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**HISTORY OF
RHUDO HOUSING LOAN GUARANTY PROGRAM
IN COTE D'IVOIRE**

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PREFACE

This document provides an overview of the Housing Loan Guaranty (HG) Program and related USAID-financed activities in Côte d'Ivoire over the past 25 years. The aim is to give a comprehensive account of four HG projects in Côte d'Ivoire carried out by RHUDO (Regional Housing and Urban Development Office) between 1967 and 1992, as well as examine pre- and post-Housing Loan Guaranty activities, including the ongoing Municipal Development Support Project. This report is intended to serve both as an historical record and as a useful tool to planners who will make decisions concerning future urban development operations in Côte d'Ivoire.

Many people from diverse sectors have contributed to this work. Householder-tenants and homeowners, mayors of the various cities and communities, and officials from government ministries have contributed their thoughts and recollections concerning RHUDO's activities in the housing sector in Côte d'Ivoire over the past quarter century. In addition, the staff of REDSO/WCA in Abidjan have provided considerable assistance in piecing together the chronology of RHUDO activities and have helped trace the evolution of the program. Project files, supervision documents, records from government agencies and donor agencies, and various other documents have been consulted during preparation of this report.

In June 1992, the RHUDO office in Côte d'Ivoire was officially closed; current housing sector activities are directed from the Urban Development Division of the Program Management Office in REDSO. At this juncture, a retrospective review of RHUDO's aims and accomplishments is appropriate. This review, above all, should serve to clarify how lessons learned from RHUDO's past activities can guide planning and implementation of future activities in the housing sector. As the events that have transpired over the past 25 years have been complicated by a constantly changing economic, social and political scenario, such lessons learned should not be regarded as scientifically arrayed data to be rigorously analyzed, but rather as composites that can provide planners with a broad perspective of RHUDO's achievements and their potential applicability to future urban interventions.

In recent years, Côte d'Ivoire has experienced severe economic difficulties. These problems have been reflected in decreased Government of Côte d'Ivoire (GOCI) and donor investments in housing and urban infrastructure. Decision-making concerning efficient and equitable distribution of these limited resources will involve making difficult choices. Future housing sector activities in Côte d'Ivoire should ideally focus on cost-effective interventions that have been shown in the past to be useful, replicable and sustainable.

One of the best options available is to work with existing unplanned settlements, thereby targeting limited resources to relatively large numbers of low-income urban residents. A number of unresolved issues and potential roadblocks remain: financial and land speculation, questions of land title and tenure, credit issues, subsidization, and social relations and behavior within communities.

It is now widely recognized that progress in resolving these outstanding issues is a more important and lasting contribution to the welfare of urban residents than delivering individual housing units. The RHUDO experience in Côte d'Ivoire has clearly demonstrated the need for step-by-step change, the current basis for urban planning and shelter policy. Over the 25 years of RHUDO's activities in Côte d'Ivoire, the agency has increasingly focused on providing urban residents with needed physical and social infrastructure. Recently, the emphasis has been on revenue-generating infrastructure that is financially self-sustaining. This emphasis is today accepted by GOCI and the donor community as key in efficiently improving urban dwellers' lives.

SECTION I INTRODUCTION

This paper reviews the evolution of RHUDO urban operations in Côte d'Ivoire from 1967 through the present. It analyzes these events in relation to their stated objectives and also attempts a cross-cutting retrospective to assist in formulating updated strategies for future urban investments and development activities.

RHUDO operations were financed by Housing Guaranty (HG) Loans, numbered HG-001 through HG-004. They were initiated to upgrade housing and shelter and to improve access of families to home ownership by strengthening local housing finance institutions.

Given the historical background, and rapid social, economic and administrative changes, it should be noted that these HG interventions should not be regarded as a program in the sense of a continuing and sequential series of interventions. RHUDO's HG investments took the form of discrete projects and are regarded as such in this review. These investments were limited in time and breadth, and individual projects and activities had defined, specific goals.

With the exception of ongoing activities under the Municipal Development Support Project, USAID's first Développement Fund for Africa-financed operation in the Ivorian urban sector, projects discussed in this document have been essentially completed. In reviewing them, and understanding their applicability to future shelter and municipal development activities in Côte d'Ivoire, the following questions should be addressed about each project:

- Has it satisfied its essential requirements?
- Can it be replicated?
- Has it satisfied established principles of cost recovery?
- Was it carried out with relative freedom from major upheaval on the part of institutional or administrative bodies?
- Has it made a meaningful contribution to the local economy?



Other relevant questions, more specific to the urban sector, including the following:

- What is the national strategy concerning urban growth?
- Does the national urban strategy take into account crucial economic and social considerations?
- What lengths is the country prepared to go to in order to moderate growth in the primary city?

The significance of global urbanization was recognized during the early 1970s, when it became clear that massive, rapid growth was going to place more than half the world's population in urban areas by the year 2000. Both the GOCI and donors had by then become aware of the pace and magnitude of urbanization taking place in Côte d'Ivoire. In the 1920s, only one person in 20 in Côte d'Ivoire lived in a town or city. By the 1960s, this number had become one in five. Today, approximately half of all Ivorians live in urban areas.

At the time RHUDO began its operations in Côte d'Ivoire in 1967, donor organizations and governments believed it was possible to build individual houses to remedy housing shortages for rapidly growing urban populations. RHUDO's initial strategy in Côte d'Ivoire focused on designing new, affordable approaches to urban shelter which were intended to mobilize private savings and relieve the public sector of much of the financial burden for urban services. By proposing that the urban sector could, and should, pay for itself, donors such as USAID were in effect venturing into uncharted territory. This approach of coupling housing construction with a cost-recovery mechanism formed the basis of RHUDO's first activities in the Ivorian housing sector, specifically HG-001 and HG-002. While such housing had been intended for middle-income groups, often it was only the relatively higher income groups who could afford costs associated with mortgage payments and property upkeep.

As donors began to realize that individually constructed housing projects could not meaningfully address the housing needs of Côte d'Ivoire's burgeoning low-income urban population, other approaches were tried. These interventions were conceived as low-cost housing solutions, but even so, obstacles remained that limited accessibility for the poor. The sites and services concept, an important focus during HG-003 and HG-004, required virgin land which was generally far from workplaces and made transportation expensive.

Newer approaches, incorporated into the de-authorized HG-004A and the current Municipal Development Support Project, refined RHUDO's attempts to efficiently target project benefits to low-income urban residents. These projects emphasized sustainability in both financial and human terms, concentrating on such activities as construction of income-producing infrastructure, private sector involvement in municipal service delivery, revenue enhancement activities such as improved tax collection and institution of user fees, and municipal management training.

It should be noted that attitudes toward urban development have shifted considerably over the 25 years of RHUDO's activity in Côte d'Ivoire. At the start of the HG experience in Côte d'Ivoire, the case for rural development seemed persuasive and urgent to the donor community. Migration rates to the cities rose steeply in a relatively short period of time, leading many urban specialists to think that Ivorian cities could not handle the enormous human inflow and to focus on rural development as a way to limit urban growth. Lessons learned since the 1970s demonstrate that urban economies have more resilience than was previously thought to be the case.

Contrary to what was believed in the 1970s, additional capital required to support increased basic urban infrastructure needs for urban population growth can probably be met by domestic sources. Estimated costs in the 1970s were largely based on shelter and infrastructure standards which were inherited from industrialized countries. It has since been demonstrated that appropriate standards and labor-intensive technology for production and maintenance can usually place basic urban infrastructure needs within local financing capacities. Viewpoints have also shifted in regards to subsidization: it is now recognized that the past practice of heavily subsidizing urban infrastructure is neither desirable nor sustainable. Another important fact that has emerged recently is that, while capital requirements may be initially greater in the cities than in rural areas, the return on investment is higher. It is more efficient to upgrade high density areas in cities than to attempt to improve comparable targets in rural areas.

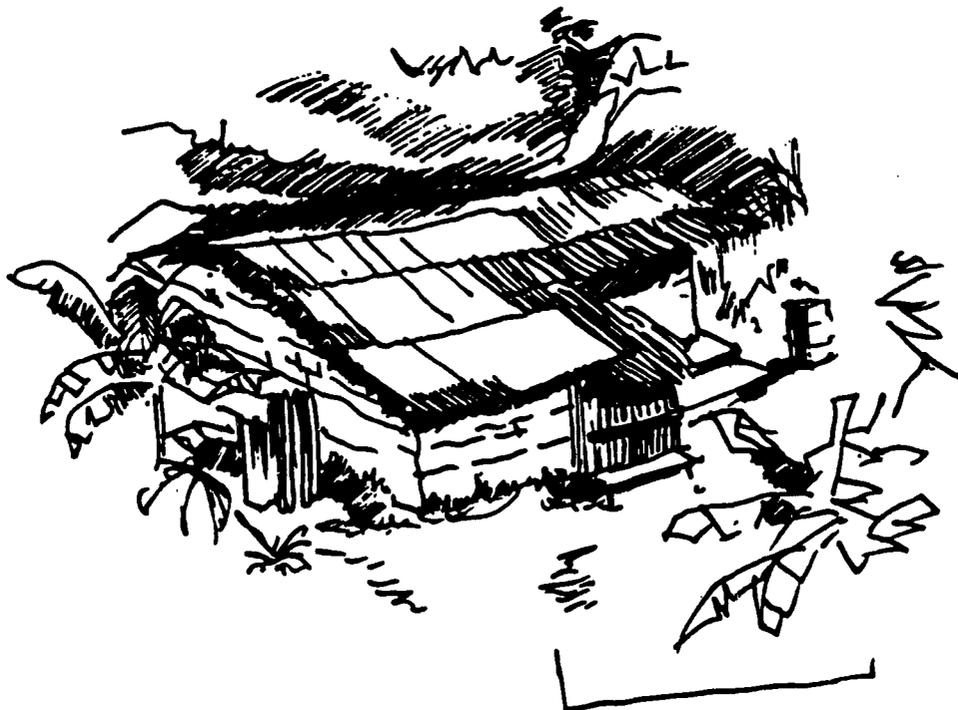
Furthermore, the urban labor market has shown itself to be more efficient in allocating resources than had previously been supposed, in contrast to rural areas, which have proven unable to absorb a sizable share of rapid labor force growth. Migration into cities has increased the net productivity of the economy by guiding labor to locations where opportunities exist for higher earnings, thereby contributing to increased economic production. In 1985, for example, Abidjan housed only 30 percent of the national population, while accounting for some 70 percent of the country's economic and commercial transactions. It remains unclear whether enough jobs can be generated in coming years to cope with rapidly rising urban populations. Clearly, it is the private sector that must be the major source of new job creation for cities in the future. Recognition of these factors, and acceptance of the basic irreversibility of urban migration, has led the donor community to seek new solutions to Côte d'Ivoire's urban problems, and has guided RHUDO's own evolution in thinking and approach over the past 25 years.

An important area that has been greatly underestimated in the past is that of environmental degradation. Pollutants—airborne, waterborne, landfills and dumping—have significant long-term economic, health and social costs that affect city dwellers. Governments are only now starting to address these issues by formulating appropriate pricing policies and environmental regulations.

RHUDO's operational objectives during its quarter-century of involvement in Côte d'Ivoire evolved relatively rapidly. As RHUDO's approach developed, attention was focused upon a number of sometimes conflicting issues. Within the context of RHUDO operations, questions were raised as to whether urban investments should address development of urban

shelter, infrastructure and institutions as the primary objective, or if investments should emphasize poverty alleviation, service delivery, employment generation and human development. RHUDO project activities have nevertheless shared one guiding principal: diverse urban conditions and policies require that individual project operations be designed as a part of longer term sectoral strategies.

Over the past 25 years, RHUDO concentrated on four general project types: middle income home ownership, lower income neighborhood upgrading and servicing, community facilities and municipal strengthening. These approaches were developed in response to urban diversity, and were tailored as answers to specific problems within the urban environment. By 1992, some 36 subprojects had been implemented through the HG programs, amounting to an investment totalling 70 million dollars. These investments brought direct benefits to 1,600 households through home purchase, benefited 2,800 households by providing rental accommodations, and reached over 1,000,000 beneficiaries through neighborhood upgrading and community service activities. These are tangible achievements that have had a significant, positive effect on the lives of large numbers of low- and middle-income urban residents in Côte d'Ivoire.



A number of the subprojects represented a sharp departure from previous policies in city housing and urban development. In some cases, the novelty of the approaches, coupled with the difficulty of coordinating multiple agencies working within the urban framework, led to difficulties and delays.

These difficulties have generally been related to:

- Institutional capacity and administrative evolution
- Attitudes toward cost recovery
- The reluctance of project agencies to seek lower, more affordable construction standards
- Intra-agency project management
- Integration of project components with programs and operations

It should be noted that RHUDO's evolution has taken place against a backdrop of rapid and sometimes unexpected institutional changes on the part of GOCI. At times, the lack of properly functioning planning institutions and scarce financial resources within the GOCI posed obstacles to achieving project goals. As both national and local institutions gain experience with new approaches, progress toward developing sustainable responses to Côte d'Ivoire's urban challenges is being achieved. RHUDO's experience over the past 25 years with 36 subprojects demonstrates the importance of a long-term perspective on institutional and sectoral questions, particularly with regard to sustainability.

HG investments have had a major impact on how urban issues are analyzed, and solutions formulated and implemented in Côte d'Ivoire. Investment impacts have been far-reaching in the following areas:

- National policy of decentralization (*communalization*) on urban subsectors
- Institutional development, training and human development
- Direct project benefits, including poverty impacts
- Private sector shelter and service provision

These impacts have been significant, and in some cases have contributed to changes in government and donor urban policy. GOCI, which is currently finalizing a comprehensive national urban policy, has moved closer to long-standing RHUDO policy in such areas as private sector involvement in shelter and service delivery as well as appropriate project design through adjusting technical standards to reduce infrastructure and shelter costs. The HG investments, in concert with multi- and bilateral donors, influenced changes in GOCI policy, and have contributed to a current consensus on objectives to be achieved in the housing sector.

Substantial momentum has been created during more than two decades of RHUDO project activity. In contrast with the 1960s, urban development is now recognized as an integral part of the development process that generates about 65 percent of GDP and provides a substantial part of the national capital formation. There have been implementation problems at times, and in some cities initial projects have been limited to single sectors (e.g., shelter or community facilities). These projects have provided valuable experience and

should be considered as points of entry into the urban scene, which can eventually be reinforced by extension into activities in such areas as municipal strengthening and financial management.

The size of HG investments has been relatively small, but these investments have often served as catalysts in the urban development process in Côte d'Ivoire. This has been the case particularly when these investments were used conjointly, or combined with appropriated funds. The major challenge today is to assist GOCI to implement its programs of decentralization and private sector development.

SECTION II THE URBAN AND POLICY SETTING

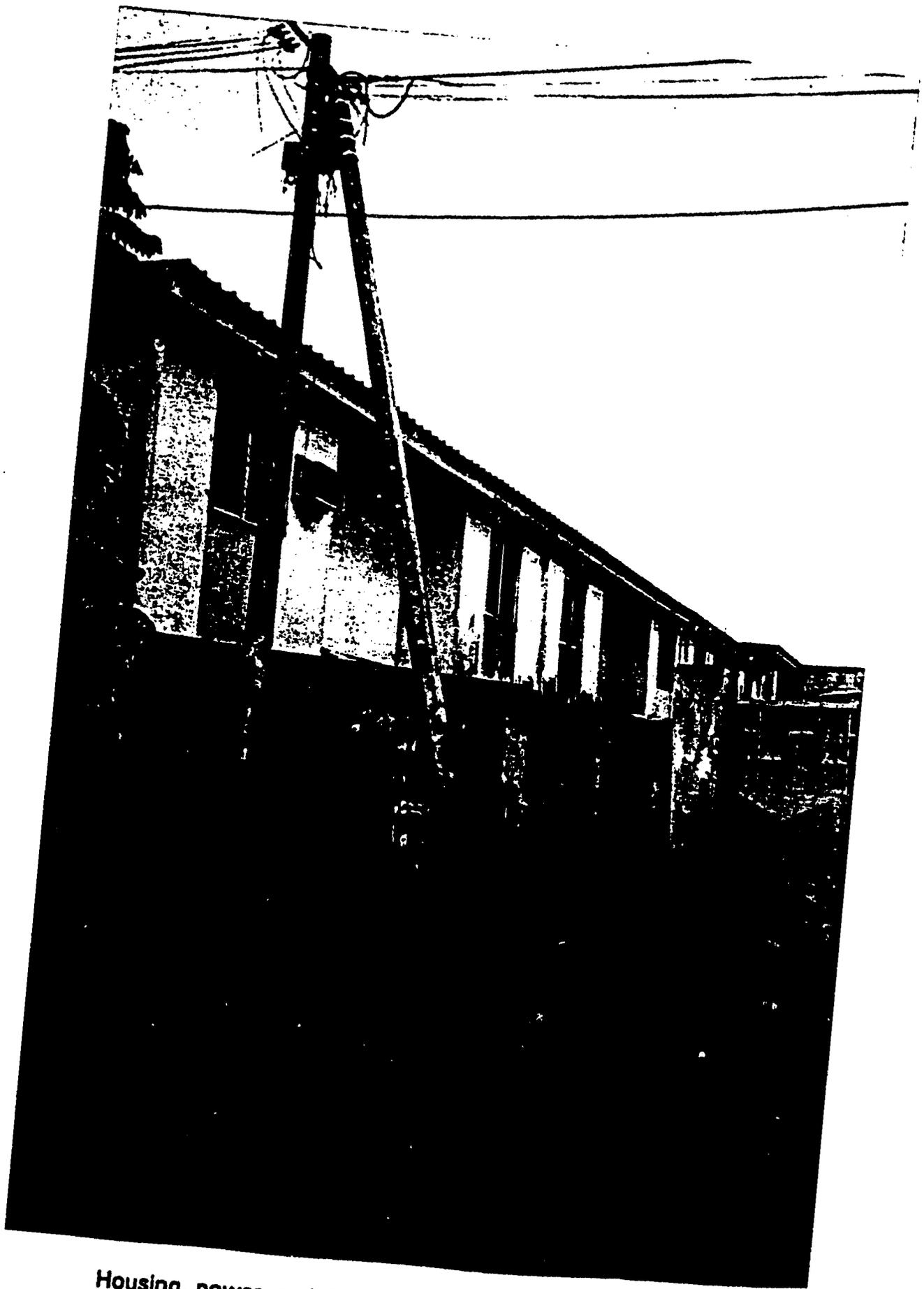
This retrospective starts by looking at the current urban situation in Côte d'Ivoire. The engine that initially drove urbanization in Côte d'Ivoire was rapid economic development during the 1960s and 1970s. Today, Côte d'Ivoire's national population stands at about 12 million, of which 50 percent are urban residents. Of those, about 40 percent—some 2.3 million—live in Abidjan. The city of Abidjan accounts for about 50 percent of GDP, and the remaining urban areas contribute approximately 15 percent more.

Between 1960 and 1980, Abidjan grew at about 10 percent per annum. During this period, GOIC invested heavily in housing, financing the construction of about 72,000 highly subsidized housing units, mainly through two public agencies, the Société Ivoirienne de Construction et Gestion Immobilière (SICOGI) and the Société de Gestion Financière de l'Habitat (SOGEFIHA). These heavy investments excluded the bulk of the low-income population in need of shelter, and also contributed to heavy recurrent public sector deficits, which reached alarming proportions by the late seventies.

