

**COTE D'IVOIRE - REPUBLIC OF: ENHANCING GOVERNMENT EFFECTIVENESS  
FOR IMPROVED PUBLIC SERVICES (P164302)**

**TECHNICAL ASSESSMENT REPORT**

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**PROGRAM FOR RESULTS (*PforR*)**

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Report prepared by the



**FEBRUARY 2018**

**1. The quality and accessibility of core services in Côte d'Ivoire and corresponding outcomes are underperforming.** Education, completion rates are low, at 63.1% and 35.5% respectively for primary and secondary education respectively. This compares unfavorably to 72.6% and 48.6% for Africa (2015). The low level of completion is a combined result of inadequate access to education and low retention. In 2017, only 15 percent of adults had an account in the formal financial sector excluding mobile accounts, with insufficiency in government usage of transactions accounts which improve transparency and efficiency in managing public finances, and an underdeveloped credit infrastructure, and responsible finance practices and usage of financial services. Finally, in transport the road network quality is poor because of poor planning for maintenance and excessive costs that are attributed to systemic inefficiencies in how new and existing road assets are managed and works contracts implemented. Baseline data from Ministry of Economic Infrastructure estimate that only 30% of the road network is covered by a regular maintenance plan, though the actual percentage is likely to be somewhat lower.

**2. Governance challenges contribute to inadequacies in the delivery of services to citizens.** Public service (access, quality and cost effectiveness) is affected by bottlenecks in public financial management, procurement, transparency and **accountability** for results along service delivery chains, as well as the failure to update and modernize critical service delivery systems and channels such as public procurement and payment systems, inter alia, leveraging ICT and other new technologies.

### **Strategic Relevance of the Program**

**3. The proposed Program is strategically linked to the Government's PFM Reform Strategy 2018-2020, as well as to the National Financial Inclusion Strategy 2019-2024, and the National Development Plan 2016-2020** which seeks to improve the development of human capital and living conditions of Ivorians while accelerating structural transformation of the economy. The four results areas of the program are also well integrated into the government's Economic Governance for Service Delivery Program (EGSDP) which this PforR supports: (i) Strengthening performance-based budgeting and Procurement; (ii) Improved Management of General Education Resources and Services; (iii) Improved Management and Maintenance of the Road Network; and (iv) Increased Access to Financial Services.

**4. The EGSDP draws from a range of strategies to develop a cross-cutting program to address service delivery bottlenecks with the three sectors – financial, education, and roads infrastructure.** The performance-based budgeting and procurement axis will support the operationalization of 4 of the 8 axes of the three-year rolling PFM Reform Strategy (2018-2020). These four areas are: public financial management, financial information systems, treasury and internal controls, as well as public procurement. These cross-cutting reform challenges are being addressed transversally in the program as well as for specific service delivery sectors, notably general education and roads infrastructure, with clear links to more inclusive financial services through streamlined and automated government payment systems. The financial inclusion axis supports the implementation of the recently validated National Financial Inclusion Strategy (2019-2024). The new strategy has five strategic axes: (i) Improvement of access to financial services for vulnerable and excluded groups; (ii) Promotion of Financial Digitalization; (iii) Consumer Protection and Financial Education; (iv) Improving the regulatory framework for financial supervision; and (v) Strengthening the fiscal and policy framework for financial sector inclusion. The

interventions in general education and roads were identified through intensive consultations with the respective counterparts bearing in mind the sector priorities and core service delivery challenges.

### **Technical Soundness of the Program**

**5. The Program is assessed as technically sound as it addresses governance dimensions of key cross-cutting and sector specific service delivery constraints that affect the lives of Ivorian citizens.** The priorities identified under the four results areas, which not exhaustive, were jointly identified by the client based on their potential to create change management and forward momentum in service delivery.

#### ***Performance-based Budgeting and Procurement:***

**6. This result area aims to removal of major PFM and procurement bottlenecks along the delivery chain of basic services for the citizens.** It includes the application of robust and realistic planning procedures, the establishment of effective systems for budget preparation and implementation, strengthening the management systems within public entities to improve the efficiency and effectiveness in the use of available financial resources, as well as monitoring and evaluation systems to support the management and provide feedback information to improve service delivery to the citizens. There are two main sub-axes: (i) Performance-based budgeting; (i) Modernization of Procurement.

