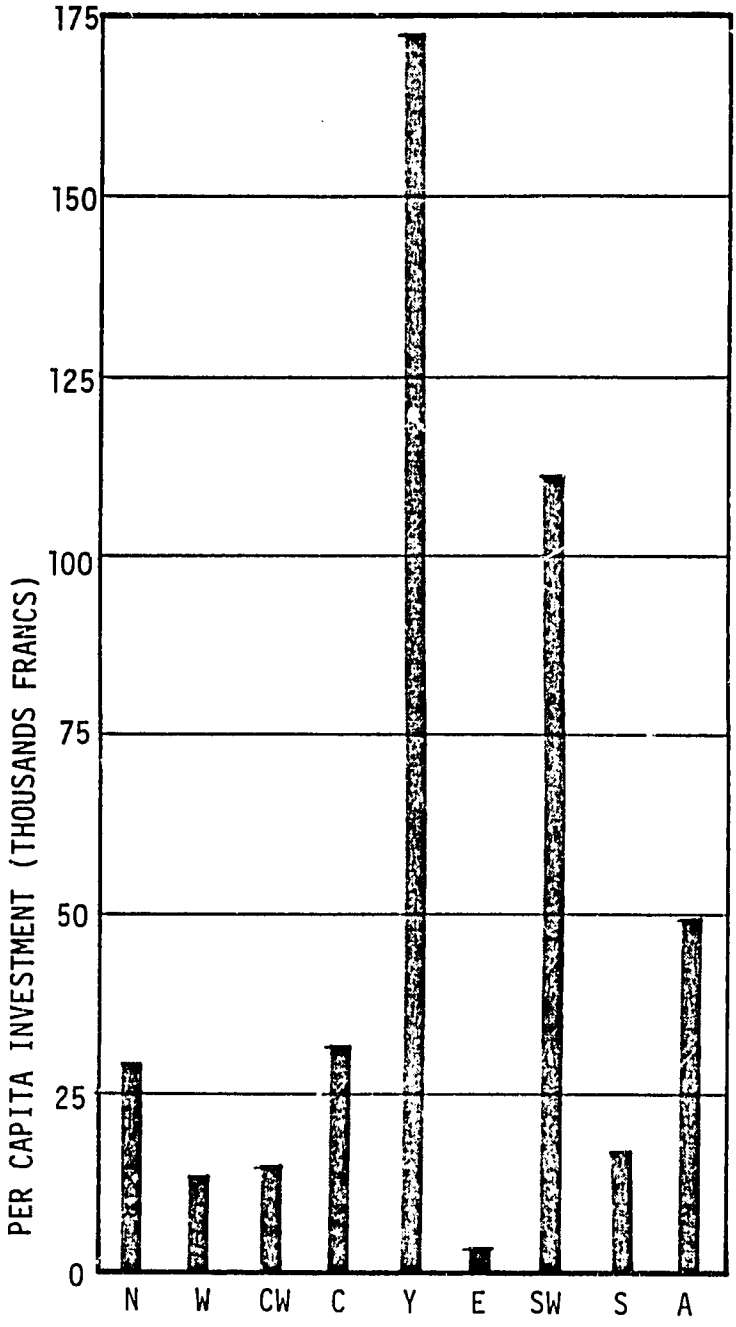


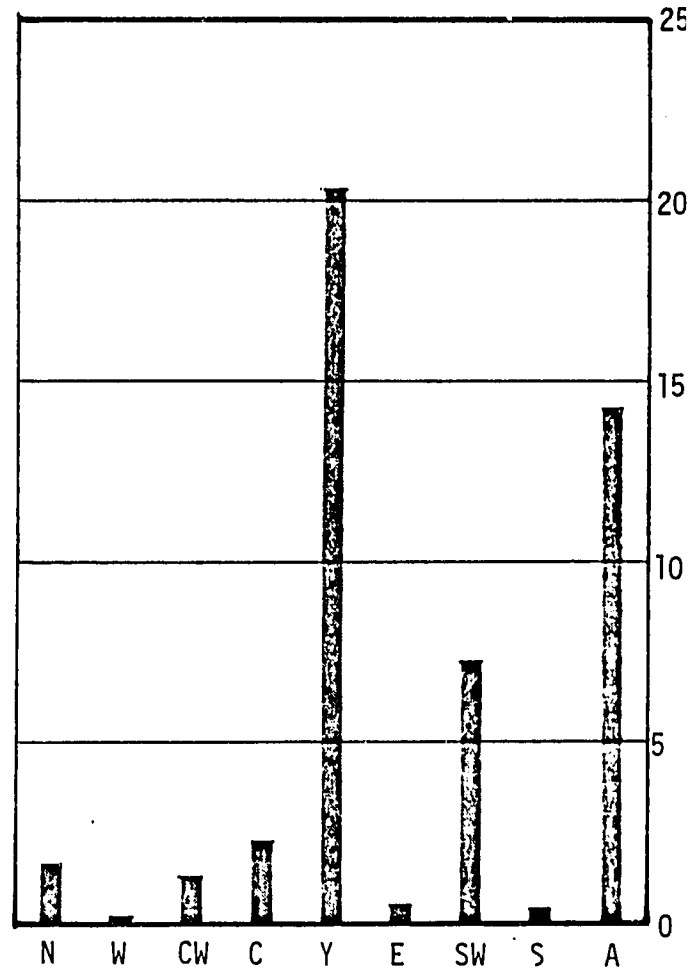
FIGURE II-1
POPULATION AND INVESTMENT BY REGION



PER CAPITA INVESTMENT BY REGION

REGIONS

N NORTH
W WEST
CW CENTRAL WEST
C CENTRAL
Y YAMOUSSOUKRO
E EAST
SW SOUTH WEST
S SOUTH
A ABIDJAN



PER CAPITA URBAN AND HOUSING INVESTMENT BY REGION

FIGURE II-2
INVESTMENT BY REGION

CHAPTER III

URBAN DEVELOPMENT AND HOUSING

I. URBAN CONSIDERATIONS

A. Urban Policy Implications

Based on the trends and considerations of the previous section, the 1981-85 plan for urban development has underscored several basic elements which will necessarily shape urban policy and investment planning:

- The structure of demographic and urban growth is a characteristic of the country's economic development.

- Current demographic trends do not appear sensitive to current economic difficulties and are likely to persist.

- Abidjan's rapid rate of growth is a function of the key role it plays in the national economy. Rapid growth trends will persist in the foreseeable future.

- The larger interior cities suffer from weak regional and local economies. This is partly due to the dominate role of Abidjan as a market and point of exchange for agricultural products, and the poor integration of direct investment in these centers.

- Voluntary efforts at decentralization of investment have thus far not stimulated or induced significant urban development nor given adequate consideration to efficiency, operation or maintenance.

- Distribution of investment has been highly irregular and skewed among the interior settlements resulting in both inefficiency in some and poor levels of service in others.

- Physical urban development efforts have not adequately responded to the needs of the population nor resulted in investment efficiency. In Abidjan, a minority of the population has benefited from the majority of the investment and access to public land and housing. As a consequence, urban development is out of control. In many interior cities, a large number of unoccupied plots exist with high space standards which result in the inefficiency of urban form and lack of access for lower and middle income groups.

- Due to scarce development resources and low income levels in both Abidjan and the interior cities, provision of plots and urban services can only be achieved through a reduction of standards and greater household participation in development costs. Levels of service should be allowed to evolve over time.

B. Urban Policy Objectives and Implications

The following urban policy directives and implications include those of the 1981-85 plan, those which are derived from various studies conducted in the interior cities as well as contributions of the study team. In general they include:

- Recognition and anticipation of continued urban growth trends such as the rapid expansion of Abidjan and continued growth and urbanization of the forest zone, the shift of urban settlements (and development) towards the western zone, and the increase in the number and size of intermediate sized settlements.

- Care should be taken not to accelerate those trends deemed undesirable through disproportionate investment or their indirect effects.

- Investment planning should be aimed at maximizing the induced effect of direct investment rather than solely the immediate or non-replicable effects related to implementation.

- Investment in urban development should be carried out in a more equitable basis among settlements and regions than during the previous planning periods where large disparities occurred.

- Decentralization of industry should predominantly take place within the sphere of Abidjan's influence in order to take advantages of the opportunities which it offers.

- A ceiling should be put on per capita public investment in Abidjan, within parameters which are acceptable to national development, in order to strengthen the economic position of interior cities. Such a ceiling, however, could have negative impacts over the short term.

- Public investment should be put to use as efficiently as possible. This will require sectoral investment planning and coordination of the resource pool available and a careful assessment of competing demands to meet overall policy objectives. An appropriate institutional structure is required.

- Urban development strategies should be as broad based and flexible as possible and consider all aspects of urban development in order to be capable of responding to changing needs and financial conditions.

- Generally, throughout the settlement system, emphasis should be placed on developing the traditional sectors and small and medium sized enterprises rather than large national entities.

- The principal basis of economic activities in the interior will continue to revolve around agriculture, animal husbandry and related services.

- Government efforts in administrative decentralization through the creation of prefectures, sub-prefectures and communes should continue with the end goal of creating quasi autonomous entities capable of auto financing and management of urban development efforts. During the period of their evolution, prefectures and the DDR must play a key role in representing urban and regional concerns and needs for sectoral investment.

- Opportunities for local participation in economic and urban development are needed. The government can play a key role in stimulating these activities.

C. Urban Investment Guidelines

In order to create a more equitable basis for investment planning, both the Ministry of Plan and Ministry of Construction and Urbanism have suggested alternatives based on population size or investment per capita. The underlying principle of these proposals is to encourage a more equitable and regular distribution of investment, and to provide a basis for settlements to formulate necessary investment requests. To illustrate this principle, the MCU's proposal is presented.

On the basis of a crude assessment of the resource pool available for urban development, it was assumed that over the current plan about 700 billion FCFA will be generated of which 360 billion will be generated in public funds and 340 billion in private funds. Of this, it is assumed that 80 billion FCFA will be available for urban development. This would be distributed among settlements in function with the levels of service and economic activities, population, and development potential. Though research is required to determine the most optimum level of investment by individual settlement, the following broad framework has been suggested:

7,000 FCFA per capita in rural settings
15,000 FCFA per capita in interior cities
28,000 FCFA per capita in Abidjan

The suggested investment would include all public investments including administration, public enterprises, urban services and infrastructure. In general, the investment structure would have the following basic thrust:

- limit investment in Abidjan, but maintain adequate levels to maintain national development;

- structure investment in the interior cities allowing some modification according to development potential; and

- organize the use of rural funds in programs similar to the FRAR program and activities of the FNH.

The study notes that for interior cities a level of investment on the order of 10,000 FCFA per capita will not finance urban development such as it is currently practiced in Abidjan (i.e. 25 million per hectare). Development costs of less than 10 million FCFA would be required. As a consequence, it suggests a reduction in standards, closer ties with household affordability, and an objective horizon for implementation of services.

In addition, to revised investment procedures, the plan suggested a pragmatic government role to encourage proposed policy directives. The following practical interventions are recommended:

Public building and works: Systematic use of local resources for maintenance and improvements. Use of small and medium sized enterprises where possible.

Public operational requirements: Use of local services and firms.

Transport: Reorganization and improvement of the national markets and transport nodes which contribute to local financial resources.

Services: Promotion of commercial and financial services in the interior to reduce reliance on Abidjan.

Procurement: Purchase of goods locally rather than in Abidjan.

In addition to the use of direct public funds to incite local development through local suppliers and services, the plan suggested that requirements be established to do the same among those organizations which depend on the government for aid. Revision of statutes of public contracts, banking procedures, etc. is deemed necessary to carry this out.

In order to improve levels of services in interior settlements, the plan suggests emphasis should be put on low cost solutions which can be improved over time, such as strategy would rule out the employment sanitation systems due to the cost and low density of interior settlements. Rather, emphasis would be put on roads, drainage, and street lighting, and simple techniques for garbage collection.

Another proposal of the plan is the institution of contract programs among the Ministry of Finance and localities in the interior. The contracts would determine the contribution of each party and the responsibilities of each. Presumably, the overall investment would be in the context of per capita investment but the types of projects would be negotiated within the overall investment framework.

During the period required for evolution of the municipalities in the interior, the MCU, Prefectures, the DDR would necessarily play a main role in animation and coordination among key ministries.

II. SHELTER CONSIDERATIONS

A. Housing Policy[1]

After outlining housing needs in the Ivory Coast and analyzing the existing housing sector, the 1981-85 Development Plan sets out 6 lines of housing policy reform:

- Supply of land - production and sale of serviced building plots.
- Production of social housing in urban areas.
- Assistance to rural housing.
- Development of intermediate housing between high standard and social housing.
- Mobilization of savings and means of housing finance.
- Creation of a structure for promotion and coordination.

Direct implementation of the six policy themes has not as yet been undertaken. The plan in fact calls for a period of reflection and transition in order to avoid a major rupture in present production. The plan was approved by the National Assembly in January 1983.

Since many of the provisions under the major themes readily lend themselves to AID support, it is worthwhile to summarize them here.

1. Supply of Land: Production and sale of serviced building plots.

In order to improve the operating efficiency of the land market to better satisfy the demand, the following provisions are made:

- quantitatively increase the supply of land, enlarging the range of production between summarily and fully serviced sites. This will allow groups of owners to install secondary and tertiary services as necessary;
- modify land sales legislation in order to allow loans for land purchase through an improved system of mortgage guarantees for banks;

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1 Several proposals for housing policy have been suggested by various GOIC institutions, including the MCU which is fundamentally responsible for policy formulation.

- adapt present land sales conditions closer to those existing on the free markets in order to capture the unearned increment of value (see section 3) for the state and use it for necessary social investment; and

- develop a more operational cadastre that not only guarantees land rights, but also provides for increased revenues from land taxes and therefore a growing household participation in financing urban services.

2. Production of urban social housing

According to the plan, if social housing can be designed which does not exceed 500,000 FCFA for the plot (at 50 per hectare) and 2 million for the house, 10 billion FCFA from the FSH would provide 4,000 units per year.

- Since rents of 10,000 FCFA/month (1980) would cover management and maintenance fees but not recover any capital, rents should be adjusted at least according to increases of the SMIG.

- If units were sold, then management and maintenance fees would be avoided permitting monthly payments to be used to amortize long-term loans.

- In order to accomplish the foregoing, a special service should be created (établissement public à caractère administratif) to implement and manage social housing programs with strict regulations for allocation.

3. Aid to Rural Housing

- Rural housing should be approached in the context of rural development (i.e. on improving lifestyles and productivity).

- Concentration should be on provision of infrastructure and services which benefit communities in general.

- The FSH should be used for either long-term loans or to consolidate and subsidize community loans with capital being repaid from local output.

4. Development of an intermediate housing sector

In order that social housing programs are not taken over by higher (i.e. intermediate) income groups, a range of housing units should be put in the market for these groups as follows:

- For household earning between 50,000 and 100,000 FCFA per month, land plus progressive construction of a unit costing roughly 2 million FCFA.

- For households earning between 100,000 and 200,000 FCFA per month, purchase of a unit costing from 5 to 6 million with a long-term, low interest loan.

- For those families wishing only to rent, continue constructing rental units.

- The goal is to produce 5,000 to 7,000 units per year given appropriate finance mechanisms and a progressive increase of effective demand.

5. Mobilization of savings and means of housing finance

   - Develop "housing savings" plans in order to mobilize individual savings directed toward housing finance.

   - Individual savings mobilized by BNEC will probably be insufficient to meet total loan demand; therefore, institutional savings should also be directed toward housing finance.

   - A system of discount quotas for the banks fixed by the "Comité National de Crédit" should be added to individual and institutional resources.

6. Promotion and coordination

   Due to the wide number of institutions and agencies concerned with the housing problem, a permanent promotion/coordination structure is necessary to:

   - Initiate and direct necessary studies on housing production, costs, finance, etc.

   - Coordinate and diffuse information, evaluate experience, and revise objectives.

While many of the foregoing policy provisions would seem nearly impossible to achieve (i.e. rents at 10,000 FCFA per month), it can be seen, nevertheless, that the government seems intent on reforming the sector. This seems to be particularly true in the areas of land development and conveyance, production of urban social housing, assistance to rural housing mobilization of savings and better intrasectoral coordination.

B. Housing: The Existing Situation

1. Abidjan

a. Definition of housing types

Several different classifications of housing types have been employed for Abidjan, though the most commonly used are based on that of SEMA which was developed in 1963. The unit "Observatoire de l'Habitat" at the MCU has further refined this classification in sub types. However, for the purpose of this paper only the broad classifications are used.

These include:

- Type A: Private high standard development, including villas and apartments of high and medium high standard produced by public and private housing developers.
- Type B: Economic housing, primarily collective, built by public housing developers (SICOGI, SOGEFIHA)
- Type C: Older "évolutif" or traditional developments/sub-divisions with owner constructed housing.
- Type D: More recent "évolutif" housing of the same type.
- Type E: Spontaneous or illegal developments with unsubdivided plots, which includes traditional villages incorporated into the urban area.

b. Distribution of population by housing type

According to the "Observatoire de l'Habitat" (1981), the distribution of population by housing type remained relatively stable between 1975 and 1979 as is illustrated in Table III-1.

TABLE III-I

DISTRIBUTION OF POPULATION
BY HOUSING TYPE: ABIDJAN
(in percent)

Year	Population by Type				Total
	A %	B %	C+D %	E %	%
1975	7.6	21.4	49.2	21.8	100
1977	8.5	21.5	48.9	21.1	100
1979	8.6	22.6	48.5	20.3	100

ɔurce: Observatoire de l'Habitat, 1981.