The HG-001 project known as Fairmont was authorized in 1967. This \$3 million loan was used to deliver 390 modest housing units for private purchase. The demonstration effect of this project was overshadowed at that time by the profligacy of GOIC's own massively subsidized program. Nevertheless, the privately owned homes in the Fairmont project are today acknowledged as environmentally, visually and developmentally one of the more successful neighborhoods of Abidjan. The financing included first mortgages requiring a 10 percent down payment and 20 year repayment terms. Land servicing was provided through a GOIC interest free second mortgage. Construction was completed in 1970.

The success of this first project was followed by the \$10 million HG-002 project in 1972, which targeted middle-income salaried consumers such as civil servants and private sector employees. This project delivered 1200 modest row houses and apartments for purchase in the Williamsville and Abobo Gare neighborhoods in Abidjan. This augmentation of the private stock of moderately priced housing provided new experience and administrative strengthening to SOGEFIHA, the organization that otherwise concerned itself with delivering highly subsidized state-owned housing units. Mortgage financing was available as part of the project through a combination of 25 year term mortgages requiring 5 to 10 percent down payments, as well some rent/purchase sale contracts at Abobo Gare.

The three housing projects completed within HG-001 and HG-002 (Cité Fairmont, Williamsville and Abobo Gare) succeeded in producing 1600 housing units for owner occupancy. These projects have led to continuing neighborhood improvements long after the actual projects were completed. These changes, which include formation of homeowner associations and the integration of commercial and service enterprises, are indications of residents' abiding commitment to homes and neighborhoods.



**Housing, power, and drainage in Fairmont under HG-001
and still in good condition after 25 years.**

HG-001 and HG-002 represent a highly successful example of new urban communities produced for the private sector, with the GOCI acting as enabler. The houses in these schemes were affordable to the upper three deciles of Abidjan's income distribution. While not representing a dramatic penetration of the middle-income housing market, this was in fact a notable expansion of Ivorian's opportunity for homeownership. And, due to sub-leasing by the homeowners, the current occupancy pattern does in fact correspond to the original income target group.

By 1973, a recognizable shift had taken place in urban experience in general, and USAID's revised mandate called for greater emphasis upon the shelter problems for lower income groups. It is useful to pause and take stock of the local urban scene at that time. The 1965 Abidjan population of 330,000 had increased to over 900,000 by 1973. The city now consisted of 14 percent of the entire population of Ivory Coast, and about 42 percent of the country's urban population. Its remarkable growth demonstrated the key role Abidjan played in both the regional and national economy, and the city's crucial linkages to the agricultural exports and exchanges upon which the health of the national economy was based.

Between 1955 and 1975, the urban radius increased from 4 to 10 kilometers and the urbanized area from 1350 hectares to 8000 hectares. With these dramatic increases both in size and population, a notable increase in urban density took place. The urbanized area per capita decreased from 108 m² to 85 m² during the 10-year period, and was forecast to fall to 77m² by 1980. Population density increased from 93 persons per hectare in the early 1970s to 130 persons per hectare in a decade. This dynamic situation, coupled with the revised USAID mandate to adjust the focus of shelter development to target lower income groups, led to considerable new thinking on the part of RHUDO.

This process coincided with the preparation of the IBRD urban sector project, and led to broader urban strategies for RHUDO's next HG project. In 1976, RHUDO decided to work collaboratively with the World Bank on a jointly-financed \$122 million project. This effort included a \$21 million RHUDO component, and \$44 million financed by the IBRD. The project was entitled the First Urban Development Project (PDU 1), and RHUDO's activities formed the third Housing Loan Guarantee project, HG-003.

PDU 1, which became effective in 1978, addressed issues of planning more profoundly than previous donor efforts in the urban sector in terms of major urban investments in the greater Abidjan area. The project included heavy inputs in transportation and infrastructure components. In 1981, during IBRD's second urban project, the GOCI made the decision to shift the main burden of housing financing to the private sector. And so, fourteen years after the successful demonstration of the role of private sector in the HG-001 and HG-002 projects in Cite Fairmont, Williamsville and Abobo Gare, the GOCI, responding to declining state resources, began to create an enabling framework for improving private sector performance in urban shelter delivery.

In pursuing the objectives of the 1973 Foreign Assistance Act and USAID's Shelter Sector Policy Statement, the HG-003 project component of the First Urban Development Project of Abidjan initiated radical changes in GOIC housing policies and practices by

creating standards for replicable low-income rental housing, sites and services schemes, and community upgrading. The ideas of appropriate construction standards on the one hand, and recovering costs of secondary and tertiary infrastructure on the other hand, constituted a considerable departure from the previous GOIC emphasis on construction of heavily subsidized public housing. Due to weakness within the SOGEFIHA, the PDU 1 Project set up the Banque Nationale d'Épargne et du Crédit (BNEC) as central fiduciary for the housing sector.

The HG-003 project demonstrated the most varied and versatile set of cost recovery methods of the HG loans up to that time. A number of project components—long-term mortgages, housing finance management, appropriate construction standards—prompted GOIC to adopt a new stance with regard to public housing subsidies and to consider innovative methods of recovering costs and deterring speculation. These new elements reflected a progression for both donors and GOIC, as they moved away from project-oriented goals to a develop broader, sector-oriented strategies.

By this time, financial aid from France for housing in Côte d'Ivoire had effectively ceased. This was an important event, as French housing aid had followed the well-established pattern set by the HLM program (Habitat Loyer Modéré), which used French moderate rental standards as construction quality guidelines. The removal of this influence was a profound change to the overall housing picture as perceived by GOIC and led to a reshaping of policies and strategies within GOIC, albeit with some inevitable problems.

Lessons learned during the preparation and implementation of HG-003 helped to focus subsequent donor interventions in the urban sector. Given the ambitious design of this project, and Côte d'Ivoire's rapidly deteriorating economic situation, both the World Bank and RHUDO proved to be overly optimistic in expecting the project to be implemented in four years. Nevertheless, despite a number of delays and difficulties, the project's design, objectives and outputs were not, in the final analysis, compromised.

Priorities shared by RHUDO and the World Bank, manifested in PDU 1, contributed to the following significant housing and policy changes by GOIC:

- Shift policy away from providing highly subsidized housing for upper income groups, to affordable shelter alternatives for the urban poor
- Implement workable cost-recovery methods
- Abandon inappropriately high construction standards and develop new, low-cost, sustainable standards
- Encourage GOIC to explore a variety of upgrading approaches to low-cost shelter problems
- Organize proper financial planning and management for urban development

As HG-003 was being implemented, USAID/RHUDO prepared the next generation of Housing Loan Guarantee projects. A considerable shift in focus was taking place at this time, particularly within GOCI, which for financial and political reasons began to move toward greater fiscal and administrative decentralization. The work RHUDO eventually carried out in its next project, HG-004, served to support GOCI policy through focusing on the integrated development of secondary cities, by supporting the following objectives:

- Continue to support and enhance the innovative components begun in HG-003
- Provide infrastructure to secondary cities
- Continue to support and develop institutions at the national and local levels to replicate and sustain project work

The same objectives, combined with an emphasis on municipal management training and support for community and private sector involvement, carried on to the design of RHUDO's later HG-004A project, which was never implemented.

During implementation of HG-003, the importance of community participation and need for cooperation at both official and popular levels became increasingly apparent. These experiences underlined the importance of involving local government in the early stages of project preparation, in order to establish an understanding of formal responsibilities and to promote assimilation of new investments by the community. Due to the complex, diffused nature of the HG-004 Secondary Cities Project, pilot testing and training activities to assist local governments to better manage and use new investments were seen as important project components.

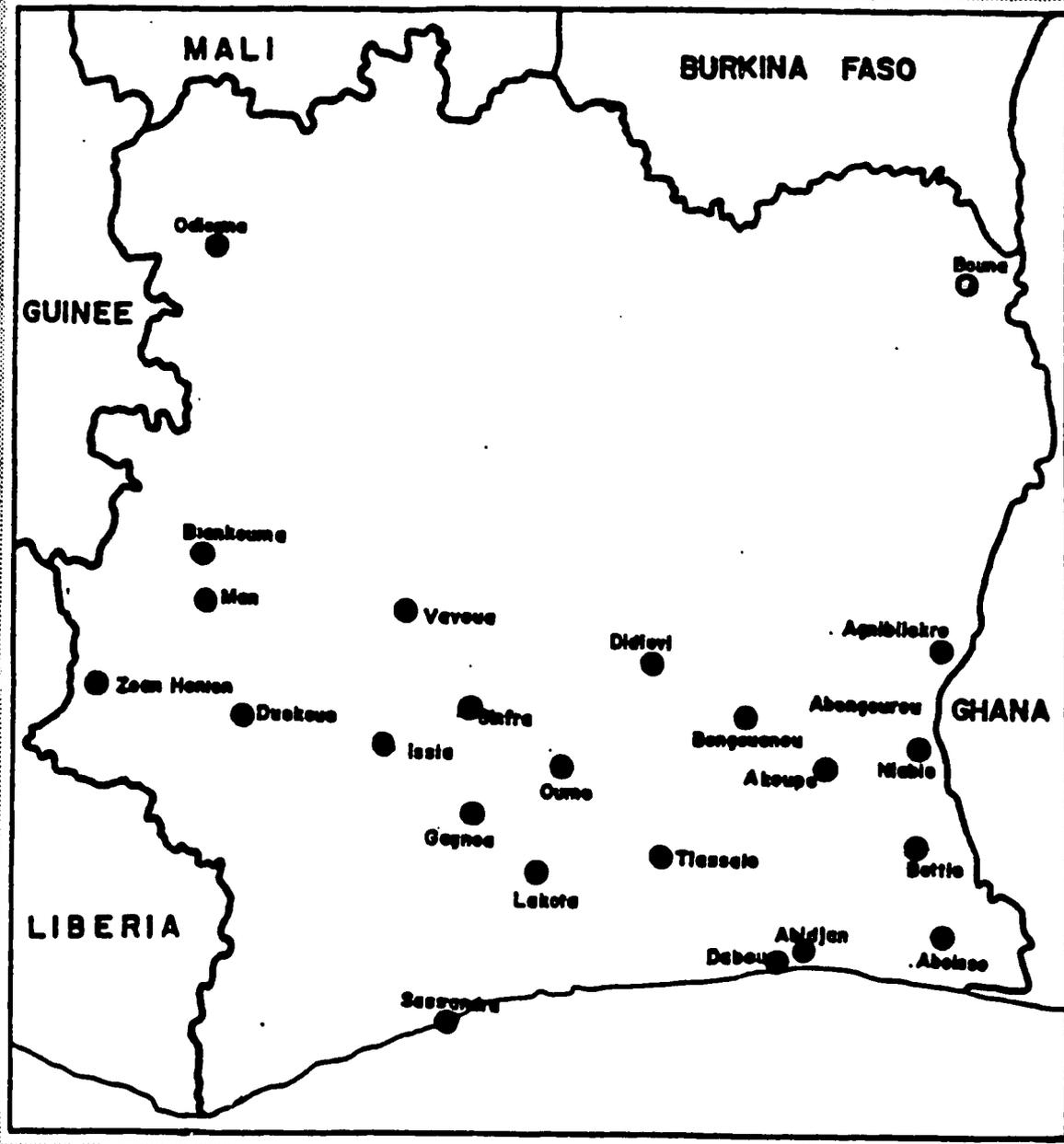
The initial group of thirteen cities in the Secondary Cities Project was widely dispersed; the investments foreseen in these cities were based on assessments of each urban center's development needs rather than on an examination of cities' roles in the subregion, including linkages and possible groupings. This methodology was in contrast to a study which was produced during this period by the World Bank and SCET, which was followed up by a study for AID by PADCO, a private firm, using the NUPS methodology. This work identified and ranked 46 cities by development potential. HG-004 intended to test the urban cluster approach as a second component of the Secondary Cities Project in order to complete funding allocation, and to select the growth node approach for future development.

During project start-up of HG-004, important changes took place in the Ministère des Travaux Publics, the agency responsible for execution of the work. The fiduciary agency, the BNEC, was abruptly privatized, with an immediate impact on the development of the low-income mortgage facility. This move was the result of a number of reforms carried out by the GOIC on the recommendation of the International Monetary Fund. These IMF-promoted changes also included shedding of expatriate staff in the public service, and blocking salary increases, leading to immediate constraints on travel and other expenditures which affected interior cities. The multisectoral nature of urban projects meant that a degree

of inter-agency cooperation and services was necessary, but would be increasingly difficult to accomplish under the existing conditions of financial stringency.

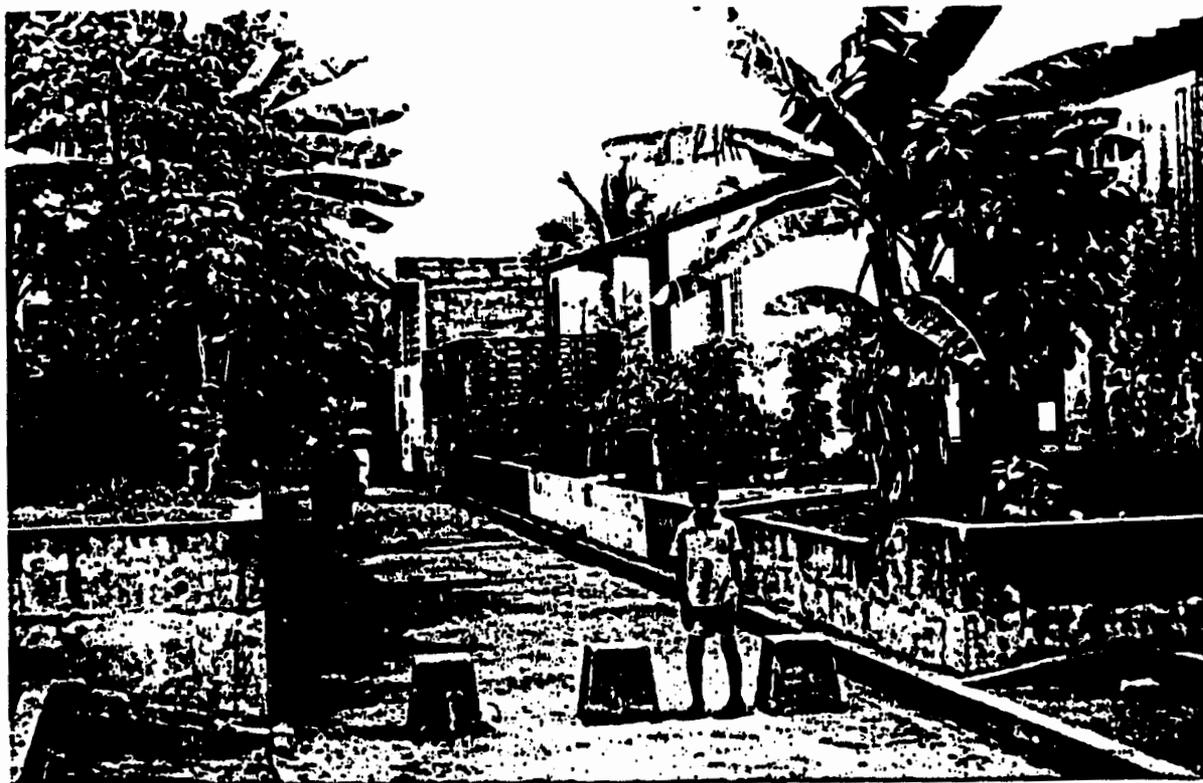
At this time in the mid-1980s, most local governments lacked the material and human resources to deliver an acceptable level of services. Another development was the creation of the centralized Interministerial Commission for the Development of Cities, which seemed to some observers to be a contradiction of local communities' quest for greater autonomy in local planning and decision-making. It was evident to the donor agencies and GOCI that the potential for effective management of even existing resources was insufficient. Clearly, the capacity of local communities to accept responsibilities transferred by the GOCI could only be developed very gradually.

Location of Beneficiary Towns Under HG003 and HG004





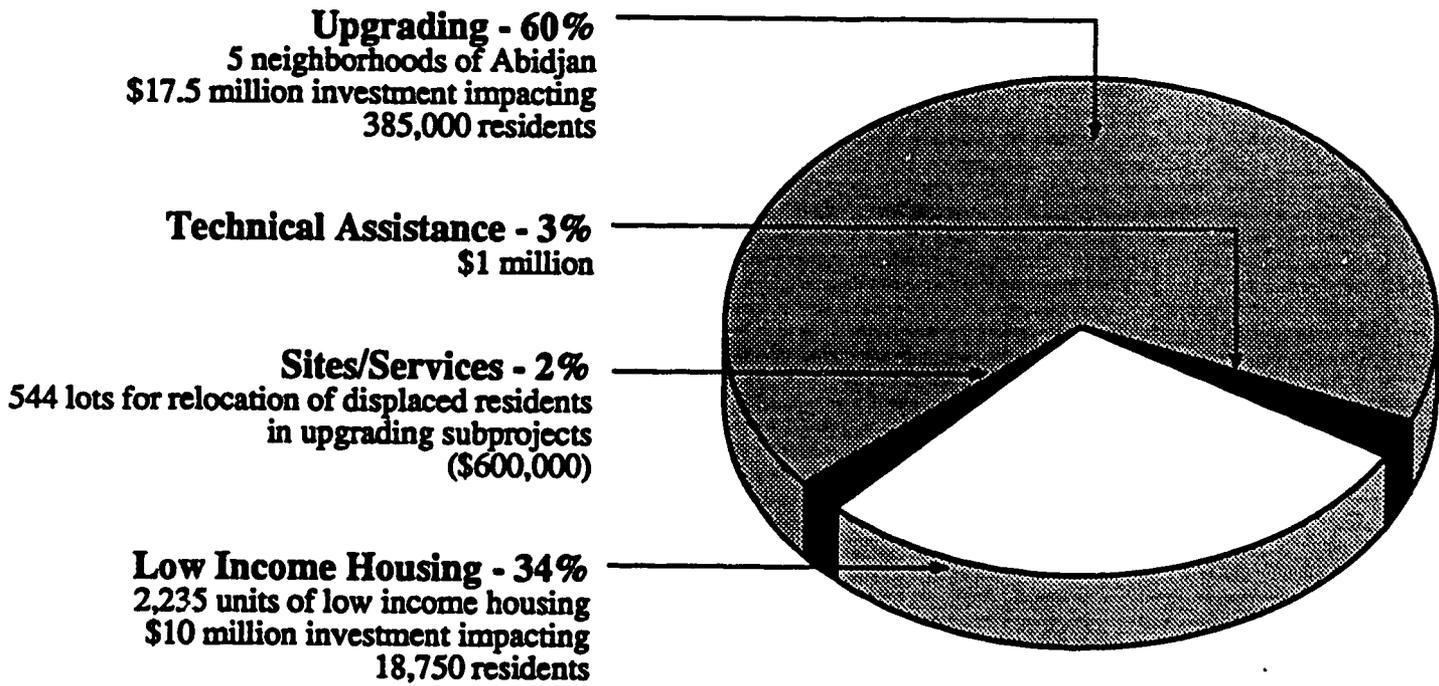
Multi-story apartments built in Williamsville under HG-002.



Housing in Williamsville financed under HG-002.

Côte d'Ivoire 681-HG-003 (1979-1991)

Use of funds from a \$21 million loan and \$8.1 million earned interest



SECTION III

PROJECT DESIGN AND STRATEGIES

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During the period 1967-1992, the USAID Housing Guaranty projects in Côte d'Ivoire underwent major policy reorientation. In this section, HG interventions are summarized chronologically, and examined in terms of individual project design, strategy and implementation changes. The aim is to shed light on the evolution of RHUDO's approach to urban sector issues and the impact rapid growth and urbanization have had on Côte d'Ivoire.