**7. Performance-based budgeting.** The general objective of this sub-axis is to ensure the effective implementation of the results-based budgetary reform from 2020 onwards, particularly in the planning, programming, budgeting and monitoring-evaluation phases. The legal and institutional framework is already in place with the transposition of the WAEMU guidelines into the national legislation. Two organic laws have been passed, the Finance Law and the Transparency Code, and implementing decrees (4). And as of August 3, 2016, Decree No. 2016-589 is also in force, providing the institutional monitoring framework for the implementation of the 2016-2020 National Development Plan. The Multiannual Budgetary and Economic Programming Document (DPBEP) and the Multiannual Programming Documents of Annual Project Expenditure Performance (DPPD-PAP) are produced regularly for purposes of information. The deconcentration and digitization of the national planning, monitoring -evaluation system (SYNAPSE) and the investment project selection process to be included in the Public Investment Program (PIP) have paved the way for capacity strengthening of stakeholders in the Planning/Programming/Budgeting and Monitoring/Evaluation chain.

**8. The major result expected is the budget preparation and implementation in program mode and deconcentration of the authorization in the sector ministries to operationalize the results-based management.** This result will be **concretized** through the presentation of the 2020 Draft Finance Law executable according to the format prescribed by the organic law on the Finance Law (LOLF) passed by the National Assembly in December 2013.

**9. Modernization of Public Procurement:** The objective is to redirect the role of contract awards to performance and delivery of basic services to the citizens. The program is intended to ensure that the function of contract awards is properly integrated into the budgetary implementation process with a greater focus on the attainment of results and the speedy handling of procurement files. The ineffectiveness of the regulatory texts and procurement control entities is often cited as a major source

of delays in awarding contracts and of bottlenecks in budgetary execution. Procedures have not yet been adapted to the new economic environment of emerging CI.

**10. Weak governance and transparency in the application of procedures are cited as a primary cause of inefficiency in the system, including the unnecessary use of exceptions as a default in the implementation of procurement procedures.** Indeed, the 2015 audit of procurements by the ANRMP showed that 62% of a sample of 195 contracts awarded over the period were irregular. Then, out of the 62%, 45% should have resulted in the annulment of the contracts, if the case had been disputed and brought before the ANRMP. It is only 30% of the sample reviewed which were awarded according to the required standards. The audit further reveals that most of the State enterprises did not comply with the contract procedures with many of them attaining the 100% mark for irregularities. The program supports the regulatory authorities and contracting authorities to introduce modern procurement tools such as standardized contracts and e-procurement, to strengthen the transparency and efficiency of the system and minimize delays that ultimately affect service delivery.

**11.** Expected Results are the following : (i) the signing of multi-year contracts for the acquisition of school kits and textbooks and road maintenance; (ii) the conclusion of framework-agreements for the management of emergency situations in the area of road maintenance; (iii) the popularization of the implementation of e-contracts in all the ministries; (iv) the adoption of a new procurement code incorporating provisions for the use of an electronic system for procurements and multi-year contracts and framework-agreements; (v) monitoring of deadlines for procurements and the establishment of a warning system on the performance of the contracting authorities.

***Financial Inclusion:***

**12.** This results area aims to bring the unbanked into the formal financial sector by promoting the use of electronic payments, increasing consumer confidence in financial services, and strengthening credit information reporting and commercial justice services. There are three main sub-axes: (i) Improving the Financial Infrastructure; (ii) Digitalization of government payments; and (iii) Establishing a Financial Services Observatory.

**13. Financial Infrastructure.** The objectives of this sub-axe are to: (i) the strengthen the RCCM to enhance the e-TribCom platform which manages the collateral registry and other important services to SMEs; and (ii) improve the performance of the commercial court system in the provision of commercial justice services through the integrated RCCM system. Ongoing FCI advisory services project on secured transactions and collateral registry will inform the financial infrastructure sub-axis and provide supervisory capacity to help the relevant agencies deliver on the sub-axis results. Specifically, the advisory service project will focus on developing the blue print for the integrated RCCM system; since the e-TribCom platform covers other services, the design of a new system must be comprehensive and address the performance gaps across all applications (e.g. case management, commercial registry). The program will then support the development and implementation of the solution based on the Advisory Services project recommendation (secured transactions) and in line with the OHADA. In parallel, an MTI advisory service project will focus on improving the legal and regulatory framework for contract enforcement in line with the OHADA and efficacy requirements, and on building the capacity of the key stakeholders in providing commercial justice services.

