

Assessment of Program Impact for Côte d'Ivoire

FY 1993

Abidjan, Côte D'Ivoire

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Preface

This year's assessment of program impact (API) -- USAID/Côte d'Ivoire's first ever -- has been prepared in accordance with AID/W guidelines to the extent practicable. The following special considerations and departures from the standard format are worthy of the reader's attention, however.

- First, the USAID/Côte d'Ivoire Concept Paper requested by USAID/W in 1992 was completed in 1993 but not reviewed by USAID/W. The document, which was to have been presented for approval in October 1993, has been overtaken by events of the current USAID "right sizing" exercise, which has resulted in the decision to terminate the Côte d'Ivoire bilateral activities during FY 1994.
- Second, in the absence of an approved program strategy, the assessment suffers from the lack of a strategic monitoring, evaluation, and reporting (MER) system. As a result, we have had to fall back upon a combination of concept paper and project paper indicators to report on program impact.
- Finally, and again with reference to the ongoing USAID "right sizing" exercise, we have anticipated a possible future melding of USAID/Côte d'Ivoire bilateral and REDSO/WCA regional functions and activities to address global issues related to health and population, democracy and governance, the environment, and economic growth. This assessment of program impact includes discussion of our activities with the African Development Bank (an Africa Bureau regional activity managed out of REDSO/WCA) and the future design of regional activities based in part upon experience gained through USAID's bilateral program in Côte d'Ivoire.

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Acronyms and Abbreviations

AfDB: African Development Bank
AFGRAD: African Graduate Fellowship Program
AIBEF: Association pour le Bien-Etre Familial; Ivorian NGO working in family planning
AIDS: Acquired Immunodeficiency Syndrome
API: Assessment of Program Impact
CDC: Centers for Disease Control
CDD: control of diarrreal diseases
CYP: couple-years of protection
DC: Department of Cadastral Surveys
DHS: Demographic and Health Survey
EEC: Eurekaean Economic Community
EPI: Expanded Program of Immunization
ESF: Economic Support Fund
ESPOIR: Ivorian NGO working on AIDS testing and counseling
FY: fiscal year
GDP: gross domestic product
GOCI: Government of Côte d'Ivoire
HFPP: Health and Family Planning Project
HIG: housing investment guarantee
HIV: Human Immunodeficiency Virus
HRDA: Human Resource Development for Africa project
KAP: knowledge, attitudes, and practice
MCH: maternal and child health
MDSP: Municipal Development Support Project
MER: monitoring and evaluation system
MMTP: Municipal Management Training Program
MOH: Ministry of Health
NEAP: national environmental action plan
OICI: Opportunities Industrialization Center International
PSI: Population Services International
PVO: private voluntary organization
REDSO/WCA: Regional Economic Development Service Organization, West and Central Africa
UNDP: United Nations Development Program
UNICEF: United Nations Children's Fund

SECTION I: SPECIAL FACTORS AFFECTING THE USAID/CÔTE D'IVOIRE PROGRAM

A. Macro-Economic Environment

Côte d'Ivoire's economic performance since the late 1970s has been disappointing, particularly when viewed against the backdrop of the late 1960s and early 1970s, when per capita GDP grew at an annual rate of 5.5 percent. Since then, GDP growth has fallen well behind population growth, with the result that nominal GDP per capita has fallen by over 35 percent since the start of the eighties. Consumer prices, meanwhile, have risen by some thirty percent. Current per capita GDP of about \$775, in turn, is significantly overstated because of the overvalued exchange rate of the CFA franc.

Between 1980 and 1990, employment in the formal private sector, which had been an important creator of high paying jobs in the previous two decades, declined by 127,000. During this same period, civil service employment increased by 42,000; the agricultural and informal sectors have had to absorb 700,000 and 400,000 workers respectively in marginal, low-paying jobs; and unemployment has increased by 500,000. By 1990, 13 percent of the labor force was unemployed.

Along with declining income and employment has come increasing debt. By the end of 1991, Côte d'Ivoire's external debt totaled \$18.5 billion, one of the highest per capita levels of indebtedness in the world. The country's debt service obligations equal 60 percent of its export earnings.

Although a major cause of the Ivorian recession is the sharp drop in terms of trade, the economy's continued lack of competitiveness is due largely to excessive government involvement in economic activity. Initially, many of the controls placed on economic activity were based on valid development concerns. Producer price controls on agricultural exports were intended to protect farmers from widely fluctuating world prices; import substitution industries were protected in order to give them time to become established and competitive; and the justification for government participation in certain industries was to assure adequate control over industries that were considered vital to national interests.