The original objective of the HG loans was to provide urban middle-income families with access to improved housing, opportunities for home ownership, and to strengthen the institutions financing these new homes.

PRE HG ACTIVITIES

In 1967, as HG-001 was being planned, USAID embarked on its first housing sector activity in Côte d'Ivoire with a shelter program for rural housing. This activity involved about \$1.3 million in PL 480 credits, and formed part of a national "aided self-help" program. This was GOIC's first national housing program for the rural areas. During 1967-1968, funding for approximately 1100 rural self-help housing units was provided. The parastatal organization responsible for rural housing from 1967-1969 was the Société de Gestion et Finance de l'Habitat (SOGEFIHA). USAID also provided SOGEFIHA with a resident technical advisor to assist during a 30-month period.

During the four year period between 1967 and 1970, SOGEFIHA delivered nearly 4000 rural housing units. This initial success led to powerful pressure from GOIC to expand SOGEFIHA activities at an ever faster rate, producing strains in providing expected services. Stimulated demand in rural areas, coupled with large prior commitments made by GOIC and inattention to financial controls within SOGEFIHA, resulted in a need for large capital injections by GOIC to meet commitments. The repercussion was that a lack of funds for the rural housing program prevented the proper development of a revolving fund to finance the program.

In 1974, SOGEFIHA production declined to a low of 188 units. SOGEFIHA was reorganized after 1975 and production once again improved. In effect, GOCI policies had pressured SOGEFIHA to expand operations while imposing budgetary constraints in the form of low rents. Lessons learned from this example influenced the structuring of the HG-003 project in 1975.

HG-001

Far more ambitious than the rural housing program was the series of Housing Guaranty Loan Projects, which were designed to target the urban middle-income group and

provide greater access to improved housing and opportunities for homeownership. The first project was HG-001, authorized in 1967, which was programmed to develop an urban site with 2, 3, and 4 bedroom units of row and detached housing and apartments. HG-001 was implemented under the African Bureau's Office of Private Enterprise.

During the project's development, the unit mix was adjusted in order to reduce the number of apartments and increase the row houses. A total of 390 units was delivered by the project's completion. Mortgage financing required 10 percent down payment and 20 year payback. Land servicing was financed by GOIC and was handled as an interest-free second mortgage. SOGEFIHA was responsible for establishing credit ratings and mortgage eligibility, and for transfer of loan repayments to the US investor, the Fairmont International Corporation.

One of the principal goals of this HG-001 project was to demonstrate the effectiveness of long-term mortgages. Fairmont was intended to provide the GOCI and other donors with a feasible example of volume marketing, mortgage origination and servicing. The project was also meant to demonstrate how an underserved housing consumer group could be satisfied through introduction of private financing, 20 year mortgages and low down payments.

These long-term objectives were partially realized, as the CCI has since provided mortgage contracts for landowners who intend to build on their properties. However, the Fairmont experience of providing housing for a broad middle-income group on a volume market basis has not been replicated. It may well be that the reason for this lack of replication does not rest within the Fairmont project concept, but is rather the result of inadequate land management and a distorted land market, which contributes to general lack of understanding of mortgage financing, land as collateral, and reported extreme difficulties encountered in the event of foreclosure.

HG-002

HG-002 was the first Housing Guaranty Loan project administered by the the RHUDO office in Côte d'Ivoire. In June 1971, \$10 million was approved for the new project, which was to be on-lent to SOGFIHA for construction of more than 1200 dwelling units. The sites selected were Williamsville, located about seven kilometers north of the business center of Abidjan, and Abobo Gare, fifteen kilometers north of central Abidjan, adjacent to the eastern highway. The following table summarizes the planned and completed units of the three projects completed under HG-001 and HG-002.

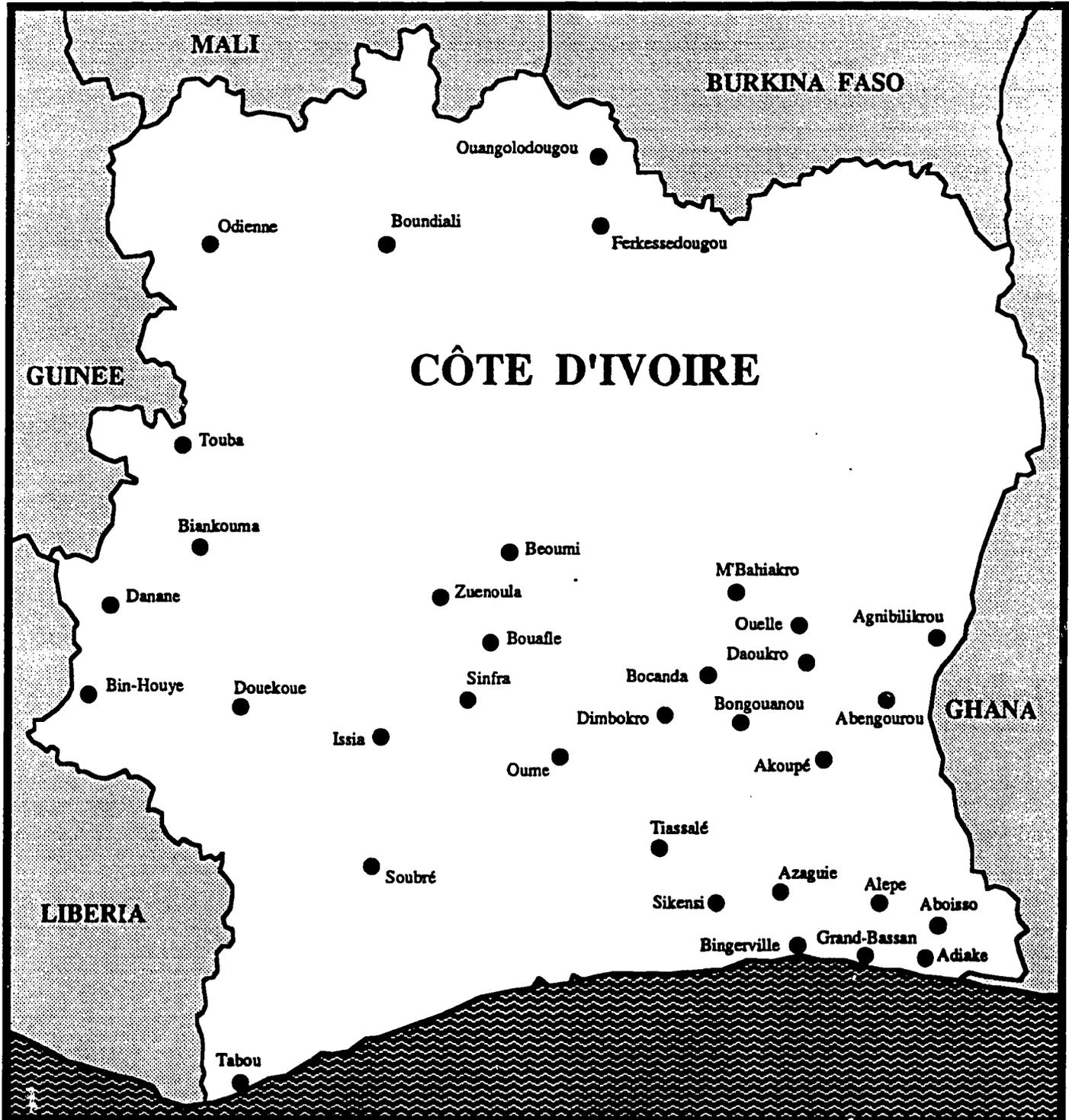
	Planned	Delivered	HG Financed
Cité Fairmont (HG-001)	500	391	390
Williamsville (HG-002)	548	514	455
Abobo Gare (HG-002)	698	738	738
Totals	1,746	1,643	1,583

Areas of Technical Focus

-  = Area of primary focus
-  = Area of moderate focus
-  = Area of mild focus

	Land Development/ Neighborhood Upgrading	Housing	Physical Infrastructure	Social and Economic Infrastructure	Revenue Enhancement	Institutional Development & Training
HG-001						
Cite Fairmont						
HG-002						
Abidjan - Williamsville						
Abidjan - Abobo Gare						
HG-003						
Abidjan - Bouet II						
Abobo Gare						
Adjame - Fraternite						
Adjame - Liberte						
Attecoube						
Attecoube Locodjono						
Koumassi						
Marcoury						
Pelieuville						
HG-004						
Abengourou						
Agnibilekrou						
Aboisso						
Bettie						
Bongouanou						
Bouna						
Dabou						
Didievi						
Gagnoa						
Lakota						
Man						
Niable						
Odienne						
Oume						
Issia						
Sassandra						
Vavoua						
Zouan-Hounien						
S81-0004						
Akoupe						
Biankouma						
Duekoue						
Sinfra						
Tiassale						

Côte d'Ivoire Municipal Development Support Project Cities (681-0004)



HG-002 was designed to deliver one, two, and three bedroom row houses and apartments, only 10 percent of which would cost more than the threshold of \$4000. Monthly payments were to be calculated over a 25 year amortization period at 9 percent interest. Completed units were conveyed to qualified purchasers on the basis of head of household income rather than total household income. By this measure, housing unit affordability for the HG-001 and HG-002 projects is shown by the following figures:

Cité Fairmont	22 percent of household heads
Williamsville	27 percent
Abobo Gare	20 percent

Subsequent data (the 1977 income distribution survey of African households in Abidjan) shows that 60 percent of the dwellings in Williamsville and 50 percent in Abobo Gare were in the possession of families below the 80th income percentiles for Abidjan. Occupancy rates and population densities have increased in all three project neighborhoods in recent years. Widespread subleasing suggests that current occupants more closely resemble the original target population than did the original residents. Rising rental values and additional property improvements indicate increases in real estate values. However, as the subleasing of property in Côte d'Ivoire is highly regulated by the law, most subleasing arrangements are informal, and it is not possible to obtain official data on the subject.

The three housing projects completed within HG-001 and HG-002—Cite Fairmont, Williamsville and Abobo Gare—were an ambitious step forward compared to prior limited activities involving PL 480 funds. Nearly 1600 units were finally delivered, which represented 95 percent of the numerical target. The difference is accounted for by the change that took place in the mix of housing types.

There were several other changes during implementation of HG-001 and HG-002. RHUDO had foreseen that these projects would help promote small, local contracting firms, encouraging them to move on to more sophisticated and better-paid work. However, due to institutional weaknesses within SOGIFIHA, assistance to such firms never really materialized. The agency reached the conclusion that a greater input of technical training would be necessary to achieve such objectives in future projects. That lesson was put to use in later RHUDO efforts, and the agency has helped to guide GOCI towards using this approach in subsequent works contracts.

A final shift that took place during implementation of HG-001 and HG-002 concerned the volume basis contract system, which proved difficult for Ivorian institutions to adopt. Subsequent experience indicates that lease-purchase arrangements are more suited to the prevailing Ivorian social and cultural environment.

HG-003

The HG-003 project was a component of the PDU 1 project, jointly financed with the World Bank. This effort evolved out of the Abidjan Urban Development Study, as well as

from a number of shelter sector assessments by USAID. The results of these studies highlighted the following priorities for PDU 1 implementation:

- Plan for change in transportation and land use patterns in Abidjan, due to population growth and imbalanced employment location
- Resolve the increasing problem of squatter settlements
- Assist the GOCI in adjusting its policies towards urban issues in the country, particularly with regard to lower income groups

For PDU 1, RHUDO and the World Bank agreed on a strategy with GOCI of infilling, which refers to intensifying land use in built-up areas and upgrading infrastructure in existing squatter settlements. The total project cost amounted to \$122 million, with RHUDO's HG-003 project providing \$21 million and the World Bank financing \$44 million. PDU 1 was designed with the following components:

- Community upgrading of 256 ha, in four areas of Abidjan, affecting some 25,000 households
- Neighborhood upgrading of 60 ha in San Pedro, involving 1400 households, with a total upgrading cost of \$31 million
- Sites and services schemes with community facilities in two areas of Abidjan, covering 105 ha and serving 8000 households, with a total sites and services expenditure of \$13 million
- Low cost housing for rental in two areas of Abidjan, totaling 2028 units, with a \$15 million rental housing component
- Small loans/credit program for building materials to help in production of self-build core housing at sites and services projects, with a total credit program of \$2 million
- Trunk sewerage for about 12 km, serving the upgrading and sites and services projects, and for adjoining areas of Abidjan; total cost \$40 million
- Technical assistance totaling \$5 million

The World Bank, USAID and the Government of Côte d'Ivoire shared the costs associated with PDU 1 as follows:

	USAID (%)	IBRD (%)	GOIC (%)
Upgrading and Sites and Services			
- Primary Infrastructure	0	60	40
- Secondary & Tertiary	30	30	40
Upgrading of Add-on Site (Attecoube)	100	0	0
Rental Housing	100	0	0
Technical Assistance	25	75	0
Community Services	20	40	40

During implementation of HG-003, a number of modifications were made to the project. The favorable exchange rate of the dollar vis-à-vis the CFA, plus interest earnings on escrow funds, generated a surplus of project funds that became available for allocation. An additional upgrading site in Attecoube was therefore incorporated into the project, other community facilities were designed and constructed, and extra technical assistance and community motivational campaigns were initiated.

PDU 1 contained a component to provide financing for a line of credit for about 2500 small loans for low-income purchasers to procure building materials for core house building and/or house renovation. This component was to have been funded from the World Bank loan, but when the BNEC was taken over by CAA, the credit program was passed on to CCI. Even though USAID eventually agreed to cover the costs of the sites and services component, it was never successfully implemented.



Koumassi housing scheme financed under HG-003. Note owner-built extensions of houses.

BNEC, intended as the central fiduciary for low-income housing projects, was supplanted by the Caisse Autonome d'Amortissement (CAA) in 1980. The MCU parastatal SETU, the project's coordinating authority responsible for implementing and delivering project outputs, was dissolved. Its responsibilities were taken over by the Direction Centrale et Contrôle des Grands Travaux (DCGTx), an influential engineering unit reporting directly to the Office of the President of Côte d'Ivoire.

Prompted by conflicting strategic considerations in the urban and housing sectors, the President's Office made other operational changes, which eventually resulted in the PDU 1 Project being effectively closed down for two years. The Ministry of Finance blocked GOIC counterpart funding and revised administrative procedures, which led to lengthy delays. National and municipal elections also contributed to project delays and necessitated repeated revision of completion dates. Despite many impediments, nearly all HG-003 project outputs were completed by 1984.

HG-004

The HG-004 project, authorized in 1980, was a \$20 million effort with GOCI participation of \$5 million. Project goals included continued support of GOCI shelter and urban policies which had begun under HG-003. During implementation of HG-004, minimum standard shelter schemes were combined with cost recovery mechanisms in twenty secondary cities. The project also sought to strengthen GOCI institutional capacity to implement urban sector development activities. HG-004 had the following objectives:

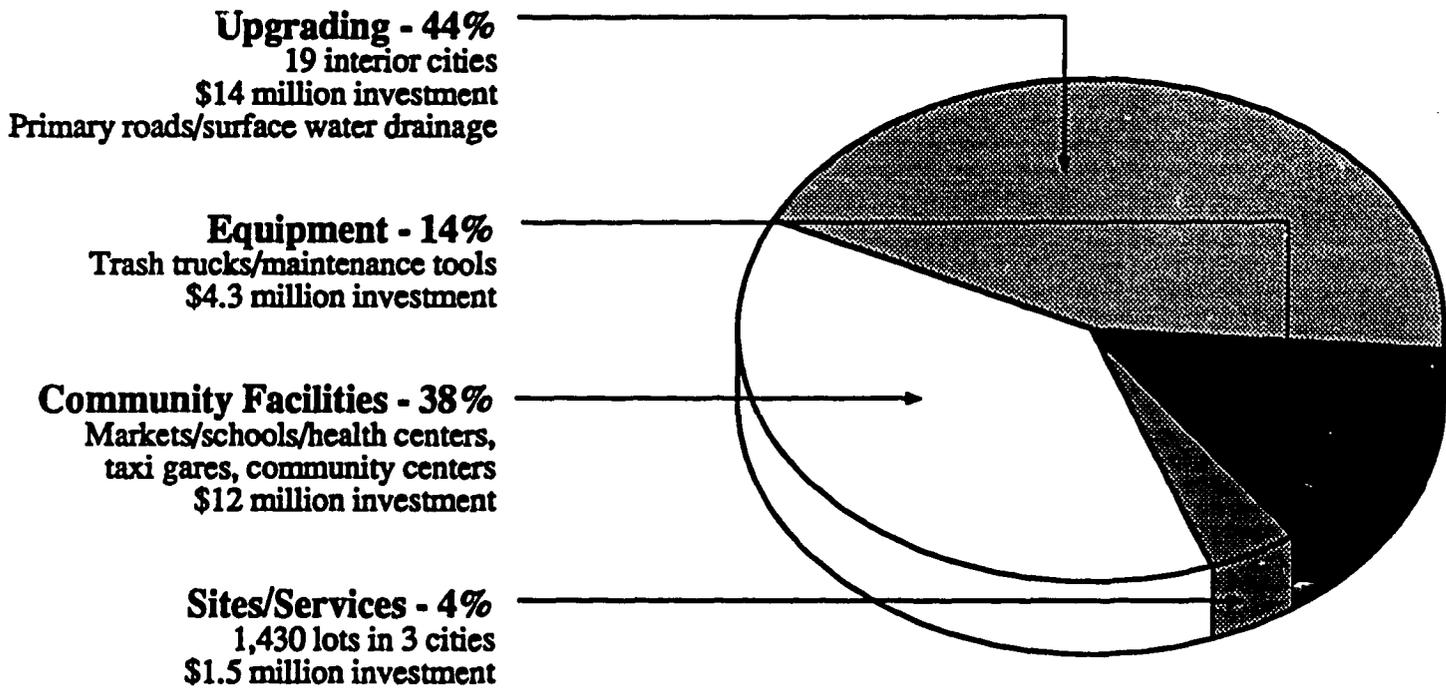
- Continue and extend the innovative shelter and service delivery concepts begun under HG-003.
- Provide revenue-generating and other primary infrastructure to secondary cities.
- Develop and support institutions that can sustain and replicate project accomplishments.
- Improve the participation of local private sector firms.

The GOCI agencies involved in the project were the Ministries of Interior; Youth, Sports, and Social Affairs; and the Central Directorate of Public Works, each of which had worked previously with USAID. Commitments made by GOCI as part of HG-003 included creation of a Training Division in the Department of Local Government and an agreement to reform real estate taxation.

In HG-004, RHUDO made its first concerted attempt to work on solutions for urban problems for cities outside of Abidjan, Côte d'Ivoire's economic capital. RHUDO's shift from Abidjan to the interior secondary cities was prompted by a growing awareness that serious shelter and service delivery problems exist in areas outside of Abidjan, worsened by lack of infrastructure, insufficient human resources and uneven regional development. As RHUDO began implementation of HG-004, the GOCI started to move toward greater

Côte d'Ivoire 681-HG-004

Use of funds from a \$20 million loan
and \$11.8 million earned interest



administrative and financial decentralization. This shift, prompted by the government's consideration of the possible long-term financial and political repercussions of highly centralized governance, was welcomed by USAID. Activities undertaken during HG-004 in secondary cities served to support the GOCI's decentralization policy, and helped to extend and sustain progress made by the Ivorian Government.