**14.** Expected Results are the following: (i) the implementation of an integrated RCCM system which includes a link to the case management system; and (ii) the digitization of all the RCCM related archives. iv) RCCM users are well informed about the RCCM and the services it offers.

**15. Digitalization of government payments.** The objective of this sub-axis is to support the authorities in switching from cash and paper-based payments to electronic payments mechanisms for government transactions. At present while the Government of Côte d'Ivoire has already undergone some digitalization efforts, some payments streams (P2G, G2P, and B2G) are still heavily cash based (examples include: payments in the public hospitals or payment of salaries by the Ministry of Education for employees who are not official civil servants). Of 240,00 essential public servants in Côte d'Ivoire, only those in major urban centers such as Abidjan and Yamoussoukro receive their salaries through direct deposit to banks. Most others, especially those based in rural areas need to go to the regional treasury office to withdraw their salaries. Of more than 650,000 eligible pensioners in the country, only 12% receive their pensions by deposit/transfers, and for the rest, the procedures to access pensions including re-identification can be very cumbersome. Of approximately 475,000 registered tax payers including 400,000 property tax payers, procedures for payment of taxes are complex and most tax payments are made by check or cash.

**16.** The design of the digitalization of government payments is informed by the government payments diagnostic supported under the FIRST trust fund. The program will support the digitalization of selected payments streams in general education, and roads infrastructure, as well as for taxpayers and SMEs. The Tax Department (Direction Générale des Impôts – DGI) has been identified as a potential partner to implement P2G electronic payments in the short-term. With committed leadership, the DGI has prepared a strategy to digitalize the payment of taxes and is in the process of introducing a web-based application for the large contributors to file their returns and pay their taxes.

**17.** The major result expected is that payments of three streams made by digital means will have increased by 30% by the end of the project: (i) payment of local taxes, (ii) payment of student bursaries, and (iii) payment of mission fees of civil servants and other state employees.

**18. Consumer protection.** The objective of this sub-axis is to establish an Observatory to make financial services transparent, safe, and efficient to use. Rapid innovation in financial services (e.g. digital financial services) and delivery channels (e.g. via agents) can bring risks to consumers, particularly those with low levels of financial capability who often do not fully understand the products they use or the rules of the relationship with a formal financial service provider. The Observatory will promote transparency of financial services and redress mechanisms, to enhance the confidence of these new consumers in the financial system and ensure that consumers understand products and services offered in the market. Support provided through World Bank trust funds on financial sector reform (FIRST TF) and financial inclusion support framework (FISF TF) informs the consumer protection sub-axis and provides supervisory capacity to relevant counterparts to deliver on sub-axis results.

**19. Through World Bank project support the authorities set up the legal framework for establishing the Observatory.** The Observatory was officially created by National Decree in December 2016. To render the Observatory operational the authorities will receive support through the investment project financing

(IPF) component and through the program for results component. The IPF component of the project will support investment in IT systems and software for the Observatory's website, call center, the tracking of the complaints, the mediation, and the comparator of products and services as well costs associated for equipping the Observatory and a capacity building and training program. In contrast, the program component will support the authorities to: (i) publish annual report on financial institutions' quality of services; (ii) multi-stakeholder consultation group to build trust between financial institutions and consumers; and (iii) design and rollout national financial education campaigns about quality financial services. The GoC's general budget will cover the ongoing staff costs of the Observatory. The major result expected is to have a fully operational Observatory by end of the project.

### ***General Education:***

**20. There PforR addresses two of the significant challenges in terms of equity and access to General Education, which directly impact students: (i) the availability of textbooks for primary school aged students (classes CP1 to CM2), and (ii) the effectiveness of the public subsidies provided to private schools to receive students in local secondary school.** Availability of Textbooks: For primary school students, in classes CP1-CP2 an average of 61% receive the required texts at beginning of the school year. Distribution and availability is highly variable across regions, with some having excess supply, though overall average availability is about low. In regions affected by serious shortages of text books parents in high to middle income households can purchase textbooks privately, however this option is not usually available to students and parents from poorer households. Hence, the uneven distribution of textbooks, and resulting shortages creates significant equity and access issues that affect learning outcomes. The PforR will proactively work to improve the availability of the basic reading and mathematics text books for primary school aged children in CP1 and CP2 to about 90%.

