



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 15-Oct-2021 | Report No: PIDC32237

**BASIC INFORMATION****A. Basic Project Data**

Country Cote d'Ivoire	Project ID P177062	Parent Project ID (if any)	Project Name Côte d'Ivoire: Sustainable and Inclusive Northern Cities Project (P177062)
Region AFRICA WEST	Estimated Appraisal Date Apr 01, 2022	Estimated Board Date May 31, 2022	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Planning and Development	

**Proposed Development Objective(s)**

The project development objective is to improve communities' access to urban infrastructure and basic services, and strengthen institutional capacity of local actors in targeted northern cities.

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	300.00
<b>Total Financing</b>	300.00
<b>of which IBRD/IDA</b>	300.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	300.00
IDA Credit	300.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track II-The review did authorize the preparation to continue

## B. Introduction and Context

### Country Context

1. **Cote d'Ivoire's economy has been relatively resilient throughout the COVID-19 pandemic.** While economic growth fell from an average of 6.9 percent during 2017-19, to 2 percent in 2020 (a real per capita decline of 0.6 percent), Cote d'Ivoire was among the best performing market economies in Sub-Saharan Africa. Economic growth was supported by public investments, fueled by the Government's crisis support programs and by positive private consumption. Investments more than offsetted the COVID-related decline in exports, mainly in services. Agriculture, particularly cocoa production, held up well during the crisis and manufacturing and services both supported the recovery during the second half of the year. Supply disruptions and an increase in global prices caused inflation to rise from 0.8 percent in 2019 to 2.4 percent in 2020, with a significant increase in food prices. The financial sector remained relatively stable and supportive of the private sector, with credit growth stable at 6 percent in 2020.

2. **COVID-19 response measures resulted in the fiscal deficit rising from 2.3 percent to 5.6 percent of the Gross domestic product (GDP) between 2019 and 2020.** Government expenditure increased from 17.3 percent to 20.7 percent of GDP between 2019 and 2020 and included the expansion of social services via an existing cash transfer program supported by the World Bank, as well as ongoing initiatives to expand universal health care, education, access to water and electricity. Slow progress in efforts to mobilize domestic revenues continues to constrain the Government's ability to respond to shocks, with tax revenues remaining around 12 percent of GDP in recent years. Public debt rose steeply, from 41 percent of GDP in 2019 to 49.8 percent in 2020. Although the poverty rate has declined from over 55 percent in 2011 to 39.5 percent in 2018, around 10 million people live below the national poverty line of 345,520 FCA, and poverty increased in 2020 with about 445,000 people becoming poor due to the COVID-19 pandemic. Inequality and regional disparities are also a source of concern, especially in the North where 52.8 percent of the population is poor compared to 39.4 percent nationally.

3. **Cote d'Ivoire's economy is on a recovery path,** partly supported by the Government's COVID-19 response and recovery measures. The World Bank projects the economy to grow by 5.7 percent in 2021, and gradually increasing to 6.5 percent in 2023. The fiscal deficit is high but expected to remain stable at 5.6 percent of GDP in 2021 and continued structural reforms are needed to achieve the Government's more ambitious targets set out in the Government's National Development Plan 2021-25 (NDP). In the short run, the country's economic recovery will to be supported by Government investment in 2021 (i.e., the health sector and in security expenditures), as well as a strong recovery of private sector investment and consumption. Inflation is expected to remain stable at around 2.5 percent in 2021. The banking sector is expected to expand again, with credit growing by 7.5 percent in 2021.

4. **The economic outlook is relatively positive, but some risks remain.** The country's COVID-19 vaccination campaign was launched on March 1, 2021. High levels of vaccine hesitancy at the start of the campaign hindered the roll-out, but strong Government leadership coupled with the launch of a robust communication campaign and expansion of the campaign beyond Abidjan to all health districts increased daily vaccination rates from ~2000 in March 2021 to ~52,000 by end-September 2021. However, there remain uncertainties around vaccine deliveries and the wider roll-out, largely due



to the limited availability of COVID-19 vaccines on the international market.<sup>1</sup> The limited vaccine coverage (only 1.6 percent of the population are completely vaccinated) is contributing to the protracted nature of the outbreak in Cote d'Ivoire which, in the short to medium term, will impact Cote d'Ivoire's economic recovery. The NDP outlines the Government's ambition to double GDP per capita by 2030 from US\$1,736 in 2020. It seeks to accelerate economic transformation, reduce poverty and inequality, and improve governance. To achieve its growth ambitions, Cote d'Ivoire will have to improve domestic resource mobilization, its business environment, as well as the efficiency and allocation of public spending in education, healthcare, and rural development to make growth more inclusive and equitable. The joint Debt Sustainability Analysis carried out in the context of the International Monetary Fund's Article 4 Consultation approved in July 2021 indicates that the risk of debt distress remains moderate. Yet, Cote d'Ivoire needs to implement fundamental reforms to raise domestic resources, including mainstreaming of generous Value-Added Tax exemptions, strengthening direct (notably property) taxes, and improving investment incentives.

### Sectoral and Institutional Context

5. **Côte d'Ivoire is one of the most urbanized countries in Sub-Saharan Africa with an estimated 50.3 percent<sup>2</sup> of its population living in urban areas, against an average of 41 percent.** Côte d'Ivoire continues to urbanize rapidly at a rate of approximately 3.4 percent a year, and the share of the population living in cities is expected to reach 60 percent by 2025 and to exceed 70 percent by 2050. However, Côte d'Ivoire is also characterized by the dominance of its economic capital Abidjan, which has an estimated population of 5.2 million inhabitants, or 20 percent of the country's total and over 40 percent of urban dwellers. Eleven other cities with more than 100,000 inhabitants are considered as secondary cities; the largest five are Bouaké, Daloa, Korhogo, San Pedro, and Yamoussoukro.

6. **Secondary cities, particularly those in the North, lag behind Abidjan.** On its own, The Autonomous District of Abidjan accounts for more than 60 percent of the country's economic activity. By contrast, Northern cities have not been well integrated in the national economy and as a result are lagging significantly behind the rest of the country. Northern Cote d'Ivoire are characterized by a higher incidence of poverty<sup>3</sup>, lower Human Development Index (HDI) and limited economic opportunities. Exclusion of certain groups from new economic niches, urban jobs also persists and efforts to promote gender inclusion and enforce gender equality laws are inadequate. Education (The north has on average only up to 4.6 years of schooling, compared to 6.4 for the rest of the country), life expectancy, food security, GDP per capita are lower than the national average and fragility is high. Major constraints to investments in economic activities in northern cities include: lack of urban infrastructure and basic services, difficult access to land, inadequate economic and urban planning, difficult access to financing, and costly and unsafe transportation.