These same controls, however, were also well suited to Côte d'Ivoire's system of patron/client relationships. Political supporters could be, and were, well rewarded with preferred access to the lucrative agricultural export trade; equity participation and highly paid management positions in export-oriented agribusinesses and import substitution firms; licenses to import products that could then be sold in controlled markets at guaranteed profits; and large government construction contracts.

As a result, there is now a strong vested interest among many highly influential Ivorians in maintaining the existing system of controls and regulations. These privileged individuals have more to gain from continuing to exchange favors in a protected economic environment than they

do from returning the economy to competitiveness and sustainable growth. This is a major reason why there has not been more progress in implementing the economic liberalization measures called for in the Medium-term Policy Framework.

Ivorians are being paid more than the value of what they are producing. Most Ivorian exports have become too expensive to compete on world markets. Manufactured goods produced for local markets cannot compete with imports. In international economic terms, Côte d'Ivoire's currency has become overvalued by an estimated 50 percent. There are two ways to reduce Côte d'Ivoire's real effective exchange rate: (a) *lower the official exchange rate* so that it accurately reflects the country's already devalued currency, or (b) *reduce the total of incomes paid to Ivorians* to a level that is equal to the value of the goods and services they are producing. Although in macro-economic terms either of these measures has the same result, changing the official exchange rate, which reduces the cost of domestic inputs used in production, is a more readily achievable way of stimulating economic competitiveness.

Future economic prospects for the Côte d'Ivoire are clouded. Production per capita can be expected to continue to decline for the next three to four years. If no corrective action is taken by the government, the downward trend will continue indefinitely until Côte d'Ivoire joins the ranks of other low income West African countries. With virtually no resources for fixed investment, the country's productive and infrastructure base that was built up during the 1960s and 1970s will be permanently lost.

This bleak economic scenario is countered, however, by some opportunities for development. First, the country has a strong comparative advantage in export agriculture. The growing conditions for a wide range of tropical crops are among the best in the world, and three decades of experience in exporting to world markets have produced a pool of trained workers and an effective network of the support services required for modern high-productivity agriculture.

Second, despite the apparent failure of the country's industrialization policies, there are important opportunities here as well. The country has the most developed infrastructure (air, road, and marine transportation, electricity, and telecommunications) in West Africa, and one of the region's most literate and skilled workforces. This exceptional infrastructure and human resource base provides industries in both the formal and informal sectors with opportunities that are unmatched in West and Central Africa. Finally, although Côte d'Ivoire does not have a large mineral sector, changing world markets are providing important opportunities for the development of gold and gas reserves. The most important action necessary to take full advantage of this opportunity is for the government to implement its Medium-term Policy Framework.

As economic reform measures are put into effect, donor assistance will be needed not only to help mitigate the resulting social disruptions, but also to help individual industries restructure and become viable in a free market environment.

B. The Political Context

In sharp contrast to the poor economic performance of the country over the past ten years or so, progress toward democratization and decentralization has been positive. Although there is still ample room for improvement, there is no equivalent elsewhere in West and Central Africa (with the qualified exception of Senegal) for the steps taken by the Ivorian government to pave the way for decentralization¹. Responsibility for a limited range of activities (e.g., the administration of markets and solid waste disposal) has been handed over to the communes. The human resources available to the communes have increased in size and quality. Finally, the capture of power at the communal level has emerged as a significant prize in the unfolding political competition between the incumbents and the opposition.

Significant opportunities exist for furthering the trend towards decentralization. There is a rich variety of non-governmental associations in Côte d'Ivoire including cooperatives, trade unions, professional, and ethnic associations. Although it is not clear how the roles of such associations will evolve, the structure of civil society in Côte d'Ivoire offers a wider range of opportunities for political participation than most other states in the region.

In contrast to these positive aspects of Ivorian politics, Côte d'Ivoire does face important uncertainties with regard to political leadership at the top, given the president's declining health and long absence from public life. Moreover, recent mass violence against non-Ivorians living in Côte d'Ivoire reveal the persistence of ethnic tensions that can create serious disruptions when they coincide with growing unemployment and disparities of wealth and income.

