THE PLANNING EXPERIENCE OF THE IVORY COAST

PRESENT PROBLEMS AND PROSPECTS

July 30, 1970

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This report is based on the findings of Mr. Giulio Fossi, who visited the Ivory Coast from November 17 to December 3, 1969, as a member of the Economic Mission headed by Mr. Luis de Azcarate.
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ANNEX: Note on Regional Development: Surveys, Institutions and Policy Tools
I. SUMMARY AND RECOMMENDATIONS

1. During the ten years after independence, there was an important evolution in the way the Government of the Ivory Coast conceived the economic planning function. A major change took place in 1966.

2. The economic and financial management of the country was entirely centralized in the hands of a single ministry -- the Ministry of Finance, Economic Affairs and Planning -- during the first period 1960-65. A document entitled "Ten-Year Economic and Social Development Perspectives" covering the period 1960-70 was prepared and subsequently revised several times but never published. The only document published during the period was the annual government budget which had a section on public investment. The rationale was that under rapidly evolving conditions, the plan should serve only as a guideline for decision-making and that maximum freedom should be left to the competent authorities for shaping the economic policy of the country.

3. In the second period 1966-69 the Government decided that the influence of planning could and should become gradually more felt in the shaping of the economic policy and in the control of its implementation. The 1960-70 Development Perspectives were finalized and published. The plan was made into a law (Loi-Plan), supplemented by a rolling Three-Year Public Sector Investment Program (Loi-Programme), of which the first year was made into a special investment budget, included and published in the General Budget (Loi des Finances).

4. In 1966 the previously unified economic management of the country was split in two separate entities -- the Ministry of Planning and the Ministry of Finance and Economic Affairs. The planning and budgetary processes had to serve as the operational mechanism for the coordination of the two government machineries and for their linkage with the technical ministries.

5. The internal structure of the newly established Ministry of Planning has gone through successive modifications to adapt itself to its new functions. A process of plan follow-up has been established and periodic reports have been prepared on the execution of the plan. Attention has been given to the regional implications of planning and programming activities, and special Regional Development Commissions and Regional Delegates of the Ministry of Planning were created to this effect.

6. The preparation of the new 1971-75 plan started as early as 1967, and national and regional commissions numbering several hundred people have been working on the revision of a first draft which was submitted to them in 1968. The final document should be available by the end of 1970. The basic aim of the Government in adopting the new methodology for the plan preparation was the widespread participation throughout the country and at all levels in the elaboration of development policy.
In a period of ten years, planning has gradually become a modus operandi of the Ivoirian administration, but there are a number of possible improvements which could be made, including the following:

(a) To put into effect the coordinated procedure of planning and budgeting established by law, it is imperative that the correspondents of the Ministries of Planning and Finance in the technical ministries are: (i) unified, (ii) given the necessary status within the technical ministry, and (iii) according to circumstances and possibilities, transformed gradually into real programming units.

(b) Greater coordination should be sought between the Ministry of Planning and the Ministry of Finance in:

(i) the setting of the schedule for the annual preparation of both the Loi-Programme and the investment budget (BSIE), and

(ii) the preparation of the current and investment budgets thus allowing for an adequate forecasting of the increase in recurrent expenditure incurred by each non-income earning project.

(c) The improvement of the coordination of the medium and annual investment programs and their implications for recurrent expenditure forecasts (see b above) could be helped by the introduction of a Budget Review Committee with the participation, as permanent members, of the Director of the Budget, the Director of the BSIE and the Director of the Multi-Annual Programs of the Ministry of Planning (DPP) and, as temporary members, the representatives of the technical ministries.

(d) The consequences of the decision to go ahead rapidly with the implementation of both the San Pedro and Kossou projects will inevitably be reflected in a deviation of the actual implementation at the end of 1970 from the original sectoral allocations of the 1967-70 plan. To avoid some of the negative consequences on the global social and economic conditions of the country that may derive in future years from an excessive rigidity of the investment budget which was introduced by the above decision, the Government should find an appropriate mechanism which would enable it to adapt the pace of the implementation of the projects to the real economic possibilities of the country in future years.
(e) To be effective in the field of regional development, the Ministry of Planning will have to act essentially as a catalyst in the regions, by improving the coordination of the programs of the technical services, and as a watchdog within the central administration, providing the Government with the necessary information to avoid any policy decision being taken without due consideration of their effects on regional development. Specifically,

(i) In the agricultural sector, advantage should be taken of the present and potential possibilities of enlarging the scope of the activities of the "sociétés d'intervention" and of coordinating them with those of the Regional Development Commissions.

(ii) In the industrial sector, the revised investment code should have a provision to allow, when economically and technically feasible, the encouragement of the location of new plants in selected localities outside the Abidjan metropolitan area.

(iii) In the field of local finances, the feasibility of establishing a Regional Fund for Rural Development and Special Operations Fund should be examined.
II. THE PLANNING EXPERIENCE

8. Planning has existed in the Ivory Coast since independence in 1960. It has not suffered from too many institutional changes; however, there have been two distinct periods reflecting different conceptions of the role and function of planning. In the period 1960-65, the planning activity was part of a single ministry -- the Ministere des Finances, des Affaires Economiques et du Plan. In the period 1966-70, two separate ministries were created -- a Ministere du Plan and a Ministere des Finances et des Affaires Economiques. Yet in the field of planning a continuity was maintained by nominating the former "Administrateur General du Plan" (General Administrator of the Plan) within the Ministry of Finance and Planning as the Minister of the Plan. This, together with the fact that the document "Ten-Year Development Perspectives" of the country was kept as a guiding line throughout the period, should not be underestimated as to its positive influence. Necessary changes were in fact gradually introduced while maintaining continuity in objectives and action as is essential in any planning process.