**21. The program will support the conduct of a technical audit through the IPF component** as well as the development of a program of actions to implement the key findings and recommendations and achieve near universal coverage of primary school age students with required text books. The technical audit will supplement important knowledge gaps in the factors underpinning the uneven distribution and chronic shortages of texts, which range from procurement challenges, inadequacies in budgeting and planning, as well as other inefficiencies in the production, distribution, and supply chain. The technical audit will serve as the foundation for the reform of primary school textbook provision and is a priority for the Ministry of Education.

**22.** Due to serious capacity constraints in public schools, the Government of CI, as a matter of public policy assigns up to 43% of students that have successfully completed primary school to private schools. GoCI subsidy covers the enrollment fees (tuition) of students assigned, and parents are expected to cover any additional costs. Priority placement in public schools is done based on the test scores that students receive on the primary school examinations. Once the available public places are filled, the remaining students (43%) are assigned to private schools.

**23.** The P4R will help parents to select schools that fit their preference and affordability. In addition, the government has established a performance-based classification of private schools, to eliminate non-performing schools in the program which creates some equity and transparency by allowing the parents to choose well-performing schools irrespective of household income levels.

**24.** Subsidies private school placements, are expensive, accounting for 43% of the secondary education budget. Control the issue of drop outs, by being able to monitor actual participation rates and provide remedial actions.

***Road Infrastructure:***

**25.** **The quality of roads infrastructure remains low tied to major insufficiencies in the management and strategic roads network.** This increases the financial and time costs of transportation for citizens and business as it is a critical service whose quality and accessibility affects their daily personal and professional lives.

**26.** **Estimates provided by the Ministry of Infrastructure and Road Maintenance and AGEROUTE indicate that almost 100% of works contracts (new and rehabilitation) exceed both the originally contracted time and budget.** This trend is observed in externally financed as well as contracts executed entirely with the public budget which are executed by the government.

**27.** Analysis of the sector conducted in the context of developing the government program as well as the Program and result area 3, indicate that one of the underlying reasons for the low road quality is the weakness in enforcement of the provisions of works contracts and a failure, linked to lack of tools to hold service providers accountability for performance in the execution of works.

**28.** **The government lacks the systems, tools, and information needed to verify the qualifications and objectively assess the previous performance of contractors.** There is no common platform of information that can be used as the basis to classify contractors. Such information would be a helpful input into the work of the Contract Awards Evaluation Committee where are made up of a combination of technical and non-technical members, drawn from across the relevant structures of government such as MEF and DMP (as stipulated by the procurement code).

**29.** Therefore, result area 3 will support the government to will put in place a mechanism to evaluate performance to improve the planning and contract management of works and maintenance contracts at all stages (procurement and contract management during implementation) road infrastructure.

**30.** The operation will support (i) the design and implementation of a performance monitoring tool that will be used to monitor the timeliness and quality of works executed by companies awarded public road works contracts and the publication of the results. This tool will also feed into decision making on the award of future works contracts. Aspects to be captured by the performance monitoring tool will include (i) the quality and implementation costs (by accounting for market riders); (ii) timelines and (iii) environmental and social performance (HSE). This tool will thus make it possible to develop a classification of companies, a necessary element for better governance of the sector and in parallel by evaluating the performance of SMEs to build a program to support the upgrading of these SMEs.

**Institutional arrangements**

**31.** The Program will be implemented by the following entities: MEF, MENET-FP, AGEROUTE, DMP, and TCA. The MEF will play the coordinating role in close collaboration with the lead technical teams of

each of the entities responsible for a specific axis or sub-axis of the Program. For this purpose, a small and specialized Program coordination team will be housed in the MEF to facilitate the implementation of the program. MEF will also have a dedicated lead technical team responsible for the implementation of the Enhancing Financial Sector Inclusion axis. This team will come from the Programme de Développement du Secteur Financier (PDESFI) and Commercial Court of Abidjan and it will have a similar relationship to the Coordination Unit as other technical teams across the government.