However, as the "Observatoire" study points out, a marginal increase in occupation of the higher standard types (A and B) occurred over this period. Population in "évolutif" housing of types C+D remained relatively constant, while the percent of population in spontaneous settlements declined.

The "observatoire" study estimated that between 1977-79 the population of Abidjan increased by 250,000. During this period, the population by type increased as follows:

- Type A: 23,000 or 9 percent of increase
- Type B: 66,000 or 27 percent of increase
- Type C+D: 117,000 or 47 percent of increase
- Type E: 42,000 or 17 percent of increase

Thus, there was an increase in population in the higher standard housing types A and B, which would suggest an improvement in housing conditions. It should be noted, however, that since 1979, construction of housing types A and B has been virtually stagnant. As a consequence, it is likely that most of the population growth in the past three years has been absorbed in types C+D and E.

The expatriate "European" population in Abidjan is presently on the order of 40,000 persons. This population resides principally in Type A housing.

c. Household size by housing type

Due to a change in household definition between 1977 and 1979, the size of households decreased by housing type. In 1977, a household was defined as the number of persons residing in the same dwelling unit. In 1979, however, this definition was modified to include those persons recognizing the authority of a single head of household.

In accordance with the above definitions, the size of households by housing type for 1977 and 1979 are presented in Table III-2.

TABLE III-2

HOUSEHOLD SIZE BY HOUSING TYPE

Year	A	B	C+D	E	Average
1977	5.1	7.9	5.5	4.5	5.6
1979	4.9	7.6	5.2	4.2	5.3

Source: Observatoire de l'Habitat, 1981.

According to the "Observatoire" study, the range in household size is less great in evolutif (types C+D) and spontaneous housing (type E). Furthermore, between 1977-79, the decrease in household size in economic housing (type B) was related to the provision of numerous economic units between 1977-1979. In general, household size increases among the higher standard types.

Household size is greatest in public economic housing and smallest in spontaneous housing. The former is due to the importance of the extended family and the latter due to a sizeable foreign and single population. In this regard, household size is also a function of ethnic origin and household nature as suggested by the PDA study. Ivorian households are larger than foreign African households (6.3 versus 4.2 persons and varies by housing type. (Table III-3)

According to Table III-4, the percentage of single member households was greatest among renters in "évolutif" housing (22.1 percent) followed by those in spontaneous settlements (19.2 percent). In economic housing, only about 7.6 percent were single while in the remaining types single member households accounted for 3 percent or less.

Another factor of household composition is the extended family which was most important in economic and "évolutif" housing (owners) with 66.6 percent and 59.2 percent of households constituting an extended family. Nuclear families are dominant among type A (71.7 percent) among renters in type C+D (39.3 percent) and in type E (58.7 percent).

TABLE III-3

HOUSEHOLD SIZE BY HOUSING TYPE

Housing Type		Ivorian	Non-Ivorian	Total
A:	Residential	7.1	4.7	6.5
B:	Economic	7.8	6.0	7.6
C+D:	"Evolutif"	5.6	4.2	4.9
E:	Spontaneous	4.3	3.5	3.6
	Total	6.3	4.2	5.3

Source: ORSTOM, 1982.

TABLE III-4

HOUSEHOLD TYPE BY HOUSING TYPE
(percent)

		Single	Nuclear Family	Extended Family	Total
A:		3.2	71.7	25.1	100
B:		7.6	25.8	66.6	100
C+D:	Owner	4.0	36.8	59.2	100
	Renter	22.1	39.3	38.6	100

Source: ORSTOM, 1982.

d. Housing densities

According to the Perspective Décennales Study of 1978, the following general densities were recorded for each of the housing types in 1975:

Type A: Residential densities of 45 to 55 persons per hectare; an increase in the 1963 density range of 10-30 persons per hectare; average gross density: 62.8 persons/hectare.

Type B: In the older public housing schemes densities on the order of 330 persons per hectare were observed in 1975. However, densities may range betwen 240-480 persons per hectare; gross density: 238 persons per hectare.

Type C+D: Densities varied from a low of 130 persons per hectare in Yopougon to 610 persons per hectare in Adjame. Generally, densities are higher in proximity to the center Abobo developed apart from the city with a density range from 250 to 560 persons per hectare; gross density 286 persons per hectare.

Type E: Densities may vary from 500 to 800 persons per hectare in zones which are situated in proximity to zones of employment. However, in distant areas, densities may fall to 100 to 250 persons per hectare. In villages, densities were on the order of 400-600 persons per hectare; gross density: 357 per hectare.

Though the "Observatoire" study did not determine densities by housing type, data in the study suggests that the 1975 ranges are still similar.

It suggests, however, that densities in types C+D increased as average plot densities increased from 29 to 31 persons from 1977 to 1979.

e. Residential area by housing type

Based on data in the PDA study for 1975, there was a great deal of disparity between areas occupied by housing type. In 1975, though type A represented only 9 percent of the urban population, it consumed about 26 percent of the entire residential area. The percent of area of type B was roughly equivalent to its population size while types C+D and E had a much smaller share of urban area with respect to their shares of population.

Using the same gross densities by housing type as that of the PDA study, but with 1979 populations by type, it is assumed that these disparities have been further exaggerated. Thus, in type A under this assumption, with 8.6 percent of the population, it would occupy 30 percent of the residential area. The ratios of population versus area declining for other types. (Table III-5).

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TABLE III-5

POPULATION AND URBANIZED RESIDENTIAL AREAS BY HOUSING TYPE 1975 - 1979

Year	A	B	C+D	E
1975:				
Population	65,600	178,000	449,800	243,600
Percent of Total	7%	19%	48%	26%
Area (HA)	1,040	760	1520	680
Percent of Total	26%	19%	38%	17%
Gross Density Persons/HA	628	238	286	357
1979:				
Population	116,780	307,780	659,950	276,250
Percent of Total	8.6%	22.6%	48.5%	20.3%
Area (HA) at 1975 densities	1,859	1,293	2,308	773
Percent of Total	30%	21%	37%	12%

Source: MCU, Observatoire de l'Habitat, 1981.

f. Household and dwelling unit formation

Due to a difference in household size by housing type between 1975-1979, the shares of household and population by type vary. Type A shares of the above are similar. However, type B accounted for 23 percent of population yet only 16 percent of the households while types C+D, and E had greater shares of households than population. (Table III-6).

TABLE III-6

HOUSEHOLD AND DWELLING UNIT FORMATION BY HOUSING TYPE 1977 and 1979

	A	B	C+D	E	Total
1977:					
Population	39,350	250,250	621,000	322,300	1,282,900
% of Total	7%	20%	48%	25%	100%
Household Size	4.7	8.3	6.1	5.1	
Households	19,200	30,200	102,150	63,650	215,200
% of Total	9%	14%	47%	30%	100%
Dwelling Units	18,500	30,100	102,200	50,200	201,000
% of Total	9%	15%	51%	25%	100%
1979:					
Population	116,780	307,780	659,950	276,250	1,360,760
% of Total	9%	23%	48%	20%	100%
Household Size	4.9	7.6	5.2	4.2	
Households	23,832	40,497	126,913	65,773	257,015
% of Total	9%	16%	49%	26%	100%
Dwelling Units Estimate*	22,963	40,362	126,975	51,874	242,174
% of Total	9%	17%	52%	22%	100%

* Estimate based on proportion of dwelling units to households in 1977.

Source: PDA 1978, Observatoire de l'Habitat, 1981.

Data on housing stock by type was obtained for 1977 only. However, a correlation was made between households and dwelling units on the basis of 1977 data to estimate housing stock in 1979.

According to the 1977 data, there was a greater share of dwelling units than households for types B, C+D, less for type E and about the same for type A. Estimates of housing stock in 1979 suggest that about 9 percent of the housing stock is in type A, 16 percent in type B, 49 percent in types C+D, and 26 percent in type E. In other words, 25 percent is in residential and economic housing, the remainder in "évolutif" and spontaneous types. It is likely that a greater share of the latter types of dwelling units has occurred since 1979 due to a slowdown in formal construction.

g. Urban services by housing type

In Table III-7, urban services levels for water, electricity and sanitation are presented where possible by housing type (1979 and 1980).

Urban wise, the percent of population with connections to water and electrical supply is about equal (56.8 versus 54 percent), while only about 30 percent benefit from sanitary sewer connections.

In general, types A and B are fully serviced while large disparities of service exist among the other types.

- The lowest level of urban service is in type E or spontaneous settlements where 89 percent of the population relies on wells or other sources (i.e. vendors for water supply, pit latrines) and only about 15.5 percent have electrical service.

- Levels of service in types C+D vary - as the older neighborhoods of type C are better serviced than type D. However, owners in types C+D also have a higher level of service than renters as suggested by the number of electrical connections among owners in Table III-5.

Consumption of potable water in liters per capita/day varies significantly among types: Type A - 402; B - 81; C - 80; D - 66; E - 26. Type A alone consumes about 45 to 50 percent of the total residential volume of water provided by SODECI. On the other hand, lower standard types rely heavily on water vendors of which there were about 447 water distribution points (1 point for 200 population).

h. Occupancy status by housing type

According to the PDA Study in 1977, the majority (85 percent) of households in Abidjan were renters. Only in villages (type V) were owners of households in the majority. On the basis of Table III-8 the following stands out:

Type A:	Majority housed by employer (51 percent) or renters (36 percent)
Type B:	Majority renters (71 percent)
Type C+D:	85 percent renters and 12 and 10 percent owners

TABLE III-7

URBAN SERVICES BY HOUSING TYPE
ABIDJAN

WATER SUPPLY[1]	A	B	C	D	E	V[6]	
1980 Connections	100	98	72	46	11	60	56.8%
o Dwelling Unit	100	98	26	18	3	17	
o On Plot	—	—	46	28	8	43	
o Wells	—	—	26	33	41	20	
o Other (i.e., Water Vendors)			28	21	48	20	

ELECTRICITY 1980[2]	A	B	C		D		E	V	
			O[4]	R[5]	O[4]	R[5]			
o Connection	100	100	84	74	81	69	15.5	76	54%

SANITATION[3]

1979

- Connections - 30% (Types A & B)
- Pit Latrine or Septic Tank - 40-50% (Types C & D predom.)
- Without any Service - 20-30% (Type E predom.)

Source:

1 Enquête Sur de Niveau de Desserte par Services d'Eau Assainissement et Electricité et leur coût dans le Budget Familial, J. Jakob, Consultante Banque Mondiale Avril, 1980.

2 Idem. Enquête Budget Consommation, 1978.

3 Idem. P. Economopolos, estimate World Bank.

4 O = Owner households.

5 R = Renter households.

6 V = Traditional village housing type usually incorporated in type E.

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Type E: Majority renters (65 percent) and owners (29 percent)

Type V: Majority owners (78 percent) and renters (17 percent)

This data was confirmed by the study "Enquête - Consommation", 1978.

TABLE III-8

OCCUPANCY STATUS BY HOUSING TYPE
(percent)

	A	B	C	D	E	V
- Owner	7.5	--	12.0	10.0	29.0	78.0
- Lease Purchase	0.5	10.0	—	—	—	—
- Renter	36.0	71.0	85.0	85.0	65.0	17.0
- Sub-Renter	2.0	16.0	—	—	--	--
- Employer Housed	51.0	1.5	1.0	1.0	--	--
- Free Housing	2.0	—	2.0	3.5	4.0	5.0
- Undetermined	1.0	1.5	--	--	2.0	--

Source: PDA Study 1978: Based on survey of 2,000 households.

i. Household income

According to 1977 PDA data, median and average monthly household income in Abidjan varied among African households as follows. (Table III-9)

TABLE III-9

INCOME OF AFRICAN HOUSEHOLDS
ABIDJAN

Households	Average FCFA	Median
Ivorian	77,850	55,000
Non-Ivorian	55,230	29,000
Total African	71,200	52,000
Total Households	89,600	55,000

Source: PDA Study 1978.

Among housing types, average monthly incomes also varied as follows:

TABLE III-10

HOUSEHOLD INCOME BY HOUSING TYPE ABIDJAN

	Housing Types					
	A	B	C	D	E+V	Total
Average Income CFA	319,400	91,180	65,440	58,150	50,780	71,200
Average Per Capita Income	48,838	10,985	11,282	10,670	10,217	12,175

Source: PDA Study 1978.

On the basis of this data the following observations can be made:

- household income of Ivorian households are substantially higher than that of other African households;
- household incomes are highest in housing types A and B;
- incomes are lowest in housing types E; and
- incomes are close to average in types C+D though higher in "évolutif" housing of type C.

Further in types C+D, average monthly income characteristics are quite different according to occupancy status. Owners had incomes on the order of 99,100 FCFA per month, while renters averaged 55,400 FCFA per month.

In order to adjust 1977 median income data to 1982, two sources were used: SMIG data (minimum wage) and the consumer price index. Using the SMIG data, a median income for African households of 62,400 FCFA was determined, while on the basis of

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the consumer price index, a median income of 80,600 FCFA was obtained. As incomes in Abidjan are more likely to be influenced by consumer prices, a median income on the order of 75,000 FCFA in 1982 is probable.

j. Housing needs and program proposals for 1982-83

According to an estimate by the Municipality of Abidjan, housing needs between 1982-1983 including past deficits by income group include the following:

TABLE III-11

PROJECTED HOUSING NEEDS BY INCOME GROUP *

Average Monthly Income FCFA	Housing** Deficits	Needs 1982-83	Total Needs
less than 35,000	50,000	6,000	56,000
35,000 - 85,000	75,000	14,000	89,000
85,000 - 170,000	35,000	10,000	45,000
	150,000	40,000	190,000

* Excludes needs for higher income groups
** Based on previous planned construction

Source: Municipality of Abidjan.

Deficits are based on previous targets and actual production. Under current economic conditions, it is not likely that past deficits can realistically be met. To meet the deficit only, the municipality estimates that 640 billion FCFA would be required to construct units similar to those constructed for each category prior to 1979. In fact, for the 1982-1983 housing investment program for Abidjan, prepared by BCET, no attempt was made to cover any deficits; the plan aims only at coping with added urban growth.

The ability to respond to housing deficits is also constrained by the desire to limit public investment in Abidjan to 28,000 FCFA per capita in 1980 or 36,000 FCFA per capita in 1982. (Section III.1.c). To determine the amount of public investment available for housing on this basis, BCET used

population projections of the PDA study for 1983 (about 2 million) which suggest that about 72 billion FCFA would be invested in Abidjan. Of this, the plan suggested that 13 percent or 9.4 billion FCFA would be allocated for housing. In determining how this investment would be distributed among housing needs, the PDA housing types and shares of population were used. According to PDA projections, the population of Abidjan would have increased by 150,000 persons between 1982 and 1983. BCET's suggested distribution of the number of dwelling units and plots required to meet growth for each housing type is as follows:

Type A:	7 percent of population increase or 10,500 persons @ 5 persons dwelling unit = 2100 dwelling units	
	Program = 40 percent or 840 dwelling units (D.U.) @ 24 D.U./ha =	35 ha
	60 percent or 1260 residential plots @ 45 density =	140 ha
		175 ha
Type B:	20 percent of population increase or 30,000 persons at 8.3 persons/D.U.	3,600 D.U.
	Program = 50 percent or 1800 economic units @ 40 D.U./ha	45 ha
	50 percent or 1800 plots @ 150 density =	100 ha
		145 ha
Type C+D:	50 percent of population increase or 75,000 persons at 5.5 persons per D.U. = 13,600 units	
	Program = 50 percent super economic housing @ 330 density =	115 ha
	50 percent plots at 250 density =	150 ha
		265 ha
Type E:	21 percent of population increase or 31,500 persons @ 5 persons/D.U. =	
	Program = 6300 plots @ 330 density =	95 ha
		680 ha

The initial program assumption by housing type were modified according to financial constraints. In particular, BCET concluded that:

- no government financing of type A housing would be possible;

- due to a lack of FSH funds programs for types B, C+D, housing should be strictly plots rather than units; and

- in types C+D and E housing more than one household per plot would be required.

Table III-12 illustrates how theoretical program proposals were modified. In each case, an effort has been made to reduce standards and costs (fully serviced development may reach 50 million per hectare). The cost reductions are primarily related to the elimination of sanitary services, choice of storm sewers, and pavement options. Two levels of service are considered as suggested by SETU. Level I is at 12 million FCFA/hectare and Level II at 23 million FCFA/hectare.

Subdivision standards and plot costs based on the BCET program for 1982-1983 by housing type include the following:

- Description of the 1982-83 program for type B households.

  - 200 hectares with 3,600 plots at $400m^2$/plot;

  - plot areas 72 percent of total area, 18 plots per hectare;

  - development cost: 23,000,000 FCFA per hectare; and

  - plot cost: 1,277,777 FCFA.

It should be noted that with the program for type B households, the target housing investment for Abidjan (9.4 billion FCFA) would be exceeded. Furthermore, the suggested development area for types C+D households would have to be reduced to 265 hectares to remain within the budget.

- Description of 1982-83 program for types B, and C+D households.