C. The Regional Context

USAID's program in the Côte d'Ivoire has important regional implications for west and central Africa. For example, Côte d'Ivoire is at the epicenter of the HIV/AIDS epidemic in West and Central Africa. The first cases of HIV/AIDS to be diagnosed in Niger, Guinea, and Burkina Faso have been traced to Côte d'Ivoire, which is not surprising given Côte d'Ivoire's role as a regional economic center and its traditional openness to migration across its borders. The fact

¹Decentralization comes in a variety of forms, all of which can be grouped under one of the following four headings: (1) administrative decentralization, (2) spatial decentralization, (3) economic or market decentralization, and (4) privatization and deregulation. The form of decentralization being discussed here is administrative decentralization, which can be subdivided into three types: (a) deconcentration which is the redistribution of decision-making authority and financial management responsibilities for providing public services and infrastructure among different levels within central government; (b) delegation which is the transfer of central government responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it; (c) devolution which is the transfer of authority for decision-making, finance and management to autonomous units of local government with corporate status (i.e., municipalities or communes).

that USAID's HIV-AIDS prevention activities in Côte d'Ivoire have regional implications cannot be denied.

In population, Côte d'Ivoire's family planning program has developed a model that may be relevant to other West African countries. Under this approach, private sector service delivery enjoys the support and cooperation of the Ministry of Health and the rest of the government. A strong social marketing program focuses on urban areas, which account for 4.4 percent of Côte d'Ivoire's population and are growing faster (5.3 percent) than the national rate of population increase (3.8 percent).

In governance, a USAID-funded study carried out during FY 1993 indicates that the decentralization movement in Côte d'Ivoire is among the most advanced in the region. This experience of devolving functions (e.g., making administrative and developmental budgets, issuing birth and marriage certificates, building and maintaining local infrastructure) to the local level -- fueled in no small measure by our relatively modest bilateral program -- may serve as a model for other countries in the region.

Finally, USAID assistance in the institutional development of the African Development Bank has obvious implications for the region and for the continent. The current focus of our activity is to strengthen the AfDB's capacity to conduct pre-approval environmental impact assessments and to expand private sector lending, both of which affect all of Africa.

D. The USAID Program in Côte d'Ivoire

Historically A.I.D. has been a relatively minor donor in Côte d'Ivoire (\$6-7 million per year DFA funding²). Prior to the 1980s nearly all U.S. bilateral assistance was limited to housing investment guarantee (HIG) loans and long-term training for hundreds of Ivorians in the U.S. under AFRAD, the African Manpower Training Project, and the Human Resources Development for Africa Project.

Our strategy has been to focus on priority development problems where we can make a difference with relatively small amounts of resources. Implementation of the strategy is guided by three simple principles: (1) select development problems that require priority attention in Côte d'Ivoire and also have a high priority for A.I.D.; (2) focus on complementing whenever possible the activities of other donors; and (3) build on A.I.D.'s strengths and past experience in Côte d'Ivoire.

USAID's current assistance to Côte d'Ivoire concentrates on two sectors, municipal development and health and family planning. USAID's \$5 million **Municipal Development Support Project (MDSP)** was originally approved in 1990 and amended during FY 1993.

²In 1991, the major donors to Côte d'Ivoire were the French (\$412 million), the World Bank (\$187 million), AfDB (\$139 million), the IMF (\$45 million), and the EEC (\$36 million).

MDSP supports the government's decentralization program by helping to increase the autonomy, effectiveness, and responsiveness of municipal governments. MDSP focuses on training in municipal management, construction of self-financing urban amenities in secondary cities, and technical assistance and training aimed at improving local resource mobilization, in part through improved local tax collection. All told, 34 towns comprising a total population of approximately 1 million are affected by this project. The project has begun to place more emphasis on increased private sector and community involvement in the delivery of municipal services, mainly by assisting municipal governments to work with community groups and administer service delivery contracts with private firms.

USAID programs in health and family planning began in the mid-1980s as regional activities. They informed the design of the present \$20 million **Health and Family Planning Project**, which began in late 1991. The project has three components: improving the delivery of family planning services, improving maternal and child health care, and preventing the transmission of HIV/AIDS. Côte d'Ivoire's position as the epicenter for the HIV/AIDS epidemic in West and Central Africa adds dramatically to the urgency and regional importance of our interventions in this area. The high rate of population growth in Côte d'Ivoire is fueled not only by high fertility rates but also by heavy in-migration of young adults from neighboring countries seeking employment and higher living standards. Côte d'Ivoire's contracting economy is no longer able to sustain this rate of population increase. Social tensions have exploded during recent months into mass violence against "foreign" workers and their families. Slowing the rate of population growth has urgent implications for regional political stability. The USAID/CI Health and Family Planning project utilizes a private sector service delivery framework that, once tested, could serve as a model for other countries in the region.

