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IDA/R2016-0186/1

July 14, 2016

**Closing Date: Tuesday, August 2, 2016
at 6 p.m.**

FROM: Vice President and Corporate Secretary

**Cote d'Ivoire - Infrastructure Renewal and Urban Management Project
(formerly Emergency Infrastructure Renewal Project)**

Additional Financing

Project Paper

Attached is the Project Paper regarding a proposed additional credit to Cote d'Ivoire for the Infrastructure Renewal and Urban Management Project (IDA/R2016-0157) (formerly Emergency Infrastructure Renewal Project), which is being processed on an absence-of-objection basis.

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Report No: PAD1671

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF EUR 53.9 MILLION
(US\$60 MILLION EQUIVALENT)

AND PROPOSED RESTRUCTURING

TO THE

REPUBLIC OF CÔTE D'IVOIRE

FOR THE

INFRASTRUCTURE RENEWAL AND URBAN MANAGEMENT PROJECT
(FORMERLY EMERGENCY INFRASTRUCTURE RENEWAL PROJECT)

July 7, 2016

Social, Urban, Rural and Resilience Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective – May 31, 2016)

| | | |
|---------------|---|----------------|
| Currency Unit | = | FCFA |
| FCFA 588 | = | US\$1 |
| 1 USD | = | EUR 0.89670014 |

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

| | |
|------------|---|
| AF | Additional Financing |
| AGEROUTE | Ivorian Road Agency (<i>Agence de Gestion des Routes</i>) |
| CBA | Cost-Benefit Analysis |
| CDP | Performance-based City Contract (<i>contrat de performance</i>) |
| CERC | Contingent Emergency Response Component |
| CI-Energie | Côte d'Ivoire Energy Company (<i>Société des Energies de Côte d'Ivoire</i>) |
| CIP | Communal Investment Program |
| CMP | Communal Maintenance Program |
| CMSP | Communal Management Support Program |
| CPF | Country Partnership Framework |
| DCM | Directorate of Construction and Maintenance (<i>Direction de la Construction et de la Maintenance</i>) |
| DCPP | Directorate of Accounting and Parapublic Accounting (<i>Direction de la Comptabilité Parapublique</i>) |
| DIEM | Directorate of Infrastructure, Equipment and Maintenance (<i>Direction des Infrastructures, de l'Équipement et de la Maintenance</i>) |
| DGDDL | General Directorate for Decentralization and Local Development (<i>Direction Générale de la Décentralisation et du Développement Local</i>) |
| DGCM | General Directorate of Construction and Maintenance (<i>Direction Générale de la Construction et de la Maintenance</i>) |
| DOCD | Directorate for Local Government Operation (<i>Direction des opérations des Collectivités décentralisées</i>) |
| ERR | Economic Rate of Return |
| ESIA | Environmental and Social Impact Assessment |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| FCFA | West African CFA Franc |
| GoCI | Government of Côte d'Ivoire |
| HILM | High Intensity Labor-based Method |

| | |
|---------|--|
| IA | Implementing Agency |
| IDA | International Development Association |
| IP | Implementation Progress |
| IRI | International Roughness Index |
| ISR | Implementation Status Report |
| MEMIS | State Ministry of Interior and Security (<i>Ministère d'Etat, Ministère de l'Intérieur et de la Sécurité</i>) |
| MIE | Ministry of Economic Infrastructure (<i>Ministère des Infrastructures Economiques</i>) |
| M&E | Monitoring and Evaluation |
| MTR | Mid-term Review |
| NAV | Net Actual Value |
| NDP | National Development Plan |
| O&M | Operations and Maintenance |
| ONAD | National Office for Sanitation and Drainage (<i>Office National de l'Assainissement et du Drainage</i>) |
| ONEP | National Office for Drinking Water (<i>Office National de l'Eau Potable</i>) |
| PCU | Project Coordination Unit |
| PDO | Project Development Objective |
| PRICI | Emergency Infrastructure Renewal Project (<i>Projet d'Urgence de Renaissance des Infrastructures en Côte d'Ivoire</i>) |
| PUIUR | Emergency Urban Infrastructure Project (<i>Projet d'Urgence d'Infrastructures Urbaines</i>) |
| RAP | Resettlement Action Plan |
| RPF | Resettlement Policy Framework |
| SODECI | Côte d'Ivoire Water Utility (<i>Société de distribution d'eau de la Côte d'Ivoire</i>) |
| TF | Trust Fund |
| UVICOCI | Union of Cities and Communes of Côte d'Ivoire (<i>Union des Villes et Communes de Côte d'Ivoire</i>) |
| VOC | Vehicle Operating Costs |

| | |
|----------------------------------|-------------------------------|
| Regional Vice President: | Makhtar Diop |
| Country Director: | Pierre Frank Laporte |
| Senior Global Practice Director: | Ede Jorge Ijjasz-Vasquez |
| Practice Manager: | Idrissa Dia |
| Task Team Leaders: | Sylvie Debomy, Hatem Chahbani |

REPUBLIC OF COTE D’IVOIRE
INFRASTRUCTURE RENEWAL AND URBAN MANAGEMENT PROJECT
ADDITIONAL FINANCING

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ADDITIONAL FINANCING DATA SHEET

Côte d'Ivoire

Infrastructure Renewal and Urban Management Project Additional Financing (P156253)

AFRICA

| Basic Information – Parent | | | | | | | |
|--|-----------|-------------------------------|--------------------------|---------------------------------------|--------------------|------------------------|----------------------|
| Parent Project ID: | | P124715 | | Original EA Category: | | A - Full Assessment | |
| Current Closing Date: | | 31-Dec-2016 | | | | | |
| Basic Information – Additional Financing (AF) | | | | | | | |
| Project ID: | | P156253 | | Additional Financing Type (from AUS): | | Scale Up | |
| Regional Vice President: | | Makhtar Diop | | Proposed EA Category: | | B - Partial Assessment | |
| Country Director: | | Pierre Frank Laporte | | Expected Effectiveness Date: | | 28-Oct-2016 | |
| Senior Global Practice Director: | | Ede Jorge Ijjasz-Vasquez | | Expected Closing Date: | | 31-Jan-2020 | |
| Practice Manager/Manager: | | Idrissa Dia | | Report No: | | PAD1671 | |
| Team Leader(s): | | Sylvie Debomy, Hatem Chahbani | | | | | |
| Borrower | | | | | | | |
| Organization Name | | Contact | Title | Telephone | | Email | |
| Ministry of Economic Infrastructure | | Patrick Achi | Minister | 22520347315 | | pachi@mie.gov.ci | |
| PRICI PCU-Abidjan | | Pierre Dimba | Project Unit Coordinator | 22522413467 | | pdimba@yahoo.fr | |
| Project Financing Data - Parent (Cote d'Ivoire - Emergency Infrastructure Renewal Project-P124715) (in USD Million) | | | | | | | |
| Key Dates | | | | | | | |
| Project | Ln/Cr/TF | Status | Approval Date | Signing Date | Effectiveness Date | Original Closing Date | Revised Closing Date |
| P124715 | IDA-H7900 | Effective | 26-Jun-2012 | 16-Jul-2012 | 10-Oct-2012 | 31-Dec-2016 | 31-Dec-2016 |

| | | | | | | | | | |
|---|--|--|--|-----------------------|---------|-----------|-----------|---------------|-------------|
| Disbursements | | | | | | | | | |
| Project | Ln/Cr/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
| P124715 | IDA-H7900 | Effective | XDR | 64.50 | 64.50 | 0.00 | 64.50 | 0.00 | 100.00 |
| | | | | | | | | | |
| Project Financing Data - Additional Financing Infrastructure Renewal and Urban Management Project Additional Financing (P156253)(in USD Million) | | | | | | | | | |
| <input type="checkbox"/> Loan <input type="checkbox"/> Grant <input type="checkbox"/> IDA Grant <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other | | | | | | | | | |
| Total Project Cost: | | 126.00 | | Total Bank Financing: | | 60.00 | | | |
| Financing Gap: | | 0.00 | | | | | | | |
| Financing Source – Additional Financing (AF) | | | | | | | | Amount | |
| BORROWER/RECIPIENT | | | | | | | | 60.00 | |
| International Development Association (IDA) | | | | | | | | 60.00 | |
| Municipalities of Borrowing Country | | | | | | | | 6.00 | |
| Total | | | | | | | | 126.00 | |
| | | | | | | | | | |
| Policy Waivers | | | | | | | | | |
| Does the project depart from the CAS in content or in other significant respects? | | | | | | | No | | |
| Does the project require any policy waiver(s)? | | | | | | | No | | |
| Team Composition | | | | | | | | | |
| Bank Staff | | | | | | | | | |
| Name | Role | Title | Specialization | Unit | | | | | |
| Sylvie Debomy | Team Leader (ADM Responsible) | Lead Urban Development Specialist | Urban Development | GSU13 | | | | | |
| Hatem Chahbani | Team Leader | Senior Transport. Spec. | Transport | GTI05 | | | | | |
| Maurice Adoni | Procurement Specialist (ADM Responsible) | Senior Procurement Specialist | Procurement | GGO07 | | | | | |
| Jean Charles Amon Kra | Financial Management Specialist | Senior Financial Management Specialist | Financial Management | GGO13 | | | | | |
| Abdoulaye Gadiere | Safeguards Specialist | Senior Environmental Specialist | Environment and environmental safeguards | GEN07 | | | | | |

| | | | | |
|-------------------------------------|--------------------------|--|--|-------|
| Adama Zare | Team Member | Consultant | Environment | GEDDR |
| Agba Evelyne Euphrasie N'Guessan | Team Member | E T Temporary | Operational assistance | AFCF2 |
| Alphonse Soh | Team Member | Consultant | Infrastructure | GTI05 |
| Anne Treylane Bidgood | Team Member | E T Consultant | Spatial development, housing and land | GSU13 |
| Bontje Marie Zangerling | Team Member | Urban Specialist | Urban development | GSU13 |
| Faly Diallo | Team Member | Finance Officer | Financial Operations | WFALN |
| Ibou Diouf | Team Member | Program Manager | Transport | GTI01 |
| Issa Thiam | Team Member | Finance Officer | Financial Operations | WFALA |
| Jean-Francois Marteau | Peer Reviewer | Program Leader | Transport | ECCU5 |
| Kishor Uprety | Counsel | Senior Counsel | Legal | LEGAM |
| Marie Roger Augustin | Team Member | Legal Analyst | Legal | LEGAM |
| Peter F. B. A. Lafere | Safeguards Specialist | Senior Social Development Specialist | Social development and safeguards | GSU01 |
| Pierre Xavier Bonneau | Peer Reviewer | Program Leader | Infrastructure | LCC8C |
| Sung Heng C. Kok Shun | Team Member | Senior Program Assistant | Operational assistance | GSU13 |
| Yoro Sidibe | Team Member | Young Professional | Economic analysis | GWA07 |

Extended Team

| Name | Title | Location |
|-------------|--------------|-----------------|
| | | |

Locations

| Country | First Administrative Division | Location | Planned | Actual | Comments |
|----------------|--|-----------------|----------------|---------------|-----------------|
| Cote d'Ivoire | | Yamoussoukro | | | |
| Cote d'Ivoire | | Treichville | | | |
| Cote d'Ivoire | | San-Pédro | | | |
| Cote d'Ivoire | Dix-Huit Montagnes | Port-Boue | X | | |
| Cote d'Ivoire | Dix-Huit Montagnes | Man | X | | |
| Cote d'Ivoire | Lagunes | Koumassi | X | | |
| Cote d'Ivoire | | Korhogo | | | |
| Cote d'Ivoire | | Gagnoa | | | |
| Cote d'Ivoire | Sud-Bandama | Divo | X | | |

| | | | | | |
|---|--------------------|------------------------|--------------------------|--------------------------|--|
| Cote d'Ivoire | Haut-Sassandra | Daloa | X | | |
| Cote d'Ivoire | | Dabou | | | |
| Cote d'Ivoire | Zanzan | Bouna | X | | |
| Cote d'Ivoire | Vallee du Bandama | Bouake | | X | |
| Cote d'Ivoire | Zanzan | Bondoukou | X | | |
| Cote d'Ivoire | | Bingerville | | | |
| Cote d'Ivoire | Lagunes | Adzope | X | | |
| Cote d'Ivoire | | Abobo | | | |
| Cote d'Ivoire | Lagunes | Abobo | X | | |
| Cote d'Ivoire | | Abidjan | | | |
| Cote d'Ivoire | | Abengourou | | | |
| Cote d'Ivoire | Lagunes | Marcory | X | | |
| Cote d'Ivoire | Worodougou | Seguela | X | | |
| Cote d'Ivoire | Dix-Huit Montagnes | District des Montagnes | X | | |
| Cote d'Ivoire | | Bas-Sassandra | | | |
| Cote d'Ivoire | Bas-Sassandra | Soubre | X | | |
| Cote d'Ivoire | | Yopougon | | | |
| | | | | | |
| Institutional Data | | | | | |
| Parent (Côte d'Ivoire - Emergency Infrastructure Renewal Project-P124715) | | | | | |
| Practice Area (Lead) | | | | | |
| Transport & ICT | | | | | |
| Contributing Practice Areas | | | | | |
| | | | | | |
| Cross Cutting Topics | | | | | |
| [] Climate Change | | | | | |
| [] Fragile, Conflict & Violence | | | | | |
| [] Gender | | | | | |
| [] Jobs | | | | | |
| [X] Public Private Partnership | | | | | |
| Sectors / Climate Change | | | | | |
| Sector (Maximum 5 and total % must equal 100) | | | | | |
| Major Sector | Sector | % | Adaptation Co-benefits % | Mitigation Co-benefits % | |
| Transportation | Urban Transport | 30 | | | |

| | | | | |
|---|---|-----|--------------------------|--------------------------|
| Water, sanitation and flood protection | Water supply | 27 | | |
| Water, sanitation and flood protection | Flood protection | 20 | | |
| Transportation | Rural and Inter-Urban Roads and Highways | 12 | | |
| Energy and mining | Transmission and Distribution of Electricity | 11 | | |
| | | | | |
| Total | | 100 | | |
| Themes | | | | |
| Theme (Maximum 5 and total % must equal 100) | | | | |
| Major theme | Theme | % | | |
| Social dev/gender/inclusion | Conflict prevention and post-conflict reconstruction | 100 | | |
| | | | | |
| Total | | 100 | | |
| | | | | |
| Additional Financing Infrastructure Renewal and Urban Management Project Additional Financing (P156253) | | | | |
| Practice Area (Lead) | | | | |
| Social, Urban, Rural and Resilience Global Practice | | | | |
| Contributing Practice Areas | | | | |
| Transport & ICT | | | | |
| Cross Cutting Topics | | | | |
| [X] Climate Change | | | | |
| [] Fragile, Conflict & Violence | | | | |
| [X] Gender | | | | |
| [] Jobs | | | | |
| [] Public Private Partnership | | | | |
| Sectors / Climate Change | | | | |
| Sector (Maximum 5 and total % must equal 100) | | | | |
| Major Sector | Sector | % | Adaptation Co-benefits % | Mitigation Co-benefits % |
| Transportation | Urban Transport | 40 | 10 | |
| Water, sanitation and flood protection | General water, sanitation and flood protection sector | 30 | 50 | |

| | | | | |
|--|---|-----|----|--|
| Transportation | Rural and Inter-Urban Roads and Highways | 5 | 10 | |
| Public Administration, Law, and Justice | Sub-national government administration | 20 | | |
| Public Administration, Law, and Justice | General public administration sector | 5 | | |
| | | | | |
| Total | | 100 | | |
| <input type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project. | | | | |
| Themes | | | | |
| Theme (Maximum 5 and total % must equal 100) | | | | |
| Major theme | Theme | % | | |
| Urban development | City-wide Infrastructure and Service Delivery | 50 | | |
| Urban development | Urban services and housing for the poor | 25 | | |
| Urban development | Municipal governance and institution building | 15 | | |
| Urban development | Urban planning and housing policy | 10 | | |
| | | | | |
| Total | | 100 | | |
| Consultants (Will be disclosed in the Monthly Operational Summary) | | | | |
| Consultants Required? Consultants will be required | | | | |

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional IDA credit in the amount of US\$60 million¹ equivalent to the Republic of Côte d'Ivoire to the Emergency Infrastructure Renewal Project (PRICI, P124715 – IDA Grant H7900). The Paper also seeks the approval of the Executive Directors for a Level 1 restructuring of the original Project to (i) include a Contingency Emergency Response Component (CERC) with zero allocation and update the Project Development Objectives (PDO) accordingly; (ii) add a new component to support urban and municipal management; (iii) extend project implementation areas; (iv) revise the results framework to update the target value of selected indicators and include additional indicators for the new components; (v) change the environmental category from A to B, as the proposed activities under the AF are cleared for no significant adverse environmental impact; (vi) update the implementation and disbursement schedules; (vii) extend the credit closing date by 37 months to January 31, 2020, to allow full implementation of additional activities; and (viii) revise the legal covenants and conditions. The fiduciary and implementation arrangements will remain the same as for the parent project. This is the first restructuring and extension of the project closing date.

2. The Project Development Objective (PDO) of PRICI, which was approved on June 26, 2012, is to improve access to basic infrastructure in targeted urban and rural areas. The project has three components: (1) Urban Infrastructure Rehabilitation; (2) Rural Infrastructure Rehabilitation; and (3) Project Management and Coordination. Project performance has consistently been rated as satisfactory and 100 percent of the original IDA grant was disbursed as of May 31, 2016 (eight months before the project closing date).

3. The proposed additional financing (AF) and restructuring would help enhance and extend the development impact of the PRICI and ensure sustainability of investments by financing the costs associated with: (i) consolidating and scaling up of activities under existing project components, especially for urban infrastructure rehabilitation, and with funds to bridge a financing gap for specific activities; (ii) extending project activities to additional areas of intervention to ensure better geographical coverage, targeting lagging areas with urgent infrastructure needs, and “connector” cities identified by the Côte d'Ivoire Urbanization Review; and (iii) providing technical assistance to selected municipalities and national agencies to strengthen their urban and municipal management capacity. It would also allow the Government of Côte d'Ivoire (GoCI) to have access to contingent financing for immediate and effective response to an eligible crisis or emergency by including a zero-allocation Contingent Emergency Response Component (CERC). The proposed AF would be financed with an IDA credit of

¹ In accordance with current Republic of Côte d'Ivoire per capita income and IDA 17 lending criteria, the credit will be financed under the Single Currency IDA blend terms, with a 25-year maturity, including a 5-year grace period. The single currency amount (EUR 53.9 million) will be converted to the final SDR amount for commitment authority and country allocation management purposes on the day of project approval. For information, the estimated value of the credit in Special Drawing Rights (SDR) is SDR 42.8 million.

US\$60 million equivalent and an equal amount of parallel co-financing from the GoCI and targeted municipalities, allowing for broad coverage and significant impact.

II. Background and Rationale for Additional Financing

Background

4. Côte d'Ivoire has made an impressive transition from crisis to relative stability and economic growth in recent years, but has not yet fully tapped its development potential to reduce poverty, boost shared prosperity, and rehabilitation of public infrastructure and reestablishment of public services remain critical achieve the “Emergent Country” status it aspires to. Côte d'Ivoire is also among the most urbanized countries in Sub-Saharan Africa, with its urban areas growing at an estimated 3.8 percent average per year. The largely unplanned expansion of Ivorian cities presents significant challenges for the provision of adequate infrastructure and basic services, thus undermining the quality of life of their inhabitants and the productivity of these urban areas. The Urbanization Review (concluded in 2015) confirms the importance of inducing diversified urbanization along different economic corridors to support the structural transformation of the national economy.

5. Despite robust economic growth and encouraging and timely signs of post-conflict recovery in recent years, the impact of the political crisis on the availability and quality of basic services remains visible, and constitutes an obstacle to growth. Moreover recurrent flooding is a growing challenge, especially in Abidjan and San Pedro, where rain events are becoming more severe and less predictable.