During implementation of HG-004, RHUDO supported municipal revenue generation through improved collection methods and private sector development. Through a combination of technical assistance and training, municipalities improved their capacities to deliver needed services and collect user fees. Revenue-generating physical facilities, such as markets, slaughterhouses and transport depots, were built, adding to municipalities' income-generating potential. In an attempt to bring decent amenities to poorly-equipped secondary cities, RHUDO built other facilities, such as schools, day care centers and cultural centers, and provided serviced sites for self-construction.

HG-004 dealt more completely than preceding RHUDO projects with issues of cost recovery and institutional development, reflecting RHUDO's increasing understanding of the inter-dependence of economic, political and social issues in urban policy. There was also a greater emphasis in HG-004 on the need for project sustainability, freedom from subsidies, and ability to enhance the economic potential of cities.

The HG-004 project demonstrated how RHUDO's understanding of urban issues had evolved. Over the years, RHUDO had moved from individual housing delivery projects to a more comprehensive approach that emphasized efficient, sustainable ways to reach large numbers of low-income urban residents.

Favorable exchange rates and interest earnings from the escrow account enabled RHUDO to subsequently add seven cities to the initial group of thirteen. During implementation of HG-004, training played a key part in ensuring that the goals of cost recovery and institutional strengthening were met. The project also emphasized the need for the subprojects to promote self-sustaining, subsidy-free methods to promote the development of secondary cities. Two pilot schemes were included as part of HG-004, which were directed at increasing municipal revenues. The first activity involved a cadastral survey at Issia, undertaken to broaden the tax net by improving land records, thereby increasing the efficiency of property tax collection efforts. The second study examined ways to improve the operation, fee-collection efforts and efficiency of markets. These studies were used in the design of HG-004A, then under preparation.

Early during implementation of HG-004, the need for training was identified as a key issue and a means of realizing the goal of cost recovery. The emphasis on training, along with the decision to encourage a greater degree of community involvement, increased project impact and effectiveness, and contributed to cost recovery. The cost recovery mechanisms designed in the project were:

- The enlargement of the tax net by the sale of service sites
- The collection of property taxes based on improvements

Management training was slowly integrated into the project to enhance cost recovery by improving resource mobilization and control. Training undertaken during HG-004 resulted in an increased awareness on the part of local government officials of the need for effective resource mobilization. The other innovative element introduced during implementation of HG-004 was the encouragement of community participation, as a means of increasing general project effectiveness and promoting cost recovery efforts. Pilot community participation programs were developed in the cities of Lakota and Oumé. Construction began on HG-004 works during 1983; most of the subprojects were finished by 1986. Project extensions added later were completed by 1992, with the last add-on, Aboisso, completed by the end of that year.

During implementation of HG-004, GOCI decentralization moved ahead as local elections were held. Mayors were elected in secondary cities, replacing prefects and subprefects as the officials in closest contact with RHUDO during project implementation. This development led RHUDO to begin municipal training activities, with the aim of upgrading the new officials' administrative and financial skills. Initially, RHUDO training under HG-004 took the form of financial and training needs assessments for the financial and technical departments of secondary cities under HG-004. Later, in HG-004A and the Municipal Development Support Project, training was a central component that was incorporated into the projects' design. Decentralization also had an impact on central institutions, with greater power flowing to DCGTx and the Ministry of Interior as project implementors.

HG-005

RHUDO's next effort, HG-005, was designed for integration with the World Bank's Urban Development Project Number 3. It was authorized in 1983 and intended to focus on households with below-median incomes in Abidjan. HG-005's main objectives were to allow low-income households in the greater Abidjan area to acquire low-cost, low-standard land with core housing units by establishing a refinancing facility for private banks (CDHM—Compte de Mobilisation Habitat), which would thereby facilitate financing of lower income housing. The project was intended to provide \$10 million to GOCI, whose participation would be another \$5.2 million. HG-005 was designed to produce 4,500 low income housing lots with services.

GOCI eventually decided to defer borrowing under the HG Program, turning instead to the World Bank, which at the time offered more attractive interest rates, permitted higher construction standards, and did not have the low-income beneficiary requirement. This precluded implementation of the HG-005 Project, which was as a result de-authorized in 1988.

HG-004A

This \$17.8 million project was authorized in 1987. HG-004A was essentially a continuation of HG-004, in that it was to have financed development in five towns in the interior. The project, which contained a number of interesting and innovative features, was

the culmination of changes in RHUDO's thinking and technical approach over the preceding twenty years. HG-004A objectives were to strengthen and expand municipal management through training and community participation. Project components included neighborhood upgrading, community facilities and development of serviced sites. Expansion of the municipal management training and the community participation activities were provided for under the project.

In addition, HG-004A moved in several new directions. The project included a program to promote private sector development, particularly in the area of urban service provision. HG-004A also contained a component that would have created a municipal development incentive fund to reward cities that had made progress in financial and public works management. In HG-004A, RHUDO demonstrated its maturity and comprehension of urban affairs, as the agency advanced from simple house construction in HG-001 and HG-002, through the neighborhood upgrading and sites and services efforts that characterized HG-003 and HG-004, to a fuller understanding of how urban assistance is dependent on human resource and private sector development.

HG-004A, like HG-005, was never implemented, due to a continuing severe recession in the Ivorian economy. At the time of project design in 1987, there were some signs of an economic recovery. However, the economic situation continued to deteriorate, and the Ivorian Government declared a moratorium on debt servicing. The project was finally deauthorized in 1992.

Municipal Development Support Project

The Municipal Development Support Project (MDSP), authorized in 1990, is a \$5 million grant jointly designed by RHUDO and REDSO. MDSP was conceived as RHUDO's first major non-Housing Guaranty Loan-financed project. RHUDO administered the project until the agency closed down in 1992, and it is currently managed by the Urban Development Division of the Program Office of REDSO. MDSP is funded by AID Development Grant for Africa (DFA) monies, an indication of AID's recognition of the importance of building upon past efforts in the urban area in Côte d'Ivoire.

The project continues RHUDO's past emphasis on local government operations, focusing on areas of governance, financial management and services, and on developing a climate for effective development of the private sector which will be replicable in other cities. Investment activities are concentrated in five secondary cities, while training programs are being provided in 30 others. The project has the following components:

- Training intended to strengthen development resulting from GOCI's policy of decentralization, both at central and local levels
- Activities designed to enhance revenue-generation (user fees, service charges, improved tax collection methods) which are aimed at increasing municipal income
- Investment projects for generating revenue, such as markets, slaughterhouses, and

other commercial activities in five cities.

The Municipal Management Support Project was designed to address constraints that hinder effective implementation of the government's decentralization policy. The project continues USAID support for GOIC policy, which began during implementation of HG-004 and was incorporated into the designs for HG-005 and HG-004A, by working with municipalities to correct deficiencies in management, weak resource mobilization and inadequate infrastructure development in Ivorian secondary cities.

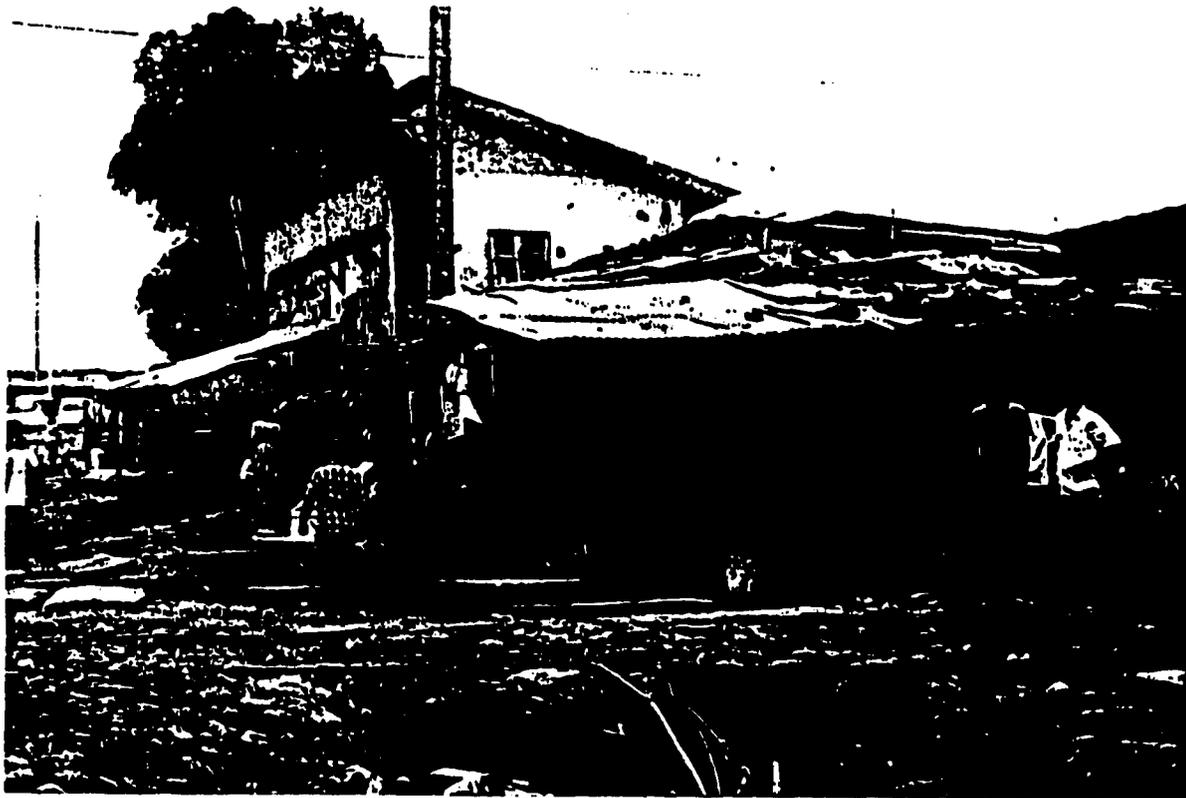
SECTION IV

ASSESSMENT OF IMPACT

SECTION IV ASSESSMENT OF IMPACT

The impact of interventions within the USAID Housing Guaranty Loan projects in Côte d'Ivoire should be viewed in the context of the GOCI's efforts to promote equitable and sustainable local level economic development throughout the country. In an attempt to halt the economic decline which has continued for over twelve years, the GOCI has embarked since the early 1980s on a program of economic reform. This effort has been based on privatization of state corporations, export promotion, tax reform, price liberalization, investment promotion, banking sector revitalization, and extensive administrative reform.

The economic reform program accompanies a program of administrative reform which seeks to decentralize territorial administration by the creation of viable municipal governments. Gradually, the GOCI is transferring a degree of decision-making and administrative autonomy to the local level. Popular participation in local affairs is ensured through elections.



Typical non-upgraded slum area.



Typical informal housing.

Within the urban sector, the GOCI is currently concentrating on providing basic services and infrastructure that will create employment opportunities. The government has also begun to more actively promote private sector growth. These actions have been prompted by the need to visibly improve average household living standards, particularly of low-income groups hard hit by structural adjustment measures.

Within this evolving context, RHUDO identified its main objective: To assist Côte d'Ivoire in developing approaches for providing shelter, urban services and employment in an efficient and equitable manner. This objective led to the following priorities:

-
- **Explore and develop new policies and approaches for management of the urban sector and specifically in providing services**
-
- **Address solutions to the urban poor, which constitute the majority of the urban population**

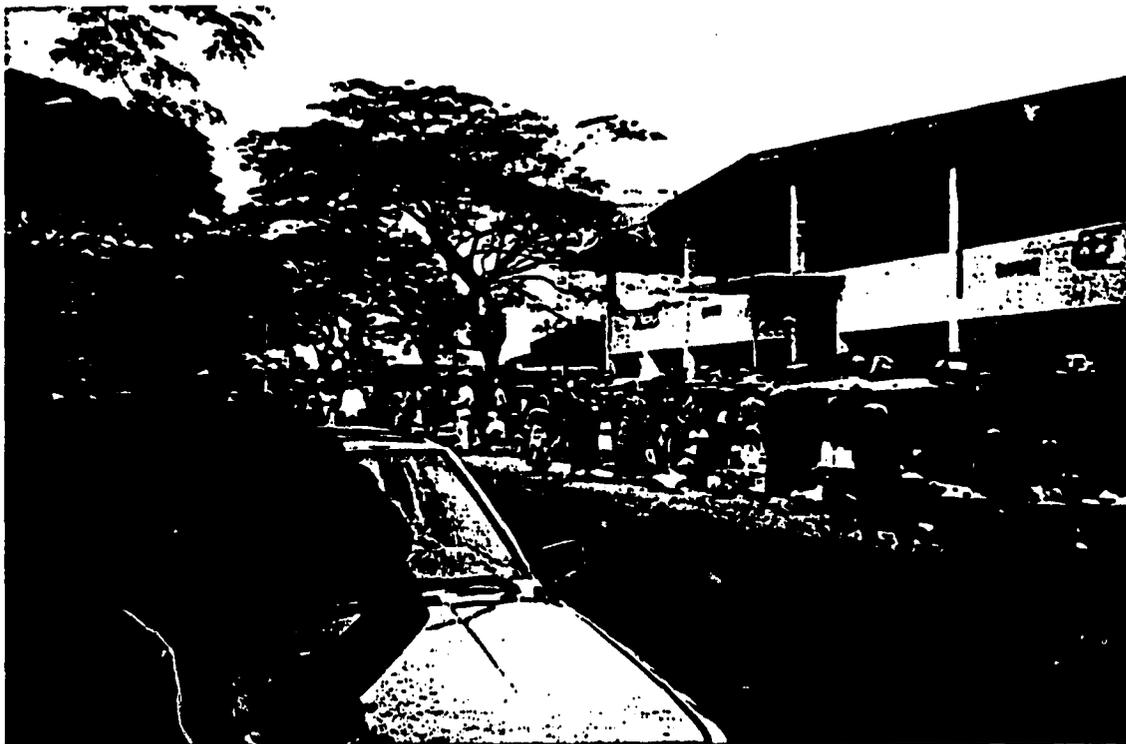


**Two sections of the same street in Abidjan, one without project intervention
the other paved by the project.**

- **Develop approaches which link shelter, infrastructure, economic opportunities, and social services, thereby improving the efficiency of urban investments on a city-wide basis**
- **Reduce the public sector burden for urban development, shifting the emphasis to private sector solutions**

These objectives were incorporated into the Housing Guaranty Loan program, as RHUDO sought to achieve the following outcomes:

- **Provide technical solutions for shelter, infrastructure and social equipment which are affordable to the urban population and can be improved over time**
- **Provide services for the urban poor on a non-subsidized basis**
- **Demonstrate the feasibility of comprehensive urban and investment planning procedures suitable for rapidly changing conditions**



Market financed by HG-002.

- Exhibit the replicability of the above solutions

In the 1960s, donors had not yet integrated sectoral efforts into a framework that could take advantage of complementarities linking infrastructure, shelter, location, employment, and social services. In the case of the HG projects, selectivity has been the watchword. RHUDO has carefully designed projects with a view toward possible future expansion, refining its approaches over time. The HG program has had an unusual degree of success in establishing cross-sectoral linkages, which have worked to complement the limited results which could realistically be achieved from a more conventional, product-oriented approach. By the time the RHUDO/WCA Office was closed down in 1992, project development within RHUDO had achieved an impressive degree of sophistication. The later HG projects addressed multiple policy and institutional issues in a programmatic manner, leading to sector-wide impacts.

The Housing Guaranty loans have contributed significantly to the development of GOCI programs and policies. Each HG project has had components which supported or initiated elements of what is today official government policy. These investments were far from high with respect to the Gross National Product, but their positive impact and lasting relevance is clearly demonstrated.

In addition to the individual projects, the continuity of the USAID presence at central and local levels has successfully generated a level of credibility which is greater than the sum of its parts. Larger and more spectacular projects have been realized during this time period with assistance from other donor agencies, but the results of such massive efforts have been mixed, and the argument could be made that certain overly-ambitious and inappropriate projects may have actually contributed to the country's current economic ills. It is evident that the manageable size and scope of the HG projects has helped RHUDO activities avoid pitfalls that can befall less focused and financially disciplined efforts.

The aims of the urban shelter strategy today remain basically unchanged. The following actions are necessary in order to increase housing supply and to ensure that the access of lower income households is widened:

- Increase the production and sale of serviced lots for house building
- Strengthen and support municipal governments to augment their service delivery and overall management capacity
- Intensify beneficiary participation in all phases of the urban upgrading process

Until such time as the Ivorian economy recovers—that is, positive GNP, greater employment, reduced arrears and increased capital investment is achieved—grants and subsidies, rather than loans, are the appropriate aid mechanisms. By continuing to focus on municipal strengthening, lessons learned from earlier projects can be put to good use in the future, especially in helping local governments improve their capacity to generate revenues.

A. Impact of Project Outputs

A1. Central Fiduciary

From the outset of HG-003, the institutional arrangements planned for the BNEC and the technical assistance provided to it showed positive results. BNEC demonstrated the necessary potential for becoming the central fiduciary for financing and managing low-income housing projects. It had been created in 1975 for two main purposes:

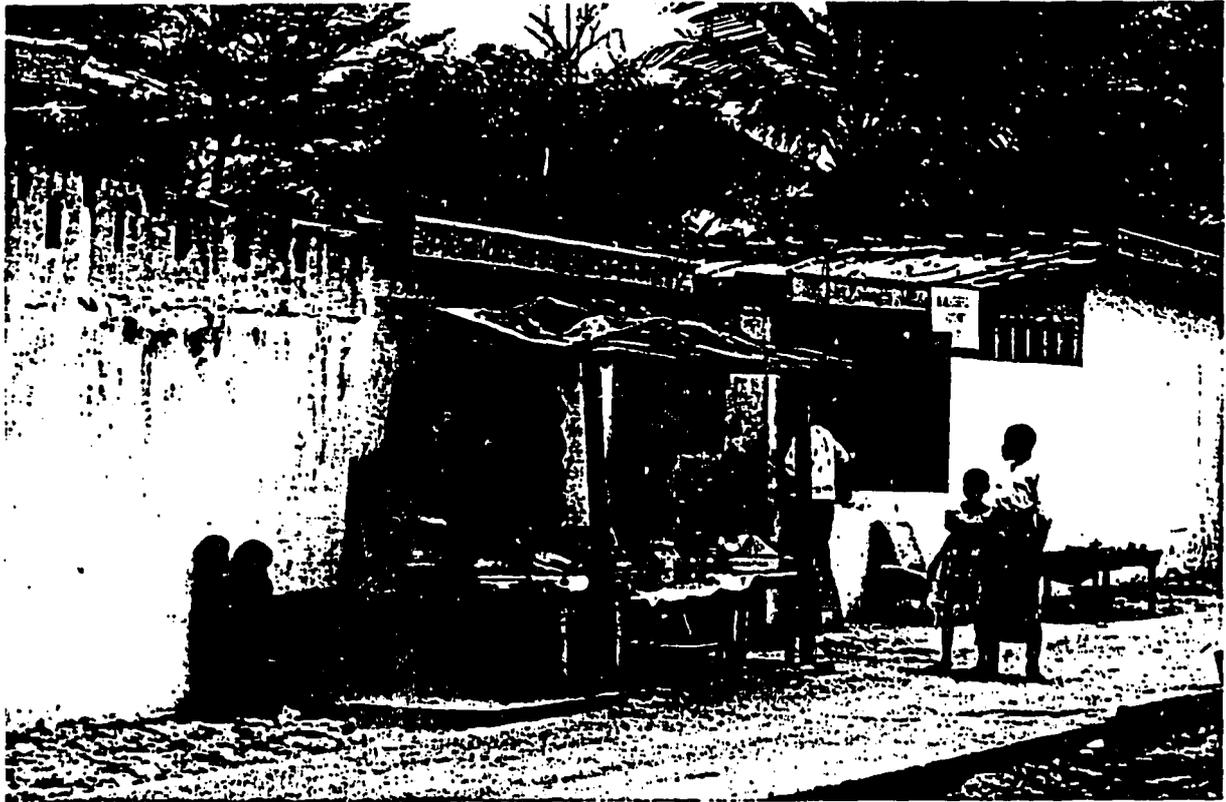
- Collection of private savings to be made available for house financing
- Management of GOIC fiscal resources in the shelter sector by means of the National Housing Fund (FSH)

During the early years of HG-003 project activity, BNEC acted as the HG loan borrower. Technical assistance helped increase its savings generation and implement a sound cost recovery system. In 1979, GOIC decreed the transfer of the FSH from BNEC to the CAA (the National Sinking Fund). This move was followed by a directive in 1980 for BNEC to divest itself of public ownership. CAA therefore replaced BNEC for the HG-003 Project and assumed its financial responsibilities. Until 1988, CAA fulfilled its obligations adequately, but then ceased to service the USAID HG loans. These difficulties have not yet been resolved.