A. PLANNING BETWEEN 1960 AND 1965

The Role of the Ministry of Finance, Economic Affairs and Planning

9. In the economic field, the Government has considered that a liberal policy towards foreign private investment and some public intervention in selected fields would serve best in the interest of the country. The Ministry of Finance, Economic Affairs and Planning was given full responsibility in the field of economic development until 1966. The planning function was shaped so as to maintain the maximum possible flexibility in the economic policy of the country, according to its real and changing needs. The role of foreign private investment was considered basic to the development of the industrial sector and the Ministry, on the basis of a liberal investment code, granted special incentives to the priority industries (industries prioritaires). The implementation of the development program in key sectors was accomplished by the creation of semi-public development corporations which were successful in the agro-industrial sector (e.g., Societe de Developpement du Palmier - SODEPALM; Societe d'Assistance Technique pour la modernisation de l'agriculture en Cote D'Ivoire - SATMACI; Societe de Developpement Forestier - SODEFOR, etc.). All of these actions were taken to attain the general objectives set out in the ten-year development perspectives which provided a useful source of well-coordinated background information for taking decisions. The investment budget was the practical tool where the annual program of public expenditure was defined. Any question of coordination between the planning and the budgetary functions was automatically resolved because at that time the two services belonged to a single ministry.
The "Perspectives Decennales"

10. The beginning of development planning in the Ivory Coast was the elaboration of a ten-year development scheme covering the decade 1960-70. This was essentially the work of experts from the consulting firm S.E.D.E.S. (Societe d'Etudes pour le Developpement Economique et Social). The document named "Perspectives Decennales de Developpement Economique et Social 1960-70" was never submitted to the Government for formal adoption, nor for that fact was it made public until 1967. The original draft, completed in 1962, was subsequently revised several times to adjust it to a rapidly changing reality before its final publication. During this period, it remained a working document to which only the Minister and few high officials had access. The document, as it appeared in the 1967 edition, was composed of two parts, one dealing with the global objectives, the other with the sectoral objectives.

11. The first part was a macroeconomic analysis of the economy, and contained a set of projections based on the national accounts. The financial requirements of the country's development program were also analyzed for both the public and private sectors and forecasts of internal and external resources were given. The value of this part of the Perspectives Decennales lay in the fact that the economic policy of the country was explicitly stated, not only in its growth targets, but in the monetary, fiscal and commercial policies that would have to be followed to attain them. In the second part dealing with the sectoral objectives, the agricultural and industrial development potentials of the country were analyzed in a rather comprehensive manner; the economic, cultural and social infrastructure which included the transport, education and health sectors was less expanded and so was the part dealing with the administrative infrastructure.

Regional Surveys

12. In 1962, within the framework of the planning activities, the Ministry of Finance, Economic Affairs and Planning initiated a series of ten detailed regional surveys. These were to result in a most thorough stock-taking operation of the sociological structure and economic conditions of the country, and a description is given in the Annex. Their utilization for regional planning purposes is described further.

B. PLANNING BETWEEN 1966 AND 1969

The Legal and Institutional Framework

13. On January 21, 1966 the President of the Republic assumed the portfolio of the Ministry of Finance, Economic Affairs and Planning and appointed two Ministre Delegue, creating two new and separate ministries. The two ministers have since remained in charge and were later given full ministerial rank. This change took place at the time of a general movement towards the Africanization of the governmental and administrative establishment, which the President decided to accomplish in a gradual manner. Yet the once unified
economic management of the country was now split into two. Therefore, if the check and balance system between the different approach of a Ministry of Planning and a Ministry of Finance had to function in the new set-up, it was obviously necessary that a process of coordination be created among the operational mechanisms of the two Government machineries. The following legal and institutional framework was conceived to this effect.

14. The Ministry of Planning would be responsible for what could be defined as a three-stage planning process consisting of: (a) the elaboration of ten-year perspectives (Perspectives Decennales) for the development of the economy, which served as a framework for (b) a Plan-Law (Loi-Plan) covering a four- (or five-) year period, supplemented by (c) a detailed rolling three-year public investment program, called Program-Law (Loi-Programme). The Loi-Plan sets the targets of the increase in per capita income, the volume of investment and its financing and the authorized increase for recurrent expenditure.

15. The Ministry of Finance would continue to prepare the Loi des Finances which would consist, as in the past, of the General Budget, dealing with current expenditure, and the Special Investment Budget (Budget Special d'Investissement et d'Equipement - BSIE). The latter would correspond to the first year of the rolling Loi-Programme and would thus be the link between the Ministries of Planning and Finance and also with the technical ministries which would be responsible for the execution of the public sector investment program.

16. It should be noted that the BSIE document gives a consolidated presentation for each year of all projects in the public sector and that the source of financing for each of them is specifically indicated: tax revenue, foreign aid loans, or suppliers' credits. The BSIE Directorate has also a special section which is responsible for foreign aid negotiations. The procedure to be followed is that the project preparation phase is the responsibility of the technical ministries which then forwards the project to the Ministry of Planning for examination as regards its coherence with the development plan and the Loi-Programme. The latter Ministry transmits it to the Ministry of Finance for actual negotiations. The Directorate of the Treasury (Direction du Tresor) is responsible for local currency disbursements, while the Caisse Autonome d'Amortissement (CAA) functions as cashier for all foreign resources. The latter in fact handles both the disbursements of loans for payments of projects and the servicing of the Government external debt.