7. **Years of civil wars, political unrest, and lack of investments in key infrastructure have resulted in major deficits in living conditions in cities of the North.** While there are differences across cities in the North, all cities in the region face challenges associated with lack of infrastructure and access to basic services (water, health, transportation, sanitation, solid waste management, electricity, and/or education). In Korhogo, the largest city in the North, only one quarter of the city is covered by public lighting, while 3 percent of houses, those located in the city center, are legally provisioned with water, electricity, and roads. While in Odienné, 80 percent of the population has access to safe water, this figure drops to 62 percent for Korhogo and below 50 percent for Ouangolodougou. Stormwater drainage is a big issue and the drainage systems, where they exist, are clogged with garbage. Garbage often ends up in unauthorized dumpsites, even in the two large cities of Korhogo and Ferkessédougou. There is no sewerage system and gray water is discharged onto the ground in yards, in the precarious street gutter network of cities, or, more rarely, in watertight or septic tanks. Connectivity across

<sup>1</sup> As of October 1, 2021, Cote d'Ivoire has only received 3.8 million COVID-19 vaccine doses, enough to completely vaccinate 2 million people (7 percent of the population) and around 2,2 million vaccine doses have been administered (57 percent of doses received).

<sup>2</sup> RGPH, 2014

<sup>3</sup> Almost 53 percent of the northern population is considered poor, compared with 39.4 percent nationally



the North and to Abidjan need to be further developed. The lack of urban infrastructure and basic services including limited digital connectivity, difficult access to land and to financing particularly affect the population, increasing their vulnerability and is a source of economic and social tensions. These tensions are also exacerbated by increasing pressure linked to migration (strong presence of migrants in some key economic sectors). The spillover of violence from the Sahel conflict could exacerbate local disputes.

8. **Cities in the north suffer from limited urban and land planning capacity, poor implementation, and difficulties in enforcing regulations.** Urbanization has taken place without proper planning policies to support the process, resulting in inefficient cities. Urban plans, where they exist, and other urban and land regulations are not enforced. Cities continue to sprawl with ‘Village Subdivisions’<sup>4</sup> at the periphery to accommodate the flow of individuals arriving from rural areas looking for affordable housing opportunities. These neighborhoods do not comply with regulations and suffer from a lack of basic services and inadequate infrastructure. These informal subdivisions require significant investments to be brought to conformity with plans and regulation. These practices are not specific to cities in the North, but they have multiplied over the last decades due to poor administrative authority oversight, especially in Korogho where speculation has been fueled by higher land prices.

9. **Weak local administration, including limited decentralization and poor coordination among local and national actors, constrain local governance and urban development in the North.** Cities are geographically distant from Abidjan where the administration and decision processes are concentrated. The Ministry of Construction, Housing and Urban Development (MCLU) has a central role in the formulation and implementation of policies and laws, the preparation of urban master plans and other planning instruments, and the administration of state land reserves. The Tax General Directorate is also an important actor as it is responsible for the administration of the urban Real Estate Cadastre and the Land Book. Other key institutions at the central level include the Ministry of Planning and Development (MPD), Ministry of Sanitation (MINASS), and the Ministry of Territorial Administration and Decentralization. Regional and local authorities – regions, departments, districts, and cities or municipalities – have important attributions in the areas of territorial development, urban planning, health, education, markets, housing, transportation, sanitation, and electrification, among others.<sup>5</sup> However, there are major impediments to effective decentralization: (a) ineffective management capacity of local governments for service delivery, (b) poor generation and use of municipal resources, (c) weak mechanisms to involve citizens in the management of local affairs, and (d) limited and sporadic intergovernmental transfer of financial resources. Secondary city budgets are typically between \$1 and \$7 per capita. As a consequence, even the larger cities have very limited financial resources to provide adequate services. Municipal budgets are predominantly consumed by payroll expenditure (80 to 85 percent), leaving little resources for investments and maintenance.

10. **Cities in the North face important challenges related to land tenure and administration, resulting in frequent land conflicts and widespread land tenure insecurity.** In principle, real property rights must be registered in Cote d’Ivoire’s Real Estate Cadastre and Land Book, which is administered by the Ministry of Budget and State Portfolio’s (MPBE) General Directorate of Taxes (DGI) through a network of land registration and mortgage offices. However, formal real property rights registration services have remained largely inaccessible to most of the population who instead relies on alternatives such as obtaining certificates issued by traditional and local authorities. These parallel land administration systems are a source of tenure insecurity as it is difficult to establish land ownership rights, prevent lots from being sold multiple times, and prevent having a reliable source of information to rely upon when addressing land conflicts. Uncertainties surrounding who owns the land also result in long delays for private investments.

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<sup>4</sup> Village Subdivisions (*lotissements villageois*) refers to the process whereby customary authorities, families or individuals proceed with the subdivisions of an area without necessarily following existing plans and regulation. These operations generally involve land surveyors who produce subdivisions plans, which are then approved by the municipality, before being submitted to the MCLU for final approval.

<sup>5</sup> Law no.203-208 of July 7 2003



11. **Local economies in the North are heavily reliant on agriculture and need to diversify to support job creation, especially for youth and women.** The local economic profile is dominated by the tertiary sector, with a focus on basic economic services, such as markets and banks. Other types of economic activities in the industrial sector are very limited. Processing capacity is either thin or absent altogether, with economic activities limited to agricultural raw material such as mangoes and cashew. Youth are caught between diminishing opportunities in the rural sector (e.g., land shortage, exclusionary inheritance customs) and informal activities (e.g., moto-taxis) in cities leaving them highly vulnerable to external shocks. Women mostly work in the informal sector particularly in food systems: peri-urban vegetable production, small-scale cottage processing (e.g. shea butter), and trading and services at local level, also highly vulnerable to shocks. In Korhogo and Ferkessedougou, respectively 74 percent and 64 percent of 15–24-year-olds do not work.<sup>6</sup>