The Health and Family Planning project seeks to increase public and official awareness of health and population issues and expand cost-effective service. The maternal and child health component works primarily with public sector clinics, whereas the other two components rely mostly on the private sector and private voluntary organizations.

USAID's third principal activity in Côte d'Ivoire comprises assistance to Africa's premier development lending institution, the **African Development Bank (AfDB)**, which is headquartered in Abidjan. Since 1968, USAID has obligated \$30.9 million for assistance to the Bank. During the first phase of assistance (1968-1989), USAID provided technical assistance to perform some tasks which the Bank staff could not do with existing staff, and to train bank staff and member country officials in project design, monitoring, and evaluation. The second phase of assistance to the AfDB (1989-1993) provided training, computerization, and advice on policies and procedures in order to improve Bank management of its enlarging portfolio. The current assistance program for the AfDB concentrates on developing the bank's capacity to expand private sector lending and conduct rigorous environmental impact assessments for its loans.

USAID also manages a small regional **Municipal Management Training Program (MMTP)**. MMTP provides technical assistance and training to missions and host governments in the

WCA region. It is intended to strengthen local government units, support decentralization programs, and promote good governance. The program is active in five countries and has carried out 35 events involving over 1,200 participants from 16 countries over the last four years.

Three other activities are part of our program although peripheral to our proposed long-term strategy. First, during FY 1993, USAID concluded its \$15 million ESF program in support of the Côte d'Ivoire's structural adjustment program. These funds helped provide balance of payments support through payment of Ivorian arrears on U.S. and multilateral debt, thereby freeing up new resource flows. Second, we are about midway through a \$2.6 million grant to the US PVO, **Opportunities Industrialization Center International (OICI)** to provide vocational training in an important agricultural area of central Côte d'Ivoire. Finally, in addition to training under the health and family planning, municipal development, and OICI projects, USAID trains Ivorians under the regional **Human Resource Development for Africa project (HRDA)**. All of this training is short term, and most of it takes place in Côte d'Ivoire.

E. Relation of USAID/Côte d'Ivoire Program to Agency Priorities

The matrix presented on the following page shows the numerous cross-linkages between USAID/Côte d'Ivoire's three principal activities (MDSP, HFP, and AfDB) and the four Agency priority areas of economic growth, health and population, environment, and democracy and governance.

USAID/Côte d'Ivoire Strategic Matrix

	Municipal Development Support Program	Health and Family Planning	African Development Bank II
Democracy and Governance	<p>Improving transparency between local government officials and citizens and accountability of officials to citizens.</p> <p>Facilitating citizen participation in the decision-making process and management of community affairs.</p> <p>Strengthening local government capacity and efficiency in the provision of public services.</p> <p>Building open and responsive local units of government.</p>	<p>Promoting freedom of reproductive choice for Ivoirians.</p> <p>Increasing educational opportunities, particularly for women.</p>	<p>Promoting women's integration into development programs and projects.</p> <p>Increasing chance of education for disadvantaged people.</p> <p>Strengthening local government capacity and efficiency in the provision of public services.</p>
Environment	<p>Educating decision makers to the importance of environmental issues at the local level.</p> <p>Improving environmental conditions affecting the general public through improved solid and liquid waste management, road improvement and erosion control.</p> <p>Increasing citizen's awareness of environmental issues and involving citizens in urban environment improvement activities.</p>	<p>Reducing the rate of degradation and/or depletion of natural resources through reduced population growth.</p>	<p>Improving the capacity of AfDB to carry out environmental impact assessments and environmental policy analysis.</p> <p>Accelerating the awareness of the rapid degradation of the African environment among AfDB senior management.</p>
Economic Growth	<p>Supporting private sector involvement in municipal service delivery and construction of public facilities leading to job creation and improved efficiency.</p> <p>Improving municipal revenue collection through improved collection of market and business taxes, property taxes, and user fees.</p> <p>Enhancing municipal service delivery capacity, above all to groups of economic operators.</p>	<p>Improving household earnings.</p> <p>Releasing pressure on scarce resources to improve social services.</p> <p>Giving women more opportunities to engage in economic activities.</p> <p>Fighting losses of educated workforce due to HIV/AIDS.</p>	<p>Strengthening the AfDB's private sector unit.</p>
Health and Population	<p>Educating citizens in general sanitation practices which contribute to improved health.</p> <p>Improving hospital and medical clinic capacity to appropriately dispose of hazardous medical waste.</p> <p>Improved health of the urban population through better management of solid waste collection and disposal and through regular maintenance of municipal infrastructure.</p>	<p>Slowing the rate of population growth.</p> <p>Slowing the spread of HIV/AIDS in the region</p> <p>Improving health of children and mothers</p>	<p>Improving the Bank's health and population policies and procedures through training and studies.</p>