17. In the field of regional development, the Loi-Plan 1967-70 created, at the provincial level under the chairmanship of the Prefect, the new Regional Development Commissions (Commissions de Developpement Regional - CDR). The Permanent Secretariat of these Commissions would be assumed by a Regional Delegate (Delegue Regional) of the Ministry of Planning. As regards the Ministry of Planning, no central regional development service was established until the structural reform of 1968 took place.
The Role of the Ministry of Planning

18. Between 1966 and 1969 the structure of the newly-created Ministry of Planning has gone through successive modifications. These were the consequences of the gradual process of adaptation of the new ministerial function as an autonomous element within the previously existing structure of the Ivoirian Government. The original structure was based on a Directorate of the Cabinet and five other directorates: Studies, Multiannual Programs, Private Investments, Productivity, and Control. In the present structure, as of early 1969, the directorates have been reduced to three: Studies (Direction des Etudes de Developpement - DED), Multiannual Programs (Direction des Programmes Pluriannuels - DPP), Industrial Development (Direction du Developpement Industriel - DDI), while maintaining and increasing the responsibility of the Cabinet, which includes a Special Regional Development Service (Service Autonome de l'Action Regionale - SAR) and a Bureau of Synthesis (Bureau de Synthese).

(a) The Department of Development Studies (DED)

19. The DED is in charge of all the studies necessary to the preparation of the development plan of the country and is also responsible for organizing the work of the national planning commissions which were created to this effect. It is also responsible for the control of studies which are done on a contract basis by foreign consulting firms. The research subjects covered by the DED are varied; accordingly, the staff (about 25 professionals) is multidisciplinary and includes economists, statisticians, sociologists, as well as sector specialists, manpower planners and geographers.

(b) The Department of Multiannual Programs (DPP)

20. DPP is in charge of the yearly elaboration of the Loi-Programme and subsequently of cooperating with appropriate directorates of the Ministry of Finance for the yearly elaboration of the BSIE. Its tasks is to ensure that the specific content of the public sector investment program corresponds to the targets set in the development plan and to follow up the degree of execution of individual projects. The staff of about 15 professionals includes civil engineers, agriculturalists, economists, financial analysis, sociologists and administrators. The work of the DPP is essentially one of coordination and of assistance to other technical ministries or public entities entrusted with sector responsibilities. This role is performed by the DPP in the various stages of project selection, preparation, financing and execution. In the case of foreign financing, it participates in the negotiations which remain the responsibility of the Ministry of Finance.

(c) The Department of Industrial Development (DDI)

21. DDI is responsible for channelling the actions which are taken in the private sector in order to fulfill the targets set in the development plan. To accomplish its tasks, it coordinates and supervises the programs of two
separate, recently created organizations. The Office de Promotion de l'Entreprise Ivoirienne (OPEI) has been set up to assist in the development of locally-owned industries, while the Bureau de Developpement Industriel (BDI) acts as a broker between foreign investors and the Ivoirian Government in view of obtaining its agreement to their initiatives and the financial and tax incentives provided by the Investment Code. A staff of about 12 professionals including engineers, economists, financial specialists and administrators is employed by the DDI.

(d) The Directorate of the Minister's executive office and annexed divisions

22. An important element in the reform has been to incorporate the supervision over the execution of the plan as part of the current function of each of the two operational directorates: the DPP for the public sector, and the DDI for the private sector, which is essentially in the industrial field, while leaving the Cabinet to control and coordinate current internal activities of the Ministry plus a yearly synthesis report on the execution of the plan.

23. To keep the President of the Republic and the other members of the Government informed of the current economic situation of the country during the course of the year, data on a number of current economic indicators are collected and elaborated by the Ministry of Planning through its Bureau de Synthèse du Plan, which prepares a monthly document called Tableau de Bord. Among the reasons for adopting the present structure was the aim to make the directors of the Ministry more operationally oriented by having to report on the execution of programs elaborated under their responsibility. In this follow-up process they would find out the difficulties involved in implementation which the technical ministries or private entrepreneurs had encountered and hence be able to take account of these in their successive phases of program elaboration. The Planning Supervision Service (Service d'Inspection du Plan - SIP) is a very small and specialized unit depending directly upon the Minister and performing specific supervisory missions; it is requested to control the execution of the plan; it also provides once a year a general report on plan implementation (Rapport d'Execution du Plan) which is the synthesis of the individual reports prepared by the DPP and the DDI.

24. The new autonomous service for regional action (SAR) was placed directly under the Minister's authority, via the Cabinet Directorate, and was given full responsibility for the balanced development of the regions of the country. For this purpose it would have as its task the coordination of all the activities of the Ministry in the field of the regional actions and would advise the other services within the Ministry on the regional implication of their planning and programming activities. The regional delegates of the Ministry would be depending hierarchically on the SAR for their activities, namely, the organization and secretariat of the Regional Development Commissions.