12. **Conflicts in the Sahel are a major risk to the economic development and stability of the North.** The social and economic gap between the North and the South is aggravated by external factors such as attacks from Jihadist affiliated groups and clashes between farmers and herders from the Sahel. Sikasso in Mali, as well as Boucle du Mouhoun, Hauts-Bassins and Cascades in Burkina Faso are experiencing structural fragilities, which heighten the risk of contagion to the northernmost part of Cote d'Ivoire. The destabilization of Burkina Faso is leading to a regrouping of the jihadist movements in Northern Cote d'Ivoire, particularly in the North-East, in the Comoé forest between Bouna and Ferkessedougou. Other vulnerable areas include Tengréla, near the border with Mali, Ouangolodougou along the border with Burkina Faso, but also Boundiali and Korhogo. The number of conflicts along the northern border with Mali and Burkina Faso have increased significantly. Northern Cote d'Ivoire is part of the Sahel's Central Transhumance Corridor. Over recent years, due to various stressors such as climate change, competition over land and water, and insecurity, Northern Cote d'Ivoire has become a more permanent destination for stranded herders as part of their adaptation strategy. Conflicts between farmers and herders are particularly pronounced in the areas around Bouna. Furthermore, the infrastructure gap, lack of job prospects and fragile social cohesion are aggravating factors to the fragile environment and could facilitate the spread of the conflict in north CIV. In this regard, cities can play an important role in addressing those underlying vulnerabilities by providing better access to services and job opportunities, and by supporting social cohesion through stronger institutions and community participation.

13. **Climate change is worsening the fragility of cities in the North.** Cote d'Ivoire is in a transition zone between humid equatorial climate to the southeast and drier tropical conditions to the north, heavily influenced by the West African Monsoon which brings moisture during the wet season, with recurring extreme rainfall episodes. Climate change is expected to make rainfall patterns more erratic and unpredictable within longer dry periods and the intensification of extreme rainfall. While the southern part of the country is more prone to floods, they are also affecting northern cities such as Korhogo in 2007. Cities are ill-prepared to cope with floods, while traditional vegetation (which plays a regulating role in the local hydrological cycle) has been receding over decades, creating the conditions for landslides. Further, temperatures are expected to increase (between 3 and 6 °C on average by the end of the century), posing risks for urbanization, with more frequent heatwaves leading to public health risks, and the alternance of extreme heat and extended droughts with flood events creating the conditions for faster wearing of infrastructure and buildings, and the need to revise building codes and practices. The alternance of drought episodes and extreme rainfall also has the potential to exacerbate food insecurity and renders the North's largely agricultural economy even more vulnerable to shocks, affecting the potential of cities as an engine of growth.

#### Relationship to CPF

14. **The proposed project is aligned with the Country Partnership Framework (CPF) for Côte d'Ivoire for FY16–FY19, and its 2021 update.** The CPF has three pillars of intervention: (a) accelerating sustainable private sector-led growth; (b) building human capital for economic development and social cohesion; and (c) strengthening public financial management

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<sup>6</sup> Northern Cities ASA



and accountability, as well as two cross-cutting themes: (a) governance and (b) spatial inequality. The project is linked to the first pillar and will directly contribute to objectives 2 (strengthen economic infrastructure). The project will help create an urban environment more conducive to private sector development by financing infrastructure, economic facilities, urban planning and regulations tools for better land use in the targeted cities. It will support local economic development and job creation; enhance social cohesion and addressing urban fragility. It will also strengthen institutional capacity at central, local and regional levels and increase regional integration within Cote d'Ivoire and across its northern borders.

15. **The project will contribute to the World Bank's twin goals to eliminate extreme poverty and boost shared prosperity.** The project will directly and significantly improve living standards in target cities through better access to basic services and infrastructure, as well as improvements in the business environment and economic opportunities. It will boost local economic development and offer economies of scale to firms and jobs to workers. **The project is also aligned with the targets of Sustainable Development Goal 11 – Making cities inclusive, safe, resilient, and sustainable – as well as Cote d'Ivoire's NDP.** The NDP features the project *"Cote d'Ivoire Solidaire"*, whose objective is to strengthen peace, reduce fragility, and build local governance, through the promotion of civic awareness, transparency, and meritocracy at all levels of decision-making and across all sectors of the economy.

16. **The project is also in line with the World Bank's Western and Central Africa priorities for 2021-2025 outlined in the "Africa ACT, Adapt, Connect and Transform" report.** It contributes to its four transformational goals: (a) Create a new social contract. The project will use a sequenced approach that aim to implement quick and tangible activities first, to reinforce communities State's trust and will strengthen institutional capacity for better service delivery; (b) Creating more and better jobs, through investments in major critical urban and economic infrastructure; (c) Strengthen human capital. The proposed project will also finance interventions in the health and education and will put a focus on women and disadvantaged groups' participation to increase human capital outcomes; and (d) Boost climate resilience. Infrastructure in this project will be made climate resilient, and a large share of them will focus on making cities more resilient to climate disasters.

17. **The proposed project builds upon the findings of the Advisory Services and Analytics (ASA) Cote d'Ivoire Northern Cities Territorial Development Review (P175630).** This ASA highlights the challenges related to fragility, and lagging in Cote d'Ivoire's six northernmost regions (Folon, Kabadougou, Bagoué, Poro, Tchologo, and Bounkani), along the border with Guinea, Mali, and Burkina Faso, where the Sahel conflict impacts most heavily the social and economic fabric. The ASA points to the need for a territorial development approach anchored in inclusive secondary cities that can become engines of economic growth and provide opportunities for economic, spatial, and social inclusion to its citizens. The recommendations focus on improving quality of life through investments in infrastructure and services, supporting local economic development and job creation, enhancing social cohesion, and addressing urban fragility, strengthening institutional capacity at the local level, and increasing regional integration within Cote d'Ivoire and across the border. The report highlights that many of these needs can be addressed by prioritizing investments with "quick wins" and medium to long term actions in cities.

### C. Proposed Development Objective(s)

18. The project development objective is to improve communities' access to urban infrastructure and basic services, and strengthen institutional capacity of local actors in targeted northern cities.

#### Key Results (From PCN)

19. The achievement of the PDO will be measured against the achievement of the following key results:

- People provided with improved urban living conditions (of which women) – Corporate results indicator





- Urban economic infrastructure rehabilitated/constructed under the project functional a year after completion (percentage)
- Beneficiaries of Job-focused interventions (of which women) (Corporate results indicator)
- Number of cities with improved urban planning and management, as measured by the completion and update of local development and urban plans with prioritized investments
- Percentage of investments with citizen engagement and public consultations (CE indicator)

#### D. Concept Description

**20. Investment package.** The project will finance spatially integrated investments (infrastructure) across cities for increased impacts, through a territorial approach focused on sustainable and inclusive urban development and job creation. It will also strengthen the capacity of local authorities to manage and incentivize inclusive local development, and foster inclusion and social cohesion through community investments in services and social infrastructure, as well as strong participatory approaches.

