



Program Information Documents (PID)

Appraisal Stage | Date Prepared/Updated: 18-Feb-2019 | Report No: PIDA174367



BASIC INFORMATION

A. Basic Program Data

Country Cote d'Ivoire	Project ID P164302	Program Name Enhancing Government Effectiveness for Improved Public Services	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 04-Feb-2019	Estimated Board Date 29-Mar-2019	Practice Area (Lead) Governance
Financing Instrument Program-for-Results Financing	Borrower(s) Republic of Côte D'Ivoire	Implementing Agency Ministry of Economy and Finance	

Proposed Program Development Objective(s)

The PforR development objective is to strengthen government capacity in program-based budgeting and procurement, delivery of selected education services, management of roads contracts, and facilitating access to financial services.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	194.00
Total Operation Cost	100.00
Total Program Cost	85.00
IPF Component	15.00
Total Financing	100.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	100.00
World Bank Lending	100.00



B. Introduction and Context

Country Context

- 1. A period of post-crisis stability has become more fragile because of tensions that have emerged in the build-up to the 2020 elections.** The country successively executed both presidential and legislative elections in 2015 and 2016, which resulted in President Ouattara's reelection to a second term and the ruling alliance (RHPD) consolidating its majority in the Assembly. A new Constitution — a campaign promise made by Ouattara to replace the one drafted under military rule — was overwhelmingly approved by referendum in 2016. Early preparations for the next Presidential election have created some tensions within the ruling party, as candidates for the campaign have yet to be selected. Moreover, two mutinies, along with the civil service strikes in 2017, have served to highlight the underlying societal wounds that have yet to heal. Domestic and regional migration is exacerbated by many people remaining without formal identity, an issue which creates problems to secure access to services and resources. And the both the demobilization of many armed groups and their integration into civilian life and the security sector reform have been challenging and a source of tensions.
- 2. Over the past seven years Côte d'Ivoire has sustained a trajectory of improved economic recovery.** Growth rates have been impressive, reaching 8.3 percent in 2016 and an estimated 7.6 percent in 2017. While these rates are slightly lower than those registered between 2012 and 2015, they remain historically high and second only to Ethiopia on the continent. The main drivers of economic expansion remain modern service sectors (communication, banking and transport) and a construction sector fueled by an ambitious public investment program and rapid urbanization. The contribution of the agricultural sector has varied, low in 2016 but high in 2017, due to its sensitivity to climatic conditions and international prices.
- 3. However, the benefits of this growth have not been shared equally by all Ivoirians.** Although poverty declined from 51 percent in 2011 to 46.3 percent in 2015, this decline is modest compared with the impressive average rate of economic growth of 9.3 percent during this period. Poverty continues to be overwhelmingly concentrated in rural areas, which are home to 70 percent of poor households. Inequality and poverty in Côte d'Ivoire remain critical issues that need to be addressed by the Government with a sense of urgency. Employment creation in formal sectors has been weaker than anticipated; most of the population remains under employed, especially in urban areas. Regional disparities have not been reduced, with a clear divide between the North and the South and persistently high inequality. This is creating frustration, especially among the youth.

Sectoral and Institutional Context

- 4. There are significant opportunities to improve service delivery in Cote d'Ivoire, in education, the roads sector, and financial services.** Education completion rates are low, at 63.1% and 35.5% for primary and secondary education, respectively, because of inadequate access to education and inefficiencies in the management of general education resources. Access to financial services is also low. In 2017, only 15 percent of adults had an account in the formal financial sector excluding mobile accounts. Government usage of transactions accounts, which improves transparency and efficiency in managing



public finances while having a significant impact on financial inclusion, is limited. The lack of a robust credit infrastructure (e.g. collateral and credit registries and insolvency reforms) and consumer protection contributes to low financial access. In the roads sector, baseline data from the Ministry of Economic Infrastructure shows that only 30% of the road network is covered by a regular maintenance plan and that almost all roads infrastructure works contracts exceed the original time and budget during implementation.