  - 300 hectares with 4000 plots at $600m^2$/plot

  - plot areas 80 percent of total area or 13.3 plots per hectare

  - development cost: 23,000,000 FCFA per hectare

  - plot cost: 1,725,000 FCFA

TABLE III-12

BCET HOUSING PROGRAM PROPOSALS FOR 1982-1983

ABIDJAN

	Population Increase 1982-1983 150,000			Theoretical Needs (Based on Previous Program Types and Densities)				Revised Program I		Description of Program	Development Costs	
				Housing		Plots					Per HA	Total
	%	No.	D.U.	Units	Hectares	Units	Hectares	Plots	Hectares		Million CFA	Billion CFA
A	7	10,500	2,100	840	35	1,260	140	Defined by Private Sector		Area Provision Only	--	--
B	20	30,000	3,600	1,800	45	1,800	100	3,600	200	400 m^2 Plots 1 Household Per Plot	23	4.6
C&D	52	75,000	13,600	6,800	115	6,800	100	4,000	300	600 m^2 Plots 3.4 Households Per Plot	23	6.9
E	21	31,500	6,300	--	--	6,300	95	3,000	95	300 m^2 Plots 2.1 Households Per Plot	12	1.14
		150,000	25,600	9,440	195	16,160	435	10,600	595			12.64

Source: BCET data and PADCO analysis.

- Description of 1982-83 program for type E households.
  - 95 hectares with 3000 plots at $300m^2$
  - plot areas 95 percent of total area or 33.33 plots per hectare
  - development cost: 12,000,000 FCFA per hectare
  - plot cost: 360,036 FCFA

k. Program Affordability

The median monthly household income is estimated to have increased from 52,000 CFA in 1977 to 75,000 CFA in 1982, an increase of 7.6 percent per year. Assuming that income increases were similar for all urban households in housing types A-E, average incomes by type would have increased as illustrated in Table III-13. Also, as owners in types C+D have higher levels of income than renters, incomes have been considered separately.

In order to assess affordability of households by type, an assumption was made that households of each type could obtain credit at market terms. Assumptions include:

- a level of effort for loan repayments varying between 20 and 25 percent of household income;
- loan terms of 13 percent annual interest over 10 and 15 years respectively. (The former represents current loan conditions.)

On the basis of the above, the loan amounts which households could obtain are also presented in the table.

The need for further reducing standards on the basis of the BCET program is evident in comparing the plot costs by housing type with possible loan amounts shown in Table III-13. At current loan terms, households of types B and C+D (owners) would only be able to afford a plot at level II development costs with little left over for housing construction. Households of housing types C+D (renters) and E, under current loan, and plots of level I development would have greater amounts left over for housing but not sufficient to construct dwellings for several households. Thus, further revision of standards would have been required.

l. Alternative program types

In order to determine more affordable programs, the PADCO/Bertaud model was used. The model permits variables

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TABLE III-13

HOUSEHOLD AFFORDABILITY PARAMETERS BY HOUSING TYPE UNDER ALTERNATIVE FINANCIAL CONDITIONS

HOUSING TYPES	B	C/D		E
Average Income		Owners	Renters	
1977	91,180	99,100	55,400	50,780
1982	131,509	142,932	79,903	73,240
Monthly Payment as Percentage of Income				
20 Percent	26,301	28,586	15,980	14,648
25 Percent	32,877	35,733	19,976	18,310
Possible Loan Amounts (Capital Generated at Current Financial Conditions 13% Interest Over 10 Years				
- 20% Income (payment)	1,761,495	1,914,530	1,070,252	981,042
- 25% Income (payment)	2,201,920	2,393,199	1,337,882	1,226,302
Possible Loan Amounts (Capital Generated at 13% Interest Over 15 Years)				
- 20% Income (payment)	2,078,735	2,259,333	1,263,000	1,157,724
- 25% Income (payment)	2,598,478	2,824,205	1,578,830	1,447,156

Source: PADCO Analysis

such as development costs, plot size, dwelling unit size and costs, and subdivision standards to be changed in order to develop programs which are in line with household affordability. On the basis of full cost recovery, the following standards might have been employed. (The cost of dwelling units by size has been added to the BCET program considerations.)

For Type B households

Parameters:

- Income: 131,509 FCFA
- Monthly payment: 25 percent of income or 32,877 FCFA
- Financial conditions: 13 percent annual interest over 10 years
- Level II development standards: 23 million FCFA/hectare

Outputs:

i - Loan total: 2,201,935 FCFA

- Lot size: $400m^2$
- Dwelling unit size: $35m^2$ at 30,000 FCFA/m^2 or $42m^2$ at 25,000 FCFA per m^2

ii - If 15 year loans at 13 percent interest were provided:

- Loan amount: 2,598,474 FCFA
- The dwelling unit size could be increased to $48m^2$ at 30,000 FCFA/m^2 or $57m^2$ at 25,000 FCFA/m^2

For Type C+D (owner households)

Parameters:

- Income: 142,932 FCFA/month
- Monthly payment: 20 percent of income or 28,586 FCFA
- Financial conditions: 13 percent annual interest over 10 years

- Level II development standard: 23 million FCFA/hectare.

Outputs:

i - Loan total: 1,914,530 FCFA

- Lot size: $300m^2$
- Dwelling unit size: $35m^2$ at 30,000 FCFA/m^2, or $42m^2$ at 25,000 FCFA/m^2

ii - If 15 year loans at 13 percent interest were provided:

- Loan total: 2,259,300 FCFA
- Lot size: $300m^2$
- Dwelling unit size: $50m^2$ at 30,000 FCFA/m^2 or $60m^2$ at 25,000 FCFA/m^2

<u>For Type E Households and C+D (renters)</u>

Parameters:

- Income: 73,240 FCFA (Abidjan median)
- Payment: 20 percent of income or 14,648 FCFA
- Level I development standard: 12 million FCFA/hectare

Outputs:

i - Loan total: 981,042 FCFA

- Lot size: $160m^2$
- Dwelling unit: $25m^2$ at 30,000 FCFA/m^2, $30m^2$ at 25,000 FCFA/m^2 $38m^2$ at 20,000 FCFA/m^2

ii - If 15 year loans at 13 percent interest were made available

- Loan total: 1,157,723 FCFA
- Lot size: $200m^2$
- Dwelling unit: $30m^2$ at 30,000 FCFA/m^2 or $36m^2$ at 25,000 FCFA/m^2

The purpose of the previous exercise is to demonstrate that programs can be developed which are more compatible with household affordability, but they are only indicative of potential programs. Affordability must be considered in order to develop programs with reduced government subsidies and to place "products" on the market which both correspond to need yet do not require an excessive effort by households to finance them.

In the previous exercise no cash downpayments were suggested as it was assumed that the equivalent would be required for water and electrical connections. Another means to relate housing affordability to income is to provide financing on a graduated payment basis. Thus, in early years interest rates would be lessened and increased over time in accordance with anticipated increases in income.

Housing costs in the previous section were based on least-cost solutions housing (30,000 FCFA/m^2) such as the least expensive of SICOGI units and those practiced in type C+D evolutive areas. Very low cost construction (i.e. 20,000/m^2) are based on a Banco (waddle and daub), stabilized earth process with exterior cement finishing or a self-help component in concrete block construction to reduce costs.

3. Housing: Interior Cities

a. Introduction

Though the interior cities have recently been the subject of an analysis by the Ministry of Plan and a socio-economic study by USAID in conjunction with BCET, there is not sufficient data on the housing sector to do a comparable analysis as with that of Abidjan. In particular, data has not been classified systematically by housing type as was done for Abidjan. Thus, it was impossible to relate data on household size and formation, densities and residential area, and levels of service by housing type. For general urban data on densities and other characteristics of urban development, the reader is referred to Chapter II.D.2.

This section deals primarily with data on the distribution of population by housing type, household size, occupancy status by housing type, and income.

b. Distribution of population by housing type

The distribution of population by housing type as defined by the budget-expenditure (EBC) survey of 1978 is presented in Table III-15. Housing types A through E roughly correspond to those used in Abidjan and are similar to those of the EBC study.

TABLE -III-14

DISTRIBUTION OF POPULATION BY HOUSING TYPE
ACCORDING TO SETTLEMENT GROUP

Type	Housing Type	Bouake		Other Large Settlements		Small Settlements	
		DU	%	DU	%	DU	%
A	Residential (High Standard)	724	2	2,618	4	3,124	2.7
	Collective Public (Med. Standard)	4,706	13	0	0	260	0
	Sub-Total	5,430	15	2,618	4	3,384	2.7
B	Collective Economical (Low Med. Standard)	8,869	25	9,548	14	5,022	4
	Sub-Total	8,869	25	9,548	14	5,022	4
C&D	Economical	18,100	50.5	39,424	59	82,548	72
	Very Economical	0	0	154	0	0	0
	Basic Economical	905	2.5	2,310	3.4	2,775	2.4
	Basic Collective	0	0	616	1	0	0
	Sub-Total	19,005	53	42,504	63.4	85,323	74.4
E	Traditional & Spontaneous	2,534	7	12,320	18	20,885	18
	Total	35,838	100	66,990	100	114,611	100

In the interior cities reports, the less detailed typology was employed for analyses (types A-E). These include:

Type A: Residential or high standard housing

Type B: Collective "economic" or public housing

Type C: Economic housing (i.e. "évolutif" in Abidjan)

Type D: Traditional and spontaneous housing

On the basis of the distribution of population by housing type in the interior cities (Table III-15), the following conclusions can be drawn:

- The percentage of population in traditional and spontaneous housing is nearly identical in larger and smaller settlements, but less development of this nature has occurred in Bouake.
- There is a greater proportion of type B housing in the larger cities. Presumably this type absorbs population which would otherwise be in types C and D housing. Bouake has a relatively high percentage of housing of this type.
- In percentage terms, Bouake has a higher percentage share of population in type A housing than Abidjan (15 versus 9 percent).
- The amount of type C+D housing declines as the settlement size increases.
- Type C+D housing in all settlement categories accounts for the largest share of population.

c. Household size

In the interior cities, reports an analysis of household size by housing type was less developed than in Abidjan. Nevertheless, the following broad considerations are useful.

- 40 percent of households are composed of 4 or less members
- 39 percent of households are composed of 5 to 9 persons
- 21 percent of households are composed of 10 or more persons

These characteristics vary somewhat by housing type (lower standards only).

TABLE III-15

INTERIOR CITIES
HOUSEHOLD SIZE BY HOUSING TYPE

Housing Type	Household Size 5 or Less %	5 to 9 %	10+ %
Type C+D			
- economic	41.4	36.6	22.0
- basic economic	53.5	30.5	16.0
Type E (traditional and spontaneous	39.0	46.5	14.6

Source: USAID Socio-Economic Report on Interior Cities, 1981.

In general, for traditional and spontaneous housing household size is between 5 and 9 persons and smaller for types C+D.

No data was available for types A and B, though on the basis of Abidjan, it can be assumed that type B household size is approximately 8 persons while type A is on the order of 5 persons per household.

d. Occupancy status by housing type

Occupancy status by housing type for interior cities according to settlement size is illustrated in Table III-16. On the basis of the above table the following conclusions can be drawn:

- Type A (residential) owner occupied housing exists primarily in the larger settlements
- As settlement size diminishes, the proportion of "owners" increases:
  - true for types C+D and E
  - not true for housing of higher standard

TABLE III-16

OCCUPANCY STATUS BY HOUSING TYPE
AND SETTLEMENT SIZE
INTERIOR CITIES

		OWNER	RENTER	FREE * HOUSING	TOTAL
Type A RESIDENTIAL	Ivory Coast	14	11	75	100
	Bouake	2		100	100
	Large Settlements	24	12	64	100
	Small Settlements	9	13	79	100
Type B COLLECTIVE ECONOMIC	Ivory Coast	11	62	27	100
	Bouake	14	73	12	100
	Large Settlements	11	65	24	100
	Small Settlements	6	39	55	100
Type C&D ECONOMIC OR EVOLUTIF	Ivory Coast	37	52	11	100
	Bouake	24	70	6	100
	Large Settlements	30	59	11	100
	Small Settlements	43	44	13	100
Type E TRADITIONAL & SPONTANEOUS	Ivory Coast	82	15	3	100
	Bouake	50	36	14	100
	Large Settlements	79	19	2	100
	Small Settlements	87	10	3	100
Total	Ivory Coast	41	45	14	100
	Bouake	22	65	13	100
	Large Settlements	37	49	13	100
	Small Settlements	49	36	15	100

Source: USAID Socio-Economic Report on Interior Cities.

* Public or privately provided housing.

- the percentage of owners is higher in housing types of lesser standards (types C+D and E)
- owners are a majority of households only in type E, housing
- free housing is highest in type A housing followed by that of type B (reflecting provision by the public and private sector)

The principal characteristics of occupancy status by housing type include:

Type A - More households are housed free of charge than any other form of occupancy status. This reflects state sponsored leasing for civil servants and employee furnished housing by private groups.

Type B - Most households in this category are renters.

Type C+D - Housed free of charge. There are more renters than owners but the percentage of owners increases with city size.

Type E - There are a higher number of owners, but these decrease with increasing settlement size.

e. Urban services

In the interior cities report, data was tied to housing type only for electrical service. Electrical service by housing type for all interior settlements is presented in Table III-17.

TABLE III-17

ELECTRICAL SERVICE BY HOUSING TYPE IN THE INTERIOR SETTLEMENTS

Housing Type	A	B	C+D	E	All Types
Percent of Housholds Served:					
Ivory Coast	41	65	49	11	44
Bouake	-	57	56	-	52
Large Settlements	35	68	55	19	49
Small Settlements	56	74	44	7	38

Source: Interior Cities Report. "Synthèse des 44 villes"

In general, the number of households with access to electricity in Bouake and the larger settlements is comparable with that of Abidjan (54 percent). However, among housing types of higher standard housing, it does not necessarily benefit from a higher level of service.

The study team was unable to collect sufficient data during the first mission on water supply and sanitation in the interior cities. However, according to the interior cities reports, priorities for improvement of urban services in the interior cities include:

- improvement of roads and stormwater runoff;
- installation of public street lighting; and
- improvement of waste disposal (garbage).

f. Income (1978 EBC data)

In 1978, the median monthly income for the interior cities was evaluated at 40,000 FCFA per month (48,000 FCFA/month in 1982) while the average income was on the order of 63,000 FCFA per month. An important factor in considering levels of income in the interior cities is the fact that about 19 percent of the population does not have income in monetary terms. Thus, when this share of the population is taken into account as representing no income, the overall median and average incomes would drop to 31,000 and 49,950 FCFA per month.

Non-monetary income is related to activities in the agricultural sector. As agricultural employment drops, generally a factor of city size, incomes increase. Thus, for Bouake, median income is on the order of 48,000 CFCA per month; in other large cities, 41,000 per month; and in the smaller cities, 34,000.

Incomes vary significantly depending on the type of employment. As noted above, those with non-monetary forms of income are predominantly in the agricultural sector, monetary income by type of employment breaks down as follows:

Employment Type:	Income Per Month (FCFA)
Agriculture	40,000
Traditional commerce	32,000
Merchants	60,000
Building (masons and Carpenters)	116,000
Industry	30,000-38,000
Skilled workers	39,000-70,000
112,000	

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In general, in the spontaneous and traditional neighborhoods about 78 percent of households have incomes less than the median. In contrast, in high standard districts, all households have incomes higher than the median, and more than half of those in economic or state sponsored housing have incomes higher than the median.

A surprising characteristic of interior cities is that plot and dwelling unit owners in lower standard housing are less likely to have monetary income. However, in general, owner incomes are higher than those of renters. At Bouake, owner income is 42 percent higher than that of renters, while in larger settlements owner income is 27 percent higher than renter incomes. Yet, for below median income households only, when households with non-monetary income are excluded, incomes may be between 22 and 96 percent higher among owners than renters.

The reason for this is that low income owners are predominantly engaged in the agricultural or primary sector where non-monetary income is high. Only about 5 percent of these households, for example, are employed in the secondary sector.

According to the interior cities reports, other characteristics of household income in the interior cities include:

- Highest income groups generally include civil servants, large merchants, and planters;
- Lower income groups are predominantly engaged in traditional commerce, services, handicrafts, or agriculture;
- Settlements with lower income levels are generally those with less double employment;
- In evolutif and spontaneous housing the number of households with incomes below the SMIG (30,159) is 48 and 65 percent respectively; and
- About 10-15 percent of the households in the interior cities have incomes higher than 100,000 FCFA per month.

Average and median income characteristics for interior settlements are presented in Table III-18 (a-c) by housing type. Table III-18 a provides income data for all interior settlements while Tables III-13 b and c are concerned with larger and smaller settlements only. The income data excludes those households with non-monetary income, though for larger and smaller settlements, the percent of households with non-monetary income

TABLE III-18

INCOME CHARACTERISTICS BY HOUSING TYPE (1978)
AND SETTLEMENT SIZE

a.

HOUSING TYPE	Interior Cities		% of Households With Incomes Below Interior Cities (I.C.) Median (40,000)
	Average Income FCFA	Median Income FCFA	
A	218,000	194,000	0%
B	87,000	58,000	25%
C&D	51,000	35,000	57%
E	39,500	28,000	78%

b.

HOUSING TYPE	Larger Settlements		% Households Below I.C. Med.Income (40,000)	% Households With Non-Monetary Income
	Average Income FCFA	Median Income FCFA		
A	206,000	151,000	0%	0%
B	74,000	53,000	25%	0%
C&D	54,000	39,000	54%	13%
E	46,000	30,000	76%	47.5%

c.

	Smaller Settlements		% Households Below I.C. Med. Income (40,000)	% Households With Non-Monetary Income
	Average Income FCFA	Median Income FCFA		
A	212,000	192,000	0%	0%
B	82,000	70,000	n.a.	n.a
C&D	50,240	34,000	59%	17%
E	32,000	24,000	82%	55.5%

Source: USAID Socio-Economic Study of Interior Cities; BCET 1981 from EBC 78.