SECTION II: PROGRESS TOWARDS OVERALL PROGRAM GOAL

The USAID/Côte d'Ivoire program goal is Equitable and Sustainable Economic Growth, with twin program sub-goals of Improved Well Being of Low and Middle-Income Ivorians and Improved Enabling Environment. Given the recent formulation (1993) of our program goal, the relatively small size of the bilateral program in Côte d'Ivoire, and the far greater importance of external factors on macro-economic growth in Côte d'Ivoire, it is unrealistic to try to attribute any changes in goal or sub-goals to our program. The following table shows changes in GNP per capita and changes population over the most recent 10-year period for which we have data.

Recent Demographic and Economic Indicators for Côte d'Ivoire

Year	GNP/Capita	Pct. Change Over Previous Year	Percent Population Growth	Pct. Change Over Previous Year
1980	\$1,180		3.56	
1981	\$1,160	-2%	3.45	-3%
1982	\$1,000	-14%	3.32	-4%
1983	\$800	-20%	3.30	-1%
1984	\$710	-11%	3.43	4%
1985	\$670	-6%	3.64	6%
1986	\$730	9%	3.78	4%
1987	\$780	7%	3.89	3%
1988	\$860	10%	3.93	1%
1989	\$820	-5%	3.96	1%
1990	\$750	-9%	3.94	-1%
1991	\$690	-8%	n/a	
1992	n/a	n/a	n/a	
1993	n/a	n/a	n/a	
Total		-42%		

Source: World Annual Report & World Development Tables (1980-1993)
World Bank

Average GNP per capita change per year, 1980-1991: -4.30 percent

Average population growth per year, 1980-1991: 3.65 percent

Projected population growth rate per year, 1991-2000: 3.30 percent

SECTION III -- PROGRESS TOWARD STRATEGIC OBJECTIVES, TARGETS, AND TARGETS OF OPPORTUNITY

Strategic Objective No. 1: Increased Use of Modern Contraceptives and Essential Health Services

Target 1.1: Increased Distribution of Family Planning Services and Contraceptives

Côte d'Ivoire's rapid population growth constitutes a serious development constraint. The Ivorian population has increased from 3 million in 1960 to about 13 million today, and is now estimated to be growing at 3.8 percent a year (including migration). Even with no net in-migration, the Ivorian population will triple to 39 million by 2025 at current rates of growth. The country has a total fertility rate of 7.4 percent, and only about three percent of the reproductive population uses contraceptives. Not only does Côte d'Ivoire's high population growth result in a high dependency ratio (the ratio of non-productive to productive population), it also creates requirements for urban amenities and social services that draw scarce resources away from directly productive investments, thus reducing the overall economic growth rate.

The Health and Family Planning project (HFP) has made significant progress in four areas leading to the increased distribution of family planning services and contraceptives.

- First, as a direct result of the project, the Ministry of Health has established a national family planning coordinator's office at a high level within the ministry to underline the importance of family planning and coordinate national efforts to increase awareness and make contraceptives and services widely available. The ministry has assigned four professionals to this office and provided excellent office space. The ministry has also called for separate space in clinics and full-time personnel for family planning. The level of public emphasis placed on family planning is unprecedented in Africa, and a strong measure of the seriousness with which the GOCI is addressing the problem of rapid population growth.
- Second, imports and distribution of contraceptives in Côte d'Ivoire have been simplified through the concentration of these functions in a local NGO ("AIBEF") and an American PVO (Population Services International--PSI). In effect, the GOCI has "contracted out" the importation and distribution of A.I.D.-supplied contraceptives to the private sector, which should lead to greater efficiency, fewer stock-outs, and reduced waste. At present, A.I.D. supplies about 95 percent of all donor-supplied contraceptives in Côte d'Ivoire.

Since it began, the project has imported \$1.5 million worth of contraceptives for distribution by AIBEF and PSI. To date AIBEF has distributed contraceptives equivalent to an annual rate of about 26,000 couple years of protection (CYP). PSI has produced 79,000 CYP in

one year; thus, the total produced between the two organizations is 105,000 CYP per year. At the current rate of expansion, the fifth year HFP target of 184,000 CYP per year will be exceeded easily. Data on national contraceptive prevalence rates will not be available, however, until completion of the Demographic and Health Survey (DHS) within the next six months.