6. The urgent need for further investments to complete the rehabilitation of the deteriorated infrastructure in cities and resume services coincides with the opportunity to increase the pace of reforms for decentralization and urban development. The rehabilitation of critical public infrastructure, together with strengthening capacity for urban planning and infrastructure maintenance at the local level, will contribute to improve living conditions of the population, increase market opportunities for agricultural production, unleash potential for private investment, stimulate domestic and foreign trade, and boost regional integration.

Alignment with Government Strategy and Country Partnership Framework

7. The PRICI and proposed AF remain in line with the FY2016-2019 Country Partnership Framework (CPF) discussed with the Board on September 29, 2015. In particular, the proposed AF would support the following focus areas and objectives of the CPF: (i) Focus Area 1, Accelerate sustainable private sector-led growth (Objective 2, Strengthen economic infrastructure); (ii) Focus Area 2, Build human capital for economic development and social cohesion (Objective 7, Improve the delivery of quality health and water services); and (iii) Focus Area 3, Strengthen public financial management and accountability at the local level (Objective 10, Increase accountability and transparency in public expenditures). The AF will also contribute to the CPF's Crosscutting Area 2 that supports the GoCI's agenda for reducing spatial disparities and addressing lagging regions. Finally, the AF will support climate adaptation and disaster response capacity, which are recognized in the CPF as central to ensuring sustainable growth in Côte d'Ivoire, by mainstreaming climate-resilient design standards and eco-friendly design for

major infrastructure works and facilitating rapid access to IDA financial resources in the event of an eligible emergency through a contingency component.

8. The PRICI and the AF also align with Côte d'Ivoire's National Development Plan (NDP) for the period 2016-2020. This plan confirms infrastructure and transport as major sources of growth, as well as a condition to ensure mobility and access to other basic services, and a solid ground for economic competitiveness. In addition, it highlights the overarching objective of ensuring the population's well-being by reducing poverty and inequality through structural transformation of the economy. Rehabilitation of basic infrastructure in the immediate future will help restore the foundations of a more inclusive growth and help Côte d'Ivoire regain its critical and pivotal economic role in the sub-region.

Description of the parent project

9. The PRICI, in the amount of SDR 64.5 million (US\$100 million equivalent) and a co-financing in the same amount from the Government of Côte d'Ivoire, was approved by the Board on June 26, 2012, under emergency procedures (previously OP/BP 8.00) and declared effective on October 10, 2012. It is currently scheduled to close on December 31, 2016.

10. The PDO of the PRICI is *to improve access to basic infrastructure in targeted urban and rural areas*. Targeted areas include Abidjan, Yamoussoukro, Korhogo, Bouake, San Pedro, Abengourou, and Soubre. The project consists of the following three components:

- (i) *Component A: Urban Infrastructure Rehabilitations* (US\$147.0 million equivalent, of which US\$78.4 million IDA-financed). This component supports the following activities, inter alia: (i) rehabilitation of urban roads including drainage, road furniture, and street lighting; (ii) rehabilitation of schools, health centers, and public buildings; (iii) rehabilitation of urban water supply infrastructure; (iv) rehabilitation of sanitation, drainage, and flood prevention infrastructure; and (v) rehabilitation of electricity and public lighting infrastructure.
- (ii) *Component B: Rural Infrastructure Rehabilitation* (US\$34.0 million equivalent, of which US\$11.0 million IDA-financed). This component finances the following: (i) rehabilitation of key rural roads; (ii) construction of the Bassawa Bridge on the Comoe River; and (iii) rehabilitation of economic and basic social infrastructure.
- (iii) *Component C: Project Management and Coordination* (US\$19.0 million equivalent, of which US\$10.6 million IDA-financed). This component finances project management and coordination costs, which include consultant services, technical assistance, training and operating costs.

11. A Mid-Term Review (MTR) was conducted between January 24 and February 16, 2015. The MTR found that the PDO remained relevant and that progress toward achieving the development objective was significant. Three years after effectiveness, significant progress had been made under all project components and project implementation was on track.

Project implementation status

12. The overall status of the parent project is assessed as Satisfactory. The progress towards the achievement of the PDO and the implementation progress (IP) have been consistently rated Satisfactory since the launch of the project, with the exception of the MTR ISR that rated IP as Moderately Satisfactory due to delays in mobilization of counterpart funds (legal covenant), but that have since been resolved as reflected in the latest ISR dated March 22, 2016. All other legal covenants have been complied with. Fiduciary and safeguards management, as well as monitoring and reporting are also satisfactory. Audits reports and financial monitoring reports are produced on time, are of good quality and unqualified. There are no overdue audit reports or ineligible expenditures. As of May 31, 2016, 100 percent of the approved IDA grant was disbursed (compared to 83 percent planned by end of Q3 FY2016) and 100 percent committed. The execution of the Government co-financed activities reached disbursement and commitment rates of 81 percent and 100 percent, respectively.

Rationale for Additional Financing

13. The Government requested for an AF in a letter dated July 24, 2015, to extend the investments aiming at reinforcing basic and connective infrastructure in selected urban and surrounding rural areas, in order to accelerate and consolidate their recovery and regeneration and reduce regional disparities in line with the GoCI's NDP 2016-2020. The proposed AF and restructuring would therefore scale up the impacts of the PRICI and reinforce the sustainability of investments. Specifically, the AF and restructuring are needed to:

- (i) consolidate and scale up project activities in selected cities and areas of the parent project, which have already benefited under the parent project (Abidjan, Abengourou, San Pedro, Bouake, and Soubre) in order to address the continued strong demand for economic and social infrastructure in these areas. Based on the recommendations of the Urbanization Review (completed in July 2015), the AF would increase focus on strategic economic corridors and help finance investments to link rural areas to markets, such as a new logistics platform for agricultural products. Based on their economic development potential, and on the need for rebalancing spatial disparities and complementarity with other ongoing operations, the following cities and localities were identified for inclusion under the AF, inter alia: Adzope, Bondoukou, Bouna, Daloa, Man, and Seguela; and
- (ii) provide technical assistance and capacity building to strengthen urban and municipal management for better service delivery. The AF aims to strengthen urban and municipal management in support of renewed decentralization efforts in Côte d'Ivoire, in particular with regards to ensuring adequate operation and maintenance of municipal assets. To this end, a new component for urban and municipal management will be added with the objective to support the responsibilities devolved to communes, and to strengthen their capacity to plan, finance, and manage local basic services.

14. The proposed AF would be an IDA credit for US\$60 million equivalent and, as in the parent project, would be co-financed by the GoCI at an equivalent amount (US\$60 million equivalent) and contributions from selected target municipalities (US\$6 million equivalent) to

maintenance programs, totaling US\$126 million equivalent. As in the parent project, to facilitate implementation and contract management, it is expected that GoCI counterpart funds will be channeled in the form of “parallel co-financing”, whereby they are placed in a dedicated account managed by the PCU and used for specific contracts that will be identified in the procurement plan.

Proposed components of the additional financing

15. The proposed activities of the AF, which aim to consolidate and expand the PRICI, would be included under the existing project components:

- (a) *Component A: Urban Infrastructure Rehabilitation* (US\$102 million equivalent, of which US\$45.7 million IDA-financed). This component will continue to support the following, inter alia: (i) rehabilitation of urban roads including drainage, road furniture and shoulders, and street lighting; (ii) rehabilitation of schools, health centers, and public buildings; (iii) rehabilitation of urban water supply infrastructure to increase access and improve the quality of water supply services for residents in peri-urban areas; (iv) rehabilitation of sanitation, drainage, and flood prevention infrastructure to reduce the number of people affected by periodic flooding; (v) rehabilitation of electricity and public lighting infrastructure to improve security along the roads and in neighborhoods and (vi) improvement of local public spaces and buildings. The proposed investments under the AF would cover activities that could not be financed under the parent project in the areas of roads rehabilitation, drainage and flood prevention, public lighting, and water supply. The design of the proposed infrastructure would take into account the anticipated impacts of climate change and incorporate climate-resilient design standards, whenever possible. In addition, the AF would finance specific local infrastructure and facilities as well as investments in low-impact urban upgrading using the existing right of ways and public spaces to provide improved services. The priority will be given to underserved areas and those identified in the newly completed Urban Development Plans and Communal Investments Programs (CIP) in target cities of the initial project and new beneficiary cities.
 - (i) *Road rehabilitation.* Rehabilitation of approximately an additional 35 kilometers of primary and secondary roads and intersections in Abidjan, Abengourou, San Pedro, Adzope, Bondoukou, Bouna, Daloa, and Divo, including, inter alia: (a) rehabilitation and paving of selected roads; (b) cleaning of storm water drainage and rehabilitation and extension of road drainage system; (c) street lighting rehabilitation and extension; (d) rehabilitation of selected social facilities and public buildings in impact areas of rehabilitated roads; and (e) installation of road furniture and improvement of road shoulders. A portion of the funds allows bridging a financing gap for the roads works in Abidjan included under the parent project.
 - (ii) *Water supply:* Construction of a new water production plant in Bouake. This is to provide additional funds to bridge a financing gap in the parent project.

- (iii) *Sanitation, drainage, and flood prevention.* Rehabilitation and extension of resilient infrastructures including inter alia: (a) Youpougou 1, Akouedo – Mpouto, Akekoi – Abobo basins in Abidjan; (b) East and West Lake Bardo storm drainage systems in San Pedro; (c) primary storm drains in Daloa; (d) flooding prevention systems in Seguela and Man; and (e) a new sanitation and drainage master plan for Soubre. This is to provide additional funds to bridge a financing gap in certain drainage works in Akekoi initiated under the parent project.
- (iv) *Electricity and Public lighting.* Rehabilitation and extension of public lighting networks along main roads and peri-urban areas including, inter alia: (a) along Boulevard Lagunaire and selected main roads in Abidjan; (b) along selected roads in San Pedro, Abengourou, and Adzope. Part of the additional funds will finance a gap in certain works initiated in the parent project.
- (v) *Local infrastructure.* Construction and/or rehabilitation of local infrastructure, facilities and public spaces including, inter alia: (a) improvement of streetscapes; (b) tertiary drainage; (c) pedestrian amenities; (d) landscaping and open green space; (e) public plaza; (f) market area improvements; and (g) local infrastructure and facilities identified in the defined in the Communal Investment Program. Targeted urban areas include, inter alia: Korhogo, Koumassi, Daloa, San Pedro, Port-Bouet, Yopougon, and Bouake.
- (b) *Component B: Rural Infrastructure Rehabilitation* (US\$1.5 million equivalent, without IDA financing). This component will finance the rehabilitation of economic and basic social infrastructure. In particular, the AF would target priority works along the corridor between San Pedro-Daloa-Seguela-Boundiali and the border with Mali corridor with the construction of a logistics platform in the Nawa region, which represents an important transit point and market for agricultural products such as coffee, cocoa, and rubber. With the realization of this platform, the AF also aims to strengthen rural-urban linkages and to consolidate achievements from rural infrastructure investments under the parent project.
- (c) *Component C: Project Management and Coordination* (US\$6.0 million equivalent, of which US\$ 3.9 million IDA-financed). This component will include provision of technical advisory services, goods, training, and operating costs to support the management and coordination of the project, including safeguards supervision, M&E, technical and financial audits and to strengthen the capacity of selected institutions that are critical to the implementation of the project and to the policy dialogue on infrastructure and urban development.

In addition, two new components would be added, one to support urban and municipal management for better service delivery and the other to facilitate rapid reallocation of IDA resources for disaster response in the event of an eligible emergency or crisis:

- (d) *Component D: Urban and Municipal Management* (US\$16.5 million equivalent, of which US\$10.4 million IDA-financed). This component will finance a program of activities aimed at strengthening urban and municipal management for better service delivery. Such activities to include, inter alia: (a) technical assistance for the

preparation and implementation of performance-based city contracts (performance contracts, or *contrats de performance*) elaborated based on updated urban audits²; (b) implementation of Communal Maintenance Programs identified in urban audits; (c) implementation of Communal Management Support program identified in urban audits; (d) technical assistance for the preparation of urban and municipal audits in other municipalities where such assistance is not currently provided; (e) targeted capacity building activities for these municipalities; and (f) institutional support and just-in-time technical assistance for national agencies and relevant institutions to support deeper engagement in the area of urban and municipal development, decentralization, intergovernmental transfers, and municipal finance, on an as-needed basis.

- (e) *Component E: Contingent Emergency Response Component (CERC)* (US\$0 million equivalent). This component is included under the AF in accordance with OP/BP 10.00 Investment Project Financing, paragraphs 12 and 13, for situations of urgent need of assistance as a provision of immediate response to an Eligible Crisis or Emergency, as needed. It will allow the GoCI to request the Bank rapid reallocation of project funds in order to respond promptly and effectively to an eligible emergency or crisis, i.e. a natural or man-made disaster or crisis that has caused or is likely to imminently cause a major adverse economic and/or social impact. To trigger this component, the GoCI needs to officially declare an emergency or provide a statement of fact justifying the request for the activation of the use of emergency funding. If the Bank agrees with the determination of an eligible emergency and associated response needs, financing from other project components could be reallocated to cover eligible expenditures for emergency response and recovery. Disbursement would be made based on a positive list of goods, the procurement of specific works and consultant services, and/or emergency operation costs required for immediate response and recovery. A specific CERC Operations Manual will apply to this component, detailing financial management, procurement, safeguards, eligible expenditures (including a positive list of goods) and any other necessary implementation arrangements.

² For more detailed information on performance-based city contracts under the AF, refer to Annex 3.

Table 1. Additional and total costs by component for PRICI and AF

| US\$ million | Parent Project | | | Additional Financing | | | | Total | | | |
|-----------------|----------------|--------------|--------------|----------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | IDA | GoCI | Total | IDA | GoCI | Comm unes | Total | IDA | GoCI | Comm unes | Total |
| A | 78.4 | 68.6 | 147.0 | 45.7 | 56.3 | 0.0 | 102.0 | 124.1 | 124.9 | 0.0 | 249.0 |
| B | 11.0 | 23.0 | 34.0 | 0.0 | 1.5 | 0.0 | 1.5 | 11.0 | 24.5 | 0.0 | 35.5 |
| C | 10.6 | 8.4 | 19.0 | 3.9 | 2.1 | 0.0 | 6.0 | 14.5 | 10.5 | 0.0 | 25.0 |
| D | 0.0 | 0.0 | 0.0 | 10.4 | 0.1 | 6.0 | 16.5 | 10.4 | 0.1 | 6.0 | 16.5 |
| E | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 100.0 | 100.0 | 200.0 | 60.0 | 60.0 | 6.0 | 126.0 | 160.0 | 160.0 | 6.0 | 326.0 |

Revision of the Project Development Objective

16. The PDO will be revised to add standard language to the original PDO in order to reflect the inclusion of the CERC. The revised PDO would be *to improve access to basic infrastructure in targeted urban and rural areas and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency*. This objective would be achieved through the combined implementation of infrastructure investments in selected areas and activities to strengthen urban and municipal management in project cities, with a focus on maintenance of physical investments. This objective would be expanded to additional urban areas with the AF.

Revision of the Results Framework

17. The results framework will be updated to reflect the additional activities to be financed by the AF (see Annex 1 Results Framework with the full list of indicators). Specifically, it is proposed to add a PDO indicator measuring the number of municipalities that reach their target objectives as specified in their performance contracts in order to monitor outcomes of the new Component D supporting urban and municipal management. In addition, end of project target values for several existing PDO indicators would be increased to reflect the additional physical investments to be financed under the AF. Three existing PDO indicators would also be revised to align with core sector indicators: (i) direct project beneficiaries; (ii) people in urban areas with access to an all-season road; and (iii) people in urban areas with improved water sources. Finally, the following four PDO indicators would be moved to intermediate indicators as the AF would not finance any further related activities and in order to reduce the number of PDO indicators: (i) people in urban areas with access to electricity; (ii) people with access to rehabilitated health centers; (iii) people with access to rehabilitated schools at primary level; and (iv) people in rural areas provided with access to an all-season road.

18. Similarly, the end of project target values for relevant intermediate results indicators would be adjusted to account for the additional activities and new intermediate results indicators would be added for Component D (Urban and Municipal Management) and Component E (CERC). These would include: (a) percentage of municipal budget allocated to maintenance in the Municipal Maintenance Account; (b) number of cities that have adopted citizen participation through a consultative approach for their budgeting process; (c) a CERC established and ready to provide access to financial resources to the Government in case of an eligible crisis or

emergency; and (d) time taken to disburse funds requested by the Government for an eligible crisis or emergency. Finally, three intermediate indicators would be revised to align with core sector indicators: (i) new piped household water connections provided under the project; (ii) rural roads rehabilitated; and (iii) non-rural roads rehabilitated.

Implementation arrangements

19. No substantial changes in the institutional arrangements are planned. Implementation arrangements will be based on existing structures. The Steering Committee chaired by the Ministry of Economic Infrastructure will continue to ensure overall supervision and provide strategic direction for the project. The PCU will continue to be responsible for project coordination, fiduciary activities, monitoring and evaluation, communication activities, as well as safeguards supervision. It will sign Delegated Management Contracts (*Conventions d'Assistance à la Maîtrise d'Ouvrage Déléguée*) with all implementing agencies for the Additional Financing activities as detailed in Annex 5. The PCU will also manage the new Component D, in particular monitor the Municipal Maintenance Account, on behalf of the participating municipalities. A number of activities under the proposed Component D will fall under municipal responsibility with the support of the PCU, AGEROUTE and the DGDDL. Municipal contributions to the maintenance account have been carefully and realistically defined in the performance contracts. These contributions were identified through the urban audits carried out under the PUIUR and updated during project preparation. They were valued in terms of effort to maintain the proposed investments. The implementation arrangements for the new Component E (CERC) will be detailed in a specific Operational Manual to be developed by the GoCI, which is a disbursement condition for this component.

Safeguards

20. The Additional Financing has been categorized as a Category B project as the proposed new activities are not expected to have significant or irreversible adverse environmental and social impacts. The parent project, which is now fully disbursed, was originally categorized as Category A owing to the financing of the construction of the Serebou (Basawa) bridge, which has been completed in a satisfactory manner. The project will now exclude future Category A type activities.

21. The Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) were updated to take into account the new activities and to incorporate lessons learnt from the parent project. Both ESMF and RPF were consulted and disclosed locally on May 7, 2016, and at the Infoshop on May 12, 2016. Resettlement Action Plans (RAP) were developed, consulted, and disclosed on May 18, 2016, for the identified activities under the AF in Abobo-Akekoi (Abidjan); for activities for which the exact location is not yet determined, RAPs will be developed in accordance with the RPF prior to the beginning of the works.

22. The PCU has maintained a good track record in safeguards management. Due to the increased volume of works under the AF, the PCU will be strengthened with additional capacities and training on environmental and social management will be provided to municipalities. The ESMF clearly identified a need to build capacity in targeted project areas.

III. Proposed Changes

Summary of Proposed Changes

This Project Paper seeks the approval of the Executive Directors for an Additional Financing and Restructuring for the Emergency Infrastructure Renewal Project (PRICI, P124715). This would help enhance the project's development impact and ensure sustainability of investments by: (i) consolidating and scaling up activities under existing project components, especially for urban infrastructure rehabilitation, and with funds to bridge a financing gap for specific activities; (ii) extending project activities to additional areas of intervention to ensure better geographical coverage and address regional disparities; and (iii) providing technical assistance to strengthen urban and municipal management capacity. It would also allow the Government of Cote d'Ivoire (GoCI) to have access to contingent financing for immediate and effective response to an eligible crisis or emergency by including a zero-allocation Contingent Emergency Response Component (CERC).