5. **Service delivery to citizens in these sectors is affected by governance challenges.** Public services (access, quality and cost effectiveness) are affected by governance bottlenecks affecting service delivery chains. In education, the distribution of text books and financing of private school places for children is not adequately monitored to provide assurance on outcomes. In transport, the road network quality is affected by limited planning and excessive costs that are attributable to limitations in how new and existing assets are managed and works contracts implemented. In the financial sector, access to finance is hampered by limited use of e-payment systems and limited credit infrastructure.

6. **There is also an opportunity to further strengthen horizontal public financial management and public procurement systems.** The public financial management system could be strengthened through the adopted organic law No. 2014-336 and ensuring effective result-based budgeting. This would inter alia strengthen the sectoral planning and connection with results. There is also a need to enhance budget execution through strengthening procurement and cash management.

Governance challenges in service delivery

General Education

7. **Primary and secondary education are underperforming relative to potential.** Sectoral governance challenges range from budgeting and planning to allocation of resources and effectiveness of school subsidies and textbook supply chains all contribute to this underperformance.

8. **The supply and distribution of textbooks to primary schools is inefficient and this affects learning.** While each student is supposed to receive the required mathematics and reading textbooks in September at the start of the school year, there are major bottlenecks in the distribution chain such that some students never receive textbooks, or they arrive late in the school year. The ratio of books to students is 61% for the reading and mathematics books in the first two years of primary school. The evidence suggests that distribution and supply are also highly uneven, as in some regions and provinces there are surpluses of textbooks and major shortages in others. Moreover, a significant number of textbooks can be found on the black market, suggesting leakages in the supply chain.

9. **There are also weaknesses in the allocation of subsidies used by the government to secure places for students in private schools.** Due to shortages in the number of places available at public schools, the Ministry of Education provides subsidies to private schools to enroll some students. This arrangement could potentially reduce the unit cost of basic education. However, a lack of transparency, accountability, and robust controls in the implementation of these subsidies reduce the cost effectiveness. Evidence suggests that some schools receive more funds than should be allocated considering the number of students they enroll. There are also few mechanisms to properly track student placement in private



schools throughout the school year. In addition, students are required to attend schools that might not best fit their individual circumstances (e.g. distance from school). Instituting an effective system to rationalize the provision of public subsidies to private schools and monitor its implementation would improve the effectiveness of publicly subsidize private school placements and improve service delivery.

Road infrastructure

10. **The overall management of the road network is a major challenge in Côte d'Ivoire.** The quality of investment planning and implementation is poor, resulting in a low quality, expensive road network. As a result, citizens face high transportation costs and extended travel times.

11. **Governance challenges in contract management affect sector outcomes.** Road infrastructure costs are excessive due to delays in payments from the government to contractors/service providers and non-enforcement of contract provisions (sanctions and penalties) for poor performance. In addition, the sustainability of work undertaken is also limited because of the afore-mentioned contract management, limited quality of civil works, and insufficient planning and budgeting for maintenance (lack of annual maintenance plans).

12. **Government lacks the systems, tools, and information needed to verify the quality and performance of contractors.** This includes the lack of a common platform of information that can be used to classify contractors, and feed into future decisions on contract awards.

Financial sector

13. **There are significant challenges to accessing financial services in Côte d'Ivoire, many of which can be addressed by strengthening governance and streamlining payment systems.** Most government payments remain cash based, and this affects salaries and payments of benefits, such as pensions, and creates delays and access challenges for citizens. While the number of e-money accounts has increased from 1.5 million in 2010 to 9.8 million in 2015, Côte d'Ivoire still lags significantly behind comparator countries and only one third of these accounts is estimated to be active. Digitization of the main payment streams, government to persons (G2P) and person to government (P2G) is needed to strengthen the sector. Only 12% of eligible pensioners in the country receive their pensions by transfers. Other payment streams such as scholarships and travel allowances for state employees, need to be digitized. Payments to households eligible for social benefits are done through government schemes that need streamlining and integrated payment mechanism. Tax payment procedures are complex, and most tax payments are made by check or cash.