- Third, USAID has provided institutional and capital support to AIBEF. AIBEF has moved into a newly purchased building that will house, beginning in FY 1994, a high-caseload clinic in Abidjan. The pre-existing AIBEF clinics in two other cities now have full time staff paid for by the project.
- Fourth, the project has begun establishing family planning services in ten (of an eventual thirty) urban MOH clinics in urban centers nationwide.

Target 1.2: Reduced Transmission of HIV Infection

The first case of HIV/AIDS in Côte d'Ivoire was diagnosed in 1985. The national seroprevalence survey carried out in 1989 showed an infection rate of 6.4 percent in the general population (4 percent in rural area and 7 percent in urban). Studies conducted in 1992 reported a further increase in the spread of AIDS: 12 percent of blood donors were HIV infected, youth and young adults (between 20-39 years old) being the most affected; 12 percent of women attending prenatal clinics in Abidjan were seropositive; and AIDS patients currently occupy 70 percent of hospital beds in infectious disease wards.

The HFP project has made progress on three fronts:

- First, since June 1992, nearly 7 million condoms have been sold, for an average of 424,000 condoms per month³. The current monthly average, if continued, will result in total sales of 21.2 million over five years. Condom use, as measured by sales (not including free samples) has increased from less than 1 percent to 8 percent among the population at risk.
- Second, the HFP project opened an HIV/AIDS counseling and testing center and provided technical assistance in organizational development through the Centers for Disease Control (CDC). The USAID-assisted NGO ("ESPOIR") currently sees approximately 20 clients per day, a rate which is expected to grow to 75 clients per day (or close to 20,000 per year) following initiation of a media campaign scheduled to get underway in early 1994. There is strong supposition (which will be measured by CDC) that the combination of counseling and testing will lead to measurable behavior changes over time.

³These condom sales are in addition to the contraceptives that have been distributed by AIBEF and PSI under the family planning component of the project.

- Third, the project has strengthened the National AIDS Committee through technical assistance and training. To date, fieldwork on three research studies has been completed : a study on sero-prevalence of high school students in Bouaké, Korhogo, and Man; a knowledge, attitudes, and practice (KAP) study of high school students in the 10 communes of Abidjan; and a study of the economic impact of HIV/AIDS in Côte d'Ivoire.

Target 1.3: Improved MCH Service Delivery

Changes since the project's design plus some design weaknesses have led to less satisfactory progress than we hoped for in improving MCH service delivery.

Reportable impacts to date are the following:

- In Expanded Program of Immunization (EPI), USAID participated in a WHO-UNICEF evaluation of the cold chain and provided two freezers for the storage of vaccine at the central level. In the meantime, UNICEF and the EEC have assumed major responsibility for EPI in accordance with the wishes of the Ministry of Health.
- In Malaria Control, USAID played a key role in assisting the MOH to produce a national policy on malaria prevention and treatment and a five-year workplan. In addition, USAID sponsored the training of 56 laboratory technicians in order to upgrade the surveillance system.
- In Control of Diarrheal Diseases, the project has played a key role in assisting the MOH in formulating a policy on CDD and a five-year workplan. In addition, the ORT training in Treichville has resulted in better case management in Abidjan clinics.
- In Maternal Health, the services at the two Abidjan maternities (Yopougon and Abobo-Sud) have been reorganized. Staff has been trained at Yopougon. Staff from Abobo-Sud will be trained in November 1993. Ninety-five percent of the equipment for the two maternities has been delivered. The MOH has been so impressed with the improvements at Yopougon that it has asked USAID to do the same in eight additional Abidjan maternities. USAID also supported the printing of 100,000 Carnets de Santé, which serves as a record of prenatal visits, delivery, and the health of the child.
- In Operations Research, USAID has supported the development of four research studies out of ten planned: a KAP study on diarrhea in the home; a KAP study on respiratory infections; a study on home use of medication; and a study on the prevalence of Vitamin A deficiency in the northwest. Field work has been completed on a study of pharmacists' prescriptions for malaria. Preliminary results of all of these studies will be available during FY 1994.

Strategic Objective No. 2: Improved Governance at Local and Central Levels

Theory and experience tell us that good governance is a critical prerequisite for sustainable development. By governance, we mean the effective, transparent, and accountable management of public resources for development with the active participation of an informed and responsive body politic. Our second strategic objective therefore is to bring about improved governance at local and central levels. At the central level, the strategy is to bring affected groups into the public debate on economic transformation. At the local level, the strategy is to bring affected groups into local governments' decisions about what services and facilities to provide and how best to provide them.