As part of the Additional Financing, the following changes to the parent project are proposed:

- (a) revision to the PDO to add standard language to reflect the inclusion of the CERC;
- (b) an extension of the project closing date by 37 months to January 31, 2020, to allow full implementation of additional project activities;
- (c) changes to components and costs to include additional funds to existing components and add a new component to support urban and municipal management as well as a zero-allocation CERC;
- (d) changes in the results framework to increase target values and add indicators for the new component;
- (e) change of the EA category from A to B to reflect that proposed activities under the AF are not likely to have significant adverse environmental impact;
- (f) update of the implementation and disbursement schedules; and
- (g) revision of legal covenants and conditions.

| | |
|--|---|
| Change in Implementing Agency | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Change in Project's Development Objectives | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] |
| Change in Results Framework | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] |
| Change in Safeguard Policies Triggered | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Change of EA category | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] |
| Other Changes to Safeguards | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Change in Legal Covenants | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] |
| Change in Loan Closing Date(s) | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] |
| Cancellations Proposed | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Change in Disbursement Arrangements | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Reallocation between Disbursement Categories | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Change in Disbursement Estimates | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] |
| Change to Components and Cost | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] |
| Change in Institutional Arrangements | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Change in Financial Management | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |
| Change in Procurement | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] |

| | | |
|--|----------------------|-----------------------|
| Change in Implementation Schedule | | Yes [X] No [] |
| Other Change(s) | | Yes [] No [X] |
| Development Objective/Results | | |
| Project's Development Objectives | | |
| Original PDO | | |
| The objective of the project is to improve access to basic infrastructure in targeted urban and rural areas | | |
| Change in Project's Development Objectives | | |
| Explanation: | | |
| The GoCI and the World Bank have agreed to include a zero-allocation Contingent Emergency Response Component (CERC) in the AF to allow the Government to rapidly access contingent financing for a prompt and effective response to an eligible crisis or emergency. The PDO will be updated in order to reflect the CERC by adding the objective of providing the Government with a mechanism to respond promptly and effectively to an eligible crisis or emergency. | | |
| Proposed New PDO - Additional Financing (AF) | | |
| The objective of the project is to improve access to basic infrastructure in targeted urban and rural areas, and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency. | | |
| Change in Results Framework | | |
| Explanation: | | |
| The target values for most PDO and intermediate results indicators will be increased to reflect the additional infrastructure works added to the original project scope. Moreover, new indicators for the PDO and intermediate results will be added to the Results Framework to reflect the new component supporting urban and municipal management and the inclusion of a CERC. The new PDO-level indicator is: number of municipalities that reach their target objectives as specified in their performance contracts. The new intermediate indicators are: (i) number of cities that have adopted citizen participation through a consultative approach for their budgeting process; (ii) percentage of municipal budget allocated to maintenance in the Municipal Maintenance Account; (iii) a CERC established and ready to provide access to financial resources to the Government in case of an eligible crisis or emergency; and (iii) time taken to disburse project funds requested by the Government for an eligible crisis or emergency. In addition, four PDO indicators will be moved to intermediate indicators as the AF will not finance any further related activities and in order to reduce the number of PDO-level indicators. Finally, three PDO indicators and four intermediate indicators will be revised to align with core sector indicators. | | |
| Compliance | | |
| Change of EA Category | | |
| Original EA Category: | Current EA Category: | Proposed EA Category: |
| Full Assessment | Full Assessment | Partial Assessment |
| Explanation: | | |
| The EA Category is being changed from A-Full Assessment to B-Partial Assessment. The parent project was originally categorized as A owing largely to the financing of the construction of a bridge through environmentally sensitive area. The construction of this bridge was completed in a satisfactory manner in October 2015. The activities to be implemented under the AF exclusively include Category B-type sub-projects that are not expected to have significant adverse and irreversible environmental impacts. | | |

| Covenants - Additional Financing (Infrastructure Renewal and Urban Management Project Additional Financing - P156253) | | | | | | |
|--|------------------------------------|---|-----------------|--------------------------|------------------|---------------|
| Source of Funds | Finance Agreement Reference | Description of Covenants | Date Due | Recurrent | Frequency | Action |
| IDA | Schedule 2/ Section I.B.1 | To facilitate the carrying out of the Project, the Recipient shall, not later than one month after the Effective Date, revise the Project Management Contract with the PCU (“Project Management Contract”) concluded for purposes of the Original Project, vesting responsibility in the PCU for the overall management, and monitoring and supervision, of the Project, and giving details of the role and responsibilities of the PCU thereunder. | 28-Nov-2016 | <input type="checkbox"/> | | New |
| IDA | Schedule 2/ Section I.B.2 | To facilitate the carrying out of the Project, the Recipient shall, throughout Project implementation, maintain or conclude, not later than one month after the Effective Date, as the case may be, Delegated Management Contracts on terms and conditions acceptable to the Association, with | 28-Nov-2016 | | | New |

| | | | | | | |
|-----|---|---|-------------|---|-----------|-----|
| | | each of the Implementing Agencies, vesting responsibility in each of the Implementing Agencies for the management of their respective Parts of the Project, and specifying their respective role and responsibilities thereunder. | | | | |
| IDA | Schedule 2 / Section I / A. 3 | The Recipient shall, no later than two (2) months after the Effective Date, recruit a municipal development specialist, an environmental safeguards specialist and a social safeguards specialist under terms of reference and with the qualification and experience satisfactory to the Association. | 28-Dec-2016 | | | New |
| IDA | Schedule 2 /C.1 | The Recipient shall, not later than two (2) months after the Effective Date, update the Project Implementation Manual in a manner satisfactory to the Association, to reflect the specific content and design of the Project and ensure consistency with its objective. | 28-Dec-2016 | | | New |
| IDA | Schedule 2 / Section V / A. 1 (b) | The Recipient shall not later than the last day of every | | X | quarterly | New |

| | | | | | | |
|--|--|--|--|--|--|--|
| | | quarter, beginning in the 1 st quarter of FY17, deposit into the Counterpart Funds Account an amount corresponding to one fourth of the Recipient's share of the cost of the Annual Work Plan and Budget for that Fiscal Year as set forth in the table in Schedule 2 / Section V / A. 1 (b) of the Financing Agreement or in accordance with such other schedule as may be agreed from time to time between the Recipient and the Association. | | | | |
|--|--|--|--|--|--|--|

Covenants - Parent (Cote d'Ivoire - Emergency Infrastructure Renewal Project - P124715)

| Ln/Cr/TF | Finance Agreement Reference | Description of Covenants | Date Due | Status | Recurrent | Frequency | Action |
|-----------------|------------------------------------|--|-----------------|---------------|--------------------------|------------------|---------------|
| IDA-H7900 | Article V.5.01. (a) | The Project Management Contract has been duly executed, on terms and conditions acceptable to the Association, between the Recipient and the Project Coordination Unit of the Emergency Infrastructure Renewal Project (PCU-EIRP). | 15-Oct-2012 | Complied with | <input type="checkbox"/> | | Revised |
| IDA-H7900 | Article V.5.01. (b) | The Delegated Management | 15-Oct-2012 | Complied with | <input type="checkbox"/> | | Revised |

| | | | | | | | |
|-----------|-----------------------------------|---|-------------|---------------|--------------------------|--|-----------|
| | | Contracts have been duly executed, on terms and conditions acceptable to the Association, between the Recipient acting through PCU-EIRP and each of the Implementing Agencies. | | | | | |
| IDA-H7900 | Schedule 2 / Section I / A. 2 (b) | In order to complement its existing staff, PCU-EIRP shall proceed to the recruitment of a procurement specialist, a procurement assistant and a financial management assistant, all of whom shall have qualifications and experience acceptable to the Association. | 15-Jan-2013 | Complied with | <input type="checkbox"/> | | Revised |
| IDA-H7900 | Schedule 2 / Section I / B. 2 (a) | The Recipient shall, subject to the prior approval of the Association, update, adapt or otherwise amend the Project Implementation Manual, including the Financial and Accounting Manual as needed, to reflect the specific content and design of the Project, and ensure consistency with its objective. | 15-Jan-2013 | Complied with | <input type="checkbox"/> | | Revised |
| IDA- | Schedule 2 | The Recipient | 15-Jan- | Complied | <input type="checkbox"/> | | No Change |

| | | | | | | | |
|---------------|---------------------------------------|--|-----------------|-------------------------------|--------------------------|--|---------|
| H7900 | / Section I / D. 1 (a) | shall prepare and adopt an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF), both of which shall be acceptable to the Association and fully compliant with the Association's social and environmental policies, taking steps as needed to ensure that they are both duly disclosed and made publicly available for public consultations. | 2013 | with | | | |
| IDA- H7900 | Schedule 2 / Section V / B. (b) | The Recipient shall deposit, into the Counterpart Funds Account an amount corresponding to one fourth of the Recipient's share of the cost of the Annual Work Plan and Budget for each Fiscal Year as set forth in the table in Schedule 2 / Section V / B. (b) of the Financing Agreement or in accordance with such other schedule as may be agreed from time to time between the | 31-Oct- 2013 | Partially complied with | <input type="checkbox"/> | | Revised |

| | | | | | | | |
|-----------|----------------------------------|---|-------------|---------------------------|--------------------------|--|-----------|
| | | Recipient and the Association. | | | | | |
| IDA-H7900 | Schedule 2 / Section I / B. 3(a) | Not later than eighteen (18) months after the Effective Date, undertake, in conjunction with the Association, a mid-term review of the Project (the "Mid-term Review"), covering the progress achieved in the implementation of the Project. | 30-Apr-2014 | Complied with | <input type="checkbox"/> | | No Change |
| IDA-H7900 | Schedule 2 / Section I / B. 3(b) | Not less than three (3) months prior to the beginning of the Mid-term Review, prepare under terms of reference satisfactory to the Association, and furnish to the Association, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement on the progress achieved. | 31-Jan-2014 | After delay complied with | <input type="checkbox"/> | | No Change |

| Conditions | | |
|---|---|---------------------|
| Source Of Fund | Name | Type |
| IDA | Contingent Emergency Response Component | Disbursement |
| Description of Condition | | |
| No withdrawals shall be made under Category (2), for Emergency Expenditures under Part E of the Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities: | | |
| <ul style="list-style-type: none"> (i) the Recipient has determined that Eligible Crisis or Emergency has occurred, has furnished the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; (ii) the Recipient has prepared and disclosed all safeguards documents required for said activities, and the Recipient has fulfilled any actions which are required to be taken under said documents; (iii) the Recipient's Coordinating Authority has adequate staff and resources; and (iv) the Recipient has adopted a CERC Operations Manual in form, substance and manner acceptable to the Association. | | |
| Risk | | |
| Risk Category | | Rating (H, S, M, L) |
| 1. Political and Governance | | Substantial |
| 2. Macroeconomic | | Moderate |
| 3. Sector Strategies and Policies | | Substantial |
| 4. Technical Design of Project or Program | | Moderate |
| 5. Institutional Capacity for Implementation and Sustainability | | Moderate |
| 6. Fiduciary | | Moderate |
| 7. Environment and Social | | Substantial |
| 8. Stakeholders | | Moderate |
| 9. Other | | |
| OVERALL | | Moderate |
| Finance | | |
| Loan Closing Date - Additional Financing (Infrastructure Renewal and Urban Management Project - P156253) | | |
| Source of Funds | Proposed Additional Financing Loan Closing Date | |
| International Development Association (IDA) | 31-Jan-2020 | |

| | | | | | | | | | |
|--|-----------------|---|-----------------------------|------------------------------|---------------------------------|--|-----------------------------------|--|--|
| Loan Closing Date(s) - Parent (Cote d'Ivoire - Emergency Infrastructure Renewal Project - P124715) | | | | | | | | | |
| Explanation: | | | | | | | | | |
| It is proposed to extend the closing date to January 31, 2020, in order to allow sufficient time for implementation of the additional activities proposed under the AF. | | | | | | | | | |
| Ln/Cr/TF | Status | Original Closing Date | Current Closing Date | Proposed Closing Date | Previous Closing Date(s) | | | | |
| IDA-H7900 | Effective | 31-Dec-2016 | 31-Dec-2016 | 31-Jan-2020 | | | | | |
| | | | | | | | | | |
| Change in Disbursement Estimates (including all sources of Financing) | | | | | | | | | |
| Explanation: | | | | | | | | | |
| The disbursement estimates will be updated to reflect the additional financing and the extension of the project closing date. | | | | | | | | | |
| Expected Disbursements (in USD Million)(including all Sources of Financing) | | | | | | | | | |
| Fiscal Year | 2017 | 2018 | 2019 | 2020 | | | | | |
| Annual | 7.00 | 20.00 | 20.00 | 13.00 | | | | | |
| Cumulative | 7.00 | 27.00 | 47.00 | 60.00 | | | | | |
| Allocations - Additional Financing (Infrastructure Renewal and Urban Management Project - P156253) | | | | | | | | | |
| Source of Fund | Currency | Category of Expenditure | Allocation | | | | Disbursement %(Type Total) | | |
| | | | Proposed | | | | Proposed | | |
| IDA | EUR | Goods, works, consultants' services, non-consultants' services, Operating Costs and Training under the Project, except for Part E | 53,900,000.00 | | | | 100.00 | | |
| IDA | EUR | Emergency expenditures under Part E of the Project | 0.00 | | | | 100.00 | | |
| | | Total: | 53,900,000.00 | | | | | | |
| Components | | | | | | | | | |
| Change to Components and Cost | | | | | | | | | |
| Explanation: | | | | | | | | | |
| The denomination of the project components will be modified to reflect activities introduced under the AF. The detailed description of these activities are given in Annex 2. The cost of additional activities financed by IDA will be US\$45.7 million equivalent for Component A, US\$0.0 million equivalent for Component B, and US\$3.9 million equivalent for Component C. | | | | | | | | | |

In addition, two new project components will be added.

The first new component (US\$10.4 million equivalent) will support urban and municipal management by providing technical assistance and capacity building at the municipal level as well as institutional support to national agencies to operationalize the decentralization policies. More specifically, it will finance the following, inter alia: (a) technical assistance for the preparation of performance-based city contracts (*contrats de performance*) (including the Communal Investment Program implemented under Component A, a Communal Maintenance Program with performance targets for O&M, and a communal management support program with assistance to improve budgeting and financial management) for selected beneficiary municipalities elaborated based on urban audits carried out under the PUIUR and updated during project preparation; (b) implementation of Communal Maintenance Programs identified in these urban audits; (c) implementation of Communal Management Support programs identified in the urban audits; (d) technical assistance for the preparation of urban and municipal audits in other beneficiary municipalities that currently do not have it; (e) targeted capacity building activities for these municipalities; (f) institutional support and just-in-time technical assistance for national agencies and relevant institutions to support deeper engagement in the area of urban and municipal development, decentralization, intergovernmental transfers, and municipal finance, on an as-needed basis.

The second new component will be a Contingent Emergency Response Component (CERC) without initial allocation (Zero Component), included in the AF in accordance with paragraphs 12 and 13 of OP/BP 10.00 Investment Project Financing for situations of urgent need of assistance. It will allow the GoCI to request the Bank rapid reallocation of project funds from other project components to cover eligible expenditures for a prompt and effective response to an eligible emergency or crisis. A specific CERC Operations Manual will apply to this component, detailing financial management, procurement, safeguards, eligible expenditures (including a positive list of goods) and any other necessary implementation arrangements.

| Current Component Name | Proposed Component Name | Current Cost (US\$M) | Proposed Cost (US\$M) | Action |
|-------------------------------------|-------------------------------------|----------------------|-----------------------|---------|
| Urban Infrastructure Rehabilitation | Urban Infrastructure Rehabilitation | 78.40 | 124.10 | Revised |
| Rural Infrastructure Rehabilitation | Rural Infrastructure Rehabilitation | 11.00 | 11.00 | Revised |
| Project Coordination | Project Management and Coordination | 10.60 | 14.50 | Revised |
| | Urban and Municipal Management | 0.00 | 10.40 | New |
| | Contingent Emergency Response | 0.00 | 0.00 | New |
| | Total: | 100.00 | 160.00 | |
| Other Change(s) | | | | |
| | | | | |
| Implementing Agency Name | Type | Action | | |
| PRICI - PCU | Implementing Agency | No change | | |

| |
|---|
| Change in Implementation Schedule |
| <p>Explanation:</p> <p>The work plan, including the implementation schedule, will be updated to reflect the additional activities under the three components of the parent project as well as the activities under the new Component D of the AF.</p> |
| Appraisal Summary |
| Economic and Financial Analysis |
| <p>Explanation:</p> <p>It was not possible to conduct a cost-benefit analysis (CBA) for the activities of the parent project, due to limited data available and short preparation timeframe under emergency procedures. Therefore, an ex-post CBA for activities of the parent project and an ex-ante CBA for the new activities of the AF were conducted for key quantifiable activities/infrastructure of the AF. A CBA is used to analyze the benefits stemming from the project focusing on roads and drainage, which constitute the majority of the investments.</p> <p>The major benefits from road investments will be derived from improved mobility and enhanced accessibility to economic opportunities, especially for small businesses, sustaining the livelihood of poor dwellers, and improved health. The CBA focuses on Vehicle Operating Costs (VOC) savings and Travel Time Costs (TTC) savings to estimate lower bound value of Economic Rate of Return (ERR). The ERR ranges from 8% to 78% depending on the traffic on the different road sections. A sensitivity analysis showed that the results are robust to changes in project costs.</p> <p>Drainage systems financed by the Additional Financing include East-West Watersheds works, consolidation of flood management works in Abidjan and primary networks in San Pedro for an estimated cost of US\$27.0 million (of which IDA contribution is US\$22.0 million). Major drainage infrastructures were considered in the economic CBA: the flood retention pond in St-Viateur, Abidjan and the Collector in Bardot in San Pedro. The values of the ERR are 52% and 23% respectively, largely above 12%. A sensitivity analysis showed that the results are robust to unfavorable assumptions. These economic results should be viewed as a very conservative lower bound value as other major benefits could not be quantified because of the lack of data for example touristic attraction.</p> <p>The project is therefore economically viable. Details of the calculations are in the Annex 4.</p> |
| Technical Analysis |
| <p>Explanation:</p> <p>The physical investment activities to be funded under the AF are of the same nature as those implemented under the parent project, thus no additional skills or technical expertise will be required for their implementation. The technical and engineering standards adopted for the proposed activities are consistent with the current GoCI standards and implementation capacity of the Implementing Agencies (IAs). This will ensure consistency at national level, cost effectiveness of the implementation, and efficiency of maintenance, all of which maximizes the project benefits. Road works will also incorporate design elements related to pedestrian mobility and safety. The project will promote the construction of climate adaptable and green infrastructure (such as "green" drainage solutions) and increased access to public spaces. Additional emphasis on maintenance efforts in AF will also improve sustainability of these investments in the long term. Regarding the components for urban and rural infrastructure rehabilitation, technical designs are based on prior experience gained through the parent project. Designs retained are technically sound with a focus on durability and improved services. Sites were selected in collaboration</p> |

with the GoCI and local authorities based on the socio-economic relevance/justification of the sites.

Methodologies for the urban audits and performance-based city contracts have been implemented previously and refined under the PUIUR. These approaches to local capacity building have also demonstrated a highly satisfactory track record in other countries in the region. Implementation of Component D under the AF will draw upon these lessons learned.

Activities related to communal investment programs and urban and municipal management will incorporate techniques that emphasize pedestrian mobility and comfort for road improvements, energy efficiency in relevant public buildings, and resiliency to climate change for open and green spaces.

Social Analysis

Explanation:

The AF has been categorized as a Category B project as the proposed new activities are not expected to have significant or irreversible adverse environmental and social impacts, and only resulting in limited land acquisition or involuntary resettlement for specific activities (see below). The original project's categorization A was due to the construction of the Serebou (Bassawa) bridge, which was implemented in a satisfactory manner and is now completed.