TABLE III-19

AVERAGE MONTHLY INCOME ACCORDING
TO OCCUPANCY STATUS
BY SETTLEMENT GROUP (IN FCFA)

	Bouake	Large Settlements	Small Settlements
Owners	84,000	80,000	57,000
Renters	59,000	50,000	45,000

TABLE III-20

AVERAGE INCOME BY OCCUPANCY STATUS
IN LOWER STANDARD HOUSING
(TYPES C & D, E)
(IN FCFA)

	OWNERS (TYPE C&D)			RENTERS (TYPE C&D)		
	(1)	(2)	Type E	(1)	(2)	Type E
Average Income Including Households With Non-Monetary Income	46,500	20,000	19,900	44,000	32,000	23,000
Average Income Excluding Those With Non-Monetary Income	65,000	39,000	47,000	45,000	32,000	24,000

NOTE: Type C&D: (1) Economic, (2) Basic Economic.

Source: USAID Socio-Economic Study of Interior Cities, BCET 1981.

are indicated. Bouake is excluded from this analysis. It had an average household income of 69,000 CFCA and a median of 45,000 which is slightly higher than the other settlements.

Income and data by settlement type and occupancy status are presented in Tables III-19 and III-20.

g. Rental Values

Rents in the interior cities average about 6,375 FCFA monthly. Rents by housing type include:

A: 36,000 FCFA
B: 11,192
C+D: 4,950
E: 2,500

Rental values have a tendency to increase with settlement size although Bouake is an exception due to a large amount of publicly sponsored housing units which are usually rented below fair market values or are maintained artificially low through government subsidization. For example:

Settlement Type	Average Rental Value
Bouake	5,000 FCFA/Month
Other large settlements	6,000
Smaller settlements	4,150

In the interior cities, an average of 15.7 percent of income is spent on housing though the median amount is equivalent to only 11 percent of income. Generally, the lower the level of income, the less percent is spent on housing.

h. Plot and dwelling unit affordability in the interior cities.

In the USAID socio-economic study on interior cities, the income distribution in Bouake was used to determine household affordability by income group as a case example. The two hypotheses used were financing on the basis of savings and financing with credit. In the analysis which follows, the study's orientation was maintained, although some changes were made in the elements of the approach. For self financing, it was assumed that dwelling units would cost between 15,000 and 20,000 FCFA per square meter rather than 10,000 FCFA per square meter as suggested in the report. For credit financing, the terms of the loans used were the same as those applied in Chapter III, II: 13 percent interest rate annually over 10 years.

i. General considerations.

The majority of dwelling units in the interior cities are constructed by tacherons or independent small scale builders at lower cost than can be achieved in Abidjan.

The average dwelling unit size is $20m^2$ in types C+D housing.

j. Hypothesis I.

Table III-21 is constructed on the basis of self financing of dwelling units by income category. Thus, the units would be constructed out of savings equal to the rental value paid for housing. On the basis of this hypothesis:

- 28 percent of households would not have sufficient savings to construct a dwelling unit in less than 10 years; and then only in traditional materials;
- 35 percent of households would require about 6 years to construct a $20m^2$ house out of traditional materials;
- 24 percent of households could construct a $20m^2$ unit out of savings in concrete block in a period of 3 to 4 years. However, this group would most likely be eligible for construction loans.

The above indications are based on a relatively low percentage of income for investment. However, it also assumes that the households already own a plot upon which to build. Thus, on a self-financing basis, households would have difficulty in housing themselves solely on the basis of their savings.

k. Hypothesis II. (Higher income households have access to credit).

It is assumed that households in middle and upper income categories would be eligible for credit at current terms (13 percent over ten years). Table III-22 indicates the amount of loan which could be obtained on the basis of income category and a monthly payment equivalent to 20 percent of monthly income.

In this analysis, it was also assumed that both plots and dwelling unit costs would be financed under the loan. Development costs for plots were based on SETU low cost development proposals for Abidjan in 1982-83.

TABLE III-21

CONSTRUCTION CAPABILITY WITHOUT FINANCIAL ASSISTANCE *

Percent of Households by Category	Range of Income F/Month	Investment Amount	Investment Percent of Income	Investment Per Year	Construction Time For $20m^2$ Core House **
28 av.	20-39,000 (27,428)	3,000	10	36,000	10 years w/traditional materials
35 av.	40-79,000 (58,080	4,500	8	54,000	6 years w/traditional materials
14 av.	80-119,000 (99,500)	11,000	11	132,000	4 years in concrete blocks
10 av.	120-179,000	14,500	10	174,000	3 years in concrete blocks

* Assumes households already own land.

** Construction costs are estimated as follows: traditional materials 15 - 20,000 F/m^2
concrete blocks 20 - 25,000 F/m^2

Source: PADCO Analysis

TABLE III-22

POSSIBLE LOAN AMOUNTS BY INCOME CATEGORY

Percent of Households		Income Range FCFA/Month	Percent of Income	Amount FCFA	Affordable loan at (13 percent interest over 10 Years) FCFA
I.	35	40-79,000 (58,000)	20%	11,900	796,995
II.	14	80-119,000 (99,500)	20%	19,900	1,332,790
III.	10	120-179,000 (143,500)	20%	29,900	2,002,535

Source: PADCO Analysis.

Using the PADCO/Bertaud model, parameters on development costs, dwelling unit size and cost, SETU subdivision standards, and current loan terms were used to determine what size of plot and dwelling unit would be affordable.

Thus, in category I (income 58,000 FCFA/month) it was found that with credit, this group could afford a 300m^2 plot at the development costs of 12 million FCFA per hectare and a dwelling unit of 20m^2 at 15,000 FCFA/m^2.

In category II, (income 99,500 FCFA/month), it was found that at the same development costs of land, the households could afford a plot on the order of 400m^2 and a dwelling unit of 36m^2 (at 20,000 FCFA/m^2 could be afforded. For category III households could afford a 400m^2 plot and a dwelling unit of 70m^2 at 20,000 FCFA/m^2.

III. LAND ANALYSIS

A. Property Taxes

Property taxes in the Ivory Coast are comprised of four major elements:

- Tax on developed property;
- Tax on undeveloped property;
- Tax on insufficiently used land; and
- Mortmain tax.

Table III-23 summarizes the nature of the taxes, their exemptions and their rates. Up to 1982, the revenues from these taxes went into the general budget with the revenues from the tax on developed property going into the Special Investment Budget (BSIE). As of January 1982, all revenue from property taxes and business licenses was transferred to municipal and local authorities. However, the revenue is still collected by the Directorate General of Taxes in the Ministry of Finance and distributed to the communes in the general budget process. In addition to the foregoing, property owners are also assessed for sewage, garbage collection and a street tax. With the exception of the sewage tax, which goes to the National Sewage Fund, these taxes are also collected for the benefit of the communes.

Annex I, Table 8, which is a summary of government tax revenue from 1977 to 1981, shows that revenues from property taxes account for only a small portion of total revenue. It increases from 1.8 percent in 1977 to an estimated 2.2 percent in 1981, with the portion of taxes on immovable property accounting for only 0.65 percent in 1977 and an estimated 0.95 percent in 1981. According to sources in Directorate General (DG) of Taxes, the property tax is the most difficult to collect, thus, making it the least cost-effective. Up to 1967, tax collection was the responsibility of the Treasury and the rate of recovery (i.e. collections as a percentage of total billings) was about 40 percent. Since 1968, tax collection has been assigned to the Registration Section of the DG of Taxes, and the rate of collection for existing cadastral areas has improved to roughly 60 percent. According to a 1980 World Bank study on property taxes in Abidjan, definitive conclusions on the rates of tax recovery could not be drawn due to insufficient data and incomplete series of collections. Nevertheless, the study made several observations as follows:

- Total tax billings only rose slightly from 1970 to 1975 due principally to temporary exonerations for new construction and rehabilitation (See Table III-23, Part I).
- Prompt collection (i.e. in the year of billing) remained low, around 45 percent.

TABLE III-23

SUMMARY OF THE TAX SYSTEM, as at January 1982

(All amounts in CFA francs)

TAX	NATURE OF THE TAX	EXEMPTIONS AND DEDUCTIONS	RATES	EARMARKING 1/
1. Tax on developed property (Contribution foncière des propriétés bâties) (Tax Code Art. 136-147)	Levied on the rental value of buildings constructed of non-traditional materials.	Standard deductions Housing 40% Other buildings 50%	12 Percent	Local and municipal governments
		Temporary exemptions Owner-occupied housing rental by agreement 20 years housing 10 years Other new construction 5 years	Plus 10 Percent	Local and municipal governments
		Permanent exemptions Owner-occupied building with a rental value less than 150,000 p.a. Government buildings not used commercially and port facilities.		
2. Sewage assessment (Taxe d'assainissement) (Loi 74.781 of December 25, 1975, Art 7)	Same base as 4.1.1	No temporary exemptions.	10 Percent	Fonds National d'Assainissement
3. Tax on undeveloped property (Contribution foncière des propriétés non-bâties) (Tax Code Art. 148-153)	Levied on the assessed market value of vacant urban land.	None.	For first 2 years after purchase or opening of public access: 4% Third year: 5% Following years: 6%	Local and municipal governments
4. Tax on insufficiently used land (Surtaxe foncière sur les propriétés insuffisamment baties) (Tax Code Art. 154-159)	Levied on the excess of the market value over three times the normal rental value.	Not applied if conditions beyond the control of owner prohibit construction.	Same as 4.1.3	Local and municipal governments
5. Mortmain tax (Taxe sur les biens de mainmorte) (Tax Code Art. 160-172)	An annual tax on property held in mortmain by corporations and associations.	Real estate companies are exempt. Religious missions are subject to a special regime.	50 Percent of the equivalent property tax.	Local and municipal governments

- The two major public housing enterprises, SICOGI and SOGEFIHA, were in default[2] by an amount which represented 8 to 9 percent of total billings in Abidjan from 1975 to 1979.

Although the billings are computerized and sent by mail with a 5 percent surcharge imposed after two months and 1 percent each month thereafter, the only real enforcement sanction is seizure of the property. This, however, has rarely been done and no sales for tax purposes have thus far taken place.

B. Cadastre and Domaines

In order to impose the various property taxes, the property must first have a cadastral survey and then the total rental value assessed, or in the case of undeveloped property, the market value of the vacant land. The property values are then formally registered and entered into the tax rolls at the DG of Taxes. The process of registering the properties and issuing a formal freehold title (titre foncier) is complex and time-consuming. Formally, the process is supposed to work as follows:

- cadastral survey by the DG of Cadastre in the Ministry of Construction and Urbanism (MCU);
- assessment of property value by the same office;
- formal establishment of dossier by the "Office du Contrôle de la Mecanographie" (OCM);
- issuance of provisional title by the Director of Urban Land, MCU;
- registration on property rolls, DG Taxes, Ministry of Finance;
- improve property according to approved plans;
- notification to DG Domaines in Ministry of Finance of completion of approved construction;
- issuance of formal freehold title by DG Domaines; and
- final registration of title on property tax rolls.

In actual practice, it takes the Cadastral Service up to three years to put new construction on a cadastral map. Although the Service is quite well staffed in Abidjan (6 engineers, 10 surveyors and 10 draftsmen) and has a branch office in Bouake, it is fully occupied in keeping existing cadastral maps (Abidjan and 11 cities) up to date. To do any new cadastral maps requires contracting a professional survey firm. After the

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ording to officials of SICOGI and SOGEFIHA, the two corporations have been npt from property taxes since 1970.

about one year for the dossier to be processed and the tax imposed. Furthermore, to officially obtain a "titre foncier," an approved structure must be built within two years. However, although banks are supposed to require a "titre foncier" as collateral for a building loan, in practice they accept the provisional title as a guarantee for the loan. Thus, the duration of the construction period also adds to the length of time to obtain formal title. If the government is in charge of improving the land, this process can take up to three or four years.

Land can also be allocated by sous-prefectures, but they are supposed to follow the same administrative process as in Abidjan. In practice, however, plots in the smaller interior towns are simply surveyed and beaconed and allocated at cost to local applicants. The plots are then entered into a local "Registre des Parcelles" with the allotee receiving a certificate of ownership. Although without a cadastral survey these certificates have no legal base, they are considered as "titres fonciers" and local taxes are imposed based on their existence.

C. Availability and Value of Land

It can be seen from the foregoing that the process to acquire and improve land in order to obtain an official freehold title is long and cumbersome. As seen previously, however, Abidjan is a large and rapidly growing city, and land is being converted from rural to urban uses, not only by the formal process described above, but also through the informal process involving traditional land owners or "chef coutumiers." On the formal side, the principal purchaser and developer of land in Abidjan is SETU. Presently, SETU has approximately 350 hectares of land reserve which have been cleared of third party rights and another 3,660 hectares for their 1982-1984 program which have been reserved but not yet purchased. With the exception of one low standard subdivision, however, SETU's land development projects have been high standard, fully serviced plots. These are in contrast to the surveyed but unserviced plots which are usually sold on the informal market.

The market pressure for the development of land outside the formal process can be seen from Table III-24 which shows costs per m^2 for the following:

- The official cost price or "prix de cession" of government land which has not been changed since 1961.
- The official market price or "valeur vénale" on which the non-developed land tax is based, which has not been changed since 1971.
- Costs of SETU developed plot prices for 1980.
- The recorded market price of transactions in 1978 and 1980.

While the government cession price of land in Abidjan has remained at CFAF 100 per m^2 and the official market price at 300 CFAF to 400 CFAF per m^2 in low-income areas, recorded transactions have averaged 10 times the latter. The differences are even greater in the higher income, residential housing areas where transactions in 1980 averaged over 30 times the official cost price and 8 times the government market price in the Plateau area. Fully serviced SETU plots were also being allocated for less than one-tenth the average free market price.

In view of these price differences, land is still being subdivided by the informal development process where, according to investigations by the SSA team, a 400 m^2 plot in Youpougon can sell for CFAF 300,000 (CFAF 750/m^2) and CFAF 1.0 to 1.5 million in Abobo Nord (CFAF 2,500-3,750/m^2). Since these prices are from 3 to 15 times the average compensation per hectare (approximately CFAF 2.2 million or CFAF 220/m^2) paid by SETU, it is very difficult for traditional landowners not to take the land development process into their own hands. More importantly, those large price differences also illustrate the degree of the "unearned increment" (rente foncière) in land value that is being offered by the government to allottees of state-owned and developed land. A later section in the report describes the mechanics and the results of this allocation process.

TABLE III-24

ABIDJAN: LAND COSTS VS. PRICE PER SQUARE METER

AREA	Official Cost Price[2]	Official Market Price[3]	SETU[4]	Market Price[5] 1978	Market Price[5] 1980
1. "Evolutif"[1] Housing Areas					
Treichville	--	--		7,100	6,700
Koumassi	100	300-400/m^2		2,800	3,900
Marcopy	--	--		4,700	2,800
Adjame	100	300-400/m^2		3,500	1,100
Average			2,100	5,000	3,800
2. Residential Housing Areas					
Plateau	--	14,000		32,300	108,900
Cocody	1,000	--		5,300	31,900
Marcory	--	--		7,800	19,600
Zone 4C - Bietri	400	--		7,800	13,600
Average			2,900	12,400	36,400

1 Low-income housing in permanent materials.

2 "Prix de Cession."

3 "Valeur Vénale."

4 Average developed land costs for 1980.

5 According to transactions registered of the Direction Centrale de l' Urbanisme, MCU.

Source: Observatoire de l'Habitat, Compte-Rendu d'Activités, 1980-81, MCU, Direction Centrale de l'Urbanisme.

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IV. INSTITUTIONAL ANALYSIS

A. SOGEFIHA

1. General

SOGEFIHA (Société de Gestion Financière de l'Habitat), created in 1963 as a public enterprise, is the oldest public housing agency in the Ivory Coast. In 1980, it was transformed into a Public Industrial and Commercial Corporation under the MCU for technical matters and the Ministry of Economy and Finance for financial matters. Initially, the mandate of SOGEFIHA was to build urban low and middle income housing and village housing programs, mainly for rent with some units being sold under lease-purchase plans. In November 1978, however, due to massive outstanding debts, the Ministry of Economy, Finance and Plan prohibited the Society from undertaking any new construction. Since 1979, SOGEFIHA has, therefore, concentrated on the management and maintenance of its stock, selling off some of the units, and managing some of the MCU's units.

2. Performance

Annex 1, Table 9, shows that the annual production of units of SOGEFIHA reached a peak in 1979 (5,115) and fell off rapidly thereafter as the Society completed units which were under construction in 1978. As of September 30, 1982, a total of 29,399 units had been built. Due in part to large payment arrears, rural housing construction has been progressively abandoned since 1973 (6,869 units built) and urban housing mainly in Abidjan (26,852) has been built. Thus, from a physical point of view, by 1978 SOGEFIHA had partially attained its objectives of responding to a substantial portion of housing needs while adequately maintaining its rental stock. Several observations, however, can be made regarding its overall operations.

- Although no official survey has been made, it seems that the average income of SOGEFIHA beneficiaries is above that of Abidjan; thus, the objective of reaching low income households has not been entirely achieved.

- Up to 1979, rent collections were weak, but since that time with the help of computerized accounts, arrears have fallen to a total of 4.26 percent of accounts due.

- Operational costs continued to rise through 1978 due principally to the fact that SOGEFIHA did not have control of contracts between suppliers and the Government.

- A lack of financial feasibility studies for Society projects led to further increases in total debt.

- Exacerbating the deterioration in SOGEFIHA finances was the fact that the Society has never been able to raise its rents since 1970, the year when the government lowered rents by 20 percent.