Target 2.1: Increased Debate on Critical National Issues by a Better-Informed Public

This target is to be addressed through a FY 1995 start entitled "Enabling of Economic Policy Reform" and is, therefore, not applicable to this year's API submission.

Target 2.2: Increased Local Government Authority over Locally Generated Resources

Côte d'Ivoire's declining economy has resulted in a serious decline in the GOCI's ability to support its municipalities. At the heart of the problem is the system known as "*unité de caisse*," whereby locally generated revenues must be remitted to the central treasury. All local taxes (e.g., market taxes and small business taxes) and specified percentages of what are considered central taxes (e.g., property taxes) are earmarked for eventual return to the originating municipality. As the so-called "liquidity crisis" has pinched the central government's room for fiscal maneuver, however, less and less of these resources are finding their way back to the municipalities. And since the resources that do flow back to the local level are disbursed at the discretion of a central treasury agent, they are being consumed by central government salaries and entitlements, leaving less and less for municipal operations and maintenance. The sine qua non of true decentralization, however, is increased local fiscal autonomy. Accordingly, USAID has pressed strongly for abandonment of the *unité de caisse* principle and the retention of municipal resources at the local level where citizens can see a direct correlation between services provided and taxes and fees paid.

As a step in this direction, USAID's Municipal Development and Support project, in close collaboration with the Department of Taxation and the Department of Cadastral Surveys (DC), has developed a cheaper and more rapid method of identifying property and assessing taxes with the goal of increasing the overall tax base and thereby the pool of resources that can be shared between the central and local level. To date, USAID and the DC, working with private surveying firms, have conducted

surveys for seven towns, and an additional four are planned over the next twelve months.

USAID has complemented these surveys by providing the DC with the computers and software they need to prepare tax rolls and generate tax bills, and has financed a comprehensive study on the tax collection process. As part of this activity, the mission has held a number of small workshops on the surveys with mayors, senior officials of the Ministry of Interior and the Department of Cadastral Surveys where issues such as the percentage of property taxes returned to the municipalities and collection methods have been discussed at length.

Our efforts have paid off in the following ways:

- There is currently before the National Assembly, as part of the this year's new Financial Law, a proposal to institute a 10 percentage point increase (from 25 percent to 35 percent) in the percentage of locally generated property taxes that must be returned to the municipalities by the Treasury. This law will come into force by the end of calendar year 1993.
- In testament to the long-term sustainability of our work, the Department of Cadastral Surveys has, on its own initiative, utilized the methodology and the computer materials USAID provided to undertake additional simplified cadastral surveys using its own resources in other Ivorian municipalities, including some with the largest populations. They have completed four surveys, and will complete ten more by early January. These surveys have on average increased municipal tax bases by 50 to 100 percent in cities where surveys were updated and between 500 and 1000 percent in cities being surveyed for the first time. It is anticipated that commensurate increases in tax revenues will be available to the municipalities.

The primary vehicle that USAID has used in persuading the GOCI to abandon the *unité de caisse* principle is, however, the Donor Decentralization Coordination Committee, which USAID founded three years ago. The committee includes all of the major donors active in the field of urban development in general and decentralization in particular (i.e., the World Bank, the European Economic Community, the UNDP, French Cooperation, Japan, Belgium, Canada, etc.). In May 1993, the committee proposed that funds collected at the local level and destined for local level use should remain at the local level. In the wake of intensive discussions with Ivorian municipalities, in July 1993, the Ministry of Economy and Finance finally agreed, in principle, to the creation of independent bank accounts for the municipalities to use for locally collected funds (e.g., market fees, small business taxes). The donors, as a result of the economic crisis, now collectively provide a high proportion of the resources invested at the municipal level. The donor

committee therefore has significant policy leverage and is urging the Ministry of Interior to implement the decision rapidly.

Target 2.3: Increased Awareness of and Responsiveness to Local Needs for Public Services

As citizens' access to government increases, their demands for government services will also increase. These demands will oblige the government to intensify its efforts in both resource mobilization and service delivery. We expect this, in turn, to lead to increased willingness to pay the necessary additional fees and taxes.