The proposed AF is expected to have significant positive impacts by improving living conditions of targeted populations, enhancing access to potable water and sanitation facilities as well as to social services and markets, facilitating trade, and strengthening institutional and technical capacity of municipal governments. The use of the high intensity labor-based method (HILM) during construction will create jobs and revenues to local populations.

The AF triggers only one World Bank social safeguard policies, namely: Involuntary Resettlement - OP/BP 4.12. The rehabilitation of urban infrastructure and rural roads will result in limited land acquisition, involuntary resettlement, and imposition of easements, and temporary negative impacts on livelihoods during the works. The combined scope of resettlement impacts across the different project locations is not yet fully known but expected to include several hundred permanent and semi-permanent structures that are used as residences and for commercial purposes.

As the scope of some investments is still being determined, and not all resettlement impacts have been assessed, the Resettlement Policy Framework (RPF) of the original project has been updated by the client and approved by the World Bank, disclosed in the country on May 7, 2016, and in the InfoShop on May 12, 2016.

The RPF provides a detailed overview of all the activities that will be financed, with the likelihood that these will result in involuntary resettlement, and a plan for when the detailed impacts will be assessed and mitigated in a Resettlement Action Plan (RAP). For the activities in Abobo-Akekoi (Abidjan), the scope of works and resettlement impacts have already been assessed, and abbreviated RAPs were developed, consulted and disclosed on May 18, 2016, prior to appraisal in accordance with the principles and guidelines of the RPF.

As in the parent project, the PCU and the implementing agencies will be responsible for the implementation of the social safeguards aspects of the AF. The capacity of the PCU and implementing agencies in applying the World Bank's safeguards procedures is considered high; as was proven during the implementation of the parent project (satisfactory rating throughout the original project implementation period). All the project stakeholders have gained an in-depth knowledge of the World Bank's safeguards procedures during the implementation of the Category A parent project, involving major environmental

and social impacts.

As in the parent project, the PCU will continue to host a Social Development Specialist with adequate experience during the AF phase. The Bank will systematically have safeguards specialists as part of its supervision missions to ensure that all safeguard issue are properly addressed and in a timely manner.

Environmental Analysis

Explanation:

The AF is categorized as a Category B project (see Social Analysis, above), as the proposed new activities are not expected to have significant or irreversible adverse environmental impacts. Given the scope of the proposed civil works under the AF, mainly consisting of the rehabilitation of existing urban and rural public infrastructure (roads, water supply systems, public lighting, health centers), the environmental impacts are expected to be moderate, site specific, and manageable to an accepted level. The project will now exclude future Category A type activities.

The AF triggers two environmental safeguard policies, namely: (a) Environmental Assessment - OP/BP 4.01; and (b) Physical Cultural Resources - OP/BP 4.11. As the scope of some investments is still being determined, and not all environmental impacts have been assessed, the Environmental and Social Management Framework (ESMF) of the parent project has been updated by the client, approved by the World Bank, disclosed in the country on May 7, 2012, and in the InfoShop on May 12, 2016.

The ESMF outlines an environmental and social screening process, including institutional responsibilities for screening, review and clearance, and implementation of mitigation and monitoring measures for future investments. This screening process consists of: (a) an environmental and social screening form to determine potential adverse environmental and social impacts and record the outcome of consultations; (b) an environmental and social checklist with generic mitigation measures to be adapted to the specific investment; (c) a summary of the Bank safeguard policies; (d) an Environmental and Social Management Plan (ESMP) including environmental monitoring indicators and capacity building activities; (e) environmental guidelines for contractors; and (f) generic environmental impact assessment terms of reference. It is also designed to serve as a guide for developing Environmental and Social Impact Assessments (ESIA) and ESMPs as needed, when the exact sites are known.

In order to properly manage possible adverse environmental impacts, ESIA's for three known sites locations and investment types (sanitation works in San Pedro and Daloa, roads rehabilitation in Abengorou), were prepared, reviewed, disclosed during consultation within Cote d'Ivoire and particularly in project-targeted areas on March 22, 24, and 29, 2016, and then at the Infoshop on May 18, 2016 prior to appraisal. As part of these ESIA's, ESMPs were developed, including mitigation measures to avoid, reduce or offset the related adverse impacts. Furthermore, institutional arrangements, budgets and environmental monitoring programs were also developed to be implemented during works to ensure that all adverse impacts were adequately addressed.

Regarding Physical Cultural Resources, the construction of rural roads and other urban infrastructures will induce excavations with potential discoveries of physical cultural resources. As due diligence regarding heritage properties, the ESMF includes a chapter outlining how to handle any finds or cultural assets within the project area during excavation works.

Capacity of the PCU and implementing agencies in applying the World Bank's safeguards compliance procedures is high (see Social Analysis, above). As in the parent project, the PCU will continue to host an Environmental Safeguard Specialist with acceptable experience. This staff will continue to regularly monitor and follow-up with any safeguard issues.

| Risk |
|---|
| <p data-bbox="180 249 332 279">Explanation:</p> <p data-bbox="180 296 1437 426">The overall risk for the AF was evaluated as Moderate, compared to Substantial for the parent project. The country risk linked to post-crisis context, has been reduced to substantial since the emergency preparation of the parent project, however the team will remain attentive to the country risk linked to the post-crisis context.</p> <p data-bbox="180 464 1437 661">At the project level, two other risks have been rated as substantial: (i) environmental and social: despite good performance by the PCU under the parent project, the management of the safeguard aspects require close attention given the large number of investments and close supervision by Bank specialists will be carried out; (ii) sector strategies and policies, particularly regarding decentralization, still need to be adapted to the post crisis context and support is being provided in the municipal management component to review these strategies.</p> <p data-bbox="180 693 1437 888">Risks related to fiduciary, and governance safeguards have been reduced. The PCU, which is responsible for fiduciary and safeguards management, monitoring and evaluation, and communication activities, is currently properly staffed with qualified and experienced FM and Safeguards staff familiar with the World Bank fiduciary and safeguards procedures. Moreover, under the parent project, the internal control environment was strengthened with the recruitment of an internal auditor, leading to an outstanding performance under the parent project.</p> |

V. World Bank Grievance Redress

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

ANNEX 1: RESULTS FRAMEWORK

| | | | | | |
|--------------------|--|----------------------|--|--------------|--|
| Project Name: | Infrastructure Renewal and Urban Management Project Additional Financing (P156253) | Project Stage: | Additional Financing | Status: | FINAL |
| Team Leader(s): | Sylvie Debomy | Requesting Unit: | AFCF2 | Created by: | Sung Heng C. Kok Shun on 20-Oct-2015 |
| Product Line: | IBRD/IDA | Responsible Unit: | GSU19 | Modified by: | Bontje Marie Zangerling on 15-Jun-2016 |
| Country: | Cote d'Ivoire | Approval FY: | 2017 | | |
| Region: | AFRICA | Lending Instrument: | Investment Project Financing | | |
| Parent Project ID: | P124715 | Parent Project Name: | Cote d'Ivoire - Emergency Infrastructure Renewal Project (P124715) | | |

Project Development Objectives

Original Project Development Objective - Parent:

The objective of the project is to improve access to basic infrastructure in targeted urban and rural areas.

Proposed Project Development Objective - Additional Financing (AF):

The objective of the project is to improve access to basic infrastructure in targeted urban and rural areas, and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

| Status | Indicator Name | Core | Unit of Measure | | Baseline | Actual(Current) | End Target |
|---------------------|---|--------------------------|-----------------|---------|-------------|-----------------|---|
| Marked for Deletion | Direct Project Beneficiaries, Of which female | <input type="checkbox"/> | Number | Value | 0.00 | 2010000.00 | 4000000.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator replaced by the corresponding |

| | | | | | | | |
|---------------------|--|-------------------------------------|--|---------|-------------|-------------|--|
| | | | | | | | core sector indicator |
| New | Direct project beneficiaries | <input checked="" type="checkbox"/> | Number | Value | 0.00 | 3006000.00 | 4300000.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| New | Female beneficiaries | <input checked="" type="checkbox"/> | Percentage Sub Type Supplemental | Value | 0.00 | 48.00 | 48.00 |
| Marked for Deletion | People in the targeted urban areas are provided with access to an all-season road within 500 meters | <input type="checkbox"/> | Number | Value | 3140000.00 | 3490000.00 | 3700000.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator replaced by the corresponding core indicator |
| New | Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project | <input checked="" type="checkbox"/> | Number | Value | 3140000.00 | 3642000.00 | 3822000.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Marked for Deletion | People in the targeted urban areas (Yamoussoukro and Korhogo) provided with access to electricity by household connections | <input type="checkbox"/> | Number | Value | 0.00 | 9720.00 | 15000.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator moved to intermediate indicators |
| Revised | Additional population in the targeted urban areas protected against periodic flooding | <input type="checkbox"/> | Number | Value | 0.00 | 262000.00 | 412000.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Marked for Deletion | People with access to rehabilitated health centers | <input type="checkbox"/> | Number | Value | 0.00 | 1400000.00 | 500000.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator moved to intermediate |

| | | | | | | | |
|---------------------------------|--|-------------------------------------|-----------------|---------|-------------|-----------------|---|
| | | | | | | | indicators |
| Marked for Deletion | People with access to rehabilitated schools at primary level | <input type="checkbox"/> | Number | Value | 0.00 | 18693.00 | 1500.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator moved to intermediate indicators |
| Marked for Deletion | People provided with access to Improved Water Sources under the project. | <input type="checkbox"/> | Number | Value | 3000000.00 | 3000106.00 | 5000000.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator replaced by the corresponding core sector indicator |
| New | Number of people in urban areas provided with access to Improved Water Sources under the project | <input checked="" type="checkbox"/> | Number | Value | 3000000.00 | 3525000.00 | 4000000.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Marked for Deletion | Share of population in targeted rural areas with access to an all-season road [Supplemental information: Number of rural people with access to an all-season road] | <input type="checkbox"/> | Percentage | Value | 170000.00 | 740000.00 | 650000.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator moved to intermediate indicators |
| New | Number of municipalities that reach their target objectives as specified in their performance contracts | <input type="checkbox"/> | Number | Value | 0.00 | 0.00 | 7.00 |
| | | | | Date | 31-Mar-2016 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Intermediate Results Indicators | | | | | | | |
| Status | Indicator Name | Core | Unit of Measure | | Baseline | Actual(Current) | End Target |
| New | People with access to rehabilitated health centers | <input type="checkbox"/> | Number | Value | 0.00 | 663204.00 | 663204.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | Indicator moved |

| | | | | | | | |
|---------------------|--|-------------------------------------|------------|---------|-------------|-------------|---|
| | | | | | | | from PDO level to intermediate level. |
| New | People with access to rehabilitated schools at primary level | <input type="checkbox"/> | Number | Value | 0.00 | 22000.00 | 22000.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | Indicator moved from PDO level to intermediate level. |
| New | Number of people in urban areas provided with access to electricity under the project by household connections | <input checked="" type="checkbox"/> | Number | Value | 0.00 | 16700.00 | 16700.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | Indicator moved from PDO level to intermediate level. |
| Marked for Deletion | Roads rehabilitated in urban areas | <input type="checkbox"/> | Kilometers | Value | 0.00 | 21.00 | 80.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator replaced by the corresponding core sector indicator |
| New | Roads rehabilitated, Non-rural | <input checked="" type="checkbox"/> | Kilometers | Value | 0.00 | 62.86 | 98.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Health facilities constructed, renovated, and/or equipped | <input type="checkbox"/> | Number | Value | 0.00 | 20.00 | 20.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Schools renovated at Primary level | <input type="checkbox"/> | Number | Value | 0.00 | 55.00 | 55.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |

| | | | | | | | |
|---------------------|--|-------------------------------------|--------|---------|-------------|-------------|---|
| | | | | Comment | | | |
| Revised | Schools renovated at Secondary level | <input type="checkbox"/> | Number | Value | 0.00 | 1.00 | 1.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Marked for Deletion | New piped household water connections that are resulting from the project intervention | <input type="checkbox"/> | Number | Value | 0.00 | 0.00 | 75000.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator replaced by the corresponding core sector indicator |
| New | New piped household water connections that are resulting from the project intervention | <input checked="" type="checkbox"/> | Number | Value | 0.00 | 10252.00 | 35000.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Master plans completed and/or updated (drainage, sewer, urban) | <input type="checkbox"/> | Number | Value | 0.00 | 7.00 | 8.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Number of public lighting fixtures rehabilitated | <input type="checkbox"/> | Number | Value | 0.00 | 3958.00 | 5400.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Number of illegal household electricity connections dismantled | <input type="checkbox"/> | Number | Value | 0.00 | 149.00 | 149.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Number of public lighting fixtures converted into more efficient lighting | <input type="checkbox"/> | Number | Value | 0.00 | 16673.00 | 16673.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| New | Number of people in rural areas | <input type="checkbox"/> | Number | Value | 170000.00 | 740000.00 | 1240000.00 |

| | | | | | | | |
|---------------------|--|-------------------------------------|------------|---------|-------------|-------------|---|
| | provided with access to an all-season road under the project | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | Indicator moved from PDO level to intermediate level. |
| Marked for Deletion | Number of kilometers of rural roads rehabilitated | <input type="checkbox"/> | Number | Value | 0.00 | 634.00 | 700.00 |
| | | | | Date | 03-Dec-2012 | 31-Jan-2015 | 31-Dec-2016 |
| | | | | Comment | | | Indicator replaced by the corresponding core sector indicator |
| New | Roads rehabilitated, Rural | <input checked="" type="checkbox"/> | Kilometers | Value | 0.00 | 634.00 | 1100.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Number of economic and basic social infrastructure constructed or rehabilitated | <input type="checkbox"/> | Number | Value | 0.00 | 0.00 | 1.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| Revised | Improved community water points constructed or rehabilitated under the project | <input type="checkbox"/> | Number | Value | 0.00 | 50.00 | 60.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| New | Percentage of municipal budget allocated to maintenance in the Municipal Maintenance Account (municipalities of Abidjan) | <input type="checkbox"/> | Percentage | Value | 0.00 | 0.00 | 6.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| New | Percentage of municipal budget allocated to maintenance in the Municipal Maintenance Account (municipalities outside of Abidjan) | <input type="checkbox"/> | Percentage | Value | | | 12.00 |
| | | | | Date | 31-Mar-2016 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |

| | | | | | | | |
|-----|--|--------------------------|--------|---------|-------------|-------------|---|
| New | Number of cities that have adopted citizen participation through a consultative approach for their budgeting process | <input type="checkbox"/> | Number | Value | 0.00 | 0.00 | 7.00 |
| | | | | Date | 03-Dec-2012 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| New | CERC established and ready to provide access to financial resources to the Government in case of an eligible crisis or emergency | <input type="checkbox"/> | Yes/No | Value | No | No | Yes |
| | | | | Date | 31-Mar-2016 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | |
| New | Time taken to disburse project funds requested by the Government for an eligible crisis or emergency | <input type="checkbox"/> | Weeks | Value | 0.00 | 0.00 | 4.00 |
| | | | | Date | 31-Mar-2016 | 31-Mar-2016 | 31-Jan-2020 |
| | | | | Comment | | | Indicator will only be measured as needed, if the CERC is triggered |

ANNEX 2: DETAILED DESCRIPTION OF ADDITIONAL ACTIVITIES

1. The proposed activities of the AF, which aim to consolidate and expand the PRICI, would be included under the existing project components: (A) Urban Infrastructure Rehabilitation; (B) Rural Infrastructure Rehabilitation; and (C) Project Management and Coordination. In addition, two new components will be added to the AF: (D) Urban and Municipal Management; and (E) Contingent Emergency Response Component (CERC). A summary of the estimated costs per component is presented in Table A2.1.

2. Urban infrastructure works (roads, primary drainage, lightning, etc.) are part of priority sector investment plans and agreed upon between the sector agency and the municipality with consultation with the beneficiaries. Local infrastructure investments are defined through municipal audits prepared in a participatory way and will essentially target investments on public space to complement larger sector investments.

Table A2.1 Estimated costs by component

| <i>(US\$ millions)</i> | IDA | GoCI | Communes | Total |
|---|-------------|-------------|-----------------|--------------|
| A. Urban Infrastructure Rehabilitation | 45.7 | 56.3 | -- | 102.0 |
| B. Rural Infrastructure Rehabilitation | -- | 1.5 | -- | 1.5 |
| C. Project Management and Coordination | 3.9 | 2.1 | -- | 6.0 |
| D. Urban and Municipal Management | 10.4 | 0.1 | 6.0 | 16.5 |
| E. Contingent Emergency Response Component (CERC) | -- | -- | -- | 0.0 |
| Total | 60.0 | 60.0 | 6.0 | 126.0 |

Component A: Urban Infrastructure Rehabilitation (US\$102.0 million equivalent, of which IDA US\$45.7 million)

3. This component will support the following: (i) rehabilitation of urban roads including road drainage, road furniture and street lighting; (ii) rehabilitation of adjacent schools, health centers and public buildings; (iii) rehabilitation of urban water supply infrastructure; (iv) rehabilitation of sanitation, drainage and flood prevention infrastructure; (v) rehabilitation of electricity and public lighting infrastructure; and (vi) investments in priority local improvements as identified in communal investment programs. Table A2.2 summarizes the estimated costs per sub-component, and Table A2.3 and Table A2.6 (below) provide a breakdown by targeted urban area (with the exception of priority local infrastructure, which are detailed in Annex 3).

Table A2.2 Estimated costs for Component A, by sub-component

| | (US\$ millions) | IDA | GoCI | Total |
|---|-----------------|-------------|-------------|--------------|
| A.1 Road rehabilitation | | 15.7 | 31.5 | 47.2 |
| A.2 Water Supply | | -- | 14.4 | 14.4 |
| A.3 Sanitation, Drainage and Flood Prevention | | 25.3 | 7.1 | 32.4 |
| A.4 Electricity and Public Lighting | | -- | 3.3 | 3.3 |
| A.5 Local Infrastructure | | 4.8 | -- | 4.8 |
| Total | | 45.7 | 56.3 | 102.0 |

Table A2.3 Estimated costs for Component A, by sub-component and urban area

| | Abidjan | San-Pédro | Bouake | Abengourou | Boua | Adzope | Bondoukou | Divo | Daloa | Soubre | Seguela | Man | Total | Percentage |
|---|---|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|
| <i>US\$ millions</i> | | | | | | | | | | | | | | |
| A.1 Road rehabilitation | 16.5 | 10.6 | | 5.1 | 2.1 | 3.2 | 3.2 | 3.2 | 3.2 | | | | 47.2 | 46% |
| A.2 Water Supply | | | 14.4 | | | | | | | | | | 14.4 | 14% |
| A.3 Sanitation, Drainage and Flood Prevention | 17.8 | 9.5 | | | | | | | 1.6 | 0.2 | 1.6 | 1.6 | 32.4 | 32% |
| A.4 Electricity and Public Lighting | 1.9 | 1.0 | | 0.2 | | | | | | 0.2 | | | 3.3 | 3% |
| A.5 Local Infrastructure | <i>Allocation determined in Annex 3</i> | | | | | | | | | | | | 4.8 | 5% |
| Total | 36.2 | 21.1 | 14.4 | 5.3 | 2.1 | 3.2 | 3.2 | 3.2 | 4.8 | 0.4 | 1.6 | 1.6 | 102.0 | 100% |
| <i>Percentage</i> | 36% | 21% | 14% | 5% | 2% | 3% | 3% | 3% | 5% | 0% | 2% | 2% | 100% | |

Sub-component A.1: Road Rehabilitation (US\$47.2 million equivalent, of which IDA US\$15.7 million)

4. Côte d'Ivoire is a country where urbanization is growing at a very fast pace. About 50 percent of its population lives in urban areas (as of 2014), and 40 percent of the urban population lives in Abidjan. The proposed project responds to the needs of the city of Abidjan, while anticipating the improvement of living conditions in other cities. The cities considered for the first phase of the program were selected on the basis of a multi-criteria analysis taking into account their economic size and population, the likely impact and balance in the geographical distribution of cities. Rebalancing the North-South divide was also taken into account in order to participate in strengthening the reconciliation and peace-building process.