3. Finance

The last three aspects of SOGEFIHA's operations combined to cause a rapid increase in debt leading to the government's 1978 decision to halt construction on all projects. The losses accumulated since 1974 completely absorbed the "fonds propres" of the Society by 1977 and led to an operating deficit in that year of FCFA 6.2 billion which increased to FCFA 8.5 billion in 1979. In 1981, fully 22 percent of the Society's fixed assets were financed by short-term loans. Since 1974, SOGEFIHA's financing has been a classic example of borrowing short and lending long. The major causes of this situation can be detailed as follows:

- As a state society, SOGEFIHA did not have the freedom, like SICOGI, to negotiate the financial and technical conditions of its projects with its major suppliers and contractors. Thus, construction operations were in large part controlled by standard contracts between the government and foreign suppliers. These contracts were based on short-term loans whose terms were not suited to long-term financing of low-income housing.

- In spite of proposals for rent increases, SOGEFIHA rents have never been raised. Annex 1, Table 10, shows the evolution of SOGEFIHA rents in Yopougon and Port-Bouet from 1973 to 1981. Rents for two- to four-room apartments in Yopougon have more than doubled in that period as have rents for four room apartments in Port-Bouet. Since construction costs have also roughly tripled in that period, it is obvious that the state is heavily subsidizing those lucky enough to receive units in early projects. Furthermore, while SOGEFIHA could recommend rents based on total construction and financing costs, the government, through the "Commission Nationale d'Attribution de Logement (CNAL)", not only fixed the rents but allocated the units.

After attempting a financial rescue plan in 1976 which was never put in place, government, in order to avoid further debts, not only prohibited further construction in 1978, but also prohibited SOGEFIHA from contracting new loans and required it to deposit all rents and other revenues at the Caisse Autonome d'Amortissement (CAA). The CAA in turn undertook responsibility to reimburse all SOGEFIHA loans. Although the cessation of construction froze SOGEFIHA's deficit as of 1978, it also entailed additional expenses such as interest during construction on 1191 units which were under construction. Most of these had been completed by 1982.

In March 1981, a plan to consolidate SOGEFIHA's debts was undertaken. It is composed of the following elements:

- A loan from the CAA - FCFA 11.3 billion at 13 percent over 16 semesters with a two year grace period.
- A loan from the CNPS (Caisse Nationale de Prévoyance Sociale) - FCFA 5 billion on the same terms
- A loan from private banks (SGBCI and the SIB) - FCFA 4.9 billion at 16.05 percent over 16 semesters with a one year grace period.

The total amount, FCFA 21.2 billion, was just enough to cover total bank overdrafts by SOGEFIHA in 1981. However, the total amount requested from government from 1982 to 1983 to cover the difference between income from rentals and lease-purchase on the one hand and debt service and maintenance expenses on the other (i.e. to attain financial equilibrium) was approximately FCFA 25.4 billion. The first and second installments of this amount have already been provided for in the 1980 and 1981 investment budgets (BSIEs) respectively. These sums have in turn come from the Fonds de Soutien à l'Habitat (FSH) and will most likely continue to come from this source. As of September 30, 1982, SOGEFIHA's total domestic debt was FCFA 23 billion of which the consolidation loans composed 91 percent, while the external debt, or debt to foreign lenders, totaled FCFA 29.5 billion for a total overall debt of FCFA 52.5 billion.

According to the assumptions of the Consolidation Plan, financial equilibrium is expected near the end of 1987. Since the future of SOGEFIHA is essentially dependent on the success of the Plan, any activity to recommence construction should probably await its outcome.

B. SICOGI

1. General

SICOGI (Société Ivoirienne de Construction et de la Gestion Immobiliere) was created in 1965 based on the merger of two previous public housing corporations. A state corporation 'd'économie mixte' (the government has 54 percent of the capital), SICOGI is administered by a Board of Directors composed of 12 members. The objectives of SICOGI are quite similar to those of SOGEFIHA before 1979 -- i.e. to build low and middle income housing for rental and lease-purchase. In the case of SICOGI, however, the Society has the authority to call for tenders based on technical and financial feasibility studies which include total cost of construction, financing, and overhead. It is also responsible for the maintenance of the units and common areas for which it charges 2.1 percent of construction

costs and 10 percent of rents, respectively. According to its statutes, SICOGI must be financially self-supporting; its revenues must cover its total management, maintenance and debt servicing costs.

2. Performance

Annex 1, Tables 11 and 12, show that SICOGI has also made a significant contribution to the government's social housing program. As of September 30, 1981, it had built a total of 35,134 units with 26,823 (76.2 percent) in the 'economic' or social category and 8,311 (23.8 percent) in the middle income (moyen and bon standing) category. In producing these units, SICOGI also managed to achieve the following:

- controlled costs of construction to the extent that between 1972 and 1979 SICOGI costs rose 54 percent vs. 103 percent in the sector overall;
- progressively improved the quality of construction based on an efficient system of construction supervision;
- obtained economies of scale by standardizing units in large projects; and
- established an annual investment program composed of the total production cycle.

These achievements allowed SICOGI to increase its capacity from an average annual production of 2,200 units between 1974 and 1977 to over 5,000 units in 1978/79. At the same time, in spite of the progressive increase in its stock, SICOGI managed to reduce its private arrears rate from 7.1 percent of the total amount due in 1973 to 1.1 percent in 1980/81 (Annex 1, Table 13). This progress was due mainly to the computerization of accounts in 1977 and the 'closing' of apartments of those substantially in arrears.

In achieving its production while keeping rents low enough to be affordable by moderate income groups, SICOGI received two basic subsidies from the government:

- Exoneration from the value-added tax (TVA); and
- Land and infrastructure subsidy for social housing projects from SETU with financing from the FSH.

Up to September 1979, the total infrastructure subsidy amounted to FCFA 6.9 billion out of a total investment of FCFA 43.7 billion. After this time, the FSH was transferred from the BNEC to the general budget. Due in part to this lack of access to FSH funds,

and government restrictions on construction, SICOGI's output fell off drastically to 1,160 units in 1979/80 and 1,356 units in 1980/81.

In spite of the decline in production, SICOGI's staffing remained roughly the same from 1980 to 1981 (a total of 1,204 vs. 1,239, respectively). SICOGI is divided into the "Direction Générale" and four departments staffed as follows:

Year	Direction Générale	Finance	New Projects	Project Management	Project Maintenance
1978	-	41	34	97	697
1979	-	46	27	98	736
1980	81	53	31	106	894
1981	98	63	35	105	896

The main growth in staffing has occurred in the Direction Générale and Project Maintenance due principally to the addition of an internal audit service in the former and increased project maintenance in the latter.

In addition to construction contracting, another area where SICOGI has more control than SOGEFIHA is the fixing of rents and allocation of units. As mentioned above, rents are calculated on an economic basis to cover construction costs, overhead and financial charges. However, with the exception of an AID/HG project (Koumassi Nord-Est), rents are not adjustable leading once again to heavy subsidies for those occupants of older units. While rents of social units vary between FCFA 25,000 to 40,000, free market rents are often substantially higher for equivalent units. Although there is a waiting list of some 25,000 for SICOGI units, there is no control over actual occupants. This situation leads to a degree of subletting in well located buildings (also in SOGEFIHA flats) which is difficult to estimate.

Once rents are fixed based on economic costs, minimum eligible salaries are determined at four times rents, i.e. a maximum rent/income ratio of 25 percent. While SICOGI does not enter directly into the allocation process of social units, it submits all eligible applicants to the CNAL which makes the final selection. To assure affordability for its middle income units, it sells them directly for cash or through tenant-purchase schemes.

SICOGI also administers LOGEMAD, the government agency which leases units mainly for upper level government officials and teachers. Thus, a certain number of SICOGI production is reserved from each project for this group. The government, however, has recently decided to discontinue these leases giving a housing allowance instead. While the percentage allowance has not as yet

been decided, it will be far less than the lease amounts (perhaps one-third to one-half). Although it is difficult to predict the impact of this action, it seems that to the extent that SICOGI rents are above the housing allowances, there will be greater pressure on existing social units at lower rents.

3. Finance

According to a review of SICOGI accounts between 1976 and 1980 undertaken by the World Bank in a 1981 study of public enterprises, the financial situation of SICOGI has evolved as follows:

- Overall revenue grew at an average of 25 percent per year;
- Finance charges grew at a very high rate since 1978 (52 percent in 1979, 106 percent in 1980) due principally to heavy advances from the CAA, the main lender of funds to SICOGI since the transfer of the FSH to the general budget. (In 1980/81 finance charges were FCFA 2.8 billion for a total medium and long-term debt of FCFA 39 billion, or a rate of 7.3 percent.)
- The society continued to operate at a surplus that grew regularly up to 1979. In 1980 finance charges reduced the operating surplus by 40 percent.
- Although the growth in the volume of medium and long-term debt was greater than that of "fonds propres", the financial autonomy of SICOGI remained intact. Given the slow down of construction programs, the Society's long-term debt should become stabilized.
- Revolving funds, which were slightly positive in 1977, fell off in 1978 becoming negative (by FCFA 4 billion) in 1980.
- Total "fonds propres" could finance 29 percent of total fixed assets in 1980 versus 37 percent in 1977.

In spite of the last three items, the financial structure of SICOGI remains solid. "Fonds propres" have financed roughly 20 percent of investment with middle- and long-term loans making up the remainder, a ratio which has allowed SICOGI to retain a balanced financial structure.

4. Prospects

Traditionally, the social housing program of SICOGI was financed by low interest loans from the FSH which was managed by BNEC from 1976 to 1979. Due to the transfer of the FSH from BNEC to the general budget in 1980, SICOGI could only start 192 social units in 1980. Without the FSH, the Society has been forced to borrow at

market rates (13 percent) mainly from the CCI and CAA (FCFA 3.2 billion outstanding balance as of 12/31/81), thereby substantially reducing its overall investment program in relation to its capacity. Thus, the future of SICOGI would seem to depend in great part on future government policy regarding the long-term finance of social housing.

C. SETU

1. General

SETU (Société d'Equipement des Terrains Urbains) was created in December 1971 as a public enterprise with the primary objective of acquiring and developing land for residential and other urban uses. In 1980 under Decree No. 80-1251, SETU was reclassified as a Public Industrial and Commercial Corporation under the direction of the MCU for technical matters and the Ministry of Economy and Finance for financial matters. Up to now, SETU's operations have been carried out mainly within the urban perimeter of Abidjan (le Zone d'Aménagement Différé) with the exception of two operations for SOGEFIHA and the development of several industrial zones in interior cities. In addition to its land development activities, SETU also undertakes primary drainage and sewerage schemes in Abidjan. The remainder of this section, however, will be concerned with its performance in residential land development. (Annex 1, Table 14, shows the organization and staffing of SETU.)

2. Performance

SETU's operation can be classified into two major categories: (1) development of vacant land (zones d'extension), and (2) the improvement of existing urban areas (zones de restructuration). In the first category the various types of development can be broken down as follows:

- residential subdivisions: 800 - 1500m^2 plots;
- 'évolutif' subdivisions: 500 - 600m^2 plots;
- minimally serviced subdivisions (LEMs): 100 - 200m^2 (leased to allottees and managed by SICOGI);
- social housing blocks: 4 to 5 hectares (mainly for SICOGI and SOGEFIHA);
- commercial housing blocks for private developers;
- neighborhood centers: 600 - 2000m^2, mainly for markets and/or small workshops;
- land for community facilities: schools, clinics, etc.; and

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- industrial zones for small and medium sized industry.

Since it began operations in 1974, SETU has developed a total land area of 1,545 hectares (it has another 749 in the design stages) for a total of 10,813 plots. Of these, 4,154 were in the LEM category while 4,223 were in the "évolutif" subdivision category which is planned for up to 5 units per plot. Also, 444 hectares of the 571 developed for the government housing corporations were for social housing, the infrastructure for which is financed by the FSH.

The area improvement program restructuration is a recent activity which SETU has undertaken as part of a joint USAID/HG - World Bank urban development project. The work consists of the following elements:

- regularization of property titles;
- realignment and/or construction of streets;
- installation of water, sewerage, drainage, and electricity networks; and
- clearing and/or acquisition of land for construction of community facilities.

At present, SETU is carrying out area improvement operations in:

- Abobo - Gare (112 hectares)
- Adjame (42 hectares)
- Peliemville (27 hectares)
- Port-Bouet II (40 hectares)

Annex I, Table 16, gives the average costs per m^2 for major SETU residential operations from 1974 (FCFA 1550/m^2) to 1980 (FCFA 2276/m^2). While one operation in 1979 (Koumassi Nord Est - 2 eme Tranche) ran as high as CFAF 4200/m^2, SETU officials estimate that average residential plot costs in 1982 are around FCFA 3500/m^2; "évolutif" lot costs are FCFA 2900/m^2 and LEM costs are approximately FCFA 2100/m^2. Since all SETU plots are fully serviced, the major cost differences are due primarily to size and the standard of services.

The cost of land is not a major factor in the cost differentials since, according to the Law of March 20, 1963 on alienation of land rights, there is a fixed formula for the acquisition of land:

compensation for crops (presently about FCFA 400,000/ha), compensation for the land itself (an average of FCFA 300,00/ha), and a grant of a 500 - 600m^2 fully serviced plot presently estimated at FCFA 1.5 million. Thus, the total cost of acquiring raw land in Abidjan is approximately FCFA 2.2 million per hectare or FCFA 220 per m^2. The remaining amount from FCFA 2000 to 3000 per m^2 depending on the type of plot, is the total cost to SETU of improving the land. These costs include all design studies, physical works, finance costs, a reserve fund and a SETU fee of 5.93 percent of total costs (Annex I, Table 17). Even at a cost of FCFA 2,500 to 3,500 per m^2, however, it was seen in the section on land analysis that the average market price of land in low-income areas can be twice as high while that in higher income areas can be ten times as high.

The fact that SETU only charges the cost price for improved plots puts a very high premium on its projects. The method of allocation of SETU plots, however, does not take into account this premium. All applicants for SETU plots are referred to the Urban Lands Department (DCDU) of the MCU where the National Allocation Commission (CNA) allocates them directly to applicants. Due to the high level of demand and limited supply of plots, there is great pressure on the Commission and ample room for favoritism in the process. The process itself is described in detail in the section on the MCU. The last time the Commission met was in early 1980 when it allocated several projects, some before construction had started. Thus, presently all residential plots in SETU projects, even those under construction, have been allocated.

3. Finance

SETU finances its operations in three ways:

- New developments are financed principally through long-term loans, bank overdrafts and receipts from allottees;
- Land developed for social housing built by SICOGI, SOGEFIHA and LEM schemes have been financed out of the FSH. This includes counterpart funds for the AID/World Bank Urban Development Project (PDU); and
- Development of land for community facilities is financed by government.

The "Caisse Autonome d'Amortissement (CAA)" 82 National Sinking Fund is presently SETU's major creditor. Beginning in 1974, it has lent SETU FCFA 1.4 billion at terms ranging from 8 percent for 12 years with two years of grace to 10 percent for 10 years with two years grace (1978). In addition, SETU has recourse to FCFA one billion of overdrafts per year with the CAA and several commercial banks. SETU's draft Annual Report for 1981 shows that the ceiling has been passed in each year from 1978 to 1980 (no figures were

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available for 1981) with an overdraft of FCFA 1.4 billion recorded for 1979.

Most significantly for the financing of SETU, however, is the evolution of receipts versus expenditures. In 1974, the ratio of receipts to expenditures was 97 percent (Annex 1, Table 18) but instead of increasing in order to accumulate a surplus, it has dropped steadily (except for 1979) until by the end of 1981 it was 16 percent. This situation combined with the reduced overdraft facility has led to a chronic shortage of funds and a sharp curtailment of SETU activities. In 1981, for example, only one new operation was undertaken (Riveria Zone III) and three major operations were postponed. The only exception is the AID/World Bank PDU which has received funds from the FSH through the BSIE; FCFA 100 million in 1980 and FCFA 2,260 million in 1981.

The primary cause of the deterioration in revenue is the lack of payment by SETU's major clients. As of April 1982, outstanding debts to SETU can be summarized as follows:

	Millions of FCFA
Government	1,478
Individual Clients (581)	837
Housing Corporations	933
Businesses	273
Artisans	76
Industries	89
TOTAL	3,686

In addition, SETU has FCFA 1.9 billion in completed projects for "opérations groupées" (e.g. CNPS) which have not been allocated or for which the option has not been exercised. It can be seen that the government and the public housing corporations are the worst offenders, after which come individual clients. In an analysis of individual accounts in arrears, it was found that many allottees (9%) had paid nothing as yet for their plots - several since 1976 (Annex 1, Table 19). This is in spite of the fact that they have up to three years to pay. Of the projects analyzed, fully 69 percent were in arrears with 16 percent non-payers; the amount of arrears was roughly 55 percent of total value. Up to now, however, SETU has been powerless to enforce payment since only the National Allocation Commission can withdraw a lot for nonpayment.

SETU is attempting to overcome the shortage of development finance and the risk of long-term debt recovery through an experimental project in Niangon-Nord. This project envisages construction financing by large contractors and large downpayments

by allottees. Applicants for plots would pay 40 percent of the cost price upon application and the remainder upon receipt of the plot (after 18 to 24 months). For those applicants not selected, their deposits would be refunded. SETU staff would screen all applicant dossiers and selection would be made by a select committee "(Commission Restreinte)" especially for the project. Although the project and allocation procedures have not as yet been approved, it would seem that this formula is only a short run solution. In the present economic situation, construction companies only have a limited means of finance; and, although many plots have been reduced to $300m^2$, most middle to moderate income families do not have the CFAF 400,000 in cash, for example, to be deposited with no assurance of a plot.