**21. Synergy and collaboration with other projects:** The proposed project is part of a broader framework of World Bank support to the Northern regions. The project complements a series of intervention including inter alia the Gulf of Guinea Social Cohesion project (P175043) focusing on rural areas, the Northern CI Electricity and Digital access project and the upcoming rural roads project. It will also build and extend ongoing efforts<sup>7</sup> in the areas of agriculture (food and cashew projects), social protection and development, and job, facilitating the growth of northern cities and their surrounding rural areas, while strengthening their role in the national and regional economy.

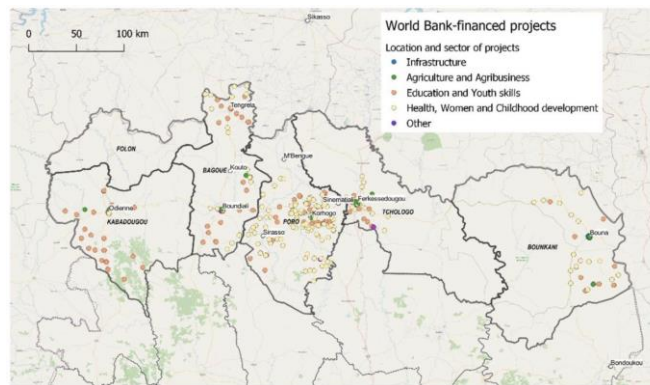


Figure 1: WB financed projects in Northern regions

**22. Geographical scope.** The project will target selected cities within the six aforementioned regions (Folon, Kabadougou, Bagoué, Poro, Tchologo, and Bounkani), to be identified with the Government during Project preparation. A limited number of cities will be proposed to favor a concentration of investments for higher impact while at the same time supporting some of the most fragile cities, in particular along the borders. The criteria that may support the selection of the cities and towns include: (i) urban population size; (iii) job opportunities or economic development potential; (iii)

<sup>7</sup> These operations include inter alia Urban Resilience and Solid Waste Management Project (P168308), Urban Water Supply and Sanitation Project (P170502), Cashew Value Chain Competitiveness Project (P158810), Productive Social Safety Nets Project (P143332). These projects support investments in power production and distribution (Ferkessédougou, Boundiali and Odienné), waste management (Korhogo, Sinématiali, Ferkessédougou, and Ouangolodougou), urban water supply (Korhogo and Ferkessédougou), and construction of the Korhogo Agro-Industrial Zone.





fragility (conflict from Sahel, climate change and migration); and (iv) the current gap/backlog in resilient infrastructure and service delivery.



Figure 2: CIV Northernmost regions

23. **Sequencing.** A first set of “quick win” project investments will be implemented during the first year to allow immediate execution of activities with quick and tangible results, while simultaneously preparing additional investments to be implemented at a later stage. This approach will help enhance the public perception of the state and build trust in a context marked by fragility. The project’s early investments (**Step 1: year 1 and 2**) will help address immediate community needs, make them more resilient to shocks, and encourage their active participation throughout implementation, thereby fostering social inclusion. This will also help develop community interest in and ownership of the investments, encourage stakeholders to maintain them, and therefore contribute to the sustainability of the project’s investments. Medium- and large-scale activities will start at a later stage (**Step 2: from year 2**) but related studies will be performed starting the first year of project implementation.

24. **Lessons learned and reflected in the project design.** Lessons learned from recent investment projects to generate inclusive growth in fragile and low-capacity environments have been embedded in the project design. World Bank experience with recent urban projects in Sub-Saharan Africa<sup>8</sup> shows that: (i) a spatially driven multi sectoral approach (i.e., that combine investments in infrastructure, basic services, economic development, governance, community engagement, and security) is key to achieving inclusive transformative development; (ii) adopting a phased approach helps ensure that implementation proceeds with minimal delays; (iii) ensuring that communities are genuinely involved in the selection of the project activities in order to foster social cohesion and ensure greater ownership and sustainability of investments; (iv) ensure that vulnerable groups such as women, youth, and minorities, actively participate in the decision-making process; (v) utilize labor intensive approaches to provide and maintain basic infrastructure and services can help create jobs for youth and develop their skills; and (vi) in conflict-prone and polarized communities, create opportunities for dialogue among community leaders to help minimize and address conflicts and (vii) simplicity and flexibility in design should not be discounted. In rapidly and unpredictable changing situations, the importance of designing programs and implementation mechanisms which allow for a flexible and rapid response to emerging needs.

The project will be structured around the following components:

**Component 1: Urban infrastructure investments (US\$271 million)**

<sup>8</sup> These operations include the Cote d’Ivoire - Emergency Urban infrastructure (P110020), Cote d’Ivoire - Infrastructure Renewal and Urban Management Project Additional Financing (P156253), Cote d’Ivoire - Infrastructure for Urban Development and Competitiveness of second cities (P151324), Mali - Reconstruction and Economic Recovery Project (P144442), Cameroon - Inclusive and Resilient Cities Development Project (P156210), and Togo - Infrastructure and Urban Development Project (P161772).



25. This component is driven by a spatial approach and will focus on social and economic urban infrastructure tailored to each targeted city's specific needs and priorities, with a focus on no regret and rapid operations as well as impactful investments that will enable local economic development, job creation and social inclusion. When needed, infrastructure investments will be coupled with implementation support and technical assistance for management and O&M arrangements. Climate change considerations will be embedded into infrastructure design to be more resilient to current and future climate-related impacts.

**Sub-component 1.1: Quick wins and social infrastructure investments (US\$40 million)**

26. 'Quick wins' through important infrastructure projects and community engagement are key to fighting fragility. This sub-component will finance small-size urban infrastructure identified as priority actions by communities and local authorities that can be implemented in the first years of the project. These activities will be identified during project preparation using existing participatory local development plans and programs or other available urban planning documents, diagnostics, and studies and in close collaboration with local and regional authorities. Public participation will be sought through community dialogues.