1/ Direction du Cabinet et services rattachés
The 1967-70 Loi-Plan

25. Having conceived the 1960-70 Perspectives Decennales as a framework for action and statement of valid objectives, and having evaluated the 1960-66 accomplishments, the 1967-70 plan was prepared by the Ministry of Planning and approved in 1967 by the National Assembly as Loi-Plan. The 1967-70 plan includes demographic and national income figures for the period 1960-65 and forecasts for 1970. It also shows, sector by sector, the original forecasts of the 1960-70 period, the accomplishments during 1960-65 and what remained to be done between 1967 and 1970 if the original targets were to be met. Of the total forecasted investment of CFAF 209 billion for the ten-year (1960-70) period, only CFAF 93 billion were actually invested during the first six years. As regards intersectoral allocations during the previous period, the implementation had been lagging in such sectors as agriculture and education; therefore, to avoid aggravating the existing distortions, the 1967-70 plan has given priority to these two sectors. Moreover, to avoid at the outset an overcommitment of the financial resources and of the technical capacity of the country to implement the program, the plan forecast of CFAF 116 billion investment was divided into two categories: CFAF 101 billion guaranteed (noyau garanti) and CFAF 15 billion optional (tranche optionelle).

The Loi-Programme

26. The Loi-Programme was conceived as a triennial detailed public investment program giving, sector by sector, a listing of all agreed upon projects with their individual source of financing which would be revised and extended every year according to the accomplishments of the previous year and the adjustment for the future that the situation would make necessary. The first Loi-Programme was prepared and approved by the National Assembly in 1967, but in 1968 and 1969 the delays experienced in the preparation of the law and its examination by the National Assembly impaired its timely discussions and approval. Yet both documents served in each case for the annual preparation of the BSIE.

The Budget Special d'Investissement et d'Equipement (BSIE)

27. The content of the BSIE, taking as an example the 1969 document presentation, is usually articulated in five parts: (i) a general presentation which includes a comparison of the 1969 to the 1968 BSIE and a section on the correlation between the BSIE and the Loi-Plan; (ii) the text of the law proper; (iii) a detailed description of all the financial resources, internal and external, including loans and suppliers' credits; (iv) a classification of all projects by sector (agricultural development, cultural development, economic, sanitary, social and administrative infrastructure, studies and research), but indicating separately the San Pedro and Kossou integrated projects; (v) a budgetary presentation giving a classification of expenditure in four categories of operation: already initiated, new, financed with suppliers' credits, and financed on loans. For each part, the distinction is made between the sum of the
authorized program (autorisation de programme - A.P.) and the sum of foreseen expenditure (prevision d'emploi - P.E.). To exemplify the latter distinction, while the authorized program for 1969 was CFAF 46.8 billion, the foreseen expenditure for the same year was CFAF 27.2 billion. These in turn were subdivided as follows: CFAF 3.2 billion for already initiated projects, CFAF 8.9 billion for new projects, CFAF 3.4 billion for projects financed by suppliers' credits and CFAF 11.6 billion for projects financed on loans.

The Control of Plan Implementation

28. It was mentioned in a previous paragraph (22) that the function of control over plan implementation had been originally assigned to a separate Directorate of Control within the structure of the Ministry of Planning, but that subsequently it had been considered preferable to assign it as part of the current task of each of the two main operational directorates: DPP and the DDI. A special office has the responsibility of coordinating and summarizing the reports of the two Directorates in a single document -- the report on the implementation of the Plan. The first such report was prepared in 1969 on the performance of the first two years of the plan (1967/1968) and submitted to the President of the Republic.

29. The National Accounts provisional figures for 1967 and 1968 reveal some minor deviation from the plan forecasts. Public investment in the same two-year period was about half of what had been originally envisaged for the four-year period and would thus appear almost on schedule, but 25% of actual expenditure was on projects not included in the original program. Moreover, while there had been delays in implementing the investment programs in the social sector, implementation of the administrative infrastructure program had run ahead of schedule.

30. The volume of investment in agriculture and education -- singled out as priorities in the 1967-70 Loi-Plan to catch up with the delays in program implementation experienced during the 1960-66 plan period -- has been near to plan forecasts in agriculture but considerable delays have been experienced in education. One of the many reasons for the difficulties in the latter field was that the General Education Law (Loi-cadre de l'enseignement) foreseen as the basic framework for the educational development of the country and as a complementary tool to the Loi-Plan in the field of education was not ready by the end of 1967 as had originally been expected.

31. The Minister of Planning supervises the progress of the industrial sector through the DDI and the reports on the 1967-68 performance and forecasts of investments indicate a positive trend. The new production units are in fact gradually shifting from the initial stage in which they concentrate on import substitution to fields which are more export-market oriented. The total volume of investment has been satisfactory and the Government, while limiting its own intervention to provide incentives and occasionally participate in capital, has established a method to follow up
the evolution of the industrial sector in order to adjust its policy and direct it towards the goal set by the Plan. To this effect, individual detailed surveys of all enterprises having benefited from special government incentives have been carried out by the DDI. For this purpose, a set of ratios has been established to measure the performance of the enterprises. These include investments, production, employment, Africanization of personnel, value added, exports, various elements of management and finally the present forecasts on the possibility of survival of enterprises after the scheduled withdrawal of government tax incentives.

The Preparation of the New 1971-75 Plan

32. The decree which was approved together with the Loi-Plan in July 1967 giving the procedures for the implementation of the law instructed the Minister of Planning to submit to the Government by June 1968 a draft of the 1971-75 development plan. The draft would include the basic objectives and means of the economic, social and cultural development of the country and would enable the Government to take the basic decisions. The decree created also six National Commissions (agricultural production, industrialization, economic infrastructure, social and cultural development, regionalization and financing) which would contribute to the plan elaboration. Finally the decree established that the elaboration of the 1971-75 plan would include the preparation of regional development programs covering all the territory, and created to this effect a regional development commission in each province presided by the Prefect. This procedure has been followed, step by step, and its aim is to allow the 1971-75 development plan of the nation to be really accepted by all interested categories of citizens through an active participation in the plan elaboration exercise of both central and regional authorities and qualified economic and social representatives.