14. **Persistent weaknesses in the credit infrastructure continue to limit MSME lending and create delays in the implementation of the insolvency framework.** Cote D'Ivoire has around 60,000 Small and Medium Enterprises (SMEs), contributing an estimated 12% of GDP is estimated at 12% and improved access to finance is a critical constraint to SME growth. While credit infrastructure has improved in the past decade, significant additional improvements are needed particularly to reduce information asymmetries between lenders and borrowers, and restructure insolvency resolution.



Challenges in horizontal public financial management and procurement

Shortcomings in budget-preparation and execution processes negatively impact development outcomes. A significant part of the investment budget is neither spent as intended nor actually translated into tangible results for communities due to limitations in budget preparation and execution processes.¹ Some of the key FM bottlenecks include: (i) A disconnect between the annual budget cycle and the multiyear nature of some capital budget commitments leading to unfunded commitments; (ii) lack of monitoring of sectoral programs and delays in budget execution; (iii) numerous procurement steps and often redundant procurement procedures in combination with excessive controls and clearances; (iv) cash flow constraints coupled with complex and often redundant control and payment process; and (v) a lack of modern tools constrains the efficiency of civil servants working on financial planning, procurement, and budget execution.

15. **The performance of the public procurement system also needs to be strengthened.** The existing system creates implementation bottlenecks and slows down budget execution and service delivery. There is continued over reliance on manual procedures in many agencies, which contributes to delays. The average procurement period for the country is 198 days, a difference of 138 days or 4.6 months vis-à-vis the regulations, which envisages 60 days for most public procurement. There also are significant coordination challenges linked to the number of authorities involved and limited planning. Moreover, there is a dearth of interconnected IT systems that could help rationalize and streamline processing and improve efficiency. In 2017, over 50 percent of awarded public contracts were not compliant with existing regulations.²

Government and Bank response

16. **The government plans to address simultaneously governance challenges in service delivery and horizontal public resources management through the Economic Governance for Service Delivery Program (EGSDP) and requested Bank support for EGSDP implementation.** EGSDP has five strategic axes to address governance challenges in service delivery and strengthen horizontal public resources management.

The Bank is proposing to respond to the government request through a Program for Results operation addressing horizontal PFM and procurement challenges as well as governance bottlenecks in key services. The Bank program is focused on selected areas of the EGSDP. On the one hand, it supports budgeting, public financial management, and procurement. On the other hand, it contributes to EGSDP priority on service delivery with a focus on Education, Roads Infrastructure, and on financial inclusion.

¹ 2014 World Bank study on boosting capital expenditure in West Africa Economic and Monetary Union (WAEMU) countries.

² 2017 audit of procurement regulatory agency.



PforR Program Scope

17. The PforR supports EGSDP Axes 2, 3, and 5 through (i) tackling horizontal budgeting and public procurement challenges across the government, and (ii) addressing specific service delivery governance bottlenecks in Education, Transport Infrastructure, and Financial Inclusion. On the one hand, the PforR supports two horizontal reforms from EGSDP Axis 2: Performance Budgeting and Public Procurement. On the other hand, it contributes to EGSDP Axis 3 for Education and Transport Infrastructure, and to EGSDP Axis 5 for financial sector inclusion. The results-based disbursements under the PforR and targeted technical assistance under the IPF component is expected to create the necessary institutional incentives and support to accelerate achievement of the respective objectives.