5. The objective of this sub-component is to rehabilitate approximately an additional 35 kilometers of primary and secondary roads in targeted areas, including, inter alia: targeted districts of the Abidjan metropolitan area (Abobo, Yopougon, Plateau, Port-Bouet³, and Cocody); Abengourou, San Pedro, Adzope, Bondoukou, Bouna, Daloa, and Divo. The road works include the rehabilitation of storm water drainage systems and the rehabilitation of street lighting of targeted urban roads. Furthermore, the sub-component include a provision to support the rehabilitation of social infrastructure in the influence area of rehabilitated urban roads.

6. Activities in this sub-component will focus on primary roads identified in urban master plans to improve accessibility to economic centers and lower-income neighborhoods. They would also complement investments made under PRICI.

7. The activities under this sub-component include, inter alia: (a) rehabilitation and paving of selected roads; (b) cleaning of storm water drainage and rehabilitation and extension of road drainage system; (c) street lighting rehabilitation and extension; (d) rehabilitation of selected social facilities and public buildings in impact areas of rehabilitated roads; and (e) installation of road furniture and improvement of road shoulders.

8. Performance indicators to measure the results of this sub-component will include: (a) the number of people in urban areas provided with access to an all-season road within a 500 meter range, (b) people with access to rehabilitated health centers, (c) people with access to rehabilitated schools at primary level.

Sub-Component A.2: Water Supply (US\$14.4 million equivalent, of which IDA US\$0)

9. As a result of a decade of political and conflict environment, all capital city districts of Côte d'Ivoire are at risk of not achieving the MDGs on water and sanitation. The country is facing a significant backlog in investments and maintenance of urban infrastructure in a context of facing massive influx of displaced populations to major cities. As of 2010, in urban areas the access rate to potable water was 77 percent, although the number of cities which have access to clean water has increased from 16 in 1960 to 735 in 2010. This is the result of over 10 years of underinvestment in water production.

10. Under the current CPF, a dedicated project for water supply is planned to be delivered in FY17. Therefore, the only activity of the AF that is related to water is the construction of a new water plant to increase water production capacity in Bouake. The water plant activity represents additional funds to bridge a financing gap from the parent project.

Sub-component A.3: Sanitation, Drainage and Flood Prevention (US\$32.4 million equivalent, of which IDA US\$25.3 million)

11. Urban flooding is a growing challenge in cities throughout Côte d'Ivoire, particularly in Abidjan. The rainwater drainage system has received little investment since the 1990s, and in

³ Roads works along the *Voie Lycée Municipal Port-Bouet* represent additional funds to bridge a financing gap in the parent project.

some neighborhoods, such as Abobo in the north, only an estimated 11 percent of the land mass is serviced with rainwater drainage. In Abidjan as well as in major cities of the country, the absence of watershed management and the lack of physical investment to regulate storm water catchment areas generate recurrent flooding of neighborhoods and cause casualties during the rainy season. Thalwegs of western (Yopougon), northern (Abobo) and eastern (Cocody) neighborhoods of Abidjan are poorly developed. Consequently, the risk of floods in those areas is high during the rainy season, creating lots of damages. The cases of the Bonoumin, Gourou and Banco basins are very critical. Furthermore rivers and lagoons become increasingly polluted due to untreated discharge of water. According to a study under the PUIUR in 2011, water quality in the Ebrié lagoon of Abidjan is considered inappropriate for any use by WHO standards.

12. The objective of this sub-component is to reduce the number of people affected by periodic flooding in targeted neighborhoods of Abidjan, San Pedro, Daloa and Man. Activities under this sub-component will comprise the first group of priority investments identified in sanitation master plans being finalized in the targeted areas. These investments are also complementary to other types of interventions under the PRICI and AF (e.g. to preserve road infrastructure and to avoid disruptions in traffic during heavy rains) to reduce the number people affected by periodic flooding.

13. Activities financed under the project:

- (i) Rehabilitation and extension of resilient infrastructures, including, *inter alia*: (a) Youpougon 1, Akouedo – Mpouto, Akekoi – Abobo basins in Abidjan; (b) East and West Lake Bardo storm drainage systems in San Pedro; (c) primary storm drains in Daloa; (d) flooding prevention systems in Seguela and Man. This will induce the reduction of water pollution discharged into water bodies (solid waste, sediment and organic matter). This program includes additional funds to bridge a financing gap in the parent project.
- (ii) Preparation of a new sanitation and drainage master plan for Soubre.

14. Performance indicators to measure the results of this sub-component will include Additional population in targeted urban areas protected against periodic flooding.

Sub-component A.4: Electricity and Public Lighting (US\$3.3 million equivalent, of which IDA US\$0)

15. In Côte d'Ivoire, street lighting network rehabilitation and upgrades are needed to catch up after the conflict period. For example in Abidjan between 2008 and 2010, more than 120 kilometers of underground cables (about 16 percent of underground network) were dug up and taken away by thieves looking for copper and aluminum. This has left some main avenues/streets of Abidjan without public lighting, which in turn has created safety problems for the population.

16. Moreover, portions of the network are comprised of outdated technology: the old generation of mixed lighting characterized with high maintenance costs and short lifetime, and mercury vapor lighting which poses environmental concerns.

17. The objective of this component is to rehabilitate the public lighting system in Abidjan, Abengourou, San-Pédro and Adzope, in order to improve users' visibility and safety (especially for pedestrians), particularly at night.

18. Activities include the rehabilitation and extension of public lighting networks along main roads and peri-urban areas, including, *inter alia*:

(i) along Boulevard Lagunaire and selected main roads in Abidjan; and

(ii) along selected roads in San Pedro, Abengourou and Adzope:

Part of the additional financing will cover a financing gap in the initial project.

19. Performance indicators to measure the outcome of this sub-component will include the number of public lighting units converted into more efficient lighting.

Sub-component A.5: Local infrastructure (US\$4.8 million equivalent, of which IDA US\$4.8 million)

20. Priority local infrastructure will be identified by municipalities in communal investment programs, as part of their performance-based city contracts to be signed with the Government. These improvements include local infrastructure and facilities that have been identified through a participatory process. Pending the final list to be established, it is planned to target the socio-community facilities, public buildings and public spaces.

21. The objective of this component is to implement priority local investments in targeted municipalities, as identified in their communal investment program. The targeted municipalities are those which benefitted from urban audits undertaken during the PUIUR and recently updated. They include, *inter alia*: Korhogo, Koumassi, Daloa, San-Pedro, Port-Bouet, Yopougon, and Bouake. The program would be identified through a participatory process and incorporated in the performance-based city contract (see Component D). The selected investments would target basic communal and social services of a purely local scope.

22. According to local development plans prepared by the targeted municipalities and their communal investment programs identified under Component D, the sub-component will support low-impact priority local improvements using existing rights-of-way for public spaces.

23. Specifically, the sub-component may finance construction and/or rehabilitation of local improvements may include, *inter alia*: (i) improvements of streetscapes; (ii) tertiary drainage system; (iii) pedestrian amenities; (iv) landscaping and open green space; (v) public plaza; (vi) market area improvements; and (vii) local infrastructure and facilities identified in the defined Communal Investment Program (see component D).

Component B: Rural infrastructure rehabilitation (US\$1.5 million equivalent, of which IDA US\$0)

24. Côte d'Ivoire's economy is largely based on agriculture, which employs two thirds of the workforce. Côte d'Ivoire is the world's largest producer of cocoa, and a major exporter of coffee

and palm oil. In addition, much of the domestic trade and transport industry depends on this sector for a large part of its business.

25. Soubre is the capital city of the Nawa region, which accounts for 30 percent of the national production of coffee and cocoa in the country (estimated at about 500,000 tons per year). It holds the status of major transit hub for agricultural production with strong growth potential due to the relationship with the surrounding countryside. The region's population has grown very fast over the last thirty years, with a massive population influx from other parts of Côte d'Ivoire and neighboring countries attracted by the availability of fertile land. The population of Soubre, a small village in the early 1970s, was about 70,000 in 1998 and is now estimated at about 140,000 inhabitants.

26. The objective of the component is to strengthen rural-urban linkages and to consolidate achievements from rural infrastructure investments under the parent project. The sub-component will target the corridor between San Pedro-Daloa-Seguela-Boundiali and the border with Mali with the construction of a logistics platform in Soubre, which represents an important transit point and market for agricultural products such as coffee, cocoa, and rubber. This component will incorporate additional funds to bridge a financing gap from the parent project, for the proposed Soubre logistics platform.

27. Activities under this component finance the construction of a logistics platform for agricultural products in the Nawa region, along with critical infrastructure improvements linked to the platform. These activities will contribute to the emergence of a regional growth pole, strengthen rural-urban linkages and facilitate market access.

Component C: Project Management and Coordination (US\$6.0 million equivalent, of which IDA US\$3.9 million)

28. This component will finance the technical assistance for project implementation and coordination. It will include, but will not be limited to the provision of technical advisory services, goods, training and operating costs to: (a) support the management and coordination of the Project, including safeguards supervision, M&E, technical and financial audits; and (b) to strengthen the capacity of selected institutions that are critical to the implementation of the Project and to the policy dialogue on infrastructure and urban development.

Component D: Urban and Municipal Management (US\$16.2 million equivalent, of which IDA US\$10.4 million)

29. Municipalities continue to suffer from limited fiscal resources, and weak technical and human capacity. Low accountability is exacerbated by the failure to implement decrees for further decentralization of competencies, dating back to 2003. This period offers opportunity to accelerate the pace of reform for the decentralization and urban development parameters, with timely and progressive interventions, to maximize contribution of cities to growth through a more balanced and diversified urbanization.

30. The component would provide support to strengthen urban planning and municipal management in the framework of ongoing renewed decentralization efforts in Côte d'Ivoire, in particular with regards to ensuring adequate operation and maintenance of municipal assets. This

component will support the transfer of competencies to communes, and to strengthen their capabilities to plan, finance and manage local basic services. This is an essential step for maintaining political and social stability, and the country's economic recovery. It will also support institutional stakeholders in urban development to further modernize mechanisms and tools in planning, financing and management of decentralized urban services.

31. The new component will support the development and implementation of performance-based city contracts (*contrats de performance*, CDP) between the targeted municipalities and the GoCI. These contracts will focus on improved budgeting and financial management, with a particular emphasis on communal investment programs and mechanisms to improve operations and maintenance. Contracts will include a communal investment program (CIP) for priority local improvements, communal maintenance programs with mechanism to improve assets maintenance including a municipal maintenance account and performance targets for operation and maintenance, and a municipal management support program including support to improved technical, budgeting and financial management practices.

32. The proposed activities would target some municipalities of Abidjan (Koumassi, Port Bouet, and eventually Yopougon) and four regional capitals (Bouake, Korhogo, Daloa, and San Pedro), capitalizing on urban audits conducted under PUIUR and updated during preparation for the PRICI AF. In addition, the component would provide targeted support to national agencies to support the implementation of performance contracts (DGDDL, UVICOCI), carrying out transversal studies and deeper engagement in the area of urban and municipal development, on an as needed basis.

33. Activities financed under this component would include carrying out a program of activities aimed at strengthening urban and municipal management for better service delivery to the population. Such activities to include inter alia (a) technical assistance for the preparation and implementation of performance-based city contracts (performance contracts, or *Contrats de Performance*) for selected beneficiary municipalities based on updated urban audits; (b) implementation of Communal Maintenance Programs identified in urban audits; (c) implementation of Communal Management support programs identified in urban audits; (d) technical assistance for the preparation of urban and municipal audits in other municipalities where such assistance is not currently provided; (e) targeted capacity building activities for these municipalities; and (f) institutional support and just-in-time technical assistance for national agencies and relevant institutions to support deeper engagement in the area of urban and municipal development, decentralization, intergovernmental transfers, and municipal finance, on an as-needed basis.

34. Performance indicators to measure the results of the component will include the number of municipalities that reach their target objectives as specified in their performance contracts, the percentage of budget allocated to maintenance account, and the number of municipalities that have adopted citizen participation through a consultative approach for their budgeting process.

Component E: Contingent Emergency Response Component (CERC)

35. This component is a 'zero-assignment' CERC that will provide funding for immediate response in the event of an eligible crisis or emergency, defined as an event that has caused or is likely to imminently cause a major adverse economic and/or social impact associated with

natural or man-made crises or disasters. This component is included under the AF in accordance with OP/BP 10.00 Investment Project Financing, paragraphs 12 and 13, for situations of urgent need of assistance. It will allow the GoCI to request the Bank rapid reallocation of project funds in order to respond promptly and effectively to an eligible emergency or crisis. As such, the component would contribute to avoid further damage to or temporarily restore infrastructures, to ensure business continuity, and to enable early recovery and reconstruction.

36. To trigger this component, the GoCI must officially declare an emergency or provide a statement of fact justifying the request for the activation of the use of emergency funding. If the Bank agrees with the determination of an eligible emergency and associated response needs, financing from other project components could be reallocated to cover eligible expenditures for emergency response and recovery. Disbursement would be made against a positive list of goods, the procurement of specific works and consultant services, and/or emergency operation costs required for immediate response and recovery. Building upon the flexibility made available by OP/BP 10.00, this component will be governed by a specific CERC Operations Manual, detailing financial management, procurement, safeguards, eligible expenditures (including a positive list of goods) and any other necessary implementation arrangements. The CERC Operations Manual will be referenced in the Project Operations Manual.

37. In the event that the component is triggered, then the CERC-specific objective of providing immediate and effective response to an eligible crisis or emergency will be measured at the results framework. The component will be monitored using appropriate indicators identified as part of the approved emergency activities response at the time of triggering.

38. Table A2.5 presents the breakdown of Component A and Component B by new activities versus financing gaps from the parent project.

Table A2.4 Additional and total costs by component for PRICI and AF

| Comp. | <i>Parent Project</i> | | | <i>Additional Financing</i> | | | | <i>Total</i> | | | |
|--------------|-----------------------|-------|--------------|-----------------------------|------|--------------|--------------|--------------|-------|--------------|--------------|
| | IDA | GoCI | Total | IDA | GoCI | Comm unes | Total | IDA | GoCI | Comm unes | Total |
| A | 78.4 | 68.6 | 147.0 | 45.7 | 56.3 | -- | 102.0 | 124.1 | 124.9 | -- | 249.0 |
| B | 11.0 | 23.0 | 34.0 | -- | 1.5 | -- | 1.5 | 11.0 | 24.5 | -- | 35.5 |
| C | 10.6 | 8.4 | 19.0 | 3.9 | 2.1 | -- | 6.0 | 14.5 | 10.5 | -- | 25.0 |
| D | -- | -- | -- | 10.4 | 0.1 | 6.0 | 16.5 | 10.4 | 0.1 | 6.0 | 16.5 |
| E | -- | -- | -- | -- | -- | -- | 0.0 | -- | -- | -- | 0.0 |
| Total | 100.0 | 100.0 | 200.0 | 60.0 | 60.0 | 6.0 | 126.0 | 160.0 | 160.0 | 6.0 | 326.0 |

Table A2.5 Component A and Component B, as new activities versus financing gap

| | Total, millions US\$ | | | Of which: | |
|---|----------------------|-------------|--------------|-----------------------------------|----------------|
| | IDA | GoCI | Total | Financing gap from parent project | New activities |
| Component A: Urban Infrastructure Rehabilitation | 45.7 | 56.3 | 102.0 | 23.6 | 78.4 |
| A.1 Road rehabilitation | 15.7 | 31.5 | 47.2 | 5.2 | 42.0 |
| Abidjan | 4.4 | 12.1 | 16.5 | 5.2 | 11.3 |
| Abengourou | 0.5 | 4.6 | 5.1 | | 5.1 |
| San Pédro | 9.0 | 1.6 | 10.6 | | 10.6 |
| Adzopé | 0.4 | 2.8 | 3.2 | | 3.2 |
| Bondoukou | 0.4 | 2.8 | 3.2 | | 3.2 |
| Bouna | 0.3 | 1.9 | 2.1 | | 2.1 |
| Daloa | 0.4 | 2.8 | 3.2 | | 3.2 |
| Divo | 0.4 | 2.8 | 3.2 | | 3.2 |
| A.2 Water Supply | | 14.4 | 14.4 | 14.4 | |
| Bouaké | | 14.4 | 14.4 | 14.4 | |
| A.3 Sanitation, Drainage and Flood Prevention | 25.3 | 7.1 | 32.4 | 2.4 | 30.0 |
| Abidjan | 12.1 | 5.7 | 17.8 | 2.6 | 15.3 |
| San Pédro | 9.5 | | 9.5 | | 9.5 |
| Daloa | 1.6 | | 1.6 | | 1.6 |
| Man | 1.6 | | 1.6 | | 1.6 |
| Séguéla | 0.2 | 1.4 | 1.6 | | 1.6 |
| Soubre | 0.2 | | 0.2 | | 0.2 |
| A.4 Electricity and Public Lighting | | 3.3 | 3.3 | | 3.3 |
| Abidjan | | 1.9 | 1.9 | | 1.9 |
| Abengourou | | 0.2 | 0.2 | | 0.2 |
| San Pédro | | 1.0 | 1.0 | | 1.0 |
| Adzopé | | 0.2 | 0.2 | | 0.2 |
| A.5 Local Infrastructure | 4.8 | | 4.8 | | 4.8 |
| Component B: Rural Infrastructure Rehabilitation | | 2.7 | 2.7 | 2.7 | |
| Soubre | | 2.7 | 2.7 | 2.7 | |

Table A2.6 Breakdown of Costs for Component A

| | | IDA | GoCI | Total |
|--------------------------------|--|---------------|---------------|---------------|
| A.1 Road rehabilitation | | 15.764 | 31.393 | 47.157 |
| Abidjan | Aménagement de la liaison Ananeraie - Niangon Nord | 3.241 | 0.000 | 3.241 |
| | Aménagement Voie Lycée Municipal Port-Bouët | 0.471 | 4.714 | 5.186 |
| | Aménagement Eglise de la Destinée - Carrefour Ste Famille | 0.295 | 2.946 | 3.241 |
| | Renforcement Giratoire CNPS - Giratoire Rosiers Palmeraie | 0.108 | 1.080 | 1.188 |
| | Aménagement Rond-Point ADO - Ecole Saint Viateur | 0.334 | 3.339 | 3.673 |
| Abengourou | Aménagement Mosquée Cafetou - Petro Ivoire (Château) - Carrefour Baoulékro - Carrefour Dunhill | 0.314 | 3.143 | 3.457 |
| | Aménagement Carrefour Petro Ivoire - Carrefour Pharmacie Chambel | 0.098 | 0.982 | 1.080 |
| | Renforcement Carrefour Gare de Niablé - Carrefour Lycée Départemental | 0.049 | 0.491 | 0.540 |

| | | | | |
|--|--|---------------|---------------|----------------|
| San Pedro | Aménagement de la voie d'accès au quartier Zimbabwe | 3.025 | 0.000 | 3.025 |
| | Aménagement de la voie Carrefour Jules Ferry - Carrefour Sonouko RTI - Jonction route du CHR | 5.834 | 0.000 | 5.834 |
| | Réhabilitation Rond-point CHR - Ministère du Commerce | 0.157 | 1.571 | 1.729 |
| Adzope | Adzope | 0.394 | 2.813 | 3.206 |
| Bondoukou | Bondoukou | 0.394 | 2.813 | 3.206 |
| Bouna | Bouna | 0.263 | 1.875 | 2.138 |
| Daloa | Daloa | 0.394 | 2.813 | 3.206 |
| Divo | Divo | 0.394 | 2.813 | 3.206 |
| A.3 Sanitation, Drainage and Flood Prevention | | 25.263 | 7.125 | 32.388 |
| Abidjan | Aménagement du Drain principal de Yopougon 1 | 8.695 | 0.000 | 8.695 |
| | Aménagement de la cuvette d'Akeikoi à Abobo | 2.593 | 0.000 | 2.593 |
| | Aménagement du Drain Mpouto | 0.570 | 5.696 | 6.266 |
| | Etudes du talweg 4 étages et de la 2ème cuvette Bocabo | 0.275 | 0.000 | 0.275 |
| San Pedro | Aménagement Collecteur Ouest Lac Bardo | 2.161 | 0.000 | 2.161 |
| | Aménagement Collecteur Est Lac Bardo | 2.593 | 0.000 | 2.593 |
| | Aménagement des lacs Bardo, Est, Ouest (y compris exutoires) | 4.754 | 0.000 | 4.754 |
| Soubre | Elaboration du Schéma Directeur d'Assainissement | 0.223 | 0.000 | 0.223 |
| Daloa | Aménagement du Collecteur CN4.7 (Marais) | 0.393 | 0.000 | 0.393 |
| | Aménagement du Collecteur CN4.4 (Ségou) | 0.491 | 0.000 | 0.491 |
| | Aménagement du Collecteur CN2.6 (Belleville - Huberson) | 0.688 | 0.000 | 0.688 |
| Man | Lutte contre les inondations | 1.629 | 0.000 | 1.629 |
| Séguéla | Lutte contre les inondations | 0.200 | 1.429 | 1.629 |
| A.4 Electricity and Public Lighting | | 0.000 | 3.280 | 3.280 |
| Abidjan | Abidjan | 0.000 | 1.866 | 1.866 |
| Abengourou | Abengourou | 0.000 | 0.193 | 0.193 |
| San Pedro | San Pedro | 0.000 | 0.998 | 0.998 |
| Adzope | Adzope | 0.000 | 0.224 | 0.224 |
| A.2 Water Supply | | 14.375 | 0.000 | 14.375 |
| Bouaké | Bouaké | 14.375 | 0.000 | 14.375 |
| A.5 Local Infrastructure | | 4.800 | 0.000 | 4.800 |
| Total | | 60.202 | 41.798 | 102.000 |

ANNEX 3: DESCRIPTION OF THE URBAN AND MUNICIPAL MANAGEMENT COMPONENT

Context

1. Infrastructure investments have greatly increased in Abidjan and across the country, permitting the government to partially close the infrastructure deficit which had accumulated during the period 2001-2011 in particular. Investments have targeted urban areas in particular, in Abidjan as well as the majority of large cities in the interior of the country. Emphasis has been placed on economic infrastructure (especially transport) and on overall basic services (e.g. water and electricity).