4. Prospects

As long as SETU has no control over the allocation of its output, on the one hand, and means to enforce payment, on the other, it will continually be short of funds, and operation will be permanently crippled. It has planned an ambitious 1982-84 program (2,860 hectares vs. 2,340 hectares developed from 1974 to 1982); it has 3,660 hectares in reserve "(Déclaration d'Utilité Publique)" plus another 350 hectares for which it has already acquired the rights. It is questionable that it can fulfill this program from a physical point of view (one year has already gone by). Until it obtains adequate construction financing it will not be able to function at anywhere near full capacity. More importantly, it must be freed from the financial risk of plot sales and long-term debt recovery. This is a role more suited to a housing bank than a state land developer.

D. The Ministry of Construction and Urbanism (MCU)

1. General

The MCU was created by Presidential Decree No. 81-578 of July 15, 1981 along with the Ministry of Transportation and Public Works both of which had previously been part of one ministry. In general, the ministry fulfills three major roles:

- Definition and application of policy in urban development and housing, in land, in construction, and in land development;
- Overall planning and programming; and
- Control and approval of plans and projects in urban areas.

The decree details the functions of the ministry in each of these areas. In order to execute the major functions of allocation of urban land, urban planning, urban development of cities and towns, and construction of housing and buildings, the ministry is divided into six major directorates (civil servant staffing in brackets):

- Directorate of Administrative and Financial Affairs (33)
- Central Directorate of Construction (59)
- Central Directorate of Urbanism (60)
- Central Directorate of Administrative Buildings (85)
- Central Directorate of Urban Land (59)
- Central Directorate of Urban Roads (10)

In addition, there is the Office of the Minister (21) and Regional Directorates in Abidjan (60), Abengourou (23), Bouake (65), Daloa (30), Divo (27), Korhogo (18), Man (22), and San Pedro (6). The ministry also has technical authority over SOGEFIHA, SICOGI, SETU, BCET, SECI, SONITRA and professional organizations of urban planning and construction. It also has technical control over the DCGT ("Direction et Contrôle des Grands Travaux").

2. Operations

About one year before the Ministry was created, a law was passed creating urban communes and giving them the power to carry out housing and urban works. Thus, while previously the state was in charge of urban works ("Maître d'Ouvrage"), now the municipalities are and the ministry is supposed to control standards and inspect project sites. Since the municipalities do not have the technical capacity to design and execute major urban projects, however, they rely either on the MCU, one of its state corporations, the Ministry of Public Works, and/or the Ministry of Environment which was also created in 1982.

The foregoing organizations, therefore, presently seem to be in a period of transition where their roles and responsibilities are still being defined, not only at the national level but between the national and local level. For example, in the area of urban development, a basic MCU function, it was ascertained that the municipality of Abidjan was planning to undertake the development of minimally serviced plots in Abidjan through SECI ("Société d'Equipement de Côte d'Ivoire") a local public enterprise which is under the technical authority of the MCU. At the same time, however, the DCU has already drawn up site plans for 1200 plots (600-1000m^2) on 200 hectares located on the outskirts of Abidjan. Both of these initiatives are in addition to the operations of SETU which, as was seen above, presently has excess capacity.

In the housing area, it was seen that without the use of FSH funds, SICOGI operations have also declined and it too has excess capacity. However, SOGEFIHA also desires to reenter the field of urban housing construction. Thus, it seems that rather than entering

the field of physical urban development itself, the ministry should attempt to define the roles of its state corporations more specifically, delegate detailed responsibilities, and oversee the execution of these responsibilities.

3. Plot Allocation

One of the roles which has traditionally been the ministry's is the allocation of urban residential plots. The Central Directorate of Urban Land (DCDU) within the ministry has two basic roles in this regard:

- issuing provisional titles "(Arrêtés des Concessions Provisoires)" for the whole country; and
- documenting demand and processing dossiers for the allocation of urban plots by the CNA in the Abidjan metropolitan area.

The National Allocation Commission (CNA), which used to be chaired by the Prefect of Abidjan and is now chaired by the Minister of Construction and Urbanism, does not actually allocate plots but rather proposes allottees to the Minister who has final allocation authority. Applicants are usually divided into salary categories for high standard lots (FCFA 150,000 or more per month); 'economic' lots (FCFA 100-150,000 per month) and low standard lots (less than FCFA 100,000 per month).

Presently, there are some 13,000 applicants on the waiting list. To remain current, an applicant must renew his application every 18 months. Thus, there may have been more applicants, many of whom have failed to renew their applications. The DCDU makes a list of qualified applicants, mainly checking to see if an individual does not have another lot or house and has the financial means to pay for the plot. It then proposes the list to the CNA when it meets.

In practice the CNA has not met in over two years. At that time, it allocated some 2,200 SETU high standard lots and about 1,500 'economic' lots (in Abobo Gare). Although some 70 percent of the applicants earn less than FCFA 100,000 per month, there has never been an allocation of low standard or partially serviced plots since such schemes have never been carried out in Abidjan. Furthermore, there is great pressure for plots since they are being allocated at a fraction of their market price. As a consequence, the originally identified beneficiary group does not always get first priority in the selection process. This seems to be borne out by the fact that there are applicants who have been on the waiting list for over ten years, renewing their application every 18 months, but have never received a plot.

Problems of speculation, multiple allocation to one person, and the enormous arrears or non-payments are recognized by officials, in the ministry. According to DCDU officials since several official letters requesting payment have been sent without result, consideration is being given to deducting payments from salaries of delinquent government employees and arranging deductions through employers for non-government employees. If this fails, the ministry has the power to repossess the plot reimbursing any amount that has been paid. However, since the plot still belongs to the state (i.e. a "titre foncier" never issued) it would presently have to be reissued at the original cost price.

Regarding speculation, plans are underway to increase the supply of partially serviced plots (e.g. the DCU's project, with plots costing less than FCFA 500,000 for a target population earning less than FCFA 100,000 per month). While such low standard plots should not be in demand by middle to upper income families, allocation should be through a more impartial process such as a lottery among well-screened applicants truly in need of plots in order to ensure objectivity. In this manner, once awarded a plot, allottees will be more likely to stay on the plot and improve it to the necessary standards. If this is not done or the process is not started in the requisite amount of time, the law should be enforced and the plot reallocated.

V. HOUSING FINANCE

A. General

Presently, the basic characteristic of housing finance in the Ivory Coast is the chronic lack of resources, especially long-term. While this condition is linked to the general economic slowdown, it is especially critical in the housing and construction sector. One of the major sources of finance for housing is household savings. According to the latest IMF figures, while gross disposable household income increased by 45 percent from 1978 to 1981, gross household savings fell by 10 percent (from 6.7 percent of disposable income to 4.2 percent).

Table III-25 clearly indicates the trends of short, medium, and long-term credit to the economy and the building and construction sector in particular. It can be seen that while the level of short-term credit remained roughly constant, and medium-term credit dropped somewhat, there was practically a total drying up of long-term credit in 1979.[3] Prior to 1979, long-term credit to the building and construction sector was roughly a third of total long-term credit to the economy dropping to only 1.3 percent in 1979.

TABLE III-25

DISTRIBUTION OF CREDIT TO THE BUILDING AND CONSTRUCTION SECTOR
(billions of FCFA)

	1977 (DEC.)	1978 (DEC.)	1979 (DEC.)	1980 (DEC.)	1981 (JUNE)
Short-term	35.8	40.8	31.5	41.0	43.5
(% of Total)	(9.9)	(10.3)	(7.5)	(9.1)	(8.8)
Medium-term	12.8	21.0	8.3	9.7	13.7
(% of Total	(14.6)	(17.4)	(5.2)	(4.3)	(9.0)
Long-term	12.1	13.6	0.75	0.88	2.1
(% of Total)	(33.5)	(33.0)	(1.3)	(1.9)	(4.6)

Source: BCEAO

3 Due to a revision in the reporting system, part of the change could be due to inconsistency of the figures over the period.

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As was seen in the case of the public housing enterprises, this situation has had a drastic effect on their operations. In the private sector also, housing has suffered. According to one large developer who has been trying to raise funds, only about FCFA 1.5 billion was presently available from commercial banks, i.e. enough to construct 100 houses at FCFA 15 million each. This condition is also prevalent for social housing construction for which banks can obtain favorable discount terms from the BCEAO (90 percent of the value at the T.E.P., 10 percent for 10 years if the house costs less than FCFA 15 million and is to be the borrower's principal residence). However, the maximum volume of loan for all uses (including potential housing loans) that a bank can discount is 35 percent of its total outstanding credits.

While this situation is characteristic of the general economic slump in the Ivory Coast, a major factor in the shortage of funds to the public housing sector is the transfer in 1980 of the FSH from the BNEC to the central budget. Table III-26 shows that the receipts of the FSH while it was under the management of BNEC were extremely important to SICOGI and SOGEFIHA operations.

TABLE III-26

HOUSING SUPPORT FUND: RECEIPTS AND EXPENDITURES (millions of FCFA)

	1977	1978	1979	1980
Receipts	9,768	12,952	15,282	15,324 a/
Expenditures:				
SICOGI	-	2,701	5,600	8,000
SOGEFIHA	-	6,833	-	4,427
Current	167	-	-	-
Capital	167	-	-	-

a/ Estimated FCFA 18 billion by BNEC

Source: IMF, Ivory Coast: Recent Economic Developments, May 1982, Table III.

When the FSH was 'budgetized' in 1981, what remained at the BNEC, FCFA 9.8 billion, was transferred to the CAA while the receipts for 1981 and 1982 have been divided between the government's recurrent budget and investment budget (BSIE). The amount transferred to the CAA, in addition to supporting the operations of the public housing enterprises, has also been used to finance development and subdivision projects for village regroupment schemes. Out of a total estimated FCFA 20 and 22 billion in 1980/81

and 1981/82 respectively, FCFA 6.6 billion was allocated to the BSIE in 1981 and FCFA 11.7 billion in 1982. The major expenditures of the FSH in the BSIE have been for the SOGEFIHA refinancing scheme (FCFA 4.956 billion in 1981 and 3.834 billion in 1982) and subsidizing interest rates on rural housing loans (FCFA 1 billion in 1981 and 2.25 billion in 1982). In addition, SICOGI received FCFA 1.33 billion for infrastructure and tenant-purchase loan subsidies, while a total of FCFA 2.58 billion was committed to the AID/World Bank Urban Development Project.

It was seen in the previous sections that in order for the public housing enterprises to regain their previous operational levels, a stable source of both short and long-term finance is required. Consideration is, therefore, being given to returning the FSH to the sector (perhaps at the end of 1983), putting it under the management of a social housing bank or a housing bank function established in an existing institution. Up to now the institution that has acted as the housing bank in the sector has been BNEC. While other institutions, mainly the CCI, have made loans for housing, BNEC has concentrated almost exclusively on housing loans and mobilizing savings for such loans. Although the decision was taken in 1980 to 'privatize' the Bank and transfer the FSH, its official conversion to a private bank has not as yet taken place and it has managed to continue its savings and loan functions. Given the key financial role that BNEC has played in the sector and the experience it has obtained in mobilizing savings and financing housing, AID undertook a separate study of BNEC. With a view to the role that BNEC could play if the FSH or any part of it was returned to its management, the following summarizes both the strengths and weaknesses of BNEC's present situation as found in the study.

B. BNEC ("Banque Nationale pour l'Epargne et le Crédit")

1. Strengths

Table III-27 shows the evolution of BNEC's savings and credit activities since 1976, its first full year of operations. On the savings side, it can be seen that the number of accounts continued to rise each year even after the FSH was transferred; until in 1982 there were seven times the number in 1977. Total deposits also continued to rise but at a lower rate after 1980, therefore, leading to a slight decrease in the average size of account. On the credit side, the number of credits authorized has also grown steadily with slower growth after 1980. After the transfer of the FSH, BNEC began to discount its loans at the BCEAO.

In the past seven years BNEC has built up substantial experience not only in loan origination (review of dossiers and credit checks) and disbursement (loans are disbursed according to the stage of construction), but also in mobilizing savings. Even before the transfer of the FSH, BNEC was one of the first institutions to undertake effective publicity campaigns to attract savings. After the

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TABLE III-27

SUMMARY OF BNEC'S SAVINGS
AND CREDIT ACTIVITIES

		Cumulative Deposits			Cumulative Credits	
Year (as of 9/30)	Staff	Number of Accounts	(Millions F) Deposits	Average Size Of Account	Number	(Millions F) Cumulative Amount
76	35		688		36	11
77	54	7 500	900	120 000	81	
78	69	12 300	1 360	110 000	168	1 000
79	102	23 400	3 380	144 000	517	4 000
80	124	34 000	4 750	140 000	1 251	9 900
81	125	43 000	5 858	136 000	1 520	12 000
82	"	52 580	6 678	127 000	1 830	14 700

Source: PADCO Report, October, 1982.

transfer of the FSH, these campaigns were intensified. Thus, in spite of increased competition, rumors that BNEC was to be dissolved, and a general economic slowdown, total savings continued to increase. BNEC has, therefore, played a key educational and development role (similar to the BNDA in the rural sector) in the increase of small savings in the economy. Furthermore, according to its 1981 accounts, its "fonds propres" represented 23 percent of total assets, compared to 13.5 percent for the "Crédit de Côte d'Ivoire" (CCI).

2. Weaknesses

While BNEC's strengths are based on its experience in attracting savings and originating loans, its present weaknesses are based more on its actual operations. For example, its gross margin has been affected by the fact that rates on savings have increased from 5.5 percent in 1977 to 9.5 percent in 1982 while old loans are still earning the low rate of 8.5 percent. More importantly, the rate of loan accounts in arrears more than one month has increased from 13 percent in 1979/80 to 25 percent (FCFA 629 million) in 1981/82.

The reasons for this high rate of arrears are related to a more serious threat to BNEC's finances, i.e. the fact that some 75 percent of construction and purchase loans are for rental housing, the rent for which is considered as the means to reimburse the loans. For example, fully 20 percent of BNEC's loans are repaid by LOGEMAD deposits of lease funds for civil servants directly into the borrower's account. The fact that LOGEMAD has not paid any rent since March 1982 has, therefore, led to a temporary increase in payments arrears. More significantly, however, is the government's decision to suspend the leases for a substantial portion of civil servants substituting housing allowances instead. This will obviously have a serious effect on future repayments of BNEC loans. This reform of the civil servant rent system will most likely lead to a decrease in demand for rental housing and/or a demand for cheaper rental housing resulting in a lowering of rents perhaps below present mortgage payment levels. On the other hand, greater pressure could be put on lower standard, social housing raising rents for this category, perhaps displacing some tenants until more of such units are built.

BNEC is also threatened by a fundamental imbalance in its resources. Presently, it has no long-term resources, except for the discount facility at the BCEAO which reached the maximum allowed (FCFA 3.56 billion) in August 1982. Thus, essentially BNEC is borrowing short and lending long. According to the report, this absence of long-term capital constitutes the principal weakness of BNEC.

Thus, while BNEC's strengths are based on its reputation and experience as a savings and housing credit institution, its weaknesses have been basically caused by circumstances outside its control (i.e. a lack of long term resources due to the transfer of the FSH and a major risk in debt recuperation due to the administrative reform of

public leases). It would seem, therefore, that if the FSH were to be returned to the sector, BNEC, if it remains a public enterprise, would be the most experienced manager, perhaps with directives from a high level committee composed of representatives of the Ministries of Finance, Construction and Urbanism, and Interior. On the other hand, if BNEC becomes a private bank, the threat of increased arrears, if not defaults, combined with its present lack of long-term resources could force the institution to suspend disbursements on existing loans, thus crippling what is presently the country's only housing bank.

ANNEX

SUPPLEMENTARY DATA
(In French)

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TABLE 1

Côte d'Ivoire: Produit Intérieur Brut par Origine 1977-1981

(En milliards de francs CFA aux cours actuels)

	1977	1978	1979[a]	1980	1981
			Provisiore		Est.
Agriculture, élevage, sylviculture et pêche	380,2	455,9	491,8	582,8	639,4
Secteur secondaire	294,1	355,5	451,5	505,3	535,3
Industries de manufacture et d'extraction, dont:	170,1	192,1	238,2	271,1	305,3
Raffinerie du pétrole	(...)	(...)	(...)	(31,9)	(36,3)
Production de pétrole non-raffiné	(--)	(--)	(0,3)	(2,9)	(15,8)
Electricité et eau	17,5	18,2	23,4	39,2	41,2
Bâtiments et travaux publics	106,6	145,2	189,9	195,0	188,8
Secteur tertiaire	865,0	971,6	1 056,9	1 128,4	1 180,2
Transports	97,7	134,8	152,3	176,0	189,0
Services commerciaux	527,3	550,5	564,4	548,9	543,8
Services non-commerciaux	122,8	160,5	197,1	242,7	272,5
Droits de douane et taxes	117,2	125,8	143,1	160,8	174,9
Produit intérieur brut (PIB)	1 539,3	1 783,0	2 000,2	2 216,5	2 354,9
Population (en milliers)	7 300	7 563	7 900	8 240	8 600
PIB par habitant (en milliers de francs CFA)	210,9	235,8	253, 2	269,0	273,8

[a] Sur la base des Budgets Economiques. Les comptes Nationaux Provisoires pour 1979 indiquent le PIB à 1 994,7 milliards de francs CFA, avec un taux de croissance réel de seulement 1,9 pour cent.

Sources: Les Comptes de la Nation, 1977-1978; et Budgets Economiques.