**32.** A Strategic Steering Committee (Comité de pilotage stratégique, CPS) will be established to oversee implementation and ensure coordination across the multiple institutional actors involved in the operation. It will meet periodically to review progress and provide strategic guidance and support with respect to priorities and resources. The STC will be Chaired by the MEF and membership will be drawn from the senior leadership of the implementing agencies and will provide important strategic complementarity to the day to day work of the technical teams and coordinating unit. Roles and responsibilities are outlined in the Technical Assessment. The CPS will meet semi-annually.

**33.** A Technical Committee will also be created, with responsibility for regular coordination across institutional actors and will meet monthly to review progress and address cross-cutting implementation challenges. It will comprise the focal points for the DLIs and Results Areas nominated by the relevant institutional actors (MEF, MENET-FP, AGEROUTE, DMP, ARMP, Commercial Court of Abidjan). The TC will convene quarterly.

**34.** The Technical Secretariat (Secretariat Technique-- ST) within MEF will serve as the Secretariat of the CPS and the Technical Committee (Comité Technique --CT) and will also directly implement the IPF Component (see Annex 8). Specifically, the ST will facilitate work closely with the CT to ensure that for each sector the planned activities, outputs, and results, elaborated and estimated costs elaborated in the Government program are reflected in the national budget on an annual basis. The ST will also be responsible for monitoring the status of the implementation of DLIs, PDO and intermediate results indicators, and reporting on these to the CPS, and the Association. The ST will also mobilize just in time TA, including any capacity building, and training, and workshops as may be needed to facilitate implementation of activities which contribute to the achievement of DLIs. The ST will also support and follow the implementation of the government's Program Action Plan (PAP).

**35.** Activities under the IPF component related to specific results areas will be implemented by the teams from the institutional actors that comprise the Technical Committee as summarized below, with support from the Technical Secretariat:

- a. MENET-FP will lead the implementation of DLIs 3 and 4 in the general education sector (effectiveness of school subsidies, and availability of text books), and will also be responsible for the implementation of the technical audit of the textbook implementation and supply chain under the IPF component. The two lead directorates will be the Directorate of Private Schools and the Directorate of Strategic Planning and Statistics.
- b. AGEROUTE will lead the implementation of DLI 5, the roads management tools as well as the preparation of the road costs benchmarking study under the IPF component.

- c. DMP will be responsible for DLI 2 on modernization of public procurement and introduction of e-procurement to the whole of government.
- d. The commercial court of Abidjan will be responsible for activities of the implementation of the National Credit Registry (RCCM).
- e. The Financial Services Observatory will implement operationalization as well as the implementation of the required IT systems under the IPF component.
- f. The Agency for the promotion of Financial Inclusion (APIF) will provide overall coordination between PDEFISI, financial sector development program of MEF, the Observatory, and the TCA for the financial sector inclusion results area.
- g. The Ministry of Budget will lead the activities related to the DLI1, implementation of a fully functional program budget, and will be accountable for implementation of the budget program from 2020 onwards.
- 36.** An independent verification agent (IVA) will be appointed by the Government to validate the achievement of the DLIs. The government will appoint the IVA within three months of the effectiveness date.