33. Before the decree of July 1967, the work had started within the Ministry of Planning and a series of preliminary internal meetings and seminars on the methodology and content of the new plan had taken place in May 1966 and February 1967. The objectives and priorities of the plan and its general orientation and policies in the fields of agriculture, industry, education, financing and regional development were determined, followed by a period of intense research on the part of all the staff of the Ministry, and some 40 preliminary reports on all the subjects which would be covered by the final draft were prepared and discussed during an uninterrupted internal seminar of three weeks in February-March 1968. The draft reports, together with the synthesis of the discussion on each of them served then as the basis for a global redrafting exercise which was completed by May 1968 and the document published under the title, "First Outline of the Five-Year Development Plan 1971-75 -- Working Document for the Use of the Planning Commissions" (Premiere Esquisse du Plan Quinquennal de Developpement 1971-75 -- Document de Travail a l'usage des Commissions de Planification). The length (290 pages) and detailed content of this document added to the fact that it had to be printed for practical purposes of distributing it to the numerous commission members should not mislead on the temporary and preliminary nature which the Ivoirian authorities and the Ministry of Planning have attached to this work, which for some of its features might appear as final.
34. An active work of revision has been going on in the part of the National Commissions which started their working sessions in August 1968 and have since been meeting regularly once a week or every fortnight in the form of working parties (2 or 3 for each commission). The standard composition of the commissions includes: (a) a representative from: (i) the public administration sector, (ii) the National Assembly, (iii) the Economic and Social Council, (iv) the trade unions, (v) Chambers of Commerce, Agriculture and Industries; (b) three personalities designated by the President of the Republic in view of their competence in the subject matter of the commission.

35. The secretariat of the working parties and of the commissions has been provided by DED. At the regional level, the work of the seven Regional Development Commissions has started during the first semester of 1969 when each of them had been officially established by the Minister of Planning. The first task which was assigned to them was the examination of regional economic development reports prepared by the SAR technical staff as a draft working document for each region. The exercise envisaged was the revision of each of these documents and their subsequent transmittal to the Ministry of Planning as part of the work on regional development to be included in the 1971-75 plan. The National Commission on regionalization receives the reports by the Regional Development Commission, makes a synthesis of them and sets interregional priorities. The new modified draft of the 1971-75 plan will be submitted to the following bodies for examination and approval: (a) the Party Political Bureau (Bureau Politique du Parti Democratique de Cote d'Ivoire - BDCI), (b) the Council of Ministers, (c) the Economic and Social Council, and (d) the National Assembly. The document should be ready for final publication by December 1970.
III. PRESENT PROBLEMS AND PROSPECTS

A. CREATION OF PROGRAMMING UNITS FOR THE TECHNICAL MINISTRIES

36. Getting planning to be a *modus operandi* of the Ivoirian administration rests, for a good part, on the acceptance of the planning methods by the technical ministries. Up to the present time the offices which function as correspondents in the technical ministries of the Ministries of Planning and Finance were often separate. To put into effect the coordinated procedure of planning and budgeting outlined in the previous paragraphs (26 and 27) it is imperative that these correspondents are unified and given the necessary status within the technical ministry arriving gradually, according to circumstances and possibilities, to the setting up of a programming unit in each ministry. This unit would be made responsible for all the dealings of the ministry on both planning and budgetary aspects of the work of the ministry; it would, therefore, coordinate and control both the preparation and the yearly submission for the recurrent expenditure to the Director of the Budget of the Ministry of Finance and the preparation and submission of the investment projects to the DPP in the Ministry of Planning, for its further possible inclusion in the BSIE.

37. The following steps have already been taken and should receive full support:

i. A special Bureau d'Animation des Programmes (BAP) has been set up under the responsibility of the Ministry of Planning, having as its task the provision of technical assistance and training of personnel of the technical ministries to set up appropriate programming units.

ii. In the Ministry of Planning, the DPP has prepared a detailed methodology, incorporated in a set of forms, which will allow the technical ministries to proceed according to a standardized system in the preparation and submission of their projects. This method has *already* been tested by applying it during 1969 to about fifty different projects in 15 government agencies. Because of the need for the same type of information at various stages of a project's life, the forms have been conceived as multi-purpose and will therefore facilitate not only the preparation and submission of the project but, if approved and financed, the follow-up of the execution and the ex-post evaluation of results.

B. THE PLANNING AND BUDGETARY PROCESS

38. If the Loi-Programme, which has to serve as a basis for the preparation of the BSIE, is delayed in its elaboration and approval, there is a tendency on the part of officials responsible for this budget to do the budget directly in consultation with the technical ministries, but this procedure cuts out the Ministry of Planning from the process. This has partly occurred in the past two years. It seems, however, that as a decree
has been prepared jointly by the Ministries of Planning and Finance, giving
the guidelines for project and budget submissions by the technical ministries,
this problem will be solved in the future. The decree envisaged that at the
first stage the discussion of priorities would take place between the tech­
nical ministries and the Ministry of Planning, leading eventually to the
inclusion of the project in the Loi-Programme. Subsequently, a discussion
between the Ministries of Planning and Finance would be necessary for the
inclusion of the project in the BSIE. The offices in charge of this final
stage are the DPP in the Ministry of Planning and the Directorate of the
BSIE in the Ministry of Finance. Their continuing cooperation is critical
for the smooth functioning of the entire mechanism.