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TABLE 2

Côte d'Ivoire: Index de la Production Industrielle, 1979-1981

(1979 = 100)

	1979	1980					1981	
		Premier Trimestre	Deuxième Trimestre	Troisième Trimestre	Quatrième Trimestre	Année	Premier Trimestre	Poids en Index
Exploitation miniére	68,7	61,1	55,0	26,7	53,9	49,2	27,7	3,69
Produits céréaliers	142,7	366,6	288,5	90,2	138,8	206,1	502,6	9,31
Conserves	105,2	134,8	96,4	92,3	122,1	111,4	136,8	7,08
Boissons	119,2	147,8	120,4	109,0	132,6	127,5	98,5	3,57
Matiéres grasses alimentaires	102,7	131,5	175,1	121,1	93,4	130,3	97,8	4,50
Autres produits alimentaires et tabac	100,8	122,8	217,4	141,2	165,6	153,4	227,4	6,98
Textiles et confection	104,1	153,6	101,4	87,3	113,0	113,8	149,6	16,52
Cuirs et chaussures	91,5	105,6	93,7	89,5	116,2	101,2	121,1	1,00
Produits du bois	100,6	86,7	102,8	93,7	101,1	96,0	111,4	4,33
Produits pétroliers	114,3	118,2	123,0	120,9	157,7	130,0	108,9	5,26
Produits chimiques	112,3	134,7	128,9	103,6	116,4	121,0	118,3	7,76
Caoutchouc et sous-produits	97,6	92,7	80,8	84,7	99,8	89,5	89,1	0,41
Matériaux de construction et verre	133,2	142,4	150,7	149,4	137,4	145,0	152,0	2,89
Transformation de métaux	113,7	182,5	169,5	168,7	80,0	150,1	104,0	0,56
Matériaux de transport, autres que des réparations	85,5	126,8	128,2	100,5	123,8	119,8	116,7	4,35
Autres mécaniques et électriques	110,1	121,0	118,3	109,6	107,3	113,3	119,9	7,40
Produits du papier et divers	109,9	128,6	118,5	119,9	124,5	122,9	127,6	3,27
Energie Electrique et eau	119,6	133,0	129,0	112,6	130,9	126,3	144,8	11,12
Total	111,5	158,1	129,0	105,1	121,5	128,4	166,5	100,00

Source: Ministére du Plan et de l'Industrie.

TABLE 3

Côte d'Ivoire: Paiements du Service de la Dette Extérieure

	1977	1978	1979	1980	1981
				Estimations Officielles Préliminaires	
	(en millions de dollars U.S.)[1]				
Remboursements de la dette extérieure publique et des emprunts garantis par le gouvernement[2] (A)	290,6	415,3	567,9	939,4	901,3
Intérêts	(99,7)	(171,1)	(250,1)	(392,3)	(407,8)
Principal	(190,9)	(244,2)	(317,8)	(547,1)	(493,5)
Exportation de produits et de services (B)	2 778,9	3 071,7	3 329,7	3 469,7	2 990,8
Produits (f.o.b.)	(2 411,8	(2 616,1)	(2 719,0)	(2 773,3)	(2 362,9)
Services	(367,1)	(455,6)	(610,7)	(696,2)	(627,9)
	(en pourcentages)				
Taux du service de la dette (A/B)	10,5	13,5	17,1	27,1	30,1
A noter:	(en millions de dollars U.S.)				
Paiements due service de la dette publique et de la dette garantie par le gouvernement, á l'exclusion des quatre multinationales non-domiciliées en Côte d'Ivoire[3] (C)	283,3	398,9	545,3	880,3	859,8
Intérêt	(98,1)	(166,2)	(240,2)	(373,9)	(392,7)
Principal	(185,2)	(232,7)	(305,1)	(506,4)	(467,1)
	(en pourcentages)				
Taux du service de la dette (C/B)	10,2	13,0	16,4	25,4	28,7

1 Convertis a partir de francs CFA selon les taux de change indiqués en Annexe Table L1.

2 Dette gérée par la CAA plus la dette non-gérée par la CAA.

3 Air Afrique, CIMAO, S.M. de Bitumes, et Conseil de l'Entente.

Source: Table L de l'Annexe de Ivory Coast - Recent Economic Developments.

TABLE 4

Côte d'Ivoire: Balance des Paiements, 1977-1981

(en milliards de francs CFA)

	1977	1978	1979	1980	1981
Exportations (f.o.b.)	592,5	590,3	579,6	586,0	642,0
Importations (f.o.b.)	392,3	461,4	475,6	506,0	537,0
Bilan du commerce extérieur	200,2	128,9	104,0	80,0	105,0
Services (net)	-169,5	-212,1	-271,7	-319,0	-376,5
dont: intérêts sur la dette publique extérieure	(-24,1)	(-37,5)	(-54,7)	(-79,0)	(-106,5)
Transferts (net)	-73,7	-94,2	-114,2	-128,7	-141,0
dont: envois de fonds pour salaires	(-84,7)	(-103,4)	(-120,0)	(-139,0)	(-149,6)
Bilan des comptes courants	-43,0	-177,4	-281,9	-367,7	-412,5
Capitaux non-monétaires (net)	93,8	207,7	164,2	205,0	272,0
Capitaux publics	111,0	172,7	148,2	182,0	242,2
dont: emprunts officiels bruts	(191,4)	(232,5)	(226,2)	(290,8)	(365,2)
Capitaux privés	-17,2	35,0	16,0	23,0	30,0
Capitaux monétaires (net)	-15,6	10,3	70,5	26,3	-10,0
DTS (Droits de Tirage Spéciaux)	--	--	2,2	2,0	2,5
Erreurs et Omissions	-6,0	-10,4	-23,4	--	-1,5
Bilan définitif	29,2	30,2	-68,4	-134,4	-149,5

Source: Table XLV de l'Annexe de Ivory Coast - Recent Economic Developments.

TABLE 5

Côte d'Ivoire: Sélection d'Indicateurs dans la Compatibilité

	1977	1978	1979	1980	1981
			Provisoire		Est.
		(Difference en pourcentages)			
Produit Intérieur Brut (PIB)					
PIB Nominal	38,2	15,8	12,2	10,8	6,2
PIB Réel	4,7	9,9	5,2	6,3	1,4
Secteur Primaire	(-3,0)	(4,9)	(...)	(9,6)	(6,2)
Secteur Secondaire	(16,8)	(14,8)	(...)	(3,5)	(-3,5)
Secteur Tertiaire	(4,0)	(12,3)	(...)	(6,1)	(1,2)
Revenu intérieur réel[1]	20,6	5,1	4,6	---	
		(Pourcentage du PIB)			
PIB par origine					
Secteur Primaire	24,7	25,6	24,6	26,3	27,2
Secteur Secondaire	19,1	19,9	22,6	22,8	22,7
Secteur Tertiaire	56,2	54,5	52,8	50,9	50,1
Utilisation des ressources					
Consommation	66,4	71,1	74,2	77,6	79,7
Privée	(52,8)	(54,8)	(57,2)	(59,9)	(61,8)
Publique	(13,6)	(16,3)	(17,0)	(17,7)	(17,9)
Investissement Brut Planifié	25,8	29,7	28,3	26,7	26,2
Epargne Nationale Brute	25,3	19,7	15,6	11,1	8,3
Ecart de l'Epargne	0,5	10,0	12,7	15,6	17,9

[1] PIB réel ajusté aux termes de l'échange.

Source: Table I et II de l'annexe de Ivory Coast - Recent Economic Developments.

TABLE 6

PRODUIT INTERIEUR BRUT

1. Evolution en Côte D'Ivoire, de 1960 à 1979

Années	PIB Total (milliards) F CFA	Secteur secondaire (% du total)			Population	PIB par tête (F CFA)
		Industrie	Bâtiment + TP	Total secteur secondaire		
1960	143	10%	5%	15%	3,740,000	38,180
1961	161	11%	6%	17%	3,880,000	41,640
1962	168	12%	6%	18%	4,020,000	41,840
1963	198	12%	5%	17%	4,180,000	47,360
1964	240	12%	5%	17%	4,340,000	55,290
1965	240	13%	6%	19%	4,500,000	53,240
1966	258	15%	6%	21%	4,670,000	56,900
1967	276	16%	6%	22%	4,850,000	56,900
1968	326	15%	6%	21%	5,030,000	64,900
1969	366	16%	5%	21%	5,220,000	70,030
1970	415	16%	8	24%	5.420,000	76,580
1971	440	17%	9%	26%	5,640,000	77,930
1972	472	19%	8%	27%	5,830,000	80,930
1973	566	17%	7%	24%	6,160,000	91,990
1974	739	18%	6%	24%	6,440,000	114,680
1975	835	15%	7%	22%	6,710,000	124,300
1976	1,114	13%	7%	20%	6,980,000	159,500
1977	1,539	12%	7%	19%	7,270,000	211,800
1978	1,783	12%	8%	20%	7,563,000	235,700
1979	1,945	13%	8%	21%	7,870,000	247,100
1980	2,216	14%	9%	23%	8,240,000	269,000
1981	2,355	15%	8%	23%	8,600,000	273,800

Source: Statistiques Economiques Ivoiriennes 1981, Chambre d'Industrie de Côte d'Ivoire, Juillet 1982 for years 1960-1979.

IMF, Ivory Coast -- Recent Economic Development, May 1982; for 1980 and 1981.

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TABLE 7

EVOLUTION DU CHIFFRE D'AFFAIRES: SECTEUR BATIMENT ET TRAVAUX PUBLICS

ANNEES		PROGRESSION D'UNE ANNEE SUR L'AUTRE
1965	18 Milliards F CFA	
1966	17 " "	
1967	15 " "	
1968	20 " "	
1969	20 " "	
1970	33 " "	+ 67%
1971	43 " "	+ 28%
1972	47 " "	+ 10%
1973	60 " "	+ 27%
1974	68 " "	+ 14%
1975	107 " "	+ 56%
1975-76	133 " "	+ 25%
1976-77	218 " "	+ 64%
1977-78	309 " "	+ 42%
1978-79	349 " "	+ 13%
1979-80	327 " "	- 6%
1980-81	267 " "	- 18%

Source: Statistiques Economiques Ivoiriennes 1981, Chambre d'Industrie de Côte d'Ivoire, Juillet 1982.

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TABLE 8

Côte d'Ivoire: Résumé des Revenus de l'Etat1/
(en millions de francs CFA)

	1977	1978	1979	1980 Prov.	1981 Est.
I. Impôts sur le revenu et les bénéfices	40,856	55,545	61,410	63,718	75,885
I.I des individus	20,193	27,100	29,313	30,742	36,995
I.2 des sociétés	18,650	25,724	29,375	29,937	33,510
I.3 autres	2,013	2,721	2,722	3,039	5,380
2. Cotisations à la prévoyance sociale	13,153	23,286	26,830	30,281	30,642
3. Cotisations à la charge de l'employeur	21,266	27,446	34,834	37,440	38,185
4. Impôts sur la propriété	5,636	7,929	8,951	10,735	11,286
4.I Impôts fonciers	2,067	2,695	2,850	3,557	4,786
4.2 Impôts sur les transactions financières	3,569	5,234	6,101	7,178	6,500
5. Impôts indirects sur les biens et les services	67,809	91,134	106,371	124,217	136,613
5.I Impôts généraux	26,690	36,185	40,727	48,890	49,475
5.2 Taxes indirectes	23,438	28,794	34,011	43,073	50,668
5.3 Impôts sur les services	14,261	22,771	27,439	27,841	31,245
5.4 Impôts sur l'utilisation des biens et de la propriété	3,420	3,384	4,194	4,413	5,225
6. Impôts sur le commerce international et les transactions	176,646	181,974	187,707	216,502	247,775
6.I Droits à l'importation	129,777	139,524	143,191	163,206	193,075
6.2 Droits à l'exportation	46,869	43,450	44,516	53,296	54,700
7. Autres impôts 2/	5,535	4,927	5,452	5,043	-3,550
Montant total de l'impôt	330,901	392,241	431,555	487,936	536,836
8. Revenus non-fiscaux	250,043	204,511	198,463	131,450	66,142
Cotisations de la CSSPA	239,100	179,400	156,700	89,000	35,800
Autres 2/	10,943	25,111	41,763	42,450	30,342
Revenu total	580,944	596,752	630,018	619,386	602,978
Revenu total de l'impôt (sans la Sécurité Sociale)	317,748	368,955	404,725	457,655	506,194

Côtisations à la Sécurité Sociale	13,153	23,286	26,830	30,281	30,642
Côtisations à la CSSPA	239,100	179,400	156,700	89,000	35,800
Montant total des revenus fiscaux et parafiscaux	570,001	571,641	588,255	576,936	572,636

Sources: Ministère de l'Economie et des Finances, Balance des Opérations du Trésor, Budget Général de Fonctionnement, Budget Spécial d'Investissement et d'Equipement; Caisse Autonome d'Amortissement, Rapports Annuels; et des données fournies par les autorités Ivoiriennes.

I/ D'après les définitions de la Table XXIX de l'Annexe de Ivory Coast - Recent Economic Developments.

2/ Y compris les revenus non-imputés

3/ Y compris un redressement de -5 milliards de francs CFA pour faire correspondre le total avec la dernière évaluation (novembre I98I) du revenu total des contributions en I98I. Il n'y a pas d'analyse disponible de cet écart.

TABLE 9

SOGEFIHA

HABITAT URBAIN

RECAPITULATIF

	1965 à 1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total général pour Abidjan	2,855	3,720	2,023	2,014	5,048	18	2,165	1,846	5,115	1,372	0	676
Total général pour l'Intérieur	167	30	1,651	0	87	0	612	0	0	0	0	0
Total pour la Côte d'Ivoire	3,022	3,750	3,674	2,014	5,135	18	2,777	1,846	5,115	1,372	0	676
Total cumulé	3,022	6,772	10,446	12,460	17,595	17,613	20,390	22,236	27,351	28,723	28,723	29,399

Source: SOGEFIHA.

TABLE 10

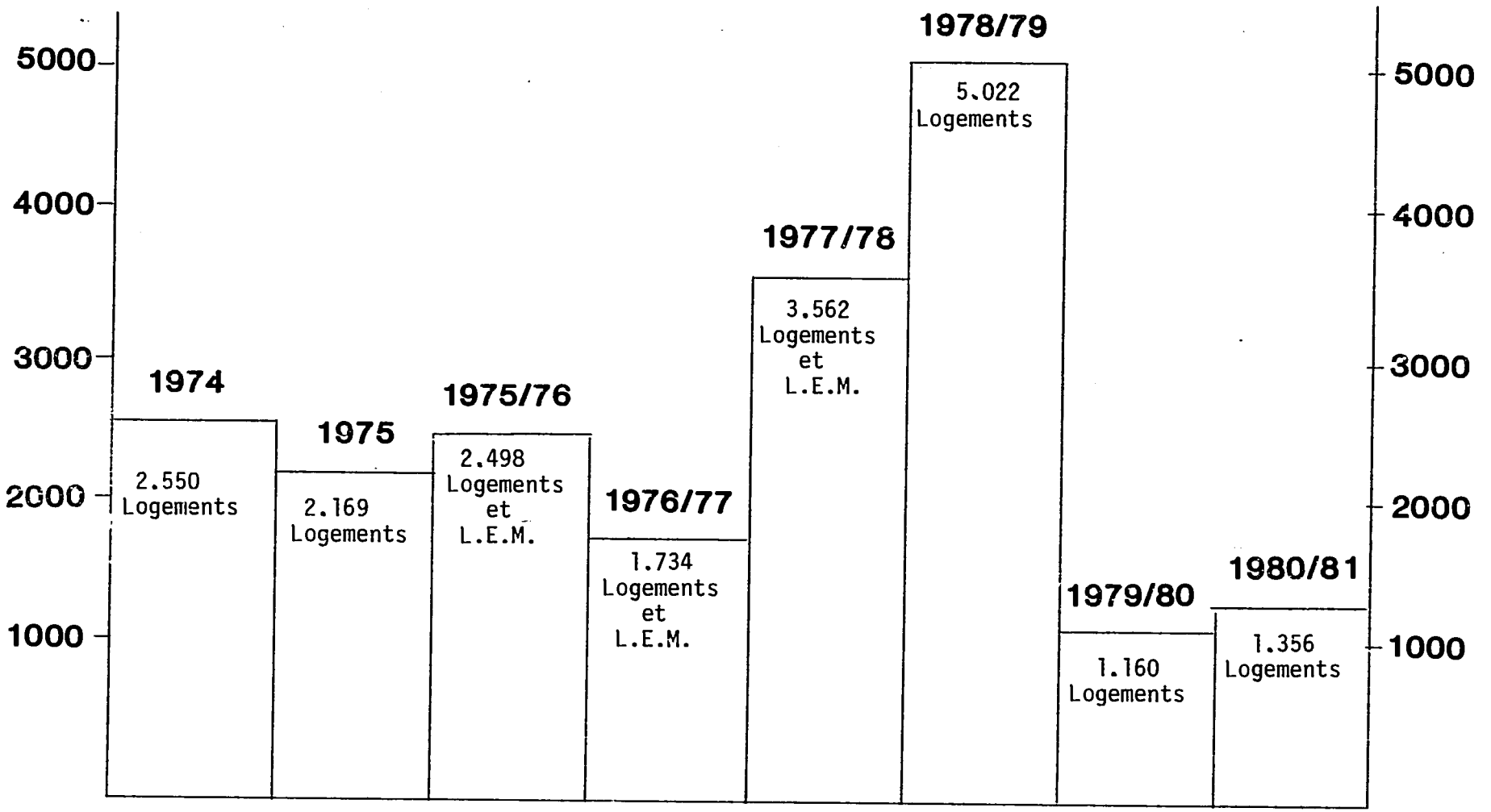
SOGEFIHA: LOYERS PRATIQUES

LOCALISATIONS	REALISATION	LOYERS PRATIQUES					
		1 P.	2 P.	3 P.	4 P.	5 P.	Duplex
YOPOUGON							
Solic I	1973		7.000	11.500	15.000	20.000	
Solic II	1974	6.000	8.400	13.800	18.000	24.000	
Siporex III	1974	6.000	8.400	13.800	18.000	24:000	
Solic III	1975-1976		9.000	14.500	19.500	--	
Solic IV (R.D.C.)	1978		12.000	14.500	19.500		
Solic V	1978		12.000	15.000	20.000		
Solic V - Siporex V (1ère tranche)	1978		12.000	21.500	28.000		
Siporex IV Immeubles (moyen standing)	1979			34.500	42.000		
Siporex IV (R.D.C.)	1979		12.000	21.500	28.000		
Solic V (NIANGON)	1981		13.000	25.000	30.000		
PORT-BOUET							
Siporex I et II	1971-1974	5.500	7.000	11.000	13.000	15.000	20.000
Siporex V (1ère tranche)	1978		12.000	18.000			
Centre Urbain Port-Bouët (moyen standing)	1978		18.000	26.000	40.000		

Source: SOGEFIHA.