The training component of MDSP deals directly with the issue of increased awareness of and responsiveness to local needs for public services. Indicators which demonstrate the project's impact on this target include the following:

- Some 1,230 units of management training instruction have been provided over the past 18 months to central and local level elected officials and agents, including 47 preparatory studies, 60 seminars in resource mobilization and service provision topics, and 40 reinforcement, monitoring, and evaluation interventions.
- Community representatives comprise ten percent of participants in all MDSP training activities and are heavily represented in all resource mobilization training (e.g., activities concerned with the collection of fees for services) and in some service delivery training in eleven communes. The result has been increased community involvement in decisions regarding resource mobilization. At MDSP seminars, community representatives have provided municipal authorities with input on the amount of fees to be paid, preferred methods of fee collection, and the types of services they expect in public facilities, such as markets, in return for regular fee payments.
- Twenty neighborhood community action groups comprising 350 individuals in five core project communes are now involved in community-wide solid waste management activities. They work with municipal authorities in defining their role in solid waste collection and facilities in their neighborhoods. For example, the groups have provided suggestions on where to collect garbage, the groups' responsibility for utilizing and maintaining the pick-up areas, the amount of fees to cover garbage collection, and the groups' willingness to provide labor or work with private companies on solid waste activities.
- Solid waste management and collection has been improved in five towns through the following interventions:
 - Construction of hospital waste incinerators in four towns;
 - Removal of illegal garbage dumps in seven towns;

- Construction of 39 sheltered areas for the deposit of garbage cans by community groups in five communes; and
- Observable increases in the frequency of garbage collection and in the amounts of garbage collected by communes (exact calculation of amounts/percentages underway by trainers and municipal agents).
- Private sector and community groups have joined together in pilot projects to provide municipal services (e.g., pre-collection of garbage, cleaning of streets, drainage canals and public places) in three municipalities.

Targets 2.2 and 2.3 thus logically complement each other. As Target 2.2 works towards increasing local government access to resources, Target 2.3 improves local government utilization of resources in response to expressed local needs. By training local officials in better ways of generating revenues, our activities structure and increase the exchange of views between local officials and local community client groups which pay the fees and taxes required by local governments.

Target of Opportunity: Environment and Natural Resources Management

Côte d'Ivoire's natural resources, especially its forests, are becoming degraded at an increasing rate, but neither the government nor donors have yet begun taking decisive action to address the problem. The World Bank has begun to work with the government and donor agencies on preparation of a National Environmental Action Plan. This alone will not be sufficient to assure that effective action to protect the country's natural resource base will be taken, but it will increase official and public awareness of the seriousness of the problem.

Supporting the development of the NEAP, and helping to form a multi-donor consensus for policy reforms in the sector, will provide USAID with an avenue for ultimately playing a more central role in natural resources policy formulation. We have begun to establish AID's credibility in the sector by sending three key Ivorian officials on a NEAP study tour to France, the US, and Madagascar (which has the most advanced National Environmental Action Plan in Africa)

SECTION IV. OTHER PROGRESS IN PRIORITY AREAS

The USAID grant to the African Development Bank has contributed to the Agency goal of "Encouraging Broad-Based Economic Growth." The grant has supported the improvement of design, implementation, and evaluation of economic development projects. Management information systems funded by USAID enabled the bank to generate revenues through improved portfolio management and secure funds for lending to the least-developed borrower countries. Training AfDB personnel in economic development issues such as private sector

financing, structural adjustment program design and financing, and alternative methodologies for project design, implementation, and evaluation has also helped the bank's staff to deal better with the complexity of the African economic environment.

V. PROSPECTS FOR FY 1994

With the USAID world-wide "right sizing" exercise not yet complete, REDSO/WCA cannot predict with certainty its future direction and mandate in the West and Central Africa region. On November 19, 1993, USAID/W announced the decision to terminate the bilateral assistance program to Côte d'Ivoire, and, during the next few months, REDSO will be working out the details for an orderly phase-out of the bilateral program. A significant amount of thought and analysis on pending changes has already taken place within REDSO/WCA, the major outlines of which are described in the points that follow:

- First, the MCH component of the Health and Family Planning project must either be eliminated or re-designed to rationalize the choice of interventions, focus energy, and ensure measurable impact.
- Second, alternative arrangements will be needed to implement the Health and Family Planning project under a scenario of reduced FTEs. REDSO/WCA is examining options, including possible restructuring of the activity for implementation under the auspices of an institutional contractor or US PVO.
- Finally, a regional health and population project should be designed if program activities are to be continued in WCA countries where a bilateral presence is phased out. Conceptual work on the design of such a project is already underway, including consideration for folding the current bilaterally funded health and population activities for Côte d'Ivoire -- particularly in HIV/AIDS and family planning -- into the larger framework.