2. The deliberate action by the government in terms of public investments has been supported both by central ministries as well as agencies and project implementation units established at the national level, under the initiative of the government and development organizations (AGEROUTE, FER, CI-Energies, SODECI, ANASUR, etc.). The areas of intervention for implementing agencies have expanded progressively, covering nearly all competencies including those generally reserved to local authorities (solid waste management, cleaning, maintenance of urban roads, education and health services, etc.).

3. Beyond the urgency which marked this period, and thus the necessity to act quickly and intensely to repair infrastructure, much remains to be done to allow local authorities, and especially communes, to become key players in national investment programs: the budgets of the 197 Ivorian communes and the two autonomous districts (Abidjan and Yamoussoukro) amount to 120 billion FCFA, just 2 percent of the State's overall budget. In 2013, 60 percent of fiscal receipts were concentrated in Abidjan, which represents just 38 percent of the urban population. While the State invested approximately 30,000 FCFA per person across the entire country (i.e. all investments by the State on national financing in 2013), communes representing 52 percent of the population only invested 450 FCFA per person.

4. The transfers of competencies to local government decided in 2003 have been delayed but not questioned, in favor of a preliminary reinforcement of local authorities' management capacity (technical and financial). Within this context, the financing of communal investments mostly rely on:

- (i) Own-revenues leveraged by communes (Titre 1 of the budget). This allows communes to generate between 500 and 600 FCFA per person per year in larger cities (based on urban audits undertaken in 10 communes under the PUIUR – see Box A3.1 below), which taken in total would not exceed 5 or 6 billion FCFA in direct annual investments by communes.
- (ii) Intergovernmental investments transfers (*crédits délégués*) from central ministries (either through transferred operations or delegated credits): 9.3 billion FCFA in FY2015.
- (iii) In total, this amounts to approximately 12 to 13 billion FCFA in communal investments per year.

In this context, the Government decided in 2010 to implement urban and municipal audits in order to have a full diagnosis of both: (i) The need for urban utilities and facilities (rehabilitation and new constructions), and (ii) The financial and operational capacity of the municipalities to implement and maintain their assets (existing and new ones) and to improve service delivery. Such audits have been performed by national consultants supported by international firm and individual consultants on ten municipalities of which five in Abidjan (Yopougon, Abobo, Adjamé, Koumassi, Port-Boué) and five in the regions (San Pedro, Daloa, Bouake, Korhogo, Divo). Consideration on the most suitable institutional and financial arrangements in order to implement capital investment and capacity building programs were provided, in close collaboration with the DGDDL (MEMIS). In particular, city contracts were proposed with the perspective to implement a specialized agency dedicated to support urban and municipal development and provide interface between local government and central administration regarding investment project implementation and capacity building.

Beyond the weakness of the financial and operational capacity of the municipalities in general, the main lessons learnt, are about (i) the need for clarification of the responsibility shared between Municipality, District and State administration levels, (ii) the need for reform of the local financing system, (iii) the impact of the crisis and the catching-up to organize in the ex-CNO municipalities.

Regarding the improvement of infrastructure and services, the urban audits focused on rehabilitation of the existing facilities and utilities with specific needs of each city in accordance with its socioeconomic development and features. Even if the city contracts haven't been implemented, cities such as Yopougon and Korhogo received massive investment from the PUIUR and the PPU in 2014 and 2015 based on the recommendations provided by the audits. The absence of a dedicated mechanism of delegated project management for the municipalities (*maîtrise d'ouvrage déléguée*) is representing an obstacle to carry out the city contracts designed to serve a significant number of municipalities within the country.

Objective

5. The specific objective of this component is to *increase the contribution of communes to improve access to infrastructure and basic services* for their population in targeted urban areas, which is directly linked to the PDO of the project. This component essentially comprises institutional support, even though it will translate to the implementation of investment and maintenance activities.

6. Within the context of decentralization described above, the PRICI AF provides the opportunity to pilot new tools and mechanisms for reaching this objective in targeted communes: (i) contractualization between the state and the commune around specific goals with clear responsibilities and target (*contrat de performance*); (ii) Delegated Management Contract mechanisms to help the municipality implement its capital investment programs; (iii) establishment of dedicated Maintenance Account in each commune to secure fundings for the implementation of maintenance programs; (iv) modernization of budgetary and accounting

management through improved software (SIGESCOD/SIGCOT) and (iv) capacity building of national agencies to support the decentralization process. The outcomes of this component would underscore the relevance of the proposed approach, and allow to extend the lessons learned to other urban areas, within the context of the decentralization process undertaken during this period.

Description of the component

7. The “Urban and Municipal Management” component includes three types of activities:

8. **Performance based contracts** (US\$18 million of which US\$4.8 executed under the investment program in component A of the project). It is expected that 7 performance-based contracts will be signed by the communes of Port-Bouet, Koumassi and Yopougon (in Abidjan); and Bouake, Daloa, San-Pédro, and Korhogo (in the interior of the country). These communes developed urban and municipal audits under the PUTUR, which have been updated during project preparation to facilitate the drafting of the performance contracts. These communes have confirmed their interest to participate in such contractual arrangements. The performance-based contracts (*contrats de performance*, CDP) include a communal investment program (CIP - *programme d'investissement communal*, PIC), a communal maintenance program (CMP - *programme d'entretien communal*, PEC), and a program to support communal management (CMSP - *programme d'amélioration de la gestion communale*, PAGEC). A breakdown of amounts by program is included in Table A3. 1 below.

- (a) **Communal Investment Program (US\$4.8 million implemented under component A Urban infrastructure)**. The CIP in the first generation of CDP will mostly focus on developing public spaces linked to infrastructure realized by the state within the commune area. This may include inter alia: sidewalks, parking areas, public spaces or green spaces, sports fields, pedestrian streets, development or regularization of areas occupied by street vendors, or eventually the installation of street furniture. The purpose is to allow communes to act in partnership with the State, and that such coordination between the two levels contribute to improve the perception of the capacity and engagement of communes.

Investments to be realized under the CIP are identified through urban audits and evaluated by the PCU in coordination with the commune. The investment amount for should not surpass the total envelope allocated to the commune based on the number of inhabitants. These investments would be realized under Delegated Contract Management agreement signed between the commune (represented by its mayor), AGEROUTE, and the PCU under component A of the project.

- (b) **Communal Maintenance Program (US\$12 million)**: the CMP are intended to revitalize the technical capacities of communes and to improve their internal processes. The initial programming will be finalized with the support of the PCU and the commune (*Direction des Services Techniques Municipaux* - DSTM, *Direction Administrative et Financière* - DAF), and according to the procedures established in the CEC operation manual to be included in the project implementation manual A dedicated communal maintenance account (*Compte Entretien Communal* - CEC), funded by the commune and by the project and managed by the PCU, will finance the

activities planned in the CMP over a 3-year period (in line with the sliding Triennial Investment Plan) and would be subject to a trimestral monitoring program. Expenses posted to the account will be subjected to detailed analytical accounting allow for reconciliation with the communal budget. A specific document titled “CEC Budget” will be annexed to each commune primitive budget and administrative accounts.

Maintenance works will be prioritized based on available funding allocated via the CEC by the commune and the Project. These works will distinguish: (i) drain cleaning; (ii) regular maintenance of roads, sidewalks and public spaces (ex. street sweeping); (iii) maintenance of the commune’s public buildings (e.g. primary schools, health centers, sports and leisure areas, administrative buildings). Maintenance and upkeep for public lighting and traffic lights within the commune (beyond classified roads) are normally covered by conventions signed by the State with CI-Energies and AGEROUTE, respectively and dedicated expenses deducted from shared local revenues, thus reducing the amount transferred back to communes. The CDP will eventually support the communes to improve the management of such contracts with national agencies, but it will be difficult to ultimately integrate such costs into the CEC.

Solid waste collection itself will not be included in the CEC, as it is provided by *Agence nationale de la salubrité urbaine* (ANASUR) in Abidjan and in the interior of the country (also through a deduction from local revenues). Pre-collection activities in Abidjan are undertaken by local organizations through arrangements similar to those envisioned for the CEC.

The triennial CMP will include timeline tables, figures and data sufficiently detailed for implementation. This document will serve as dashboard throughout implementation of the CDP and facilitate performance evaluations (both financial and operational).

As mentioned above, the opening of a maintenance account managed by the PCU is justified based on prior difficulties encountered in budgetary procedures as current accounting methods do not sufficiently differentiate maintenance activities. Treasury management is tight and it is difficult for municipalities to secure funds cover budgetary commitments outside of obligatory expenses (salaries, in particular). It is expected that the three-year implementation time frame of the project will allow to test the relevance of specific proposed instruments (maintenance budget planning, improved organization and performance of technical services, treasury management, etc.). Performance of municipalities in maintenance could be used as a criteria for distribution of the General Investment Dotation (DGE), for which reform is expected within a few years.

The contribution of the project and of the commune to the costs of the CMP will be as follows:

- Year 1: 80% IDA and 20% commune
- Year 2: 50% IDA and 50% commune
- Year 3: 20% IDA and 80% commune

The replenishment conditions of the CEC will be defined in the operation manual of the project.

(c) **Communal Management Support Program (US\$1.5 million):** CMSP will focus on two aspects:

- (i) *Improving budget management and accounting:* installation of SIGESCOD software in the DAF offices and technical assistance (IT and office logistics, training, M&E). This software is developed and installed by the Government (Ministry of the Budget? Ministry of Finances / SNDI). The purpose is to accelerate the software's deployment in targeted communes, as well as to reinforce training and M&E activities linked to its utilization

Within the same program, support will be extended to communes with respect to participatory budgeting and citizen engagement tools: training, assistance, and eventually support for communal websites.

- (ii) *Improving technical service functions:* (i) project management assistance to Municipal technical services, within the framework of CIP and CMP implementation, (ii) logistical support for the implementation of the two sub-components, (iii) training and knowledge exchange between targeted communes.

The total amount dedicated to CMSP under the CDP is identical for all communes. It will be supplemented with technical assistance from the PCU and indirectly by specific transversal activities to support to central agencies (in particular, *Direction des Operations des Collectivités Décentralisées* - DOCD).

9. The CDP will also include the development of certain management indicators to assess results achieved. These indicators (for the 6 to 7 communes targeted by the CDP) will be verified by an external evaluation.

10. ***Municipal audits and Technical Assistance.*** For municipalities who have not yet benefited from urban audits under the PUIUR, the project will finance the preparation of urban and financial audits as well as a set of basic training and capacity building activities.

11. **Transversal activities (US\$1.5 million).** This component includes signing of partnership agreements and assistance to specific administrations and central agencies in order to improve the functioning of the sector.

- (i) Agreement between the PCU and DGDDL (MEMIS): (i) monitoring the performance evaluation system of the CDP, (ii) support to publish the Financial Ratios Guide of communes, (iii) support to explore the potential establishment of a municipal development agency, based on the activities and lessons learned from
- (ii) Agreement between PCU and DOCD (Budget) and *Direction de la Comptabilité Parapublique* (DCPP) (Finances): (i) improvement of SIGESCOD software and development of an interface with public accounts for municipal tax collection, (ii) deployment of SIGESCOD software in targeted communes.

12. The component will also finance institutional support, just in time technical assistance for national agencies and relevant institutions to support deeper engagement in the area of urban and municipal development (such as the implementation of the Urbanization Review, decentralization, intergovernmental transfers and municipal finance on as needed basis, related studies and activities, etc.).

Table A3. 1 Communal investment and maintenance amounts by city

| Communes under a performance contract | Total revenues (T1 2012, FCFA millions) Revenues per person (FCFA) | | | Performance contracts ('000s FCFA, triannual) | | | | Total contract amount per person (FCFA) Annual level of investment (% of T1 revenues) Annual level of maintenance (% of T1 revenues) | | |
|---------------------------------------|--|---------------|--------------|---|------------------------------------|---|-------------------|--|------------|------------|
| | | | | Communal Investment Program (CIP) | Communal Maintenance Program (CMP) | Communal Management Support Program (PAGEC) | Total | | | |
| Bouaké | 536,189 | 1,450 | 2,704 | 464,147 | 1,044,000 | 102,857 | 1,611,004 | 3.005 | 11% | 24% |
| Korhogo | 286,071 | 535 | 1,870 | 247,635 | 385,200 | 102,857 | 735,692 | 2.572 | 15% | 24% |
| Daloa | 319,427 | 1,060 | 3,318 | 276,509 | 763,200 | 102,857 | 1,142,566 | 3.577 | 9% | 24% |
| San Pédro | 261,616 | 1,025 | 3,918 | 226,465 | 738,000 | 102,857 | 1,067,322 | 4.080 | 7% | 24% |
| <i>Sub-total</i> | <i>1,403,303</i> | <i>4,070</i> | <i>2,900</i> | <i>1,214,755</i> | <i>2,930,400</i> | <i>411,429</i> | 4,556,584 | <i>3.247</i> | <i>10%</i> | <i>24%</i> |
| Port Bouët | 419,033 | 6,300 | 15,035 | 362,732 | 2,268,000 | 102,857 | 2,733,589 | 6.524 | 2% | 12% |
| Koumassi | 433,139 | 1,725 | 3,983 | 374,942 | 621,000 | 102,857 | 1,098,800 | 2.537 | 7% | 12% |
| Yopougon | 1,071,543 | 3,835 | 3,579 | 927,571 | 1,380,600 | 102,857 | 2,411,028 | 2.250 | 8% | 12% |
| <i>Sub-total</i> | <i>1,923,715</i> | <i>11,860</i> | <i>6,165</i> | <i>1,665,245</i> | <i>4,269,600</i> | <i>308,571</i> | 6,243,416 | <i>3.245</i> | <i>5%</i> | <i>12%</i> |
| Total: 7 cities | 3,327,018 | 15,930 | 9,065 | 2,880,000 | 7,200,000 | 720,000 | 10,800,000 | 3.246 | 6% | 15% |

Table A3.2 Performance Contract Indicators

| CDP | Objectives | Activity Indicator | Results Indicator | Efficiency Indicator | Quality Indicator |
|--|---|--|---|---|--|
| Communal Investments Program | (i) The Commune acts in a coordinated and consultative way with the State on urban investment. (ii) The commune is introduced to the Delegated Management Contract mechanism that facilitates access to international financing. | (i) signed CDP (yes / no) (ii) CMOD signed between the commune and AGEROUTE (yes / no) | (i) Disbursement ratio of the program (% disbursed over planned) (ii) investment volume relative to revenue (volume of investments / current revenue Title 1) | (i) Delays of Payment to providers reduced (have a baseline) (ii) Frequency and presence of the Municipal staff and AGEROUTE on work site meetings. (construction work diary) | (i) level of user satisfaction on programming and quality of works (satisfaction survey) (ii) Registration of the infrastructure built in the inventory of assets of the Commune (copy of the inventory) |
| Communal Maintenance Program | (i) municipal technical services are revitalized. (ii) The state of municipal assets is improved. | (i) municipal contributions to the CEC are paid in accordance with commitments made in the CdP (date and actuals against planned) (ii) The commitment rate of the maintenance account is consistent with the CMP (idem) | (i) assets maintenance activities are accounted in the annual activity report of the Technical Services (Annual Report) (ii) physical investments indicators: length of roads and culverts maintained (to be specified by program content); number of rehabilitated buildings (to be specified by program content) | (i) An staff dedicated to maintenance is designated in technical services (yes / no) (ii) rate of maintenance effort rate in Title 1 > 10% | (i) The inventory of assets is regularly updated (inventory of assets) (ii) level of users satisfaction on programming and quality of interventions of the municipality (satisfaction survey) |
| Communal management Support program | (i) Communes have a computerized accounting management system and skilled technical services (ii) Participatory budgeting is introduced | (i) the SIGESCOD software is deployed in the town (ii) training and technical assistance are implemented (iii) sessions organized on participatory budgeting (number) | (i)The Commune produces mandates and her budget / Administrative Account through electronic means (yes / no) (ii) The DSTM produces a detailed statement of investment and maintenance activities (yes / no) (iii) production of participatory budget | (i) The time to produce the Administrative account s reduced (baseline) (ii) The technical services staff is increased (baseline) (iii) percentage of budget prepared with participatory budgeting processes (baseline) | (i) The commune communicated its action plan to improve financial management and successive updates (Action Plan) (ii) The Commune communicated its maintenance action and investment plan (Action Plans) (iii) communication on budget improved (satisfaction survey) |

ANNEX 4: ECONOMIC ANALYSIS

1. An ex-post cost-benefit analysis for activities of the parent project, as well as an ex-ante cost-benefit analysis for activities of the AF has been conducted for key activities and infrastructure.

Component A. Road Infrastructure works including drainage in low-income settlements in Abidjan and San Pedro

2. The approach adopted for the Additional Financing investments aims to identify and rehabilitate strategic roads sections and drainage systems in Abidjan and San Pedro with maximum positive impact on livelihood in low-income settlements. Investments will bring about significant improvement in terms of improved mobility, reduced flooding, improved sanitary conditions, reduction of water-borne diseases, reduced health-related expenses, added safety (through street lighting), and overall improvement of living conditions and social cohesion within the settlements.