has been a matter of concern for some Ivoirian officials actively engaged
in planning, but this should be considered more a question of improving the
organization of the work and its schedule rather than discussing the validity
of the principle involved. The problem of phasing is in fact very important
as the Loi des Finances, which includes both the current and investment bud­
gets, has to be prepared and approved before the beginning of the new fiscal
year. As regards the current expenditure budget, the country has been quite
fortunate inasmuch as the systematic increase in tax revenue during the
recent years has made it possible to find revenues to meet the expenditures
which were systematically growing as a consequence mainly of the new public
investment. Yet a problem of coordination has been felt, particularly by
the "Direction du Budget" (current) of the Ministry of Finance, as there
has been practically no systematic consultation between it and those respon­
sible for investment in the BSIE Directorate. The new procedure envisaged
by the joint decree of the Ministry of Planning and the Ministry of Finance,
mentioned above, for the preparation and submission of projects by technical
ministries should allow an adequate forecasting of the increase in recurrent
expenditure involved by each non-income earning project. It will therefore
be possible to take this factor into account in the evaluation of priorities
on new investments.

40. Attempts should be made to implement one of the recommendations of an
earlier mission, namely, the introduction of a Budget Review Committee with
the participation of the Director of the Budget, the Director of the BSIE
and the Director of the DPP as permanent members and the representatives of
the technical ministries as temporary members. The creation of this Committee
would be a necessary step in improving the coordination of the medium and
annual investment programs, as well as the implications for recurrent expen­
diture.

C. PLAN IMPLEMENTATION

41. The San Pedro and Kossou projects are creating at the present time
the most important problems in plan implementation and in maintaining its
conformity with the original forecast. The decision to go ahead rapidly
with the execution of these two important projects which were originally
not or only partly included in the plan was taken in 1968. The consequences of
the decision will inevitably be reflected in a notable discrepancy between
the original sectoral allocations of the Loi-Plan and the final report of its implementation which will be issued in 1971. One should recall that one of the projects is for the integrated development of the southwest region of the country centered around the construction of a new port at San Pedro, the other is the construction of a major dam for the production of hydroelectric power in the center of the country at Kossou; in view of the large reservoir which will be extended over an area densely inhabited, a population of some 100,000 will have to be resettled.

42. On the 1969 BSIE, the San Pedro project accounted for 10% and Kossou for 21%. As, on the one hand, there are in the BSIE a number of ongoing projects which are carried over from one year to another (operations engagees) and, on the other hand, there is a desire to avoid an overcommitment of the country's future resources, even if both projects benefit from loans and supplier's credits for their execution, their sheer magnitude is such that they have introduced in the BSIE a considerable rigidity; therefore, the number of new projects (operations nouvelles) which it will be possible to include in the BSIE for the next few years will be rather small.

43. One may conclude that there will be a greater difficulty than in the past to keep program implementation in conformity with the original priorities of the Loi-Plan. The evaluation of the real value of these two big projects for the development of the country will only be possible in the long run. At the present time one can appreciate the risks which were taken, on purely economic consideration, as the returns on these two investments will be slow to come.

44. In the industrial sector, the past record of performance and the stated Ivoirian policies for the future seem to warrant confidence in a successful plan implementation, even if the time span necessary for attaining the stated goals might be longer than at present foreseen. The means for the implementation of the stated policies are now in effect inadequate, namely as regards the availability of local technical and managerial skills and of sector or branch analysis. While the lack of sector studies should be gradually remedied, the present procedure of ad hoc examination by the Government of the merits of each new industrial project, before granting its agreement to it, may be advantageously pursued; it leaves in fact to both the private entrepreneurs - foreign and local - and to the Government, the flexibility which is required for a quick adaptation to a situation which is permanently changing particularly in the international markets.

D. REGIONAL PLANNING*

45. Progress in the way of modifying the present structural disequilibrium in the country can only be expected in the long run, but positive steps have been taken in this direction at both the policy-making and administrative level. The first administrative structures which have now been introduced as part of the planning machinery are in part the outcome of the effort made during the 1962-65 period (see para. 12). To be effective the regional action of the Ministry of Planning should

* In view of the special interest of the Ivoirian experience in the field of regional development, a detailed note on the subject was prepared. It is attached as Annex to this report.
concentrate essentially on the consultative sphere and the difficulty of the SAR activity will be, more than any other, one of maintaining itself in limits which will be acceptable to the other Directorates within the ministry and to the members of the Regional Development Commissions. Yet the SAR, acting as a catalyst in the region -- possibly through good Regional Delegates -- will have to persuade the services to work in a coordinated manner, and at the center it will have to act as a watchdog against policy decision which would be taken by the Government without due consideration of their effects on regional development. In fact even if the Government decides to take specific measures which would benefit the least privileged part of the country, such as the setting up of an important development scheme in one area, this will not have effective and long-run results if at the same time a regional development component is not introduced in the daily implementation of its general development policy. The following specific points should also be taken into account:

(i) Attention should be given to the possibility of making further use of data and information collected in the course of the regional surveys (1962-65), and the Regional Development Commissions may be asked, as part of their current work, to update selected social and economic indicators.

(ii) A special effort should be made on the part of the Ministry of Planning to select and nominate its Regional Delegates, while maintaining the present efficient backstopping of its central services to the Regional Development Commissions.

(iii) In the agricultural sector, advantage should be taken of the present and potential possibilities of enlarging the scope of the activities of the "societes d'intervention" and of coordinating them with those of the Regional Development Commissions.

(iv) In the industrial sector, the revised investment code should have a provision to allow, when economically and technically feasible, the encouragement of the location of new plants in selected localities outside the Abidjan metropolitan area.