A2. Slum Upgrading

By the 1980s, GOIC had established a practice of slum razing, relocation and reconstruction, commonly referred to as slum clearance. Over the years, slum upgrading has been slowly accepted by GOIC as an alternative to slum razing. The HG-003 project played a significant role in the government's change of heart, as it successfully demonstrated the viability of slum upgrading as a cost-effective shelter strategy. Altogether, the project benefited approximately 160,000 people in 8 neighborhoods, and improved about 350 hectares, changes which radically improved living conditions for residents of these neighborhoods.

Today, it is widely acknowledged that such approaches are both more cost-effective and humane than slum razing and forced relocation of residents. HG-003 has been used as a model for replication in neighboring West African countries. SETU, the implementing agency, performed well, and had success in bringing inappropriately high planning and technical standards to a more reasonable level. The problem now, in fact, is that the upgraded neighborhoods are perceived as desirable places to live, which has resulted in increasing occupation densities, and rapid increases in rents and subletting rates. Today, the challenge lies in how best to maintain controls over urban expansion, densification and growth. Local governments have probably also benefited from increased tax revenues as a result of various neighborhood upgrades in the course of the HG program, but hard data is not readily available.



Small enterprise development outside of housing scheme financed under HG-002.



Secondary school financed by HG-001 in Fairmont.

A3. Sites and Services

The sites and services concept incorporated into HG-003 and HG-004 was designed to demonstrate an alternative to the traditional courtyard housing in which tenants rent rooms. Smaller lots were planned, and construction was intended to be through self-help. The approach (LEM—Lotissements à Equipement Minimum) was geared to promote ownership by low-income residents, and to discourage the speculation that occurs when landlords acquire and rent out LEM property.

GOIC was never enthusiastic about the approach, and delays and difficulties were encountered from the start of implementing HG-003. Many changes and revisions were required. In the end, 576 lots of 650 m² average size were built instead of the 1,275 lots of between 100-200 m². This more closely resembled a middle-income subdivision, which favored landlords rather than encouraging low-income beneficiaries to become owner-occupiers. Site attribution to the targeted beneficiaries became difficult. About 70 percent of the project went to the intended beneficiaries, and the remaining 30 percent was procured by landlords for building rental units.

This experience suggests that where rental housing is so predominant (80 percent), sites and services approaches face particular difficulties and may best be avoided, unless they can be planned and delivered on a large enough scale to discourage speculators. One possible solution would be to change the development sequence to convey unserviced lots to beneficiaries, followed by provision of infrastructure, as was done at the Port Bouet II neighborhood project.

A4. Low Cost Rental Housing

The primary implementor of low-cost housing in HG-003 was SICOGI, a private/public housing developer. Over the years, SICOGI has produced mostly middle-income housing units that it constructs, owns and manages, sometimes also offering lease/purchase arrangements. The low-cost rental component of HG-003 was designed to consist of fully serviced two-room units for production in the neighborhoods of Marcory and Koumassi. BNEC financed SICOGI to implement the project, which was targeted to the 25th income percentile. SICOGI was to amortize costs over 25 years and receive a subsidy in the form of a GOIC reduced cost purchase of the land (said to be 50 percent of its market value), plus exemption from TVA (value added tax). The subsidy has been reported as amounting to about 15 percent. SICOGI designed an innovative escalating rental scheme which ballooned rentals. Altogether, about 2000 apartments were delivered.

This component was very successful and easily implemented, with SICOGI delivering the units on schedule. Targeting low-income beneficiaries was again a problem, and about 30 percent of the units were allocated to beneficiaries above the targeted income. SICOGI, which is now mostly privately owned, is the only Ivorian institution that has survived intact from the institutional changes that appear endemic in the public sector system.

A5. Community Facilities/Urban Equipment

Since implementation of HG-001, the role played by community facilities, including commercial and institutional buildings, has undergone considerable evolution. In the Fairmont project, owner-occupied housing has in many cases been enlarged over the years to accommodate extensions for small retail or workshop activities. These have been very satisfactorily integrated into the local fabric of the neighborhood, and have contributed to a dynamic community atmosphere.

By the time HG-004 was being implemented, the development of municipalities as local organisms was on a firmer footing due to GOCI moves towards decentralization, which attempted to strengthen local capabilities in budgeting, planning, health, education, and social service delivery. HG-004 included construction of revenue-generating facilities such as commercial centers, markets, slaughterhouses, truck and bus depots, as well as health, educational and social facilities.

The facilities constructed under HG-004 vary considerably in their impact. In most cases, their success depended on local governments' assuming responsibility for operation and maintenance of the facilities, and for paying staff and materials from the municipal budget. In some instances—often in the case of social centers—the Ministry of Social Affairs planned facilities towards which local governments felt little or no commitment. The contrary also applies, and there are a number of examples of facilities constructed under HG-004 which are well-run, self-financing service points operated by local governments. Generally, the revenue-earning facilities—markets, truck stands and slaughterhouses—are well-operated, and constitute a welcome source of revenue for the local government.

The choice of local siting, planning design and construction is in general of a high standard in HG-004 community facilities. Design errors are apparent in the market structures, however, where tenant stall-holders will not take retail space above ground level. This problem is due in part to weak space programming analysis, leading to inappropriately designed vertical circulation by means of separate staircases outside the retail marketing space. A change of use for the upper levels should be designed and implemented. The problem of space programming is compounded by political interference in the distribution of market places, which have in many cases been assigned to people with political influence who have in turn tried to rent or resell to vendors.

A6. Municipal Revenue Enhancement and Sustainability

Current indicators suggest that AID investments, particularly in the course of HG-004 and the current DFA-funded Municipal Development Support Project, are having marked impacts on municipalities' ability and willingness to promote internal financial sustainability. These impacts have been in the following areas:

- Enhancing municipal revenues by construction of revenue-generating facilities to be run and maintained from municipal budgets

- Strengthening the operational capacity of municipalities by management training and support of technical departments
- Enhancing private sector development through encouragement of municipal and regional growth magnets

Municipal governments that have benefited from the HG-004 Program and the follow-up actions in management training currently being implemented as part of the Municipal Development Support Project have increased their receipts significantly. Of equal importance, municipal authorities have gained motivation and confidence, and can now better understand that further improvements are dependent upon their own efforts. Market upgrades, improved transportation links within and between neighborhoods, sanitation work, and construction of vendor stalls near market areas have all contributed to an improved enabling environment for traders and micro-enterprises.

While these impacts are visible and positive, there is a clear need to follow up with further interventions to strengthen and sustain RHUDO's past achievements. The success of the HG projects should be supported and extended through formulation of urban policies that will articulate long-term priorities and strategies required for continued revenue-generation, self-management and project sustainability. Future interventions might take the following forms:

- Developing innovative practices to accelerate transferring financial responsibilities and accountability for urban services to the private sector
- Create new training programs for urban youth to facilitate their entry into labor markets
- Provide more specialized training to strengthen municipal institutional capacities in such areas as data collection and management, and market survey work
- Develop incentives and improve accountability in the areas of municipal revenue-collection and service delivery

Such reform-oriented efforts will require better coordination among subsectors and subsystems of municipalities, improved linkages to labor markets, and changes in programming and budgeting. The long-lasting positive effects of such measures would far outweigh the relatively minor financial inputs required to ensure consolidation of progress already achieved.

B. Impact of Projects on the Donor Community and on GOCI

A consensus has gradually grown in the aid community. USAID, the French Caisse Centrale de Coopération Economique, the British Overseas Development Administration, the UNCHS (Habitat), and the World Bank have arrived at a general convergence of views on most urban policy issues. Within this global context, HG-003/PDU 1, jointly financed by

USAID and the World Bank, is an example of how two institutions with differing past approaches can collaborate in a positive and productive way. Concepts such as affordability, replicability, low-cost design solutions and an integrated urban perspective—all ideas long espoused by RHUDO—are now central principles shared within the donor community.

The demonstrated effectiveness of these approaches has prompted a variety of training courses by various donors and other organizations. Methodologies which have been promoted in the Côte d'Ivoire as part of the Housing Guaranty projects are discussed in detail in urban studies programs in universities in Europe, Canada, the United States and various developing countries, as well as in the Economic Development Institute of the World Bank. Consulting firms worldwide have built up their capacity to work on such programs, realizing that the future of urban assistance lies in the appropriate and sustainable measures that RHUDO has put into action. This partial description indicates that project activities have provided an impact on urban thinking that goes far beyond project financing.

The GOCI has also been positively affected by the RHUDO experience. The Ivorian government, albeit reluctantly at times, has moved closer to long-standing RHUDO-promoted policy in such areas as appropriate construction standards, targeting low-income urban residents as beneficiaries, the importance of cost-recovery mechanisms, and decentralization.

However, GOCI policies and systems of accountability remain relatively fragile. Very few of the country's institutions are autonomous, and little power is exercised that would counterbalance that of the central government. Interventions through projects in the urban sector touch upon the ability of the regime to govern effectively in the interests of its citizenry. As the donor community must work through the GOCI and support its institutional development to realize its objectives, donors must assist GOCI to improve its governance, without intruding upon questions of sovereignty. Donors, sharing a commonality of view, have begun to realize that a frank recognition of their interdependence is essential if improved governance is perceived to be central to achieving development goals.

C. Evaluation of the Projects

Pre-HG Activities

As a stimulus to rapid increase in rural housing, USAID's PL 480-funded activity was successful. While USAID decided against continuing to support construction of rural areas, the activity, limited though it was, did provide a valuable first experience for the agency in the housing sector in Côte d'Ivoire. As a result, USAID recognized that a strong, unmet market for housing exists in Côte d'Ivoire, and began to develop strategies on how RHUDO's future activities might best complement ongoing work in the urban sector.

The PL-480 activity also introduced USAID to SOGEFIHA, the state corporation charged with managing financial resources for the national housing sector. The relationship with SOGEFIHA that began with USAID's first urban sector activity was crucial in establishing RHUDO's role in the urban sector, and its continuation over the years was an important factor in the success of later HG projects.

HG-001 and HG-002

In the HG-001 and HG-002 projects, RHUDO continued its relationship with SOGEFIHA, and supported SOGEFIHA's receiving profits accruing from project administration rather than a local branch of a French bank.

All three of the housing projects of HG-001 and HG-002—Fairmont, Williamsville and Abobo Gare—were built on sites previously unused for permanent housing construction. Fairmont and Williamsville were adjacent to existing housing areas, while Abobo Gare was created as an entirely new neighborhood. Over the years, all three sites have attracted large resident populations with densities increasing, through subleasing, beyond initially anticipated rates.

The most important objective of the two projects was to create and demonstrate increased opportunity for home ownership for the urban middle class. When the units came on the market, RHUDO was able to reach the top 25 percent of household income distribution. While the projects did not open up homeownership possibilities to Abidjan's truly low-income residents, this figure compares favorably to other programs of the time, such as SICOGI's and CCI's mortgage and lease/purchase programs, which were only affordable to Abidjan's 10 percent most affluent households.



All three of the HG-001 and HG-002 subprojects exposed more people than initially planned to reasonable standards of modern housing and amenities. Today, the presence of social services, local economic activities and homeowner associations all attest to the level of community development and cohesion that have taken place over the years. Schools, clinics and sports facilities have been developed and are functioning in those neighborhoods. Small commercial enterprises, some operating from additions made to housing units, operate throughout the project areas. Transportation services have improved as well, and bus and taxi services are well established in Cité Fairmont, Williamsville and Abobo Gare.

These three housing schemes, together with institutional strengthening of SOGEFIHA, represent a distinct and successful phase in the housing experience in Côte d'Ivoire and demonstrate the positive aspects of limited, gradualist approaches to housing delivery.

However, during the course of HG-002, SOGEFIHA became seriously over-committed, and sought financial strengthening by moving up-market. SOGEFIHA's predicament, which was not resolved through this change, was the result of inappropriate GOCI pressure on SOGEFIHA to underprice its units and prevent the effective control of unit allocation to viable households. These actions led to SOGEFIHA's continued weakening and eventual collapse. Consequently, funds that had been earmarked for the thrift and mortgage system were re-allocated for housing construction.

During preparation of the HG-003 project in the mid-1970s, a formal undertaking to implement a plan of action for restructuring SOGEFIHA was a condition of USAID and World Bank financing. The restructuring led to the establishment of a new institution, which shed its thrift and mortgage operations. Those operations were then transferred to the BNEC.

HG-003

According to the Project Paper, the HG-003 project objectives were:

- **Program or Sector Goal:** to provide improved shelter and related amenities for low-income urban residents
- **Project Purpose:** to establish and strengthen a coordinated Ivorian operation to design, implement, finance, and manage replicable shelter projects for lower income families

HG-003 was planned to provide the following project outputs:

- Establishment of a central fiduciary for lower-income housing projects with trained and strengthened staff
- Upgrading of five low-income neighborhoods housing 110,000 to 150,000 persons, by providing water, sanitary and storm sewers, street paving, electricity, community facilities, and land tenure
- Creation of a sites and services project providing building lots suitable for low-income families, housing up to 22,000 people
- Construction of two low-income rental projects, housing 9,500 people
- Provision of technical assistance to MCU for the establishment and continuation of a trained monitoring unit to design and implement low-cost shelter projects; and to BNEC for the establishment of a central fiduciary for low-income housing projects

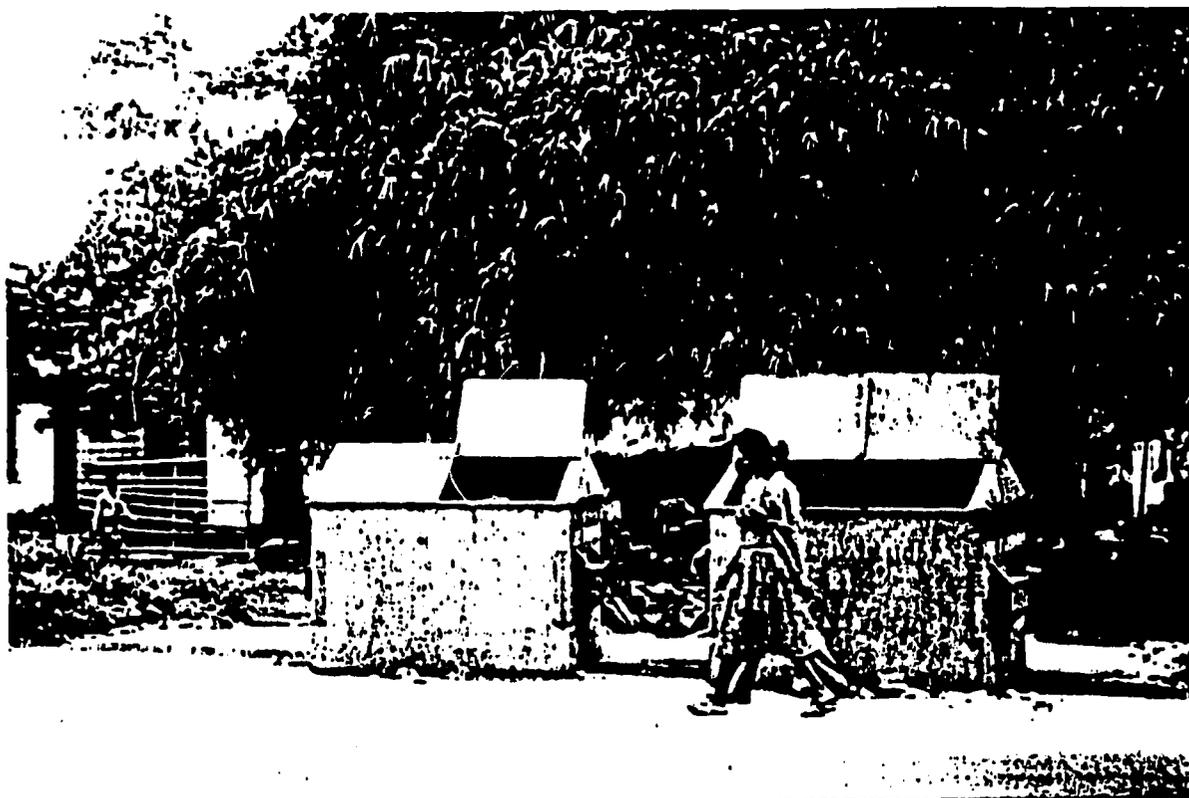
D. Evaluation of HG-003 Program/Sector Goal

The program achieved its program/sector goal of improving the shelter and related amenities of low-income urban residents. At least 250,000 people in Abidjan have directly

benefited from the upgrading, sites and services, and low-cost rental housing activities. Living conditions and sanitary environment in the upgraded neighborhoods have improved significantly. Increased informal sector business activity has been established in the neighborhoods as a result of the project.

While a number of the planned community facilities were eventually cut from the project due to GOIC budgetary constraints, municipalities and various ministries are now more responsive to funding community services in these neighborhoods. The improvements to the upgraded neighborhoods have stimulated a sense of community pride and awareness, promoting many residents to organize neighborhood maintenance programs, to set up small businesses, and improve and expand their houses.

Due to a lack of data collection systems and socio-economic surveys, there is no way to quantify the number of landlords who have connected to the water and sewer systems, the number of new small businesses generated, the level of municipal involvement in maintaining infrastructure financed by the project, the increases in tax revenue resulting from increased rents in the upgraded neighborhoods, or statistics on increased densities in the upgraded neighborhoods. This dearth of hard data points to the need to have better data collection systems and periodic socioeconomic surveys built into future project designs.



Dumpsters typical of those financed under HG-003 in Abidjan.

E. Evaluation of HG-003 Project Purpose

HG-003 was not successful in its attempt to establish a sustainable, long-term, Ivorian institutional operation for the design, implementation, financing, and management of replicable shelter projects for low-income families. This shortcoming was primarily due to continual institutional instability and weakness within GOCI. Throughout implementation of the project, there was a propensity for frequent restructuring of ministries, discontinuation of government parastatals, and dissolution of the key implementing institutions for both financial and technical reasons.

The HG-003 project did, through technical assistance and actual project implementation, improve the technical and managerial skills of individuals within each of the implementing agencies. Many of these individuals are now spread through the existing restructured ministries and parastatal agencies, and some work in the private sector. The Ivorian technicians trained as a result of the project have increased their abilities to replicate shelter projects implemented under the HG-003 project.