### **Assessment of the Program Expenditure Framework**

**Table : Budget for the Program of Expenditures by Results Areas**

<b>Program of Expenditures (2018–2023)</b>	<b>Total (US\$, millions)</b>	<b>2018/ 2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Budget by Results Area</b>						
<b>Program Budgeting and Procurement</b>	<b>42.0</b>	=	=	=	=	=
• <b><i>Program Budgeting - DGBF</i></b>	<b>27.0</b>	=	=	=	=	=
○ <b><i>Introduction of Program Budgeting (Prior Result)</i></b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
○ <b><i>Integrated Treasury and Budget Management Information System</i></b>	<b>17.0</b>	<b>4.0</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>2.5</b>
• <b><i>Procurement Modernization) - DMP</i></b>	<b>15.0</b>	=	=	=	=	=
○ <b><i>E-procurement in 40 ministries (Phase 1)</i></b>	<b>15.0</b>	<b>3.0</b>	<b>3.0</b>	<b>4.0</b>	<b>3.0</b>	<b>2.0</b>
<b>General Education Management - MENET-FP</b>	<b>25.0</b>	=	=	=	=	=
• <b><i>Effectiveness of Private School Subsidies</i></b>	<b>10.0</b>	=	=	=	=	=
○ <b><i>System of Electronic Monitoring of Subsidized Students</i></b>	<b>10.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
• <b><i>Availability of Primary School Textbooks</i></b>	<b>15.0</b>	=	=	=	=	=
○ <b><i>Implementation of Action Plan for Technical Audit</i></b>	<b>9.0</b>	<b>3.0</b>	<b>2.0</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>
○ <b><i>Supplemental Budgeting for Primary Textbooks</i></b>	<b>6.0</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Road Infrastructure Management - AGEROUTE</b>	<b>30.0</b>	=	=	=	=	=
• <b><i>Online Performance Management Tool</i></b>	<b>15.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
• <b><i>Implementation of Contractor Performance Classification</i></b>	<b>5.0</b>	<b>0.0</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
• <b><i>Capacity Building for Works Contractors</i></b>	<b>10.0</b>	<b>0.0</b>	<b>4.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>Financial Inclusion - MEF</b>	<b>25.0</b>	=	=	=	=	=
• <b><i>Digitization of Government Payments</i></b>	<b>25.0</b>	<b>6.0</b>	<b>7.0</b>	<b>3.0</b>	<b>5.0</b>	<b>4.0</b>
<b>TOTAL</b>	<b>122.0</b>	=	=	=	=	=

37. The table above shows the indicative budget for the implementation of the Program over the five-year period. While the overall estimated government program EGDSP is much larger, estimated at US\$ 194 million, the expenditure framework only incorporates the strategic axes/sub-axes and associated budget lines required to implement the Program.

38. To ensure that the Program activities can be executed effectively, the annual budget appropriations approved by the National Assembly will need to incorporate the Program expenditures. All program resources need to be reflected in the budget ceiling and annual budget estimates of MEF for 2019 onwards. MEF will work closely with the Ministry of Budget to secure the required allocations.

**Table 2: Budget Codes for Eligible Expenditure Programs**

Eligible Expenditure Programs (EEP)	Budget Codes					Corresponding DLI
	Section	Title	Chapter	Sub-chapter	Location	
	02	02	121	5902	01	DLI 1
	10	02	132	5915	01	
	06	02	312	5909	01	
	12	02	324	4609	01	
	12	02	324	5301	01	
	12	02	318	4502	01	
	12	03	324	9701	90	
	30	03	312	9201	01	
	30	03	312	9204	01	
	30	03	321	9902	01	
	30	03	321	9202	01	
	30	03	332	9203	01	
	30	03	332	9505	01	
	30	03	332	9506	01	
	30	03	336	9502	01	
	21	02	711	4505	01	DLI 2
	30	02	335	2501	01	
	30	02	335	2602	01	
	30	02	335	2603	01	
	30	03	335	9202	01	
	30	03	335	9802	01	
	02	02	335	5901	01	DLI 3
	22	02	413	4603		
	22	02	431	1401		DLI 4
	22	02	421	4504		
	21	xx	773	5304	01	DLI 5
	12	02	329	5901	01	DLI 6

## Economic Evaluation of the Program

**39. The program is expected to have significant economic benefits for Cote d'Ivoire due to the important improvements in the effectiveness of budgeting and resources allocation, improvements in effectiveness of sector resource allocation, increased value for money, and minimization of the access cost for critical services including finance.** However, direct attribution of economic and financial benefits of the cross-cutting PFM reforms and discreet sector interventions is difficult because outcomes are significantly affected by external factors.

**40.** The effective implementation of performance-based budgeting will improve strategic resource allocation, including in priority sectors and enhance allocative efficiency of the government budgeting system. The combination of shifting the budgetary approach from inputs to outcomes, and the establishment of a new performance evaluation system to properly assess results of public policies and outcomes, through key performance indicators and annual reports, will strengthen the results-orientation of the budgetary process and this information will feed into the prioritization of future budgets. By supporting the linkage of the performance indicators and M&E framework to the PIP, the program will help to maximize the alignment of budgeting to achievement of priority national development objectives. This performance-based approach to budgeting achieves added importance in the context of the ongoing fiscal consolidation which is expected to continue to meet the WAEMU fiscal deficit norm of 3 percent of GDP in 2019. It will also be important if CI is to sustain this deficit norm beyond 2019 while at the same time continuing to enhance quality and accessibility of services for citizens.