27. Investments will include activities which only require rapid studies and have an immediate positive impact on the living conditions in the target cities such as water supply points/systems and section of distribution network rehabilitation, water households connections, equipment, neighborhood solid waste collection, street gutters and storm drains cleaning to help reduce flooding; public lighting repairs, electricity distribution rehabilitation; and, equipment of schools, health centers, among others, using labor intensive approach to enhance job creation.

**Subcomponent 1.2: Climate informed medium and large size infrastructure (US\$190 million)**

28. This subcomponent will finance medium and large-size investments to improve access to infrastructure and basic services. Medium to longer term priority actions are critical to build sustainability, and make communities and local governments more resilient to shocks. These activities will be derived from existing participatory planning instruments or programs. In cities where such plans or programs do not exist or are outdated or where not prepared in a participatory manner, they will be elaborated or updated under subcomponent 2.1.

29. Activities will include inter alia construction and rehabilitation of roads (intra and inter-city roads), electricity, water supply, drainage, and sanitation networks, solid waste management, rehabilitation/construction of health and educational facilities with adequate furniture and equipment, public amenities that contribute to social cohesion (recreation and community centers, sport areas, parks, green spaces, planting trees and anti-erosive measures). Activities will be designed with close attention to resilience and climate change including latest guidelines on accounting for climate extremes in infrastructure design and accounting for nature-based solutions where it can reduce costs. Investments will be selected against criteria such as: (1) cost-effectiveness; (2) sustainability; (3) operation and maintenance (O&M) arrangements; (4) potential employment impact; (5) considerations of vulnerable groups; and (6) synergies with other donors 'intervention to maximize and crowd in financing sources. These criteria will be further fine-tuned with Governments during preparation and included in the operations manual.

**Subcomponent 1.3. Economic infrastructure (US\$41 million)**

30. This subcomponent will help improve local economic and support job creation particularly for women, youth, and vulnerable groups. Activities will include inter alia: (i) construction and upgrading of markets and commercial facilities (e.g. wholesale markets, cattle markets, fairs, warehouses, storage facilities) with climate change considerations and studies to improve management of commercial infrastructure and support to implementing recommendations; (ii) dialogue with local entrepreneurs and formulation and implementation of strategies and programs (training and access-to-finance programs, skills development (training center facilities and vocational training programs), skills building programs at the University of Korhogo) to support local economic development and job creation). There will be a focus on initiatives



directly benefiting women and youth (e.g., facilitating investments in women-friendly value chain such as shea butter and small scale aggregation and cottage food processing platforms, solid waste management, construction/ rehabilitation and maintenance of micro infrastructure); and (iii) support the development of e-commerce (e.g., investments in digital facilities, ICT training for women to boost their activities by taking advantage of web-based opportunities, and support to local initiatives related to the expansion and adoption of digital technologies).

## **Component 2: Inclusive and resilient urban planning and capacity building for improved basic services delivery and reduced fragility (US\$12 million)**

### **Sub-component 2.1: Inclusive and resilient Urban Planning and Land Administration (US\$7million)**

31. This subcomponent will finance a series of tools – regulatory or operational - at the national and local level to help improve urban management. This will include preparation or updating Urban and Sanitation Master Plans and other local planning instruments assorted with a priority investment program for each city as well as detailed technical studies. The prioritized investments program will be used as a roadmap for future investments, to be discussed among stakeholders, including national and local governments, private sectors, as well as technical and financial partners. The project will pilot more innovative urban planning, tools that promote citizen engagement and a more inclusive approach vis-à-vis women, youth, and vulnerable groups. At the national level the subcomponent will finance the updating of the policy documents and, the operationalization of a new urban regulation code (implementation decrees).

32. This subcomponent will also contribute to land regularization programs by financing related studies and pilot operations of selected neighborhood (with low density) upgrading to accelerate delivery of infrastructure and services. Infrastructure and equipment related to this pilot will be part of sub-component 1.2.

### **Sub-component 2.2: Institutional capacity building for improved services delivery and community strengthening for reduced fragility (US\$5 million)**

33. This subcomponent will support both institutional actors and communities by enhancing capacity building and resilience. Activities may include inter alia: (i) technical assistance, studies and training, equipment, to strengthen local authorities' capacities in inclusive and sustainable urban planning, land use planification, O&M, decentralization of key urban development responsibilities, land management and administration, data management, municipal finance, procurement, and crisis management among others; (ii) formulation and implementation strategies to resolve and reduce the occurrence of internal conflicts especially on land issues and urban fragility; and (iii) the establishment of a Community-Based Early Warning System.

### **Component 3: Project Management Support (US\$17 million)**

34. This subcomponent will finance project management and coordination cost including: (i) staffing, training, equipment, and operating costs for the Project Coordination Unit (including its Liaison Office in Abidjan) and implementing entities; (ii) establishment of a comprehensive monitoring and evaluation (M&E) system; (iii) implementation of the Environment and Safeguard Framework; and (iv) public information, citizen engagement, communication, and knowledge exchange, and grievance redress mechanism.

### **Component 4: Contingent Emergency Response Component (US\$0 million)**

35. A Contingent Emergency Response Component (CERC) included as per World Bank Policy Investment Project Financing, paragraphs 12 and 13. There will initially be no funds allocated to these Component. In case of (i) urgent need of assistance because of a natural or man-made disaster or conflict; or (ii) experience capacity constraints because of fragility or specific vulnerabilities, the Borrower may request the reallocation of project funds to this component.



36. **Citizen engagement.** As evidence and experience show that citizen participation in project and operation helps obtain better and relevant results vis a vis community's needs, the project will work with the government to establish a tailored citizen engagement process to assure population needs and aspirations are well integrated in project design and throughout project implementation. The project will seek to use three level of engagement: Inform, consult, and collaborate. The objective is to facilitate ownership of the project assets and ensure their maintenance by communities.

37. **Gender.** The project will help reduce gender gaps and barriers to women's participation in the local economy. According to the World Bank's Gender Strategy for 2016-2023, women lag behind men in most measurement of economic opportunity. In 2019, Cote d'Ivoire female labor force participate rate was 45 percent against 63 percent<sup>9</sup> for male and the gap in wages and salaried workers is also noticeable (18,9 percent for female against 36,3 percent for male in 2019). The project contributes to bridge this gap by supporting economic opportunities where women are the most engaged. The project will give a voice to women through its citizen engagement process. The project will support the organization of focus groups with a balanced participation of women and men, but also dedicated consultation session attended by women only to collect their needs and aspirations and ensure their active participation in the project design and implementation. The project will also try to foster a more balanced distribution of power within local government authorities as well as formal and informal institutions by developing women's capacity and strengthening their knowledge.