The parastatal SICOGI, one of the few surviving institutions involved with the project, has the technical capability to replicate low-cost rental housing projects, but does not have the financial capability. This would indicate that, while there are individual parastatals and technical units that are capable of replicating the kind of shelter solutions that were implemented under HG-003, there is neither the political will nor the financial resources on the part of the GOCI to coordinate and encourage such activities.

HG-004

The HG-004 project represented a change in focus for RHUDO, as the agency's attention was drawn for the first time to urban issues outside Abidjan, Côte d'Ivoire's major city. HG-004 marked the beginning of a new policy initiative, which emphasized the ability of municipal governments to provide infrastructure and services to its citizens-consumers; later, during project implementation, HG-004 also focused on training of municipal officials, and establishing effective cost-recovery and tax collection mechanisms. In addition, HG-004 concentrated on the provision of community facilities and serviced housing plots for low-income residents.

There were two important external factors that influenced the implementation and impact of HG-004. The first was the economic crisis of 1980, which was a factor in the central government's decision to begin a process of decentralization, seen by the GOCI as a way to devolve financial responsibility for local affairs. The second external factor was the rise of the value of the dollar vis-à-vis the CFA, tied in value to the French Franc.

Both factors had an overall positive effect on HG-004 outcomes. An official government policy of decentralization supported the objectives of HG-004, and began to establish a participatory framework in which local authorities would be answerable for their performance and their actions. The strong dollar had the effect of boosting the amount of



Water meter in plastic casing showing house water connection typical of the first stage of slum upgrading.

local currency available for project expenditures. High interest rates at the time also increased interest earnings on HG-004's escrow account, which eventually totalled \$11.8 million, permitting the inclusion of seven add-on cities to complement the original group of thirteen secondary cities.

In the 20 cities, work was undertaken in the following categories:

- Road and drainage improvements
- Social infrastructure, including markets, bus and truck stands, social centers, clinics, day care centers and schools
- Sites and services
- Materials and equipment for municipal maintenance, public works and solid waste collection
- Improvements in the generation and management of municipal revenues by imposing user fees, improving collection techniques and training personnel
- Various studies and needs assessments

Overall, the project's strategy, approach and impact have been highly successful, although there have clearly been variations in success rates from town to town. Overall, HG-004 delivered physical improvements and upgrades that have had readily apparent positive effects on the living conditions and economic conditions of municipal residents. HG-004 also advanced candidate cities in the areas of administration, technical services and financing. The project had a positive impact on beneficiary participation, and helped support GOCI ongoing decentralization policy.

Project weaknesses have related primarily to central government administration, such as lack of ministerial funding for staff and maintenance of non-municipal facilities. Because of gaps and overlaps in central/local government responsibility, some facilities constructed under HG-004 have never been furnished or properly maintained, or, in a few exceptional cases, even opened.

A positive outcome of HG-004 has been a heightened awareness on the community level of the importance of planning development and fiscal management issues. This led to the government's request for an enlarged project with additional beneficiary towns. RHUDO responded with plans for a follow-on project, HG-004A, which would have made available \$17.8 million for the development of five interior towns. Along with neighborhood upgrading and the provision of community facilities and serviced sites, HG-004A also aimed at improved municipal management training and increased community participation activities. While this project was subsequently de-authorized, its innovative design and new features will undoubtedly influence subsequent housing sector activities both within and outside USAID.

Municipal Development Support Project

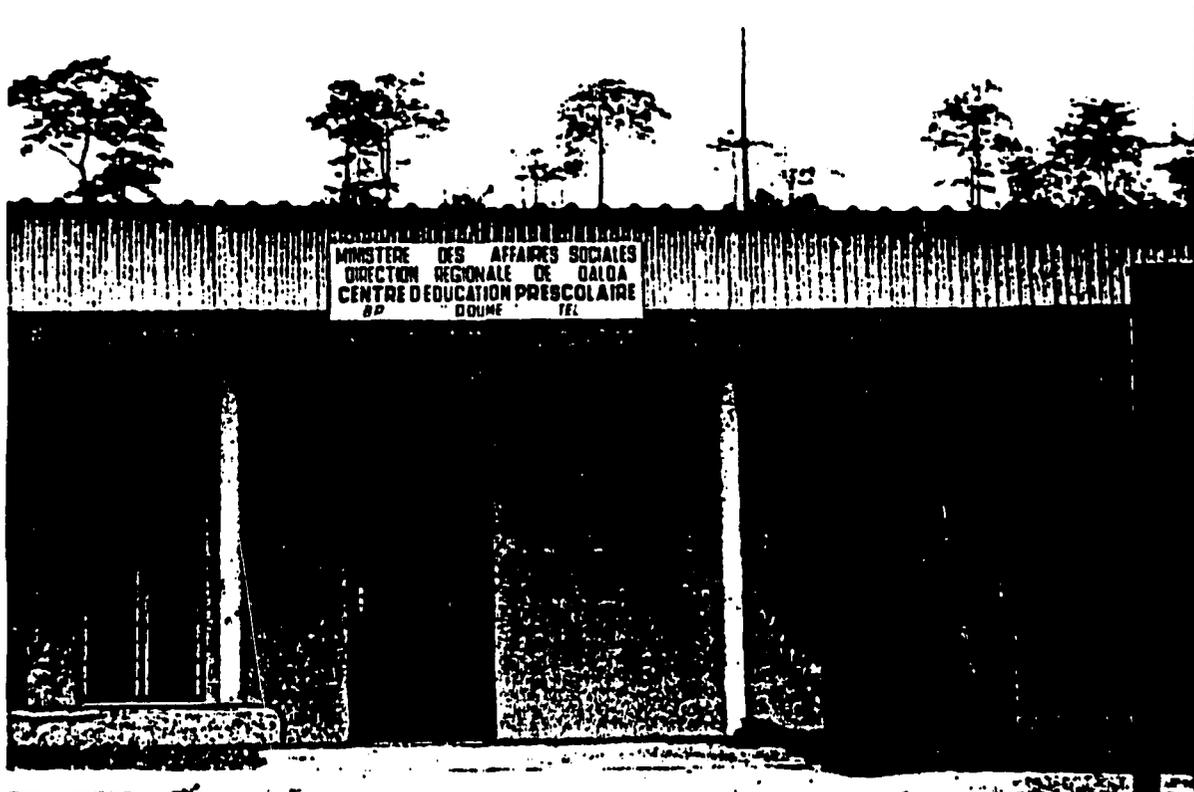
This project, jointly designed by RHUDO and REDSO, is USAID's current principle urban sector activity in Côte d'Ivoire. The \$5 million effort, funded by AID's Development Fund for Africa, aims to improve the efficiency and effectiveness of local government operations, specifically in the areas of governance, finance, management, and service delivery. Other objectives include creation of replicable models of sound municipal management which utilize private sector participation.

Training under the project, which will take place in as many as 30 secondary cities, aims at strengthening urban decentralization by providing local agents with improved management skills and techniques. This training has begun, and seems to be progressing well, though it is too early to draw conclusions concerning possible impacts. A number of measures will also be instituted in the area of revenue enhancement, which HG-004 had demonstrated to be a core concern to municipalities facing decreased central government investments. Construction of revenue-generating facilities, such as markets, transport depots, commercial centers and slaughterhouses, had not yet begun at the time this report was written.

F. Looking Forward

Urban areas in Côte d'Ivoire will be key factors in the country's long-awaited economic recovery. The GOCI's decentralization policy, as well as current donor thinking, is shifting the urban sector focus to the local level. Over the long term, the process of decentralization imposes several questions: what services will the central government pay for and what services properly fall under the financial jurisdiction of local authorities? how will local authorities raise funds? how can financial and technical accountability be reinforced on the local level?

The next step in urban sector development in Côte d'Ivoire must be to resolve confusion of central/local government revenue and spending responsibilities and to set up efficient and sustainable service provision. The advantages of decentralization will not be fully felt until there is adequate institutional reform at the local level. Another priority will be to better learn how to develop the comparative advantages of public and private sectors in urban development, sanitation, revenue management and municipal strengthening.



Pre-school (next to foyer féminin) in Oumé. Financed by HG-004.

G. Trends and Challenges

The demand for urban infrastructure and services will continue to grow, as current high birth rates and continued migration into cities show little sign of slowing. Today, urban populations are expanding at rates which far exceed plans for new housing, water connections, sanitation, waste disposal and other services. The proportion of the population below the poverty line is estimated to have doubled during the past ten years, and seems to be on the rise in the urban areas.

These trends underscore the need for providing basic urban services and increased capacity for management and control. As increases in population and economic growth intensify demand for urban services, the responsibility for response will increasingly fall on local authorities. Decentralization, reform, and consumerism create new questions of efficiency in the provision of public services. With the move towards decentralized responsibilities, the policy issue to be addressed is the weakness in managerial capacity and institutional accountability, both in local governments and public service agencies. Both local governments and central government agencies share the need for adequate financial resources; more importantly, they also share the need for mechanisms to induce better service coverage, cost recovery, and accountability.

The incorporation of market principles into public agencies is one way to help solve these problems. This requires what is basically new contract management assistance, to develop investment and regulatory conditions that protect investors, the interests of consumers, and respect the local environment.

Such an effort would require further donor assistance to:

- Privatize and regulate municipal utilities, facility management, pollution control, solid waste disposal
- Strengthen municipal capacity to respond to the interests of local consumers
- Develop institutional and managerial capacity at local government levels for increased fiscal and managerial accountability

These needs will create a new set of challenges for external assistance. Donors will need to focus on progress in the following areas to achieve real progress with limited GOCI and donor resources:

- Comparative advantages of government and the private sector in the production of goods and services
- Improved management decision-making and accountability of local authorities

These priorities provide a good fit with the USAID country assistance strategy. GOCI, seeking to improve the efficiency and financial viability of its urban investments, is



Foyer féminin/day care center and outdoor paillette financed by HG-004 in Oumé.

shifting responsibility from central to local levels of government, as well as looking to the private sector for market solutions to urban problems. The government continues to require both financial and technical support to help implement these changes and achieve real progress.

The experience of the past 25 years has shown that USAID has responded to GOCI requirements through the mechanism of the Housing Guaranty Loan Program for housing, finance and urban infrastructure, as well as through grant-funded technical assistance and facility-provision for municipalities. The new set of circumstances, outlined above, will require further assistance in building institutional capacity to carry out decentralization policy, a goal which fits in with USAID's objectives of supporting open markets and transparent systems. The areas for possible future assistance include:

- Urban employment and job creation
- Decentralization and privatization of urban services
- Urban finance
- Urban management

Housing and its provision is no longer considered suitable for direct donor assistance, with the exception of urban infrastructure.

A review of RHUDO interventions over the past 25 years leads to the conclusion that overall project impacts were achieved in a more dynamic and economically efficient manner than the traditional physical planning aspects of land use, housing and infrastructure networks. The selection of the four target areas (middle-income homeownership, low-income neighborhood upgrading and servicing, community facilities, and municipal training and strengthening) underscores the changing perspective of urban development needs and challenges. Today, the emphasis is shifting from physical planning to financing and management of urban services. Much work still needs to be done in implementing decentralization policies and practices, and in generating urban employment.

SECTION V

OUTSTANDING ISSUES

SECTION V OUTSTANDING ISSUES

A. Shelter Policies

The objectives of a new housing policy correspond to those of an improved urban policy—that is, to focus on policies and institutions in preference to isolated projects, and to better use public and private resources to facilitate productive activities in the urban economy. In recent years, GOIC perceptions concerning housing policy have begun to shift. Housing is now recognized as part of an important economic sector with crucial linkages to economic performance, rather than simply another element of the social welfare system. These linkages are now much better understood in Côte d'Ivoire today than when HG-001 started in the 1960s.

Improving the performance of the housing sector and allowing it to seek broader economic and social development goals is a question of better understanding all aspects of the housing market—land, building, infrastructure and finance. It is now recognized that housing is a key component of the urban economy, generating a flow of services of up to 10 percent of GNP. Housing is a major motivation for savings and influences household consumption; it also affects inflation, labor mobility, and government budgets through revenue management.

The involvement of the GOCI in the recent past in the housing sector has frequently been perceived as a welfare vehicle, where physical and financial resources are transferred to chosen households. As a result, public sector housing tends to limit itself to providing housing to a small population group, ignoring the majority. Through such a focus, the perception of the sector and its management is inadequate, and assessing successful, discrete interventions can be inappropriate and misleading.

The present housing agenda has in fact met the most rudimentary shelter needs of the growing urban population. The vast majority are sheltered; the percentage of population with no shelter is very small. However, housing conditions vary considerably. Overcrowding, unsafe structures, access to clean water, sanitation, and transportation can provide crushing problems to the poorer groups. The bulk of housing is produced without any government assistance by the informal sector, which is frequently forced to operate contrary to local regulations and public policies. Housing suppliers are generally willing to produce a variety of housing types, at all levels of affordability, usually avoiding regulatory controls in the process.

Housing outcomes include pricing, physical conditions, investment tenure and mobility, and are determined by forces of supply and demand. These are influenced by housing policy, in turn affected by broader socio-economic conditions.



Upper story of HG-004 financed market in ^{Oume} Vavoua.
Unused due to cultural and design problems.

58 A combination of political, cultural & design problems.

During the 1980s, it became increasingly clear that GOCI could not be a direct producer of housing, and circumstances have forced the retreat of the public sector from their ambitious public housing programs which demanded unsustainable direct and indirect subsidies. GOCI should now move in the direction of an enabler—that is, to facilitate and encourage housing activities by the private sector. Housing sector interventions by donors will need to adjust the focus of their funding in favor of the private sector, with government providing the necessary enabling framework.

The PDU 1 project, in which HG-003 played an important role, raised many basic issues due to its scale and scope. As the project was executed during the initial period of the Ivorian economic crisis, this project provided valuable insights into the administrative environment in which these project inputs were realized.

The main outcome of the PDU 1/HG-003 demonstrates alternative shelter policies with great clarity, and highlights the distinction between providing infrastructure as an appropriate public sector activity and the provision of housing which is plainly appropriate for the private sector. Coming at the end of a long period of economic prosperity, PDU 1 encountered difficulties of adaptation to the far less dynamic scenario of the Ivorian economy of the 1980s, when the demand for infrastructure and the ability of poor residents to pay for shelter had fallen dramatically. Despite the economic slow-down, there was no abatement in the need for low-income accommodation in Abidjan, which remains one of the fastest-growing cities in the world. The upgrading of existing housing stock and the rental housing delivered in HG-003 could only make a limited contribution to supplying much-needed extra housing. The disappointing outcome of the PDU 1 cost recovery exercise did not stop the GOCI from considering the project and its impact as successful, and the GOCI requested a continuation of the effort.

Shelter projects financed by USAID and the HG loans reflected approaches which differed significantly from what most development agencies and governments were following at the time. The assumptions underlying the HG program do not appear questionable or controversial today, but 25 years ago, represented a radical departure from conventional wisdom. These interventions have proved to be strategic, well-chosen points of entry into the urban scene, in which neither costly conventional housing solutions nor bulldozing squatter settlements into oblivion were acceptable.

During the execution of all the HG projects, these concepts led to heated debates about standards, with GOCI officials arguing that reduced standards were politically and technically unacceptable. The recovery of investment costs, particularly water supply and other services, was another area of disagreement. The sites and services components, which contain a blend of these disputed subjects, challenged the building codes and suggested that households should be able to build their homes according to their purses and preferences—a view that at first appeared to challenge notions of civilization itself as far as many GOCI officials were concerned.

The HG projects demonstrated viable alternatives to the continued growth of uncontrolled unserved settlements, dramatically reduced building costs and mobilized

resources at the local government level. Enduring success ultimately depends on a simultaneous improvement of institutions working in the sector, so institutional development is the next major step in developing shelter projects and is a precondition for replicability.

On a general level, the projects themselves have demonstrated to the GOCI that it is possible to apply economic, financial and technical methods of analysis to develop solutions to urban problems which do not distort other sectors of development. This has challenged the notion that the urban sector is a privileged area within the national set of priorities. Urban project design has demonstrated that investments in improving urban living conditions contribute to urban productivity without taking scarce resources away from rural development. RHUDO's demonstration of these affordable solutions has effectively changed the terms of the housing debate.

B. The Issue of Tenure

While HG-001 was successful in introducing home ownership to middle-income households, the entire question of property ownership and legal rights remains an unresolved problem that impedes progress in the urban sector. For example, property lists drawn up by SETU show an uneven and unstable pattern of ownership for HG-001 and HG-002 subprojects. In some cases, courtyard housing had new "owners" assigned to them through the disqualification of the existing landlord. There were instances of groups of courtyards titled under the same name.

The important issue is this: landlords that provide about 50 percent of the rentable housing in Abidjan lack legal title to the land. To obtain such a title involves a lengthy process, lasting on average three years. The reason most often cited for non-issuance of titles is excessive bureaucracy. In reality, one must question what interest a traditional landlord would have in applying for land title when his authority to build and charge rents derives from sociological and political factors rather than from legal rights. In any case, any landlord legalizing his ownership would be putting himself within the reach of the fiscal authorities.

Meanwhile, the majority of the occupants—who are renters—remain totally unaffected by this issue. Whether their landlord has title or not, renters, confined to their status by a combination of social constraints and the absence of mechanisms to assist them to become owners, have to pay ever-increasing rent, as the housing supply is inadequate for increasing demand. This is a serious situation for poor urban renters, whose incomes have not grown during a period of economic stagnation. This situation is leading to intensified land use, a strain on municipal infrastructure, and to health and environmental threats.

Components for neighborhood upgrading and sites and services need to be designed that take account of current conditions of rapid urban growth and prevailing land tenure patterns. The possibility of change in the land tenure pattern is unlikely in the short run, because of legal, social and political impediments that prevent renters from becoming landlords. Urban development projects in Côte d'Ivoire, to be successful, need to be designed to function within these constraints, as well as within the context of rapid urban



growth. One option would be to allow traditional landlords, who have effectively supplied the majority of low-income housing in Abidjan, to become development partners, by creating incentives to build extra housing.

The Abidjan housing market has a demand growth of more than 10 percent per year. However, the PDU 1 project did not fully take into account the peculiarities of the tenure pattern, which confines more than 80 percent of the population to tenant status, in which most people live in rented rooms in traditional courtyard housing. These room rents have risen rapidly, affected by infrastructure improvements. Tenants have benefited from these improvements, but landlords who have increased their incomes have not contributed to the planned cost recovery, and have thus had a regressive effect on income distribution. In order to pay the higher rents during the economic slow-down, many tenants have sublet and subdivided their rooms in order to share the higher costs. As a result, population densities in most neighborhoods have greatly increased.

The sites and services component of PDU 1 was based on smaller lot sizes than for courtyard-type housing, and was to be produced by self help. However, the sites and services component became a real estate subdivision, with traditional landlords producing courtyard housing for rent. This unintended outcome has elements which might be suitable for incorporation into future housing projects, which could involve traditional landlords from the outset, based on a collaborative approach.

This important joint USAID/World Bank project produced useful pointers for future work. Lessons learned in the course of this project can be applied to future work in the urban area, which will need to address long-standing land tenure problems and issues.

C. Decentralization Policies

Strengthening local governments needs more than external finance and technical assistance. Effective work in this area will require greater fiscal autonomy and authority of decision over expenditure priorities. Little evolution has taken place in the area of decentralization since the *communalization* initiative (translated as decentralization). Local governments are still weak, with poorly paid and largely untrained staff.