**41.** The proposed procurement results supported under the program will contribute to enhancing the economy and efficiency with which public investments are executed. Modernization of procurement tools through introduction of new standard contract types that can be deployed flexibly in priority sectors (framework agreements and multi-year contracts) will help the government to achieve both time and financial savings by streamlining more routine procurement of goods and services. Currently, the current average procurement period is 198 days, a difference of 138 days compared to the 60 days envisioned for most public procurement and anticipated by the procurement code. Professionalization of the procurement units in sector ministries, which though operational are underperforming, as well as the introduction for e-procurement for the submission and review of bids, is expected to significantly speed up the procurement process, by reducing the error rate in procurement documentation and review delays, and facilitate tracking of procurement dossiers along throughout the review process and the production of a performance monthly report of the procurement system. This will help to reduce the average time and improve cost effectiveness of procured items, while also improving transparency and accountability of the procurement process.

**42.** The proposed sector specific interventions in general education sector will significantly improve the effectiveness of resource allocation to critical interventions in the sector. In primary education, only 38% of students receive the required free textbooks for reading and mathematics at the beginning of the school year. Distribution across regions is highly unequal; while there is an overall shortage of supply, some regions receive a surplus. Understanding the source of scarcity and inefficiently will help the sector put in place the appropriate budgeting, procurement, and delivery systems, and thereby achieve increase the textbook availability, which is an important input for learning.

**43.** In the secondary school subsector, due to serious capacity constraints in public schools, the government assigns 43% of students that have successfully completed primary school to private schools through subsidized placements. However, there are important questions around the effectiveness of these subsidies. The program will support the government to put in the required monitoring systems to track students and thereby be better able to assess the quality of targeting, student participation rates, and the overall effectiveness of the allocation of subsidies. Given the share of the budget that is allocated to subsidized private places, improving the effectiveness of the subsidies is expected to have high financial pay-off for the sector.

**44.** This project will address performance issues which have led to major inefficiencies in the management of the strategic roads network. These inefficiencies increase the financial and time costs of transportation for citizens. And importantly, it significantly increases the unit cost of road provision to the budget which are linked to poor performing contractors, and major cost and time overruns in the execution of road works. Improving the transparency of contract management in the sector and strengthening the performance management will help to reduce non-performance, and corruption in the sector and lead to enhanced value for money and savings in the sector which accounts for about 10% of the budget and 6.6% of GDP.

**45.** The digitization of payments under the access to finance result area is expected to simplify and streamline payments including property taxes due to the use of electronic/online systems for the payment of property taxes and other taxes. For the about 475,000 registered tax payers, including 400,000 property tax payers, payment procedures are complex, and most tax payments are made by check or cash. This reform is expected to increase domestic revenue mobilization by facilitating ease of payments and thereby increasing tax compliance.

**46.** Digitization of salaries and pensions and other payments to citizens is also expected to enhance the efficiency of payment systems and ultimately reduce transactions costs for citizens and government. Of 240,000 public servants in Côte d'Ivoire, only those in major urban centers, such as Abidjan and Yamoussoukro receive their salaries through direct deposit to banks. Also, of more than 650,000 eligible pensioners in the country, only 12% receive their pensions by deposit/transfers, and for the rest, the procedures. Digitization of the main payment streams, government to persons (G2P) and person to government (P2G) is needed to strengthen the sector. The PforR will support the digitization of three payment streams: (i) payment of local taxes, (ii) payment of student bursaries, and (iii) payment of mission fees of civil servants and other state employees.

**47. Persistent weaknesses in the credit infrastructure continue to limit MSME lending and create delays in the implementation of the insolvency framework.** According to fiscal authorities, Cote D'Ivoire has around 60,000 SMEs (defined as having fewer than 200 employees and revenue under FCFA 1billion), which does not include the informal sector where as many as 90% of Ivorians work. The SME contribution to GDP is estimated at 12% and improved access to finance is a critical constraint to the growth of MSMEs in both urban and rural areas and can have immediate benefits for poverty reduction by helping absorb the growing unemployed and underemployed labor force. The Global Competitiveness Index of 2015-2016 highlights access to finance as the single most significant obstacle for doing business in Cote D'Ivoire.