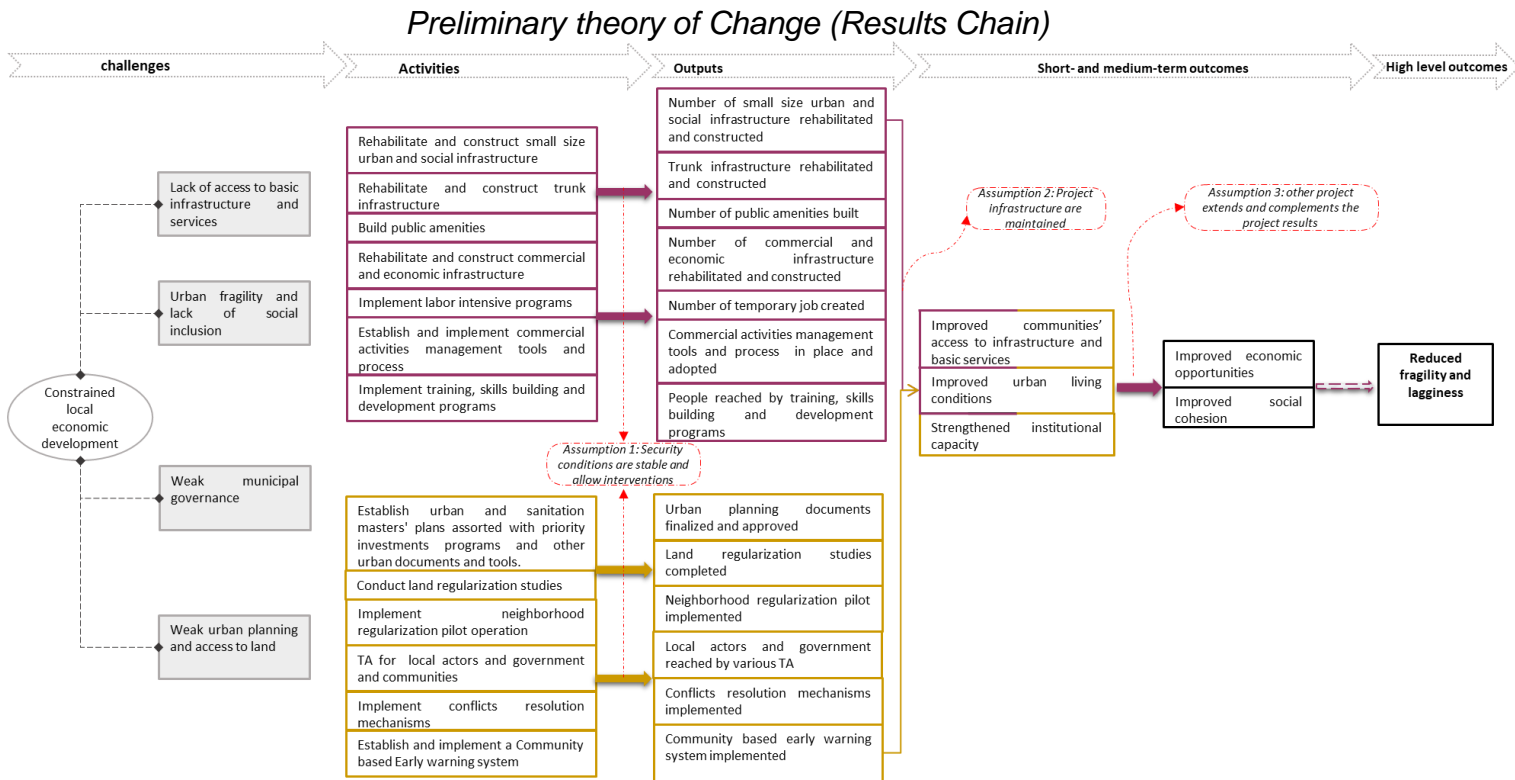
38. Gender-based violence leads to reduced mobility, restricted access to certain jobs, work absenteeism for both men and women, and long-term trauma and mental health issues, which affect the next generation<sup>10</sup>. The project will carry out a GBV assessment during preparation and set-up a dedicated Grievance Redress Mechanism with a channel to address Gender Based Violence complaints. The project will fund a variety of activities to improve the safety and security of communities, for women, in particular.

39. **Climate co-benefits.** Most project investments are expected to contribute substantially to climate change adaptation and mitigation. Small and large urban infrastructure (component 1) will be upgraded or designed using improved standards to reduce occurrence of climate related events, and include nature-based solutions, and combined with soft measures" like capacity building in urban resilience and disaster risks management. Social and economic facilities (green, recreational spaces, markets) will be designed with consideration of current and future local climate risks. The potential of nature-based solutions will also be leveraged. The project will also contribute to reduce GHG emissions through paved/rehabilitated roads, wastewater treatment and improvement of SWM by leveraging existing initiatives in the sector and thus integrate climate mitigation measures into project objectives.

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<sup>9</sup> World Bank Group gender portal data

<sup>10</sup> The word Bank group gender strategy (FY16-23): gender equality, poverty reduction and inclusive growth



## 2. Overall Risk and Explanation

40. The overall risk rating of the project is **Substantial** because political and governance, institutional capacity, fiduciary, and E&S ratings are substantial.

41. **Political and governance risk is substantial.** The 2020 presidential election has created important tensions between communities both in the South and the North and has revealed certain persistent fragilities in the political arena. But Government is taking concrete steps and action to foster reconciliation and thus reduced the potential impacts on the proposed operation. Transparency and decentralization in the governance system are not fully achieved and may negatively impacts project investments as its geographical scope is mainly in the North and may cause important delays in the procurement process of projects activities. The political and governance risk will be mitigated with increased population involvement and greater devolution. The project will monitor stakeholder engagement activities to ensure these are inclusive, accessible, and responsive to community feedback throughout the project lifecycle.