(v) In the field of local finances, the feasibility of establishing a Regional Fund for Rural Development and a Special Operation Fund should be examined. The Ministry of Planning has been in fact considering these funds as possible tools for balancing some of the negative effects on the regional development of the presently centralized administrative structures.
IV. CONCLUSION

46. The widespread participation of all responsible citizens throughout the country and at all levels in the elaboration of the development policy of the Government was the basic aim of the new methodology adopted for the 1971-75 plan preparation. It is also part of the new trend in planning brought about in 1966 by the creation of an independent Ministry of Planning and the parallel setting-up of a new administrative structure capable of linking the planning and budgeting systems and setting a mechanism of current control over plan implementation in both the private and public sectors. It is worth noting that more than 3½ years will have elapsed from the beginning of the first internal discussions among the technical staff of the Ministry of Planning in 1967 to the final approval and publication of the plan in 1970 and meanwhile several hundred people will have been involved in the process. The time spent and the number of persons involved are by no means excessive, and the results are encouraging. This is particularly true if one considers planning not as a one-time exercise -- for the preparation of the plan document -- but as a continuous process to improve decision-making for optimizing the use of scarce human and financial resources and the establishment of a suitable machinery for its implementation.
NOTE ON REGIONAL DEVELOPMENT

Surveys, Institutions and Policy Tools

July 31, 1970
A. Introduction

To evaluate the regional development policies adopted by the country, one should bear in mind that over the 322,000 sq. km. of the territory, more than 60 different ethnic groups are living, with a total population of about 4 million. Not only is there a great ethnical diversity throughout the country, but economically also the regional differences are quite significant. While about 70% of the population is active in agriculture, only one-third of the territory is in the potentially rich tropical forest area, the remaining part lying in the relatively poor savanna region. These differences in the agricultural sector become almost negligible when one comes to compare the discrepancies of the per capita income and the quality of life between the urban and the rural sectors and particularly between the Abidjan metropolitan area and the rest of the country.

A question which soon after independence appeared to be crucial for the future unity of the country was the geographical direction of economic development. As in several other neighboring countries, the difference between the northern and southern part of the country is striking in the Ivory Coast. Moreover, to make the newly-established state into a nation, the President had to give to the very numerous ethnic groups a feeling of belonging to a unified system and yet respect their traditional ties to the past and their diversity of origin. While the first priority for the country's economic development was an increase in national income by maximizing returns on investment and therefore investing in the potentially rich southern region, the Ivoirian authorities were conscious that this policy could not be envisaged as valid in the long run as the unity of the country would be endangered by a growing gap between the condition of life in the northern and southern part of the country.

B. Value and Limitations of the Regional Surveys 1962-65

It is in the above-mentioned perspective that the detailed and costly regional surveys, which were initiated by the Ministry of Finance, Economic Affairs and Planning in 1962 and went on till 1965, should be considered. The surveys were not limited either to the collecting of statistical materials (population, agricultural production, family budgets, income, prices, transports, trade, etc.) or to a qualitative sociological and ethnological analyses. The two aspects were integrated and the interdisciplinary teams which surveyed for almost 15 months the area that they were asked to study were composed of planning economists, statisticians, sociologists, agronomists, pedologists and geographers. Ten regions were defined for the purpose of the surveys. These surveys have been a most thorough stock-taking operation of the sociological structure and economic conditions of the country. From the practical and purely operational
viewpoint subsequent unforeseen difficulties arose in the elaboration and synthesis of these studies at the national level and gave occasion to some criticism, namely that the amount of time and money spent on the surveys were not entirely compensated by the information that was finally made available through them. However, the realization of these surveys was a factor which set the foundation for a subsequent policy and may have contributed to the maintaining of the unity of the independent state. Their political and long-term economic significance can now be better appreciated.

C. Regional Development in the 1967-70 Loi-Plan

In the Loi-Plan approved by the National Assembly in July 1967, attention was drawn to the problem of the internal regional disequilibrium of the country by the inclusion of a special annex dedicated to the subject. A quantitative picture was given of the situation as of 1965, presenting a simplified form of national accounts by region and the projected changes for 1970. The data gathered through the regional studies done in the 1962-65 period served as a basis for the 1965 breakdown, while the 1970 forecasts were based on the actions foreseen in the Perspectives Decennales which could be reasonably expected to be implemented during the period.

These actions were essentially in the agro-industrial field (cotton, rice, tobacco, palm oil, cocoa, pineapple, banana, forestry). It was in fact assumed that it would be difficult during the plan period to have a decentralization of industrial development. The figures published revealed that the inhabitants of Abidjan had a per capita income which was 11 times higher than the inhabitant of the North, six times higher than the inhabitant of the center and four times higher than the inhabitant of the South.

The policy stated in the Loi-Plan mentioned explicitly the need to organize the development of the regions to avoid a further deterioration of the present situation and the possible negative social and economic consequences of it. It was stated that no effective results would however be obtained without the active participation of the population concerned. The need was then expressed for measures to be taken with a view to creating new regional institutional structures capable of coordinating the projects and programs implemented in the provinces in the public sector and to mobilize the latent energies in the private sector while also associating the political representatives.