Successful decentralization requires four sets of action:

- Basing transfers on objective criteria rather than ad hoc political or administrative decisions
- Making investment sources available to local governments through a specially operating municipal development bank
- Allowing local bodies to raise needed tax revenues
- Introducing systematic training programs for municipal staff in direct support of their functions

D. Land Development

During the 1970s in Abidjan, over 1,800 ha of land were planned, developed and marketed, of which some 1,400 ha were for housing. This was the result of dynamic efforts by SETU. The types of housing areas produced were:

Type	Ha	Housing Types
A	767	Detached villas or individual apartment buildings of high construction standards
B	444	Public and/or private economic apartments and housing of basic standards
C&D	724 1935	Traditional courtyard housing, for subletting rooms to tenants, sharing services

Land development focused on development cost reductions and delivery to a large consumer group of small housing lots which were connected to all public services (LEM—*Lotissement équipement minimum*) but with no superstructure. A high percentage (more than 30 percent) of this developed land produced sites for 150m² courtyard housing,

providing shelter for more than 50 percent of the population. This contrasts with the actions of private sector developers, whose aim was to produce a finished product for sale, rather than land developed through service extension planning.

The impact of the restructuring subprojects undertaken as part of HG-003 and HG-004, which involved the opening-up of unplanned slum housing areas, has improved neighborhood layouts and access, and encouraged progressive provision of service installations. These interventions have had the effect of boosting private courtyard housing and the income of local landlords.

In a sites and services approach, where more than half the households are tenants, the landlords plainly own their own dwellings as well as the dwellings which are rented out. Thus, the production and ownership of housing units of this type is skewed, in that an important part of the production of housing units is controlled by a small number of investors. Between 80 to 85 percent of households in courtyard housing occupying the same plot are in fact tenants. Commonly, 8 to 10 dwellings are developed on a single lot, implying 8 or 9 tenancies per landlord. This means that the process of densification rewards the investment efforts of the landlords through increased rental income. This type of shelter development, which the sites and services approach has in fact permitted, strengthens the concept of property ownership and development for a growing class of small landlords, but without the heavy up-front investment costs more customarily associated with owner-occupancy housing development, such as HG-001 Fairmont.

The owner/developer generally purchases materials and enlists the help of skilled and common labor. Relationships tend to be informal, disagreements frequent and the construction time influenced by the financial and managerial capacities of the landlord. Establishing an evaluated unit construction cost has proven to be highly inaccurate.

However, judging by construction standards and materials and methods employed, it seems clear that private courtyard landlords deliver: (1) a responsive, sizeable majority of housing units for rent compared with the larger, more formal development companies; (2) an example of entrepreneurial development and management sought from the outset of HG-001; (3) a housing delivery system which caters to the limitations of the small developer and small enterprise, with the advantage of low losses in overhead; (4) a product which corresponds in standard and market price to the largest single segment of the renters market.

E. Land Management

In Côte d'Ivoire, land is being developed much more slowly than it is needed. This situation leaves many consumers with few alternatives to informal or illegal settlement on unserviced land. Much of the problem stems from inadequate land management.

In general, data indicate that the land problem is for the most part an artificial one. A legal system exists which provides for land to be bought and sold. The practice is frustrated, however, by a cumbersome system of procedures and regulations and by poor management which ensures that the supply is never adequate for demand. In the long term,

a land registration system has to be put in place, which will ensure that land ownership can be easily identified and transferred, and property taxes assessed and collected.

Changes in land management practice will involve a plethora of religious, cultural, political, legal, and institutional problems. The complexities of how these issues interact is only sketchily understood. Increasing our knowledge of land management and other issues is essential in planning future project activities, to provide a sustainable basis for reform and progress on urban issues.

ANNEX A

SELECTED DATA ON URBAN TRENDS AND DONOR ASSISTANCE

Annex A.1: Urban Growth Patterns

Africa is the world's most rapidly urbanizing region. The average urban population growth rate reached 4.8% in the early 1970s and 5.5% during 1985-90.

The average urban population growth rate for Côte d'Ivoire is second only to that of Kenya (6.6% for Côte d'Ivoire during 1980-85, 8.06% for Kenya during the same period).

	Country	Per capital GNP level 1988 (US\$)	Size of population (in thousands)				Percentage of urban population		Average rate of growth of			
			1985		2000		1985	2000	Urban pop. (%)		Rural pop. (%)	
			Urban	Rural	Urban	Rural			1980- 1985	1995- 2000	1980- 1985	1995- 2000
Group I	Argentina	2,520	25,648	4,683	32,163	4,075	84.6	88.8	1.88	1.39	-0.87	-0.88
	Mexico	1,760	55,276	24,099	82,905	24,248	69.6	77.4	3.36	2.39	0.34	-0.07
	Colombia	1,180	19,357	9,357	28,557	9,441	67.4	75.2	3.11	2.29	0.28	-0.07
	Brazil	2,160	98,599	36,966	148,397	31,090	72.7	82.7	3.71	2.28	-1.27	-1.00
Group II	Algeria	2,360	9,251	12,488	16,845	16,403	42.6	50.7	3.71	3.85	2.51	1.25
	Morocco	830	9,910	12,210	17,488	13,878	44.8	55.8	4.28	3.42	1.40	0.50
	Malaysia	1,940	5,905	9,543	10,509	10,361	38.2	50.4	4.51	3.32	1.06	0.15
Group III	Senegal	650	2,343	4,101	4,301	5,366	36.4	44.5	3.34	4.26	2.11	1.52
	Cote d'Ivoire	770	4,302	5,950	10,118	8,429	42.0	54.6	6.63	5.24	2.54	2.26
	Nigeria	290	29,556	65,643	68,893	90,256	31.0	43.3	6.07	5.33	2.22	2.02
	Sudan	480	4,502	17,316	8,902	24,708	20.6	26.5	3.99	4.88	2.88	2.19
	Kenya	370	4,002	16,351	11,937	25,645	19.7	31.8	8.06	6.72	3.17	2.78
	Zaire	170	11,248	19,464	22,875	26,474	36.6	46.4	4.41	4.73	2.29	1.80
Group IV	India	340	196,228	572,955	356,875	685,654	25.5	34.2	3.91	3.96	1.65	0.93
	Indonesia	440	42,170	124,294	75,960	132,369	25.3	36.5	4.60	3.62	1.13	0.14
	China	330	218,576	840,946	322,125	963,769	20.6	25.1	1.44	2.95	1.18	0.58

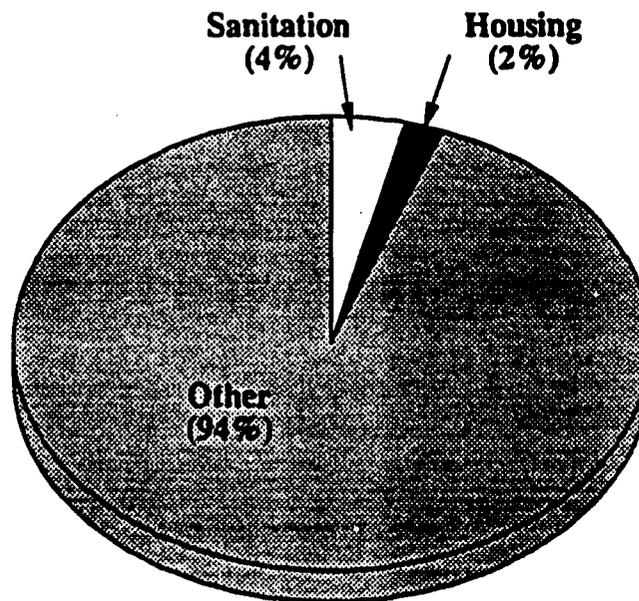
Source: UNDP Strategy Paper, 1991

Annex A.2: Global Donor Assistance to Improve Housing and Living Conditions

A minor proportion of aid is provided to improve housing and living conditions.

- The total amount of aid which seeks to improve existing housing, construct new housing, or assist self-built housing amounts to about \$1 billion per year or 2% of total aid flows to the third world.
- The total amount of aid which seeks to improve water supply and sanitation amounts to about \$2 billion or 4% of total aid flows to the third world.
- During the past 20 years, less than 5% of the global urban population has benefited from aid projects designed to improve living accommodations.

Aid to the Third World



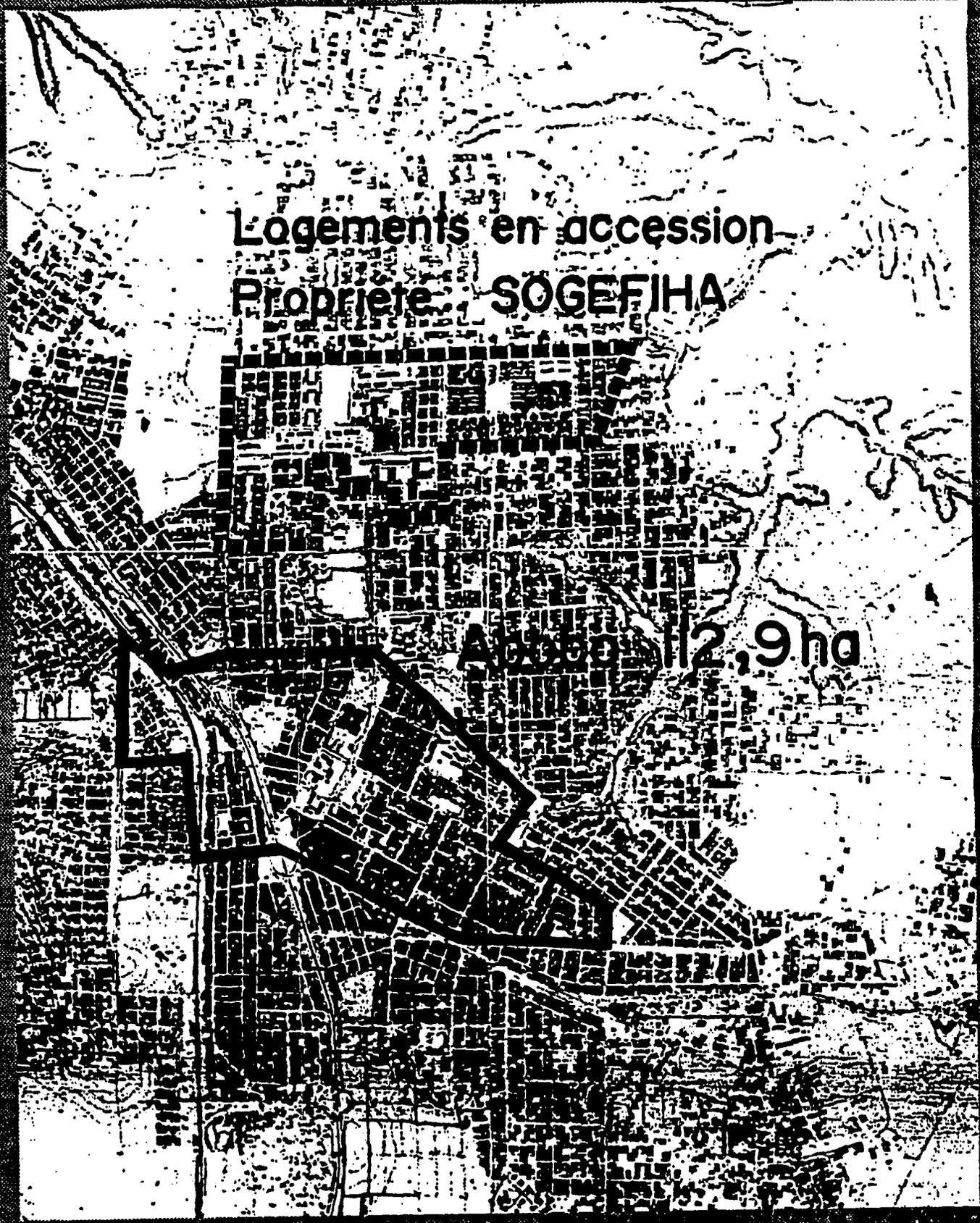
ANNEX B

SUBPROJECT PROFILES

64

**Logements en accession
Propriete SOGEFIHA**

Actuel 12,9 ha



P 2



Lodgements
 OGI
 Courassi Nord-E

66

SOGEFIHA

Cite Fermont

accession / corridor

access r propr
SOGEFIHA / W

Adjoné Liberté (24,6 ha)

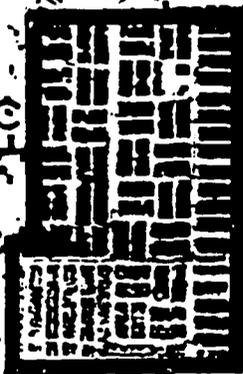
Adjoné Fraternité (14,5 ha)

Locodjro

B-3

61

Port - Bouët II (=40 ha)



I. HOUSING GUARANTY LOAN PROJECT 001

Participants AID (RHUDO); Government of Côte d'Ivoire

Amount RHUDO participation: \$3 million

Date authorized 1967

Date completed 1970

Location Cité Fairmont (Abidjan)

Executing agency SOGEHIFA (Société de gestion et de financement de l'habitat)

Objectives

- Develop and deliver a planned neighborhood of middle-income housing for owner occupancy (two-, three-, and four-bedroom detached and semi-detached houses and walk-up apartments)
- Encourage and facilitate home ownership
- Strengthen institutional capacity to provide mortgage financing

Number of units planned 500

Number of units built 391 (This number reflects a change in the projected mix of units. More houses and fewer apartments were built.)

Status Now a well matured, coherent, and thriving community. Individual properties have in many cases been expanded to provide additional living space and/or small neighborhood enterprises and community facilities. Ancillary services--public transport, landscaping, etc.--have made this a highly desirable area of the city.

II. HOUSING GUARANTY LOAN PROJECT 002

Participants	AID (RHUDO); Government of Côte d'Ivoire
Amount	RHUDO participation: \$10 million
Date authorized	1972
Location	Abidjan--neighborhoods of Williamsville and Abobo Gare
Project components	Housing construction for owner occupancy and rental units (one-, two-, three-, and four-bedroom row houses and walk-up apartments, consisting of seven dwelling types); savings and loan activities; general neighborhood upgrading
Construction begun	Williamsville (1973); Abobo Gare (1974)
Construction completed	Williamsville (1974); and Abobo Gare (1975)
Number of units planned	1,240
Number of units built	1,200
Comments	Savings and loan component reallocated due to increase in construction costs

III. HOUSING GUARANTY LOAN PROJECT 003

Participants AID (RHUDO); World Bank; Government of Cote d'Ivoire

Original amount Total: \$122.3 million; RHUDO participation: \$21 million
[This HG003 project was a component of the First Urban Development Project (PDU1) for the City of Abidjan]

Additional amount Escrow account interest earnings: \$8.1 million

Date authorized 1976 (construction started in 1979)

Objectives Provide land development and improved shelter and related amenities for low-income urban residents on about 450 hectares of land

Establish and strengthen a coordinated Ivorian operation to design, implement, finance, and manage replicable shelter projects for lower-income families

Locations Abidjan (Bouet II), Abobo, Abobo Gare, Adjamé (Fraternité), Adjamé (Liberté), Attécoubé, Attécoubé (Locodjono), Koumassi, Marcoury, Pélieuville

Number of beneficiaries 250,000

Status Completed in 1984. Slum upgrading; provision of water, sanitation, and storm sewers; street paving; electricity; low-income rental housing construction (2,235 units); and sites and services (544 lots). Approximately 60 percent of investments were for infrastructure and 40 percent for new community facilities.

Subproject Profile: Abidjan (Port Bouet II)

Objectives Upgrade the entire area from temporary squatting standards
Pave dirt roads and provide drainage, water supply, and sanitation
Replace temporary structures with permanent structural materials

Executing agency SETU (Société d'équipement des terrains urbains)

Project components Forty hectares of unserviced land originally used as temporary shelter, consisting of lots of approximately 150 square meters

Numbers planned 12,000

Numbers realized 29,500 (1975)

Status Forty-three percent of the housing lots now have piped water supply. Temporary shacks were replaced with masonry structures, including some of high quality. Altogether nearly 1,700 lots were upgraded with resulting improvement in sanitation and overall environment and an increase in property values.

Subproject Profile: Abobo

Objectives Standardize existing housing lots and reduce uncontrolled and unsafe construction in unplanned areas

Executing agency SETU/CAA (Caisse autonome d'amortissement)

Project components Upgrading of 12 hectares of land

Numbers planned 40,000 beneficiaries

Numbers realized 55,000 (1979)

Status More than 1,300 lots were upgraded by repairing roads and providing drainage. The general environment is greatly improved, courtyard rental housing is now hooked up to services, and solid waste collection is working well. The area has become more desirable and rents are higher.

Subproject Profile: Abobo Gare

Objectives Actions undertaken were designed to upgrade particularly decrepit and precariously built shanty areas.

Executing agency SETU

Project components Up to 113 hectares of densely populated shanty towns

Numbers planned 40,000 beneficiaries

Status The completion of paved roads, drainage, and flood prevention greatly improved the general environment. Electricity supply was expanded, but water supply is still subject to illegal pirating of supplies. The roads have provided accessibility and improved traffic management.

Subproject Profile: Adjamé (Fraternité)

Objectives	Restructure and open up areas of densely populated shanty towns Improve road access, drainage, flood protection, water supply, and sanitation
Executing agency	SETU/CAA
Project components	Seventeen hectares of unplanned shanty towns replaced with paved roads, drainage, and water supply
Numbers realized	666 lots upgraded
Status	Access to the area and traffic circulation are greatly improved. All courtyard-type rental housing is connected to the water supply and sewerage. Solid waste collection is well managed in these communities. The improved general environment is encouraging investment in multi-story commercial premises.

Subproject Profile: Adjamé (Liberté)

Objectives Pave dirt roads and install drainage and some sewerage. (Steep slopes made this both costly and difficult.)

Executing agency SETU/CAA

Project components Twenty-five hectares of unplanned shanties, upgraded with roads, drainage, water supply, and a cultural center

Status Paving, drainage, and provision of water supply and electricity have greatly improved this area of low-income rental units. Densification is taking place bordering paved roads, in parallel with commercial development.

Subproject Profile: Attécoubé

Objectives Restructure and open existing shanty town areas
Improve road access, drainage, and flood protection
Develop market area

Executing agency SETU/CAA

Numbers planned To affect a population of approximately 53,000

Comments The HG001 project "Fairmont" is situated within the overall area of this subsequent development.

Status This subproject, which was added late in the project, provided a successful market development and has substantially improved the financial resources of the commune. Flooding problems were resolved, benefiting the entire area. The medical center, which also provides maternity services, is fully utilized. The paved roads have encouraged commercial development and raised land value.

Subproject Profile: Antécoubé (Locodjoro)

Objectives To upgrade infrastructure in what is a congested "urban village"

Executing agency CAA/DCGTx (Direction et controle des grands travaux)

Project components Road improvements; market upgrading

Numbers planned To serve a local population of 17,000 (1975)

Status Severe problems of flooding during the rainy season, as well as difficult traffic control, led to serious delays in project implementation. However, the improvements have now been made.

Subproject Profile: Koumassi

Objectives Shelter low-income families on vacant or agricultural land in close proximity to the city
Initiate the first stage of large-scale planning in the area

Executing agency SICOGI (Société Ivoirienne de construction et de gestion immobiliere)

Project components Approximately 4,600 low-income rental units (2-room models, designed for later conversion to 3-room units)

Numbers planned 25,000 targeted beneficiaries

Numbers realized 33,000 beneficiaries

Status The targeted low-income group was reached. Roads were paved and the area has become an agreeable neighborhood with community organizations. The project encouraged the development of adjoining areas, with a mix of low- and middle-income housing.