Table 1: Program Boundary

EGSDP Strategic Axis	PforR Result Areas
S1: Revenue Mobilization	
S2: Result-based Management	RA1: Strengthening Performance Based Budgeting and Procurement (Prior Result; DLI1; DLI2)
S3: Service Delivery	RA2: Improved Management of Education Resources and Service (DLI3; DLI4)
	RA3: Improved Management of Road Network (DLI 5)
S4: Statistics	
S5: Financial Inclusion	RA4: Increased Access to Financial Services (DLI 6)

18. The theory of change posits that by strengthening both cross cutting budgeting and procurement systems which affect services in all sectors, as well as tackling specific service delivery bottlenecks in priority sectors (access to finance, general education, and roads), the PforR can contribute significantly to improving overall governance for service delivery to citizens. Both cross-cutting PFM systems (budgeting and procurement) and service delivery in priority sectors are affected by governance challenges which limit their quality and effectiveness. This operation addresses both the cross-cutting challenges that impact efficiency resource allocation and use, as well as governance challenges which affect the delivery of specific services in the three targeted sectors.

19. The proposed operation focuses on EGSDP results that are addressing key services bottlenecks, feasible and measurable in the medium-term, and not directly supported by other programs. Accordingly, EGSDP Strategic Axes 1 and 4 are not supported by the PforR. Strategic Axis 1 on Domestic Resources Mobilization is indeed supported by the IMF AFRITAC TA and EU and Bank DPOs on VAT; AfDB’s TA on property tax; and OECD advice on Base Erosion and Profit Sharing (BEPS). Strategic Axis 4 on Statistics is envisaged to be supported by a regional Bank funded operation. Finally, the Health subcomponent of EGSDP Axis 3 is expected to be supported by Bank funded health operations. In turn, the PforR is complementary to and leveraging Transport Infrastructure operations that would benefit from alleviating governance bottlenecks.

20. The program will have four Result Areas:

- **Result Area 1:** Strengthened Performance-based budgeting and Procurement.



- **Result Area 2:** Improved Management of General Education Resources and Services.
- **Result Area 3:** Improved Management of the Road Network.
- **Result Area 4:** Increased Access to Financial Services.

Result Area One: Strengthened performance-based budgeting and procurement

21. **Result Area 1 will support horizontal reforms to strengthen performance-based budgeting and public procurement.** The major changes expected from these reforms are focused on: (i) results-oriented commitment through the Annual Performance Program and the Annual Performance Report ; (ii) a multi-annual income and expenditure approach within a medium-term income and expenditure framework (of 3 to 5 years); (iii) more flexibility given to program managers, along with greater responsibility via the establishment of accountability mechanisms; (iv) strengthening external oversight for Parliament whose powers have been broadened with ex-post reviews of the quarterly Central Government Operations Summary Table (TOFE) and control of program performance reports; and finally, the Court of Auditors vested with a new mandate for the certification of Public Accounts. It will focus on three specific domains:

Results Area 1.1: Strategic Resource Allocation, Investment Planning and Performance-based Budgeting

22. **In line with the Government’s commitment to implement results-based budgeting by 2020, the operation will support the application of robust and realistic planning.** This will include particularly the forward-looking phases of planning, programming, budgeting and monitoring-evaluation and the process of devolving expenditure commitment authority to service delivery agencies consistent with performance-based budgeting.

23. **The specific activities covered by Results Area 1.1 focus on** (i) developing a methodological framework to support key line ministries in shifting from inputs to outcomes and putting in place a new performance evaluation system; (ii) implementing program budgets; (iii) setting up a comprehensive performance monitoring framework to properly assess the results of the public policies and program budgets that will be financing (objectives, key performance indicators, annual projects of performances, annual reports on performances); and (iv) strengthening the implementation of a Result Monitoring Framework with available M&E information and results/causal chains underlying the Government’s program. The Program provides incentives for the Government to improve close coordination between the Ministries of Economy and Finance, Planning, Budget and ministries of Education and Infrastructure. It will include support for the process of devolving expenditure commitment authority to service delivery agencies consistent with performance-based budgeting.

Result Area 1.2: Budget management information systems

24. **Under Results Area 1.2, the Program will support the development of a suitable information system which is a pre-requisite for migration to the results-based management.** The rationale is to provide this budget management information system as a technical and functional basis for de-concentrating and decentralizing commitment authority to service delivery agencies, and away from the Budget Department, while ensuring that the determination and the release to ministries, departments and agencies (MDAs) of legislature-approved budget appropriations for expenditure commitments (based on availability of resources) fall on the MEF and Budget Department.