Mobility

3. Increasing access to urban roads in low-income settlements was one of the outputs contributing to support the PDO.

Overall benefits

4. The main benefit of urban road infrastructure will come from improved mobility in poor settlements of targeted cities. The project will invest in roads in two major cities: Abidjan and San Pedro. In Abidjan, the AF will fund, among other road infrastructure, two road sections in Abidjan (Rue Princesse and road to Carrefour Samake) and three road sections in San Pedro (Corridor – Rond-point de la Gare, terminus de la pharmacie du lac carrefour Balmer, voie d'accès au quartier Zimbabwe). All the road sections identified are in severely degraded condition leading to traffic congestion, accidents and high operating cost of vehicles. The rehabilitation of the roads will significantly reduce commuting time to major business areas, to schools, markets and hospitals. It will also substantially improve the comfort and security (fewer accidents) of transport.

Cost Benefit Analysis (CBA) of identified activities

5. Two road sections in Abidjan and three road sections in San Pedro were selected for the CBA analysis as they are representative of the degradation of roads across the main cities.

Table A4.1 Investment and length of major roads

| Road name | Road Length (km) | Investment (FCFA) |
|---|------------------|-------------------|
| Abidjan | | |
| Rue Princesse (1) | 1.08 | 750,000,000 |
| Voie au Carrefour Samaké (2) | 1.7 | 750,000,000 |
| San Pedro | | |
| Corridor Rond-point de la Gare (3) | 4 | 1,200,000,000 |
| Voie d'accès quartier Zimbabwe (4) | 2 | 1,200,000,000 |
| Terminus de la Pharmacie Carrefour Balmer (4) | 2.63 | 157,8000,000 |

Benefits

6. Benefits were estimated based on Vehicle Operating Costs (VOC) savings on Travel Time Costs (TTC) savings thanks to the construction of the road, building on traffic data and operation costs of vehicles using the roadwork:

- The Average Daily Traffic (ADT) was estimated based on field surveys conducted at the different points along the axis of the selected road sections presented earlier (early 2016).
- Travel Time Costs (TTC) savings were calculated based on without project and with project vehicle average speed, the length of the road sections, the minimum wage and the number of passengers using the road section⁴.

The following table presents estimates of *ADT* for the different road sections:

Table A4.2 Estimation of the average daily traffic (ADT) at appraisal and completion

| Vehicle Category | Total Average Daily Traffic (ADT) | | | | |
|---------------------|-----------------------------------|------|------|------|------|
| | (1) | (2) | (3) | (4) | (5) |
| Car | 7228 | 3892 | 4700 | 1766 | 5052 |
| Bus | 180 | 1982 | 272 | 10 | 0 |
| Medium Truck | 386 | 428 | 636 | 56 | 132 |
| Heavy Truck | 70 | 312 | 298 | 26 | 98 |
| Motor cycle (motos) | 396 | 862 | 2642 | 1270 | 2090 |

7. Operation costs (in CFAF/km, not including taxes per vehicle) are calculated based on the methodology described in Aron (2007)⁵. It is assumed that the project investments will improve the identified roads by decreasing the International Roughness Index (IRI) from 10 (moderately degraded road) to 3 (road of good quality). A 10% increase in traffic as a result of rehabilitation is assumed. Another 10% is used to estimate the VOC of motor cycle not directly accounted for. This set of assumptions is very conservative since the roads are presently highly degraded and Motor cycle represent significant part of traffic.

Table A4.3 Operation costs (in CFAF/km)

| | IRI | Car | LDV | Minibus | Bus | Med truck | Heavy truck | Art truck |
|-----------------|-----|-----|-----|---------|-----|-----------|-------------|-----------|
| Without Project | 10 | 200 | 230 | 256 | 524 | 522 | 741 | 1061 |
| With Project | 3 | 143 | 162 | 198 | 427 | 362 | 552 | 788 |

LDV: Light-Duty Vehicle

⁴ Details on these data are in the consultant economic analysis report and the project feasibility studies.

⁵ Aron (2007) calculates VOC in several developing countries and defines coefficients that can be used to compute VOCs across road conditions (International Roughness Coefficient) and vehicle types.

Costs

- Investment costs: investment costs estimates presented in table 1 are drawn from the Consultant report “Analyse Economique du Financement du Don Additionnel du PRICI”.
- The maintenance costs were estimated at 1 percent of the investment costs and expected to be invested every year.

Results

8. For both with and without project scenarios, an estimation of the annual operating costs for the different vehicle categories was undertaken multiplying the operating cost per km by the annual total number of km by each vehicle. The total travel time saved was calculated based on actual and expected average vehicle speed when the project will be implemented and the number of passengers using the road for economic reasons⁶. The annual benefit, which represents the Total Vehicle Operating Costs savings and total Travel Time Costs (TTC) savings saved for a given year, is the difference between the costs without the project and the total costs with the project.

9. A 15-year time horizon was considered for the CBA analysis. A linear progression of the traffic was assumed between 2017 and 2031 with a traffic average growth of 4.4%. The table below presents the NPV and the ERR for different road sections:

Table A4.4 Economic efficiency of the urban road in Abidjan and San-Pedro

| Road sections | (1) | (2) | (3) | (4) | (5) |
|------------------------|-------|-------|--------|------|-------|
| NPV (CFAF million) 12% | 1,504 | 3,522 | 6,393 | -288 | 1,969 |
| NPV (CFAF million) 10% | 1,802 | 4,086 | 7,395 | -167 | 2,238 |
| NPV (CFAF million) 6% | 2,606 | 5,607 | 10,098 | 171 | 3,703 |
| ERR (%) | 39% | 71% | 78% | 8% | 30% |

Sensitivity analysis

10. A sensitivity analysis was conducted to test the robustness of the results. Sensitivity analysis shows that even if actual costs were 10% higher than estimated the project would remain economically justifiable for almost all the road sections. Other major benefits such as the reduced accidents (less health costs) were not accounted for. The results of the analysis are robust.

Table A4.5 Economic efficiency of the urban road in Abidjan and San-Pedro assuming 10% more costs

| Road sections | (1) | (2) | (3) | (4) | (5) |
|---------------|-----|-----|-----|-----|-----|
| ERR (%) | 35% | 65% | 71% | 6% | 27% |

⁶ This was estimated at 50% of the number of passengers.

Conclusion

11. The methodology does not take into account some major socio-economic benefits from urban road investments. Some benefits may not have been quantified - owing to the lack of data and complexity of modeling these effects. These include:

- Protection from permanent air pollution by fine particles (dust). This means less respiratory disease and less exposure to meningitis.
- Better road drainage during the raining season. This will result in less stagnating water and reduce the incidence of diseases such as malaria.

12. Therefore the results presented here represent a very conservative lower bound value of the economic benefits.

Drainage and sanitation

13. Increasing access to appropriate drainage in low-income settlements is one of the objectives contributing to support the PDO.

14. Drainage systems financed by the Additional Financing include East-West Watersheds works, Consolidation of flood management works in Abidjan and primary networks in San Pedro for an estimated costs of US\$27.0 million of which IDA contribution is US\$22.0 million.

Overall benefits

15. This section presents the ex-ante CBA of project drainage investments. Two major drainage systems are selected for the CBA for their particular relevance and representativity for the project drainage component: the flood retention pond in St-Viateur, Abidjan and the Collector in Bardot, San Pedro.

16. The expected benefits from the drainage works include:

- Control of floods and avoided cost of the related damages to infrastructures (houses, businesses, roads, equipment etc.) and ecosystems.
- Improved control of water discharge, including preserving water tables from contamination from wastewater.
- Reduction of waterborne diseases: by reducing stagnating water, improved drainage system can considerably reduce the incidence/prevalence of water related diseases including malaria, typhoid, dermatoses, cholera and various types of diarrhea.

17. In addition, improving drainage systems also provides an array of benefits including:

- Less school absenteeism for children
- Lower health expenses incurred for waterborne diseases;

- Less time spent by parents providing health care to themselves or their children and, as a result, greater opportunity to increase their income;
- Time saved, principally by women, for activities associated with household wastewater removal;
- Improved well-being as a result of healthy life.

Cost Benefit Analysis (CBA) for drainage works in Abidjan and San Pedro

18. The analysis is carried out for some of these important expected benefits. Considering data available, it focused on benefits resulting from avoided expenses related to the main waterborne diseases and flood prevention.

The methodological approach

19. A Cost Benefit Analysis is used to assess the net benefits stream generated by drainage interventions financed in the target cities. The benefits are equal to the difference between the incremental benefits and the incremental costs of two scenarios: “with” and “without” the project. The “with” project scenario considered the actual achievements obtained with the drainage systems. The “without” project scenario considered that the situation would have likely remained the same during the project life cycle. The project life cycle was estimated at 15 years based on similar projects.

Project Benefits

Two major sets of benefits are considered in the analysis:

20. **Health improvement related benefits.** The assessment of benefits was based on the avoided cost method. Based on similar projects and literature, it was assumed that investments in drainage systems would at least partially avoid costs occurring from water-borne diseases (malaria, typhoid, dermatoses and diarrhea). These costs include 1) direct treatment costs (consultation, medicines etc.) 2) indirect treatment costs (transport of the patient, opportunity cost for the spent taking care of the patient etc.).

21. **Flood avoidance related benefits.** Here again, the assessment of benefits was based on the avoided cost method. It is assumed that the infrastructures built under the project will allow avoiding frequent flood events that presently occur in the project influence area of the two target cities. This will impede the damages to houses and the associated reparation costs.

Without project scenario

22. **Health improvement related benefits.** To assess avoided costs in the without investment scenario, the following information was collected from existing literature:

- Health expenses data were sourced from a healthcare services in Abidjan and in San Pedro.
- Prevalence of major water-borne diseases were also sourced from EDS (2012), Djeba et al (2015).

23. It was assumed that, for the treatment duration, each patient will be taken care of by one adult. Time spent by this adult translates into an opportunity cost as the adult will forgo revenues he/she could otherwise earn. The daily revenue of the average adult was estimated at CFAF 2000/day (Legal Minimum Salary). Therefore, given the population benefitting from the different project activities, avoided costs included (i) the direct costs incurred for different water-borne diseases and (ii) indirect costs related to the opportunity costs of adults' time spent on care.⁷

24. **Flood avoidance related benefits.** To assess avoided costs related to avoiding floods, the following information was collected:

- Frequency and costs of major flood events in the project influence area⁸. A survey focused on the project beneficiaries was organized to collect primary data on flood frequency and the associated cost of damages.

With project scenario

25. It should be noted that although the positive impact of drainage system on waterborne diseases is largely recognized (FAO, Sasaki et al, 2011), only a limited number of studies analyses the quantitative relationship between the provision of drainage network and the decrease of the incidence/prevalence of specific water-borne diseases. A study by Moraes et al. (2003) is one of the few to address this critical issue. After controlling for all compounding effects, their results suggest that drainage reduces the incidence of several waterborne diseases by approximately 30 percent to 40 percent. Based on this indication, the ex-post analysis assumed that drainage systems reduced the costs of related medical care by 40 percent (sensitivity analysis is made for 30 percent).

Table A4.6 Prevalence of diseases in project areas benefiting from drainage

| Cities | Diarrhea (%) | Malaria (%) | Typhoid (%) | Dermatoses (%) | Proportion of population benefiting from drainage systems |
|-----------------------|--------------|-------------|-------------|----------------|---|
| Abidjan | 20.9 | 10 | - | - | 2% |
| San Pedro | 11.5 | 40 | 0.3 | 0.18 | 20% |
| Treatment Cost (FCFA) | 1 500 | 5 000 | 30 000 | 30 000 | |

Sources: EDS (2012), Djeha et al (2015)⁹

¹Prevalence based assessment method of the disease cost was used because it requires less data and less assumptions than other methods. Reference: Segel, J, E. 2006. Cost-of-Illness Studies—A Primer. RTI International RTI-UNC Center of Excellence in Health Promotion Economics.

⁸ Survey indicated that on average 2 major floods/year attaining heights of 1.3 m occur in the area.

⁹ See main Consultant Report on economic analysis

Project Costs

26. Costs include investment costs and maintenance costs:

- Investment costs data were provided by the PCU, referring to actual costs based on cost estimations of similar projects.
- The annual maintenance costs, estimated at 1 percent of the total investment based on other similar projects.

Results (Benchmark scenario)

27. The Net Present Value (NPV) and Economic Rate of Return (ERR) ex-ante (using a 12 percent discount rate) are presented in the table below:

Table A4.7 Economic efficiency of drainage investments in the project areas at completion

| Activity/ Economic indicator | ERR (%) | NPV (FCFA) |
|---|---------|----------------|
| Flood retention pond in St-Viateur, Abidjan | 52% | 10,530,687,519 |
| Collector in Bardot, San Pedro | 23% | 1,877,637,291 |

Sensitivity analysis.

28. The following scenario assumes that a drainage system will reduce the prevalence of identified diseases by only 30% instead of 40%.

| Activity/ Economic indicator | ERR (%) | NPV (FCFA) |
|---|---------|----------------|
| Flood retention pond in St-Viateur, Abidjan | 51% | 10,169,727,189 |
| Collector in Bardot, San Pedro | 21% | 1,597,204,162 |

The following scenario assumes an increase of 10 percent of the investment and maintenance costs of the drainage system.

| Activity/ Economic indicator | ERR (%) | NPV (FCFA) |
|---|---------|----------------|
| Flood retention pond in St-Viateur, Abidjan | 48% | 10,146,168,407 |
| Collector in Bardot, San Pedro | 21% | 1,589,796,046 |

Sensitivity analysis shows that results are highly robust.

Conclusion

29. The CBA results which represent a very conservative lower-bound value of the ERR and the NPV clearly shows that the project is economically sound. ERR for all the drainage systems/works studied is largely above 6 percent and even 12 percent in all scenarios. It is to be added that several important benefits could not be quantified (touristic attraction, time saved, aesthetic value etc). Also with climate change increase of flood events that may have happened leading to more damages without the project. This additional avoided costs is not accounted for. Furthermore, the project will largely benefit poor settlements in San Pedro and Abidjan.

30. Overall, the analysis supports the conclusion that PRICI AFs in drainage systems are fully justified.

The CBA supports the conclusion that investments in Abidjan and San Pedro are economically justifiable.

Aron, J. 2007. Justification of Investments for Low-Trafficked Roads Based on the First Year Rate of Return Indicator and Using Vehicle Operating Cost Savings. Choice for Sustainable Development. Pre-Proceedings of the 23rd PIARRC World Road Congress. World Road Association – PIARC.

ANNEX 5: IMPLEMENTATION, PROCUREMENT, AND FINANCIAL MANAGEMENT ARRANGEMENTS

Implementation arrangements

1. The project implementation provisions have been built on existing structures from the parent project, with large financial and operational capacities. No substantial changes in the institutional arrangements are planned.
2. Technical oversight and Supervision by the Ministry of Economic Infrastructure (Ministère des Infrastructures Economiques, MIE). A committee chaired by the Minister of Economic Infrastructure or his representative will be responsible for the overall supervision and the strategic direction of the proposed project. It will ensure that activities are coherent with the sector strategy and guarantee cross-sectoral coordination for sub-components within other line-ministries. The steering committee will include actors from the public and private institutions, and the civil society, especially from executing agencies and beneficiaries.
3. Project Coordination and Management. The Project Coordination Unit (PCU) of the parent project will continue to be responsible for the project coordination, fiduciary activities, monitoring and evaluation, and communication activities of the proposed project. The procurement and financial management of the AF will be provided by the PCU, which will handle payments and disbursements, and will also file and archive all the project documents for auditing purposes. In this regard, the procurement and financial management team will be strengthened with dedicated staff. Finally, the PCU will sign delegated management contracts with all the implementing agencies. These different conventions define the scope of mandates of the various stakeholders involved in project implementation. Resource allocation for project management and coordination includes institutional strengthening support and Technical Assistance to implementing agencies and staff from the Ministry of Economic Infrastructures and support to the DGDDL.
4. Executing Agencies. The Road Agency (*Agence de Gestion des Routes, AGEROUTE*) will be responsible for the execution of the roads, the local and rural infrastructure. The Côte d'Ivoire Energy Company (*Société des Energies de Côte d'Ivoire, CI-Energies*) will be responsible for the management of electrical works (rehabilitation and conversion of the public lighting network) and will also provide project management assistance for the inclusion of the public lighting activities into urban roads rehabilitation. The Water Supply Agency (*Office National de l'Eau Potable, ONEP*) will be the executing agency for water activities, and the National Agency for Sanitation and Drainage (*Agence Nationale de l'Assainissement et du Drainage, ONAD*) will be responsible for the implementation of the sanitation and drainage activities. The Directorate for Construction and Maintenance of the Ministry of Construction and Urban planning (*DCM*) will be responsible for the implementation of social facilities. The PCU will sign with each implementing agency a delegated management contract one month after effectiveness of the project. Agreements will also be signed with DGDDL, DOCD and DCPD to support the implementation of the Urban and Municipal Support Component.
5. Municipalities will sign a three-year performance contract with the Government (MEMIS) and UCP that will spell out their obligation to fulfil in order to access funding for municipal investments programs (CIP), municipal maintenance funds (CMP) and capacity

support programs (CMSP) and a delegated management contract with AGEROUTE for the implementation of the municipal investments programs.

6. Component E, CERC. Implementation arrangements for the CERC will be detailed in a specific Operational Manual. This component would finance public and private sector expenditures on a positive list of goods, both domestic and imported, and/or specific works, goods, services and emergency operation costs required for emergency recovery. These expenditures will be appraised, reviewed and found to be acceptable to the Bank before any disbursement is made. The CERC Operations Manual and the Disbursement Letter will include the detailed disbursement arrangements applicable under the Contingent Emergency Response part of the proposed project. As part of such arrangements, a positive list could be used, which would feature in the CERC Operations Manual and would include the items against which disbursements will be made. Where a positive list of expenditures is used, the documentation required to support disbursement requests should be agreed (for example, invoices and bills of lading for food imports) and recorded in the CERC Operations Manual and the Disbursement Letter.

Financial Management¹⁰

7. The FM system and performance of the PCU under the Original Project are acceptable to IDA. The PCU will be responsible for FM of the AF and remains the Bank focal point. The PCU is familiar with the Bank FM requirements and is currently managing the first phase of this IDA-financed project. The FM of the AF will follow the same approach as the implementation arrangements in place for the ongoing project managed by the PCU. The current FM staffing including the assignment to the project of one financial controller and one accountant officer (*Agent comptable*) from the Ministry of Finance is adequate. The FM performance was rated Satisfactory (S) following the last supervision mission completed in March 2016. However, the project steering committee needs to be more effective, the position of internal auditor which was vacant for several months has been filled recently and significant delays in the disbursement of government contributions were noted. For the purpose of this AF, the fiduciary risk has been assessed Substantial following the primary risk assessment which took into account: (i) the country overall PFM risk level; (ii) the lack of effective oversight structure (steering committee) during the first phase of the project and delays in the disbursement of government contributions; and (iii) the design of the project which includes large infrastructures contracts.

8. To mitigate these risks, the staffing arrangement will be strengthened with the operationalization of the involvement of the Directorate of Inspection of the Ministry of Finance (*Inspection Générale des Finances*, IGF) to complement the work of the internal auditor (individual consultant) in line with the new decree no. 475 governing the modalities of donors-financed project implementation in Côte d'Ivoire. The composition, the mandate and frequency of meeting of the steering committee will be strengthened to mitigate the risks identified. The configuration of the current accounting software "TOM2PRO" will be updated. The existing FM

¹⁰ This section refers to Components A, B, C and D. Implementation arrangements for Component E (CERC) will be described in a specific Operational Manual which will be a disbursement condition for the component.

procedures manual which was prepared during the first phase of the project will be used for the purpose of this AF following minor updates to reflect the aspects of the AF. The above actions and measures are dated covenants (to be implemented within 2 months following the AF effectiveness date).

9. The interim un-audited financial reports (IFR) are prepared every quarter and submitted to the Bank regularly (e.g. 45 days after the end of each quarter) on time. The frequency of IFR preparation as well as its format and content will remain unchanged.