TABLE 11

SICOGI: LOGEMENTS TERMINES



Source: SICOGI, Rapport Annuel, 1981.

TABLE 12

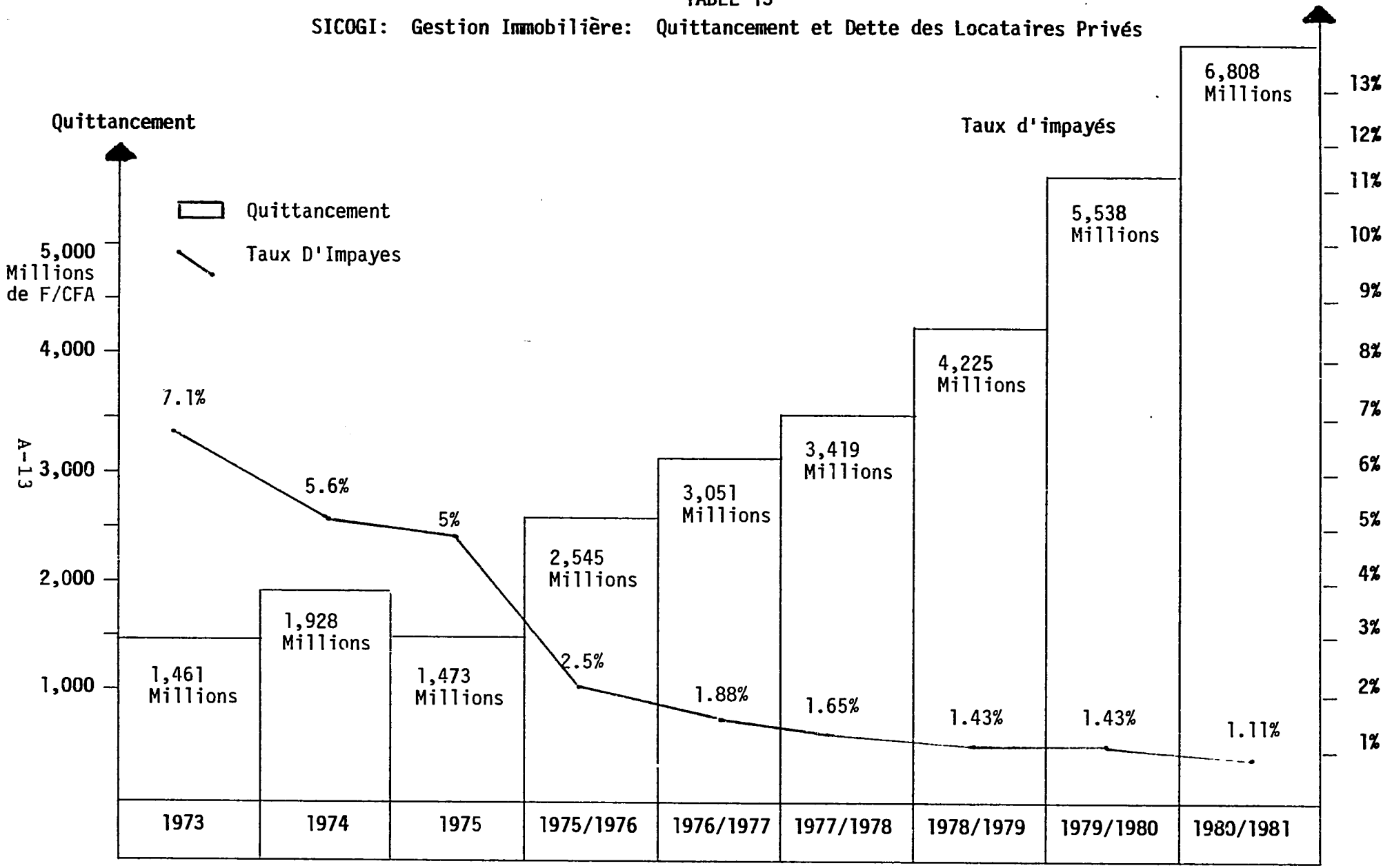
REPARTITION DES LOGEMENTS ET L.E.M. PAR CATEGORIE ET PAR QUARTIERS

CATEGORIES / QUARTIERS ET LOCALITIES	TRES ECONOMIQUES EVOLUTIFS	ECONOMIQUES ET TRES ECONOMIQUES ACHEVES	L.E.M.	COLLECTIF (A ETAGES ET RDC)	VILLAS EN A.D.P.	TOTAL
ADJAME	--	2,048	--	2,056	--	4,104
TREICHVILLE	--	2,259	--	1,057	--	3,316
MARCORY	570	1,851	--	378	258	3,057
COCODY	--	1,102	--	2,399	183	3,684
RIVIERA	--	--	--	847	128	975
KOUMASSI	112	3,806	--	268	--	4,186
PLATEAU	--	--	--	156	--	156
YOPOUGON	623	11,838	1,075	--	--	13,536
LOCODJRO	--	--	--	1	--	1
BINGERVILLE	--	424	--	100	--	524
S/TOTAL ABIDJAN	1,305	23,328	1,075	7,262	569	33,539
BOUAKE	--	632	--	339	--	971
ADZOPE	--	--	--	28	--	28
GAGNOA	--	--	--	13	--	13
ABENGOUROU	--	--	--	10	--	10
DIMBOKRO	--	--	--	12	--	12
SAN - PEDRO	--	632	--	68	--	551
LAKOTA	--	--	--	10	--	10
S/TOTAL INTERIEUR	--	1,115	--	480	--	1,595
TOTAL GENERAL	1,305	24,443	1,075	7,742	569	35,134
%	3,7	69,5	3	22	1,6	100%

Source: SICOGI: Rapport Annuel, 1981.

TABLE 13

SICOGI: Gestion Immobilière: Quittancement et Dette des Locataires Privés



Source: SICOGI, Rapport Annuel, 1981.

TABLE 14

SETU: ORGANIGRAMME

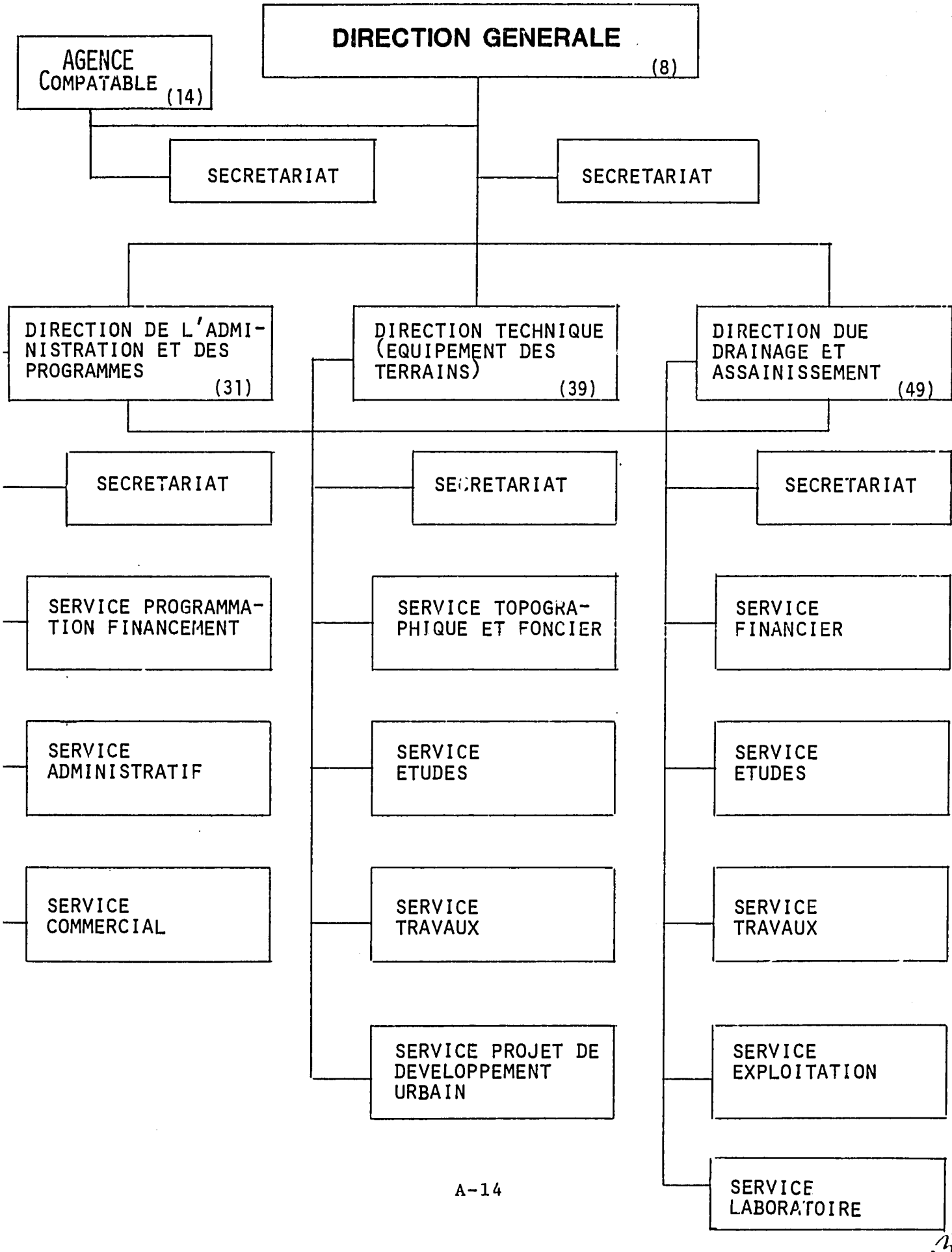


TABLE 15

SETU : OPERATIONS ACHEVEES

OPERATIONS	SURFACE (HA)	NOMBRE DE LOTS						LOGEMENTS S.I.		EQUIPT
		LR	LE	LEX	COM	ART	IND	STAND	ECO	
DEUX PLATEAUX 1ERE TRANCHE	21	196	-	-	-	-	-	-	-	-
DEUX PLATEAUX 2E TRANCHE	49	173	-	-	-	-	-	11 ha	-	-
DEUX PLATEAUX 3E TRANCHE	77	283	-	-	18	-	-	17 ha	-	5 ha
DEUX PLATEAUX 4E TRANCHE	105	273	-	-	14	-	-	32 ha	-	12 ha
DEUX PLATEAUX 6E TRANCHE	40	225	-	-	-	-	-	-	-	2,5 ha
BANCO NORD 1ERE TRANCHE	86	223	-	-	-	-	-	25 ha	41 ha	5 ha
BANCO NORD 2E TRANCHE	64	353	-	-	21	-	-	12 ha	-	8 ha
BANCO SUD	180	-	800	-	50	21	-	-	70 ha	16 ha
YOPOUGON ATTIE 1ERE TRANCHE	111	-	291	-	13	18	-	-	62 ha	6 ha
YOPOUGON KOUTE	200	-	1.259	1.063	74	19	-	4 ha	114 ha	50 ha
NIANGON SUD	525	-	1.769	2.000	84	120	-	26 ha	147 ha	60 ha
FRONT DE LAGUNE TREICHVILLE	18	-	-	-	6	-	-	-	-	1 ha
KOUMASSI N.E. 2E TRANCHE	70	207	104	1.091	45	-	-	-	10 ha	6 ha
TOTAL	1.546	1.933	4.223	4.154	325	178	-	127 ha	444 ha	171.5 ha
NOMBRE DE LOGTS/LOT		1	5	1	5	1	-	20 ha	50 ha	-
NOMBRE DE LOGEMENTS	53.745	1.933	21.115	4.154	1.625	178	-	2.540	2.220	
CAPACITE D'ACCUEIL	376.215	13.531	147.805	29.078	11.375	1.246	-	17.780	155.400	

Source: SETU, Rapport Annuel (Projet), 1981.

TABLE 16

COUTS MOYENS PAR TYPE DE LOTISSEMENT

SETU

		Coût en Millions	LR 600 à 1,500m^2	LE 600-800	LRM 100-200	COM 600m^2	ART 600-2,000	S.I.	Equip. Collect.
Deux Plateaux 1ére Tranche	1976	238	1,550						
Deux Plateaux 2éme Tranche	1977	638	1.750						
Deux Plateaux 3éme Tranche	1976	836	1,930						
Deux Plateaux 4éme Tranche	1976	1,221	2,300						
Deux Plateaux 6éme Tranche	1979	780	2,850						
Banco Nord 1ére Tranche	1978	1,264	1,650						
Banco Nord 2éme Tranche	1978	1,411	2,400						
Banco Nord 3éme Tranche	1980	1,853	2,450	--	--	2,500	--	2,900	1,500
Yopougon Koutè	1978	3,800							
Yopougon Attie 1ére Tranche	1976	1,080							
Banco Sud	1977	2,532							
Niangon Sud	1978	7,800	--	2,200	2,100	--	2,500	2,100	1,500
Riviera Zone III	1980	2,367	2,276	--	--	2,450	--	2,100	2,450
Front de Lagune Treichville	1979	430				10,885			
Koumassi Nord E. 2éme Tranche	1979	2,433	3,850 4,200	3,810				3,810	3,810

TABLE 17

NIANGON NORD 1ére TRANCHE

BILAN PREVISIONNEL

	DESIGNATION DES POSTES	COUT MILLIERS F CFA
1	Acquisitions foncières	218.000
2	Levées topographiques	40.000
3	Etudes du'Urbanisme, de VRD, et contrôle LBTP	
4	Terrassement - Voirie - Revêtement	562.000
5	Travaux d'assainissement et de drainage	556.000
6	Electricité	140.000
7	Adduction d'eau	64.000
8	Plantations	15.000
9	Divers imprévus	p.m.
10	Bornage et dossiers techniques	60.000
11	Entretien des Réseaux (2% de 4 a 7)	27.000
	Sous-Total	1.682.000
12	Frais financiers (6% du sous-total)	101.000
13	Rémunération SETU (5,93% du sous-total)	100.000
14	Fonds de Réserve (3,5% du sous-total)	59.000
	Total Général	1.942.000

Surface cessible	= 854173 m^2,	Prix moyen de cession 2.273^F	
Centre de Quartier	= 62.025 m^2 x 4000^F	=	248.100.000^F
Sociétés Immobilières E E C I	= 483.196 m^2 x 2000^F	=	966.392.000^F
Lots économiques	= 384.252 m^2 x 1500^F	=	576.378.000^F
Equipements collectifs	= 95.276 m^2 x 1586^F	=	151.130.000^F
Ecoles et lieux de culte	= 48.601 m^2		pour mémoire
TOTAL			1.942.000.000

TABLE 18

FLUX ANNUELS: RATIOS

SETU

DATE	PAYE/FACTURE	RECETTES/ FACTURES	RECETTES/ PAYE
31/12/74	57%	55%	97%
31/12/75	87%	80%	91%
30/09/76	86%	80%	93%
30/09/77	90%	63%	70%
30/09/78	72%	56%	77%
30/09/79	76%	69%	91%
30/09/80	87%	42%	48%
30/09/81	113%	18%	16%

Source: SETU, Rapport Annuel (Projet), 1981.

TABLE 19

ETAT DES CREANCES SETU AUPRES

DES PARTICULIERS

OPERATIONS	NOMBRE DE CLIENTS a/	NOMBRE DE LOTS	VALEUR DUE
BANCO SUD 1ERE TRANCHE - 1977	78	112	101.201.027
BANCO NORD 2EME TRANCHE - 1978	(8) 111	140	138.372.702
DEUX PLATEAUX 6EME TRANCHE - 1979	(38) 85	260	238.005.950
KOUMASSI NORD EST 2EME TRANCHE - 1979	(34) 75	75	143.944.780
DEUX PLATEAUX 4EME TRANCHE - 1976	(4) 56	56	57.172.755
DEUX PLATEAUX 1ERE TRANCHE - 1974	25	25	10.031.879
DEUX PLATEAUX 3EME TRANCHE - 1976	31	31	27.730.457
YOPOUGON ATTIE 5EME TRANCHE - 1976	(3) 33	33	22.057.263
DEUX PLATEAUX 2EME TRANCHE COMPL. - 1977	(4) 13	30	26.699.650
DEAUX PLATEAUX 2EME TRANCHE - 1977	(3) 26	26	24.577.472
BANCO NORD 1ERE TRANCHE - 1978	48	48	46.816.333
TOTAL	(94) 581	836	836.610.868

a/ Chiffres entre parenthèses n'ont rien payé.

Source: SETU, Avril 1982.

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