25. **The following activities are budgeted in the Program for the establishment of consistency in the financial information systems:** (i) develop the modules for the preparation and implementation of the



Budgetary Information System (SIB) and undertake the necessary adaptations for the inclusion of the State properties accounting in ASTER; including supporting services to set the SIB in production mode, (ii) establish an interface between the budget information system and the applications of the financial information system, (iii) design and implement a strategy for managing change and training users on the different tools and (iv) set methods for digitization of procedures and supporting documentation.

Results Area 1.3 Procurement Function

26. **Under Results Area 1.3, the Program will ensure that the procurement is fully integrated in the budget execution processes to facilitate results-oriented service delivery and value for money.** It will support procurement planning, development of new procurement tools, and e-procurement. These activities (i) appropriate procurement planning linked with budget processes to design procurement packages based on real needs from these contracting authorities; (ii) the development and dissemination of techniques and procedures for the use of new procurement tools under framework agreements and multi-year contracts; and (iii) the set-up of a system enabling electronic transactions between the contracting authorities and the procurement control body and regulatory body. The electronic system will be linked into monitoring and performance measurement systems which will enable the regulatory bodies to manage both compliance and performance and to enable them to identify and implement improvements to the overall procurement system. As a planning tool, ICT can assist contracting authorities (government ministries) in defining their needs and in establishing a comprehensive and consistent plan of action for the design, implementation and management of procurement and contracts. As a tendering/purchasing tool, ICT can reduce the transaction costs and improve compliance by automating procurement processes from advertising to contract implementation. As a monitoring and performance measurement tool, the e-procurement system will be used by both contracting authorities and the regulatory bodies to ensure that processes and methods are carried out efficiently to maximize value and to assess the results with a view to measuring performance and quantifying the value for money achieved.

Result Area Two: Improved Management of General Education Resources and Services

27. **This result area addresses key bottlenecks in an equitable and timely allocation and deployment of funds budgeted for primary and secondary to schools.** It will focus on: (i) Improving the availability of textbooks; and (ii) Enhanced monitoring of utilization of private school finance.

Results Area 2.1 Availability of required textbooks for primary school students

28. **This Result Area will support the increase of number of students receiving necessary textbooks at the beginning of school year.** The current baseline estimates that nationally this number averages about 61% of primary students in the first two classes (CP1 and CP2) and there is uneven distribution across regions. The Program will support the implementation of remedial activities and systems with a view to ensuring that at by the end of the project, at least 90% of students have necessary textbooks by the beginning of the school year. Given the underlying causes of these significant shortages are to be determined, a technical audit of the entire textbook supply chain will be conducted through the IPF component.

Results Area 2.2 Monitoring of public financing of private secondary school placements

29. **This result area will institute a tracking mechanism to effectively monitor the number of students attending private schools, thereby aligning the subsidies government provides with to the needs of the target population of students.** Due to significant shortages in the number of places available for children at public schools, the Ministry of Education provides subsidies to private schools to enroll



students. Instituting an effective system to monitor the implementation of the public funding to private schools will help to rationalize and optimize these subsidies and improve children's access to education. The Ministry of Education has planned to implement a pilot program which allocates scannable cards to students and is also exploring the use of biometric monitoring. The PforR will support the implementation of electronic monitoring of the system across the universe of target private schools and students through cards or the use of biometric monitoring. The Program will also support the pilot and scale up of the online platform for parents to select their preferred schools in which to enroll their children.

Result Area Three: Improved Management and Maintenance of the Road Network

30. **Result Area 3 will support the setting up of a transparent performance monitoring tool for the management of road infrastructure works and maintenance.** The proposed performance management tool will be available online and will be monitorable and searchable. It will also include the classification of works contracts based on their past performance. This will help to reduce transportation costs for citizens as a well-maintained road network will improve and can facilitate easy access and reduce transport cost and time for citizens.