10. **The internal audit function contracted to an individual consultant will be strengthened.** The replacement of the former internal auditor who resigned has just been finalized. In addition to the individual consultant, the Directorate Inspection of Finance (IGF) will intervene in the activities of the PRICI as discussed and agreed with the Ministry of Finances. The TOR of the current internal auditor (newly recruited) will be updated to cover the AF activities as well as the reporting line including communication of internal audit reports. The internal audit reports will be communicated to the Coordinator and directly to the steering committee with copy to the IGF and the Bank team.

11. **There is no overdue audit report in the project and the sector at the time of preparation of the AF.** The audit report of the project managed by the PCU covering the period ending on December 31, 2014 was submitted on time; the external auditor expressed an unqualified opinion. The next audit report of IDA-financed projects in the sector in Côte d'Ivoire is due on June 30, 2016.

12. **The accounts of the AF will be audited on an annual basis and the external audit report will be submitted to IDA not later than six months after the end of each calendar year;** similar to the initial project. The TOR of the current external auditing firm will be updated to reflect the scope of the AF. The project will comply with the Bank disclosure policy of audit reports and place the information provided on the official website within one month of the report being accepted as final by the team.

13. **Upon Credit effectiveness, transaction-based disbursements will be used.** The credit will finance 100% of eligible expenditures inclusive of taxes. A new Designated Account (DA) will be opened at the Central Bank (BCEAO) and a Project Account (PA) in a commercial bank under terms and conditions acceptable to IDA. The ceiling of the DA will be established at FCFA 4.0 billion which represents 4 months of forecasted project expenditures expected to be paid from the DA. An initial advance up to the ceiling of the DA will be made and subsequent disbursements will be made against submission of Statements of Expenditures (SOE) reporting on the use of the initial/previous advance. The option to disburse against submission of quarterly unaudited Interim Financial Report (also known as the Report-based disbursements) could be considered, as soon as the project meets the criteria. The other methods of disbursing the funds (reimbursement, direct payment and special commitment) will also be available to the project. The minimum value of applications for these methods is 20% of the DA ceiling. The project will sign and submit Withdrawal Applications (WA) electronically using the eSignatures module accessible from the Bank's Client Connection website. Funds will be disbursed to decentralized or specialized implementing entities on the basis of three months budget depicted under a Work Plan.

14. **Flow of funds for the Urban and Municipal Management Component.** For the purpose of managing the component, three (3) bank accounts will be opened:

- (i) A "project account—IDA" and a "project account—State" will be opened in a commercial bank on terms acceptable to IDA and will be fed from the designated account;
- (ii) A sub-account to receive the quote from IDA and contributions from all communes to finance activities related to the Communal Maintenance Program "CMP" will also be opened.
- (iii) An account "*régisseur d'avance*" (imprest account holder advance) which will be used by the account holder for the payment of certain categories of expenditures (list detailed in the project implementation manual) in the municipalities of San Pedro, Bouaké, Daloa and Korhogo.

15. The operating procedures of the four bank accounts and IDA funds disbursement conditions to the sub-account will be described in details in the project implementation manual. It was agreed that the disbursement of IDA funds to the sub-account "CMP" will be made based on several criteria including: (i) the signature of the 3-year performance contract between the Municipality and the State and; (ii) full justification of the payment of the contribution of the previous year by the municipality; and (iii) no irregularity in the use of resources identified in external audits, in IDA supervision missions or by the Accounting Agent of the project (ACP). The management of the component will require the recruitment of an accountant, a "junior" internal auditor from PRICI and strengthening the financial control teams and the ACP.

16. For the CERC, the existing flexibility in OP 12.00 - Disbursement will be used to provide significant advances to provide the necessary liquidity for a fast response. The level of the advance needed for the CERC will be established independently of any existing advances for the project components and recorded in the revised Disbursement Letter. The advance for the CERC will be deposited in a separate DA established for the purpose.

17. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

| Category | Amount of the Credit Allocated (expressed in EUR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|--|--|---|
| (1) Goods, works, consultants' services, non-consultants services Operating Costs and Training under the Project, except for Component E | 53,900,000.00 | 100% |
| (2) Emergency Expenditures under Component E of the Project | 0 | 100% |
| TOTAL AMOUNT | 53,900,000.00 | |

18. *Retroactive financing.* Withdrawals up to an aggregate amount not to exceed 4,500,000 Euros may be made for payments made prior to the signing of the Financial Agreement of the AF, for Eligible Expenditures under Category (1).

19. Based on the current overall residual FM risk which is substantial, the project will be supervised twice a year to ensure that project FM arrangements still operate well and funds are used for the intended purposes and in an efficient way.

FM action plan

| Action | Responsible party | Deadline and conditionality |
|---|-------------------|---------------------------------------|
| 1- Update of the FM manual to include arrangements for managing “DAO” and other incomes | PCU | Two (2) months after AF effectiveness |
| 2- Update the configuration of the accounting software | PCU/ FM Officer | Two (2) months after AF effectiveness |
| 3- Open a designated account for the AF | MEF / ACDP | Before first disbursement of AF |

Procurement

Applicable procurement policies and procedures

20. **Generality:** Following the 2004 CPAR, and the critics of a Procurement Code (Decree N°2005-110 dated February 24, 2005), a new Procurement Code (Decree N°2009-259 dated August 6, 2009), in line with the WAEMU’s procurement Directives and international good practices, and key implementing regulations and documentation have been adopted. This Procurement Code was amended and modified in July 2015 through the Decree N°2015-525 dated July 15, 2015 also with implementing regulations thereunder. A national procurement capacity building program exists and is being implemented at the central and deconcentrated entities level. An electronic system for collecting and disseminating procurement information and for monitoring procurement statistics has been set up and needs to be spread over all of the contracting authorities. An audit of single source awarded contracts from 2011 to 2013 has been done in May 2014 and findings were published. However, persisting issues remain that affect transparency and efficiency of the national procurement system: (i) establishment and operation of procurement of cells in the ministries are still very shy; and (ii) training of enforcement officers of these new texts is not yet effective. In addition, the volatile socio-political situation due to the civil war does not guarantee an effective functioning of the system and also has considerably increased fraud and corrupt practices. The new government is trying to fight against this scourge by implementing certain mechanisms such as the code of ethics at the level of ministers and officials, but the results are not yet visible at this time by lack of evaluation.

21. *Component E (CERC):* This component will finance public and private sector expenditures on a positive list of goods, both domestic and imported, and/or specific goods, works and services. The procurement procedures that will apply to these expenditures will be described in a specific Operations Manual which will require the Bank’s no objection, and is a disbursement condition for this component.

22. **Guidelines:** Procurement for the proposed project will be carried out in accordance with: (a) the World Bank's "*Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants*" dated January 2011; revised July 2014, and (b) "*Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers*" dated January 2011, revised July 2014.

23. **Procurement Documents:** Procurement would be carried out using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) for goods and works and for Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. The Recipient will develop standard documents based on the Bank's SBDs for National Competitive Bidding (NCB) for goods and works and the Bank's RFP for the selection of consultants through methods other than Quality and Cost Based Selection (QCBS), with modifications that will be submitted to the IDA for prior approval.

24. The different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Recipient and the Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

Advertising procedure

25. General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest and results of the evaluation and contracts award should be published in accordance with advertising provisions in the guidelines mentioned above.

26. For ICB and request for proposals that involve international consultants, the contract awards shall be published in the United Nations Development Business (UNDB) online within two weeks of receiving IDA's "no objection" to the recommendation of contract award. For Goods, the information to publish shall specify: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated prices of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. For Consultants, the following information must be published: (a) names of all consultants who submitted proposals; (b) technical points assigned to each consultant; (c) evaluated prices of each consultant; (d) final point ranking of the consultants; and (e) name of the winning consultant and the price, duration, and summary scope of the contract. The same information will be sent to all consultants who submitted proposals. The other contracts should be published in national gazette periodically (at least, quarterly) and in the format of a summarized table covering the previous period with the following information: (a) name of the consultant to whom the contract was awarded; (b) the price; (c) duration; and (d) scope of the contract.

Procurement methods

27. **Procurement of Works.** The works to be financed by IDA would include urban infrastructure improvement and rehabilitation such as: (i) rehabilitation of urban roads including drainage, road furniture, and street lighting; (ii) rehabilitation of schools, health centers, and

public buildings; (iii) rehabilitation of urban water supply infrastructure; (iv) rehabilitation of sanitation, drainage, and flood prevention infrastructure; and (v) rehabilitation of electricity and public lighting infrastructure; etc. The Additional Financing of the PRICI would also include rural infrastructure rehabilitation as well as urban and municipal management. Contracts of works estimated to cost US\$10,000,000 equivalent or more per contract shall be procured through ICB. Contracts estimated to cost less than US\$10,000,000 equivalent may be procured through NCB. Contract estimated to cost less than US\$200,000 equivalent per contract may be procured through shopping procedures. For shopping, contracts will be awarded following evaluation of bids received in writing on the basis of written solicitation issued to several qualified suppliers (at least three). The award would be made to the supplier with the lowest price, only after comparing a minimum of three quotations open at the same time, provided he has the experience and resources to execute the contract successfully. For shopping, the project procurement officer will keep a register of suppliers updated at least every six month.

28. **Procurement of Goods.** The goods to be financed by IDA would include: office and furniture, and equipment, office supplies, etc. Similar goods that could be provided by a same vendor would be grouped in bid packages estimated to cost at least US\$1,000,000 per contract and would be procured through ICB. Contracts estimated to cost less than US\$1,000,000 equivalent may be procured through NCB. Goods estimated to cost less than US\$100,000 equivalent per contract may be procured through shopping procedures. For shopping, the project procurement officer will keep a register of suppliers updated at least every six months.

29. **Selection of Consultants.** The project will finance Consultant Services such as surveys, technical and financial audits, technical assistance, activities under the institutional strengthening component, engineering designs and supervision of works, trainers and workshops facilitators. Consultant firms will be selected through the following methods: (a) QCBS; (b) selection based on the Consultant's Qualification (CQS) for contracts which amounts are less than US\$300,000 equivalent and are relative to exceptional studies and researches which require a rare and strong expertise; (c) Least Cost Selection (LCS) for standard tasks such as insurances and, financial and technical audits costing less than US\$300,000; (d) Single Source Selection, with prior agreement of IDA, for services in accordance with the paragraphs 3.8 to 3.11 of Consultant Guidelines. Individual Consultant (IC) will be hired in accordance with paragraph 5.1 to 5.6 of Bank Guidelines; Sole source may be used only with prior approval of the Bank. Whatever the cost, any terms of reference needed to consultant selection must get prior approval of the Bank.

30. Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines, if a sufficient number of qualified individuals or firms are available. However, if foreign firms express interest, they would not be excluded from consideration.

31. **Procurement from United Nations Agencies:** There may be situations in which procurement directly from UN agencies may be the most appropriate method of procurement. In such circumstances, the project would make specific arrangement with the UN Agencies concerned through a single source selection and then they follow their own procurement procedures to purchase and deliver the goods and services needed.

32. **Procurement of consulting services other than consulting services covered by consultant Guidelines:** Eventually, those might include designing, editing and printing project promotion supports; providing logistic support such as car rental for field visits, travel services and logistic support for workshop and the like, LCS or shopping will be used.

33. **Training, Workshops and Conferences.** The training (including training material and support), workshops and conference attendance, will be carried out on the basis of approved annual training and workshop/conference plan. A detailed plan giving the nature of training/workshop, number of trainees/participants, duration, staff months, timing and estimated cost will be submitted to IDA for review and approval prior to initiating the process. The appropriate methods of selection will be derived from the detailed schedule. After the training, the beneficiaries will be requested to submit a brief report indicating which skills have been acquired and how these skills will contribute to enhance his/her performance and contribute to the attainment of the project objective.

34. **Operational Costs.** Operating costs financed by the project are incremental expenses, including office supplies, vehicles operation and maintenance, maintenance of equipment, communication costs, supervision costs (i.e. transport, accommodation and per diem), and salaries of locally contracted staff. They will be procured using the procurement procedures specified in the Project Financial and Accounting Manual.

Assessment of the capacity of the agencies to implement procurement

35. With the exception of municipal management that would fall under municipal responsibility, Agencies that have been identified for procurement of various components of the parent project would be the same to implement the AF. In addition, the executing agencies identified are as follows:

- (i) Roads, local infrastructure and rural infrastructure under Component A1, A5 and Component B will be implemented by the *Agence de Gestion des Routes* (AGEROUTE) ;
- (ii) Water activities under Component A.2 will be implemented by *Office National de l'Eau Potable* (ONEP) ;
- (iii) Sanitation and drainage activities under Component A.3 will be implemented by the National Office for Sanitation and Drainage (*Office National de l'Assainissement et du Drainage*, ONAD);
- (iv) Public lighting activities under Component A.4 will be implemented by *CI-Energie* ;
- (v) Activities related to health and education facilities under Component A 1 will be implemented by the Directorate of Construction and Maintenance (*Direction de la Construction et de la Maintenance*, DCM) of the Ministry of Construction and Urban Planning
- (vi) The Communal Maintenance Programs (CMP) identified in the performance-based city contracts will be implemented by the municipalities, with the support of the PCU.

36. The capacity assessment has shown that apart from AGEROUTE, the other Agencies have limited experience, skills, knowledge and personnel and no procedure manual acceptable by the Bank

37. A decision has been taken to continue entrusting the PCU of the ongoing Emergency Infrastructure Renewal Project (PRICI) with the responsibility of the project fiduciary management (procurement and financial management). The Ministry of Economic Infrastructure (*Ministère des Infrastructures Economiques*, MIE) will materialize the decision to continue assigning the PCU for project management and coordination. The PCU and the executing agencies will sign agreements for project implementation arrangements. Roles and responsibilities of each entity will be specified in those agreements. These agreements must be approved by the Ministry of Economic Infrastructure as well as the Ministry of The Interior and the Security concerning the agreement with the municipalities.

Capacity Assessment of the PCU

A. Status of PRICI/PCU

38. The PRICI/PCU has been entrusted with the fiduciary management (procurement and Financial management) of the Côte d'Ivoire Infrastructure Renewal and Urban Management Project – Additional Financing, after the implementation of the ongoing parent project and two grants closed in March 2014 (H3970: initial grant and H5910: additional funding) for the Emergency Urban Infrastructure Project (PUIUR). The PRICI is managed according to the institutional arrangements of traditional projects management in Côte d'Ivoire.

39. Therefore, it is proposed that the new additional operation be implemented by the PCU as a standard Project implementation Unit, as per the arrangements of the ongoing parent project.

B. Procurement capacity assessment

40. After three years of implementation of the PRICI grant (the parent project) and as of January 30, 2016, most of the PRICI activities have been implemented, with 99% of contract procured and a disbursement rate of 97.60 percent as reflected in Client Connection.

Turnaround times

41. The information available and sites visits on the execution sites in Abidjan indicate that many works contracts have not been executed within the deadline. These delays are due in particular to: (a) the socio-political crisis; (b) the low capacity of firms and (c) the unavailability of the site and preparatory activities of some civil works (*échangeurs de la Riviera 2*).

Mitigation measure:

42. To mitigate above listed turnaround times, the following provisions shall be taken: (i) set realistic timeframes; (ii) ensure the existence of effective capacity of the awarded contractors; (iii) revise the allotments so that tenders can be of interest to international companies that have the capabilities and qualifications to bid; and (iv) recruit consultants firms for the control of works ahead in sufficient time prior to the launch works.

Payment delays

43. Payment periods are at an acceptable average of 12 to 15 working days.

Contract management

44. Out of 120 contracts awarded, 19 have been amended. This is due to: (a) insufficient technical prior studies and (b) unrealistic cost estimates.

Mitigation measure:

45. Arrangements will be made to recruit qualified technical firms in order to have reliable technical studies and realistic costs estimates.

Fiduciary team

46. The PCU has a Senior Procurement Specialist and four assistants after the fifth one has resigned. The current portfolio and upcoming World Bank funding projects consist of: (a) PRICI grant implemented at 99% on procurement side; (b) Transport Sector Modernization Project scheduled to start in the second half-year of 2016; (c) Water support project scheduled to start in June 2016. Regard to upcoming activities, this situation entails substantial risk in procurement for the PCU.

Mitigation measures:

- (i) Resize the organization functioning of the procurement cell in order to take into account contract management aspects as recommended by the new procurement guideline of the Bank.
- (ii) No later than three months after the project effectiveness date, the PCU will have been strengthened with a procurement assistant.
- (iii) The PCU will be responsible for the coordination of all procurement activities, including the following: (a) preparation and update of the procurement plans; (b) preparation, finalization and launch of the requests for proposals and bidding documents; (c) drafting of minutes of bids opening /proposal and preparation of the evaluation reports; (d) submission of procurement documents (terms of references, RFP, bidding documents, evaluation reports, contracts, etc.) to the Bank when prior review is required; (e) preparation of the contracts, and overseeing the payments to contractors; and (f) drafting of procurement progress report and coordination of the activities. Each beneficiary entity will be involved in the implementation.

Circuit of procurement

47. Average time for contracts approval and signing after the award decision was 60 days due to: (a) the unavailability of the members of the opening and judgment Committee; (b) delay in the transmission of the evaluation report, and (c) the long circuit for contracts signature and approval. However, a new Decree n°2015-475 dated July 1, 2015 that replaced the Instruction 192, increases significantly contract signature and approbation threshold. The current procedure manual has therefore become obsolete.

Mitigation measures:

- (i) In regard to the new provisions of the Decree n°2015-475, and the new World Bank procurement guidelines, the project manual of procedures will be updated and submitted for the Bank's no objection.
- (ii) A copy of the contract signed by the Project Coordinator will be forwarded to the Ministry of Economy and Finance as well as to the Ministry in charge of the project for information.
- (iii) To minimize the delay associated with the drafting of the appraisal reports, competent firms will be hired to evaluate the proposals.

Frequency of procurement reviews and supervision

48. Bank's prior and post reviews will be carried out on the basis of thresholds indicated in the following table. The IDA will conduct six-monthly supervision missions and annual Post Procurement Reviews (PPR); with the ratio of post reviews of at least one to five contracts. The Bank may also conduct an Independent Procurement Review at any time until two years after the closing date of the project.

Country Overall Procurement Risk Assessment:

| | |
|----------------|----------|
| High | |
| Average | X |
| Low | |

Table A5.1 Procurement and Selection Review Thresholds

| Expenditure Category | Contract Value (Threshold) | Procurement Method | Contract Subject to Prior Review |
|---|-----------------------------------|---------------------------|---|
| | US\$ | | |
| 1. Works | ≥10,000,000 | ICB | All |
| | <10,000,000 | NCB | |
| | <200,000 | Shopping | |
| | No threshold | Direct contracting | All |
| 2. Goods | ≥1 000,000 | ICB | All |
| | <1 000,000 | NCB | |
| | <100,000 | Shopping | |
| | No threshold | Direct contracting | All |
| 3. Consultants Firms | ≥300,000 | QCBS; QBS; LCS; FBS | All contracts |
| | <300,000 | QCBS; QBS; LCS; FBS, CQ | |
| Individuals | ≥100,000 | EOI | All contracts |
| | <100,000 | comparison of 3 CVs | |
| (Selection Firms & Individuals | No threshold | Single Source | All |
| All Term of reference regardless of the value of the contract are subject to prior review | | | |



CÔTE D'IVOIRE

- CITIES AND TOWNS
- ⊙ DISTRICT CAPITALS
- ⊙ REGION CAPITALS
- ★ NATIONAL CAPITAL
- ~ RIVERS
- MAIN ROADS
- + + + + + RAILROADS
- REGION BOUNDARIES
- DISTRICT BOUNDARIES
- - - - - AUTONOMOUS DISTRICT BOUNDARIES
- · - · - INTERNATIONAL BOUNDARIES



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