Subproject Profile: Marcoury

Objectives Upgrade the low-lying, flood-prone area which was partially occupied by squatters
Restructure and execute the first stage of a comprehensive land-use plan

Executing agency SICOGI

Numbers planned 3,000 low-cost rental dwellings (2-room models to be converted later into 3-room units); direct beneficiaries: 22,000 persons

Status The community has flourished. The tenants expanded their dwellings and made substantial improvements. Small enterprises were set up. Community services and activities are now well-established.

Subproject Profile: Pélieuville

Objectives **Open and upgrade all developed areas of the town**

Clear and pave access roads and provide drainage, water supply, and sanitation

Provide conditions for increasing income

Executing agency **SETU/CAA**

Numbers planned **15,000 beneficiaries**

Status **Living conditions were considerably improved by building a network of roads and bringing in services. Courtyard housing was connected to the water and power networks, thereby increasing rental values. This project introduced construction of WCs into courtyard housing. An estimated 663 courtyard houses were upgraded.**

IV. HOUSING GUARANTEE LOAN PROJECT 004

Participants AID (RHUDO); Government of Côte d'Ivoire

Original amount Total: \$25 million; RHUDO participation: \$20 million

Additional amount Escrow account interest earnings: \$11.8 million

Date authorized 1980

Objectives Assist the Government of Côte d'Ivoire in improving the shelter and related living conditions of low-income residents in secondary cities throughout the country.

Strengthen the capacity of local governments in secondary cities to identify, implement, and manage programs involving the provision of shelter, community facilities, municipal services, and employment-generating infrastructure that will benefit low-income households

Finance selective shelter-related infrastructure and community facilities which improve the living conditions of lower-income households in secondary cities, strengthen urban-rural linkages, create employment opportunities, and augment local government revenues

Institutionalize the training, management, and delivery capacity of the Ministry of Interior (MOI) Direction des collectivités locales (Directorate of Local Governments) as a permanent activity to improve the ability of elected officials and technical staff of secondary cities to provide and maintain basic urban services and infrastructure

Locations Ivorian secondary cities: Abengourou, Agnibilékrou, Aboisso, Bettié, Bongouanou, Bouna, Dabou, Didiévi, Gagnoa, Issia, Lakota, Man, Niablé, Odienné, Oumé, Sassandra, Vavoua, Zouen-Hounien

Number of beneficiaries 655,000

Status Roadwork and drainage network; new community facilities; training; equipment provision; sites and services; neighborhood upgrading. (Some activities still ongoing.)

Subproject Profile: Abengourou

Objectives Strengthen municipal management and its works department, including measures to increase revenue by funding a central market

 Upgrade roads and drainage

 Provide equipment for solid waste management and collection and for supporting studies

 Purchase a dumptruck and required maintenance materials

Executing agency DCGTx, CAA

Date of completion November 1988

Total budget FCFA 650 million

Status The market wasn't built, due to a slow response at the municipal level. Nor did planned sanitation upgrades take place. However, provision of the dumptruck allowed for more frequent garbage collection and has led to a cleaner environment, particularly in outlying areas that were not formerly well serviced.

Subproject Profile: Aboisso

Objectives

- Improve neighborhood hygiene and sanitation**
- Help solve existing environmental problems**
- Upgrade informally constructed housing**
- Improve access to the Sokoura quarter**
- Stimulate economic activity and raise incomes**
- Assist municipal authorities in responding to public needs more effectively**

Executing agency DCGTx/CAA/AFVP (Association française des volontaires du progrès)

Project components Construction of a central market and a truck stand; purchase of dumpsters; equipment repair; reconstruction of Aboisso's Sokoura quarter, including construction of primary roads and improvement of secondary roads; training

Status

Most inhabitants expressed satisfaction with the outcome of work carried out under this subproject. Better access in and out of the Sokoura quarter has allowed informal sector participants to obtain supplies more cheaply and to market their goods and services to a broader area, raising incomes. For Aboisso overall, better infrastructure and municipal equipment have improved the quality of life for many inhabitants.

This was the first neighborhood upgrading project that the GOCI agreed to carry out in an area entirely occupied by illegal squatters. Residents obtained access to land tenure and became directly involved in the implementation/construction activities.

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Subproject Profile: Agnibilékrou

Objectives Enhance municipal revenues by improving access and land development adjacent to main arteries, thereby raising rental values and taxable property, and by organizing and managing the central market

 Improve the urban environment

 Stimulate commercial activity

 Facilitate transport into and within the town

Executing agency DCGTx

Project components Roadwork improvements and drainage; construction of a central market

Date of completion 1992 (market not yet fully occupied)

Total budget FCFA 225 million

Status Improvements in roads within Agnibilékrou has eased travel in the town. That, coupled with the rehabilitated market, has stimulated local economic activity. Sanitation has improved markedly. City authorities, benefiting from increased municipal earnings, are responding more efficiently to the town's needs for timely garbage collection and maintenance of infrastructure.

Subproject Profile: Bettie

Objectives **Strengthen and upgrade municipal operations at a modest level in this small town (population 8,000)**

Increase municipal revenues

Reduce construction costs

Stimulate economic activity

Provide better sanitation

Executing agency **DCGTx/CAA**

Project components **Drainage works and construction of stalls in the market; purchase of a garbage dumpster and a concrete mixer; road improvements; provision of permanent stores and kiosks for the existing market; purchase of solid waste equipment and a brick press for local masonry construction**

Date of completion **1992**

Total budget **FCFA 75 million**

Status **Work has only recently been completed (June 1992), making it difficult to assess project impact.**

Subproject Profile: Bongouanou

Objectives Strengthen and improve this town of 29,000 by financing both social and revenue-enhancing infrastructure

 Upgrade community resources

 Improve health care for the population

 Improve community living conditions

Executing agency DCGTx

Project components Sites and services scheme for 660 plots; roads and drainage upgrading for both the market area and one neighborhood

Date of completion 1989

Total budget FCFA 500 million

Status Facilities constructed under this subproject are not utilized fully. Lots subdivided for low-income residents have not been occupied. Kiosks and stores were planned and built as part of comprehensive market center. However, the second story of the two-story market is only partially utilized at present. A social center and day-care center now provide a full schedule of health and social services. The slaughterhouse is awaiting water service and of the 660 plots planned, only 117 have been completely transferred.

Subproject Profile: Bouna

Objectives Improve and enhance municipal management of this small town (population 14,500)

 Increase community resources

 Satisfy basic requirements of the town's inhabitants for health care and child care

 Provide a social outlet for the community's youth

 Stimulate economic activity

Executing agency DCGTx

Project components Central market with latrines; slaughterhouse; socio-cultural center providing health services and social activities; primary school; day-care center

Date of completion 1986

Status Construction of the new market and the slaughterhouse have led to increased commercial activity in the town. Women and young people have been particularly satisfied: women now have a clean, safe environment in which to leave their children while they work, and young people have a place to gather.

Subproject Profile: Dabou

Objectives Increase local resources

 Improve living conditions

 Transfer the city-center to a more functional site

 Stimulate economic activity

 Provide a social outlet for the town's youth

Executing agency DCGTx/CAA

Project components Construction of a central market, kiosks, and stores; sites and services for 592 lots; construction of a cultural center; improvement of roads and drainage in the central area

Date of completion 1989

Total budget FCFA 996 million

Status Municipal revenue has increased from 8 million FCFA to 15 million FCFA/per annum because of improved management of the town's resources, such as more efficient collection of market stall fees. Additional vendors have moved into the market, which is now well-utilized. Paving link roads has improved access from one part of town to another, stimulating commercial activity and improving the quality of life for town residents. However, the subdivision has been slow and plots are under-utilized owing to failure on the part of the Ministry of Social Affairs and the municipality equipment personnel. The cultural center lacks equipment and is not used to capacity. Solid waste management problems persist. Only 37 of the 592 lots have been transferred, reportedly because of the high market price.

Subproject Profile: Didiévi

Objectives **Increase community resources**
Improve public health delivery
Stimulate economic activity
Improve sanitation and the urban environment

Executing agency **DCGTx**

Project components **Construction of a market, stores, kiosks, transport depot, and social center; provision of drainage and water supply; purchase of vehicles and equipment for construction and solid waste collection**

Date of completion **1992**

Total budget **FCFA 300 million**

Status **There has been a marked increase in housing construction, and the population has benefited from improved water delivery and sanitation. Road transportation has increased, as has general commercial activity in the town. Furthermore, municipal authorities are taking a more active role in managing the town's resources.**

Subproject Profile: Gagnoa

Objectives Improve municipal management and revenue earning opportunities by upgrading the central market, neighborhood roads, drainage, and solid waste management and equipment

 Improve sanitation and hygiene

Executing agency DCGTx/CAA

Project components Municipal equipment, including dumpsters, tools for equipment repair, and a pick-up truck; technical studies; solid waste management; physical improvements to central market and procurement of equipment for solid waste management

Date of completion 1987 (partially completed due to administrative changes)

Total budget FCFA 1,700 million

Status The market was not constructed, due to difficulties in finding and acquiring a site by the municipal authorities. However, improved sanitation equipment has led to a cleaner and healthier environment for city residents.

Subproject Profile: Issia

Objectives **Increase municipal earnings while encouraging local authorities to meet the needs of the population of 38,000 more effectively**

Stimulate economic activity and encourage private (artisanal) activities

Strengthen Issia's position as an important hub in the region's transportation network

Executing agency **SETU/CAA**

Project components **Construction of a covered market, an artisan center (linked to tourism plan), a slaughterhouse, cold storage, and a transport depot; road and drainage upgrading**

Date of completion **1989**

Status **The city's resources have increased, and municipal authorities have indicated their readiness to improve revenue collection. The market and central commercial area are highly active, although the second story of the market is not currently being used. The slaughterhouse is complete and fully functioning. However, the artisan center is not functioning, due to its inconvenient location. (Conversion of the center to other uses is being considered.)**

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Subproject Profile: Lakota

Objectives Develop opportunities for revenue mobilization
 Stimulate economic activity
 Improve community health
 Provide a social outlet for the town's youth

Executing agency DCGTx/CAA

Project components Covered market, to be equipped with latrines, cold storage rooms, and kiosks; social center and youth center for providing health and social programs; slaughterhouse; neighborhood upgrading including improvements in roads and drainage; purchase of solid waste collection equipment; training in community development

Total budget FCFA 400 million

Status Local political difficulties slowed progress on work in Lakota. Generally, administrative arrangements for applying user charges are weak. However, inhabitants have expressed satisfaction in the improved central market, which has increased community resources and commercial activity.

Subproject Profile: Man

Objectives Improve the center of this town of 90,000 through major land-use revision

 Increase marketing to generate revenue

 Upgrade the drainage network in and around the market area

 Expand solid waste management and collection

 Increase access to community health care

 Improve circulation by upgrading roads

 Strengthen community resources

Executing agency DCGTx/CAA

Project components Sanitation and drainage along the periphery of the market and construction of a health center; solid waste management and equipment

Date of completion 1986 (phased handover)

Total budget FCFA 1,564 million

Status Major remodelling of the central market and surrounding area has permitted systematic enlargement of the market area. The market and surrounding areas situated on low ground have improved significantly in terms of sanitation and public health. Some 1,300 stall holders now rent space. Commercial activity is able to continue unabated during the rainy season. Health centers have been built and roadwork, drainage, and neighborhoods have been upgraded, including improvements to drainage canals. Health Centers have been slow in becoming operational.

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Subproject Profile: Niablé

Objectives Increase the community's revenues
 Stimulate economic activity
 Provide affordable housing for low-income residents

Executing agency DCGTx

Project components Construction of a central market; division of land into housing plots

Total budget FCFA 100 million

Date of completion 1992 (incomplete)

Status Commercial activity has increased: the market has now expanded and stores near the market are selling products that formerly were available only in neighboring towns. The municipal budget has expanded due to increased market revenues. Road drainage has been improved. However, subdivision of land for low-income housing was not carried out. 2

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Subproject Profile: Odienné

Objectives Improve circulation and drainage in the central area of this town of 28,000

Support and strengthen community-building

Executing agency DEUH (Direction des équipements urbains et de l'habitat)/CAA

Project components Construction of a cultural center, roads, and a transport depot

Date of completion 1987

Total budget FCFA 413 million

Status Substantial road and drainage works have been completed, together with extensive improvements in drainage canals. Although technical problems delayed the operation of the cultural center, it is now in full operation and well-utilized by the community, particularly its younger members.

Subproject Profile: Oumé

Objectives Improve municipal services and community resources in this town of 39,000

Rehabilitate the town's center

Stimulate commercial activity

Provide housing options for low-income residents

Executing agency DCGTx/CAA

Project components Construction of a central market with latrines, a day-care center, a health clinic, a social center, and a women's center; sites and services for 789 lots; roads and drainage upgrading

Date of completion 1988

Status Municipal revenues have increased by about 15 percent per annum. Sites and services have been equipped with roads and drainage networks. However, most of the lots remain unsold. The market is complete and operating, except on the upper level. The day-care center, social center, and health clinic appear to be well utilized successfully, but the women's center was not constructed. Managerial and marketing issues persist with regard to the pricing of lots, leasing of vending spaces, and application of user charges.

Subproject Profile: Sassandra

Objectives This fishing town of 16,000 has experienced negative growth due to the recent growth of the nearby town of San Pedro. This project is designed to:

- Enhance and support the town's fishing trade and commerce with the interior
- Expand the social infrastructure and introduce women's and youth programs
- Improve living standards
- Improve the local road network, facilitating movement of people and goods within the town

Executing agency DCGTx/CAA

Project components Upgrading of roads and drainage in the downtown seafront area; protection against erosion; provision of central market; relocation of the fish market and addition of freezing facilities; construction of a women's center; neighborhood upgrading; construction of cultural center

Date of completion 1986

Status Municipal earnings have increased, and the municipality is attempting to increase revenues further. Paving roads has facilitated transportation within the town, and the market extension is attracting new vendors. However, there have been problems establishing the fish market because of resistance on the part of fish traders and processors. The women's center and youth center are not being fully utilized and require stronger management in order to operate efficiently.

Subproject Profile: Vavoua

- Objectives** Improve circulation and drainage for this town of 34,000, which is a transportation and commercial center
- Increase the community's resources and assist in increasing municipal efficiency
- Stimulate commercial activity
- Executing agency** DCGTX/CAA
- Project components** Construction of a central market, truck stop, and football stadium; renovation of a building to serve as a cultural center; division of land into plots; establishment of solid waste management system and procurement of equipment; construction and repair of roads; drainage upgrading
- Total budget** FCFA 347 million
- Date of completion** 1986
- Status** The centrally located football stadium was converted to a transport depot and relocated to a site on the town's periphery. The adjoining central market is now a 2,000-stall regional facility. Additional roads and drainage were provided for the town's access and periphery. The market and central area were upgraded and provide an important regional focus, as well as municipal finances, which has led to considerable expansion in commercial activity. However, the cultural center was not constructed.

Subproject Profile: Zouen-Hounien

Objectives Upgrade circulation and market in this town of 20,000
Increase community resources
Improve public health
Upgrade sanitation and improve the urban environment
Develop commercial activity
Increase the rate of school attendance

Executing agency DCGTx

Project components Construction and drainage of the central market; construction of public latrines, a slaughterhouse, health center, primary school, social center, and day-care center; road drainage and improvements

Date of completion 1987-88

Total budget FCFA 300 million

Numbers planned

Numbers realized

Status The town's sanitation and public facilities have been noticeably upgraded. Community resources have been improved, and the town has begun to develop commercially, with a resulting rise in household income. Housing construction has also begun to rise. The municipality succeeded in operating the maternity clinic, with 60 deliveries per month reported and the primary school is operating with space for 250 students. However, the health center and social center, though completed, are not fully equipped or staffed owing to failure of Central Ministry of Health and Social Affairs to provide promised personnel and equipment.

**V. DEVELOPMENT FUND FOR AFRICA (DFA) PROJECT 681-0004
MUNICIPAL DEVELOPMENT SUPPORT PROJECT**

Participants AID (REDSO); Government of Côte d'Ivoire

Amount Total: \$6.68 million; AID participation: \$5 million

Date authorized 1990

Objectives Support the efforts of the Government of Côte d'Ivoire to promote equitable and sustainable local-level economic development throughout the country

 Strengthen the management capacity and financial viability of five Ivorian secondary cities and increase their capacity to provide urban services through the use of private-sector mechanisms

 Create in the above cities models of sound municipal management, above all in the areas of financial management and service delivery, that can be replicated in other Ivorian secondary cities

Locations Five Ivorian secondary cities: Akoupé (pop. 48,500), Biankouma (pop. 27,500), Duékoué (pop. 40,500), Sinfra (pop. 41,000), and Tiassalé-N'Douci (pop. 40,000)

Project components Municipal Management Training in 34 cities. Involves local training for elected officials and municipal agents in financial and public works management, urban service delivery and economic development planning. On central level, training involves computerization of different departments of Directorate of Local Government. Revenue enhancement activities, including simplified cadastral surveys, reorganization and rationalization of local tax collection, and encouragement of privatization. Facilities construction involving renovation and/or construction of revenue generating infrastructure such as markets, transportation centers, slaughterhouses and commercial centers.

Status This project began in September 1990 and will be completed in October 1993.

Subproject Profile: Akoupé

- Objectives** This town of 18,000 is located at an important intersection of routes and has outgrown its limited infrastructure. The purpose of this subproject is to improve the town center and areas affected by transportation and marketing activities, in order to increase municipal revenues.
- Executing agency** DCGTx/CAA
- Project components** Central market; truck stand
- Status** Akoupé, a center for agricultural produce and timber processing, is not well-equipped with infrastructure, and the public services are at present only preliminary. Neither the market nor the truck stand are completed and revenues are as yet negligible. Simplified cadastral study completed. Municipal management training underway.

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Subproject Profile: Biankouma

Objectives The population of Biankouma has grown from 4,000 to 15,000 in the last 17 years. This growth has made both the social and physical infrastructure inadequate. The purpose of the project is to strengthen community development, improve the town center, and strengthen resource mobilization.

Executing agency DCGTx/CAA

Project components Replanning of the central area, including the market; development of a truck stand; construction of a slaughterhouse

Status This subproject is still in planning stages.

Subproject profile: Duékoué

Objectives This town of 27,000 is dominated by agroindustry and is located on an important intersection of routes. Inadequate infrastructure in the town center is retarding the economic growth of the town. The project includes community development, strengthening revenue enhancement, and restructuring of the town center.

Executing agency DCGTx/CAA

Project components Central area development, including a market and commercial center; development of a transportation stand

Status The project still in planning stages; work to begin in 1993.

Subproject Profile: Sinfra

Objectives This town of over 32,000 is in the coffee and cacao growing area of the country. The need to develop commercial activities and reorganize the town's transport corridors requires replanning the town center with a view to strengthening commercial activities and enhancing revenue.

Executing agency DCGTx/CAA

Project components Municipal training underway. Simplified cadastral study completed. Central area improvement, including a market, traffic management, and construction of truck stand and slaughterhouse

Status The project still in planning stages; physical work to begin in 1993.

Subproject Profile: Tiassalé-N'Douce

Objectives This crossroad town with agroindustrial base is now undergoing changes following construction of a nearby autoroute. Downtown congestion calls for replanning of the communal area, and the growth in transportation requires a new location for the bus and truck stand.

Executing agency DCGTx/CAA

Project components Central area improvement package, including the market, bus/transport depot, and slaughterhouse

Status The project still in planning stages; physical work to begin in 1992.