Result Area Four: Increased Access to Financial Services

31. **This Result Area will support the digitization of selected payments streams in education, health, infrastructure, as well as for taxpayers and SMEs.** Specifically, it will support the authorities in switching from cash and paper-based payments to electronic payments mechanisms for government transactions. The design of the digitalization of government payments is informed by the government payments diagnostic supported under the FIRST trust fund. The program will support the digitalization of selected payments streams that are currently mostly cash based: (i) payment of local taxes; (ii) payment of scholarships and bursaries; and payment of travel allowances for civil servants and other state employees. The major result expected is that at least 30% of these payments streams will be digitized by the end of the project.

32. **IPF Component.** The Program will also include an IPF Component that will provide complementary TA support to the four Results Areas and facilitate coordination across activities and entities responsible for achievement of key results.

C. Proposed Program Development Objective(s)

Program Development Objective(s)

The PforR development objective is to strengthen government capacity in program-based budgeting and procurement, delivery of selected education services, management of roads contracts, and facilitating access to financial services.

33. **The proposed PDO Level Indicators are:**
- Production of annual performance reports for all ministries based on performance budgeting which are publicly accessible within 6 months after the end of the fiscal year
 - Reduction of the average time to complete the procurement process through contract award stage.
 - Reduction in the time required to confirm student attendance in private schools and pay per student subsidies
 - Increase in the percentage of primary students who receive the required reading and mathematics texts within the first 30 days of the beginning for the school year.



- Reduction in the percentage of roads contracts that are implemented over-time and over-budget
- Percentage increase in persons accessing selected G2P and P2G financial services electronically.

D. Environmental and Social Effects

34. A comprehensive assessment of the Program’s Environment and Social Management System was conducted, in accordance with the requirements of OP 9:00, Program-for-Results Financing. This comprehensive assessment identified the strengths, weaknesses, and shortcomings of the Program’s Environmental and Social Management System (ESMS) with a view to assessing the adequacy of the ESMS for PforR financing and identifying key actions to improve the environmental and social management performance of the Program.

35. The ESSA was conducted by the World Bank in cooperation with the borrower and stakeholders with following objectives: (i) Verifying that the potential environmental and social risks and impacts of the Program are subject to an adequate initial screening; (ii) Ensuring that environmental and social mitigation measures to avoid, minimize, offset, and/or compensate any adverse impacts and promote environmental and social sustainability will be applied to activities that will have potential environmental and social negative impacts; and (iii) Identifying suitable measures to strengthen the ESMS. The ESSA confirmed that is a reform program and there are no physical works to be undertaken. As a result, the environmental and social risks and impacts were judged to be minimal to negligible and no measure has been proposed as part of the Program Action Plan.

E. Financing

Program Financing (Template)

Sources	Amount (USD Million)	% of Total
International Development Association (IDA)	100.00	100.00
IDA Credit	100.00	100.00
Total Program Financing	100.00	



CONTACT POINT

World Bank

Name :	Keith W. McLean		
Designation :	Lead Governance Specialist	Role :	Team Leader(ADM Responsible)
Telephone No :	5331+3483	Email :	kmclean@worldbank.org

Name :	Maimouna Mbow Fam		
Designation :	Lead Financial Management Specialist	Role :	Team Leader
Telephone No :	5352+4151 /	Email :	mfam@worldbank.org

Name :	Maria Eileen Pagura		
Designation :	Senior Financial Sector Specialist	Role :	Team Leader
Telephone No :	5354+6307	Email :	mpagura@worldbank.org

Borrower/Client/Recipient

Borrower :	Republic of Côte D'Ivoire		
Contact :	Madeleine Yao	Title :	Technical Adviser
Telephone No :	22522405822	Email :	moyamado@yahoo.fr

Implementing Agencies

Implementing Agency :	Ministry of Economy and Finance		
Contact :	Madeleine Yao	Title :	Technical Adviser
Telephone No :	22522405822	Email :	moyamado@yahoo.fr

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>