42. **Institutional capacity for implementation and sustainability risk is substantial.** Government institutions have a good record in implementing multisectoral projects including those financed by the world Bank, but various risks are still considered. (i) The lack of coordination between institutions at the central and local level could delay project implementation; (ii) capacity constraints of the Government to prepare quality studies, particularly for some complex activities leading to long reviews and implementation delays; (iii) the location of the PCU in the field could create some coordination problems at the central level. As mitigation measures, strong dialogues with the concerned national institutions and ministries will begin early and the PCU will be established during project preparation with early training in procurement, financial management, environmental and social safeguards, project management, and strong technical assistance. The project will establish a platform for exchanges and coordination efforts during preparation and throughout implementation.



43. **Fiduciary risk is substantial.** At this time, there is little information available on the type, nature, and value of the expenditures and procurement expected under the proposed project. This will be confirmed during Appraisal when the project's expenditure profile becomes known. Bank will conduct an assessment of the project implementing unit's fiduciary systems. The Bank's assessment will determine main risks associated with the project implementation in addition with the mitigation measures. In Cote d'Ivoire, Government institutions have a good record in implementing multisectoral projects including those financed by the world Bank. However, the appointed ministry does not have enough experience with world Bank project. Thus, the assessment, which will be completed by Appraisal, will identify the strengths and the opportunities for improvement in the appointed implementation unit. In addition, a project procurement strategy for development (PPSD) will be elaborated by Government and validated by Bank prior to negotiations. The fiduciary risk at this early stage in preparation of the Project is considered **Substantial**, and this will be updated at Appraisal stage and appropriate strengthening measures proposed based on the detailed assessment.

44. **Environmental and social risks are substantial.** The environmental risk classification for the project is substantial due to the wide impact geographic area, increased air, soil and water pollution, vegetation clearing, biodiversity loss, soil erosion and degradation as well as occupational and community health and safety issues related to the development of socio and economic infrastructure during construction and operation phases. Additional risks are related to potential civil works activities close to potential sensitive terrestrial habitats and to fauna disturbance. Some of these risks and impacts are expected to be significant but mostly will be temporary, predictable and/or reversible. Operation phase impacts include generation and discharge or disposal of wastewater and domestic solid waste as well as improper maintenance of social and economic infrastructure.

45. At Concept, the social risk classification is Substantial. As the specific subprojects and project sites have not yet been identified, the social risks and impacts are not yet known. Social risks and impacts will be assessed during preparation but are expected to include health and safety of workers, community safety including SEA/H, insecurity, potential need for land acquisition and economic displacement. While the scale of the potential interventions is expected to be moderate, the project will be implemented over many project sites in a region that is facing increasing insecurity. As a result, the ability to implement and supervise project activities is likely to be restricted. It is possible that this classification will change once details regarding the specific activities, exact locations, institutional capacity of the proposed implementing arrangement including the decentralized PCU as well as the results of the security risk assessment have been determined.

46. The risks and impacts will further be assessed under ESS1, ESS2, ESS3, ESS4, ESS5, ESS6, ESS8 and ESS10. Therefore, it is envisaged that the project will prepare the following instruments during project preparation:

- Environmental and Social Management Framework (ESMF)
- Resettlement Policy Framework (RPF)
- Labor Management Procedures (LMP) in the ESMF and;
- Stakeholder Engagement Plan (SEP).

47. These documents will be disclosed in country and on the Bank's website. Details of the disclosure dates will be agreed upon and included in the Environment and Social Commitment Plan (ESCP). The instruments prepared will incorporate relevant guidance from the World Bank's Environmental, Health and Safety Guidelines (EHSB) i.e., general and sector specific guidelines. During project implementation, ESIA's, site specific Contractor's Environmental and Social Management Plans (CESMPs) and RAPs will be prepared as appropriate.

48. **Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating is Substantial.** The SEA/SH is aligned to the social risk rating at the concept and will be assessed during the project preparation.





## 1. B. Economic Analysis

### 1. Briefly describe the development impact in terms of expected benefits and costs

49. **Costs** include: (i) capital investments for urban and socio-economic infrastructure construction and rehabilitation, (ii) furniture and equipment (ii) labor-intensive infrastructure maintenance, (iii) training, capacity building, and community engagement; (vi) institutional support and project management. Other costs, including those related to the implementation of the Environment and Social Framework, may be identified during Project preparation. **Benefits** include (i) a reduction of the number of people exposed to floods, communicable diseases, water and air pollution, loss of assets and people, and insecurity. Benefits also include (ii) improved intra- and inter-city exchanges, which will help reduce transportation costs, as well as make school and hospital more accessible. It will improve the quality of the resident of the target cities. It will also help improving investments climate in target areas and support local economic development.

Rationale for public sector provisioning/financing, if applicable

50. **The main rationale for public sector financing is the lack of viable investment opportunities for the private sector to invest and operate.** Cities in Northern Cote d'Ivoire cumulate many development constraints, starting with the lack of public investment towards the improvement of the living environment and access to basic services for housing and socio-economic activities. The weak local economy combined to the fragile environment in the North do not favor private investment. In addition, the national and local governments lack the necessary capacity to attract private financing for such public infrastructure. Furthermore, development sustainability will require to invest into the communities to help manage tensions and nurture social cohesion between different community groups.

### 3. Value added of the Bank's support

51. The World has been financing urban development projects since the 1970s and has been supporting the Government of Cote d'Ivoire in addressing urban development challenges for decades. In Cote d'Ivoire, the World Bank currently finances five urban development projects amounting to a total of over US\$ 1.2 billion<sup>11</sup>, as well as several other operations with investments in urban areas. In Sub-Saharan Africa, the World Bank has a diversified and extensive experience in supporting government in Sub-Saharan Africa and around the work transforming cities, the World Bank is in a unique position to help Cote d'Ivoire design and implement this project. With the preparation of the ASA Cote d'Ivoire Northern Cities Territorial Development Review (P175630), the World Bank acquired a strong understanding of urban development challenges in northern Cote d'Ivoire. Through its analytical and operational work in Cote d'Ivoire, the World Bank has also built a strong relationship with the key institutions involved in urban development. The World Bank will work using a territorial approach in coordination with other development partners (e.g., French Development Agency and West African Economic and Monetary Union) to ensure the complementary of their respective engagements.