The law proceeded then to create to this effect, at the provincial level under the chairmanship of the Prefect, the new Regional Development Commissions (Commissions de Developpement Regionel - CDR). The Permanent Secretariat of these Commissions would be provided by a Regional Delegate (Delegue Regionel) of the Ministry of Planning. The law also provided that the Regional Development Commissions would be set up gradually starting from the northern part of the country and that two special arrangements would be made for the Abidjan metropolitan area and the southwest region, where the President of the Republic would appoint directly the Chairman of the Commission.
D. The Tools of the Regional Development Policy

(i) Agriculture. In the past, one of the most effective ways of obtaining practical results in stimulating regional development in the less developed center-north region has been to give a wider development responsibility to the semi-public, production-oriented agricultural development corporations which are typical of the Ivorian development system, namely, the CFDT (cotton) and both the SATMACI and the SODERIZ (rice). These corporations, called Societes d'Intervention, had in the past a purely quantitative production-oriented approach to their task. At a further stage they have been requested by the Government to act in the geographical areas where their action is concentrated (which may not coincide with any administrative boundary) as a catalyst and stimulus for the entire agricultural and economic development of the zone. The efficient management record of most of these semi-public agricultural development corporations and positive results obtained encourage the extension of this practice. An appropriate mechanism has to be found to ensure the coordination of their activity with that of the Regional Development Commissions, of which they may become, in some cases, an operational tool for action.

(ii) Industry. The outlook in the regional aspects of the industrial development is quite different. While the country has experienced in recent years a rapid increase in industrial production, only a minor fraction of the new investment and employment has gone outside the Abidjan metropolitan area. The entire system of the external economies of Abidjan versus the diseconomies of the rest of the country, has worked against the more underdeveloped parts of the country, but effects were also felt in the second most important town - Bouake - even if it was provided with good roads and train transportation, the facilities of an industrial zone and abundant labor. While the industrial concentration in Abidjan may have been justified in the past years on economic grounds, it seems that the Government would be contradicting its own stated policy of regional development if, in the course of the revision of the investment code to which it is at present proceeding, a regional policy component would not be appropriately introduced. This would not mean that the Government should indiscriminately encourage the sprawling of uneconomic industries in remote parts of the country, but a provision of the new code should allow, when economically and technically feasible, the direct encouragement of the location of new plants in selected localities outside the Abidjan metropolitan area.

(iii) Local Finance. One of the problems which the Regional Development Commissions have pointed out in the first period of activity has been the lack of local finances and of administrative decentralization and the negative repercussions that this situation has on the solving of local problems, namely in the field of small public investments or recurrent expenditures for maintenance purposes. In response to this need, the Ministry of Planning is now studying a possible solution by establishing a new Regional Fund for Rural Development (Fonds Regional d'Amenagement Rural). The Fund would have three possible sources of finance: local population...
participation (local taxes or work), state participation, foreign aid grants and credits (possibly as a further step). The aim of the Fund would be the financing of small local infrastructure, e.g., water supply, village schools, to which the central government is unable to give the same priority in its overall program as given by the local representatives of the technical ministries and the Prefect at the regional level. The test of the viability of this Fund will probably be done in the eastern region (Abengourou), using as administrative board the Regional Development Commission and acting on selected villages (villages-centre). These villages would be chosen in view of the recognized need to group the greatly dispersed rural population and allow a decreasing per capita cost of providing it with social and economic infrastructure.

Another measure which was under consideration was the possibility of establishing a Special Operations Fund (Credit d'Intervention) to be administered by the Ministry of Planning. This Fund would provide the local authorities with quick financing up to a ceiling of CFAF 500,000 ($2,000 equivalent) to allow them to solve rapidly small local problems which the paucity of resources available to the local rural population and the slowness of the central administration machinery made at present almost insurmountable bottlenecks.

E. Regional Planning 1971-75

During 1969 all the seven Regional Development Commissions were officially inaugurated by the Minister of Planning in person. Because of the difficulties encountered in the recruitment of the appropriate Regional Delegates, only one out of seven was actually appointed in 1969. The secretariat of the commissions remained therefore the responsibility of the staff of the prefecture with a strong backstopping given by the central staff of the Ministry of Planning which has since been travelling constantly to each of the regions.

The Commission's standard composition includes the regional directors of the technical ministries, the local directors of public or semi-public development corporations, a representative of local entrepreneurs and political representatives. They are presided over by the Prefect. For the purpose of the plan elaboration, four sectoral sub-commissions were created in each of them (totalling 28) dealing with agriculture, industry, infrastructure, social and cultural development and a total of 40 working parties have been functioning on specific topics. The standard procedure has been to start by taking, as a basis for discussion for the commissions, the economic draft reports on the region prepared by the Ministry of Planning and then proceed to a complete revision of the document. The original drafts have been prepared on the basis of several sources of information: (a) a set of regionalized data on production targets extracted from the 1971-75 draft plan, (b) the information contained in the 1962-65 regional surveys, (c) sectoral reports prepared by regional directors of the technical ministries, and (d) supplementary information collected on the spot.
The final reports of the commission reflect the production targets of the regions as seen by local representatives and include the practical proposals for projects in the fields of agriculture, industry and infrastructure. Each sectoral subcommission has submitted its report to a plenary commission session and the final general report has been transmitted after discussions to the Ministry of Planning for its study in confrontation with the other reports within the National Commission for Regional Development.

In conclusion, the constant assistance given by the technical staff of the Ministry of Planning to each of the regional commissions, subcommissions and working parties has been instrumental in ensuring the coherence in the final presentation of their work so as to make its use easier at the central level. Yet the important results for the future development of the country are the number of substantial changes to the original drafts by the introduction of information made available by the discussion in depth of each issue at the local level. This has demonstrated the willingness and possibility of active participation by official and private representatives in regional planning.