### 4. Brief description of methodology/scope and next steps

52. An economic analysis will be conducted during project preparation. This will be a cost-benefit analysis that will contrast the expected project investments with the quantifiable benefits. Regarding costs, the economic analysis will ensure that all possible externalities are included to produce an assessment that closely reflects reality. The analysis will estimate the project's Net Present Value (NPV) and Expected Internal Rate of Return (EIRR), which is expected to be higher than the 12 percent interest rate. Results will be subjected to the following three type of sensitivity tests: (i) 10 percent increase in costs; (ii) 10 percent reduction in benefits; and (iii) one year delay in the start of implementation of project

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<sup>11</sup> Urban Water Supply and Sanitation Project (P156739-P170502), the Urban Resilience and Solid Waste Management Project (P168308), Infrastructure for Urban Development and competitiveness of second cities (P151324), Greater Abidjan port and city integration project (P159697), and the Abidjan Urban Mobility Project (P167401).



activities. The project structure and activities will be discussed and detailed with national, regional, and local authorities to estimate the associated costs. Data requirements will be defined in advance to allow for timely availability.

### C. Implementing Agency Assessment

53. **It is expected that overall project implementation responsibility will lie with a PCU anchored in the Ministry of Planning and Development (MPD).** The MPD will be responsible for establishing: (i) an Inter-Ministerial Steering Committee (ISC) headed by the Ministry and including the various ministries of the key sectors covered by the project; and (ii) a PCU. Local Steering Committee (LCS) will also be established in each target cities.

54. **Inter-Ministerial Steering Committee (ISC):** The ISC will be chaired by the MPD and will include representative from the Ministry of Sanitation and Hygiene, Ministry of Equipment and Road Maintenance, Ministry of the Interior and Security, Ministry of Economy and Finance, Ministry of Construction, Housing and Urban Planning, Ministry of the Budget and the State Portfolio, Association of Regions and District of Cote d'Ivoire (ARDCI), and Union of Cities and Municipalities of Côte d'Ivoire (UVICOCI). The ISC will meet at least twice a year and hold extraordinary meetings as necessary. The ISC will, inter alia, provide overall project supervision and strategic guidance; and (ii) facilitate coordination between project stakeholders.

55. **Project Coordination Unit (PCU):** The PCU<sup>12</sup> is expected to be located in Korhogo (with a small office in Abidjan) and will allow the project implementation team to be closer to the target population and local institutions and better to adapt to local needs. It will also help empower local and regional actors in the planning, procurement, and execution of the project investments. In the longer term, it is expected that the PCU could become a territorial implementation unit for all future development projects in the region. This strategy will bring many benefits. For the short term, proximity between local actors and PCU in the planning and implementation of activities will, considering the geographic distance from the administrative center of Abidjan, help to facilitate day to day operations. For the medium-long term, this approach will contribute to the promotion of local construction companies through the creation of subsidiaries, revitalization of the real estate sector, job creation and potentially, foster better citizen-state relations. The implications and risks associated with the establishment of the PCU in Korhogo will be detailed and discussed during project preparation with a focus on bridging to key national institutions.

56. The PCU will be responsible for day-to-day project management. This will include fiduciary functions, M&E, as well as Environmental and Social Safeguards compliance. The PCU will also screen and approve project investments proposed by Local Governments. PCU staff will include at least a Project Coordinator, a Procurement Specialist, a Financial Management Specialist, an Accountant, a M&E Specialist, an Environmental Safeguard Specialist, and a Social Development Specialist. Technical experts will be hired as needed (e.g., Urban Planning Specialist, Civil Engineer, Land Administration Specialist). It is expected that the PCU that will have a small antenna in Abidjan, while the core team will be based in the north of Cote d'Ivoire, possibly in Korhogo.

57. **Local Steering Committees (LSC):** LSCs will be established in the target cities. They will be chaired by the mayor and include representative from relevant municipal departments, deconcentrated services of the State, and the civil society (e.g., NGOs and women's associations). LCS will be responsible for coordination, planning and monitoring of implementation of project activities and will submit reports to the PCU to be reviewed by ISC on a regular basis, and encourage the participation of the civil society.

58. **Local Government:** The Local Government of the target cities will be responsible for developing investment proposals in a participatory approach in close collaboration with LSCs and specialized agencies, with technical and fiduciary responsibilities delegated to the PCU. The project will hire **municipal Engineers (ME)** who will be based in technical departments of the target cities. ME will be to provide technical advice to mayors on different aspects of projects

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<sup>12</sup> The PCU will be established during project preparation



activities, works, and maintenance strategies. They will also be responsible for strengthening the capacity of local governments through regular training sessions. Depending on the capacity and needs of each local government, the project may hire additional experts to second Local Governments on relevant technical matters.

59. **Specialized Agencies:** While the PCU will be responsible for the project’s fiduciary functions, Specialized agencies will support the PCU in the implementation within their technical mandate. In this regard, technical assistance contract will be established to define role and responsibilities.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The overall Environmental and Social Risk Classification is Substantial.

60. An Environmental and Social Review as conducted at the Concept Stage to assess the Borrower’s institutional capacity for environmental and social management and screen potential risks and impacts. In Côte d’Ivoire, the Ministry of Environment, and Sustainable Development (MINEDD) is responsible for setting policy guidelines and ensuring compliance with national environmental and social standards. MINEDD has different departments including the National Agency of Environment (ANDE, Agence Nationale de l’Environnement), which is in charge of safeguards compliance for all projects in the country. The Agency is well staffed in general but its capacity to manage technical and social aspects of development project implementation is considered moderate. The Project Coordination Unit (PCU) will be established under the Ministry of Planning and Development (MPD) who will chair an Inter-Ministerial Steering Committee (ISC) including the various ministries of the key sectors covered by the project. Local Steering Committee (LCS) will be established in each target city to supervise the project at the local level. A decentralized Project Coordination Unit (PCU) in Korhogo will be fully staffed, equipped and skilled. This will allow the project staff to be closer to the target population and better understand their needs. The implications and risks associated with the establishment of the decentralized PCU in Korhogo will be assessed during project preparation and recommendations for increasing their capacity, improving staffing and ensuring adequate resources will be outlined in the ESCP. Institutional capacity assessment will be undertaken during the preparation of the project to define needed and appropriate mitigation measures to address capacity weaknesses regarding coordination, monitoring and control of E&S activities.

61. The project is expected to pose known risks and have impacts associated with basic infrastructure in urban areas, mainly urban roads, drains, domestic electricity/water supply, and upgrading of informal settlements in this project. They include potential acquisition of land for road expansion; temporary removal of access to properties (residences, shops, schools, markets, etc.); cracking of houses due to vibrations from operating heavy equipment; traffic disruption; noise and dust; accidents and injuries; and rainwater accumulation affecting neighboring properties.



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